

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: Yardbirds 34 PA Fee 1H Prospect: _____
 Location: SL: 150' FSL & 610' FEL, BHL: 330' FNL & 500' FEL County: Eddy ST: NM
 Sec: 34 Blk: _____ Survey: _____ TWP: 23S RNG: 28E Prop. TVD: 6275' TMD: 12900'

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Permits and Surveys					
Location: Roads, Pits & Site Preparation		0180-0100	\$5,000	0180-0200	
Location: Site Restoration, Excavation & Other		0180-0105	\$75,000	0180-0205	\$30,000
Day Work, Footage, Turnkey Drilling 22 days drtg & 2 comp @ \$15000/day		0180-0106	\$150,000	0180-0206	\$5,000
Fuel 900 gal/day @ \$2.00/gal		0180-0110	\$352,500	0180-0210	\$32,100
Mud		0180-0114	\$43,200		
Chemicals and Additives		0180-0120	\$40,000		
Cementing		0180-0121		0180-0221	
Logging, Wireline & Coring Services Gyro		0180-0125	\$60,000	0180-0225	\$25,000
Casing, Tubing & Snubbing Services		0180-0130	\$5,000	0180-0230	\$120,000
Mud Logging		0180-0134	\$25,000	0180-0234	\$15,000
Stimulation 15 stg 5.2MM gal SW & 6 2MM# Sand		0180-0137	\$20,000		
Stimulation Rentals & Other				0180-0241	\$900,000
Water & Other		0180-0145	\$45,000	0180-0242	\$425,000
Bits		0180-0148	\$60,000	0180-0248	\$2,500
Inspection & Repair Services		0180-0150	\$30,000	0180-0250	\$4,000
Misc. Air & Pumping Services Toe prep & drill out w/tbg		0180-0154		0180-0254	\$150,000
Testing		0180-0158	\$15,000	0180-0258	\$20,000
Completion / Workover Rig 11 days @ \$3500/day				0180-0260	\$38,500
Rig Mobilization		0180-0164	\$125,000		
Transportation		0180-0165	\$20,000	0180-0265	\$5,000
Welding and Construction		0180-0188	\$5,000	0180-0268	
Engineering & Contract Supervision		0180-0170		0180-0270	
Directional Services		0180-0175	\$100,000		
Equipment Rental		0180-0180	\$132,000	0180-0280	\$20,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,200	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	
Damages		0180-0190	\$5,000	0180-0290	
Pipeline, Road, Electrical ROW & Easements		0180-0192		0180-0292	
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$72,600	0180-0295	\$30,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)		0180-0199	\$141,300	0180-0299	\$92,100
TOTAL			\$1,553,800		\$1,934,200
TANGIBLE COSTS 0181					
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 400' 13 3/8" 48# H40 STC @ \$24.75/ft + GRT		0181-0794	\$10,600		
Casing (8.1" - 10.0") 2500' 9 5/8" 36# J55 LTC @ \$19.14/ft + GRT		0181-0795	\$51,200		
Casing (6.1" - 8.0") 8550' 7" 26# P110 LTC @ \$26.20/ft + GRT		0181-0796	\$239,300		
Casing (4.1" - 6.0") 5100' 4 1/2" 13.5# P110 LTC @ \$14.50/ft + GRT				0181-0797	\$79,000
Tubing (2" - 4") 7750' 2 7/8" 6 5/8# L80 EUE 8rd @ \$5.23/ft + GRT				0181-0798	\$43,300
Drilling Head		0181-0860	\$14,000		
Tubing Head & Upper Section				0181-0870	\$14,000
Downhole Directional Equipment Halliburton VersaStim Liner Hanger				0181-0871	\$60,000
Sucker Rods				0181-0875	\$30,000
Packer Pump & Subsurface Equipment rod pump				0181-0880	\$12,000
Artificial Lift Systems Gas Lift Valves				0181-0884	\$11,000
Pumping Unit 912 Pumping Unit				0181-0885	\$100,000
Surface Pumps & Prime Movers 75HP PU motor & SWD transfer pump				0181-0886	\$20,000
Tanks - Steel 6 - 500bbl (3 Coated)				0181-0890	\$78,900
Tanks - Others				0181-0891	
Separation & Gas Treating Equipment 30'x10'x1000# 3ph, 24'x10'x1000# 2ph & FWKO				0181-0895	\$50,000
Heater Treaters, Line Heaters 6'x20'x75# HT				0181-0897	\$17,500
Metering Equipment				0181-0898	\$14,000
Line Pipe - Gas Gathering and Transportation				0181-0900	
Misc. Fittings, Valves, Line Pipe and Accessories				0181-0906	\$65,000
Cathodic Protection				0181-0908	\$5,000
Electrical Installations				0181-0909	\$75,000
Production Equipment Installation				0181-0910	\$40,000
Pipeline Construction Buried 4" gas & 6" SWD line				0181-0920	\$70,000
TOTAL			\$315,100		\$784,700
SUBTOTAL			\$1,868,900		\$2,718,900
TOTAL WELL COST			\$4,587,800		

