

ATWOOD, MALONE, TURNER & SABIN

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OF COUNSEL
BOB F. TURNER (RETIRED)
JOHN W. BASSETT

JEFF D. ATWOOD (1883-1960)
ROSS L. MALONE (1910-1974)
CHARLES F. MALONE (1923-1999)

May 16, 2011

DRILLING OPINION OF TITLE TO:

The mineral estate only in the following lands in Section 35, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico (comprising all of said Section 35):

HBP Tract 1: E $\frac{1}{2}$ W $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$,
S $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$,
SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$,
E $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, containing 105 acres, more or less

UNLEASED Tract 2: N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, containing 5 acres, more or less

UNLEASED Tract 3: N $\frac{1}{2}$ N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, containing 2.5 acres, more or less

UNLEASED Tract 4: S $\frac{1}{2}$ N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, containing 2.5 acres, more or less

UNLEASED Tract 5: N $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, containing 5 acres, more or less

HBP Tract 6: S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, containing 5 acres, more or less

HBP Tract 7: N $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$,
E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, containing 155 acres,
more or less

$\frac{1}{2}$ UNLEASED Tract 8: S $\frac{1}{2}$ S $\frac{1}{2}$ NE $\frac{1}{4}$, containing 40 acres, more or less

$\frac{1}{2}$ UNLEASED Tract 9: SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$,
E $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$, containing 310 acres,
more or less

$\frac{3}{12}$ HBP
 $\frac{9}{12}$ UNLEASED Tract 10: S $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$, containing 5 acres, more or less

HBP Tract 11: N $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, containing 5 acres, more or less

Tracts 1 - 8 comprise the N $\frac{1}{2}$ of Section 35. Tracts 9 - 11 comprise the S $\frac{1}{2}$ of Section 35.

Layla 35 No. 2H

AMT&S No. 11-151

Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701

Attention: Mr. D. Paul Haden
Senior Landman

Oil Conservation Division
Case No. 2
Exhibit No.

LAYLA "35" PROSPECT
Section 35, T23S, R28E
Eddy County, New Mexico

