

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATIONS OF READ & STEVENS, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NOS. 24941-24942

**APPLICATIONS OF READ & STEVENS, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NOS. 25145-25148

**APPLICATIONS OF V-F PETROLEUM INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NOS. 24994-24995 & 25116

**APPLICATIONS OF V-F PETROLEUM INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NOS. 25115 & 25117

CARLOYN BEALL'S FEBRUARY 27, 2025 HEARING EXHIBIT

Carolyn Beall ("Beall"), by and through undersigned counsel, submits the attached *Exhibit A*, the Deed of Distribution and Assignment filed in Eddy County NM, Book 143, Page 1091, as permitted by the Hearing Examiner at the OCD Contested Hearing on February 27, 2025, over the objection of counsel for Read & Stevens, Inc. Additionally, Beall files herein: *Exhibit B*, the proposed allocation formula; and *Exhibit C*, the total amount of Beall's interests in Case Nos. 25145 and 25146.

Respectfully submitted,



Kaitlyn A. Luck

P.O. Box 483

Taos, NM 87571

luck.kaitlyn@gmail.com

(361) 648-1973

Attorney for Carolyn Beall

CERTIFICATE OF SERVICE

I certify that on this 27th of February 2025, the foregoing pleading was electronically filed by email with the New Mexico Oil Conservation Division Clerk and served on all parties of record through counsel, as follows:

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/s/ Kaitlyn A. Luck

EXHIBIT A

Deed of Distribution and Assignment filed in Eddy County NM, Book 143, Page 1091

DEED OF DISTRIBUTION AND ASSIGNMENT
(Eddy County, New Mexico)

CHARLES B. READ, Personal Representative of the Estate of Jean Read, deceased, grants, assigns and conveys to CHARLES B. READ, whose address is P. O. Box 1518, Roswell, NM 88202, all of the right, title and interest of Jean Read, deceased, (the "Decedent"), in, to and under, or derived from or attributable to, the following:

(a) any and all property located in Eddy County, New Mexico, including, but not limited to, mineral interests, royalty interests, overriding royalty interests, production payments, net profits interests and other payments out of production, oil and gas leases or oil, gas and mineral leases, operating rights, working interests, leasehold interests, surface interests, beneficial interests, and contract rights, of whatsoever nature, owned or claimed by the Decedent, vested, or contingent, and specifically including, but not limited to, such rights, titles and interests of the Decedent as are reflected in the records of Eddy County, New Mexico, or in the records of the Bureau of Land Management in Santa Fe, New Mexico, or in the records in the New Mexico State Land Office in Santa Fe, New Mexico;

(b) without in any way limiting any of the fore-going, the property described in Schedule(s) A, B & C attached hereto, it being the intention to convey all of the Decedent's interests in and to the property described in said Schedule(s), even though said descriptions may be incorrect or even though certain interests may have been omitted from said Schedule(s);

(c) all improvements located thereon, all personal property, fixtures and equipment relating thereto, and all rights, titles and interests appurtenant thereto, including easements and other appurtenant surface rights or interests;

(d) all presently existing and valid contracts and agreements relating to any of the foregoing.

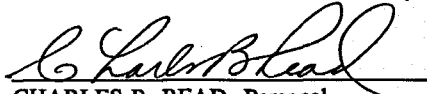
This Deed of Distribution and Assignment is executed and delivered without warranties of any kind, either express or implied. However, this Deed of Distribution and Assignment is made with full substitution and subrogation of Charles B. Read in and to all warranties, representations and covenants previously given or made by others with respect to the rights, titles and interests conveyed hereby.

RECEPTION
930030

attn Judy Sedillo
Read + Stevens Inc
P O Box 1518
Roswell NM 88202

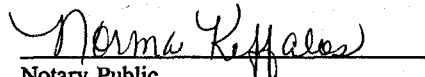
This Deed of Distribution and Assignment is executed and delivered pursuant to and in accordance with Sec. 45-3-907 N.M.S.A. (1978) and the proceedings in Cause No. PB-90-103 of the District Court of Chaves County, New Mexico, styled "In the Matter of the Estate of Jean Read, Deceased".

EXECUTED this 11th day of December, 1992 but effective as of May 31, 1992.


CHARLES B. READ, Personal
Representative of the Estate of Jean Read,
Deceased

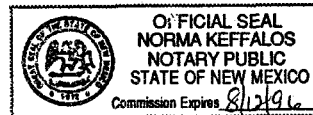
STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 11th day of December, 1992, by Charles B. Read, Personal Representative of the Estate of Jean Read, deceased.


Notary Public

My Commission Expires:

August 12, 1996



Schedule A
Charles B. Read Properties
List
Undeveloped
Eddy County, New Mexico

(1)

108493 An undivided 2.00% WI and 1.52% NRI in a renewable Oil and Gas Lease bearing Serial #LC-047633-A dated 12/1/88 and coming up for renewal on 11/30/98, from USA, as Lessor, to S.V. Perry and R.L. Perry, as Lessees, insofar as it covers the following described lands in Eddy County, New Mexico:

Township 18 South, Range 31 East
Section 14: NE/4, SE/4NW/4

Schedule B
Charles B. Read Properties
List
Partially Developed
Eddy County, New Mexico

THE ONLY OIL AND GAS PROPERTIES DESCRIBED ON THIS SCHEDULE ARE PROPERTIES THAT ARE HELD BY PRODUCTION WITH SOME ASSOCIATED UNDEVELOPED ACREAGE UNDER THE SAME LEASE.

THE JEAN READ ESTATE OWNS AN INTEREST IN ANY ACREAGE DESIGNATED AS (DEVELOPED) OR (UNDEVELOPED) UNDER THIS SCHEDULE.

IF THE PRODUCING PORTION OF THE PROPERTY IS TO BE INCLUDED IN THE ESTATE OF JEAN READ, IT IS DESIGNATED IN THE DESCRIPTION SECTION AS (DEVELOPED). THE WELL(S) OR UNIT(S) WHICH CAUSE THE PROPERTY TO BE DEVELOPED ARE SET OUT BELOW THE DESCRIPTION AND INCLUDE THE PARCEL # OF THE ATTACHED WELL OR UNIT PARCEL. THE WELL OR UNIT PARCEL THEN DESCRIBES THE ACTUAL WELL OR UNIT INTERESTS OF THE SUBJECT INTEREST OWNER.

ANY DESCRIPTION DESIGNATED AS (UNDEVELOPED) UNDER THE PROPERTY DESCRIPTION SECTION SHOULD BE INCLUDED IN THE JEAN READ ESTATE.

IF THERE IS NO PARCEL # LISTED BESIDE ANY WELL SHOWN ON THIS SCHEDULE, THEN, THE JEAN READ ESTATE HAS NO INTEREST IN THAT PARTICULAR WELL. ANY SUCH WELL IS REFLECTED ON THIS SCHEDULE FOR INFORMATION PURPOSES ONLY, TO SHOW WHAT WELLS(S) ARE PRODUCING ON SAID PROPERTY.

Schedule B
Charles B. Read Properties
List
Partially Developed
Eddy County, New Mexico

(1)

- 100295 A production payment equal to 1/4 of 5/6 of 1.875% of \$225,000 in Oil and Gas Lease bearing Serial #NM-0544986 dated 5/1/64 from USA, as Lessor, to Albert Spencer, as Lessee, covering the following described lands in Eddy County, New Mexico:

Township 23 South, Range 31 East
Section 25: E/2 (Undeveloped)
Section 25: E/2NW/4, SW/4NW/4, SW/4 (Developed)

This lease is HBP by the following wells:

Well # & Name	Status	Operator	Proration Unit	Parcel #
295W-#1-25 Todd Federal	Prod.	Texas American	W/2 Sec. 25	#1

- 100922 An undivided 4.557325% WI/BPO and 2.278663% WI/APO and a 3.611654% NRI/BPO and 1.9482568% NRI/APO in Oil and Gas Lease bearing Serial #NM-669 dated 11/1/66 from USA, as Lessor, to Allirish Company, as Lessee, covering the following described lands in Eddy County, New Mexico:

Township 20 South, Range 25 East
Section 30: Lots 1,2, SE/4NE/4, W/2NE/4, E/2NW/4 (Undeveloped)
Section 30: S/2 (Developed)

This lease is HBP by the following well:

Well # & Name	Status	Operator	Proration Unit	Parcel #
922W-#1 Allirish	Prod.	R&S	S/2 Sec. 30	#2

- 101215 An undivided 1.9997507% WI and a 1.65% NRI in Oil and Gas Lease bearing Serial #NM-13233 from USA, as Lessor, to R.A. Armstrong, as Lessee, covering the following described lands in Eddy County, New Mexico:

Township 23 South, Range 28 East
Section 3: SW/4NW/4, SE/4, NE/4SW/4 (Tract I) (Undeveloped)
Section 4: Lots 1, 2, S/2NE/4 (Tract II) (Developed)

This lease is HBP by the following well:

Well # & Name	Status	Operator	Proration Unit	Parcel #
6561W-#1 Loving Federal Com.	Prod.	Chevron	N/2 Sec. 4	#3

- 108495 The following undivided interests:

Tract/Depth	CBR WI	CBR NRI
I: Below 3,900'	2.00%	1.63%
II: 3,900'-9,290'-BPO	2.00%	1.63%
II: 3,900'-9,290'-APO	2.00%	1.63%
II: Below 9,290'	2.00%	1.63%

in Oil and Gas Lease bearing Serial #NM-28096 dated 5/1/89 from USA, as Lessor, to S.V. Perry, et al, as Lessees, covering the following described lands in Eddy County, New Mexico:

Township 18 South, Range 31 East
Section 14: W/2NW/4 (Tract I) (Developed)
Section 14: NE/4NW/4 (Tract II) (Developed)

This lease is HBP by the following wells:

Schedule B
Charles B. Read Properties
List
Partially Developed
Eddy County, New Mexico

(2)

108495 (cont.)