EXHIBIT 6

Prepared by: J. Nave Date: 5/5/2015
 Co. Approval: m. whitel Date: 5/5/2015

Joint Owner Interest: _____ Amount: _____
 Joint Owner Name: _____ Signature: _____

Operator has secured Operator's Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185. Non-Operator may elect NOT to be covered by this Operator's Extra Expense Insurance only by signing below. **The undersigned elects NOT to be covered by Operator's Extra Expense Insurance for their well.**

Joint Owner Name: _____ Signature: _____ Form Rev: 9/2014

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

July 23, 2014

THIS INFORMATION OR OPINION IS
FURNISHED AT YOUR REQUEST AS
A MATTER OF ACCOMMODATION AND
YOU AGREE BY YOUR ACCEPTANCE
HEREOF THAT ANY USE OF OR
RELIANCE THEREON SHALL BE
WITHOUT RECOURSE TO MEWBOURNE
OIL COMPANY.

DRILLING TITLE OPINION

Mewbourne Oil Company
Midland Office

Attn: Mr. Clayton Pearson

Re: The following oil and gas leases insofar as they cover the lands indicated in
Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico:

**Tract No. 1 - Pardue Limited Company, et al. oil and gas leases insofar as they
cover the following:**

Section 34: W/2SE/4NE/4NW/4 (573)
NW/4SE/4NW/4 (579-580)
E/2NE/4SE/4NW/4 (582)
W/2SE/4SE/4NW/4 (590)
E/2NE/4NW/4NW/4 (563)
NW/4NE/4NW/4 (564),

containing 40 acres, more or less.

Tract No. 2 - Margurett E. Petschke oil and gas lease covering the following:

Section 34: E/2SE/4NE/4NW/4 (572),

containing 5 acres, more or less.

Tract No. 3 - M. Brad Bennett, et al. oil and gas leases covering the following:

Section 34: NE/4NE/4NW/4 (565),

containing 10 acres, more or less.

**Tract No. 4 - Orland O. Ogden oil and gas lease insofar as it covers the
following:**

Section 34: W/2SW/4NE/4NW/4 (575),

containing 5 acres, more or less.

Tract No. 5 - Pardue Farms oil and gas lease insofar as it covers the following:

Section 34: E/2SW/4NE/4NW/4 (574),

containing 5 acres, more or less.

**Tract No. 6 - Margaret V. Dowling, et al. oil and gas leases covering the
following:**

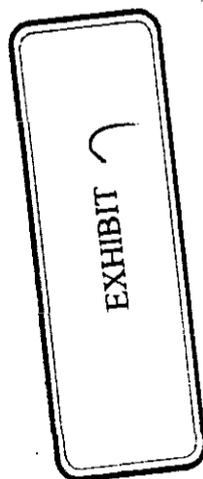
Section 34: W/2SW/4NW/4NW/4 (578) and SW/4NW/4,

containing 45 acres, more or less.

**Tract No. 7 - Margaret C. Mobley, et al. unleased mineral interest covering the
following:**

Section 34: W/2NE/4NW/4NW/4 (562),

containing 5 acres, more or less.



36.

