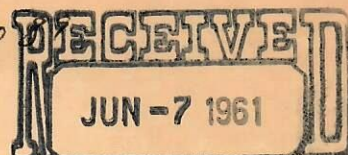


DESIGNATION OF CONSOLIDATED GAS UNIT



KNOW ALL MEN BY THESE PRESENTS:

That the undersigned FRANKFORT OIL COMPANY, Joseph E. Seagram & Sons, Inc. (hereinafter referred to as Lessee), is the owner and holder of that certain oil and gas lease dated September 30, 1952 executed by P. K. Franzman, as Lessor, recorded October 22, 1952 in Book 225 at Page 511 of the records of Bent County, Colorado, said lease covering the following described lands located in said county and state, to wit:

T. 21 S., R. 48 W.

Sec. 9: SE $\frac{1}{4}$

and

That Lessee is also the owner and holder of that certain State of Colorado oil and gas lease bearing Serial No. 61/6069 dated January 2, 1961 covering the following described land located in Bent County, Colorado, to wit:

T. 21 S., R. 48 W.

Sec. 9: NE $\frac{1}{4}$, SW $\frac{1}{4}$

and

That Lessee has drilled and completed heretofore a gas well located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Sec. 9 being lands included within the said state oil and gas lease above described; and

That pursuant to the provisions of Paragraph 9 of the said Franzman oil and gas lease above described, Lessee is desirous of designating the establishment of a consolidated gas leasehold estate comprising the entire 640 acres in said Sec. 9 in accordance with the right and privilege granted to Lessee under the terms of the said Franzman lease.

NOW THEREFORE, in consideration of the premises and of the mutual benefits to be derived, Lessee does hereby, effective as of 7:00 a. m. December 29, 1960, consolidate, pool and combine the said oil and gas leases and lands above described as to the gas therein and the gas rights thereunder so that the same shall form a single gas unit, and so that the gas leasehold rights and estates shall be owned, developed, managed and operated for the production of gas from said lands as if covered by and included in a single oil and gas mineral lease executed by all of the Lessors named in said leases above described, and their successors and assigns, said consolidated gas leasehold estate to thus comprise the entire Sec. 9, T. 21 S., R. 48 W.; and all royalties which shall accrue from and after said date on gas (excluding casinghead gas produced from an oil well), produced and marketed from the said consolidated or pooled gas leasehold estates and the said well hereinbefore referred to, shall be prorated and paid to the lessors of the two above-described oil and gas leases comprising the said unit in the same proportion that the acreage of each of said Lessors bears to the total acreage of the said unit, and the said producing gas well shall operate to continue the oil and gas leasehold estates of said oil and gas leases so long as gas is produced therefrom, or can be produced therefrom.

Nothing herein contained shall be construed to operate as a consolidation or pooling of the oil or casinghead gas produced from any oil well located on the said Sec. 9, T. 21 S., R. 48 W.

IN WITNESS WHEREOF, the undersigned Lessee has executed this instrument this 23 day of March, 1961 in multiple copies,

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AVAILABLE

SCANNED

each copy for all purposes being deemed an original.

ATTEST:

By K. as to:

Treasurer

Legal

Land

Production

Accounting

Secretary

FRANKFORT OIL COMPANY, a division of
Joseph E. Seagram & Sons, Inc.

By

Attorney-in-Fact

Secretary

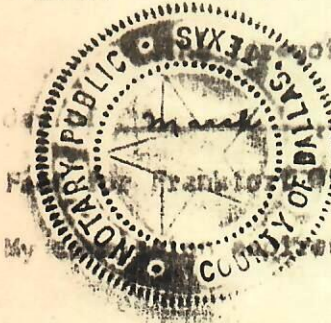
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ORIGINAL ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF DALLAS

ss



Following instrument was acknowledged before me this 27

day of June, A. D. 1961, by CARROL M. BENNETT, Attorney-in-

fact for Frankfort Oil Co., a Division of Joseph E. Seagram & Sons, Inc.

My commission expires June 1, 1961

Thos. M. Jones
Notary Public

Handwritten notes and signatures in the bottom right corner, including the word "RECEIVED" and some illegible text.

RECEIVED
FRANKFORT OIL CO.
APR 10 1961