Well # & Name	Status	Operator	Proration Unit	Parcel #
ARCO "B" 1-6	Prod.	ARCO	Sec. 14	No CBR Int.
9394W-Jamie Federal #1	Prod.	R&S	NE/4NW/4 Sec. 14	#5
9438W-Jamie Federal #2	Prod.	R&S	NW/4NW/4 Sec. 14	#6
9450W-Jamie Federal #3	Prod.	R&S	SW/4NW/4 Sec. 14	#7

108765

A & B An undivided 5.0555% WI and 3.9938% NRI in Tract I and a 3.7916% WI and 2.9954% NRI in Tract II of Oil and Gas Leases dated 9/1/81 from William A. Weems and John Brooke Weems, as Lessors, to Ed Phillips, as Lessee, covering the following described lands in Eddy County, New Mexico:

Township 22 South, Range 27 East
Section 34: NE/4SW/4, SW/4NW/4 (Tract I) (Developed)
Section 34: W/2E/2, SE/4SE/4 (Tract II) (Undeveloped)

These leases are HBP by the following well:

Well # & Name	Status	Operator	Proration Unit	Parcel #
9079W-#1 Otis "34"	Prod.	R&S	W/2 Sec. 34	#8

108765C An undivided 5.0555% WI and 3.9938% NRI in Tract I and 3.7916% WI and 2.9954% NRI in Tract II of Oil and Gas Lease dated 9/1/81 from Carolyn Sue Weems Hulme, as Lessor, to Ed Phillips, as Lessee, covering the following described lands in Eddy County, New Mexico:

Township 22 South, Range 27 East
Section 34: NE/4SW/4, SW/4NW/4 (Tract I) (Developed)
Section 34: W/2E/2, SE/4SE/4 (Tract II) (Undeveloped)

This lease is HBP by the following well:

Well # & Name	Status	Operator	Proration Unit	Parcel #
9079W-#1 Otis "34"	Prod.	R&S	W/2 Sec. 34	#8

108765D An undivided 5.0555% WI and 3.9938% NRI in Tract I and 3.7916% WI and 2.9954% NRI in Oil and Gas Lease dated 9/1/81 from John Warren Weems et al, as Lessors, to Ed Phillips, as Lessee, covering the following described lands in Eddy County, New Mexico:

Township 22 South, Range 27 East
Section 34: NE/4SW/4, SW/4NW/4 (Tract I) (Developed)
Section 34: W/2E/2, SE/4SE/4 (Tract II) (Undeveloped)

This lease is HBP by the following well:

Well # & Name	Status	Operator	Proration Unit	Parcel #
9079W-#1 Otis "34"	Prod.	R&S	W/2 Sec. 34	#8

108765E An undivided 5.0555% WI and 3.9938% NRI in Tract I and 3.7916% WI and 2.9954% NRI in Tract II of Oil and Gas Lease dated 9/1/81 from Nancy Jan Weems Spann, as Lessor, to Ed Phillips, as Lessee, covering the following described lands in Eddy County, New Mexico:

Schedule B
Charles B. Read Properties
List
Partially Developed
Eddy County, New Mexico

(3)

108765-E (cont.)

Township 22 South, Range 27 East
Section 34: NE/4SW/4, SW/4NW/4 (Tract I) (Developed)
Section 34: W/2E/4, SE/4SE/4 (Tract II) (Undeveloped)

This lease is HBP by the following well:

Well # & Name	Status	Operator	Proration Unit	Parcel #
9079W-#1 Otis "34"	Prod.	R&S	W/2 Sec. 34	#8

108923 An undivided .550% WI and .46% NRI in Oil and Gas Lease bearing Serial #NM-13396 dated 4/1/71 from USA, as Lessor, to Herbert E. Roberts, as Lessee, covering the following described lands in Eddy County, New Mexico:

Township 19 South, Range 24 East
Section 4: E/2 (Developed)
Section 4: W/2 (Undeveloped)

from surface to the Base of Morrow formation.

This Lease is HBP by the following well:

Well # & Name	Status	Operator	Proration Unit	Parcel #
8537W-#1 Fed. "CC"	Prod.	Amoco	E/2 Sec. 4	#9

109283 An undivided 1% WI and .775% NRI in Oil and Gas Lease bearing Serial #V-2293 dated 5/1/87 from State of New Mexico, as Lessor, to Marbob Energy Corporation, as Lessee, insofar as it covers the following described lands in Eddy County, New Mexico:

Township 19 South, Range 29 East
Section 19: NW/4NE/4, S/2NE/4, SE/4 (Undeveloped)
Section 19: NE/4NE/4 (Developed)

This lease is HBP by the following well:

Well # & Name	Status	Operator	Proration Unit	Parcel #
9296W-Marbob State #1	Prod.	R&S	NE/4NE/4 Sec. 19	#10

200044 An undivided 6.25% mineral interest received from Steve W. Mason, covering the following described lands in Eddy County, New Mexico:

Township 18 South, Range 26 East
Section 34: SW/4SW/4, NE/4SW/4 (Undeveloped)
Section 34: NW/4SW/4 (Developed)

This interest is HBP by the following well:

Well # & Name	Status	Operator	Proration Unit	Parcel #
200045W-#1 Waldrip "JY"	Prod.	Yates	Sec. 34: NW/4SW/4	#11

200053 An undivided 12.50% WI and 10.9375% NRI in those depths below 1700' in Oil and Gas Lease K-470 dated 5/17/60 from the State of New Mexico, as Lessor, to Charles B. Read, as Lessee, covering the following described land:

Township 17 South, Range 28 East
Section 11: SE/4NE/4 (Developed)

Schedule B
Charles B. Read Properties
List
Partially Developed
Eddy County, New Mexico

(4)

200053 (Cont.)

This lease is HBP by the following well:

Well # & Name	Status	Operator	Proration Unit	Parcel #
200054W-#1 Read State	Prod.	Vintage Drilling	Sec. 11: SE/4NE/4	No CBR Int.

200067 An undivided 4.52% WI and 3.89% NRI in depths above 10,600'; and a 4.32% WI and 3.73% NRI in depths below 10,600' in Oil and Gas Lease bearing Serial #K-675 dated 8/16/60 from the State of New Mexico, as Lessor, to Gulf, as Lessee, covering the following described lands in Eddy County, New Mexico:

Township 22 South, Range 26 East
Section 26: N/2SW/4 (Undeveloped)
Section 27: N/2SE/4 (Undeveloped)

This lease is HBP by the following well:

Well # & Name	Status	Operator	Proration Unit	Parcel #
#1 City of Carlsbad	Prod.	Oxy	Sec. 25: S/2	No CBR Int.

200068 The following undivided interests:

Tract/Depth	CBR WI	CBR NRI
I	8.15944%	7.03%
II-BPO	33.323523%	26.66%
II-APO	4.0314%	3.56%

in Oil and Gas Lease bearing Serial #LC-064490, dated 5/1/52 from USA, as Lessor, to Gulf, as Lessee, covering the following described lands in Eddy County, New Mexico:

Township 22 South, Range 26 East

Section 9: S/2 SE/4	(Tract I) (Und.)
Section 10: SW/4	(Tract I) (Und.)
Section 15: N/2, N/2SE/4, NE/4SW/4	(Tract I) (Und.)
Section 21: S/2NW/4, NE/4NW/4, W/2E/2, E/2SE/4, SE/4NE/4	(Tract I) (Und.)
Section 22: S/2	(Tract I) (Und.)
Section 23: N/2 NW/4	(Tract I) (Und.)
Section 22: N/2	(Tract II) (Dev.)

This lease is HBP by the following well:

Well # & Name	Status	Operator	Proration Unit	Parcel #
100057W-#4 Hackberry Hills	Prod.	R&S	N/2 Sec. 22	#12

200069 An undivided 4.32607146% WI and 3.64% NRI in Oil and Gas Lease bearing Serial #NM-02500 dated 10/1/50 from USA, as Lessor, to Superior Oil Company, as Lessee, covering the following described lands in Eddy County, New Mexico:

Township 22 South, Range 26 East
Section 7: Lot 1, SE/4NW/4, NE/4SW/4 (Undeveloped)

This lease is HBP by the following well:

Well # & Name	Status	Operator	Proration Unit	Parcel #
#1 Hackberry Hills	Prod.	Chevron	S/2 Sec. 1 N/2 Sec. 12-T22S-R25E	No CBR Int.

Schedule B
Charles B. Read Properties
List
Partially Developed
Eddy County, New Mexico

(5)

- 200093 An undivided 4.32% WI and a 3.64% NRI in depths above 10,600' and a 0% WI & NRI in depths below 10,600' in Oil and Gas Lease bearing Serial #LC-064528-A dated 2/1/51 from USA, as Lessor, to Union Oil, as Lessee, covering the following described lands in Eddy County, New Mexico:

Township 22 South, Range 26 East
Section 7: S/2NE/4, N/2SE/4 (Undeveloped)
Section 18: NE/4 (Undeveloped)

This lease is HBP by the following well in the Hackberry Hills Unit:

Well # & Name	Status	Operator	Proration Unit	Parcel #
#1 Hackberry Hills	Prod.	Chevron	S/2 Sec. 1 N/2 Sec. 12-T22S-R25E	No CBR Int.

- 200094 An undivided 4.32% WI and 3.64% NRI in depths above 10,600' and a 0% WI & NRI in depths below 10,600' in Oil and Gas Lease bearing Serial #NM-047423 dated 11/1/59 from USA, as Lessor, to Amoco, as Lessee, covering the following described lands in Eddy County, New Mexico:

Township 22 South, Range 25 East
Section 1: Lots 1,2,3,4 S/2N/2 (Undeveloped)

This lease is HBP by the following well in the Hackberry Hills Unit:

Well # & Name	Status	Operator	Proration Unit	Parcel #
#1 Hackberry Hills	Prod.	Chevron	S/2 Sec. 1 N/2 Sec. 12-T22S-R25E	No CBR Int.

- 200139 An undivided .125% ORR in Oil and Gas Lease bearing Serial #NM-0384576 from USA, as Lessor, covering the following described lands in Eddy County, New Mexico:

Township 17 South, Range 30 East
Section 35: N/2NE/4 (Developed)
Section 35: S/2NE/4 (Undeveloped)

This lease is HBP by the following wells:

Well # & Name	Status	Operator	Proration Unit	Parcel #
200131W-Stevens #1 & #2	Prod.	Seely Oil Co.	Sec. 35: N/2NE/4	#13

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #1

#1-25 Todd Federal

CBR #100295W

CBR #100295

A production payment of 1/4 of 5/6 of 280/320 of 1.875% of \$225,000 under USA Lease bearing Serial #NM-0544986 dated 5/1/64 insofar as it covers the following described lands in Eddy County, New Mexico:

Township 23 South, Range 31 East
Section 25: E/2NW/4, SW/4NW/4, SW/4

Containing 280.00 acres, more or less.

The proration unit for this well is described as follows:

Township 23 South, Range 31 East
Section 25: W/2

SUBJECT TO:

1. The terms and conditions of the above mentioned lease.
2. Production Payment Agreement the terms of which are described above.

CHARLES B. READ'S
WORKING INTEREST IN THIS WELL. 0% WI

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS WELL.3417968% PP

TODD25.FED

CBR #100922

containing 320.15 acres, more or less.

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS WELL. 3.611654% NRI/BPO
. 1.9482568% NRI/APO

LOVING, N. FIELD

FEDERAL NM-13233

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #3

#1 Loving Federal Com.