The primary terms of Lease Nos. 72, 73 and 74 have long since expired. These leases cover Tract No. 12, being the E/2SW/4NW/4NW/4 and W/2SE/4NW/4NW/4 of Section 34, among other Tracts of captioned land.

REQUIREMENT: You must verify that Lease Nos. 72, 73 and 74 have been maintained full force and effect since the expiration of their respective primary terms by production or operations on the lands covered by the leases or lands pooled therewith.

37.

The surface and mineral estates of Tract No. 12, being the E/2SW/4NW/4NW/4 and W/2SE/4NW/4NW/4 have not been severed. Accordingly, any delinquent ad valorem taxes assessed against the surface estate of the tract would also burden the mineral estate.

REQUIREMENT: You must verify that all 2013 and prior ad valorem taxes assessed against the surface estate Tract No. 12 have been paid.

38.

It appears that, at one time, Joe H. Beeman owned a 35/350 interest in Tract Nos. 13, 34, 36, 41 and 43 and a 70/350 interest in Tract No. 14, probably as his separate property. Mr. Beeman conveyed these interests to R. C. Beveridge on May 24, 1973. On December 28, 1973, R. C. Beveridge and wife reconveyed to Mr. Beeman 60% of the interest conveyed to them by Mr. Beeman being a 21/350 interest in Tract Nos. 13, 34, 36, 41 and 43 and a 42/350 interest in Tract No. 14. In 1974, Mr. Beeman and wife, Mary Jo Beeman then conveyed to T. L. Rees 1/3 of 40% of said interests. It appears that the Beemans also conveyed to Carmex, Inc. 2/3 of 40% of said interests. This left the Beemans with a 12.6/350 interest in Tract Nos. 13, 34, 36, 41 and 43 and a 25.2/350 interest in Tract No. 14.

The Beemans and their attorneys then engaged in a series of conveyances, lawsuits, and stipulations of interest which over a span of almost fifteen years which completely confused and obscured the ownership of these interests. In general, the documents and lawsuits are problematic for several reasons including describing conveyed interests by use of mineral acres without allocating the mineral acres among the tracts being conveyed, stipulated to or adjudicated, or otherwise ambiguous, unclear and imprecise description of the interests being conveyed, stipulated to, litigated and adjudicated, apparently conflicting conveyances to different parties, over conveyances, conveyances by parties with no interest to convey, conveyances by potentially married persons without joinder of their spouses, incorrect legal descriptions for the lands being conveyed and failure to join necessary defendants in quiet title suits.

By a judgment entered in Quiet Title Suit, CV-84-119 in the District Court of Eddy County, New Mexico styled "*Mary Jo Dickerson and Joe H. Beeman vs. Carlock & Taylor, et al.*" the Court decreed that Thomas B. and Martha Stribling were the owners of 24.0174 net mineral acres acquired by virtue of two separate deeds, but without making any indications of which portions of the mineral acres were attributable to captioned land. In addition, the Court decreed that John E. Osborn was the owner of 12.00827 net mineral acres as described in a Deed recorded in Book 218, page 46, Deed Records, again without any indication of which portions of said net mineral acres were attributable to the captioned tracts. The Court further decreed that any deeds to George E. Romine, individually, Carlock & Taylor, a partnership, L. L. Leaton and the First National Bank of Winnsboro, Texas are of no force and effect. Accordingly, it is not possible to determine from the judgment the respective interests in the captioned tracts that were owned by the Beemans, the Striblings and John Osborn.

In addition to the documents and lawsuits described in the prior opinions examined, the materials examined reflect the following additional documents which contribute to the confusion:

- A. Mineral Deed dated March 1, 1974, recorded in Book 218, page 46, Deed Records, whereby Joe H. Beeman and wife, Mary Jo Beeman conveyed to John E. Osborn 12.0087 mineral acres in the captioned tracts and numerous other tracts without allocation of the mineral acres among the various tracts;
- B. Warranty Deed dated March 10, 1986, recorded in Book 265, page 832, Deed Records, whereby Joe H. Beeman conveyed to Thomas Jack Gregory and wife,

Bonnie R. Gregory and Clarence W. Ervin and Mary I. Ervin, his wife, all of grantor's interest in the captioned tracts, among other lands.

