DEC 4 1987 11Am 4
P-2
5.00

When recorded return to:)
United States of America)
c/o William J. Ruddick)
United States of Interior)0)
Bureau of Land Management
2015 W. Deer Valley Rd.
Phoenix, Az.85027
Escrow #75005428
Policy #F-830287

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS: that Talley Realty Development, Inc., a Delaware corporation, Grantor herein, for and in consideration of the exchange of certain land and interests as authorized by the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), the receipt and sufficiency of which are hereby acknowledged, does hereby convey to the UNITED STATES OF AMERICA, its successors and assigns forever, Grantee herein, that certain real property located in the County of Cochise, State of Arizona, described in Exhibit "A" attached hereto and incorporated herein by this reference together with all rights and privileges appurtenant thereto.

TO HAVE AND TO HOLD the same unto the Grantee, its successors and assigns to warrant and defend the title as against all persons whomsoever.

SUBJECT TO those items set forth in Exhibit "B" attached hereto and made a part hereof.

IN WITNESS WHEREOF, this Warranty Deed has been executed this 2nd day of December, 1987.

TALLEY REALTY DEVELOPMENT, INC.,
a Delaware corporation

EXEMPT PER ARS 42-1614 A3

By
Its VP

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this 2ND day of DECEMBER, 1987, by SCOTT H. O'CONNOR, the VICE PRESIDENT of Talley Realty Development, Inc., a Delaware corporation.

Notary Public

My Commission Expires:
May 18, 1991

OFFICIAL SEAL
LINDA S. LEROY
Notary Public — State of Arizona
MARICOPA COUNTY
My Comm. Expires May 18, 1991

A-22792
Title Accepted: 03-25-88

871229753

USSPRNCA00614

EXHIBIT 'A'

PARCEL I:

THAT PORTION OF SECTION 17, TOWNSHIP 24 SOUTH, RANGE 22 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCHISE COUNTY, ARIZONA, LYING NORTHWESTERLY OF THE SAN PEDRO RIVER AS IT RAN ON FEBRUARY 23, 1982.

EXCEPT THE FOLLOWING DESCRIBED PARCEL OF LAND:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 17;
THENCE SOUTH ALONG THE WEST SECTION LINE OF SAID SECTION 17, A DISTANCE OF 1,510.00 FEET;
THENCE EAST, A DISTANCE OF 460.00 FEET;
THENCE NORTH, A DISTANCE OF 610.00 FEET;
THENCE EAST, A DISTANCE OF 200.00 FEET;
THENCE NORTH, A DISTANCE OF 900.00 FEET TO THE NORTH LINE OF SAID SECTION 17;
THENCE WEST, A DISTANCE OF 660.00 FEET TO THE POINT OF BEGINNING.

PARCEL II:

THE SOUTHEAST QUARTER AND THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 24 SOUTH, RANGE 22 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCHISE COUNTY, ARIZONA, LYING NORTH AND WEST OF THE SAN PEDRO RIVER, AS IT RAN ON FEBRUARY 23, 1982.

PARCEL III:

ALL OF LOT 3 AND ANY PORTION OF LOT 2 OF SECTION 19, TOWNSHIP 24 SOUTH, RANGE 22 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCHISE COUNTY, ARIZONA, LYING WEST OF THE SAN PEDRO RIVER, AS IT RAN ON FEBRUARY 23, 1982.

FEE # 871229753
OFFICIAL RECORDS
COCHISE COUNTY
DATE HOUR
12/04/87 11
REQUEST OF
TICOR TITLE INSURANCE CO
CHRISTINE RHODES-RECORDER
FEE : 10.00 PAGES : 5

A-22792
Title Accepted: 03-25-88

871229753

EXHIBIT "B"

SCHEDULE B - EXCEPTIONS

1. RESERVATIONS, EXCEPTIONS AND PROVISIONS CONTAINED IN THE PATENT TO THE PROPERTY DESCRIBED HEREIN FROM THE UNITED STATES OF AMERICA, RECORDED IN BOOK 25 OF DEEDS OF REAL ESTATE AT PAGE 101, READING AS FOLLOWS:

   THERE IS RESERVED FROM THE LANDS HEREBY GRANTED A RIGHT OF WAY THEREON FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES.

   (AFFECTS THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 17; THE SOUTHEAST QUARTER; AND THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 18).

2. RESERVATIONS, EXCEPTIONS AND PROVISIONS CONTAINED IN THE PATENT TO THE PROPERTY DESCRIBED HEREIN FROM THE UNITED STATES OF AMERICA, RECORDED IN DEEDS OF REAL ESTATE BOOK 25 AT PAGE 104, READING AS FOLLOWS:

   THERE IS RESERVED FROM THE LANDS HEREBY GRANTED A RIGHT OF WAY THEREON FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES.

   (AFFECTS LOTS 2 AND 3 OF SECTION 19).

3. RESERVATIONS, EXCEPTIONS AND PROVISIONS CONTAINED IN THE PATENT TO THE PROPERTY DESCRIBED HEREIN FROM THE UNITED STATES OF AMERICA, RECORDED IN BOOK 50 OF DEEDS OF REAL ESTATE AT PAGE 366, READING AS FOLLOWS:

   THERE IS RESERVED FROM THE LANDS HEREBY GRANTED A RIGHT OF WAY THEREON FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES.

   (AFFECTS THE NORTH HALF OF SECTION 17).

4. RESERVATIONS, EXCEPTIONS AND PROVISIONS CONTAINED IN THE PATENT TO THE PROPERTY DESCRIBED HEREIN FROM THE UNITED STATES OF AMERICA, RECORDED IN DEEDS OF REAL ESTATE BOOK 56 AT PAGE 181, READING AS FOLLOWS:

A-22792
Title Accepted: 03-25-88

871229753

CONTINUED

SUBJECT TO ANY VESTED AND ACCRUED WATER RIGHTS FOR MINING, AGRICULTURAL, MANUFACTURING, OR OTHER PURPOSES, AND RIGHTS TO DITCHES AND RESERVOIRS USED IN CONNECTION WITH SUCH WATER RIGHTS, AS MAY BE RECOGNIZED AND ACKNOWLEDGED BY THE LOCAL CUSTOMS, LAWS AND DECISIONS OF COURTS; AND ALSO SUBJECT TO THE RIGHTS OF A PROPRIETOR OF A VEIN OR LODE TO EXTRACT AND REMOVE HIS ORE THEREFROM, SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES HEREBY GRANTED AS PROVIDED BY LAW, AND THERE IS RESERVED FROM THE LANDS HEREBY GRANTED A RIGHT OF WAY THEREON FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES.

(AFFECTS THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 18).

5. RIGHTS OF CHARLES H. GREENE AND HIS SPOUSE, IF HE WAS MARRIED, ON SEPTEMBER 18, 1972, TO AN UNDIVIDED 21.963% INTEREST; C. KIRK GREENE AND JUNE POPE GREENE, HUSBAND AND WIFE, TO AN UNDIVIDED 26.402% INTEREST; MARGARETHE H. T. GREENE AND HER SPOUSE, IF SHE WAS MARRIED ON SEPTEMBER 18, 1972, TO AN UNDIVIDED 0.680% INTEREST; AND TERESA HILGARD GREENE NEFF AND HER SPOUSE, IF SHE WAS MARRIED ON SEPTEMBER 18, 1972, TO AN UNDIVIDED 0.955% INTEREST, IN AND TO ALL ROYALTY IN MINERALS OF EVERY KIND AND CHARACTER, INCLUSIVE OF, BUT NOT LIMITED TO, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AS MORE FULLY SET FORTH AND CONVEYED IN THAT CERTAIN ROYALTY CONVEYANCE DATED SEPTEMBER 18, 1972, RECORDED SEPTEMBER 22, 1972 IN DOCKET 806 AT PAGE 442.