CBR #106561W

CBR #101215

An undivided 1.9997507% of 8/8ths interest of the entire leasehold estate and working interest in an Oil and Gas Lease dated April 1, 1971, bearing Serial Number NM-13233 from the United States of America as Lessor, covering the following described land in Eddy County, New Mexico:

Township 23 South, Range 28 East
Section 4: Lot 1, 2, and S/2NE/4

Containing 160.45 acres, more or less, insofar as it covers all depths.

The proration unit for the captioned well is described as follows:

Township 23 South, Range 28 West
Section 4: N/2

Containing 320.86 acres, more or less.

SUBJECT TO:

1. The terms and conditions of the above described lease.
2. Operating Agreement dated September 10, 1982 by and between Gulf Oil Corporation, as Operator, and Holly Energy, Inc., et al, as Non-Operators, covering Lots 1, 2, 3 and 4, S/2N/2 of Section 4-23S-28E, Eddy County, New Mexico.
3. Communitization Agreement dated January 3, 1983 by and between Gulf Oil Corporation and Read & Stevens, Inc., et al.
4. Gas Purchase Agreement dated August 25, 1983, as amended with Transwestern Pipeline Company.

CHARLES B. READ'S
WORKING INTEREST IN THIS WELL 1.0000% WI

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS WELL8250% NRI

LOVING

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #5

Jamie Fed. #1

CBR #109394W

CBR #108495

An undivided 2.0000% working interest ⁱⁿ of the subject well and lease ~~which~~ the proration unit for which is located on U.S.A. Lease NM-28096 insofar as it covers the following described land:

Township 18 South, Range 31 East
Section 14: NE/4NW/4

Containing 40.0 acres, more or less,
insofar as it covers those depths
below 3900'.

SUBJECT TO:

1. The terms and conditions of the above mentioned lease.
2. The terms of the Jamie Federal #1 Operating Agreement dated January 20, 1989.

CHARLES B. READ'S
WORKING INTEREST IN THIS WELL 2.000000% WI

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS WELL 1.630000% NRI

JAMIE

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #6

Jamie Fed. #2

CBR #109438

CBR #108495

An undivided 2.0000% working interest in U.S.A. Lease NM-28096 dated 12/1/88 from the USA, as Lessor, to S.V. Perry, etal, as Lessee, insofar as it covers the following described land:

Township 18 South, Range 31 East
Section 14: NW/4NW/4

Containing 40.0 acres, more or less,
insofar as it covers all depths
below 3900'.

SUBJECT TO:

1. The terms and conditions of the above mentioned lease.
2. The terms of the Jamie Federal #1 Operating Agreement dated January 20, 1989.

CHARLES B. READ'S
WORKING INTEREST IN THIS WELL 2.000000% WI

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS WELL 1.630000% NRI

JAMIE2

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #7

Jamie Fed. #3

CBR #109450W

CBR #108495

An undivided 2.000% working interest in U.S.A. Lease NM-28096 dated 12/1/89 from the USA, as Lessor, to S.V. Perry, etal, as Lessee, insofar as it covers the following described land:

Township 18 South, Range 31 East
Section 14: SW/4NW/4

Containing 40.0 acres, more or less,
insofar as it covers those depths
below 3,900'.

SUBJECT TO:

1. The terms and conditions of the above mentioned lease.
2. The terms of the Jamie Federal #1 Operating Agreement dated January 20, 1989.

CHARLES B. READ'S
WORKING INTEREST IN THIS WELL 2.000% WI

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS WELL 1.6300% NRI

JAMIE3

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #8

#1 Otis "34" Well

CBR #109079W

CBR #108783 A-B, 108832,

108765 A-E, 108834

The undivided interest set out below in the following Fee Oil and Gas Leases insofar and only insofar as they pertain to the described acreage.

LEASE NO:	108783-A (CBR Interest 5.0555%)
LESSOR:	Dora L. McKnight, Dora Lea Sanders Bean and Leland L. Fellows, individually and as Trustees under the Last Will and Testament of L.T. Lewis, deceased
LESSEE:	READ & STEVENS, INC.
RECORDED:	Book 205, Page 225 of the records of Eddy County, New Mexico
DATE OF LEASE:	September 29, 1981
DESCRIPTION:	Township 22 South, Range 27 East, N.M.P.M. Section 34: N/2NW/4, containing 80 acres, more or less
LEASE NO:	108783-B (CBR Interest 5.0555%)
LESSOR:	Winston Lovelace, a married man dealing in his sole and separate property, joined "proforma" by his wife Louise A. Lovelace.
LESSEE:	READ & STEVENS, INC.
RECORDED:	Book 205, Page 223 of the records of Eddy County, New Mexico
DATE OF LEASE:	September 18, 1981
DESCRIPTION:	Township 22 South, Range 27 East, N.M.P.M. Section 34: N/2NW/4, containing 80 acres, more or less.
LEASE NO:	108832 (CBR Interest 5.0555%)
LESSOR:	Mabel V. Geer, a widow, and John H. Williams and Ellen B. Williams, his wife, as joint tenants with Right of Survivorship.
LESSEE:	READ & STEVENS, INC.
RECORDED:	Book 208, Page 301 of the records of Eddy County, New Mexico
DATE OF LEASE:	November 18, 1981
DESCRIPTION:	Township 22 South, Range 27 East, N.M.P.M. Section 34: SE/4NW/4, containing 40 acres, more or less.
LEASE NO:	108765-A (CBR Interest 5.0555%)
LESSOR:	William Arthur Weems, dealing in his sole and separate property.
LESSEE:	READ & STEVENS, INC.
RECORDED:	Book 204, Page 252 of the records of Eddy County, New Mexico
DATE OF LEASE:	September 1, 1981
DESCRIPTION:	Township 22 South, Range 27 East, N.M.P.M. Section 34: SW/4NW/4, NE/4SW/4 This lease holds other acreage not included in the proration unit for this well.

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #9

#1 Federal "CC" Com.

CBR #108537W

CBR #100338, 108923

An undivided 9.58772771% interest in the entire leasehold estate and working interest of an Oil and Gas Lease date June 16, 1970, from the State of New Mexico, as Lessor, to Charles B. Read and Norman L. Stevens, Jr., as Lessees, bearing Serial Number L-4609, covering lands in Eddy County, New Mexico as follows:

Township 19 South, Range 24 East, N.M.P.M.

Section 3: Lot 1 (40.25 acres),
 Lot 2 (40.10 acres),
 S/2NE/4

containing 160.35 acres, more or less.

An undivided .550% interest in those depths from the surface to the base of the Morrow formation in the entire leasehold estate and working interest of an Oil and Gas Lease dated April 1, 1971, from the United States of America, as Lessor, and Herbert E. Roberts, as Lessee, bearing Serial #NM-13396, insofar as it covers lands in Eddy County, New Mexico as follows:

Township 19 South, Range 24 East, N.M.P.M.

Section 4: Lots 1, 2, S/2NE/4, SE/4

containing 319.94 acres, more or less.

Said acreage has been joined through an Operating Agreement described below to a working interest unit in which the proration unit for the captioned well is located, namely;

Township 19 South, Range 24 East, N.M.P.M.

Section 4: E/2

containing 320.17 acres, more or less.

SUBJECT TO:

1. The terms and conditions of the above stated leases.
2. Operating Agreement dated March 15, 1980, designating Amoco Production Company as Operator of the East Antelope Sink Working Interest Unit Area.
3. Farmout Agreement made a part of the Operating Agreement described above (#2) between Pennzoil Company and Amoco Production, etal.
4. Gas Purchase Agreement dated August 10, 1981, between Read & Stevens, Inc. and Transwestern Pipeline Company.
5. Assignment of Operating Rights dated February 7, 1983 effective as of July 28, 1980, by and between Pennzoil Company, as Assignor, and Read & Stevens, Inc., etal, as Assignees.

CHARLES B. READ'S
 WORKING INTEREST IN THIS WELL.84316395% WI

CHARLES B. READ'S NET
 INTEREST IN PRODUCTION IN THIS WELL.7212678% NRI

FED.CC

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #10

Marbob State #1

CBR #109296W

CBR #109283

An undivided 1.000% interest in the entire leasehold estate and working interest in an Oil and Gas Lease dated 5/1/87 bearing Serial #V-2293 from the State of New Mexico, as Lessor, to Marbob Energy Corporation, as Lessee, insofar as it covers the following described lands; which is the proration unit for this well:

Township 19 South, Range 29 East
Section 19: NE/4NE/4

Containing 40.0 acres, more or less

SUBJECT TO:

1. The terms and conditions of the above mentioned lease.
2. Assignment of Operating Rights dated 3-31-89, by and between Read & Stevens, Inc. and Abby Corporation, et al, covering the above described acreage.
3. Operating Agreement dated 1-20-89, by and between Read & Stevens, Inc. and Abby Corporation, et al, covering the above described acreage.
4. Assignment of Oil and Gas Lease dated October 1, 1987 from Marbob Energy Corp. to Read & Stevens, Inc. covering the above described acreage.
5. Royalty Assignment dated October 2, 1987 from Read & Stevens, Inc. to Marbob Energy Corp. covering the above described acreage.
6. The terms, provisions and conditions of the Read & Stevens, Inc. 1988 Drilling Memorandum dated October 1, 1988.
7. Agreement between Marbob Energy Corp. and Read & Stevens, Inc.

CHARLES B. READ'S
WORKING INTEREST IN THIS WELL 1.0000% WI

CHARLES B. READ'S NET
REVENUE INTEREST IN PRODUCTION IN THIS WELL775% NRI

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #11

#1 Waldrip "JY"

CBR #200045W

CBR #200044

An undivided 6.25% mineral interest in the following land in Eddy County,
New Mexico which is the proration unit for the subject well:

Township 18 South, Range 26 East, N.M.P.M.
Section 34: NW/4SW/4

containing 40.00 acres, more or less.

SUBJECT TO:

1. Oil and Gas Lease to T.C. Stromberg dated September 11, 1954 covering the subject acreage.

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS WELL. 1.171875% NRI
WALDROP

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #12

#4 Hackberry Hills

CBR #100057W

CBR #200068

An undivided 33.323% of the entire leasehold estate and working interest in an Oil and Gas Lease, dated May 1, 1952, from the United States of America as Lessor, to Gulf Oil Co, as Lessee, bearing Lease #LC-064490, insofar as said Lease covers the following described lands:

Township 22 South, Range 26 East, N.M.P.M
Section 22: N/2

containing 320.00 acres, more or less,
for all depths from the surface down to
10,600' subsurface.

The proration unit for said well is:

Township 22 South, Range 26 East
Section 22: N/2

SUBJECT TO:

1. The terms of the subject Oil and Gas Lease.
2. The terms of various Agreements between parties concerning non-consent and pipeline cost payouts.

