

EXHIBIT "A"

IN THE DISTRICT COURT OF SAN MIGUEL COUNTY  
STATE OF NEW MEXICO

IVERSON TOOL COMPANY,  
A Corporation,

Plaintiff,

v.

HERSHFIELD OIL DEVELOP-  
MENT COMPANY, A Cor-  
poration, and CABRA  
SPRINGS OIL AND GAS COM-  
PANY, A Corporation,

Defendants.

No. 11841

- FINAL JUDGMENT -

This cause coming on to be heard by the Court at 9:00 o'clock A. M. on February 14, 1939, having been duly and regularly set down for trial by the Court upon said date, plaintiff being present by its attorney, Ross L. Malone, Jr., the intervenor, North American Investment Company, a corporation, being present by its attorneys Noble & Speiss, and the defendants, Hershfield Oil Development Company and Cabra Springs Oil and Gas Company, having failed to appear, or any person for them, or either of them, and

IT APPEARING TO THE COURT that Charles W. G. Ward, who filed an answer herein for said defendants, withdrew from this case, and that thereafter plaintiff caused a notice to be served upon each of said defendants by registered mail, as provided by Section  
On 9-134, New Mexico Statutes

Annotated, 1929 Compilation, all of which appears from the Affidavit of Mailing on file herein, which said notice was delivered on the 21st day of October, 1938, and that said defendants, and each of them, have failed, neglected and refused to cause an attorney to enter his appearance herein on their behalf, or to make any provision for the service of notice upon them of this cause, and

IT FURTHER APPEARING TO THE COURT that notice of this hearing was given by the attorney for plaintiff to the president of the defendant Cabra Springs Oil and Gas Company as required by law, and said defendants having thereafter failed to appear it was ordered by the Court that this cause proceed ex parte on the testimony of plaintiff as between plaintiff and defendants, and

~~IT FURTHER APPEARING TO THE COURT that it has been stipulated between plaintiff and intervenor in open court that plaintiff shall have judgment as prayed for in his complaint, with the exception that the lien of plaintiff shall not be considered as affecting the title to the oil and gas leasehold estate of defendants held by them under lease from the intervenor;~~

The Court having considered the evidence and heard argument of the counsel, and being advised in the premises finds:

1. That it has jurisdiction of the parties and subject matter of this suit.
2. That plaintiff is a corporation, organized and existing under the laws of the State of Oklahoma, duly authorized

to transact business in the State of New Mexico. That the defendant Hershfield Oil Development Company is a corporation existing under the laws of the State of New Mexico, and that the defendant Cabra Springs Oil and Gas Company is a corporation duly authorized to transact business under the State of New Mexico. That the principal place of business of both of said defendants is in San Miguel County, New Mexico.

3. That the defendant Cabra Springs Oil and Gas Company is the owner of the oil and gas leasehold estate in the tract, lot or parcel of land, upon which is situated a well being drilling for oil and gas by said defendant in Section 22, Township 12 North, Range 22 East, San Miguel County, New Mexico, which well is located approximately thirty miles southeast of the City of Las Vegas, in what is known as the Cabra Springs pasture. That at all times hereinafter mentioned, and at the present time, the said Cabra Springs Oil and Gas Company has been the owner of the well for oil or gas heretofore referred to and of all equipment, casing, apparatus and supplies used in connection with such drilling operations, which said operations have heretofore been carried on by said defendant and the Hershfield Oil Development Company, defendant herein.

4. That on the 27th day of January, 1934, and thereafter at various times and on separate orders, the defendants purchased from the plaintiff, and the plaintiff furnished to the defendants at their special instance and

request, upon an open account, certain oil well drilling equipment, tools, supplies, machinery, and material to be used or employed in the digging, drilling, completing, equipping, or repairing of the oil and gas well belonging to defendants and situate upon the property hereinbefore described. That said tools, equipment, machinery and supplies were actually used in the drilling of said well. That no more than one hundred and twenty days elapsed between the date of the furnishing of any part or parts of such material, tools, equipment, machinery, or supplies, and the date upon which materials, tools, equipment, machinery, or supplies were next furnished upon said open account.