SAID MATTER AFFECTS THIS AND OTHER PROPERTY.

6. A LEASE, AFFECTING THE PREMISES HEREIN STATED, EXECUTED BY AND BETWEEN THE PARTIES NAMED HEREIN, FOR THE TERMS AND ON THE TERMS, COVENANTS AND CONDITIONS THEREIN PROVIDED,

TYPE OF LEASE:		OIL AND GAS
DATED	:	DECEMBER 28, 1978
LESSOR	:	THE VICTORIO COMPANY
LESSEE	:	THE ANSCHUTZ CORPORATION
TERM	:	10 YEARS FROM DATE AND AS LONG THEREAFTER AS OIL OR GAS OF WHATSOEVER NATURE OR KIND, OR EITHER OF THEM IS PRODUCED FROM SAID LAND OR PREMISES POOLED THEREWITH OR DRILLING OPERATIONS ARE CONTINUED AS HEREINAFTER PROVIDED
RECORDED	:	JANUARY 12, 1979 IN DOCKET 1299 AT PAGE 408
AFFECTS	:	TOWNSHIP 24 SOUTH, RANGE 22 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN; SECTIONS 17: ALL; SECTION 18: THE EAST HALF OF THE WEST HALF; THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER; AND THE SOUTHEAST QUARTER; SECTION 19: LOTS 1 THROUGH 3

AN ASSIGNMENT OF THE LESSEE'S INTEREST IN SAID LEASE WAS

EXECUTED BY:		THE ANSCHUTZ CORPORATION, A KANSAS CORPORATION
TO	:	NARMCO, INC., A DELAWARE CORPORATION
RECORDED	:	APRIL 4, 1979 IN DOCKET 1319 AT PAGE 597

SAID MATTER AFFECTS THIS AND OTHER PROPERTY

A-22792
Title Accepted: 03-25-88

CONTINUED

7. ANY ADVERSE CLAIM TO ANY PORTION OF SAID LAND WHICH HAS BEEN CREATED BY ARTIFICIAL MEANS OR WHICH IS ACCRETION, ALLUVION, DERELICTION, AVULSION, RELICTION, OR EXPOSED RIVERBED.

8. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
IN FAVOR OF: ARIZONA PUBLIC SERVICE COMPANY
FOR : ELECTRIC LINES
RECORDED IN: DECEMBER 22, 1982 IN DOCKET 1640 AT PAGE 112
AFFECTS : A PORTION OF THE NORTHWEST QUARTER OF SECTION 17

9. UNPATENTED MINING CLAIMS.

10. WATER RIGHTS, CLAIMS OR TITLE TO WATER.

11. ANY RIGHTS OF THE UNITED STATES TO A PUBLIC RESERVE 60.00 FEET WIDE ALONG AND IMMEDIATELY NORTH OF THE INTERNATIONAL BOUNDARY BETWEEN THE UNITED STATES AND MEXICO, AS PROVIDED IN PRESENTIAL PROCLAMATION OF MAY 27, 1907.

(AFFECTS SECTION 19).

12. RIGHTS OF WAY FOR ROADS, CANALS, LATERALS AND DITCHES, INCLUDING, BUT NOT LIMITED TO EXISTING ROAD AND HIGHWAYS.

13. ANY FACTS, RIGHTS, INTEREST OR CLAIMS WHICH A CORRECT SURVEY WOULD SHOW.

END OF SCHEDULE B, PART 1.

871229753

A-22792
Title Accepted: 03-25-88

FEE # 871229764
OFFICIAL RECORDS
COCHISE COUNTY
DATE HOUR
12/04/87 11
REQUEST OF
TICOR TITLE INSURANCE CO
CHRISTINE RHODES-RECORDER
FEE : 13.00 PAGES : 8

When recorded return to:
Unites States of America
c/o William J. Ruddick
United States of the Interior
Bureau of Land Management
2015 W. Deer Valley Rd.
Phoenix, Az.85027
Escrow #75005427
Policy #F-830286

00

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS: that Talley Realty Development, Inc., a Delaware corporation, Grantor herein, for and in consideration of the exchange of certain land and interests as authorized by the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), the receipt and sufficiency of which are hereby acknowledged, does hereby convey to the UNITED STATES OF AMERICA, its successors and assigns forever, Grantee herein, that certain real property located in the County of Cochise, State of Arizona, described in Exhibit "A" attached hereto and incorporated herein by this reference together with all rights and privileges appurtenant thereto.

TO HAVE AND TO HOLD the same unto the Grantee, its successors and assigns to warrant and defend the title as against all persons whomsoever.

SUBJECT TO those items set forth in Exhibit "B" attached hereto and made a part hereof.

IN WITNESS WHEREOF, this Warranty Deed has been executed this 2nd day of December, 1987.

EXEMPT PER ARS 42-1614 A3

TALLEY REALTY DEVELOPMENT, INC.,
a Delaware corporation

By _____
Its VP

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this 2ND day of DECEMBER, 1987, by SCOTT H. O'CONNOR, the VICE PRESIDENT of Talley Realty Development, Inc., a Delaware corporation.

_____
Notary Public

My Commission Expires:
MAY 18, 1991

OFFICIAL SEAL
LINDA S. LEROY
Notary Public — State of Arizona
MARICOPA COUNTY
My Comm. Expires May 18, 1991

A-22792
Title Accepted: 03-25-88

871229764

USSPRNCA00619

764
ORDS
TY
JR

8

PARCEL I:

ALL OF THE FOLLOWING DESCRIBED PROPERTY IN TOWNSHIP 24 SOUTH, RANGE 22 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCHISE COUNTY, ARIZONA:

SECTION 3: THE WEST HALF OF THE NORTHWEST QUARTER, EXCEPT THE NORTH 100.00 FEET.

SECTION 4: THE NORTHEAST QUARTER; THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THE SOUTHWEST QUARTER; THE WEST HALF OF THE SOUTHEAST QUARTER, EXCEPT THE NORTH 100.00 FEET OF SAID NORTHEAST QUARTER.

SECTION 8: THE NORTHEAST QUARTER AND THE SOUTH HALF;

EXCEPT FROM SAID SECTION 8, THE FOLLOWING DESCRIBED PARCEL OF LAND:

BEGINNING AT THE SOUTHWEST CORNER OF SECTION 8, TOWNSHIP 24 SOUTH, RANGE 22 EAST;

THENCE EAST ALONG THE SOUTH SECTION LINE OF SAID SECTION 8, A DISTANCE OF 660.00 FEET;

THENCE NORTH, A DISTANCE OF 82.00 FEET;

THENCE WEST PARALLEL TO THE SOUTH SECTION LINE OF SAID SECTION 8, A DISTANCE OF 660.00 FEET;

THENCE SOUTH, A DISTANCE OF 82.00 FEET TO THE POINT OF BEGINNING.

SECTION 9: THE WEST HALF.

EXCEPT THE FOLLOWING DESCRIBED PARCELS `A` AND `B`, FROM SAID SECTIONS 3, 4, 8 AND 9:

(A) BEGINNING AT THE NORTH ONE-QUARTER CORNER OF SAID SECTION 4;

THENCE ALONG THE WEST LINE OF THE NORTHEAST QUARTER SOUTH 0 DEGREES 00 MINUTES 21 SECONDS WEST, A DISTANCE OF 1,321.48 FEET;

THENCE SOUTH 89 DEGREES 58 MINUTES 38 SECONDS EAST, A DISTANCE OF 660.00 FEET;

THENCE 8 DEGREES 11 MINUTES 10 SECONDS EAST, A DISTANCE OF 1,335.35 FEET TO THE NORTH LINE OF SAID SECTION 4;

THENCE ALONG SAID NORTH LINE WEST, A DISTANCE OF 850.00 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THE NORTH 100.00 FEET AS DEDICATED FOR ROAD PURPOSES.

