## Kemp, Smith, Duncan & Hammond, P.C.

ATTORNEYS AT LAW

400 WEST ILLINOIS, SUITE 1400, MIDLAND, TEXAS 79701-4310 | P.O. BOX 2796, 79702-2796 | 915 687-0011 | FAX 915 687-1735

FRANK N. CREMER
MEMBER TEXAS, NEW MEXICO AND COLORADO BARS

July 6, 1993

LBUQUERQUE

Bahlburg Exploration 14874 Landmark Blvd., Suite 216 Dallas, TX 75240

Attn: Mr. William C. Bahlburg

Re: Ownership of the royalties in the 5/2 NEW and SE/4 of Section 26, Township 13 South, Range 37 East, N.M.F.M., Lea County,

New Mexico

Gentlemen:

Reference is made to our Original Drilling Title Opinion dated October 22, 1990 and our Original Division Order Title Opinion dated May 6, 1993, addressed to you, covering the S/2 NW/4 and SW/4 of Section 25, Township 13 South, Range 37 East, N.M.P.M., Lea County, New Mexico. You have asked that we confirm that the oil, gas and other minerals in, on and under and that may be produced from the S/2 NE/4 and SE/4 of Section 26 are owned by the same parties in the same proportions as the oil, gas and other minerals in, on and under and that may be produced from the S/2 NW/4 and SW/4 of Section 25. For this purpose, we have examined the following:

- (a) Copy of Original Drilling Title Opinion dated November 12, 1986, prepared by Stubbeman, McRae, Sealy, Laughlin & Browder, Inc., addressed to BTA Oil Producers, based upon the prior title opinions and abstract described therein, covering the S/2 NW/4 and SW/4 of Section 25, and the S/2 NE/4 and SE/4 of Section 26, from inception of the records to November 10, 1986 at 2:40 p.m.; and
- (b) All of the instruments pertaining to the S/2 NE/4 and SE/4 of Section 26 which have been recorded in the Office of the County Clerk of Lea County, New Mexico, from November 10, 1986 at 2:40 p.m. to June 18, 1993 at 5:00 p.m., as reflected by the indices of Elliott & Waldron Title and Abstract Co., Inc.

Based upon examination of the foregoing, we find that the ownership of the oil, gas and other minerals underlying the S/2 NE/4 and SE/4 of Section 26 is identical to the ownership of the oil, gas and other minerals underlying the S/2 NW/4 and SW/4 of Section 25. We note, however, that although we did not examine title to the oil and gas leasehold estate in the S/2 NE/4 and SE/4 of Section 26, it appears that the currently effective oil and gas

Bahlburg Exploration July 6, 1993 Page 2

lease covering said land provides for a royalty of 3/16 on oil and gas, whereas the currently effective oil and gas lease covering the S/2 NW/4 and SW/4 of Section 25 provides for a royalty of 1/5 on oil and gas. This means that the mineral owners will receive a greater percentage of total production from the S/2 NW/4 and SW/4 of Section 25 than they will from the S/2 NE/4 and SE/4 of Section 26.

If you have any questions or comments or if we can be of further service to you in this matter, please call.

Very truly yours,

KEMP, SMITH, DUNCAN & HAMMOND, P.C.

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# Kemp, Smith, Duncan & Hammond, P.C.

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400 WEST ILLINOIS, SUITE 1400, MIDLAND, TEXAS 79701-4310 | P.O. BOX 2796, 79702-2796 | 915 687-0011 | FAX 915 687-1735

JAMES R. FULLER
MEMBER TEXAS, NEW MEXICO AND OKLAHOMA BARS

ALBUQUERQUE EL PASO

### May 6, 1993

#### ORIGINAL DIVISION ORDER TITLE OPINION

Bahlburg Exploration 14875 Landmark Blvd., Suite 216 Dallas, Texas 75240

Attention: Mr. William C. Bahlburg

Re: Your No. 1 Lowe "25" Well situated on the following-described land situated in Lea County, New Mexico:

Township 13 South, Range 37 East, N.M.P.M. Section 25: S/2 NW/4 and SW/4

containing 240 acres, more or less.

#### Gentlemen:

At your request, we have examined the following:

#### MATERIALS EXAMINED

#### Prior Title Opinion

Copy of our Original Drilling Title Opinion dated October 22, 1990, addressed to you, based upon the prior title opinion described therein and an examination of the records in the Office of the County Clerk of Lea County, New Mexico, which together covered captioned land from inception of the records to October 1, 1990 at 7:00 a.m.

#### Examination of the Records

We have examined the records in the Office of the County Clerk of Lea County, New Mexico, pertaining to captioned land from October 1, 1990 at 7:00 a.m. to April 30, 1993 at 7:00 a.m., based upon the indices of Elliott & Waldron Title & Abstract Co., Inc.

#### Instruments

Copies of Assignment Nos. 2 through 15, described below.

## OWNERSHIP OF PRODUCTION

Based upon examination of the foregoing and subject to the title requirements hereinafter made, we find the oil and gas produced and saved from captioned land to be owned as follows:

#### Minerals:

Brady M. Lowe and Odell L. Lowe, Co-Trustees of the following-named trusts created under the Will of H. L. Lowe, Deceased:

The	Н.	L.	Lowe	Trust	for	Μ.	Dion	Lowe	•	•	•	•	.0040000

The H. L. Lowe Trust for Larry K. Lowe		
The H. L. Lowe Trust for Shana Lowe Conine0040000 The H. L. Lowe Trust for Haley Lowe	The H. L. Lowe Trust for Larry K. Lowe	.0040000
The H. L. Lowe Trust for Haley Lowe	The H. L. Lowe Trust for Loretta D. Lowe	.0040000
The H. L. Lowe Trust for Kelly Lowe	The H. L. Lowe Trust for Shana Lowe Conine	.0040000
The H. L. Lowe Trust for Lauren Lowe	The H. L. Lowe Trust for Haley Lowe	.0013333
The H. L. Lowe Trust for Vivian Lowe Anselmi0026667 The H. L. Lowe Trust for Ronny P. Lowe	The H. L. Lowe Trust for Kelly Lowe	.0013333
The H. L. Lowe Trust for Ronny P. Lowe	The H. L. Lowe Trust for Lauren Lowe	.0013334
The H. L. Lowe Trust for Kay Lowe Hughes	The H. L. Lowe Trust for Vivian Lowe Anselmi	.0026667
The H. L. Lowe Trust for Teddy L. Hartley	The H. L. Lowe Trust for Ronny P. Lowe	.0026667
The H. L. Lowe Trust for Robert T. Hartley	The H. L. Lowe Trust for Kay Lowe Hughes	.0026666
Robert Thomas Hartley, as his separate property       .0200000         Teddy Lowe Hartley, as his separate property       .0200000         Ronny P. Lowe, as his separate property       .0100000         Vivian Lowe Anselmi, as her separate property       .0100000         Kay Lowe Hughes, as her separate property       .0100000         Coy S. Lowe, as his separate property       .0200000         Larry K. Lowe, as his separate property       .0200000         Loretta D. Lowe, as her separate property       .0200000         Shana Lowe Conine, as her separate property       .0200000         Overriding Royalty Interest:       .0200000         William C. Bahlburg       .0500000         Working Interests:       .0500000         Robert T. Hartley       .1125000         Retrust Oil & Gas Corporation       .0900000         Caprock Pipe & Supply Company       .0600000         Betta Dean Nathanson       .0600000         Norton Drilling Company       .0450000         Teddy Lowe Hartley       .0375000         Robert W. Henderson       .0300000         National Drilling Company       .0234375	The H. L. Lowe Trust for Teddy L. Hartley	.0040000
Teddy Lowe Hartley, as his separate property       .0200000         Ronny P. Lowe, as his separate property       .0100000         Vivian Lowe Anselmi, as her separate property       .0100000         Kay Lowe Hughes, as her separate property       .0100000         Coy S. Lowe, as his separate property       .0200000         Larry K. Lowe, as his separate property       .0200000         Loretta D. Lowe, as her separate property       .0200000         Shana Lowe Conine, as her separate property       .0200000         The Heirs of Daryl L. Lowe, Deceased       .0200000         Overriding Royalty Interest:	The H. L. Lowe Trust for Robert T. Hartley	.0040000
Ronny P. Lowe, as his separate property       .0100000         Vivian Lowe Anselmi, as her separate property       .0100000         Kay Lowe Hughes, as her separate property       .0100000         Coy S. Lowe, as his separate property       .0200000         Larry K. Lowe, as his separate property       .0200000         Loretta D. Lowe, as her separate property       .0200000         Shana Lowe Conine, as her separate property       .0200000         The Heirs of Daryl L. Lowe, Deceased       .0200000         Overriding Royalty Interest:	Robert Thomas Hartley, as his separate property .	.0200000
Vivian Lowe Anselmi, as her separate property         .0100000           Kay Lowe Hughes, as her separate property         .0100000           Coy S. Lowe, as his separate property         .0200000           Larry K. Lowe, as his separate property         .0200000           Loretta D. Lowe, as her separate property         .0200000           Shana Lowe Conine, as her separate property         .0200000           The Heirs of Daryl L. Lowe, Deceased         .0200000           Overriding Royalty Interest:         .0500000           Working Interests:         .0500000           Robert T. Hartley         .1125000           Retrust Oil & Gas Corporation         .0900000           Caprock Pipe & Supply Company         .0600000           Norton Drilling Company         .0450000           Teddy Lowe Hartley         .0375000           Robert W. Henderson         .0300000           National Drilling Company         .0234375	Teddy Lowe Hartley, as his separate property	.0200000
Kay Lowe Hughes, as her separate property       .0100000         Coy S. Lowe, as his separate property       .0200000         Larry K. Lowe, as his separate property       .0200000         Loretta D. Lowe, as her separate property       .0200000         Shana Lowe Conine, as her separate property       .0200000         The Heirs of Daryl L. Lowe, Deceased       .0200000         Overriding Royalty Interest:	Ronny P. Lowe, as his separate property	.0100000
Coy S. Lowe, as his separate property       .0100000         Larry K. Lowe, as his separate property       .0200000         Loretta D. Lowe, as her separate property       .0200000         Shana Lowe Conine, as her separate property       .0200000         The Heirs of Daryl L. Lowe, Deceased       .0200000         Overriding Royalty Interest:	Vivian Lowe Anselmi, as her separate property	.0100000
Larry K. Lowe, as his separate property	Kay Lowe Hughes, as her separate property	.0100000
Loretta D. Lowe, as her separate property	Coy S. Lowe, as his separate property	.0100000
Shana Lowe Conine, as her separate property .0200000 The Heirs of Daryl L. Lowe, Deceased .0200000  Overriding Royalty Interest:  William C. Bahlburg .0500000  Working Interests:  Bahlburg Exploration .2135625 Robert T. Hartley .1125000 Retrust Oil & Gas Corporation .0900000 Caprock Pipe & Supply Company .0600000 Etta Dean Nathanson .0600000 Norton Drilling Company .0450000 Teddy Lowe Hartley .0375000 Robert W. Henderson .0300000 National Drilling Company .0234375	Larry K. Lowe, as his separate property	.0200000
The Heirs of Daryl L. Lowe, Deceased	Loretta D. Lowe, as her separate property	.0200000
Overriding Royalty Interest:William C. Bahlburg.0500000Working Interests:	Shana Lowe Conine, as her separate property	.0200000
William C. Bahlburg       .0500000         Working Interests:       .2135625         Bahlburg Exploration       .2135625         Robert T. Hartley       .1125000         Retrust Oil & Gas Corporation       .0900000         Caprock Pipe & Supply Company       .0600000         Etta Dean Nathanson       .0600000         Norton Drilling Company       .0450000         Teddy Lowe Hartley       .0375000         Robert W. Henderson       .0300000         National Drilling Company       .0234375	The Heirs of Daryl L. Lowe, Deceased	.0200000
Working Interests:  Bahlburg Exploration	Overriding Royalty Interest:	
Bahlburg Exploration       .2135625         Robert T. Hartley       .1125000         Retrust Oil & Gas Corporation       .0900000         Caprock Pipe & Supply Company       .0600000         Etta Dean Nathanson       .0600000         Norton Drilling Company       .0450000         Teddy Lowe Hartley       .0375000         Robert W. Henderson       .0300000         National Drilling Company       .0234375	William C. Bahlburg	.0500000
Robert T. Hartley	Working Interests:	
Retrust Oil & Gas Corporation	Bahlburg Exploration	.2135625
Caprock Pipe & Supply Company	Robert T. Hartley	.1125000
Etta Dean Nathanson	Retrust Oil & Gas Corporation	.0900000
Norton Drilling Company	Caprock Pipe & Supply Company	.0600000
Teddy Lowe Hartley	Etta Dean Nathanson	.0600000
Robert W. Henderson	Norton Drilling Company	.0450000
National Drilling Company	Teddy Lowe Hartley	.0375000
	Robert W. Henderson	.0300000
Petroven 1992-A Program	National Drilling Company	.0234375
	Petroven 1992-A Program	.0225000

