OIL AND GAS PROPERTIES
SUITE 859
PETROLEUM BUILDING
200 WEST FIRST
ROSWELL, NEW MEXICO 88201

PHONE 505-622-7246 FAX 505-622-1711

September 3, 1997

LEASEHOLD & LAND STATUS/SHIPP PROSPECT

T-16-S, R-37-E, NMPM, Lea County, New Mexico Section 28: SW/4, being 160 acres, mol.

GREEN: VOLUNTARY AGREEMENT IN HAND (leases, assignments, AFE's)

151.227 NET ACRES

RED: CONTACTED REQUESTING LEASE, ASSIGNMENT OR JOINDER WITH NO

REPLY..... 3.82 net acres

NO COLOR (Blank): UNABLE TO LOCATE VIA MAILS and/or TELEPHONE.

4.953 net acres

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Case No. <u>11821</u> Exhibit No. <u>2</u>

Submitted by: Paloma Resources, Inc.

Hearing Date: September 4, 1997

BEFORE THE

OIL CONSERVATION DIVISION .

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

APPLICATION OF PALOMA RESOURCES, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 11821

٨	E	F	Ħ		٨	7	71	٦	Г
◠	.1	Τ.	L	J	А	٠,	' <u>l</u>		L

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Jim Pierce, authorized representative of Paloma Resources, Inc., the Applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested persons entitled to receive notice of this application under Oil Conservation Division Rule 1207.

Jim Pierce

SUBSCRIBED AND SWORN to before me this 3dd day of September, 1997 by Jim Pierce.

Notary Public

My Commission Expires:

OIL AND GAS PROPERTIES
SUITE 859
PETROLEUM BUILDING
200 WEST FIRST
ROSWELL, NEW MEXICO 88201

PHONE 505-622-7246 FAX 505-622-1711

August 8, 1997 CERTIFIED MAIL

Mr. Kenneth G. Cone P. O. Box 11310 Midland, Texas 79702-1310

Re: Oil and Gas Lease Request

Section 28: SW/4 T-16-S, R-37-E, NMPM, Lea County, New Mexico OFFICE COPY

Dear Mr. Cone:

Per our previous correspondence, our Application for Compulsory Pooling, regarding all unleased or uncommitted mineral interests, is scheduled for September 4, 1997.

We, again, would appreciate your consideration of the following offer to lease your interest for exploration purposes:

Term: Ninety (90) days

Royalty: 1/4

Enclosed is an AFE, should you decide to participate in the well voluntarily.

Please return either your executed lease form or the enclosed AFE at your earliest convenience.

All interests not committed to a lease or voluntary participation on or before Monday, September 3, 1997, will be force pooled.

We appreciate your consideration.

Please contact us if you have any questions.

Truly,

Jim Pierce

JLP/Im

Encls.

i	s y	our	RET	ŲE	N AD	DRI	SS	i co	om	piete	ed (on t	he r	eve	rse side?	?
PS Form 3811 , December 1994	X ranging	6. Signature (Addressee or Agent)	· ·	5. Received Bv. (Print Name)	U. E			Midland, Texas 79702	P. 0. Box 11310	Kenneth G. Cone	3. Article Addressed to:	delivered.	Write "Return Receipt Requested" on the mailplece below the article number. The Return Receipt will show to whom the article was delivered and the date	 Attach this form to the front of the multiplece, or on the back if space does not nermit 	SENDER: "Complete items 1 and/or 2 for additional services. "Complete items 3, 4a, and 4b. "Print your name and address on the reverse of this form so that we can return this card to you.	>::\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
Domestic Return Receipt		SA CO		Address Address (Only if requested	Only Deliver	Denominación Menchandse 🗆 COD	O Insured in	☐ Registered	4b. Service Type	1502 276 500 E	4a. Artiole Number	Consult postmaster for fee.	number: 2. Restricted Delivery	1. Addressee's Address	I also wish to receive the following services (for an extra fee):	