CONTINUED

Title Accepted: 03-25-88

USSPRNCA0062 22792
Title Accepted: 03-25-88

(B) BEGINNING AT THE NORTH ONE-QUARTER CORNER OF SAID SECTION 4;

THENCE SOUTH 0 DEGR[illegible] 5 00 MINUTES 21 SECONDS WEST ALONG THE WEST LINE OF THE EAST ONE-HALF OF SECTION 4, A DISTANCE OF 1,3[illegible] 48 FEET;

THENCE SOUTH 89 DEGREES 58 MINUTES 38 SECONDS EAST, A DISTANCE OF 660.00 FEET;

THENCE SOUTH, A DIS[illegible] OF 330.00 FEET;

THENCE SOUTH 40 DEGR[illegible] 8 MINUTES 47 SECONDS WEST, A DISTANCE OF 3,045.97 FEET TO THE SOU[illegible]AST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4;

THENCE SOUTH 26 DEGREES 38 MINUTES 20 SECONDS WEST, A DISTANCE OF 1,476.64 FEET TO A POINT ON THE SOUTH LINE OF SECTION 4, SAID POINT BEING SOUTH 89 DEGREES 54 MINUTES 30 SECONDS EAST, A DISTANCE OF 660.00 FEET FROM THE CORNER OF SECTIONS 4, 5, 8 AND 9;

THENCE SOUTH 63 DEGREES 32 MINUTES 46 SECONDS WEST, A DISTANCE OF 738.40 FEET TO A POINT ON THE EAST LINE OF SECTION 8, SAID POINT BEING SOUTH 0 DEGREES 11 MINUTES 19 SECONDS WEST, A DISTANCE OF 330.00 FEET FROM THE CORNER OF SECTIONS 4, 5, 8 AND 9;

THENCE SOUTH 0 DEGREES 11 MINUTES 19 SECONDS WEST ALONG THE EAST LINE OF SECTION 8, A DISTANCE OF 990.43 FEET TO THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 8;

THENCE SOUTH 37 DEGREES 19 MINUTES 09 SECONDS WEST, A DISTANCE OF 1,659.60 FEET;

THENCE SOUTH 51 DEGREES 25 MINUTES 26 SECONDS WEST, A DISTANCE OF 550.00 FEET;

THENCE NORTH 74 DEGREES 15 MINUTES 25 SECONDS WEST, A DISTANCE OF 1,267.56 FEET TO THE CENTER OF SECTION 8;

THENCE NORTH 0 DEGREES 11 MINUTES 25 SECONDS EAST, A DISTANCE OF 2,641.05 FEET TO THE NORTH QUARTER CORNER OF SECTION 8;

THENCE SOUTH 89 DEGREES 57 MINUTES 44 SECONDS EAST, A DISTANCE OF 1,325.86 FEET TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 5;

THENCE NORTH 0 DEGREES 03 MINUTES 00 SECONDS WEST, A DISTANCE OF 1,320.47 FEET TO THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 5;

THENCE SOUTH 89 DEGREES 57 MINUTES 37 SECONDS EAST, A DISTANCE OF 1,325.25 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER;

THENCE NORTH 0 DEGREES 04 MINUTES 36 SECONDS WEST, A DISTANCE OF 1,320.42 FEET TO THE EAST ONE-QUARTER CORNER OF SECTION 5;

THENCE SOUTH 89 DEGREES 57 MINUTES 15 SECONDS EAST, A DISTANCE OF 1,324.79 FEET TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 4;

THENCE NORTH 0 DEGREES 02 MINUTES 07 SECONDS WEST, A DISTANCE OF 1,320.96 FEET TO THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 4;

THENCE SOUTH 89 DEGREES 58 MINUTES 38 SECONDS EAST, A DISTANCE OF 1,325.74 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 4;

THENCE NORTH 0 DEGREES 00 MINUTES 21 SECONDS EAST, A DISTANCE OF 1,321.48 FEET TO THE POINT OF BEGINNING.

CONTINUED

EXHIBIT 'A'

SECTION 17: THE NORTH HALF OF THE NORTHEAST QUARTER; THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER; THE WEST HALF, EXCEPTING THAT PORTION LYING WEST OF THE SAN PEDRO RIVER, AS IT RAN ON FEBRUARY 23,1982.

SECTION 18: THE SOUTHEAST QUARTER; THE EAST HALF OF THE SOUTHWEST QUARTER, EXCEPTING THAT PORTION LYING NORTH AND WEST OF THE SAN PEDRO RIVER., AS IT RAN ON FEBRUARY 23, 1982.

SECTION 19: LOTS 1, 2 AND 3, EXCEPTING THAT PORTION LYING WEST OF THE SAN PEDRO RIVER., AS IT RAN ON FEBRUARY 23,1982.

SECTION 20: LOTS 3 AND 4.

PARCEL II:

PARCELS 28, 37, 38, 62, 63, 64, 65 AND 66, AS SHOWN ON SURVEY ENTITLED 'AMENDED PLAT PALOMINAS RANCHES, UNIT II', IN SECTIONS 3, 4, 9, 10, 17 AND 20, TOWNSHIP 24 SOUTH, RANGE 22 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCHISE COUNTY, ARIZONA, AND RECORDED IN BOOK 3 OF SURVEYS AT PAGES 19, 19A, 19B AND 19C, COCHISE COUNTY RECORDS.

EXHIBIT "A"

1. RESERVATIONS, EXCEPTIONS AND PROVISIONS CONTAINED IN THE PATENT TO THE PROPERTY DESCRIBED HEREIN FROM THE UNITED STATES OF AMERICA,
RECORDED IN: BOOK 31, DEEDS OF REAL ESTATE, PAGE 147 (AFFECTS PARCEL 28 AND THE EAST HALF OF THE NORTHWEST QUARTER; AND THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 4);

BOOK 35, DEEDS OF REAL ESTATE, PAGE 287 (AFFECTS THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 9);

BOOK 54, DEEDS OF REAL ESTATE, PAGE 332 (AFFECTS PORTION OF SECTIONS 8 AND 9);

BOOK 56, DEEDS OF REAL ESTATE, PAGE 181 (AFFECTS THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 18); AND IN

DOCKET 790 AT PAGE 393 (AFFECTS PARCEL 38 AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4 AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER; AND THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 9), READING AS FOLLOWS:

SUBJECT TO ANY VESTED AND ACCRUED WATER RIGHTS FOR MINING, AGRICULTURAL, MANUFACTURING, OR OTHER PURPOSES, AND RIGHTS TO DITCHES AND RESERVOIRS USED IN CONNECTION WITH SUCH WATER RIGHTS, AS MAY BE RECOGNIZED AND ACKNOWLEDGED BY THE LOCAL CUSTOMS, LAWS AND DECISIONS OF COURTS; AND ALSO SUBJECT TO THE RIGHTS OF A PROPRIETOR OF A VIEN OR LODE TO EXTRACT AND REMOVE HIS ORE THEREFROM, SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES HEREBY GRANTED AS PROVIDED BY LAW, AND THERE IS RESERVED FROM THE LANDS HEREBY GRANTED A RIGHT OF WAY THEREON FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES.