CHARLES B. READ'S
WORKING INTEREST IN THIS WELL. 33.393865% WI/BPO
. 4.0314% WI/APO

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS WELL. 27.1858100% NRI/BPO
. 3.5600% NRI/APO

HACK.HILL

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #13

Stevens Federal #1 & #2

CBR #200131W

CBR #200139

An undivided .125% ORR interest in Oil and Gas Lease #NM-0384576 from the USA, insofar as it covers the following described land:

Township 17 South, Range 30 East, N.M.P.M.
Section 35: N/2SE/4

containing 80.00 acres, more or less.

SUBJECT TO:

1. The above mentioned Oil and Gas Lease.

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS WELL.1250% ORR

STEVE.FED

Schedule C

Charles B. Read

Eddy County, New Mexico

THIS SCHEDULE INCLUDES ONLY WELL OR UNIT PARCELS AND THE ONLY OIL AND GAS

PROPERTIES DESCRIBED ON THIS SCHEDULE ARE THOSE WHERE THE ENTIRE PROPERTY IS

DEVELOPED (PRODUCING).

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #1

Bogle Farms #1

CBR #101021W

CBR #108971, 108689

An undivided 18.75% of the entire leasehold estate and working interest in:

- (a) 108689 An Oil and Gas Lease, dated September 11, 1950, from the State of New Mexico, as Lessor, to Gulf Oil Corporation, as Lessee, bearing Lease #E-4199; and,
- (b) 108971 An Oil and Gas Lease, dated October 19, 1954, from the State of New Mexico, as Lessor, to Southern Union Gas Company, as Lessee, bearing Serial #E-8560; insofar as said leases cover the following described lands in Eddy County, New Mexico:

Township 16 South, Range 31 East, N.M.P.M.
Section 13: SW/4

containing 160.00 acres, more or less,
 for all depths from the surface to 4,346'
 subsurface as to Lease (b) and as to the
 gas rights in the Queen formation only as
 to Lease (a).

The proration unit for this well is as follows:

Township 16 South, Range 31 East
Section 13: SW/4

SUBJECT TO:

1. Communitization Agreement, dated April 19, 1966, which communitizes all gas and associated hydrocarbons producible from the Queen formation.
2. Casinghead Gas Contract, dated April 5, 1966, from Charles B. Read to Phillips Petroleum Company.

CHARLES B. READ'S
 WORKING INTEREST IN THIS WELL. 18.75% WI

CHARLES B. READ'S NET
 INTEREST IN PRODUCTION IN THIS WELL. 14.64844% NRI

BOGLE FARM

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #2

Turkey Track State #1

CBR #108030W

CBR #109203

An undivided 8.00% interest in those depths from 3,100' to 11,398' in the entire leasehold estate and working interest in an Oil and Gas Lease dated 6/10/44 bearing Serial #B-11276 between the State of New Mexico, as Lessor, to C. Loy Mason, original Lessee; insofar as said lease covers the following described lands in Eddy County, New Mexico:

Township 18 South, Range 28 East
Section 25: SW/4NE/4

Containing 40.00 acres, more or less.

The proration unit for the captioned well is described as follows:

Township 18 South, Range 28 East
Section 25: E/2

containing 320.00 acres, more or less.

SUBJECT TO:

1. Mobil Farmout dated September 15, 1977, wherein Mobil Oil Corporation is the Farmor and Sol West, III and Read & Stevens, Inc. are the Farmees.
2. Subject to Operating Agreement dated August 15, 1977, between Anadarko, as Operator, and Sol West, III and Read & Stevens, Inc., as Non-Operators.
3. The terms and conditions of said lease.

CHARLES B. READ'S
WORKING INTEREST IN THIS WELL 1.0000% WI

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS WELL875% NRI

TURKEY

TURKEY TRACK, N. FIELD

STATE LG-4036

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #3

#1 New Mexico "AB" State Com.

CBR #108353W

CBR #109224

An undivided 2.0833% interest of an entire leasehold estate and working interest in an Oil and Gas Lease, dated February 1, 1977, bearing Serial Number LG-4036, from the State of New Mexico, as Lessor, and Texas Pacific Oil Company, Inc., as Lessee, covering the following described land in Eddy County, New Mexico:

Township 18 South, Range 28 East
Section 36: W/2NE/4, SE/4,
 from the surface to 11,400'.

Containing 240.00 acres, more or less, insofar as it covers depths from the surface to 11,400 feet.

SUBJECT TO:

1. The terms and conditions of said lease.
2. Farmout Agreement, dated July 2, 1979, between Texas Pacific Oil Company, Inc. and Anadarko Production Company.
3. Letter Agreement, dated August 13, 1979, between Anadarko Production Company, Read & Stevens, Inc. and L.C. Harris.
4. Operating Agreement, dated August 13, 1979, designating Anadarko Production Company, as Operator.
- * 5. This well paid out in 1986 and the after payout interest is reflected on this parcel.
6. Gas Purchase Contract dated March 1, 1980, as amended, with Llano, Inc.
7. Communitization Agreement dated August 13, 1979, recorded in Book 180, Page 847 of the Eddy County, New Mexico records, covering the above described proration unit.

CHARLES B. READ'S
 WORKING INTEREST IN THIS WELL 1.5625% WI

CHARLES B. READ'S NET
 INTEREST IN PRODUCTION IN THIS WELL 1.36718% NRI

NM

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #4

#1 Conoco State "10"

CBR #108365W

CBR #100079

A 12.50% working interest and a 10.9375% NRI in an Oil & Gas Lease dated April 18, 1967, bearing Serial Number K-6850, from the State of New Mexico as Lessor to Charles B. Read as Lessee insofar as it covers the following described lands:

Township 19 South, Range 29 East
Section 10: SE/4NE/4, NW/4SE/4,
below 3,481' to 11,850'..

containing 80 acres, more or less

The proration unit for the #1 Conoco State #10-A is as follows:

Township 19 South, Range 29 East
Section 10: E/2

containing 320 acres, more or less

SUBJECT TO:

1. The terms and conditions of said lease.
2. An Operating Agreement dated April 1, 1980 designating Threshold Development Company (Succeeded by Mitchell Energy, Operator).
3. Royalty Assignment dated May 10, 1979, whereby Read & Stevens, Inc. conveyed 1/4 of 5% of 50% overriding royalty interest in the above mentioned lease to First Century Oil, Inc.

CHARLES B. READ'S
WORKING INTEREST IN THIS WELL. 3.125% WI

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS WELL. 2.57812% NRI

CONOCO

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #5

#1 State "IL"

CBR #108386W

CBR #100338, 108923

An undivided 9.58772771% interest in the entire leasehold estate and working interest of an Oil and Gas Lease dated June 16, 1970, from the State of New Mexico, as Lessor, to Charles B. Read and Norman L. Stevens, Jr., as Lessees, bearing Serial Number L-4609, covering lands in Eddy County, New Mexico as follows:

Township 19 South, Range 24 East, N.M.P.M.
 Section 3: Lot 1 (40.25 acres),
 Lot 2 (40.10 acres),
 S/2NE/4

containing 160.35 acres, more or less.

An undivided .550% interest in those depths from the surface to the base of the Morrow formation in the entire leasehold estate and working interest of an Oil and Gas Lease dated April 1, 1971, from the United States of America, as Lessor, and Herbert E. Roberts, as Lessee, bearing Serial #NM-13396, insofar as it covers lands in Eddy County, New Mexico as follows:

Township 19 South, Range 24 East, N.M.P.M.
 Section 4: Lots 1, 2, S/2NE/4, SE/4

containing 319.94 acres, more or less.

Said acreage has been joined through an Operating Agreement described below to a working interest unit in which the proration unit for the captioned well is located, namely;

Township 19 South, Range 24 East, N.M.P.M.
 Section 3: N/2

containing 320.00 acres, more or less.

SUBJECT TO:

1. The terms and conditions of the above stated leases.
2. Operating Agreement dated March 15, 1980, designating Amoco Production Company as Operator of the East Antelope Sink Working Interest Unit Area.
3. Farmout Agreement made a part of the Operating Agreement described above (#2) between Pennzoil Company and Amoco Production, etal.
4. Gas Purchase Agreement dated August 10, 1981, between Read & Stevens, Inc. and Transwestern Pipeline Company.
5. Assignment of Operating Rights dated February 7, 1983 effective as of July 28, 1980, by and between Pennzoil Company, as Assignor, and Read & Stevens, Inc., etal, as Assignees.

CHARLES B. READ'S
 WORKING INTEREST IN THIS WELL.843163% WI

CHARLES B. READ'S NET
 INTEREST IN PRODUCTION IN THIS WELL.737768% NRI

STATE.IL

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #6

#1-Y Conoco State 10 "A"

CBR #108415W

CBR #100079

A 12.5% WI and 10.9375% NRI in an Oil & Gas Lease dated April 18, 1967, bearing Serial Number K-6850, from the State of New Mexico as Lessor to Charles B. Read, Lessee, insofar as it covers the following described lands:

Township 19 South, Range 29 East
Section 10: NE/4SW/4, below 3,481'
to 11,850'.

containing 80 acres, more or less

The proration unit for the #1-Y Conoco State "10" is as follows:

Township 19 South, Range 29 East
Section 10: W/2

containing 320 acres, more or less

SUBJECT TO:

1. The terms and conditions of said lease.
2. An Operating Agreement dated April 1, 1980 designating Threshold Development Company (Succeeded by Mitchel Energy) Operator.
3. Royalty Assignment dated May 10, 1979, whereby Read & Stevens, Inc. conveyed 1/4 of 5% of 50% overriding royalty interest in the above mentioned lease to First Century Oil, Inc.

CHARLES B. READ'S
WORKING INTEREST IN THIS WELL. 1.5625% WI

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS WELL. 1.28906% NRI

CONOCO.A

MALAGA FIELD

FEE

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #7

#1 Vasquez

CBR #108417W

CBR #108327-A, 108327C-R

An undivided 21.66471684% working interest in and to 17 Oil and Gas Leases,
as attached hereto as Exhibit "A", which cover the following described acreage:

Township 24 South, Range 28 East
Section 3: N/2NE/4NW/4

Containing 20.00 acres, more or less,
as to all depths, and

The proration for this well is described as follows:

Township 24 South, Range 28 East
Section 3: W/2

Containing 320.00 acres, more or less.

SUBJECT TO:

1. The terms and conditions of said lease.
2. Operating Agreement dated February 1, 1980, designating Aminoil, Inc.
as Operator.
3. Designation of Pooled Unit filed June 1, 1981, recorded in Book 199,
Page 661 of the Eddy County, New Mexico records.