is your <u>RETURN</u>	ADDRESS completed on the reverse eide?
5. Received By: [Print.Name] - 22 A A A Band A Bridge paid) 6. Signalure: (Addressee or Agent) - Will Mile to be paid) PS Form 3811, December Leas.	SENDER: **Complete items 1 and/or 2 for additional services. **Complete items 3.4e, and 4b. **Print your name and address on the reverse of this form so that we can return this extra card to you. **Attach this form to the front of the malipiece, or on the back if space does not permit. **The Return Receipt Requested* on the malipiece below the snitcle number. **The Return Receipt will show to whom the snitcle was delivered and the date delivered. 3. Article Addressed to: **The Return Receipt will show to whom the snitcle was delivered and the date. **The Return Receipt to: **The Return Return Return
paid) Domestic Return Receipt	I also wish to receive the following services (for an extra fee): 1. Addressee's Address edate 2. Hestricted Delivery Consult postmaster for fee. Article Number 2. Acticle Number Consult postmaster for fee. Article Type Service Type Registered Express Mall Return Receipt for Merchandse COD Date of Delivery

ł	s your j	RETU	RN AD	DRES	<u>iS</u> cc	mp	lete	ed (on t	he r	8 V 8 :	r se s	ide?
PS Form 3811, December 1994	6. Signature (Addressee or Agent) (QNY)	5. Received By: (Print Name)	W/V/ 1 1 197	STA WINSTA		P. O. Box 11310	Kenneth G. Cone	3. Article Addressed to:	delivered.	"Write "Return Receipt Requested" on the mailplece below the article number. The Defurn Receipt will show to whom the acticle was delivered and the date	Attach this form to the front of the mailplece, or on the back if space does not permit	 Complete items 3, 4s, and 4b. Print your name and address on the reverse of this form so that we can return this card to you. 	SENDER: Complete items 1 and/or 2 for additional services.
Domestic Return Receipt		87 Addressee's Address (Only if requested and fee is paid)	S Date of Delivery	Return Receipt for Merchandise COD	Registered T Certified R	4b. Service Type	P 502 276 303	4a. Article Number	Consult postmaster for fee.	the date 2. Restricted Delivery	1. Addressee's Address	extra fee):	lalso wish to receive the

OIL AND GAS PROPERT ES
SUITE 859
PETROLEUM BUILDING
200 WEST FIRST
ROSWELL, NEW MEXICO 88201

PHONE 505-822-7246 FAX 505-822-1711

August 11, 1997

Mallon Oil Company 999 18th Street Suite 1700 Denver, Colorado 80202 Certified Mail!

The second

Attention: Ms. Anita Springer

Re: Assignment Request Section 28: SW/4 T16S, R37E, NMPM,

Lea County, New Mexico

Dear Ms. Springer:

Per our telephone conversations, Our Application for Compulsory Pooling is Scheduled for September 4, 1997.

Again, we would appreciate your consideration of the following offeto assign your hbp leasehold interests in the above captioned for exploration:

Term: Ninety (90) days

Royalty:

Enclosed is an AFE in the event you should decide to participate.

Please return either the executed AFE or assignment at your earliest convenience.

We appreciate your consideration.

Please contact us if you have any questions.

Jim Pierce

JP/lm encl.

can return this extra fee): a does not number. 4a. Article Number Consult postmaster for fee. 4b. Service Type 4b. Service Type B. Agistered Express Mail Registered Refum Receipt for Merchandse Return Receipt for Merchandse B. Addressee's Address (Only if requested and fee is paid) Domestic Return Receipt Domestic Return Receipt
--

ROSWELL, NEW MEXICO 88201 OIL AND GAS PROPERTIES 200 WEST FIRST SUITE 859

CERTIFIED

AT TEMPTED NOT KN ס 502 278 708

Des Moines, Iowa 50310 Mrs. Florence L. Gossman 2800 42nd Street

ATTEMPTED S NOT KNOWN



0000

50310





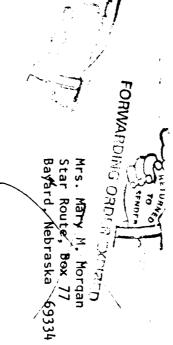
JIM PIERCE
OIL AND GAS PROPERTIES
200 WEST FIRST
SUITE 859
ROSWELL, NEW MEXICO 88201

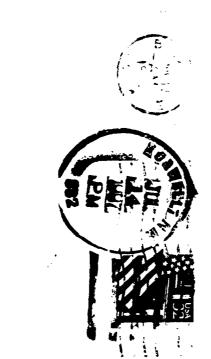
Mr. and Mrs. Don A. Morgan, II 14440 River Oaks Drive Colorado Springs, Solorado 80908 7.1 Marie R. A. M. ACA MONEY ADM CALOSTAL Charles of the charles and 大名 記記 事 .