5. That the reasonable value and agreed purchase price of the material so furnished by the plaintiff to the defendants, Hershfield Oil Development Company and the Cabra Springs Oil and Gas Company, was as shown by the sworn itemized statement filed with the Clerk of this Court simultaneously with the filing of the Complaint herein, and is in the total sum of Three Thousand, Three Hundred Seventy Four and 30/100 Dollars, (\$3374.30). That subsequent to the filing of the claim of lien hereinafter referred to the defendant, Cabra Springs Oil and Gas Company returned to the plaintiff for credit upon the account of the said Cabra Springs Oil and Gas Company and Hershfield Oil Development Company certain material of the reasonable value of Five

Hundred Seventy-three and 60/100 Dollars (\$573.60), and that the defendants are entitled to credit upon said account in said sum of Five Hundred Seventy-three and 60/100 Dollars (\$573.60). That after the allowance of the credit so due, the defendants, Heranfield Oil Development Company and Cabra Springs Oil and Gas Company are jointly and severally indebted to the plaintiff, Iverson Tool Company in the principal sum of Two Thousand, Eight Hundred and 70/100 Dollars (\$2800.70).

6. That the plaintiff herein in accordance with Chapter 11 of the Session Laws of 1931 of the State of New Mexico, did within the time required by law after the furnishing of the last item of material, tools, machinery, equipment or supplies upon the open account aforesaid file for record in the office of the County Clerk of San Miguel County, New Mexico, its claim of lien, the same being filed for record at 9:00 o'clock A. M., on July 20, 1935, and thereafter duly recorded in Book 3 of the Lien Records of said County at Page 139. That said Claim of Lien so filed and recorded contains a statement of the amount claimed and the items thereof, the name and residence of the claimant, the name of the person to whom such materials, tools, machinery, equipment or supplies were furnished, together with a description of the property upon which its lien is claimed. That said claim was duly verified by Affidavit of Ross L. Malone, Jr., the agent and attorney in fact of the plaintiff.

7. That on or about the 15th day of July, 1935, the plaintiff duly executed its Power of Attorney to the said Ross L. Malone, Jr., granting unto him full power and authority to execute its Claim of Lien upon the property of the defendants herein. That said Power of Attorney was thereafter on the 17th day of October, 1935 filed for record in the office of the County Clerk of San Miguel County, New Mexico, at 9:00 o'clock A. M., and was duly recorded in Book 119 of the Miscellaneous Records of said County at Page 443. That said Power of Attorney so recorded was filed with the Clerk of this Court, simultaneously with the filing of the Complaint herein.

8. That more than one year did not elapse between the time of the filing of said Claim of Lien and the institution of this action. That excepting the credit hereinbefore referred to, in the amount of Five Hundred Seventy-three and 60/100 Dollars (\$573.60), no part of the purchase price of the materials and supplies enumerated in plaintiff's Claim of Lien, amounting to Three Thousand, Three Hundred Seventy-four and 70/100 Dollars (\$3,374.70), has been paid, and that the balance due upon the account so owing by the defendants, and each of them, to plaintiff is in the sum of Two Thousand Eight Hundred and 70/100 Dollars (\$2800.70). That plaintiff paid the sum of \$8.50 for filing and recording its Claim of Lien aforesaid. That there

is, therefore, due, owing and unpaid to the plaintiff from the defendants, Hershfield Oil Development Company and Cabra Springs Oil and Gas Company, and each of them, after allowing all just credits and off-sets, the sum of Two Thousand Eight Hundred and 70/100 Dollars (\$2800.70), with interest thereon at the rate of eight per cent (8%) per annum from the 30th day of July, 1935, until paid, and in addition the sum of \$8.50 for the recording of plaintiff's Claim of Lien, together with the sum of Three Hundred Seventy-five and No/100 Dollars (\$375.00), which the Court finds to be a reasonable attorney's fee for the foreclosure of plaintiff's lien in the District Court, which sum is hereby allowed to the plaintiff as attorney's fees, as provided by law.

9. That plaintiff has waived its Claim of Lien herein, insofar as the same affects title to the oil and gas leasehold estate of the defendants in the real estate, upon which the well heretofore referred to is situate. That plaintiff has a first and prior lien upon the oil and gas well heretofore referred to, situate upon Section 28, Township 12 North, Range 22 East, N.M.P.M., San Miguel County, New Mexico, and upon all of the fixtures, machinery, tools, equipment, appliances and casing now located at said well, or which was used or employed in the drilling and operations of said well, wherever the same may be now located, and specifically including all casing situate at said well, or which has been placed therein in the process of drilling,

which said lien is a first and prior lien there upon as against every claim or demand of the defendants herein, and the Intervenor, North American Investment Company, or any of them.