Pine Valley Petroleum Corporation	.0180000
McDonald Marketing & Operating Company	.0120000
Petroven Inc	.0120000
Richard D. Grumbling	.0075000
Thomas W. Taylor	.0060000

### EXISTING OIL AND GAS LEASE

Date:

April 12, 1992.

Recorded:

Book 475, page 835, Oil and Gas Records.

Lessor:

Odell L. Lowe, Co-Trustees under the Will of H. L. Lowe; Odell L. Lowe and John F. Maner, Domiciliary Foreign Co-Personal Representatives of the Estate of Daryl L. Lowe; Robert Thomas Hartley; Teddy Lowe Hartley; Ronny P. Lowe; Kay Lowe Hughes; Coy S. Lowe, Individually and as Attorney-in-Fact for Vivian Lowe Anselmi; Larry K. Lowe, Individually and as Attorney-in-Fact for Loretta D. Lowe; and

Shana Lowe Conine.

Lessee:

Bahlburg Exploration.

Land Covered:

Captioned land.

Interest Covered:

All interest in captioned land.

Primary Term:

One (1) year from date.

Royalties:

1/5 on oil and gas.

Shut-in Gas Well

Royalties:

Shut-in gas well royalties in an amount equal to the annual rentals payable under the lease are payable on or before 90 days after the date the well is shut in, and annually thereafter, to the parties who would be entitled to receive the royalties which would be paid if the well were in fact producing, or to the credit of such parties in the depository bank designated below.

Delay Rentals:

None; this is a paid-up lease.

Depository:

First National Bank, Lubbock, Texas.

Pooling Provision:

Lessee is authorized to pool the leased premises into units not to exceed the standard proration unit fixed by law or by the New Mexico Oil Conservation Commission or by other lawful authority for the pool or area in which the land is situated, plus a tolerance of 10%.

Lease Form:

Producer's 88 - (Producer's Revised 1967) (New Mexico) Form 342-U; printed and for sale by Hall-Poorbaugh Press, Inc., Roswell, NM.

Unusual Provisions:

Paragraph 12 provides that statements in Paragraph 4 relating to the payment of delay rentals are inserted in the lease solely for the payment of shut-in gas well royalties as provided in Paragraph 3.

Paragraph 13 provides that the lease will terminate two years after the expiration of the primary term as to all lands covered thereby, except as to each well capable of producing oil or gas in paying quantities, together with the proration unit allocated thereto as of the date of such termination. If, at the expiration of said two-year period, Lessee is engaged in operations for drilling or reworking any well on the leased premises or any lands pooled therewith, this lease shall remain in force so long as such operations are diligently prosecuted with no cessation of more than 60 consecutive days.

Paragraph 14 provides that Lessee shall have the option to extend the lease for an additional period of two years from the expiration of the primary term or, if the lease has been maintained in force beyond the primary term, Lessee shall have the option to extend the lease for an additional period of two years from the date that the lease would have otherwise expired, by paying or tendering to Lessor or to the credit of Lessor in the depository bank designated in the lease on or before the date the lease would otherwise expire, an additional bonus equal to the sum of \$100.00 per net mineral acre that is not then included within a producing proration unit.

#### **ASSIGNMENTS**

- 1. By Assignment of Overriding Royalty Interest dated February 11, 1993, effective as of June 1, 1992, recorded in Book 566, page 791, Miscellaneous Records, Bahlburg Exploration assigned an overriding royalty interest equal to 5.0% of the oil and gas produced and saved from captioned land by virtue of the lease analyzed above to William C. Bahlburg.
- 2. By Partial Assignment of Oil and Gas Leases dated April 20, 1993, effective as of March 1, 1993, not yet recorded, Bahlburg Exploration, Inc. assigned an undivided 15% interest in the lease analyzed above to Robert T. Hartley. The interest assigned herein shall bear its proportionate share of all royalties and overriding royalties existing or created prior to the date hereof. This assignment is subject to that certain unrecorded A.A.P.L. Form 610-1989 Model Form Operating Agreement dated November 1, 1992, by and between Assignor and all non-operating working interest owners, and by executing this assignment, Assignee is hereby deemed to have executed and agreed to the terms and provisions of said Operating Agreement. This assignment is also subject to that certain unrecorded Working Interest Participation Agreement dated November 1, 1992, by and between Assignor and Assignee.

- 3. By Partial Assignment of Oil and Gas Leases dated April 20, 1993, effective as of March 1, 1993, not yet recorded, Bahlburg Exploration, Inc. assigned an undivided 12% interest in the lease analyzed above to Retrust Oil & Gas Corporation. This assignment contains the same terms and provisions and is subject to the same agreements as those described in Assignment No. 2, above.
- 4. By Partial Assignment of Oil and Gas Leases dated April 20, 1993, effective as of March 1, 1993, not yet recorded, Bahlburg Exploration, Inc. assigned an undivided 8% interest in the lease analyzed above to Caprock Pipe & Supply Company. This assignment contains the same terms and provisions and is subject to the same agreements as those described in Assignment No. 2, above.
- 5. By Partial Assignment of Oil and Gas Leases dated April 20, 1993, effective as of March 1, 1993, not yet recorded, Bahlburg Exploration, Inc. assigned an undivided 6% interest in the lease analyzed above to Etta Dean Nathanson. This assignment contains the same terms and provisions and is subject to the same agreements as those described in Assignment No. 2, above.
- 6. By Partial Assignment of Oil and Gas Leases dated April 20, 1993, effective as of March 1, 1993, not yet recorded, Bahlburg Exploration, Inc. assigned an undivided 6% interest in the lease analyzed above to Norton Drilling Company. This assignment contains the same terms and provisions and is subject to the same agreements as those described in Assignment No. 2, above.
- 7. By Partial Assignment of Oil and Gas Leases dated April 20, 1993, effective as of March 1, 1993, not yet recorded, Bahlburg Exploration, Inc. assigned an undivided 5% interest in the lease analyzed above to Teddy Lowe Hartley. This assignment contains the same terms and provisions and is subject to the same agreements as those described in Assignment No. 2, above.
- 8. By Partial Assignment of Oil and Gas Leases dated April 20, 1993, effective as of March 1, 1993, not yet recorded, Bahlburg Exploration, Inc. assigned an undivided 4% interest in the lease analyzed above to Robert W. Henderson. This assignment contains the same terms and provisions and is subject to the same agreements as those described in Assignment No. 2, above.
- 9. By Partial Assignment of Oil and Gas Leases dated April 20, 1993, effective as of March 1, 1993, not yet recorded, Bahlburg Exploration, Inc. assigned an undivided 3.125% interest in the lease analyzed above to National Drilling Company. This assignment contains the same terms and provisions and is subject to the same agreements as those described in Assignment No. 2, above.
- 10. By Partial Assignment of Oil and Gas Leases dated April 20, 1993, effective as of March 1, 1993, not yet recorded, Bahlburg Exploration, Inc. assigned an undivided 3% interest in the lease analyzed above to Petroven 1992-A Program. This assignment contains the same terms and provisions and is subject to the same agreements as those described in Assignment No. 2, above.
- 11. By Partial Assignment of Oil and Gas Leases dated April 20, 1993, effective as of March 1, 1993, not yet recorded, Bahlburg Exploration, Inc. assigned an undivided 2.4% interest in the lease analyzed above to Pine Valley Petroleum Corporation. This assignment contains the same terms and provisions and is subject to the same agreements as those described in Assignment No. 2, above.
- 12. By Partial Assignment of Oil and Gas Leases dated April 20, 1993, effective as of March 1, 1993, not yet recorded, Bahlburg Exploration, Inc. assigned an undivided 1.6% interest in the lease analyzed above to McDonald Marketing & Operating Company.

This assignment contains the same terms and provisions and is subject to the same agreements as those described in Assignment No. 2, above.

- 13. By Partial Assignment of Oil and Gas Leases dated April 20, 1993, effective as of March 1, 1993, not yet recorded, Bahlburg Exploration, Inc. assigned an undivided 1.6% interest in the lease analyzed above to Petroven, Inc. This assignment contains the same terms and provisions and is subject to the same agreements as those described in Assignment No. 2, above.
- 14. By Partial Assignment of Oil and Gas Leases dated April 20, 1993, effective as of March 1, 1993, not yet recorded, Bahlburg Exploration, Inc. assigned an undivided 1% interest in the lease analyzed above to Richard D. Grumbling. This assignment contains the same terms and provisions and is subject to the same agreements as those described in Assignment No. 2, above.
- 15. By Partial Assignment of Oil and Gas Leases dated April 20, 1993, effective as of March 1, 1993, not yet recorded, Bahlburg Exploration, Inc. assigned an undivided .8% interest in the lease analyzed above to Thomas W. Taylor. This assignment contains the same terms and provisions and is subject to the same agreements as those described in Assignment No. 2, above.

### PATENT INFORMATION

Captioned land was patented to William P. Yopp by the United States of America by Patent No. 337620, dated May 27, 1914, recorded in Book 2, page 280, Deed Records.

#### **EASEMENTS**

This opinion does not cover surface easements.

#### **ENCUMBRANCES**

None.

#### TAXES

Nothing furnished.

#### TITLE REQUIREMENTS

1.

As noted above, nothing has been furnished regarding the current status of ad valorem taxes assessed against captioned land.

<u>REQUIREMENT</u>: Submit for examination tax certificates covering captioned land from all taxing authorities having jurisdiction.

2.

We have examined the following oil and gas leases, the primary terms of which have expired, but which have not been released of record:

(a) Dated January 15, 1951, recorded in Book 91, page 110, Oil and Gas Records, from H. L. Lowe, et al, as Lessors, to J. W. Dennison, as Lessee, covering the SE/4 of Section 26 and the SW/4 of Section 25, for a primary term of five (5) years. This lease is currently owned of record by Forest Oil Corporation, Cabot Carbon Company, Atlantic Richfield Company and Chevron U.S.A. Inc.