CHARLES B. READ'S
WORKING INTEREST IN THIS WELL 1.0000% WI

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS WELL750013% NRI

VASQUEZ

EXHIBIT "A"

Attached and made a part
of the Parcel for the
#1 Vasquez
Page 1 of 2

LEASE A:

From Addie Swearingen, a widow, dated February 15, 1979, recorded in Book 173, page 5, covering an undivided 39/80 mineral interest in W/2N/2NE/4NW/4 of Section 3 and a 41/80 mineral interest in E/2N/2NE/4NW/4 of Section 3, or ten net mineral acres in Tract 8 land.

LEASE H:

From Vera Hadsell, a/k/a Vera F. Hadsell, dealing in her separate property, dated March 23, 1979, recorded in Book 173, page 166, covering an undivided 1/96 mineral interest in the Tract 8 land, or .21 net mineral acre.

LEASE K:

From Howares Swearingen, dated March 23, 1979, recorded in Book 173, page 160, covering an undivided 1/96 mineral interest in the Tract 8 land, or .21 net mineral acre.

LEASE E:

From Ralph Swearingen, dated March 23, 1979, recorded in Book 173, page 172, covering an undivided 1/96 mineral interest in the Tract 8 land, or .21 net mineral acre.

LEASE D:

From Glen Swearingen, dated March 23, 1979, recorded in Book 173, page 175, covering an undivided 1/96 mineral interest in the Tract 8 land, or .21 net mineral acre.

LEASE F:

From Sheryl S. Johnson, dated March 23, 1979, recorded in Book 173, page 169, covering an undivided 1/192 mineral interest in the Tract 8 lane, or .10 net mineral acre.

LEASE N:

From Charlene Watson, dated May 2, 1979, recorded in Book 173, page 370, covering an undivided 1/48 mineral interest in the Tract 8 land, or .42 net mineral acre.

LEASE M:

From Mayme White, dated April 27, 1979, recorded in Book 173, page 337, covering an undivided 1/48 mineral interest in the Tract 8 land, or .42 net mineral acre.

LEASE L:

From Harrie L. Perry, Jr., dated April 17, 1979, recorded in Book 173, page 316, covering an undivided 1/48 mineral interest in the Tract 8 land, or .42 net mineral acre.

LEASE C:

From Marion L. Swearingen, dated March 23, 1979, recorded in Book 173, page 178, covering an undivided 1/64 mineral interest in the Tract 8 land, or .31 net mineral acre.

Exhibit "A"

Attached to and made a part
of the Parcel for the
#1 Vasquez
Page 2 of 2

LEASE I:

From Ruby Rogers, dated April 11, 1979, recorded in Book 173, page 244, re-recorded in Book 182, page 998 after correction of a defective acknowledgment, covering an undivided 1/64 mineral interest in the Tract 8 land or .31 net mineral acre.

LEASE O:

From Florence Swearingen, Arthur Lundblade, George A. Lundblade, Marvin L. Lundblade and Helen Anderson, dated April 11, 1979, recorded in Book 173, page 271, covering an undivided 1/32 mineral interest in the Tract 8 land or .63 net mineral acre.

LEASE Q:

From the First National Bank of Topeka, as Trustee for the Rita J. Evert Trust, dated May 8, 1979, recorded in Book 177, page 339 and re-recorded in Book 182, page 1,001, after correction of and acknowledgement defect, covering an undivided 1/96 mineral interest in the Tract 8 land, or .21 net mineral acre.

LEASE G:

From Stella F. Herrell, dated March 23, 1979, recorded in Book 173, page 163, covering an undivided 1/80 mineral interest in the Tract 8 land, or .25 net mineral acre.

LEASE P:

From Birdie F. Coryell, individually and as Executrix of the Estate of Sidney M. Coryell, deceases, dated June 18, 1979, recorded in Book 173, page 418, covering an undivided 1/80 mineral interest in the Tract 8 land, or .25 net mineral acre.

LEASE R:

From Louise M. Richardson, dated November 1, 1979, recorded in Book 179, page 1,048, covering an undivided 1/64 mineral interest in the Tract 8 land, or a .31 net mineral interest.

LEASE J:

From Georgia B. Lafferty, as her separate property, dated July 10, 1979, recorded in Book 173, page 979, covering an undivided 1/64 mineral interest in the Tract 8 land, or a .31 net mineral acre.

END OF EXHIBIT "A" FOR #1 VASQUEZ PARCEL

EX.VASQZ/EX.VASQZ1

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #8

#1 Federal "BV" Com.

CBR #108475W

CBR #100338, 108923

An undivided 9.58772771% interest in the entire leasehold estate and working interest of an Oil and Gas Lease dated June 16, 1970, from the State of New Mexico, as Lessor, to Charles B. Read and Norman L. Stevens, Jr., as Lessees, bearing Serial Number L-4609, covering lands in Eddy County, New Mexico as follows:

Township 19 South, Range 24 East, N.M.P.M.

Section 3: Lot 1 (40.25 acres),
Lot 2 (40.10 acres),
S/2NE/4

containing 160.35 acres, more or less.

An undivided .550% interest in those depths from the surface to the base of the Morrow formation in the entire leasehold estate and working interest of an Oil and Gas Lease dated April 1, 1971, from the United States of America, as Lessor, and Herbert E. Roberts, as Lessee, bearing Serial #NM-13396, insofar as it covers lands in Eddy County, New Mexico as follows:

Township 19 South, Range 24 East, N.M.P.M.

Section 4: Lots 1, 2, S/2NE/4, SE/4

containing 319.94 acres, more or less.

Said acreage has been joined through an Operating Agreement described below to a working interest unit in which the proration unit for the captioned well is located, namely;

Township 19 South, Range 24 East, N.M.P.M.

Section 3: S/2

containing 320.00 acres, more or less.

SUBJECT TO:

1. The terms and conditions of the above stated leases.
2. Operating Agreement dated March 15, 1980, designating Amoco Production Company as Operator of the East Antelope Sink Working Interest Unit Area.
3. Farmout Agreement made a part of the Operating Agreement described above (#2) between Pennzoil Company and Amoco Production, etal.
4. Gas Purchase Agreement dated August 10, 1981, between Read & Stevens, Inc. and Transwestern Pipeline Company.
5. Assignment of Operating Rights dated February 7, 1983 effective as of July 28, 1980, by and between Pennzoil Company, as Assignor, and Read & Stevens, Inc., etal, as Assignees.

CHARLES B. READ'S
WORKING INTEREST IN THIS WELL.84316395% WI

READ & STEVENS, INC'S. NET
INTEREST IN PRODUCTION IN THIS WELL.737768% NRI

FED.BV

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #9

#1 Swearingen "A"

CBR #108616W

CBR #108575

An undivided 10.00% interest as to depths from the surface to 12,519' in a Fee Lease dated December 18, 1980, from Joe N. Carrasco and Olivia O. Carrasco, as Lessors, to Ed Phillips, as Lessee, covering the following lands:

Township 23 South, Range 28 East, N.M.P.M.
Section 5: W/2 SW/4

containing 40.00 net/80 gross acres, more or less

The proration unit for the captioned well is described as follows:

Township 23 South, Range 28 East, N.M.P.M.
Section 5: S/2

containing 320.00 acres, more or less

SUBJECT TO:

1. The terms and conditions of the lease.
2. The Operating Agreement dated January 13, 1981, designating Cities Service Company as Operator.
3. Declaration of Pooling dated 12/14/81 covering the above acreage.

CHARLES B. READ'S
 WORKING INTEREST IN THIS WELL. 1.25% WI

CHARLES B. READ'S NET
 INTEREST IN PRODUCTION IN THIS WELL.925% NRI

SWEAR.A

UNDES LOVING, N. FIELD

FEE

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #10

#1 Carrasco

CBR #108640W

CBR #108576

An undivided 2.1352% of 8/8ths interest in an Oil and Gas Lease, dated December 18, 1980, from Miguel Carrasco, Sr. and wife, Miguela N. Carrasco, Lessor to Ed Phillips, as Lessee, insofar as it covers the following described lands:

Township 23 South, Range 28 East
Section 6: E/2SW/4, SW/4SW/4,
S/2NW/4SW/4, W/2NE/4NW/4SW/4,
SW/4SE/4, NW/4SE/4

Containing 223.4925 acres, more or less, as to those depths from the surface to 12,234'.

The proration unit for the #1 Carrasco is as follows:

Township 23 South, Range 28 East
Section 6: S/2

Containing 318.14 acres, more or less.

SUBJECT TO:

1. The terms and conditions of said lease.
2. Operating Agreement dated October 5, 1981, designating Read & Stevens, Inc. as Operator
3. Communitization Agreement SCR-318 effective as of March 22, 1982 for the S/2 of Section 6, Township 23 South, Range 28 East, Eddy County, New Mexico.
4. Assignment of Oil and Gas Lease dated December 21, 1981 from Ed Phillips and wife, Kathleen Phillips, as Assignors to Read & Stevens, Inc. and the overriding royalty interest reserved therein.
5. Royalty Assignments dated November 15, 1981 from Read & Stevens, Inc. to David S. Harle and Joel M. Wigley.
6. Assignment of Operating Rights dated August 25, 1982 by and between Read & Stevens, Inc., as Assignor, and Galaxy Oil Company, et al, as Assignees.
7. Gas Purchase Agreement dated April 22, 1982, as amended, with El Paso Natural Gas Company.

CHARLES B. READ'S
 WORKING INTEREST IN THIS WELL 1.5000% WI

CHARLES B. READ'S NET
 INTEREST IN PRODUCTION IN THIS WELL 1.08778% NRI

CARRASCO

LOVING, N. FIELD

FEE

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #11

#1 Ogden

CBR #108921W

CBR #108498 A&B, 109000

An undivided 8.33% before payout and an undivided 8.23% after payout in the working interest estate in an Oil and Gas Lease, insofar as said lease covers the following described lands in Eddy County, New Mexico:

Lease #1: Lease Number: R&S #8498-A
 Lessor: T.J. and Doris O. Kimbley
 Original Lessee: Ed Phillips
 Present Lessee: Read & Stevens, Inc.
 Date of Lease: September 19, 1980
 Description: Township 23 South, Range 28 East, N.M.P.M.
 Section 29: E/2NE/4

Containing 80.00 acres, more or less, insofar as it covers all depths.

An undivided .33% before payout and an undivided .23% after payout in the working interest estate in an Oil and Gas Lease, insofar as said lease, covers the following described lands in Eddy County, New Mexico:

Lease #2: Lease Number: R&S #8498-B
 Lessor: James C. and Mary Sue Forehand Ogden
 Original Lessee: Ed Phillips
 Present Lessee: Read & Stevens, Inc.
 Date of Lease: September 19, 1980
 Description: Township 23 South, Range 28 East, N.M.P.M.
 Section 29: E/2NE/4

Containing 80.00 acres, more or less, insofar as it covers all depths.

