

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 12/04/87 HOUR 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.

TALLEY REALTY DEVELOPMENT, INC.,
 a Delaware corporation

EXEMPT PER ARS 42-1614 A3

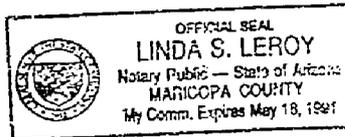
By _____
 Its _____

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



871229774

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 BOCUILLAS 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 1,403.86 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;

871229774

CERTIFICATION STAMP

STATE OF ARIZONA } ss
COUNTY OF COCHISE }

THE FOREGOING INSTRUMENT IS A FULL, TRUE AND CORRECT COPY AS APPEARS ON RECORD IN THIS OFFICE

FEE No.

871229774

Attested
CHRISTINE RHODES

February 20 08

By: *[Signature]* Deputy

THENCE SOUTH 0 DEGREES 14 MINUTES 00 SECONDS EAST, A DISTANCE OF 320.96 FEET TO A POINT, SAID POINT BEING THE NORTHEAST CORNER OF A PARCEL OF LAND CONVEYED IN BOOK 123 OF DEEDS OF REAL ESTATE AT PAGE 416;

THENCE NORTH 72 DEGREES 17 MINUTES 39 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 POINT, SAID POINT BEING THE SOUTHWEST CORNER OF SAID PARCEL CONVEYED IN BOOK 123 OF 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 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 VII:

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 FOLLOWS:

BEGINNING AT A 1/2 INCH BEAR 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 NOCALES 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

871229774

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 1V:

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.

871229774

EXHIBIT "C"

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 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 MISCELLANEOUS RECORDS AT PAGE 437
(AFFECTS SECTION 32)

871229774

6. 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 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)

871229774

13. 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. 8604-08074
(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

871229774