- (b) Dated October 15, 1986, recorded in Book 404, page 907, Oil and Gas Records, from Odell L. Lowe, et al, as Lessors, to W. Wayne Gill, as Lessee, covering the S/2 NW/4 and SW/4 of Section 25, and the S/2 NE/4 and SE/4 of Section 26, for a primary term of three (3) years. This lease is now owned by Bahlburg Exploration, insofar as it covers captioned land, and by BTA Oil Producers, insofar as it covers the SE/4 and S/2 NE/4 of Section 26.
- (c) Dated April 12, 1990, recorded in Book 452, page 360, Oil and Gas Records, from Brady M. Lowe, et al, as Lessors, to Bahlburg Exploration, as Lessee, covering captioned land, for a primary term of one (1) year.

REQUIREMENT: Submit for examination releases of each of the above-described oil and gas leases or, in the alternative, submit for examination a detailed affidavit of non-production and non-development containing facts sufficient to show that there has been no operations or production from the land covered thereby, or land pooled therewith, which would serve to maintain either of the above-described leases in effect.

3.

We have credited an undivided 1/10 mineral interest in captioned land to the Heirs of Daryl L. Lowe. Daryl L. Lowe died in 1983, and apparently was survived by three minor children, Haley Lowe, Kelly Lowe and Lauren Lowe; however, we have seen nothing to indicate whether he was survived by a wife. The lease analyzed above has been executed by Odell L. Lowe and John F. Maner, Domiciliary Co-Personal Representatives of the Estate of Daryl L. Lowe.

<u>REQUIREMENTS</u>: (a) Submit for examination an affidavit of heirship for Daryl L. Lowe, which indicates whether he was survived by a wife.

(b) Submit for examination copies of any administration proceedings or proceedings to determine the heirship of Daryl L. Lowe which have been conducted in New Mexico.

4.

Paragraph 12 of the lease analyzed above provides that statements in Paragraph 4 regarding payment of delay rentals are inserted solely for the purpose of paying shut-in gas well royalties under the terms of Paragraph 3. However, the space provided in Paragraph 4 for the amount of delay rentals payable thereunder has been left blank. As a result, it is impossible to determine the amount of the shut-in gas well payment which will be necessary to maintain the lease in effect in the event you decide to shut in a gas well.

<u>REQUIREMENT</u>: The lease analyzed above should be amended so as to provide a dollar amount for the payment of shut-in gas well royalties payable under the terms of the lease.

5.

The author of the prior title opinion upon which our Original Drilling Title Opinion dated October 22, 1990, was based credited Brady M. Lowe and Odell L. Lowe, as Co-Trustees of the trusts created under the Will of H. L. Lowe, Deceased, with the ownership of the interests more particularly described in the ownership portion of this opinion. The lease analyzed above was executed by Odell L. Lowe, as Trustee of said trusts. We have not examined the instrument or instruments which evidence the manner in which Odell L. Lowe became the sole trustee of said trusts.

REQUIREMENT: Submit for examination the instrument or instruments which evidence the manner in which Odell L. Lowe became the sole trustee of the various trusts created under the Will of H. L. Lowe, Deceased.

6.

The lease analyzed above was executed by Coy S. Lowe, as Attorney-in-Fact for Vivian Lowe Anselmi. By Revocation of Power of Attorney dated August 31, 1990, recorded in Book 532, page 226, Miscellaneous Records, Vivian Lowe Anselmi revoked the power of attorney that she had granted to Coy S. Lowe on June 24, 1974. By Power of Attorney dated August 13, 1990, recorded in Book 532, page 228, Miscellaneous Records, Vivian Lowe Anselmi granted a universal power of attorney to Kay Lowe Atcheson, which has not be revoked of record. Furthermore, we find no instrument of record whereby Vivian Lowe Anselmi re-appointed Coy S. Lowe as her attorney-infact with the authority to execute the lease analyzed above.

REQUIREMENT: Submit for examination the instrument whereby Vivian Lowe Anselmi re-appointed Coy S. Lowe as her attorney-in-fact with the authority to execute the lease analyzed above. If no such instrument exists, you should have Vivian Lowe Anselmi ratify the lease analyzed above or, in the alternative, you should have Kay Lowe Atcheson ratify said lease in her capacity as attorney-in-fact for Vivian Lowe Anselmi.

7.

We have examined a Supplemental and Amended Deed of Trust, Mortgage, Assignment, Security Agreement and Financing Statement dated July 26, 1990, recorded in Book 551, page 41, Mortgage Records, from Caswel Minerals II, Ltd., as Mortgagor, to NCNB Texas National Bank, as Mortgagee, securing the payment of a promissory note dated July 26, 1990, in the original principal sum of \$2,145,100.00, due three years from date. This instrument was executed in renewal and extension of a Deed of Trust, Mortgage, Assignment, Security Agreement and Financing Statement dated July 28, 1987, recorded in Book 505, page 687, Mortgage Records. The interest covered by the Deed of Trust is a production payment owned by the mortgagor equal to \$2,200,000.00, payable out of production from captioned land and the N/2 SE/4 and SE/4 of Section 26, pursuant to the terms of an Oil and Gas Lease dated October 15, 1986, recorded in Book 404, page 907, Oil and Gas Records (the lease described in Requirement No. 1(b), above). Inasmuch as this lease has expired as to captioned land, the production payment is no longer payable out of production from captioned land, and captioned land should not have been included in the exhibit to the above-referenced supplemental deed of trust.

<u>REQUIREMENT</u>: Submit for examination a release of the above-referenced Supplemental and Amended Deed of Trust, Mortgage, Assignment, Security Agreement and Financing Statement, insofar as it covers captioned land.

8.

Assignment Nos. 2 through 15, described above, have not been filed for record in Lea County, New Mexico.

REQUIREMENT: Submit for examination recorded copies of Assignment Nos. 2 through 15, described above.

9

Assignment Nos. 2 through 15, described above, are subject to the following agreements, copies of which we have not examined:

- (a) Operating Agreement dated November 1, 1992, by and between Bahlburg Exploration, Inc. and all non-operating working interest owners in the lease analyzed above; and
- (b) Working Interest Participation Agreement dated November 1, 1992, by and between Bahlburg Exploration, Inc. and the respective assignees in Assignment Nos. 2 through 15.

<u>REOUIREMENT</u>: Submit for examination copies of the above-described agreements.

Respectfully submitted,

KEMP, SMITH, DUNCAN & HAMMOND, P.C.

By: <u>(usly full</u> Rusty Fuller

RF:pb

STATE OF NEW MEXICO	} }	KNOV	ALL	MEN	вч	THESE	PRESENTS:
COUNTY OF LEA	}						

WHEREAS, undersigned parties own interest in the William C. Bahlburg and/or Bahlburg Exploration, Inc. No.1 Lowe "25" Well located 900 ft. FSL and 50 ft. FWL of Section 25, T-13-S, R-37-E, N.M.P.M., Lea County, New Mexico (API# 30-025-30702); and

WHEREAS, the working interest owners of the No.1 Lowe "25" well desire to convey a 5.0% of 8/8ths overriding royalty interest to BTA Oil Producers in all formations above the Devonian formation, restricted and limited to the No.1 Lowe "25" wellbore, as full and complete compensation to BTA Oil Producers for the unorthodox nature of the No.1 Lowe "25" wellbore location; and

WHEREAS, BTA Oil Producers has agreed to waive any and all objection to the application of William C. Bahlburg and/or Bahlburg Exploration, Inc. to the New Mexico Oil Conservation Division to permit the No.1 Lowe "25" Well to be recompleted and produced in any formation above the Devonian formation at its unorthodox well location and has agreed to support said application;

WHEREAS, undersigned desire to stipulate, cross-convey and agree to their respective net revenue interest entitlement to production from the No.1 Lowe "25" Well specifically restricted and limited to the existing wellbore and <u>further restricted and limited</u> to those producing zones or formations occurring above the Devonian formation and above a depth of 12,070 ft in said wellbore;

NOW, THEREFORE, for the sum of Ten Dollars (\$10.00) and other valuable consideration, each of the undersigned parties do hereby stipulate, crossconvey and agree, each with the other, that their respective net revenue interests for the purposes of payment of production from the No.1 Lowe "25" well, limited and restricted as described hereinabove, are as set forth on Exhibit "A", attached hereto and made a part hereof, and each of the undersigned further agrees to execute an appropriate Division Order crediting such owner with the indicated interest.

This Stipulation and Cross-Conveyance of Interest is to be effective July 1, 1993 and is executed in multiple counterparts each of which shall be considered an original hereof. William C. Bahlburg and/or Bahlburg Exploration, Inc., as Operator, is authorized to accumulate the executed counterpart pages hereof, detach signature pages as appropriate, and compile one complete Stipulation and Cross-Conveyance of Interest.

EXECUTED and EFFECTIVE this the 1st day of July, 1993.

BAHLBURG EXPLORATION, INC.	BTA OIL PRODUCERS
By:	By: C. Robert Crawford Title: Land/Legal Manager
reldy forme Harthy	Robert T. Harler
TEDDY LOWE HARTLEY	ROBERT T. HARTLEY
ROBERT W. HENDERSON	THOMAS W. TAYLOR
ETTA DEAN NATHANSON	RICHARD D. GRUMBLING

RICHARD D. GRUMBLING

McDONALD MARKETING & OPERATING CO.	CAPROCK PIPE & SUPPLY COMPANY
Der •	By:
By:	
Name: Title:	Name:Title:
NORTON DRILLING COMPANY	RETRUST OIL & GAS CORPORATION
By:	By:
Name:	Name:
Title:	Title:
UNITED INDUSTRIAL GAS, INC.	NATIONAL DRILLING COMPANY
By:	By:
Name:	Name:
Title:	Title:
PETROVEN 1992-A PROGRAM	PETROVEN, INC.
By:	Ву:
Name:	Name:
Title:	Title:
HENSON-CROCKETT EQUITY PARTNERSHIP	PINE VALLEY PETROLEUM CORPORATION
By:	By:
Name:	
Title:	Title:
	before me on this <u>OHU</u> day of July, sident of BAHLBURG EXPLORATION, INC., poration.
State of lexas	Damila S. State of Texas rint Name: Pamela S. Greenway y Commission Expires: 3.4.97
THE STATE OF TEXAS } COUNTY OF MIDLAND }	
	the Land/Legal Manager of BTA OIL chalf of said partnership.
CHERYL BENTLEY	OTARY PUBLIC - State of Texas
Notary Public State of Town	rint Name: Cheryl Bentley
My Commission Exp. 10-18-94	y Commission Expires: 10-18-94

Stipulation & Cross-Conve Page 3	eyance-No.1	Lowe "25"
THE STATE OF NEW MEXICO COUNTY OF CURRY	} }	
This instrument was 1993, by TEDDY LOWE HARTI	LEY.	NOTARY PUBLIC - State of New Mexico Print Name: KAREN 5. HILL My Commission Expires: 4-27-97
THE STATE OF NEW MEXICO COUNTY OF CURRY	}	
1993, by ROBERT T. HARTLI	acknowledg EY.	ed before me on this me day of July,
ACTASY BUBLING		NOTARY PUBLIC - State of New Mexico Print Name: KALEN S. HILL My Commission Expires: 4-27-47
THE STATE OF TEXAS COUNTY OF DALLAS	} }	
This instrument was 1993, by ROBERT W. HENDE	acknowledg RSON.	ed before me on this day of July,
		NOTARY PUBLIC - State of Texas Print Name: My Commission Expires:
THE STATE OF TEXAS COUNTY OF DALLAS	}	
This instrument was 1993, by THOMAS W. TAYLO		ed before me on this day of July,
		NOTARY PUBLIC - State of Texas Print Name: My Commission Expires:
THE STATE OF CALIFORNIA COUNTY OF LOS ANGELES	}	
This instrument was 1993, by ETTA DEAN NATHA		ged before me on this day of July,
	·	NOTARY PUBLIC - State of California Print Name: My Commission Expires:

14875 Landmark Boulevard • Suite 216 • Dallas • Texas 75240-6713 • 214/392-0123 • FAX-214/392-0133

July 1, 1993

CASENO.