B0321/2838 0

Haldaladalllaaa.Haladalladadlabaddl

JIM PIERCE
OIL AND GAS PROPERTIES
200 WEST FIRST
SUITE 859
ROSWELL NEW MEXICO 88201





69354-92**0**9

William Willer William William

JIM PIERCE
OIL AND GAS PROPERTIES
700 WEST FIRST
SUITE 859
ROSWELL NEW MEXICO 88201

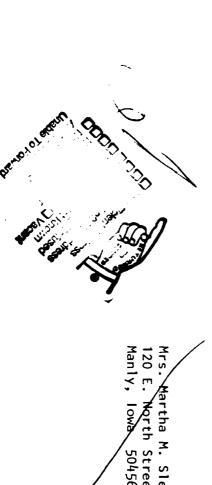
Mrs. Emma Mallukait
Mrs. Emma Mallukait
602 2nd Street North
602 2nd Street North
Humboldt, Iowa 50548
Humboldt, Iowa 50548



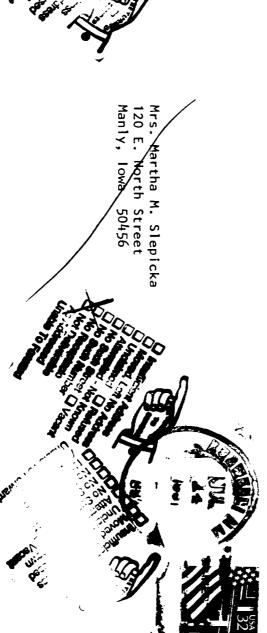
JIM PIERCE
OIL AND GAS PROPERTIES
200 WEST FIRST
SUITE 859
ROSWELL, NEW MEXICO 88201

Mrs. Jennie Anderson Byck 45 NW Trout Street Waldport, Oregon 97394

62995408846-06826







JIM PIERCE
OIL AND GAS PROPERTIES
200 WEST FIRST
SUITE 859
ROSWITH NEW MEXICO 88201





LAW OFFICES

TURNER & DAVIS

A PROFESSIONAL CORPORATION

400 W. ILLINOIS, SUITE 1400 P. O. BOX 2796 MIDLAND, TEXAS 79702-2796

J. RANDY TURNER
MEMBER TEXAS AND NEW MEXICO BARS

TELEPHONE (915) 687-0011 FAX (915) 687-1735

April 3, 1995

LIMITED TITLE OPINION

Jim Pierce Oil & Gas Properties Suite 859 Petroleum Bldg. 200 W. First Street Roswell, NM 88201

Attention: Mr. Jim Pierce

Re: The mineral estate only in the S/2 of Section 28, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

Gentlemen:

At your request, we have examined the following:

MATERIALS EXAMINED

Prior Title Opinions

- 1. Transcribed copy of Original Review Title Opinion dated April 11, 1950, rendered by Donald N. Johnson of the Legal Department, Title Division, of Shell Oil Company, addressed to the Land Department, Title and Rental Division, of the same company, covering captioned land, among other lands, based upon the abstracts described therein, which together covered said lands from inception of the records to February 28, 1950 at 7:00 a.m.
- 2. Copy of Supplemental Review Title Opinion dated January 16, 1953, rendered by Carroll L. Thomas of the Legal Department, Title Division, of Shell Oil Company, addressed to the Land Department, Title and Rental Division, of the same company, based upon the abstract described therein, which covered the S/2 of captioned Section 28 from February 28, 1950 at 7:00 a.m. to December 4, 1952 at 7:00 a.m.