CONTINUED

2. RESERVATIONS, EXCEPTIONS AND PROVISIONS CONTAINED IN THE PATENT TO THE PROPERTY DESCRIBED HEREIN FROM THE UNITED STATES OF AMERICA,
RECORDED IN: BOOK 59, DEEDS OF REAL ESTATE, PAGE 1 (AFFECTS PARCELS 63, 64 AND A PORTION OF PARCELS 65 AND 66); AND IN

BOOK 59, DEEDS OF REAL ESTATE, PAGE 127 (AFFECTS THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 3, READING AS FOLLOWS:

SUBJECT TO ANY VESTED AND ACCRUED WATER RIGHTS FOR MINING, AGRICULTURAL, MANUFACTURING, OR OTHER PURPOSES, AND RIGHTS TO DITCHES AND RESERVOIRS USED IN CONNECTION WITH SUCH WATER RIGHTS, A MAY BE RECOGNIZED AND ACKNOWLEDGED BY THE LOCAL CUSTOMS, LAWS AND DECISIONS OF COURTS; AND THERE IS RESERVED FROM THE LANDS HEREBY GRANTED A RIGHT OF WAY THEREON FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES.

3. RESERVATIONS, EXCEPTIONS AND PROVISIONS CONTAINED IN THE PATENT TO THE PROPERTY DESCRIBED HEREIN FROM THE UNITED STATES OF AMERICA,
RECORDED IN: BOOK 25, DEEDS OF REAL ESTATE, PAGE 101 (AFFECTS A PORTION OF SECTIONS 4, 8, 17 AND 18);

BOOK 25, DEEDS OF REAL ESTATE, PAGE 102 (AFFECTS THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 4);

BOOK 25, DEEDS OF REAL ESTATE, PAGE 104 (AFFECTS LOTS 2 AND 3 OF SECTION 19);

BOOK 25, DEEDS OF REAL ESTATE, PAGE 105 (AFFECTS THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9);

BOOK 50, DEEDS OF REAL ESTATE, PAGE 364 (AFFECTS PARCEL 37 AND A PORTION OF PARCELS 65 AND 66 AND A PORTION OF SECTIONS 8, 19 AND 20);

BOOK 50, DEEDS OF REAL ESTATE, PAGE 366 (AFFECTS PARCEL 62 AND THE NORTH HALF OF SECTION 17); AND IN

BOOK 50, DEEDS OF REAL ESTATE, PAGE 373 (AFFECTS THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 17, READING AS FOLLOWS:

THERE IS RESERVED FROM THE LANDS HEREBY GRANTED A RIGHT OF WAY THEREON FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES.

4. ANY CHARGES WHICH MAY BE ASSESSED AGAINST THE PROPERTY DESCRIBED BY REASON OF ITS INCLUSION IN THE PALOMINAS VOLUNTEER FIRE DISTRICT (AFFECTS ALL), AND THE EFFECT OR OPERATION OF ANY REGULATION OR CONTRACT THEREOF.

5. ANY RIGHT OF THE UNITED STATES TO A PUBLIC RESERVE 60.00 FEET WIDE ALONG AND IMMEDIATELY NORTH OF THE INTERNATIONAL BOUNDARY BETWEEN THE UNITED STATES AND MEXICO, AS PROVIDED IN PRESIDENTIAL PROCLAMATION OF MAY 27, 1907. (AFFECTS PARCELS 65 AND 66 OF PARCEL II AND SECTIONS 19 AND 20 OF PARCEL I).

CONTINUED

6. AN EASEMENT AFFECTING AN UNC LOSED PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
IN FAVOR OF: ARIZONA EDISON COMPANY, INC.
FOR : ELECTRIC TRANSMISSION FACILITIES
RECORDED IN: BOOK 54 OF MISCELLANEOUS RECORDS AT PAGE 375
(PARCEL I)

7. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
IN FAVOR OF: ARIZONA EDISON COMPANY, INC.
FOR : ELECTRIC TRANSMISSION FACILITIES
RECORDED IN: DOCKET 49 AT PAGE 356
AFFECTS : A PORTION OF SECTIONS 4, 8 AND 9, THE CENTERLINE THEREOF DESCRIBED AS FOLLOWS:
BEGINNING AT A POINT ON THE WEST LINE OF SAID SECTION 4 AND EXTENDING SOUTHERLY ACROSS SAID SECTION 9 TO A POINT ON THE LINE OF THE NORTH QUARTER OF SECTION 16, MAKING A TOTAL DISTANCE OF 9,000.00 FEET

8. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
IN FAVOR OF: STATE OF ARIZONA
FOR : DRAINAGE DITCH AND DYKE PURPOSES
RECORDED IN: DOCKET 112 AT PAGE 409
AFFECTS : PORTION OF THE NORTHEAST QUARTER OF SECTION 4

9. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
IN FAVOR OF: ARIZONA PUBLIC SERVICE COMPANY
FOR : ELECTRIC TRANSMISSION FACILITIES
RECORDED IN: DOCKET 563 AT PAGE 524
AFFECTS : PORTION OF THE NORTHEAST QUARTER OF SECTION 4, THE CENTERLINE THEREOF TO EXTEND FROM A POINT ON THE NORTH LINE OF SAID PARCEL, SAID POINT BEING 330.00 FEET WEST OF THE NORTHEAST CORNER THEREOF;
THENCE SOUTH 0 DEGREES 04 MINUTES WEST 775.00 FEET
THENCE SOUTH 51 DEGREES 45 MINUTES EAST TO THE EAST LINE OF SAID PARCEL

10. OBLIGATIONS IN THE FORM OF COVENANTS RUNNING WITH SAID LAND, AS MORE PARTICULARLY SET FORTH IN THAT CERTAIN ROYALTY CONVEYANCE RECORDED IN DOCKET 806 AT PAGE 442.

11. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
IN FAVOR OF: CORPORATION OF THE PRESIDING BISHOP OF THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS, A UTAH CORPORATION SOLE
FOR : INGRESS AND EGRESS
RECORDED IN: DOCKET 1098 AT PAGE 470 AND IN DOCKET 1098 AT PAGE 480
AFFECTS : A PORTION OF SECTIONS 8 AND 9

CONTINUED

12. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
IN FAVOR OF: ARIZONA PUBLIC SERVICE COMPANY
FOR : ELECTRIC TRANSMISSION FACILITIES
RECORDED IN: DOCKET 1154 AT PAGE 481
AFFECTS : 10.00 FEET IN WIDTH, THE NORTHWEST QUARTER OF SECTION 17; THE CENTERLINE OF SAID EASEMENT TO EXTEND FROM A POINT ON THE WEST LINE OF THE ABOVE DESCRIBED PARCEL, SAID POINT BEING 5.00 FEET SOUTH OF THE NORTHWEST CORNER;
THENCE EAST, A DISTANCE OF 75.00 FEET FOR THE PURPOSES OF INSTALLING A DOWN GUY

13. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
IN FAVOR OF: ARIZONA PUBLIC SERVICE COMPANY
FOR : ELECTRIC TRANSMISSION FACILITIES
RECORDED IN: DOCKET 1238 AT PAGE 197
AFFECTS : PORTIONS OF SECTIONS 3, 4 AND 9

14. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
IN FAVOR OF: ARIZONA PUBLIC SERVICE COMPANY
FOR : ELECTRIC TRANSMISSION FACILITIES
RECORDED IN: DOCKET 1317 AT PAGE 108
AFFECTS : GOVERNMENT LAND LOT #1 IN SECTION 19; GOVERNMENT LAND LOT #4 IN SECTION 20 AND THE SOUTHWEST QUARTER OF SECTION 17, AS MORE PARTICULARLY DESCRIBED THEREIN

15. COVENANTS, CONDITIONS AND RESTRICTIONS IN AN INSTRUMENT
RECORDED IN: DOCKET 1593 AT PAGE 533 (PARCEL II)

16. EASEMENTS AS SHOWN ON THE RECORDED MAP OF SAID SUBDIVISION. (PARCEL II)

17. ANY ADVERSE CLAIM TO ANY PORTION OF SAID LAND WHICH HAS BEEN CREATED BY ARTIFICIAL MEANS OR WHICH IS ACCRETION, ALLUSION, DERELICTION, AVULSION, RELICTION OR EXPOSED RIVER BED.