BTA Oil Producers 104 S. Pecos Midland, TX 79701

Attn: Mr. Robert Crawford

RE: NMOCD Case 10770

Application of Bahlburg Exploration, Inc. to Amend Divsion Order R-8989 for approval of various unorthodox locations for its

Lowe "25" Well No.1 (Unit M)

Section 25, T13S, R37E Lea County, New Mexico

Dear Mr. Crawford:

Bahlburg Exploration, Inc. has made application to the New Mexico Oil Conservation Division to permit its existing Lowe "25" Well No.1 to be recompleted and produced in any formation above the Devonian formation at its unorthodox well location 990 feet FSL and 50 Feet FWL (Unit M) of Section 25, T13S, R37E, NMPM, Lea County, New Mexico. This case is set for hearing on July 15, 1993.

Our information is that BTA Oil Producers is the operator of the S/2 NE/4 and SE/4 of Section 26, T13S, R37E, NMPM, Lea County, New Mexico, the direct and diagonally offsetting spacing units towards which the Lowe "25" No.1 well is encroaching.

Bahlburg Exploration, Inc. respectfully requests a waiver of objection from BTA Oil Producers for this well regarding its unorthodox location and encroachment so that it may be completed and produced in any formation without penalty.

Very truly yours,

BAHLBURG EXPLORATION, INC.

William C. Bahlburg

BTA Oil Producers hereby WAIVES OBJECTION to this application.

By:\_*\_\_\_\_* 

C. Robert Crawford

Title: Land/Lega Manager

Date: \_\_July 9, 1993



14875 Landmark Boulevard • Suite 216 • Dallas • Texas 75240-6713 • 214/392-0123 • FAX 214/392-0133

July 1, 1993

Mr. Joseph V. Hughes, Jr. P.O. Box 50787 Midland, TX 79710

RE: NMOCD Case 10770
Application of Bahlburg Exploration, Inc.
to Amend Divsion Order R-8989 for approval
of various unorthodox locations for its
Lowe "25" Well No.1 (Unit M)
Section 25, T13S, R37E
Lea County, New Mexico

Dear Mr. Hughes:

Bahlburg Exploration, Inc. has made application to the New Mexico Oil Conservation Division to permit its existing Lowe "25" Well No.1 to be recompleted and produced in any formation above the Devonian formation at its unorthodox well location 990 feet FSL and 50 Feet FWL (Unit M) of Section 25, T13S, R37E, NMPM, Lea County, New Mexico. This case is set for hearing on July 15, 1993.

Our information is that you are the owner of a 2.8875% of 8/8ths Overriding Royalty Interest in the S/2 NE/4 and SE/4 of Section 26, T13S, R37E, NMPM, Lea County, New Mexico, the direct and diagonally offsetting spacing units towards which the Lowe "25" No.1 well is encroaching.

Bahlburg Exploration, Inc. respectfully requests a waiver of objection from you for this well regarding its unorthodox location and encroachment so that it may be completed and produced in any formation without penalty.

Very truly yours,

BAHLBURG EXPLORATION, INC.

William C. Bahlburg

I hereby WAIVE OBJECTION to this application.

Joseph V. Hughes, Jr

Date: <u>7-6-193</u>



14875 Landmark Boulevard • Suite 216 • Dallas • Texas 75240-6713 • 214/392-0123 • FAX 214/392-0133

July 1, 1993

Mr. William C. Bahlburg 14875 Landmark Blvd., Suite 216 Dallas, TX 75240

RE: NMOCD Case 10770
Application of Bahlburg Exploration, Inc.
to Amend Divsion Order R-8989 for approval
of various unorthodox locations for its
Lowe "25" Well No.1 (Unit M)
Section 25, T13S, R37E
Lea County, New Mexico

Dear Mr. Bahlburg:

Bahlburg Exploration, Inc. has made application to the New Mexico Oil Conservation Division to permit its existing Lowe "25" Well No.1 to be recompleted and produced in any formation above the Devonian formation at its unorthodox well location 990 feet FSL and 50 Feet FWL (Unit M) of Section 25, T13S, R37E, NMPM, Lea County, New Mexico. This case is set for hearing on July 15, 1993.

Our information is that you are the owner of a 2.1125% of 8/8ths Overriding Royalty Interest in the S/2 NE/4 and SE/4 of Section 26, T13S, R37E, NMPM, Lea County, New Mexico, the direct and diagonally offsetting spacing units towards which the Lowe "25" No.1 well is encroaching.

Bahlburg Exploration, Inc. respectfully requests a waiver of objection from you for this well regarding its unorthodox location and encroachment so that it may be completed and produced in any formation without penalty.

Very truly yours,

BAHLBURG EXPLORATION, INC.

William C. Bahlburg

I hereby WAIVE OBJECTION to this application.

William C. Bahlhurg



BAHLBURG EXPLORATION INC.

14875 Landmark Boulevard • Suite 216 • Dallas • Texas 75240-6713 • 214/392-0123 • FAX 214/392-0133

July 1, 1993

Manzano Oil Corporation P.O. Box 2107 Roswell, New Mexico 88202 Attn: Mr. Ken Barbe, Jr.

RE: NMOCD Case 10770
Application of Bahlburg Exploration, Inc.
to Amend Divsion Order R-8989 for approval
of various unorthodox locations for its
Lowe "25" Well No.1 (Unit H)
Section 25, Tiss, R37E
Lea County, New Mexico

Dear Mr. Barbe:

Bahlburg Exploration, Inc. has made application to the New Mexico Oil Conservation Division to permit its existing Lowe "25" Well No.1 to be recompleted and produced in any formation above the Devonian formation at its unorthodox well location 990 feet FSL and 50 Feet FWL (Unit M) of Section 25, T13S, R37E, NMPM, Lea County, New Mexico. This case is set for hearing on July 15, 1993.

Our information is that Manzano Oil Corporation is the owner of a 1.25% of 8/8ths Overriding Royalty Interest in the S/2 NE/4 and SE/4 of Section 26, T13S, R37E, NMPM, Lea County, New Mexico, the direct and diagonally offsetting spacing units towards which the Lowe "25" No.1 well is encroaching.

Bahlburg Exploration, Inc. respectfully requests a waiver of objection from Manzano Oil Corporation for this well regarding its unorthodox location and encroachment so that it may be completed and produced in any formation without penalty.

Very truly yours,

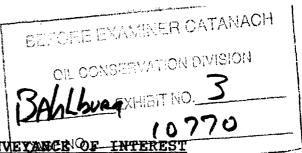
BAHLBURG EXPLORATION, INC.

William C. Bahlburg

Manzano Oil Corporation hereby WAIVES OBJECTION to this application.

By: Kenneth Barbe, Jr.
Title: Vice President

Date: \_\_\_ July 6, 1993



STATE	OF	NEW	MEXICO	}
				}
COUNTY	7 01	LE	A	}

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, undersigned parties own interest in the William C. Bahlburg and/or Bahlburg Exploration, Inc. No.1 Lowe "25" Well located 900 ft; FSL and 50 ft. FWL of Section 25, T-13-S, R-37-E, N.M.P.M., Lea County, New Mexico (API# 30-025-30702); and

WHEREAS, the working interest owners of the No.1 Lowe "25" well desire to convey a 5.0% of 8/8ths overriding royalty interest to BTA Oil Producers in all formations above the Devonian formation, restricted and limited to the No.1 Lowe "25" wellbore, as full and complete compensation to BTA Oil Producers for the unorthodox nature of the No.1 Lowe "25" wellbore location; and

WHEREAS, BTA Oil Producers has agreed to waive any and all objection to the application of William C. Bahlburg and/or Bahlburg Exploration, Inc. to the New Mexico Oil Conservation Division to permit the No.1 Lowe "25" Well to be recompleted and produced in any formation above the Devonian formation at its unorthodox well location and has agreed to support said application;

WHEREAS, undersigned desire to stipulate, cross-convey and agree to their respective net revenue interest entitlement to production from the No.1 Lowe "25" Well specifically restricted and limited to the existing wellbore and <u>further restricted and limited</u> to those producing zones or formations occurring above the Devonian formation and above a depth of 12,070 ft in said wellbore;

NOW, THEREFORE, for the sum of Ten Dollars (\$10.00) and other valuable consideration, each of the undersigned parties do hereby stipulate, crossconvey and agree, each with the other, that their respective net revenue interests for the purposes of payment of production from the No.1 Lowe "25" well, <u>limited and restricted</u> as described hereinabove, are as set forth on Exhibit "A", attached hereto and made a part hereof and cook of the Exhibit "A", attached hereto and made a part hereof, and each of the undersigned further agrees to execute an appropriate Division Order crediting such owner with the indicated interest.

This Stipulation and Cross-Conveyance of Interest is to be effective July 1, 1993 and is executed in multiple counterparts each of which shall be considered an original hereof. William C. Bahlburg and/or Bahlburg Exploration, Inc., as Operator, is authorized to accumulate the executed counterpart pages hereof, detach signature pages as appropriate, and compile one complete Stipulation and Cross-Conveyance of Interest.

EXECUTED and EFFECTIVE this the 1st day of July, 1993.