An undivided .33% before payout and an undivided .23% after payout in the working interest estate in an Oil and Gas Lease, insofar as said lease covers the following described lands in Eddy County, New Mexico:

Lease #3: Lease Number: R&S #9000
 Lessor: Nettie Ball
 Lessee: HNG Oil Company
 Date of Lease: June 24, 1977 (effective 09-07-77)
 Description: Township 23 South, Range 28 East, N.M.P.M.
 Section 29: SE/4, W/2NE/4

Containing 240.00 acres, more or less, insofar as it covers depths from surface to 12,864 feet.

The proration unit for this well is described as follows:

Township 23 South, Range 28 East, N.M.P.M.
 Section 29: E/2

SUBJECT TO:

1. The terms and conditions of the above described Oil and Gas Lease(s).
2. Operating Agreement dated July 29, 1982, by and between Read & Stevens, Inc., as Operator, and W.W. Shipley, et al, as Non-Operators.
3. Farmout Agreement dated July 30, 1982 and amendments thereto, between HNG Oil Company and Read & Stevens, Inc., covering the afore-described lease numbered "3".

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #11

#1 Ogden

Page 2

CBR #108921W

CBR #108498 A&B, 109000

4. Assignment of Oil and Gas Lease executed March 1, 1983, but effective January 17, 1983, by and between HNG Oil Company and Read & Stevens, Inc., covering the aforementioned lease number "3".
5. Designation of Pooled Unit dated February 14, 1983, covering the aforementioned leases numbered "1", "2" and "3", which collectively covers the E/2 of Section 29-23S-28E, N.M.P.M.
6. Letter Agreements dated August 4, 1982, by and between Read & Stevens, Inc. and William E. Read, et al.
7. Assignment of Oil and Gas Lease dated August 10, 1982, by and between Ed Phillips, et ux, and Read & Stevens, Inc., Kimbley lease.
8. Assignment of Oil and Gas Lease dated August 10, 1982, by and between Ed Phillips, et ux, and Read & Stevens, Inc., Ogden lease.
9. Assignment of Operating Rights dated March 4, 1983, by and between Read & Stevens, Inc. and William E. Read, et al.
10. Royalty Assignment dated March 2, 1983, by and between Read & Stevens, Inc. and David S. Harle, et al.
11. Gas Purchase Agreement dated September 27, 1983, as amended, with Transwestern Pipeline Company.

CHARLES B. READ'S	
WORKING INTEREST IN THIS WELL	BPO 1.3333% WI
	APO 1.2300% WI
CHARLES B. READ'S NET	
INTEREST IN PRODUCTION IN THIS WELL	BPO .9733% NRI
	APO .8979% NRI

OGDEN1/OGDEN2

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #12

#1 Amoco Skeeters

CBR #109023W

CBR #108978

An undivided 11.6667% interest in an Oil & Gas Lease dated May 17, 1955 bearing Serial Number E-9049 from the State of New Mexico as Lessor to Amoco Production Company as Lessee, insofar and only insofar as it covers the following described lands:

Township 16 South, Range 31 East N.M.P.M.
Section 14: SW/4NW/4, insofar and only insofar
as it covers from the surface down to and including
4142 feet, containing 40 acres more or less.

The proration unit for the #1 Amoco Skeeters Well is as follows:

Township 16 South, Range 31 East, N.M.P.M.
Section 14: SW/4NW/4
Containing 40 acres, more or less.

SUBJECT TO:

1. The terms and conditions of the above described Oil & Gas Lease.
2. An Operating Agreement dated November 15, 1984, Read & Stevens, Inc. as Operator covering Section 14: SW/4NW/4, N/2SE/4; Section 13: SW/4NE/4; Section 23: SE/4NE/4; All in Township 16 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, containing 200 acres, more or less.
3. Assignment of Operating Rights dated October 22, 1984 by and between Read & Stevens, Inc. as "Assignor" to New Mexico Salt Water Disposal Company, Inc. et al as "Assignees" for the SW/4NW/4 and N/2SE/4 of Section 14; the SE/4NE/4 of Section 23 and the SW/4NE/4 of Section 13; all in T16S, R31E, Eddy County, New Mexico, containing 200 acres more or less. Recorded in Book 242 at Page 225 of the records of the Eddy County Clerk, Eddy County, New Mexico.
4. Assignment of Operating Rights dated July 26, 1984 from Amoco Production Company as "Assignor", to Read & Stevens, Inc. as "Assignee" for the SW/4NW/4 of Section 14, T16S, R31E from the surface down and including 4142 feet subsurface, recorded in Book 239 at Page 9 of the records of the Eddy County Clerk, Eddy County, New Mexico.
5. Assignment of Operating Rights from Amoco Production Company USA to Read & Stevens, Inc. dated July 26, 1984, recorded in Book 238 at Page 761 of the records of Eddy County, and an amendment to said Assignment of Operating Rights, the amendment dated October 8, 1984, recorded in Book 241 at Page 703 of the records of Eddy County, New Mexico.
6. Farmout Agreement by and between Amoco Production Company and Read & Stevens, Inc. dated April 15, 1983 covering, among other lands, the SW/4NW/4 of Section 14 and SW/4NE/4 of Section 13, T16S, R31E, Eddy County, New Mexico.

CHARLES B. READ'S
 WORKING INTEREST IN THIS WELL 11.6667% WI

CHARLES B. READ'S NET
 INTEREST IN PRODUCTION IN THIS WELL 8.75% NRI

AMOCO.S

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #13

#2 Otis "33"

CBR #109114W

CBR #108763 A-D, 108920 A-D, 108766, 108781,

108782, 108830, 108831, 108835

An undivided 5.9555% interest in the following Fee Oil & Gas Leases:

LEASE NO:	108763-A
LESSOR:	Marguerette Wilkinson and Thelma Arinder individually and as co-conservators and co-guardians of the Estate of Neta Pearl Smith.
LESSEE:	READ & STEVENS, INC.
RECORDED:	Book 204, Page 265 of the records of Eddy County, New Mexico.
DATE OF LEASE:	September 9, 1981
DESCRIPTION:	<u>Township 22 South, Range 27 East, N.M.P.M. Section 33: W/2NW/4, containing 80 acres, more or less.</u>
LEASE NO:	108763-B
LESSOR:	Candace Wayman Olson, joined by her husband, Donald L. Olson.
LESSEE:	READ & STEVENS, INC.
RECORDED:	Book 208, Page 260 of the records of Eddy County, New Mexico.
DATE OF LEASE:	December 1, 1981
DESCRIPTION:	<u>Township 22 South, Range 27 East, N.M.P.M. Section 22: W/2NW/4, containing 80 acres, more or less.</u>
LEASE NO:	108763-C
LESSOR:	Amy E. Williams, a single woman dealing in her sole and separate property.
LESSEE:	READ & STEVENS, INC.
RECORDED:	Book 208, Page 256 of the records of Eddy County, New Mexico.
DATE OF LEASE:	September 23, 1981
DESCRIPTION:	<u>Township 22 South, Range 27 East, N.M.P.M. Section 33: W/2NW/4, containing 80 acres, more or less.</u>
LEASE NO:	108763-D
LESSOR:	Kathleen W. Barnhart, joined by her husband, Charles E. Barnhart.
LESSEE:	READ & STEVENS, INC.
RECORDED:	Book 208, Page 251 of the records of Eddy County, New Mexico.
DATE OF LEASE:	September 23, 1981
DESCRIPTION:	<u>Township 22 South, Range 27 East, N.M.P.M. Section 33: W/2NW/4, containing 80 acres, more or less.</u>
LEASE NO:	108920-A
LESSOR:	Julia G. Johns Christenson, dealing in her sole and separate property.
LESSEE:	READ & STEVENS, INC.
RECORDED:	Book 214, Page 269 of the records of Eddy County, New Mexico
DATE OF LEASE:	July 9, 1982
DESCRIPTION:	<u>Township 22 South, Range 27 East, N.M.P.M. Section 33: W/2NW/4, containing 80 acres, more or less.</u>

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#2 Otis "33"

CBR #109114W

LEASE NO: 108920-B
LESSOR: Dializ G. Johns Homer, dealing in her sole and separate property.
LESSEE: READ & STEVENS, INC.
RECORDED: Book 214, Page 271 of the records of Eddy County, New Mexico.
DATE OF LEASE: July 9, 1982
DESCRIPTION: Township 22 South, Range 27 East, N.M.P.M. Section 33: W/2NW/4, containing 80 acres, more or less.

LEASE NO: 108920-C
LESSOR: William L. Johns and wife, Jana L. Johns.
LESSEE: READ & STEVENS, INC.
RECORDED: Book 218, Page 694 of the records of Eddy County, New Mexico.
DATE OF LEASE: September 24, 1982
DESCRIPTION: Township 22 South, Range 27 East, N.M.P.M. Section 33: W/2NW/4, containing 80 acres, more or less.

LEASE NO: 108920-D
LESSOR: Joe Johns, also known as Joe Andrew Raymond.
LESSEE: READ & STEVENS, INC.
RECORDED: Book 231, Page 531 of the records of Eddy County, New Mexico.
DATE OF LEASE: November 18, 1983
DESCRIPTION: Township 22 South, Range 27 East, N.M.P.M. Section 33: W/2NW/4, containing 80 acres, more or less.

LEASE NO: 108766
LESSOR: Lucille B. Brittain and husband, William G. Brittain.
LESSEE: READ & STEVENS, INC.
RECORDED: Book 204, Page 260 of the records of Eddy County, New Mexico.
DATE OF LEASE: September 4, 1981
DESCRIPTION: Township 22 South, Range 27 East, N.M.P.M. Section 33: W/2W/2NE/4 and E/2NW/4, containing 120 acres, more or less.

LEASE NO: 108781
LESSOR: Rafael Medrano and wife, Trinidad Medrano.
LESSEE: READ & STEVENS, INC.
RECORDED: Book 205, Page 220 of the records of Eddy County, New Mexico.
DATE OF LEASE: September 11, 1981.
DESCRIPTION: Township 22 South, Range 27 East, N.M.P.M. Section 33: E/2W/2NE/4, less 1 acre in the E/2W/2NE/4, more properly described as beginning at the NE corner of the E/2W/2NE/4 of Section 33, thence west along the section line 208.7 feet; thence south 208.7 feet; thence east 208.7 feet; thence north 208.7 feet to the original point of origin. Containing 39 acres, more or less.