(SECTIONS 4, 8, 9, 17, 18 AND 19).

18. UNPATENTED MINING CLAIMS. (ALL).

19. WATER RIGHTS, CLAIMS OR TITLE TO WATER, WHEATHER OR NOT SHOWN BY THE PUBLIC RECORDS. (ALL).

20. RIGHTS OF WAY FOR ROADS, CANALS, LATERALS AND DITCHES, INCLUDING, BUT NOT LIMITED TO EXISTING COUNTY ROADS AND HIGHWAYS.

21. ANY FACTS, RIGHTS, INTEREST OR CLAIMS WHICH A CORRECT SURVEY WOULD SHOW.

FEE # 871229767
OFFICIAL RECORDS
COCHISE COUNTY
DATE HOUR
12/04/87 11
REQUEST OF
TICOR TITLE INSURANCE CO
CHRISTINE RHODES-RECORDER
FEE : 10.00 PAGES : 3

When recorded return to:
United States of America
c/o William J. Ruddick
United States of the Interior
Bureau of Land Management
2015 W. Deer Valley Rd.
Phoenix, Az. 85027
Escrow #75005629
Policy #F-830515

SPECIAL WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS: that Talley Realty Development, Inc., a Delaware corporation, Grantor herein, for and in consideration of the exchange of certain land and interests as authorized by the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), the receipt and sufficiency of which are hereby acknowledged, does hereby convey to the UNITED STATES OF AMERICA, its successors and assigns forever, Grantee herein, that certain real property located in the County of Cochise, State of Arizona, described in Exhibit "A" attached hereto and incorporated herein by this reference together with all rights and privileges appurtenant thereto.

TO HAVE AND TO HOLD the same unto the Grantee, its successors and assigns to warrant and defend the title as against all acts of Grantor herein and no other.

SUBJECT TO those items set forth in Exhibit "B" attached hereto and made a part hereof.

IN WITNESS WHEREOF, this Special Warranty Deed has been executed this 2nd day of December, 1987.

TALLEY REALTY DEVELOPMENT, INC.,
a Delaware corporation

EXEMPT PER ARS 42-1614 A3

By
Its VP

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this 2nd day of December, 1987, by SCOTT H. O'CONNOR, the VICE PRESIDENT of Talley Realty Development, Inc., a Delaware corporation.

Notary Public

My Commission Expires:
May 18, 1991

OFFICIAL SEAL
LINDA S. LEROY
Notary Public — State of Arizona
MARICOPA COUNTY
My Comm. Expires May 18, 1991

A-22792
Title Accepted: 03-25-88

871229767

USSPRNCA00627

ORDER NUMBER: F-830515-U

EXHIBIT 'A'

THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 23 SOUTH, RANGE 22 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCHISE COUNTY, ARIZONA.

EXCEPT THAT PORTION MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 21;

THENCE SOUTH 0 DEGREES 02 MINUTES EAST, ALONG THE WEST LINE OF SAID SECTION 21, A DISTANCE OF 185.00 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 49 MINUTES 09 SECONDS EAST, A DISTANCE OF 240.00 FEET;

THENCE SOUTH 0 DEGREES 02 MINUTES EAST, A DISTANCE OF 150.00 FEET;

THENCE SOUTH 89 DEGREES 49 MINUTES 09 SECONDS WEST, A DISTANCE OF 240.00 FEET TO A POINT ON THE WEST LINE OF SAID SECTION 21;

THENCE NORTH 0 DEGREES 02 MINUTES WEST, ALONG SAID WEST LINE, A DISTANCE OF 150.00 FEET TO THE POINT OF BEGINNING.

A-22792
Title Accepted: 03-25-88

871229767

EXHIBIT "B"

SUBJECT to all taxes, assessments, reservations in patents, easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, liabilities and other matters of record, or visible by inspection of the property.

SUBJECT ALSO to the rights of all Lessees under any existing leases, whether written affecting all or any portion of said real property.

A-22792
Title Accepted: 03-25-88

871229767

When recorded return to:)
United States of America)
c/o William J. Ruddick)
United States of the Interior)0)
Bureau of Land Management
2015 W. Deer Valley Rd.
Phoenix, Az. 85027
Esc.#75005447
Policy #F-830307

FEE # 871229770
OFFICIAL RECORDS
COCHISE COUNTY
DATE HOUR
12/04/87 11
REQUEST OF
TICOR TITLE INSURANCE CO
CHRISTINE RHODES-RECORDER
FEE : 10.00 PAGES : 3

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS: that Talley Realty Development, Inc., a Delaware corporation, Grantor herein, for and in consideration of the exchange of certain land and interests as authorized by the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), the receipt and sufficiency of which are hereby acknowledged, does hereby convey to the UNITED STATES OF AMERICA, its successors and assigns forever, Grantee herein, that certain real property located in the County of Cochise, State of Arizona, described in Exhibit "A" attached hereto and incorporated herein by this reference together with all rights and privileges appurtenant thereto.

TO HAVE AND TO HOLD the same unto the Grantee, its successors and assigns to warrant and defend the title as against all persons whomsoever.

SUBJECT TO those items set forth in Exhibit "B" attached hereto and made a part hereof.

IN WITNESS WHEREOF, this Warranty Deed has been executed this 2nd day of December, 1987.

TALLEY REALTY DEVELOPMENT, INC.,
a Delaware corporation

EXEMPT PER ARS 42-1614 A3

By _____
Its VP

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this 2ND day of DECEMBER, 1987, by SCOTT H. OCONNOR, the VICE PRESIDENT of Talley Realty Development, Inc., a Delaware corporation.

Linda S. LeRoy
Notary Public

My Commission Expires:
May 18, 1991

OFFICIAL SEAL
LINDA S. LEROY
Notary Public — State of Arizona
MARICOPA COUNTY
My Comm. Expires May 18, 1991

A-22792
Title Accepted: 03-25-88

871229770

830307

USSPRNCA00630

EXHIBIT 'A'

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 4, TOWNSHIP 24 SOUTH, RANGE 22 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCHISE COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH QUARTER CORNER OF SAID SECTION 4;

THENCE ALONG THE WEST LINE OF THE NORTHEAST QUARTER SOUTH 0 DEGREES 00 MINUTES 21 SECONDS WEST, A DISTANCE OF 1,321.48 FEET;

THENCE SOUTH 89 DEGREES 58 MINUTES 38 SECONDS EAST, A DISTANCE OF 660.00 FEET;

THENCE NORTH 8 DEGREES 11 MINUTES 10 SECONDS EAST, A DISTANCE OF 1,335.35 FEET TO THE NORTH LINE OF SAID SECTION 4;

THENCE ALONG SAID NORTH LINE WEST, A DISTANCE OF 850.00 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THE NORTH 100.00 FEET; AND

EXCEPT THE WEST 165.00 FEET THEREOF.