Abstracts

- 1. Partial Abstract No. 32617, certified by Elliott & Waldron Abstract Company, Inc., a corporation, as covering the mineral estate in captioned land from December 4, 1952 at 7:00 a.m. to December 4, 1972 at 7:00 a.m., containing 350 pages.
- 2. Supplemental Abstract No. 32609, certified by the same abstractor as covering the mineral estate in captioned land from December 4, 1972 at 7:00 a.m. to April 17, 1979 at 7:00 a.m., containing 433 pages.
- 3. Supplemental Abstract No. 31697, certified by Lea County Abstract Company as covering the mineral estate in captioned land from April 17, 1979 at 7:00 a.m. to October 19, 1979 at 7:00 a.m., containing 43 pages.
- 4. Supplemental Abstract No. 32671, certified by the same abstractor as covering the mineral estate in captioned land from October 19, 1979 at 7:00 a.m. to January 20, 1982 at 7:00 a.m., containing 208 pages.

- 5. Supplemental Abstract No. 87-942, in three parts, certified by Elliott & Waldron Title and Abstract Company, Inc. as covering the surface and mineral estates in captioned land from January 20, 1982 at 7:00 a.m. to July 9, 1987 at 7:00 a.m., containing 889 pages.
- 6. Supplemental Abstract No. 95-200, in four parts, certified by the same abstractor as covering the surface and mineral estates in captioned land, but excepting surface easements therefrom, from July 9, 1987 at 7:00 a.m. to February 27, 1995 at 7:00 a.m., containing 1,284 pages.

FEE TITLE

Based upon examination of the foregoing and subject to the title requirements and other matters set forth below, we find title to the mineral estate in captioned land vested as follows:

Frances J. Freeman, a/k/a Patsy Shipp Freeman, as her separate property
Elizabeth H. Maddux, as her separate property
Elizabeth H. Maddux, Betty S. Roberts, John R. Harris and Charles V. Richter, as Trustees doing business under the assumed name of Coates Energy Trust
Hager Oil and Gas, a Texas general partnership
J. Patrick Corrigan, as his separate property
Hugh Corrigan, IV
P. Edward Corrigan
Burke Healey, as Trustee of the Burke Healey Trust, a revocable trust dated January 2, 1985
Baren Healey, as Trustee of the Baren Healey 1988 Trust under Trust Agreement dated April 25, 1988
Petco Limited, a Texas limited partnership
The Allar Company
Mildred A. Wright, as Trustee of the Mildred A. Wright Trust No. 1 under Trust Agreement dated
September 9, 1980
September 9, 1980
September 9, 1980
September 9, 1980
Thomas W. Pettit, as his separate property
September 9, 1980
September 9, 1980
Thomas W. Pettit, as his separate property
Thomas W. Pettit, as his separate property
Thomas W. Pettit, as his separate property
September 9, 1980

Pat Alston Ward, as her separate property
Rita D. Schenck, Western Commerce Bank, Carlsbad, New Mexico, and William Carl Schenck, as Co-Trustees of Trust A-2, created under the terms and provisions of the Kirby D. Schenck and Rita D. Schenck Revocable Trust Agreement dated October 2, 1991, as modified by that certain Family Settlement Agreement entered into in the probate proceedings for the Estate of Kirby D. Schenck, Deceased
Rita D. Schenck, Western Commerce Bank, Carlsbad, New Mexico, and William Carl Schenck, as Co-Trustees of Trust B, created under the terms and provisions of the Kirby D. Schenck and Rita D. Schenck Revocable Trust Agreement dated October 2, 1991, as modified by that certain Family Settlement Agreement entered into in the probate proceedings for the Estate of Kirby D. Schenck, Deceased
Republic Royalty Company, a Texas general partnership 74.3% of 11/400
Baytech, Inc
Dodge Jones Foundation
Julia Jones Matthews, as Trustee of the Julia Jones Matthews Living Trust, established on September 28, 1993
The Fasken Foundation
Randy Geiselman
Mary Ralph Lowe, as Trustee of the Erma Lowe Trust for Clayton Lowe Yost
Mary Ralph Lowe, as Trustee of the Erma Lowe Trust for Carson R. Yost
Mary Ralph Lowe, as Trustee of the Erma Lowe Trust for Samantha Adelaide Yost
Andrews Royalty, Inc
Matt-Tex, L.L.P
John A. Matthews, Jr
Hanesco, Inc
Beverly T. Carter and the Successor to Powhatan Carter, Jr., Deceased, Co-Trustees of the Powhatan and Beverly T. Carter Revocable Trust under Trust Agreement dated September 25, 1981
Anderson Carter, as his separate property
Rodney Carter, as his separate property
Anderson Carter, II, as his separate property
Stuart Carter, as his separate property
Jones Robinson, Ltd., a limited partnership
J. R. McGinley, Jr., as his separate property
The First National Bank and Trust Company of Oklahoma City, Oklahoma, Trustee
Harry J. Schafer, Jr., as Trustee of the Mary E. Grisso Trust No. 1 under Trust Agreement dated August 28, 1979
Mary Kathryn Grisso, as her separate property
J. H. Van Zant, II, whose wife is Carolan R. Van Zant
Dorothy Jeanne Van Zant Sanders, whose husband is Fred A. Sanders 3/320