BAHLBURG EXPLORATION, INC.	BTA OIL PRODUCERS
By: Name: Title:	By: Name: Title:
TEDDY LOWE HARTLEY	ROBERT T. HARTLEY
ROBERT W. HENDERSON	THOMAS W. TAYLOR
ETTA DEAN NATHANSON	RICHARD D. GRUMBLING

Stipulation & Cross-Conveyance-No Page 3	.1 Lowe "25"
THE STATE OF NEW MEXICO } COUNTY OF CURRY }	
This instrument was acknowled 1993, by TEDDY LOWE HARTLEY.	lged before me on this day of July,
	NOTARY PUBLIC - State of New Mexico Print Name: My Commission Expires:
THE STATE OF NEW MEXICO } COUNTY OF CURRY }	
This instrument was acknowled 1993, by ROBERT T. HARTLEY.	ded before me on this day of July,
	NOTARY PUBLIC - State of New Mexico Print Name: My Commission Expires:
THE STATE OF TEXAS } COUNTY OF DALLAS }	
This instrument was acknowled 1993, by ROBERT W. HENDERSON.	dged before me on this 7th day of July,
	Carmen Hndson
CARMEN HUDSON Notary Public State of Texas My Commission	NOTARY PUBLIC - State of Texas Print Name: CARMEN HUDSON My Commission Expires: "[20]96
Expires	in commission inplies.
THE STATE OF TEXAS } COUNTY OF DALLAS }	
This instrument was acknowled 1993, by THOMAS W. TAYLOR.	dged before me on this day of July,
	NOTARY PUBLIC - State of Texas Print Name:
	My Commission Expires:
THE STATE OF CALIFORNIA } COUNTY OF LOS ANGELES }	
This instrument was acknowled 1993, by ETTA DEAN NATHANSON.	dged before me on this day of July,
	NOMEDIA DIDITO CALL ST. C. S.
	NOTARY PUBLIC - State of California Print Name:
	My Commission Expires:

STATE OF NEW MEXICO	}	KNOW	ALL	MEN	вч	THESE	PRESENTS:
COUNTY OF LEA	}						

WHEREAS, undersigned parties own interest in the William C. Bahlburg and/or Bahlburg Exploration, Inc. No.1 Lowe "25" Well located 900 ft; FSL and 50 ft. FWL of Section 25, T-13-S, R-37-E, N.M.P.M., Lea County, New Mexico (API# 30-025-30702); and

WHEREAS, the working interest owners of the No.1 Lowe "25" well desire to convey a 5.0% of 8/8ths overriding royalty interest to BTA Oil Producers in all formations above the Devonian formation, restricted and limited to the No.1 Lowe "25" wellbore, as full and complete compensation to BTA Oil Producers for the unorthodox nature of the No.1 Lowe "25" wellbore location; and

WHEREAS, BTA Oil Producers has agreed to waive any and all objection to the application of William C. Bahlburg and/or Bahlburg Exploration, Inc. to the New Mexico Oil Conservation Division to permit the No.1 Lowe "25" Well to be recompleted and produced in any formation above the Devonian formation at its unorthodox well location and has agreed to support said application;

WHEREAS, undersigned desire to stipulate, cross-convey and agree to their respective net revenue interest entitlement to production from the No.1 Lowe "25" Well specifically restricted and limited to the existing wellbore and further restricted and limited to those producing zones or formations occurring above the Devonian formation and above a depth of 12,070 ft in said wellbore;

NOW, THEREFORE, for the sum of Ten Dollars (\$10.00) and other valuable consideration, each of the undersigned parties do hereby stipulate, crossconvey and agree, each with the other, that their respective net revenue interests for the purposes of payment of production from the No.1 Lowe "25" well, <u>limited and restricted</u> as described hereinabove, are as set forth on Exhibit "A", attached hereto and made a part hereof, and each of the undersigned further agrees to execute an appropriate Division Order crediting such owner with the indicated interest.

This Stipulation and Cross-Conveyance of Interest is to be effective July 1, 1993 and is executed in multiple counterparts each of which shall be considered an original hereof. William C. Bahlburg and/or Bahlburg Exploration, Inc., as Operator, is authorized to accumulate the executed counterpart pages hereof, detach signature pages as appropriate, and compile one complete Stipulation and Cross-Conveyance of Interest.

EXECUTED and EFFECTIVE this the 1st day of July, 1993.

BAHLBURG EXPLORATION, INC.	BTA OIL PRODUCERS
By:	By:
Title:	Name:Title:
TEDDY LOWE HARTLEY	ROBERT T. HARTLEY
DODEDE II WENDEROW	Thomas W Faylor
ROBERT W. HENDERSON	THOMAS W. TAYLOR
ETTA DEAN NATHANSON	RICHARD D. GRUMBLING

STATE O	F NEV	MEXI	CO	} }		7237/\r.			minan	
COUNTY	OF L	EA		}		KNOW	. بایند	MEN BY	THESE	PRESENTS:
and/or and 50	Bahli ft.	ourg E FWL o	xplorati	on, Ind n 25, '	c. No.1	Lowe "2	5" We	ll loc	ated 90	Bahlburg O ft. FSL unty, New
to convin all the No.	ey a forma 1 Lovers f	5.0% o ations we "25 for the	of 8/8ths above t "wellbo	he Devo	iding ro onian fo full ar	yalty in ormation id compl	nterea , res .ete c	st to E tricte ompens	TA Oil d and l ation t	ell desire Producers imited to to BTA Oil wellbore
to the to the Well to	appli New 1 b be lon at	cation Mexico recomp t its	n of Will Oil Com pleted a	liam C. nservat nd prod	Bahlbur ion Div luced ir	g and/or ision to any for	r Bahl o perm ormati	burg E nit the on abo	xplorate No.1	objection ion, Inc. Lowe "25" Devonian port said
their r No.1 Lowellbor formati	respectowe " re and lons	ctive 25" We d <u>fur</u> occurr	net reve ell spec ther res	enue in ificall <u>tricted</u> ve the	terest y <u>resti</u> and 1:	entitle cicted a imited t	ment ind li	to pro <u>mited</u> se pro	duction to the oducing	agree to from the existing zones or depth of
consider convey interest well, <u>l</u> Exhibit undersi	and and ats for the standard s	on, ea agree, or the ed and , att furt	ch of the each war purpose restrice ached he	e under ith the s of pa ted as ereto a ees to	signed other, yment of describ and made execut	parties that t produced here a par	do he heir : tion : inabovet her approp	reby s respection the second the	tipulat tive ne ne No.1 e as set and eac	valuable e, cross- t revenue Lowe "25" forth or ch of the
July 1, be cons Explora	, 199: sider ation cpart	3 and ed an , Inc. page	is exect origina, as Op-	ited in il here erator, deta	multipi of. Wi is aut ach sig	le count .lliam ( horized mature	erpar . Bai to a pages	ts eachlburg ccumul as as	h of wh and/or ate the appropr	effective nich shall Bahlburg e executed iate, and
EX	(ECUT	ED and	EFFECT:	VE thi	s the 1:	st day o	of Jul	y, 199	3.	
BAHLBUF	RG EX	PLORAT	CION, INC	С.		BTA O	L PRC	DUCERS	}	
Name:						Name: _				
TEDDY 1	LOWE	HARTLI	EY	·	<del>-</del>	ROBER	ГТ. Н	IARTLEY		·
ROBERT	W. H	ENDERS	EON		<del></del>	THOMA	5 W. 1	AYLOR		

RICHARD D. GRUMBLING

Stipulation & Cross-Conve Page 3	eyance-No.1	L Lowe "25"
THE STATE OF NEW MEXICO COUNTY OF CURRY	}	
This instrument was 1993, by TEDDY LOWE HART		ged before me on this day of July,
		NOTARY PUBLIC - State of New Mexico Print Name: My Commission Expires:
THE STATE OF NEW MEXICO COUNTY OF CURRY	}	
This instrument was 1993, by ROBERT T. HARTL		ged before me on this day of July,
		NOTARY PUBLIC - State of New Mexico Print Name:
THE STATE OF TEXAS COUNTY OF DALLAS	}	
This instrument was 1993, by ROBERT W. HENDE		ged before me on this day of July,
		NOTARY PUBLIC - State of Texas Print Name: My Commission Expires:
THE STATE OF TEXAS COUNTY OF DALLAS	}	
This instrument was 1993, by THOMAS W. TAYLO		ged before me on this 7th day of July,
		Camen Hudson
CARMEN Notary Public My Commission Expires	HUDSON State of Texas	NOTARY PUBLIC - State of Texas Print Name: CAPMEN HUDSON  My Commission Expires: 11/20/9/
THE STATE OF CALIFORNIA COUNTY OF LOS ANGELES	}	
This instrument was 1993, by ETTA DEAN NATHA	acknowled NSON.	ged before me on this day of July,
		NOTARY PUBLIC - State of California
	.•	Print Name:

STATE OF NEW MEXICO }	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF LEA }	
and/or Bahlburg Exploration, In	Les own interest in the William C. Bahlburg nc. No.1 Lowe "25" Well located 900 ft. FSL T-13-S, R-37-E, N.M.P.M., Lea County, New
Mexico (API# 50-025-30/02); and	1
to convey a 5.0% of 8/8ths over in all formations above the Det the No.1 Lowe "25" wellbore, as	est owners of the No.1 Lowe "25" well desire riding royalty interest to BTA Oil Producers vonian formation, restricted and limited to full and complete compensation to BTA Oil nature of the No.1 Lowe "25" wellbore
to the application of William C to the New Mexico Oil Conserva Well to be recompleted and pro	s has agreed to waive any and all objection. Bahlburg and/or Bahlburg Exploration, Inc. tion Division to permit the No.1 Lowe "25" oduced in any formation above the Devonian ll location and has agreed to support said
their respective net revenue i No.1 Lowe "25" Well specifical wellbore and <u>further restricte</u>	re to stipulate, cross-convey and agree to nterest entitlement to production from the ly restricted and limited to the existing and limited to those producing zones or Devonian formation and above a depth of
consideration, each of the under convey and agree, each with the interests for the purposes of p well, <u>limited</u> and <u>restricted</u> as Exhibit "A", attached hereto	m of Ten Dollars (\$10.00) and other valuable rsigned parties do hereby stipulate, crosse other, that their respective net revenue ayment of production from the No.1 Lowe "25" described hereinabove, are as set forth on and made a part hereof, and each of the o execute an appropriate Division Order indicated interest.
July 1, 1993 and is executed in be considered an original her Exploration, Inc., as Operator counterpart pages hereof, de-	s-Conveyance of Interest is to be effective n multiple counterparts each of which shall eof. William C. Bahlburg and/or Bahlburg , is authorized to accumulate the executed tach signature pages as appropriate, and on and Cross-Conveyance of Interest.
EXECUTED and EFFECTIVE th	is the 1st day of July, 1993.
BAHLBURG EXPLORATION, INC.	BTA OIL PRODUCERS
By: Name: Title:	Name:
TEDDY LOWE HARTLEY	ROBERT T. HARTLEY
PORERT W HENDERSON	THOMAS W TAYLOR

RICHARD D. GRUMBLING

Stipulation & Cross-Conve Page 3	eyance-No.1	L Lowe "25"
THE STATE OF NEW MEXICO COUNTY OF CURRY	}	
This instrument was 1993, by TEDDY LOWE HART!	acknowledg LEY.	ed before me on this day of July,
•		NOTARY PUBLIC - State of New Mexico Print Name: My Commission Expires:
		II, COMMISSION MAPILES.
THE STATE OF NEW MEXICO COUNTY OF CURRY	}	
This instrument was 1993, by ROBERT T. HARTLE		ged before me on this day of July,
		NOTARY PUBLIC - State of New Mexico Print Name:
		My Commission Expires:
THE STATE OF TEXAS COUNTY OF DALLAS	}	
This instrument was 1993, by ROBERT W. HENDE		ged before me on this day of July,
		NOTARY PUBLIC - State of Texas
		Print Name: My Commission Expires:
THE STATE OF TEXAS COUNTY OF DALLAS	}	
This instrument was 1993, by THOMAS W. TAYLO		ged before me on this day of July,
		NOTARY PUBLIC - State of Texas
		Print Name: My Commission Expires:
× .		
THE STATE OF CALIFORNIA	}	
COUNTY OF LOS ANGELES	}	n 1th
This instrument was 1993, by ETTA DEAN NATHA		ged before me on this day of July,
MANAGEMENT AND	L	NOTARY PUBLIC - State of California
OFFICIAL NOTARY SEA S. HOWARD GAUNT Notary Public — Californ	•	Print Name: HOWARD GAUNT
LOS ANGELES COUNT My Comm. Expires Jun 24.	· •	My Commission Expires:

STATE OF NEW MEXICO	}		KNOW	ALL	MEN	вч	THESE	PRESENTS:
COUNTY OF LEA	}	•						

WHEREAS, undersigned parties own interest in the William C. Bahlburg and/or Bahlburg Exploration, Inc. No.1 Lowe "25" Well located 900 ft. FSL and 50 ft. FWL of Section 25, T-13-S, R-37-E, N.M.P.M., Lea County, New Mexico (API# 30-025-30702); and

WHEREAS, the working interest owners of the No.1 Lowe "25" well desire to convey a 5.0% of 8/8ths overriding royalty interest to BTA Oil Producers in all formations above the Devonian formation, restricted and limited to the No.1 Lowe "25" wellbore, as full and complete compensation to BTA Oil Producers for the unorthodox nature of the No.1 Lowe "25" wellbore location; and

WHEREAS, BTA Oil Producers has agreed to waive any and all objection to the application of William C. Bahlburg and/or Bahlburg Exploration, Inc. to the New Mexico Oil Conservation Division to permit the No.1 Lowe "25" Well to be recompleted and produced in any formation above the Devonian formation at its unorthodox well location and has agreed to support said application;

WHEREAS, undersigned desire to stipulate, cross-convey and agree to their respective net revenue interest entitlement to production from the No.1 Lowe "25" Well specifically restricted and limited to the existing wellbore and further restricted and limited to those producing zones or formations occurring above the Devonian formation and above a depth of 12,070 ft in said wellbore;

NOW, THEREFORE, for the sum of Ten Dollars (\$10.00) and other valuable consideration, each of the undersigned parties do hereby stipulate, crossconvey and agree, each with the other, that their respective net revenue interests for the purposes of payment of production from the No.1 Lowe "25" well, limited and restricted as described hereinabove, are as set forth on Exhibit "A", attached hereto and made a part hereof, and each of the undersigned further agrees to execute an appropriate Division Order crediting such owner with the indicated interest.

This Stipulation and Cross-Conveyance of Interest is to be effective July 1, 1993 and is executed in multiple counterparts each of which shall be considered an original hereof. William C. Bahlburg and/or Bahlburg Exploration, Inc., as Operator, is authorized to accumulate the executed counterpart pages hereof, detach signature pages as appropriate, and compile one complete Stipulation and Cross-Conveyance of Interest.

EXECUTED and EFFECTIVE this the 1st day of July, 1993.

BAHLBURG EXPLORATION, INC.	BTA OIL PRODUCERS
By:Name:Title:	By:
TEDDY LOWE HARTLEY	ROBERT T. HARTLEY
ROBERT W. HENDERSON	THOMAS W. TAYLOR
ETTA DEAN NATHANSON	RICHARD D. GRUMBLING

Stipulation & Cross-Conveyance-No. Page 4	1 Lowe "25"
1490 4	
THE STATE OF TEXAS } COUNTY OF DALLAS }	
This instrument was acknowled	ged before me on this 6th day of July,
1993, by RICHARD D. GRUMBLING.	
y	~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~
PAMELA S. GREENWAY NOTARY PUBLIC	NOTARY RUPLIC - State of Toyas
State of Texas Comm. Exp. 03-04-97	NOTARY PUBLIC - State of Texas Print Name: Pamela S. Greenway
Contin. Exp. 03-04-97	My Commission Expires: 3.4.97 /
THE STATE OF TEXAS } COUNTY OF ANDERSON }	
	ged before me on this day of July,
1993, by M. E. McDonald, the Pres CO., a corporation, on behalf of s	ident of McDONALD MARKETING & OPERATING
co., a corporation, on behalf of a	said Corporation.
•	NOTARY PUBLIC - State of Texas
	Print Name:
	My Commission Expires.
THE STATE OF NEW MEXICO }	
COUNTY OF LEA }	
This instrument was asknowled	ged before me on this day of July,
1993, by Lionel R. Burns, the Pres	ident of CAPROCK PIPE & SUPPLY COMPANY,
a Corporation, on behalf of said (	Corporation.
	NOTARY PUBLIC - State of New Mexico
	Print Name:
	My Commission Expires:
THE STATE OF TEXAS } COUNTY OF LUBBOCK }	
•	
	ged before me on this day of July, he President of NORTON DRILLING COMPANY,
a corporation, on behalf of said	
•	
	NOTARY PUBLIC - State of Texas
	Print Name:
<b>,</b>	
THE STATE OF TEXAS } COUNTY OF DALLAS }	
This instrument was acknowled	lged before me on this day of July,
1993, by Robert W. Henderson,	the President of RETRUST OIL & GAS
CORPORATION, a corporation, on bel	mail of said corporation.
	NOTARY PUBLIC - State of Texas
	Print Name:
	My Commission Expires:

McDONALD MARKETING & OPERATING CO.	CAPROCK PIPE & SUPPLY COMPANY
By: M.E. M. C. DONALD Name: M.E. M.C. DONALD Title: President	Ву:
Name: M.E.M.C.DOWALD	Name:
Title: freedent	Title:
NORTON DRILLING COMPANY	RETRUST OIL & GAS CORPORATION
	·
By:	Ву:
Name:	Name:
Title:	Title:
UNITED INDUSTRIAL GAS INC.	NATIONAL DRILLING COMPANY
By:Name:	By:
Name:	Name:
Title:	Title:
PETROVEN 1992-A PROGRAM	PETROVEN, INC.
By:	Du.
Name:	By:
Title:	Title:
HENSON-CROCKETT EQUITY PARTNERSHIP	PINE VALLEY PETROLEUM CORPORATION
Ву:	By:
Name:	Name:
Title:	Title:
THE STATE OF TEXAS }	
COUNTY OF DALLAS }	
This instrument was acknowledged 1993, by William C. Bahlburg, the Pa corporation, on behalf of said controls.	red before me on this day of July, resident of BAHLBURG EXPLORATION, INC., prporation.
	NOTARY PUBLIC - State of Texas
	Print Name:
₩	My Commission Expires:
THE STATE OF TEXAS } COUNTY OF MIDLAND }	·
This instrument was asknowledge	ged before me on this day of July,
1993, by	, the of BTA OIL behalf of said
PRODUCERS, a, on	penali oi salu
	NOTARY PUBLIC - State of Texas
	Print Name:
	My Commission Expires:

Stipulatio Page 4	on & Cross-Conve	eyance-No.1	L Lowe "25"
THE STATE		}	
	instrument was RICHARD D. GRUMI		ged before me on this day of July,
			·
			NOTARY PUBLIC - State of Texas Print Name:
			My Commission Expires:
THE STATE COUNTY OF		}	
1993, by CO., a co.	M. E. McDonald, rporation, on be	the Presi ehalf of sa	ged before me on this 6th day of July, dent of McDONALD MARKETING & OPERATING aid corporation.
THE PARTY OF THE P	JUANITA M. YOU Notary Public STATE OF TEXAS	NG	Juanita m. Young
ала	My Comm. Exp. 12-4	-96	Print Name: Junal A M. Young My Commission Expires: 12-04-96
THE STATE COUNTY OF	OF NEW MEXICO LEA	} }	
1993, by	instrument was Lionel R. Burns, tion, on behalf	, the Presi	ged before me on this day of July, dent of CAPROCK PIPE & SUPPLY COMPANY, orporation.
			NOTARY PUBLIC - State of New Mexico Print Name:
			My Commission Expires:
THE STATE COUNTY OF	OF TEXAS LUBBOCK	}	
1993, by		on, Jr., th	ged before me on this day of July, he President of NORTON DRILLING COMPANY, orporation.
		•	
			NOTARY PUBLIC - State of Texas Print Name:
×.			My Commission Expires:
\$			
THE STATE	OF TEXAS DALLAS	} }	
1993, by	Robert W. He	enderson,	ged before me on this day of July, the President of RETRUST OIL & GAS alf of said corporation.
			NOTARY PUBLIC - State of Texas Print Name:
			My Commission Expires:

McDONALD MARKETING & OPERATING CO.	CAPROCK PIPE & SUPPLY COMPANY
By:	By: Jone to homo
Name:	Name: Lionela Dachs
Title:	Title: <u>fraš</u>
NORTON DRILLING COMPANY	RETRUST OIL & GAS CORPORATION
Ву:	Ву:
Name:	Name:
Title:	Title:
UNITED INDUSTRIAL GAS, INC.	NATIONAL DRILLING COMPANY
By:	Ву:
Name:	Name:
Title:	Title:
PETROVEN 1992-A PROGRAM	PETROVEN, INC.
Ву:	By:
Name:	Name:
Title:	Title:
HENSON-CROCKETT EQUITY PARTNERSHIP	PINE VALLEY PETROLEUM CORPORATION
Ву:	By:
Name:	Name:
Title:	Title:
THE STATE OF TEXAS }	
COUNTY OF DALLAS }	
	resident of BAHLBURG EXPLORATION, INC., orporation.
	NOTARY PUBLIC - State of Texas
	Print Name:
*	My Commission Expires:
THE STATE OF TEXAS } COUNTY OF MIDLAND }	
This instrument was acknowledge	ged before me on this day of July,
1993, by	, the of BTA OIL behalf of said
INODOCERD, a, OII	DOMAIL OI BAIA
	NOTARY PUBLIC - State of Texas
	Print Name:
	11 COUNTERPLOIT EVALUES:

Stipulation & Cross-Conv Page 4	eyance-No.	1 Lowe "25"
THE STATE OF TEXAS COUNTY OF DALLAS	}	
This instrument was 1993, by RICHARD D. GRUM		ged before me on this day of July,
		NOTARY PUBLIC - State of Texas Print Name: My Commission Expires:
THE STATE OF TEXAS COUNTY OF ANDERSON	}	
	the Presi	ged before me on this day of July, ident of McDONALD MARKETING & OPERATING aid corporation.
		NOTARY PUBLIC - State of Texas
		Print Name:
THE STATE OF NEW MEXICO COUNTY OF LEA	} }	
This instrument was 1993, by Lionel R. Burns a Corporation, on behalf	, the Pres:	ged before me on this day of July, ident of CAPROCK PIPE & SUPPLY COMPANY , orporation.
	C	NOTARY PUBLIC - State of New Mexico Print Name: Linda J. Harris My Commission Expires: 10-14-96
THE STATE OF TEXAS COUNTY OF LUBBOCK	} .	
This instrument was 1993, by Sherman H. Norto a corporation, on behalf	on, Jr., th	ged before me on this day of July, ne President of NORTON DRILLING COMPANY, corporation.
	•	
		NOTARY PUBLIC - State of Texas Print Name:
¥. (		My Commission Expires:
THE STATE OF TEXAS COUNTY OF DALLAS	}	
1993, by Robert W. He	enderson,	ged before me on this day of July, the President of RETRUST OIL & GAS alf of said corporation.
		NOTARY PUBLIC - State of Texas
		Print Name:

McDONALD MARKETING & OPERATING CO.	CAPROCK PIPE & SUPPLY COMPANY
By:Name:	Ву:
Name:	Name:
Title:	Title:
NORTON DRILLING COMPANY	RETRUST OIL & GAS CORPORATION
By: Shuran & Mocks Name: 5HERMAN H. NHORTON TR	By:
Name: SHERMAN H. NAURTONIN	Name:
Title: YKENDEUT	Title:
UNITED INDUSTRIAL GAS, INC.	NATIONAL DRILLING COMPANY
Ву:	Ву:
Name:	Name:
Title:	Title:
PETROVEN 1992-A PROGRAM	PETROVEN, INC.
Ву:	Ву:
Name:	Name:
Title:	Title:
HENSON-CROCKETT EQUITY PARTNERSHIP	PINE VALLEY PETROLEUM CORPORATION
Ву:	By:
Name:	Name:
Title:	Title:
THE STATE OF TEXAS } COUNTY OF DALLAS }	
This instrument was acknowledge 1993, by William C. Bahlburg, the Pa corporation, on behalf of said controls.	red before me on this day of July, resident of BAHLBURG EXPLORATION, INC., orporation.
	NOTARY PUBLIC - State of Texas
,	Print Name:
<b>₩</b> . ψ	My Commission Expires:
	m Commission Expiles.
THE STATE OF TEXAS } COUNTY OF MIDLAND }	
This instrument was acknowledged	ged before me on this day of July,
PRODUCERS, a, on	, the of BTA OIL behalf of said
	NOTARY PUBLIC - State of Texas
	Print Name:  My Commission Expires:

Stipulation & Cross-Conv Page 4	eyance-No.	1 Lowe "25"
THE STATE OF TEXAS COUNTY OF DALLAS	}	
This instrument was 1993, by RICHARD D. GRUM		ged before me on this day of July,
		NOTARY PUBLIC - State of Texas Print Name: My Commission Expires:
THE STATE OF TEXAS COUNTY OF ANDERSON	}	
	the Presi	ged before me on this day of July, dent of McDONALD MARKETING & OPERATING aid corporation.
` ` ` ` ` ` ` ` ` ` ` ` ` ` ` ` ` ` `		NOTARY PUBLIC - State of Texas Print Name: My Commission Expires:
THE STATE OF NEW MEXICO COUNTY OF LEA	} }	
	, the Pres:	ged before me on this day of July, ident of CAPROCK PIPE & SUPPLY COMPANY, orporation.
		NOTARY PUBLIC - State of New Mexico
		Print Name:
		My Commission Expires:
THE STATE OF TEXAS COUNTY OF LUBBOCK	}	
	on, Jr., th	ged before me on this <u>OHO</u> day of July, ne President of NORTON DRILLING COMPANY, orporation.
A SACROCK CONTRACTOR OF THE PARTY OF THE PAR	8	Pat Farrell
PAT FARREL Notary Public, State of	Texas 🐧	NOTARY PUBLIC - State of Texas Print Name: PAT FARRELL
My Commission Expires	1-9-96 N	My Commission Expires: 4-9-96
THE STATE OF TEXAS COUNTY OF DALLAS	}	
1993, by Robert W. He	enderson,	ged before me on this day of July, the President of RETRUST OIL & GAS alf of said corporation.
		WOMED TO STATE OF THE PROPERTY
		NOTARY PUBLIC - State of Texas Print Name:
		My Commission Expires:

McDONALD MARKETING & OPERATING CO.	CAPROCK PIPE & SUPPLY COMPANY
D	Dvv.
By:	By:
Name:	Name: Title:
Title:	11010.
NORTON DRILLING COMPANY	RETRUST OIL & GAS CORPORATION
	By John Denalloon
By:	Name: ROBERT W. HENDERSON
Name:	Title: PRESIDENT /
Title:	Title: TRESIDENT
UNITED INDUSTRIAL GAS, INC.	NATIONAL DRILLING COMPANY
Ву:	By:
Name:	Name:
Title:	Title:
PETROVEN 1992-A PROGRAM	PETROVEN, INC.
Ву:	Ву:
Name:	Name:
Title:	Title:
HENSON-CROCKETT EQUITY PARTNERSHIP	PINE VALLEY PETROLEUM CORPORATION
Ву:	By:
Name:	Name:
Title:	Title:
THE STATE OF TEXAS }	
COUNTY OF DALLAS }	
	ged before me on this day of July, resident of BAHLBURG EXPLORATION, INC., orporation.
	NOTARY PUBLIC - State of Texas
	Print Name: My Commission Expires:
	My Commission Expires:
THE STATE OF TEXAS } COUNTY OF MIDLAND }	
This instrument was acknowledge 1993, by	ged before me on this day of July, of BTA OIL
PRODUCERS, a, on	, the of BTA OIL behalf of said
	NOTARY PUBLIC - State of Texas
	Print Name:
	Commitssion Expites.

Stipulation & Cross-Conve Page 4	eyance-No.1	L Lowe "25"
THE STATE OF TEXAS COUNTY OF DALLAS	}	
This instrument was 1993, by RICHARD D. GRUM		ged before me on this day of July,
		NOTARY PUBLIC - State of Texas Print Name: My Commission Expires:
THE STATE OF TEXAS COUNTY OF ANDERSON	}	
	the Presi	ged before me on this day of July, dent of McDONALD MARKETING & OPERATING aid corporation.
	· ·	NOTARY PUBLIC - State of Texas Print Name: My Commission Expires:
THE STATE OF NEW MEXICO COUNTY OF LEA	}	
	, the Presi	ged before me on this day of July, ident of CAPROCK PIPE & SUPPLY COMPANY, orporation.
		NOTARY PUBLIC - State of New Mexico Print Name: My Commission Expires:
THE STATE OF TEXAS COUNTY OF LUBBOCK	}	
This instrument was 1993, by Sherman H. Norto a corporation, on behalf	on, Jr., th	ged before me on this day of July, ne President of NORTON DRILLING COMPANY, orporation.
•		NOTARY PUBLIC - State of Texas
		Print Name:  My Commission Expires:
THE STATE OF TEXAS COUNTY OF DALLAS	}	
1993, by Robert W. He	enderson,	ged before me on this $\frac{2\pi k}{2\pi}$ day of July, the President of RETRUST OIL & GAS alf of said corporation.
		Camer Hudson
		NOTARY PUBLIC - State of Texas
CARMEN Notary Public	HUDSON State of Taxes	Print Name: CHRMEN HUDSON  My Commission Expires: 11/20/96
What I have commission		/ /

CARMEN HUDSON Notary Public State of Texas My Commission // 12 019 C Expires

McDONALD MARKETING & OPERATING CO.	CAPROCK PIPE & SUPPLY COMPANY
Ву:	Ву:
Name:	Name:
Title:	Title:
NORTON DRILLING COMPANY	RETRUST OIL & GAS CORPORATION
By:	Ву:
Name:	Name:
Title:	Title:
UNITED INDUSTRIAL GAS, INC.	NATIONAL DRILLING COMPANY
~ Color	
By: And Winds	By:
Name: FIZANCO. HOLT	Name:
By: And Africa O. Holt  Name: Fizar C O. Holt  Title: President	Title:
PETROVEN 1992-A PROGRAM	PETROVEN, INC.
Dv.	Day.
By:	By:
Name:	Name:
Title:	Title:
HENSON-CROCKETT EQUITY PARTNERSHIP	PINE VALLEY PETROLEUM CORPORATION
Ву:	By:
Name:	Name:
Title:	Title:
THE STATE OF TEXAS } COUNTY OF DALLAS }	
This instrument was acknowledg	red before me on this day of July, resident of BAHLBURG EXPLORATION, INC.,
a corporation, on behalf of said co	,
	NOTARY PUBLIC - State of Texas
* y	Print Name:
	My Commission Expires.
mur omane or meyac	
THE STATE OF TEXAS } COUNTY OF MIDLAND }	
This instrument was acknowledge	ged before me on this day of July,
1993, by	, the of BTA OIL behalf of said
PRODUCERS, a, on	behalf of said
	NOMADA DIDITA GALL SE MASSA
	NOTARY PUBLIC - State of Texas Print Name:
	My Commission Expires:

Stipulation & Cross-Conve Page 5	yance-No.1	Lowe "25"
THE STATE OF CALIFORNIA COUNTY OF LOS ANGELES	}	
	the Presid	ed before me on this day of July, dent of UNITED INDUSTRIAL GAS, INC., a poration.
OFFICIAL NOTARY SE. S. HOWARD GAUNT Notary Public — Califor LOS ANGELES COUNT My Comm. Expires JUN 24,	nia TY	NOTARY PUBLIC - State of California Print Name: HOWARD GAUNT My Commission Expires: 6/21/11
THE STATE OF TEXAS COUNTY OF DALLAS	}	
This instrument was 1993, by Wheeler M. Sears corporation, on behalf of	s, the Pre	ged before me on this day of July, sident of NATIONAL DRILLING COMPANY, a poration.
		NOTARY PUBLIC - State of Texas Print Name: My Commission Expires:
THE STATE OF TEXAS COUNTY OF DALLAS	}	
This instrument was 1993, by David L. Cherry, a partnership, on behalf	the Manag	ged before me on this day of July, ing Partner of PETROVEN 1992-A PROGRAM, artnership.
		NOTARY PUBLIC - State of Texas Print Name: My Commission Expires:
THE STATE OF TEXAS COUNTY OF DALLAS	} }	
This instrument was 1993, by David L. Cherry, on behalf of said corpora	, the Pres	ged before me on this day of July, ident of PETROVEN, INC., a corporation,
× .	·	NOTARY PUBLIC - State of Texas Print Name: My Commission Expires:
THE STATE OF TEXAS COUNTY OF DALLAS	}	
This instrument was 1993, by David D. Crocket PARTNERSHIP, a partnersh	t, the Man	ged before me on this day of July, aging Partner of HENSON-CROCKETT EQUITY alf of said partnership.
		NOTARY PUBLIC - State of Texas
		Print Name:  My Commission Expires:
		11 COMMITSSION EVAILES:

McDONALD MARKETING & OPERATING CO.	CAPROCK PIPE & SUPPLY COMPANY
Ву:	By:
Name:	Name:
Title:	Title:
NORTON DRILLING COMPANY	RETRUST OIL & GAS CORPORATION
D.v.	D** .
By:	By:
Name:	Name:
Title:	Title:
UNITED INDUSTRIAL GAS, INC.	NATIONAL DRILLING COMPANY
<b>D</b>	- ( ,
Ву:	Ву:
Name:	Name: Wheeler M. Sears
Title:	Title: President
PETROVEN 1992-A PROGRAM	PETROVEN, INC.
P	D
Ву:	By:
Name:	Name:
Title:	Title:
HENSON-CROCKETT EQUITY PARTNERSHIP	PINE VALLEY PETROLEUM CORPORATION
By:	By:
Name:	Name:
Title:	Title:
THE STATE OF TEXAS } COUNTY OF DALLAS }	
This instrument was acknowledge	ged before me on this day of July, President of BAHLBURG EXPLORATION, INC., orporation.
	NOTARY PUBLIC - State of Texas
	Print Name:
THE STATE OF TEXAS } COUNTY OF MIDLAND }	
This instrument was acknowledge	ged before me on this day of July,
1993, by	
PRODUCERS, a, on	behalf of said
	NOTARY PUBLIC - State of Texas
	Print Name:
	my commission Expires:

Stipulation & Cross-Converge 5	yance-No.1	. Lowe "25"
THE STATE OF CALIFORNIA COUNTY OF LOS ANGELES	} }	
This instrument was a 1993, by Frank D. Holt, corporation, on behalf of	the Presid	ed before me on this day of July, dent of UNITED INDUSTRIAL GAS, INC., a poration.
		NOTARY PUBLIC - State of California Print Name: My Commission Expires:
THE STATE OF TEXAS COUNTY OF DALLAS	} }	
	s, the Pre	ged before me on this $\underline{\hspace{0.1cm} \phi}$ day of July, sident of NATIONAL DRILLING COMPANY, a poration.
MAN CONTROL OF THE PARTY OF THE	<b>~</b>	Balan A. S. L. W
BARBARA ANN EUBAN NOTARY PUBLIC		NOTARY PUBLIC - State of Texas
State of Texas Comm. Exp. 09-26-9	8	NOTARY PUBLIC - State of Texas Print Name: BARBARA ANN EUBANK My Commission Expires: 9-76-95
Commence of the Commence of th		commission sapiros. <u>1 co</u>
THE STATE OF TEXAS COUNTY OF DALLAS	} }	
	the Manag	ged before me on this day of July, ring Partner of PETROVEN 1992-A PROGRAM, artnership.
,		
		NOTARY PUBLIC - State of Texas
		Print Name: My Commission Expires:
THE STATE OF TEXAS COUNTY OF DALLAS	}	
This instrument was 1993, by David L. Cherry, on behalf of said corpora	the Pres	ged before me on this day of July, ident of PETROVEN, INC., a corporation,
		NOTARY PUBLIC - State of Texas Print Name:
		My Commission Expires:
THE STATE OF TEXAS COUNTY OF DALLAS	}	
This instrument was 1993, by David D. Crocket PARTNERSHIP, a partnershi	t, the Man	ged before me on this day of July, aging Partner of HENSON-CROCKETT EQUITY alf of said partnership.
		MOMBRY DIDITO Chaha as Managar
		NOTARY PUBLIC - State of Texas Print Name:
		My Commission Expires:

McDONALD MARKETING & OPERATING	CO. CAPROCK PIPE & SUPPLY COMPANY
By:	By:
Name:	Name:
Title:	Title:
NORTON DRILLING COMPANY	RETRUST OIL & GAS CORPORATION
By:	By:
Name:	Name:
Title:	Title:
UNITED INDUSTRIAL GAS, INC.	NATIONAL DRILLING COMPANY
By:	Ву:
Name:	Name:
Title:	Title:
PETROVEN 1992-A PROGRAM	PETROVEN, INC.
0010	By: DaudtChin
By: David L. Cherry	By: Day Cherry
Title: The side with	Name: Davidh Cherry Title: President
11010. 1000.00	
HENSON-CROCKETT EQUITY PARTNERS	SHIP. PINE VALLEY PETROLEUM CORPORATION
Ву:	By:
Name:	Name:
Title:	Title:
THE STATE OF TEXAS } COUNTY OF DALLAS }	
This instrument was acknown 1993, by William C. Bahlburg, to a corporation, on behalf of sa	wledged before me on this day of July, the President of BAHLBURG EXPLORATION, INC., id corporation.
	NOTARY PUBLIC - State of Texas Print Name:
	My Commission Expires:
THE STATE OF TEXAS } COUNTY OF MIDLAND }	
This instrument was acknow	wledged before me on this day of July,
PRODUCERS, a	, the of BTA OIL
	NOTARY PUBLIC - State of Texas Print Name:
	My Commission Expires:

·	
Stipulation & Cross-Conveyance-No.2 Page 5	Lowe "25"
THE STATE OF CALIFORNIA } COUNTY OF LOS ANGELES }	
	ged before me on this day of July, dent of UNITED INDUSTRIAL GAS, INC., a poration.
	NOTARY PUBLIC - State of California Print Name:
	My Commission Expires:
THE STATE OF TEXAS } COUNTY OF DALLAS }	
This instrument was acknowledge 1993, by Wheeler M. Sears, the Precorporation, on behalf of said corporation.	ged before me on this day of July, esident of NATIONAL DRILLING COMPANY, a poration.
	NOTARY PUBLIC - State of Texas
	Print Name:
	My Commission Expires:
THE STATE OF TEXAS } COUNTY OF DALLAS }	
This instrument was acknowledge 1993, by David L. Cherry, the Managa partnership, on behalf of said p	ged before me on this <u>6 +4</u> day of July, ging Partner of PETROVEN 1992-A PROGRAM, artnership.
OUR DONGE	Charlenne Dodge
CHARLYNE DODGE Notary Public State Of Texas	NOTARY PUBLIC State of Texas
My Comm. Exp. April 22, 1995	Print Name: <u>Charlyne Dodge</u> My Commission Expires:
THE STATE OF TEXAS } COUNTY OF DALLAS }	
This instrument was acknowled 1993, by David L. Cherry, the Pres on behalf of said corporation.	ged before me on this 6 th day of July, ident of PETROVEN, INC., a corporation,
CHARLYNE DODGE Notary Public	NOTARY PUBLIC - State of Texas
State Of Texas My Comm. Exp. April 22, 1995	Print Name: harlyne Dode  My Commission Expires:
)	
THE STATE OF TEXAS } COUNTY OF DALLAS }	
This instrument was acknowled 1993, by David D. Crockett, the Mar PARTNERSHIP, a partnership, on beh	ged before me on this day of July, aging Partner of HENSON-CROCKETT EQUITY alf of said partnership.
•	NOTARY PUBLIC - State of Texas Print Name:
	My Commission Expires:

McDONALD MARKETING & OPERATI	NG CO. CAPROCK PIPE & SUPPLY COMPANY
Bu•	By:
By:Name:	Name:
Title:	Title:
NORTON DRILLING COMPANY	RETRUST OIL & GAS CORPORATION
By:	Ву:
Name:	Name:
Title:	Title:
11010.	
UNITED INDUSTRIAL GAS, INC.	NATIONAL DRILLING COMPANY
Ву:	Ву:
Name:	Name:
Title:	Title:
PETROVEN 1992-A PROGRAM	PETROVEN, INC.
Dv.	Der.
By:	By:
Name:Title:	Name:
HENSON-CROCKETT EQUITY PARTN  BY: Law Louise  Name: David D. Crocket  Title: Managing Colvered Parin	By: Name: Title:
THE STATE OF TEXAS } COUNTY OF DALLAS }  This instrument was ack 1993, by William C. Bahlburg a corporation, on behalf of	
	NOTARY PUBLIC - State of Texas Print Name:
	My Commission Expires:
THE STATE OF TEXAS } COUNTY OF MIDLAND }	
This instrument was ack	mowledged before me on this day of July,
1993, by PRODUCERS, a	, the of BTA OIL
	NOTARY PUBLIC - State of Texas Print Name:
	My Commission Expires:

Stipulation & Cross-Conv Page 5	eyance-No.:	1 Lowe "25"
THE STATE OF CALIFORNIA COUNTY OF LOS ANGELES	}	
	the President	ged before me on this day of July, dent of UNITED INDUSTRIAL GAS, INC., a poration.
		NOTARY PUBLIC - State of California Print Name: My Commission Expires:
THE STATE OF TEXAS COUNTY OF DALLAS	}	
	rs, the Pre	ged before me on this day of July, asident of NATIONAL DRILLING COMPANY, a poration.
		NOTARY PUBLIC - State of Texas Print Name: My Commission Expires:
THE STATE OF TEXAS COUNTY OF DALLAS	}	
	, the Manag	ged before me on this day of July, ging Partner of PETROVEN 1992-A PROGRAM, artnership.
		NOTARY PUBLIC - State of Texas Print Name: My Commission Expires:
THE STATE OF TEXAS COUNTY OF DALLAS	}	
This instrument was 1993, by David L. Cherry on behalf of said corpor	, the Pres	<pre>ged before me on this day of July, ident of PETROVEN, INC., a corporation,</pre>
		NOTARY PUBLIC - State of Texas Print Name: My Commission Expires:
THE STATE OF TEXAS COUNTY OF DALLAS	}	
1993, by David D. Crocke	tt, the Mar	ged before me on this 7th day of July, naging Partner of HENSON-CROCKETT EQUITY half of said partnership.
		NOTARY PUBLIC - State of Texas Print Name: //na M. Stokes My Commission Expires: 3/13/94

McDONALD MARKETING & OPERATING CO.	CAPROCK PIPE & SUPPLY COMPANY
D	Dyr.
Ву:	By:
Name:	Name:
Title:	Title:
NORTON DRILLING COMPANY	RETRUST OIL & GAS CORPORATION
Ву:	By:
Name:	Name:
Title:	Title:
UNITED INDUSTRIAL GAS, INC.	NATIONAL DRILLING COMPANY
By:	By:
Name:	Name:
Title:	Title:
PETROVEN 1992-A PROGRAM	PETROVEN, INC.
Ву:	Rv•
Name:	By:Name:
Title:	Title:
·	PINE VALLEY PETROLEUM CORPORATION
Ву:	By: Wallson
Name:	Name: A.D. Henderson
Title:	Title: Pres-
THE STATE OF TEXAS } COUNTY OF DALLAS } This instrument was acknowled 1993, by William C. Bahlburg, the R a corporation, on behalf of said co	ged before me on this day of July, President of BAHLBURG EXPLORATION, INC., corporation.
	NOTARY PUBLIC - State of Texas
	Print Name:
	My Commission Expires:
THE STATE OF TEXAS } COUNTY OF MIDLAND }	
This instrument was acknowled	ged before me on this day of July,
1993, by PRODUCERS a	, the of BTA OIL n behalf of said
/ 011	
•	NOTARY PUBLIC - State of Texas Print Name:
	My Commission Expires:

THE STATE OF TEXAS
COUNTY OF ANDERSON

This instrument was acknowledged before me on this but day of July, 1993, by A. D. Henderson, the President of PINE VALLEY PETRÖLEUM CORPORATION, a corporation, on behalf of said corporation.

JUANITA M. YOUNG
Notary Public
STATE OF TEXAS
My Comm. Exp. 12-4-96

NOTARY PUBLIC - State of Texas

Print Name: Ja Anita M. Young

My Commission Expires: 12-04-96

### EXHIBIT "A"

Attached to and made a part of that certain Stipulation and Cross-Conveyance of Interest dated effective July 1, 1993 by and between Bahlburg Exploration, Inc. et al. and dealing with the No.1 Lowe "25" well.

INTEREST OWNERS:	REVENUE INTEREST	TYPE
BTA Oil Producers	.0500000	ORRI
Bahlburg Exploration, Inc.	.1363250	wı
Teddy Lowe Hartley	.0350000	WI
Robert T. Hartley	.1050000	WI
Robert W. Henderson	.0280000	WI
Thomas W. Taylor	.0056000	WI
Etta Dean Nathanson	.0560000	WI
Richard D. Grumbling	.0070000	WI
McDonald Operating & Marketing Co.	.0112000	WI
Caprock Pipe & Supply Company	.0560000	WI
Norton Drilling Company	.0420000	WI
Retrust Oil & Gas Corporation	.0840000	WI
United Industrial Gas, Inc.	.0350000	WI
National Drilling Company	.0218750	WI
Petroven 1992-A Program	.0420000	WI
Petroven, Inc.	.0112000	WI
Henson-Crockett Equity Partnership	.0070000	WI
Pine Valley Petroleum Corporation	.0168000	WI
TOTAL NET REVENUE INTEREST	.7500000	