EXHIBIT "B"

IN ADDITION TO THE CONDITIONS AND STIPULATIONS AND/OR EXCLUSIONS, YOU ARE NOT INSURED AGAINST LOSS, COSTS, ATTORNEYS FEES AND EXPENSES RESULTING FROM:

1. RESERVATIONS, EXCEPTIONS AND PROVISIONS CONTAINED IN THE PATENT TO THE PROPERTY DESCRIBED HEREIN FROM THE UNITED STATES OF AMERICA, RECORDED IN BOOK 25 OF DEEDS OF REAL ESTATE AT PAGE 101, READING AS FOLLOWS:

   THERE IS RESERVED FROM THE LANDS HEREBY GRANTED A RIGHT OF WAY THEREON FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES.

2. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
   IN FAVOR OF: ARIZONA EDISON COMPANY
   FOR : ELECTRIC TRANSMISSION LINE
   RECORDED IN: BOOK 54 OF MISCELLANEOUS RECORDS AT PAGE 375
   AFFECTS : A LINE APPROXIMATELY 64.00 FEET SOUTH OF HIGHWAY 92

3. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
   IN FAVOR OF: STATE OF ARIZONA
   FOR : DRAINAGE DITCH AND DYKE
   RECORDED IN: DOCKET 112 AT PAGE 409
   AFFECTS : SEE ATTACHED INSTRUMENT

4. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
   IN FAVOR OF: ARIZONA PUBLIC SERVICE COMPANY
   FOR : ELECTRIC LINES
   RECORDED IN: DOCKET 1238 AT PAGE 197
   AFFECTS : SEE ATTACHED INSTRUMENT

5. RIGHTS OF WAY FOR ROADS, CANALS, LATERALS AND DITCHES, INCLUDING, BUT NOT LIMITED TO EXISTING COUNTY ROADS AND HIGHWAYS.

6. WATER RIGHTS, CLAIMS OR TITLE TO WATER.

7. UNPATENTED MINING CLAIMS.

8. ANY FACTS, RIGHTS, INTEREST OR CLAIMS WHICH A 'CORRECT' SURVEY WOULD SHOW.

9. ANY ADVERSE CLAIM TO ANY PORTION OF SAID LAND WHICH HAS BEEN CREATED BY ARTIFICAL MEANS OR WHICH IS ACCRETION, ALLUSION, DERELICTION, AVULSION, RELICTION OR EXPOSED RIVER BED.

4

When recorded return to:)
)
Unites States of America)
c/o William J. Ruddick)
United States of the Interior .00)
Bureau of Land Management
2015 W. Deer Valley Rd.
Phoenix, Az. 85027
Escrow #75005627
Policy #F-830514

FEE # 871229774
OFFICIAL RECORDS
COCHISE COUNTY
DATE HOUR
12/04/87 11
REQUEST OF
TICOR TITLE INSURANCE CO
CHRISTINE RHODES-RECORDER
FEE : 12.00 PAGES : 7

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS: that Talley Realty Development, Inc., a Delaware corporation, Grantor herein, for and in consideration of the exchange of certain land and interests as authorized by the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), the receipt and sufficiency of which are hereby acknowledged, does hereby convey to the UNITED STATES OF AMERICA, its successors and assigns forever, Grantee herein, that certain real property located in the County of Cochise, State of Arizona, described in Exhibit "A" attached hereto and incorporated herein by this reference together with all rights and privileges appurtenant thereto.

TO HAVE AND TO HOLD the same unto the Grantee, its successors and assigns to warrant and defend the title as against all persons whomsoever.

SUBJECT TO those items set forth in Exhibit "B" attached hereto and made a part hereof.

IN WITNESS WHEREOF, this Warranty Deed has been executed this 2nd day of December, 1987.

EXEMPT PER ARS 42-1614 A3

TALLEY REALTY DEVELOPMENT, INC.,
a Delaware corporation

By _____
Its VP

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this 2ND day of DECEMBER, 1987, by SCOTT H. O'CONNOR, the VICE PRESIDENT of Talley Realty Development, Inc., a Delaware corporation.

Linda S. LeRoy
Notary Public

My Commission Expires:
May 18, 1991

OFFICIAL SEAL
LINDA S. LEROY
Notary Public — State of Arizona
MARICOPA COUNTY
My Comm. Expires May 18, 1991

A-22792
Title Accepted: 03-25-88

871229774

USSPRNCA00633

ORDER NUMBER: F-830514

EXHIBIT 'A'

PARCEL I:

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 29 TOWNSHIP 18 SOUTH, RANGE 21 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCHISE COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 29;

THENCE SOUTH 89 DEGREES 50 MINUTES 06 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SECTION 29, A DISTANCE OF 909.71 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 89 DEGREES 50 MINUTES 06 SECONDS WEST, CONTINUING ALONG THE SOUTH LINE OF SAID SECTION 29, A DISTANCE OF 413.50 FEET TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 29;

THENCE NORTH 0 DEGREES 06 MINUTES 40 SECONDS WEST, A DISTANCE OF 2,640.86 FEET TO THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 29;

THENCE NORTH 89 DEGREES 50 MINUTES 12 SECONDS EAST, ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 29, A DISTANCE OF 578.01 FEET TO A POINT;

THENCE SOUTH 7 DEGREES 00 MINUTES 12 SECONDS WEST, ALONG THE WEST BOUNDARY OF A PARCEL OF LAND CONVEYED IN DOCKET 621 AT PAGE 337, A DISTANCE OF 1,330.82 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 29;

THENCE SOUTH 0 DEGREES 07 MINUTES 30 SECONDS EAST, A DISTANCE OF 1,320.42 FEET ALONG SAID WEST BOUNDARY, TO THE TRUE POINT OF BEGINNING, AND THE SOUTHWEST CORNER OF SAID PARCEL OF LAND CONVEYED IN DOCKET 621 AT PAGE 337.

PARCEL II:

THAT PORTION OF LOT 1 AND LOT 8 ALL IN SECTION 32, TOWNSHIP 18 SOUTH, RANGE 21 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCHISE COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 32;

THENCE SOUTH 0 DEGREES 21 MINUTES 53 SECONDS EAST, ALONG THE EAST LINE OF SAID SECTION 32, A DISTANCE OF 739.01 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 0 DEGREES 21 MINUTES 53 SECONDS EAST, CONTINUING ALONG THE EAST LINE OF SAID SECTION 32, A DISTANCE OF 1,205.46 FEET TO A POINT ON THE NORTH LINE OF THE SAN JUAN de las BOQUILLAS AND NOGALES PRIVATE LAND GRANT;

THENCE NORTH 88 DEGREES 24 MINUTES 15 SECONDS WEST, ALONG THE NORTH LINE OF SAID PRIVATE LAND GRANT, A DISTANCE OF 1,321.65 FEET TO THE SOUTHWEST CORNER OF SAID LOT 8;

THENCE NORTH 0 DEGREES 26 MINUTES 05 SECONDS WEST, A DISTANCE OF 1,903.86 FEET TO THE NORTHWEST CORNER OF SAID LOT 1;

THENCE NORTH 89 DEGREES 50 MINUTES 06 SECONDS EAST, ALONG THE NORTH LINE OF SAID SECTION 32, A DISTANCE OF 419.95 FEET TO A POINT, SAID POINT BEING THE NORTHWEST CORNER OF A PARCEL OF LAND CONVEYED IN DOCKET 1865 AT PAGE 340;

THENCE SOUTH 0 DEGREES 1 MINUTES 00 SECONDS EAST, A DISTANCE OF 320.96 FEET TO A POINT, SAID POIN, BEING THE NORTHEAST CORNER OF PARCEL OF LAND CONVEYED IN BOOK 123 OF DEEDS OF REAL ESTATE AT PAGE 416;

THENCE NORTH 72 DEGREES 17 MINUTES 38 SECONDS (RECORD 72 DEGREES 06 MINUTES) WEST, ALONG THE NORTH BOUNDARY OF SAID PARCEL CONVEYED IN BOOK 123 OF DEEDS OF REAL ESTATE AT PAGE 416, A DISTANCE OF 355.09 FEET (RECORD 355.18 FEET), TO A POINT;