10. That plaintiff is entitled to judgment as against the defendants herein, and each of them, in the sums heretofore found due and is entitled to have its lien upon the property of said defendants herein referred to foreclosed and the property sold at public sale, and the proceeds thereof applied to the satisfaction of said judgment as provided by law.

11. That each and every allegation contained in plaintiff's complaint is true and correct.

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED BY THE COURT that the plaintiff, Iverson Tool Company, a corporation, do have and recover judgment of and from the defendants Hershfield Oil Development Company, a corporation, and Cabra Springs Oil and Gas Company, a corporation, in the following sums, to-wit:

a. The sum of \$2800.70, with interest thereon at the rate of 8% per annum from July 30, 1935, until paid.

b. The sum of \$8.50, which was the cost of filing plaintiff's Claim of Lien.

c. The sum of \$375.00, with interest thereon at the rate of 6% per annum from the date of this judgment until paid as attorney's fees, for the filing of said lien and the foreclosure thereof in the District Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED BY THE COURT that plaintiff's lien by reason of its claim of Lien filed as herein set out is a first and prior lien upon the oil and gas well herein referred to situate on Section 22, Township 12 North, Range 22 East, N.M.P.M., San Miguel County, New Mexico, and upon all of the fixtures, machinery, tools, equipment, appliances and casing now located at or in said well, or which was used or employed in the drilling and operation of said well, wherever the same may be now located, specifically including all casing which has been placed in said well in the process of the drilling thereof. That plaintiff is entitled to have said lien foreclosed by the said of sale property at public auction to the highest bidder for cash as provided by law, and the proceeds therefrom applied to the satisfaction of the judgment herein granted.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED BY THE COURT that W. G. Ogle be, and he hereby is, appointed special master of this Court for the purpose of carrying out this decree and holding the sale of the property as herein provided for. That unless the defendants herein shall pay or cause to be paid to plaintiff the total judgment herein granted within sixty days from the entry of this decree that said Special Master shall offer for sale and sell at public sale for cash to the highest bidder all and singular the property which is subject to plaintiff's lien, as herein set forth, or so much thereof

as shall be necessary to pay the amounts found due to plaintiff, together with all costs of this action. That the special master shall cause said sale to be advertised as required by law for the sale of real estate under mortgage foreclosure.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED BY THE COURT that the plaintiff shall be allowed to purchase said property at the foreclosure sale without paying cash, excepting the amount necessary to defray the costs of suit and sale. That said special master after making the sale aforesaid shall report same for the confirmation of this Court and shall execute and deliver to the purchaser or purchasers of the property, upon approval of said sale, a good and sufficient bill of sale, or other instrument transferring the title thereto to such purchaser, and upon the delivery of said instrument the purchaser or purchasers shall be entitled to go upon the lands upon which said property is situate and to reduce same to possession and to take all necessary steps incident to obtaining the possession and benefits of the ownership thereof.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED BY THE COURT that the sale of said property may be made in parcels or as a whole, whichever in the opinion of the special master will result in the most advantageous sale thereof.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED BY THE COURT that after said special master sale the defendants,

Hershfield Oil Development Company and Cabra Springs Oil and Gas Company, and the intervenor, North American Investment Company, and each of them, and all persons holding or claiming any interest in said property by, through or under said defendants, be, and they hereby are, barred and foreclosed of any equity, right or claim of lien or title or other interest in said property of whatsoever kind or character, and that said defendants and intervenor, and all persons claiming under them, from and after said sale shall be barred and estopped from ever claiming or asserting any title or interest in or lien upon said property of whatsoever kind or character.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED BY THE COURT that the sale so held shall be reported to the Court for further order as to the distribution of the proceeds therefrom.

(sgd) William S. Justice  
District Judge.

STATE OF NEW MEXICO     Y  
                                  |  
County of Chaves         |     ss.  
                                  X

I, the undersigned Irene Harper, a Notary Public in and for Chaves County, New Mexico, do hereby certify that I have compared the foregoing copy of the Final Judgment in Cause No. 11841 in the District Court of San Miguel County, New Mexico, to the original of said instrument on file in the office of the District Clerk of San Miguel County and that said copy is in all things a full, true and correct copy of the original of said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this the 18th day of July, 1939.

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*Irene Harper*  
Notary Public

My commission expires:

April 26, 1941