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#2 Otis "33"

CBR 109114W

LEASE NO: 108782
LESSOR: Rafael Medrano, Jr. and wife, Cesilia Medrano.
LESSEE: READ & STEVENS, INC.
RECORDED: Book 205, Page 217 of the records of Eddy County, New Mexico.
DATE OF LEASE: September 11, 1981
DESCRIPTION: Township 22 South, Range 27 East, N.M.P.M. Section 33: 1 acre in the E/2W/2NE/4, more properly described as beginning at the NE corner of the E/2W/2NE/4 of Section 33; thence west along the section line 208.7 feet; thence south 208.7 feet; thence east 208.7 feet; thence north 208.7 feet to the original point or origin. Containing 1 acre, more or less.

LEASE NO: 108830
LESSOR: John H. Williams and Ellen B. Williams, joint tenants with right of survivorship.
LESSEE: READ & STEVENS, INC.
RECORDED: Book 232, Page 41 of the records of Eddy County, New Mexico.
DATE OF LEASE: January 20, 1984
DESCRIPTION: Township 22 South, Range 27 East, N.M.P.M. Section 33: NE/4NE/4, containing 40 acres, more or less.

LEASE NO: 108831
LESSOR: Mabel V. Geer, a widow, and John H. Williams and Ellen B. Williams, his wife, joint tenants with right of survivorship.
LESSEE: READ & STEVENS, INC.
RECORDED: Book 232, Page 41 of the records of Eddy County, New Mexico.
DATE OF LEASE: January 20, 1984
DESCRIPTION: Township 22 South, Range 27 East, N.M.P.M. Section 33: E/2SE/4NE/4, containing 20 acres, more or less, insofar and only insofar as this lease covers the E/2SE/4NE/4 of Section 33, T-22-S, R-27-E. This lease holds other acreage not included in the proration unit for this well.

LEASE NO: 108835
LESSOR: Tony Larry Potter, Individually and as Personal Representative of the Estate of Glen Dora Potter, deceased.
LESSEE: W. Wayne Gill, assigned to READ & STEVENS, INC.
RECORDED: Book 206, Page 1096 of the records of Eddy County, New Mexico.
DATE OF LEASE: November 5, 1981
DESCRIPTION: Township 22 South, Range 27 East, N.M.P.M. Section 33: NE/4NE/4, containing 40 acres, more or less.

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#2 Otis "33"

CBR #109114W

The above described Fee Oil & Gas Leases are included as part of the proration unit for the #2 Otis "33" Well. The proration unit for the #2 Otis "33" Well is described as follows:

Township 22 South, Range 27 East, N.M.P.M.
Section 33: N/2, containing 320 acres, more or less, insofar and only insofar as it pertains to the Morrow Formation perforated at a subsurface depth of 11,664' to 11,680'.

SUBJECT TO THE FOLLOWING:

1. The terms and conditions of the above described Oil & Gas Leases.
2. Operating Agreement dated March 1, 1984 covering the N/2 of Section 33, T-22-S, R-27-E, Eddy County, New Mexico; Read & Stevens, Inc. as Operator and James B. Read, et al, as non-operators.
3. Assignment of Oil & Gas Lease dated September 18, 1981 by and between T.Z. Millican and wife, Mary Millican as "Assignors", and Read & Stevens, Inc. as "Assignee", recorded in Book 205 at Page 260 of the records of Eddy County, New Mexico and the Overriding Royalty Interest reserved therein, as to the lease listed above as R&S #8763-A.
4. Assignment of Oil & Gas Leases dated January 21, 1982 by and between W. Wayne Gill and wife, Merle Gill, as "Assignors", and Read & Stevens, Inc. as "Assignee", recorded in Book 233 at Page 126 of the records of Eddy County, New Mexico and the Overriding Royalty Interest reserved therein, as to those leases listed above as R&S #'s 8763-B, 8763-C, 8763-D.
5. Assignment of Oil & Gas Leases dated September 18, 1981 by and between Ed Phillips and wife, Kathleen A. Phillips, as "Assignors", and Read & Stevens, Inc. as "Assignee", recorded in Book 205 at Page 256 of the records of Eddy County, New Mexico and the Overriding Royalty Interest reserved therein as to the lease listed above as R&S #8766.
6. Assignment of Oil & Gas Leases dated October 7, 1981 by and between T.Z. Millican and wife, Mary Millican, as "Assignors", and Read & Stevens, Inc. as "Assignees", recorded in Book 205 at Page 576 of the records of Eddy County, New Mexico and the Overriding Royalty Interest reserved therein as to those leases listed above as R&S #'s 8781 and 8782.

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#2 Otis "33"

CBR #109114W

7. Assignment of Oil & Gas Lease dated December 10, 1981 by and between W. Wayne Gill and wife, Merle Gill, as "Assignors", and Read & Stevens, Inc. as "Assignors", recorded in Book 208 at Page 303 of the records of Eddy County, New Mexico and the Overriding Royalty Interest reserved therein as to the lease listed above as R&S #8835.
8. Designation of Pooled Unit dated May 8, 1984 covering the N/2 of Section 33, T-22-S, R-27-E, Eddy County, New Mexico. Said designation of Pooled Unit recorded in Book 237 at Page 864 of the records of Eddy County, New Mexico.
9. Assignment of Overriding Royalty Interest from Read & Stevens, Inc. to Joel M. Wigley dated August 20, 1984 as to those leases described herein above. Recorded in Book 243 at Page 1167 of the records of Eddy County.
10. Assignment of Oil & Gas Leases dated August 21, 1984 from Read & Stevens, Inc., "Assignor", to Barbee Resources, Inc. et al, as "Assignees", as to those Leases listed herein above as R&S #'s 8763 A-D, 8920 A-D, 8766, 8781, 8782, 8830, 8831 and 8835. Said assignment recorded in Book 244 at Page 267 of the records of Eddy County.

CHARLES B. READ'S
WORKING INTEREST IN THIS WELL. 5.583267% WI

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS WELL. 4.4107667% NRI

OTIS-OTIS4

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #14

#1 Richardson

CBR #109123W

CBR #109012

An undivided 11.6667% interest in the entire leasehold estate and working interest in an Oil & Gas Lease dated 10-01-74, bearing Serial Number LG-2262, from the STATE OF NEW MEXICO, as Lessor to Randolph Richardson, Lessee, covering the following described lands in Eddy County, New Mexico.

Township 16 South, Range 31 East, N.M.P.M.
Section 15: S/2SE/4

Containing 80 acres, more or less

The Proration Unit for the #1 Richardson is described as follows:

Township 16 South, Range 31 East
Section 15: S/2SE/4

containing 80.00 acres, more or less.

SUBJECT TO:

1. The terms and conditions of said lease.
2. An Operating Agreement dated June 1, 1984 by and between Read & Stevens, Inc. as Operator and Marion Turner, etal, as Non-Operator.

CHARLES B. READ'S
WORKING INTEREST IN THIS WELL 11.6667% WI

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS WELL. 8.750025% NRI

RICH

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #15

#1 Skeen

CBR #109197W

CBR #108831, 109029A-B

An undivided 7.65% interest in the following described fee oil and gas leases:

1. 8831, Fee oil and gas lease dated 11-18-81 insofar and only insofar as it covers Section 28: NE/4SE/4, T-22-S, R-37-E, containing 40.25 acres, more or less.
2. 9029-A, Fee oil and gas lease dated 10-02-83 covering Section 28: E/2SW/4, W/2SW/4, T-22-S, R-27-E, containing 53.775 acres, more or less.
3. 9029-B, Fee oil and gas lease dated 10-02-83 covering Section 28: E/2SW/4, W/2SW/4, T-22-S, R-27-E, containing 53.775 acres, more or less.

Said interest in these leases has been committed to the proration Unit for the #1 Skeen well. The proration unit for this well is Section 28: S/2, T-22-S, R-27-E, containing 322.75 acres, more or less.

SUBJECT TO:

1. The terms and conditions of the above mentioned leases.
2. The terms of the #1 Skeen Operating Agreement dated 4-01-85 covering Section 28: S/2, T-22-S, R-27-E; Santa Fe Energy Operator, Read & Stevens, Inc., et al, Non-Operators.
3. Designation of Gas Leasehold Estate (Pooling Agreement) dated August 08, 1985 covering Section 28: S/2, T-22-S, R-27-E, Eddy County, New Mexico.

CHARLES B. READ'S
WORKING INTEREST IN THIS WELL 3.50% WI

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS WELL 2.76194% NRI

SKEEN.B

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #16

Bunker Hill Waterflood Unit

CBR #109300U

CBR #108689, 108705-A,B,C, 108971,

108977, 108978, 109125

An undivided interest as set out on the attached Exhibit "A" which describes those leases committed to the subject Waterflood Unit.

This Waterflood Unit covers the following described land as to the Penrose Formation:

Township 16 South, Range 31 East, N.M.P.M.

Section 13: SW/4NE/4, W/2

Section 14: NE/4, S/2

Section 23: NE/4, NE/4NW/4, S/2NW/4, NE/4SW/4, N/2SE/4

Section 24: N/2NW/4, SW/4NW/4

SUBJECT TO:

1. The terms and conditions of the subject leases.
2. Unit Operating Agreement and Unit Agreement dated November 1, 1988 designating Read & Stevens, Inc. as Operator.