DALEN Resources Oil & Gas Co
The Home-Stake Royalty Corporation
Emaree D. Means, as Trustee of the Cecil L. Hightower Testamentary Trust
Cleroy, Inc
Lanroy, Inc
Fred H. Fuhrman, whose wife is Jean Smith Fuhrman
Brian H. Scarborough, whose wife is Sydney T. Scarborough 29/8192
Richard F. McAdoo, as his separate property
Marcus D. Maddox
Harriet McAdoo Platt, as her separate property
Roy G. Barton, Jr., as Trustee of the Roy G. Barton, Sr. and Opal Barton Revocable Trust
Brice McAdoo Clagett, as his separate property
Doris Cross McAdoo, as her separate property
The First National Bank at Lubbock, Successor Trustee under the Will of J. E. Simmons, Deceased
The First National Bank at Lubbock, Successor Trustee under the Will of Beulah H. Simmons, Deceased
Dale Sarsgard, as his separate property
Esther Ruble, as her separate property
Marvel Lou Kirchhoff, as her separate property
Verla Ennen, as her separate property
Ralph William Viersen, Jr., as his separate property
Patsy Ann Viersen Brown, as her separate property
The Heirs or Devisees of S. P. Johnson, Jr., Deceased
S. P. Johnson, III and Barbara Jo Johnson, as Co-Trustees of the S. P. Johnson, III and Barbara Jo Johnson Trust under agreement dated January 24, 1985
PJC Limited Partnership
Larry B. Hall, as his separate property, for his life, with remainder to Lawren Lydian Hall, as her separate property
Robert G. Anderson, as Trustee of the Robert G. Anderson
Revocable Trust created by Declaration of Trust dated November 29, 1989
Ronald J. Byers, as his separate property
Marilyn Cone, as Trustee of the D. C. Trust
Clifford Cone, as his separate property
Tom R. Cone, as his separate property
Kenneth G. Cone, as his separate property
Cathie Auvenshine, as her separate property
Dorothy DeSmidt
Beulah Dodd
Marietta Berkhimer
The Heirs or Devisees of Lulu F. Allphin, Deceased

Maxine Wendle, as her separate property	
Matts Wallukait, whose wife is Emma Wallukait	
Mento Tjarks, as his separate property	
Norma Olson, as her separate property	
John William Tiss, as his separate property	
Otto R. Gossman and wife, Florence L. Gossman	
Ada L. Grew, whose husband is W. R. Grew	
Earl L. Hausen, whose wife is Kathryn Hausen	
Anna Joyce Francis, as her separate property	
Barbara Jackson, as her separate property	ł
R. Kent Standish	
Cynthia E. Larson, a widow, and Charles R. Larson, as joint tenants with right of survivorship	
Dale R. Morgan	ļ
Linda P. Morgan, whose husband is O. G. Morgan	ı
Jennie Anderson Buck, whose husband is Floyd Buck	
G. L. Whitman, whose wife is Blanche M. Whitman	
Alex H. Duncan, whose wife is Maggie Johnston Duncan 1/6400	
Arthur J. Miller, whose wife is Jennie M. Miller, and Leonard Arthur Miller	
H. S. Probert, whose wife is Blanche L. Probert	
Nick D. Christakos	
Fred Kemper	
John Satoka	
Gertrude J. Sproule	
G. A. Lee	
Frederick M. Grace	
Chas. E. Snipps, whose wife is Madge L. Snipps	
Florence M. Balkam, whose husband is Frank B. Balkam 1/6400	
J. D. Evans, whose wife is Myrtle I. Evans	
Louis E. Brooker, whose wife is Eacy Brooker	
Emma B. La Roe, as her separate property	
Andrew E. Nelson, whose wife is Bessie R. Nelson	
W. C. Caldwell	
Helen M. Brewer	,
Frank O. Peterson, whose wife is Ella M. Peterson	,
Henry R. Elvidge and Effie M. Elvidge)
Clifford Gray, whose wife is Clara Gray	
Robert W. Woodburn, whose wife is Elisabeth Woodburn	
Ethel Armentrout	
Floy Mae Mawhinney	