- C. Special Mineral Deed dated February 20, 1987, recorded in Book 172, page 937, Eddy County Records, whereby Kirby, Ratliff, Manning & Greak, Inc. conveyed to Louis M. (Mickey) Ratliff, Jr., Nevill Manning and Nolan Greak in equal shares a 3.06250% interest in Tract Nos. 13, 14, 34, 36, 41 and 43 among other lands.
- D. Stipulation of Interest dated July 8, 1987, effective March 10, 1986, recorded in Book 2, page 234, and Book 14, page 259, Eddy County Records, among Joe H. Beeman, Thomas J. Gregory, Bonnie Ruth Gregory, Clarence W. Ervin and Mary I. Ervin in which the parties stipulated to the following interests in Tract Nos. 13, 14, 34, 36, 41 and 43, among other lands.

Joe H. Beeman "1/2 of 26.25000% or 13.125 [sic] of the total interest remaining after Stipulation dated January 20, 1986"

Thomas J. Gregory and Bonnie Ruth Gregory "65% of 13.125% of the interest remaining after Stipulation dated January 20, 1986"

Clarence W. Ervin and Mary I. Ervin "35% of 13.125% of the interest remaining after Stipulation dated January 20, 1986"

- E. Mineral Deed dated August 24, 1987, recorded in Book 5, page 346, Eddy County Records, whereby Virginia Lee Davis conveyed to Dewie B. Leach, a single man, 40% of the grantor's 10% interest in Tract Nos. 13, 14, 34, 36, 41 and 43, among other lands.

- F. Mineral Deed dated September 2, 1987, recorded in Book 4, page 1144, Eddy County Records, whereby Mary Jo Dickerson conveyed to Jonathan D. Knoerdel 2% of the grantor's interest in the six tracts, among other lands.

- G. Stipulation of Interest dated September 20, 1987, recorded in Book 14, page 467, Eddy County Records, between Joe H. Beeman and Alec G. McGonagill in which the parties stipulated to the following interests in the lands described in Exhibit "A" (however, there was no Exhibit "A" attached to the recorded version of the document):

Joe H. Beeman "1/2 of 16.15000% or 13.125 [sic] of the total interest remaining after Stipulation dated September 20, 1987"

Alec G. McGonagill "5% of 13.125% of the interest remaining after Stipulation dated September 20, 1987"

- H. Untitled document dated September 25, 1987, recorded in Book 52, page 693, Eddy County Records, in which Mary Jo Dickerson agreed to deliver to Alec G. McGonagill 8% of money held in suspense by various oil companies and 5% of all mineral rights held by Mary Jo Dickerson in Eddy County, New Mexico (attached to this document was an Exhibit which described the six tracts, among other lands).

- I. Quitclaim Deed dated December 8, 1987, recorded in Book 10, page 1117, Eddy County Records, whereby Mary Joe [sic] Beeman purported to convey to Peter A. Panagopoulos 5% of her 1/2 interest in a 60% interest in the six tracts, among other lands.

- J. Quitclaim Deed dated December 8, 1987, recorded in Book 17, page 306, and 616, Eddy County Records, whereby Mary Jo Dickerson purported to convey to Peter A. Panagopoulos 1% of all oil and gas production and 5% of all monies held in

suspense by the oil companies for said production on her 1/2 interest in a 60% interest in the captioned six tracts, among other lands.