THENCE SOUTH 17 DEGREES 42 MINUTES 22 SECONDS (RECORD 17 DEGREES 54 MINUTES) WEST, A DISTANCE OF 120.00 FEET TO A POI SAID POINT BEING THE SOUTHWEST CORNER OF SAID PARCEL CONVEYED IN BOOK DEEDS OF REAL ESTATE AT PAGE 416;

THENCE SOUTH 72 DEGREES 17 MINUTES 38 SECONDS (RECORD 70 DEGREES 06 MINUTES) EAST, ALONG THE SOUTH BOUNDARY OF SAID PARCEL OF LAND CONVEYED IN BOOK 123 OF DEEDS OF REAL ESTATE AT PAGE 416, A DISTANCE OF 393.94 FEET TO A POINT;

THENCE SOUTH 0 DEGREES 14 MINUTES 00 SECONDS EAST, ALONG THE WEST BOUNDARY OF A PARCEL OF LAND CONVEYED IN BOOK 122 OF DEEDS OF REAL ESTATE AT PAGE 514, A DISTANCE OF 264.34 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF SAID LOT 1;

THENCE NORTH 89 DEGREES 50 MINUTES 06 SECONDS EAST, ALONG SAID NORTH LINE OF THE SOUTH HALF OF LOT 1, A DISTANCE OF 819.51 FEET TO A POINT, SAID POINT BEING ON THE SOUTH BOUNDARY OF SAID PARCEL OF LAND CONVEYED IN BOOK 122 OF DEEDS OF REAL ESTATE AT PAGE 514;

THENCE SOUTH 72 DEGREES 17 MINUTES 38 SECONDS EAST, ALONG SAID SOUTH BOUNDARY OF LAND CONVEYED IN BOOK 122 OF DEEDS OF REAL ESTATE AT PAGE 514, A DISTANCE OF 89.82 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL III:

THAT PORTION OF LOTS 1 AND 2 AND LOTS 5, 6, 7 AND 8, AS SHOWN ON THE SUPPLEMENTAL G.L.O. SURVEY, APPROVED BY THE BUREAU OF LAND MANAGEMENT ON MARCH 15, 1900, BEING THE SAME PROPERTY DESCRIBED IN PATENTS RECORDED IN BOOK 16 OF DEEDS AT PAGE 483 AND IN BOOK 69 OF DEEDS AT PAGE 157, AS THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND LOTS 1 AND 2, AND THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, AS SHOWN ON THE ORIGINAL G.L.O. SURVEY APPROVED BY THE BUREAU OF LAND MANAGEMENT ON APRIL 19, 1982, ALL IN SECTION 33, TOWNSHIP 18 SOUTH, RANGE 21 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCHISE COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOW:

BEGINNING AT A 1/2 INCH REBAR WHICH IS THE NORTHEAST CORNER OF SAID SECTION 33;

THENCE SOUTH 00 DEGREES 15 MINUTES 49 SECONDS EAST, ALONG THE EAST LINE OF SAID SECTION 33, A DISTANCE OF 1,089.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 00 DEGREES 15 MINUTES 49 SECONDS EAST, CONTINUING ALONG THE EAST LINE OF SAID SECTION 33, A DISTANCE OF 751.00 FEET TO A POINT;

THENCE SOUTH 89 DEGREES 44 MINUTES 11 SECONDS WEST, A DISTANCE OF 446.73 FEET TO A POINT;

THENCE SOUTH 00 DEGREES 15 MINUTES 49 SECONDS EAST, A DISTANCE OF 204.48 FEET TO THE NORTHEAST CORNER OF THE SAN JUAN de las BOQUILLAS AND NOGALES PRIVATE LAND GRANT;

THENCE NORTH 88 DEGREES 24 MINUTES 15 SECONDS WEST, ALONG THE NORTH LINE OF SAID PRIVATE LAND GRANT, A DISTANCE OF 4,825.51 FEET TO A POINT ON THE WEST LINE OF SAID SECTION 33;

THENCE NORTH 00 DEGREES 21 MINUTES 53 SECONDS WEST, ALONG THE WEST LINE OF

SAID SECTION 33, A DISTANCE OF 618.13 FEET TO THE NORTHWEST CORNER OF SAID LOT 5;

THENCE SOUTH 89 DEGREES 42 MINUTES 52 SECONDS EAST, ALONG THE NORTH LINE OF SAID LOTS 5 AND 6, A DISTANCE OF 2,635.52 FEET TO THE NORTHEAST CORNER OF SAID LOT 6;

THENCE NORTH 00 DEGREES 18 MINUTES 52 SECONDS WEST, ALONG THE WEST LINE OF SAID LOT 2, A DISTANCE OF 234.32 FEET TO A POINT;

THENCE SOUTH 89 DEGREES 38 MINUTES 56 SECONDS EAST, A DISTANCE OF 2,635.76 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL IV:

THAT PORTION OF LOTS 3 AND 4 IN SECTION 33, TOWNSHIP 18 SOUTH, RANGE 21 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCHISE COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 33;

THENCE SOUTH 0 DEGREES 21 MINUTES 53 SECONDS EAST, ALONG THE WEST LINE OF SAID LOT 4, A DISTANCE OF 739.01 (RECORD 689.1) FEET TO THE SOUTH LINE OF THE EL PASO NATURAL GAS COMPANY SAN PEDRO RIVER BRIDGE SITE AND THE TRUE POINT OF BEGINNING;

THENCE SOUTH ALONG THE SOUTH BOUNDARY OF A PARCEL OF LAND CONVEYED IN BOOK 123 OF DEEDS OF REAL ESTATE AT PAGE 416, 72 DEGREES 17 MINUTES 38 SECONDS (RECORD 72 DEGREES 06 MINUTES) EAST, A DISTANCE OF 525.94 FEET TO A POINT;

THENCE NORTH 17 DEGREES 42 MINUTES 22 SECONDS (RECORD 17 DEGREES 54 MINUTES) EAST, ALONG THE EAST BOUNDARY OF A PARCEL OF LAND CONVEYED IN BOOK 123 OF DEEDS OF REAL ESTATE AT PAGE 416, A DISTANCE OF 120.00 FEET TO A POINT, SAID POINT BEING THE NORTHEAST CORNER OF SAID PARCEL OF LAND CONVEYED IN BOOK 123 OF DEEDS OF REAL ESTATE AT PAGE 416;

THENCE SOUTH 72 DEGREES 17 MINUTES 38 SECONDS (RECORD 72 DEGREES 06 MINUTES) EAST, ALONG THE SOUTH BOUNDARY OF A PARCEL OF LAND CONVEYED IN DOCKET 931 AT PAGE 487, A DISTANCE OF 749.38 FEET TO A POINT;

THENCE SOUTH 89 DEGREES 42 MINUTES 52 SECONDS EAST, ALONG SAID SOUTH BOUNDARY OF A PARCEL OF LAND AS CONVEYED IN DOCKET 931 AT PAGE 487 AND PARALLEL WITH THE SOUTH LINE OF SAID LOTS 3 AND 4, A DISTANCE OF 1,386.09 FEET TO A POINT ON THE EAST LINE OF SAID LOT 3;

THENCE SOUTH 0 DEGREES 18 MINUTES 52 SECONDS EAST, ALONG THE EAST LINE OF SAID LOT 3, A DISTANCE OF 320.00 FEET TO THE SOUTHEAST CORNER OF SAID LOT 3;