F. C. Holmes, whose wife is Eva Holmes
R. W. Brown, whose wife is Lucinda Brown
Martha M. Slepicka, as her separate property
Francis William Slepicka, as his separate property
Joseph John Slepicka, as his separate property
Mildred L. Hitchcock
Clifford K. Ferguson, whose wife is Hazel Ferguson, and John W. Ferguson, whose wife is Mary Ferguson
John W. Ferguson, whose wife is Mary Ferguson
Bruce Schmitz, as his separate property
Jane Marie Schmitz Webb, as her separate property 1/76,800
The Heirs or Devisees of Lloyd Schmitz, Jr., Deceased 1/76,800
The Heirs or Devisees of Dean Schmitz, Deceased 1/76,800
Lois Schmitz Flack, as her separate property 1/76,800
Amerett E. Schmitz, as her separate property 1/76,800
Coralee Johnson, as her separate property
Doris Johnson, as her separate property
Daryl Schmitz, as his separate property
Kenneth Schmitz, as his separate property
Forrest Schmitz, as his separate property
Joyce Evans, as her separate property
Glennys Croxton, as her separate property
Patricia Osgood, as her separate property
Jean Stone, as her separate property
Gale Harrington, as her separate property
Phyllis Beaver, as her separate property
Cheryl L. Ohden, as her separate property
Evan Christiansen, whose wife is Theline Christiansen 1/6400
C. A. Hanson, whose wife is Lillian W. Hanson
W. A. Drew, whose wife is L. M. Drew
Arthur Briston, whose wife is Helga Briston
Gary E. Ogden
Robert E. Ogden
Bill Seltzer
Henrietta L. McDermott Fischer, whose husband is A. F. Fischer 1/6400
W. A. Horn, whose wife is Hazel K. Horn
Edwin G. LeCoste, whose wife is Jessie Faye LeCoste
Jessie Faye LaCoste
June M. Thieman, as her separate property
Everett W. Kischer, as his separate property

Douglas C. Koch	/38,400 2
Wayne A. Bissett	/38,400 2
Wilbur C. Enfield	/19,200
Harry Schrader, whose wife is Laura C. Schrader	1/6400
L. C. Crepaw, whose wife is Ellen A. Crepaw	1/6400
J. F. Sofranko and his wife, Verona Sofranko	1/6400
Estella Maple	1/6400
C. R. Hemphill, whose wife is Ruby Hemphill, and W. J. Parrot, whose wife is Muriel J. Parrott	1/6400
John J. Corbett, whose wife is Elizabeth G. Corbett	1/6400
J. S. Thompson	1/6400
Everett Hermanson, as his separate property	1/6400
Tabala & Wassanan and blandfor Wassanah	
Johnie A. Hermanson and his wife, Margarette Hermanson, as joint tenants with right of survivorship	1/6400
Fred M. Pettis	1/6400
C. B. Patchen	1/6400
Herbert Jordan	1/6400
W. R. Hill	1/6400
Martin Egenes	1/6400
Paul Waughtal	1/6400
Howard V. Kratz	1/6400
John C. Shipley	1/6400
Howard L. Swanson	1/6400
Harry Pitman	1/6400
William C. Reimer	1/3200
R. L. Jenson	1/6400
John H. Martin	1/6400

This interest is subject to the terms and provisions of that certain Management Contract and Agreement dated July 2, 1990, recorded in Book 531, page 675, Miscellaneous Records, by and between Jones Robinson, Ltd. and Bi-State Loans & Leasing Company, Inc.

PATENT INFORMATION

Prior Title Opinion No. 1 described above states that captioned land has been patented by the United States of America, subject to vested water rights and canals used in connection therewith.

EASEMENTS

This opinion does not cover surface easements.

The leasing rights and the rights to receive any bonus or delay rentals associated with these interests are owned by Hazel L. Bruggman, a widow.