- K. Quitclaim Deed dated February 1, 1988, recorded in Book 13, page 850, Eddy County Records, whereby Mary Jo Dickerson purported to convey to Peter A. Panagopoulos, Andreas P. Panagopoulos, Pavlos P. Panagopoulos, Panagiota P. Panagopoulos and Magdaline P. Panagopoulos doing business as Panagopoulos Enterprises 7% of all oil and gas production and 7% of all monies held in suspense by the oil companies for said production on her 1/2 interest in a 60% interest in the six tracts, among other lands.
- L. Stipulation of Interest dated April 13, 1988, effective September 29, 1987, recorded in Book 18 page 989, Eddy County Records, between Joe H. Beeman and Laura Meade in which the parties stipulated to the following interests in the captioned six tracts, among other lands:
- | | |
|---------------|--|
| Joe H. Beeman | "1/2 of 26.25000% or 13.125% of the total interest remaining after Stipulation dated September 20, 1987" |
| Laura Meade | "3½% of 13.125% of the interest remaining after Stipulation dated September 20, 1987" |
- M. Assignment of Production dated October 4, 1989, recorded in Book 54, page 895, Eddy County Records, from Klipstine & Hanratty, PC, a partnership, and from James W. Klipstine and wife, Latannia Klipstine to Western Commerce Bank assigning all of the assignor's interest in production from the six tracts to secure a debt, among other lands.
- N. Quitclaim Deed dated October 31, 1989, recorded November 21, 1994, in Book 203, page 1049, Eddy County Records, whereby Seminole Memorial Hospital conveyed to Martha Stribling, Thomas B. Stribling, Joe H. Beeman, Klipstine & Hanratty (a partnership composed of James W. Klipstine, Jr. and Kevin J. Hanratty), John E. Osborn, Virginia Lee Davis, Mary Jo Dickerson, John E. Hall, III, Kirby, Ratliff, Manning & Greak, Inc., Thomas Jack Gregory, Bonnie Ruth Gregory, Clarence W. Ervin, Mary I. Ervin and Laura Meade all of the grantor's interest in the six tracts, among other lands. I note that this document was executed and acknowledged by George Cristy without indication of his capacity as an officer or other representative of the grantor.
- O. Quitclaim Mineral Deed dated May 11, 1990, recorded in Book 68, page 656, Eddy County Records, whereby Joe H. Beeman conveyed to Alec G. McGonagill all mineral interest owned by the grantor in the six tracts, among other lands.
- P. Mineral Deed dated August 11, 1998, recorded in Book 326, page 79, Eddy County Records, whereby Dewie B. Leach, a single man, conveyed to LBD, a Limited Partnership all of his interest in the six tracts, among other lands.

Whatever portion of the interest in the six tracts that was acquired by Thomas B. and Martha G. Stribling from the Beemans as a result of the documents described above and in said prior opinions now appear to be owned as follows:

Martha Stribling for life, remainder to:

- a) Tom Stribling, Trustee of the LTS Trust 1/6
- b) George O. Stribling 1/5 x 5/6
- c) Martha J. Stribling 1/5 x 5/6
- d) Thomas B. Stribling, Trustee of the Thomas Luke Stribling Trust 1/5 x 5/6
- e) George O. Stribling, Trustee for Margaret Stribling, Robert Cain and Salem Stribling 1/5 x 5/6
- f) John D. Stribling 1/5 x 5/6 1/2

Martha Stribling, a widow, Trustee
u/t/a dated September 24, 1996 1/2

Said interests are subject to the Lease recorded in Book 155, page 89, Miscellaneous Records.

Whatever portion of the interests in the six tracts that was acquired by John Osborn is now owned by Pamela Rae Cummings 1/4, Patricia Gay Stamps 1/4, John Osborn 1/4, Sue Osborn Powell 1/8 and Mary Camille Hall 1/8, all as their separate property subject to the Lease recorded in Book 177, page 204, Miscellaneous Records.

Whatever portion of said interests in the six tracts that was retained by Joe H. Beeman as a result of the foregoing documents, if any, is now owned by Helen Beeman and is unleased. Some of the prior opinions examined showed the interest which I have described as "uncertain interests" to be leased pursuant to one or more leases executed by Joe H. Beeman, but my examination does not reveal any recorded leases from Joe H. Beeman or from any of his successors in interest which cover the six tracts. I therefore reflect the 3.6% or 7.2% interest, as the case may be, as being unleased.

Whatever portion of the interests in the six tracts that was acquired by Peter A. Panagopoulos now appears to be owned by Panagopoulos Enterprises.