THENCE NORTH 89 DEGREES 42 MINUTES 52 SECONDS WEST, ALONG THE SOUTH LINE OF SAID LOTS 3 AND 4, A DISTANCE OF 2,635.52 FEET TO THE SOUTHWEST CORNER OF SAID LOT 4;

THENCE NORTH 0 DEGREES 21 MINUTES 53 SECONDS WEST, ALONG THE WEST LINE OF SAID LOT 4, A DISTANCE OF 587.33 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT "B"

IN ADDITION TO THE CONDITIONS TIPULATIONS AND/OR EXCLUSIONS, YOU ARE NOT INSURED AGAINST LOSS, COSTS, AT. NEYS FEES AND EXPENSES RESULTING FROM:

1. RESERVATIONS CONTAINED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED IN BOOK 50 OF DEEDS OF REAL ESTATE AT PAGE 508 (AFFECTS THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 33); IN BOOK 69 OF DEEDS OF REAL ESTATE AT PAGE 157 (AFFECTS LOT 1 IN SECTION 33); IN BOOK 16 OF DEEDS OF REAL ESTATE AT PAGE 483 (AFFECTS LOTS 2, 7, AND 8 IN SECTION 33); AND IN BOOK 48 OF DEEDS OF REAL ESTATE AT PAGE 30 (AFFECTS THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 29) (AND LOTS 1 AND 8 IN SECTION 32 AND LOT 5 IN SECTION 33); AND IN BOOK 51 OF DEEDS OF REAL ESTATE AT PAGE 472 (AFFECTS LOT 6 IN SECTION 33), READING AS FOLLOWS:

   SUBJECT TO ANY VESTED AND ACCRUED WATER RIGHTS FOR MINING, AGRICULTURAL, MANUFACTURING, OR OTHER PURPOSES, AND RIGHTS TO DITCHES AND RESERVOIRS USED IN CONNECTION WITH SUCH WATER RIGHTS AS MAY BE RECOGNIZED AND ACKNOWLEDGED BY THE LOCAL CUSTOMS, LAWS AND DECISIONS OF COURTS; AND ALSO SUBJECT TO THE RIGHT OF THE PROPRIETOR OF A VEIN OR LODE TO EXTRACT AND REMOVE HIS ORE THEREFROM, SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES HEREBY GRANTED, AS PROVIDED BY LAW; AND THERE IS RESERVED FROM THE LANDS HEREBY GRANTED, A RIGHT OF WAY THEREON FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES OF AMERICA.

2. LIABILITIES AND OBLIGATIONS IMPOSED UPON SAID LAND BY REASON OF ITS INCLUSION WITHIN THE FOLLOWING DISTRICT(S):
   NAME OF DISTRICT(S) : THE SAN PEDRO VALLEY HOSPITAL DISTRICT

3. EASEMENT AFFECTING A PORTION OF SAID LAND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES;
   IN FAVOR OF: WESTERN GAS COMPANY
   FOR : PIPELINES, TELEPHONE AND TELEGRAPH LINES AND A 30.00 FOOT ROADWAY
   RECORDED : IN BOOK 116 OF DEEDS AT PAGES 87 AND 97
   (AFFECTS SECTIONS 29, 32 AND 33)

4. EASEMENT AFFECTING A PORTION OF SAID LAND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES;
   IN FAVOR OF: EL PASO NATURAL GAS COMPANY
   FOR : PIPE LINES
   RECORDED : IN BOOK 120 OF DEEDS OF REAL ESTATE AT PAGE 509
   OVER : THAT PORTION OF SAID LAND MORE PARTICULARLY DESCRIBED THEREIN

5. EASEMENT AFFECTING A PORTION OF SAID LAND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES;
   IN FAVOR OF: MOUNTAIN STATES TELEPHONE AND TELEGRAPH COMPANY
   FOR : COMMUNICATIONS FACILITIES
   RECORDED : IN BOOK 50 OF MISCELLANOUS RECORDS AT PAGE 437
   (AFFECTS SECTION 32)

6. EASEMENT AFFECTING A PORT. OF SAID LAND FOR THE PURPOSE STATED HEREIN, AND INCIDENTAL PURPOSES;
IN FAVOR OF: EL PASO NATURAL GAS COMPANY
FOR : PIPE LINES AND ROADWAY
RECORDED : IN BOOK 50 OF MISCELLANEOUS RECORDS AT PAGE 595
OVER : THAT PORTION OF SAID LAND MORE PARTICULARLY DESCRIBED THEREIN

7. EASEMENT AFFECTING A PORTION OF SAID LAND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES;
IN FAVOR OF: EL PASO NATURAL GAS COMPANY
FOR : CATHODIC PROTECTION STATION
RECORDED : IN DOCKET 1577 AT PAGE 11
(AFFECTS SECTION 29)

8. A LEASE EXECUTED BY AND BETWEEN THE PARTIES NAMED HEREIN, FOR THE TERM, AND ON THE TERMS, COVENANTS AND CONDITIONS THEREIN PROVIDED;
TYPE OF LEASE : OIL AND GAS
DATED : JUNE 1, 1978
LESSOR : U.S. DEPARTMENT OF INTERIOR, BUREAU OF LAND MANAGEMENT
LESSEE : GEORGE A. PLAVEN
TERM : TEN YEARS
RECORDED : IN DOCKET 1263 AT PAGE 376
(AFFECTS LOTS 5, 6 AND 7 IN SECTION 32
(ASSIGNMENT TO READING AND BATES PETROLEUM CO., RECORDED CONCURRENTLY HEREWITH).)

9. EASEMENT AFFECTING A PORTION OF SAID LAND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES;
IN FAVOR OF: THE PUBLIC
FOR : INGRESS AND EGRESS
RECORDED : AT FEE NO. 8604-08070
(AFFECTS THE WEST 40.00 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 29)

10. EASEMENT AFFECTING A PORTION OF SAID LAND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES;
IN FAVOR OF: THE PUBLIC
FOR : INGRESS AND EGRESS
RECORDED : AT FEE NO. 8604-08071
(AFFECTS LOTS 1 AND 8 IN SECTION 32)

11. EASEMENT AFFECTING A PORTION OF SAID LAND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES;
IN FAVOR OF: THE PUBLIC
FOR : INGRESS AND EGRESS
RECORDED : AT FEE NO. 8604-08072
(AFFECTS LOT 1 IN SECTION 32)

12. EASEMENT AFFECTING A PORTION OF SAID LAND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES;
IN FAVOR OF: THE PUBLIC
FOR : INGRESS AND EGRESS
RECORDED : AT FEE NO. 8604-08073
(AFFECTS THE NORTH 40.00 FEET OF LOTS 5 AND 6 IN SECTION 33)

13. EASEMENT AFFECTING A PORT[illegible] OF SAID LAND FOR THE PURPOSE [illegible]TATED HEREIN, AND INCIDENTAL PURPOSES:
IN FAVOR OF: THE PUBLIC
FOR : INGRESS AND EGREES
RECORDED : AT FEE NO. 8604-08074
(AFFECTS LOTS 1, 2 AND 7 IN SECTION 33)

14. ANY FACTS, RIGHTS, INTEREST OR CLAIMS, NOT DISCLOSED BY THOSE PUBLIC RECORDS WHICH IMPART CONSTRUCTIVE NOTICE, WHICH AN INSPECTION OR SURVEY OF SAID LAND WOULD SHOW.

15. UNPATENTED MINING CLAIMS.

16. WATER RIGHTS, CLAIMS OR TITLE TO WATER.

~~17. EASEMENT FOR INGRESS AND EGRESS TO A WELLSITE, THROUGH SECTION 33, AS SET FORTH IN INSTRUMENT RECORDED AT FEE NO. _____.~~

END OF SCHEDULE B