Whatever portion of the interests in the six tracts that was acquired by Thomas Jack Gregory and Bonnie R. Gregory now appears to be owned by Bonnie R. Gregory and the heirs of Thomas Jack Gregory. In this regard, the materials examined reflect a Proof of Death and Heirship executed by Bonnie R. Gregory dated October 10, 1995, recorded in Book 231, page 1112, Eddy County Records, which states that Thomas Jack Gregory died intestate July 24, 1994 in Carlsbad, New Mexico. He was survived by his wife Bonnie R. Gregory and by his children, Irma J. Gregory, Thomas W. Gregory, William I. Gregory and Stanley J. Gregory. Because the heirship of Thomas Jack Gregory has not been judicially determined, title to whatever portion of the interests in the six tracts that passed through his estate is unmarketable.

Whatever portion of said interest in the six tracts what was acquired by Alec G. McGonagill is apparently owned by Brian L. McGonagill and wife, Shirley C. McGonagill. It appears that Alec G. McGonagill is deceased because by Quitclaim Mineral Deed dated September 6, 2012, recorded in Book 904, page 633, Eddy County Records, Brian L. McGonagill, Personal Representative of the Estate of A. G. McGonagill conveyed to Brian L. McGonagill and wife, Shirley C. McGonagill all of the interest of the estate in the six tracts. I have not examined any probate proceedings conducted for the Estate of Alec G. McGonagill.

It appears that the parties who could now claim portions of the 3.6% interest in Tract Nos. 13, 34, 36, 41 and 43 and the 7.2% interest in Tract No. 14 are as follows:

Martha Stribling, individually and as Trustee of a Trust dated September 24, 1996
Tom Stribling, Trustee of the LTS Trust
George O. Stribling
Martha J. Stribling
Thomas B. Stribling, Trustee of the Thomas Luke Stribling Trust
George O. Stribling, Trustee for Margaret Stribling, Robert Cane and Salem Stribling
John D. Stribling
Pamela Rae Cummings
Patricia Gay Stamps
John W. Osborn
Sue Osborn Powell
Mary Camille Hall
Childs & Bishop Law Office, Inc.
Klipstine & Hanratty
James W. Klipstine, Jr.
Kevin J. Hanratty
Helen Beeman
M. Craig Beeman
Mary Jo Dickerson (formerly Beeman)
Virginia Lee Davis
LBD, a Limited Partnership
Charles L. Reitenger

John Edward Hall, III, the Successor of United New Mexico Bank of Carlsbad
First Federal Savings and Loan Association of Littlefield, Texas
Jonathan D. Knoerdel
Clarence W. Ervin
Mary I. Ervin
Bonnie R. Gregory
Irma J. Gregory
Thomas W. Gregory
William I. Gregory
Stanley J. Gregory
Laura Meade
Brian L. McGonagill
Shirley C. McGonagill
Louis M. (Mickey) Ratliff, Jr.
Nevill Manning
Nolan Greak
Seminole Memorial Hospital
Andreas P. Panagopoulos
Pavlos P. Panagopoulos
Panagiota P. Panagopoulos
Magdalene P. Panagopoulos
Panagopoulos Enterprises

All of said interests are unleased.

I also note that numerous liens have been filed that could affect some of the interests described above and the liens have not been released of record. It is likely that some of the liens are no longer enforceable, however, it is not possible to determine this from the materials examined. These liens are as follows:

- A. Transcript Judgment by United New Mexico Bank-Carlsbad vs. Joe H. Beeman and Mary Jo Beeman Dickerson dated June 15, 1987, issued in Cause No. CV-87-82 in the amount of \$3,864.25, recorded in Book 278, page 892, Miscellaneous Records.
- B. Notice of Federal Tax Lien against James W. Klipstine, Jr. in the amount of \$43,081.64, dated March 13, 1986, in Book 260, page 1106, Miscellaneous Records, for the 1982 and 1984 tax periods.
- C. Transcript of Judgment by Ohio Casualty and Insurance Company vs. Joe H. Beeman dated December 27, 1988, issued in Cause No. CV-88-361, in the amount of \$6,918.48.
- D. Notice of State Tax Lien filed October 23, 1989, recorded in Book 55, page 758, from the State of New Mexico against Klipstine & Hanratty, PC in the amount of \$15,794.67.
- E. Transcript of Judgment by Clyde C. and Maureen F. Smith against James W. Klipstine, Jr. dated March 9, 1989, issued in Cause No. CV-88-276, in the amount of \$32,799.74, recorded in Book 40, page 821, Eddy County Records.
- F. Notice of Federal Tax Lien dated August 10, 1989, recorded in Book 51, page 1156, Eddy County Records, against Klipstine & Hanratty in the amount of \$3,589.91.
- G. Notice of Federal Tax Lien against Klipstine & Hanratty in the amount of \$39.26 dated August 10, 1989, recorded in Book 51, page 1183, Eddy County Records, as amended by Notice dated February 2, 1990, recorded in Book 64, page 949, Eddy County Records.
- H. Notice of Federal Tax Lien against James W. Klipstine, Jr. in the amount of \$9,377.98 dated October 19, 1989, recorded in Book 56, page 826, Eddy County Records.
- I. Transcript of Judgment from the Federal Deposit Insurance Corporation vs. James W. Klipstine, Jr., dated July 19, 1990, issued in Cause No. CIV-89-375 in the United States District Court for the District of New Mexico in the amount of \$453,344.11 recorded in Book 72, page 962, Eddy County Records.

- J. Notice of State of New Mexico Department of Labor Lien against James W. Klipstine, Jr., PC filed on January 4, 1990, in Book 60, page 398, in the amount of \$581.42.
- K. Notice of Federal Tax Lien against James W. Klipstine, Jr., PC formerly known as Klipstine & Fry, PC, formerly known as Klipstine & Hanratty, PC in the amount of \$7,693.54 dated March 8, 1990, recorded in Book 64, page 953, Eddy County Records as amended by Notices dated March 27, 1990 and September 17, 1995, recorded in Book 66, page 234, and Book 231, page 681 and in Book 231, page 684, Eddy County Records.
- L. Notice of Federal Tax Lien against James W. Klipstine, Jr., in the amount of \$4,037.95, dated June 21, 1990, recorded in Book 71, page 685, Eddy County Records.
- N. Notice of Federal Tax Lien against James W. Klipstine, Jr., in the amount of \$9,377.98 filed on November 5, 1990, in Book 80, page 415, Eddy County Records.
- O. Notice of State Tax Lien against James W. Klipstine, Jr. in the amount of \$5,714.59 filed July 31, 1991, in Book 101, page 434, Eddy County Records.
- P. Warrant of Levy and Lien by the New Mexico Department of Labor against James W. Klipstine, Jr., P.C., filed October 12, 1993, in Book 169, page 1031, Eddy County Records, in the amount of \$794.04.
- Q. Notice of Federal Tax Lien against James W. Klipstine, Jr. and Latannia Klipstine in the amount of \$1,337.79, filed November 18, 1993, in Book 173, page 341, Eddy County Records.
- R. Transcript of Judgment filed by Western Commerce Bank against James W. Klipstine, Jr., et al. filed on September 1, 1995, in Book 228, page 769, against James W. Klipstine, Jr. and wife, Latannia J. Klipstine in Cause No. CV-93-124 in the District Court of Eddy County, New Mexico in the amount of \$220,813.57.
- S. Notice of Federal Tax Lien against James W. Klipstine, Jr., PC, Klipstine & Hanratty, PC, Klipstine & Fry, PC filed on October 4, 1995, in Book 231, page 681, Eddy County Records, in the amount of \$7,693.54 and also recorded in Book 231, page 684, Eddy County Records.
- T. Notice of State Tax Lien against Thomas B. Stribling filed on June 2, 1997, in Book 282, page 970, Eddy County Records, in the amount of \$26,670.09.

REQUIREMENT A: The parties who I have shown above who could claim an interest in the 3.6% interest or 7.2% interest in the particular tract should execute a stipulation of interest containing words of grant which specifically describes the interest each claims. In lieu thereof, a quiet title suit should be instituted to clear title to the specific interest claimed by each party in the tracts.

REQUIREMENT B: Subject to the satisfaction of Requirement "A", because I have shown that the 3.6% interest in Tract Nos. 13, 34, 36, 41 and 43 and the 7.2% interest in Tract No. 14 is unleased, you should obtain oil and gas leases, secure the participation of, or force pool the interests of the following parties and their spouses as applicable:

Martha G. Stribling, individually and as Trustee of a Trust dated September 24, 1996
Tom Stribling, Trustee of the LTS Trust
George O. Stribling
Martha J. Stribling
Thomas B. Stribling, Trustee of the Thomas Luke Stribling Trust
George O. Stribling, Trustee for Margaret Stribling, Robert Cane and Salem Stribling
John D. Stribling
Pamela Rae Cummings
Patricia Gay Stamps
John W. Osborn
Sue Osborn Powell
Mary Camille Hall
Childs & Bishop Law Office, Inc.

Klipstine & Hanratty
James W. Klipstine, Jr.
Latannia Klipstine
Kevin J. Hanratty
Helen Beeman
M. Craig Beeman
Mary Jo Dickerson (formerly Beeman)
Virginia Lee Davis
LBD, a Limited Partnership
Charles L. Reitenger
John Edward Hall, III, the Successor of United New Mexico Bank of Carlsbad
First Federal Savings and Loan Association of Littlefield, Texas
Jonathan D. Knoerdel
Clarence W. Ervin
Mary I. Ervin
Bonnie R. Gregory
Irma J. Gregory
Thomas W. Gregory
William I. Gregory
Stanley J. Gregory
Laura Meade
Brian L. McGonagill
Shirley C. McGonagill
Louis M. (Mickey) Ratliff, Jr.
Nevill Manning
Nolan Greak
Seminole Memorial Hospital
Andreas P. Panagopoulos
Pavlos P. Panagopoulos
Panagiota P. Panagopoulos
Magdalene P. Panagopoulos
Panagopoulos Enterprises

REQUIREMENT C: The heirship of Thomas Jack Gregory should be judicially determined in a New Mexico court proceeding.

REQUIREMENT D: Submit for examination a certified transcript of any probate proceedings conducted for the Estate of Alec G. McGonagill.

REQUIREMENT E: The liens described above should be released or satisfactory evidence should be furnished that the liens are no longer effective or enforceable.

39.

At one time, Martha Stribling and her husband Thomas B. Stribling owned as their community property a 79.34/350 interest in Tract Nos. 13, 34, 36, 41 and 43 of captioned land subject to Lease recorded in Book 155, page 89, Miscellaneous Records. These people also owned a 158.68/350 interest in Tract No. 14. In addition, these people also owned as their community property a portion of the interests which are subject to the preceding requirement. Martha Stribling became vested with her community 1/2 of the interests upon the death of her husband Thomas B. Stribling on July 19, 2003. The materials examined reflect a Warranty Deed from Martha Stribling a/k/a Martha G. Stribling to Martha G. Stribling as Trustee of the Martha G. Stribling Irrevocable Trust dated April 5, 2006, recorded in Book 798, page 1232, Eddy County Records, conveying all of her interests in Eddy County, New Mexico, but reserving to the grantor a life estate in any real estate of minerals granted. The deed did not contain any provisions regarding the right of Martha Stribling as life tenant to receive payments of bonus or royalties during her life.

The materials examined then reflect the following additional conveyances:

- A. Quitclaim Deed from Martha G. Stribling to the Martha G. Stribling Revocable Trust restated as of June 21, 2010, said Deed being dated February 8, 2011, recorded in Book 846, page 671, Eddy County Records, conveying the following:

Offset Ownership
Yardbirds 34 PA Fee No. 1H
E/2E/2 of Section 34, T23S, R28E
Eddy County, New Mexico

W/2 of Section 34, T23S, R28E:
Mewbourne Oil Company – Operator

W/2 of Section 35, T23S, R28E:
Mewbourne Oil Company – Operator

E/2 of Section 27, T23S, R28E:
Mewbourne Oil Company – Operator

W/2 of Section 26, T23S, R28E:
Chevron Midcontinent, L.P. – Operator
15 Smith Road
Midland, Texas 79705

E/2 of Section 3, T24S, R28E:
Mewbourne Oil Company – Operator

W/2 of Section 2, T24S, R28E:
Southwest Royalties, Inc. – Operator
6 Desta Drive, #3000
Midland, Texas 79705

EXHIBIT 8