CHARLES B. READ'S
WORKING INTEREST IN THIS UNIT. 6.8385% WI

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS UNIT. 5.2153% NRI

BUNKW

EXHIBIT "A" TO

Charles B. Read

PARCEL NUMBER #16

Bunkerhill Waterflood Unit

CBR #109300U

Page 1 of 2

R&S #	LESSOR INTEREST	R&S LEASEHOLD INTEREST	LESSOR NAME	LEASE DATE	SERIAL #
8689	100%	5.00%	State of New Mexico	9/11/50	E-4199
<u>DESCRIPTION:</u>	Section 13:	SW/4SW/4, NE/4SW/4, SE/4SW/4 from surface to base of Premier Formation			
	Section 24:	NW/4NW/4, NE/4NW/4, SW/4NW/4 from surface to base of Premier Formation			
8705A	50%	5.000%	Mossman-Midwest Co.	3/17/81	FEE
<u>DESCRIPTION:</u>	Section 14:	SW/4SW/4, SE/4SW/4, SW/4SE/4, SE/4SE/4 from surface to 4,050'			
	Section 23:	NE/4NE/4, NE/4NW/4, SE/4NW/4, SW/4NW/4 from surface to 4,050'			
8705B	25%	5.00%	Bogle Farms, Inc.	3/17/81	FEE
<u>DESCRIPTION:</u>	Section 14:	SW/4SW/4, SE/4SW/4, SW/4SE/4, SE/4SE/4 from surface to 4,050'			
	Section 23:	NE/4NE/4, NE/4NW/4, SE/4NW/4, SW/4NW/4 from surface to 4,050'			
8705C	25%	5.000%	Dartmouth College	3/17/81	FEE
<u>DESCRIPTION:</u>	Section 14:	SW/4SW/4, SE/4SW/4, SW/4SE/4, SE/4SE/4 from surface to 4,050'			
	Section 23:	NE/4NE/4, NE/4NW/4, SE/4NW/4, SW/4NW/4 from surface to 4,050'			
8971	100%	10.00%	State of New Mexico	10/19/54	E-8560
<u>DESCRIPTION:</u>	Section 13:	SW/4NW/4 from surface to 3,250' and from 3,370' to 4,350'			
	Section 13:	18.75% SW/4NW/4 from 3,250' to 3,370'			
8971 (cont.)	100%	10.00%	State of New Mexico	10/19/54	E-8560
<u>DESCRIPTION:</u>	Section 13:	NE/4NW/4 from surface to 3,250' and from 3,370' to 4,350'			
	Section 13:	18.75% NE/4NW/4 from 3,250' to 3,370'			
8971 (cont.)	100%	3.75%	State of New Mexico	10/19/54	E-8560
<u>DESCRIPTION:</u>	Section 14:	SE/4NE/4, NE/4NE/4, W/2NE/4 from 3,470' to 4,259'			
	Section 14:	18.75% SE/4NE/4 from 0' to 3,470' and NW/4SW/4 from 0' to 4,346'			
8977	100%	10.00%	State of New Mexico	8/11/52	E-6418
<u>DESCRIPTION:</u>	Section 13:	NW/4NW/4 from surface to 3,250' and from 3,370' to 4,350'			
	Section 13:	18.75% NW/4NW/4 from 3,250' to 3,370'			
8978	100%	10.00%	State of New Mexico	5/17/55	E-9049
<u>DESCRIPTION:</u>	Section 13:	SE/4NW/4 from surface to 3,250' and from 3,370' to 4,350'			

EXHIBIT "A" TO

Charles B. Read

PARCEL NUMBER #16

Bunkerhill Waterflood Unit

CBR #109300U

Page 2 of 2

R&S #	LESSOR INTEREST	R&S LEASEHOLD INTEREST	LESSOR NAME	LEASE DATE	SERIAL #
		18.75%			
		Section 13:	SE/4NW/4 from 3,250' to 3,370'		
8978 (cont.)	100%	11.6667%	State of New Mexico	5/17/55	E-9049
<u>DESCRIPTION:</u>	Section 13:	SW/4NE/4 from 3,500' to 4,374'			
8978 (cont.)	100%	5.00%	State of New Mexico	5/17/55	E-9049
<u>DESCRIPTION:</u>	Section 14:	N/2SW/4 from surface to 4,100'			
9125	100%	11.6667%	State of New Mexico	10/10/51	E-5668
<u>DESCRIPTION:</u>	Section 14:	NE/4SE/4, N/2SE/4 from surface to 4,253'			
	Section 23:	SE/4NE/4 from surface to 4,253'			

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #17

#1 Kudu "AFM" State Com.

CBR #109376W

CBR #100338, 108923

An undivided 9.58772771% interest in the entire leasehold estate and working interest of an Oil and Gas Lease date June 16, 1970, from the State of New Mexico, as Lessor, to Charles B. Read and Norman L. Stevens, Jr., as Lessees, bearing Serial Number L-4609, covering lands in Eddy County, New Mexico as follows:

Township 19 South, Range 24 East, N.M.P.M.

Section 3: Lot 1 (40.25 acres),
Lot 2 (40.10 acres),
S/2NE/4

containing 160.35 acres, more or less.

An undivided .550% interest in those depths from the surface to the base of the Morrow formation in the entire leasehold estate and working interest of an Oil and Gas Lease dated April 1, 1971, from the United States of America, as Lessor, and Herbert E. Roberts, as Lessee, bearing Serial #NM-13396, insofar as it covers lands in Eddy County, New Mexico as follows:

Township 19 South, Range 24 East, N.M.P.M.

Section 4: Lots 1, 2, S/2NE/4, SE/4

containing 319.94 acres, more or less.

Said acreage has been joined through an Operating Agreement described below to a working interest unit in which the proration unit for the captioned well is located, namely;

Township 19 South, Range 24 East, N.M.P.M.

Section 10: E/2

containing 320.00 acres, more or less.

SUBJECT TO:

1. The terms and conditions of the above stated leases.
2. Operating Agreement dated April 5, 1988, designating Yates Petroleum Corporation as Operator.
3. Assignment of Operating Rights dated February 7, 1983 effective as of July 28, 1980, by and between Pennzoil Company, as Assignor, and Read & Stevens, Inc., etal, as Assignees.

CHARLES B. READ'S
WORKING INTEREST IN THIS WELL.632372% WI

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS WELL.474279% NRI

KUDU.AFM

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #18

#1 & #2 Rio Penasco "JX", #1, #2 & #3 Rio Penasco "KD",

#1 Rio Penasco "MF", #1 Rio Penasco "RT",

#3 Gushwa "DR", #1 Rio Penasco "OJ"

CBR #200005W, 200009W, 200006W, 200007W, 200089W,

200008W, 200010W, 200090W, 200091W

CBR #200060, 200080

Page 1 of 2

An undivided 4.166% mineral interest covering the following described lands:

Township 19 South, Range 25 East, N.M.P.M.

Section 2: SW/4SW/4

Section 11: NW/4NE/4, N/2NW/4

Containing 160 acres, more or less,
for all depths.

An undivided 3.66418% interest in Oil and Gas Lease NM-36499 from USA to Yates Petroleum Corp. covering the following described land:

Township 19 South, Range 25 East

Section 3: S/2SE/4;

An undivided .22547% interest in Oil and Gas Leases from McQuiddy Communications and Energy, Inc., R.R. Hinkle Co., Inc., Roy E. Glass and Clarence E. Hinkle all covering the following described land:

Township 19 South, Range 25 East

Section 3: Lot 1, S/2NE/4;

An undivided .3326% interest in Oil and Gas Lease dated 2/18/80 from Republic National Bank of Dallas, Trustee of Selma E. Andrews Trust to Mark Wilson covering the following described land:

Township 18 South, Range 25 East

Section 35: N/2NE/4;

The proration units for said wells are:

#1 Rio Penasco "JX"	<u>Township 18 South, Range 25 East</u> Section 35: S/2
#1 Rio Penasco "KD"	<u>Township 19 South, Range 25 East</u> Section 2: S/2
#2 Rio Penasco "KD"	<u>Township 19 South, Range 25 East</u> Section 2: N/2
#3 Gushwa	<u>Township 18 South, Range 25 East</u> Section 35: N/2
#2 Rio Penasco "JX"	<u>Township 18 South, Range 25 East</u> Section 35: S/2
#1 Rio Penasco "OJ"	<u>Township 18 South, Range 25 East</u> Section 34: E/2

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #18

#1 & #2 Rio Penasco "JX", #1, #2 & #3 Rio Penasco "KD",

#1 Rio Penasco "MF", #1 Rio Penasco "RT",

#3 Gushwa "DR", #1 Rio Penasco "OJ"

CBR #200005W, 200009W, 200006W, 200007W, 200089W,

200008W, 200010W, 200090W, 200091W

CBR #200060, 200080

Page 2 of 2

#1 Rio Penasco "MF"	<u>Township 19 South, Range 25 East</u> Section 11: N/2
#3 Rio Penasco "KD"	<u>Township 19 South, Range 25 East</u> Section 11: S/2
#1 Rio Penasco "RT"	<u>Township 19 South, Range 25 East</u> Section 3: E/2

SUBJECT TO:

1. Designation of Pooled Area, dated September 27, 1978, relating to the S/2 Section 35, Township 18 South, Range 25 East, containing 320 acres.
2. Designation of Pooled Area, dated November 19, 1980, relating to the N/2 Section 35, Township 18 South, Range 25 East, containing 320 acres.
3. Communitization Agreement, dated April 6, 1980, relating the S/2 Section 2, Township 19 South, Range 25 East, containing 320 acres.
4. Communitization Agreement, dated August 6, 1980, relating the N/2 Section 2, Township 19 South, Range 25 East, containing 320 acres.
5. Communitization Agreement, dated February 15, 1981, as to the E/2 Section 34, Township 18 South, Range 25 East.
6. Rio Penasco Unit and Unit Operating Agreement, dated July 1, 1978.

CHARLES B. READ'S

WORKING INTEREST IN THESE WELLS.	#1 Rio Penasco "JX"	.3326% WI
.	#1 Rio Penasco "KD"	.331734% WI
.	#2 Rio Penasco "KD"	.332209% WI
.	#3 Gushwa	.3326% WI
.	#2 Rio Penasco "JX"	.33247% WI
.	#1 Rio Penasco "OJ"	.33208% WI
.	#1 Rio Penasco "MF"	.3167% WI
.	#3 Rio Penasco "KD"	.3167% WI
.	#1 Rio Penasco "RT"	.257684% WI

CHARLES B. READ'S NET

INTEREST IN PRODUCTION IN THESE WELLS.	#1 Rio Penasco "JX"	.30502% NRI
.	#1 Rio Penasco "KD"	.28166% NRI
.0651% RI
.	#2 Rio Penasco "KD"	.28806% NRI
.	#3 Gushwa	.29118% NRI
.	#2 Rio Penasco "JX"	.30502% NRI
.	#1 Rio Penasco "OJ"	.28446% NRI
.	#1 Rio Penasco "MF"	.27325% NRI
.19531% RI
.	#3 Rio Penasco "KD"	.27325% NRI
.19531% RI
RIO.PEN/RIO.PENI	#1 Rio Penasco "RT"	.22547% NRI

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #19

#1-5 Stevens "A" (Grayburg-Jackson-San Andres WFU)

CBR #200058W

CBR #200057

An undivided .21875% ORR in Oil and Gas Lease LC-030570-A from USA to M.B. Stevens covering the following described land:

Township 17 South, Range 30 East
Section 13: SW/4, SE/4NW/4

These lands are committed to the Grayburg-Jackson-San Andres Waterflood Unit covering the following described lands:

Township 17 South, Range 30 East
Section 12: NE/4, S/2
Section 11: SE/4SE/4
Section 13: All
Section 14: E/2, S/2NW/4, N/2SW/4, SE/4SW/4
Section 23: N/2NE/4
Section 24: N/2N/2, SE/4NW/4, S/2NE/4

insofar as it covers the Grayburg, Jackson and San Andres formations.

SUBJECT TO:

1. The terms and provisions of the above described lease.
2. The Grayburg-Jackson-San Andres Waterflood Unit dated May 22, 1967 designating Windfohr Oil Co., as Operator.

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS UNIT.05327% ORR
STEVENS.A

Charles B. Read

Parcel Number #20

#1 Leavitt Comm., #1 Higgins Trust

Kewanee-Atoka-San Andres Unit Tr. 28

CBR #200063W, 200064W, 200098W

CBR #200062

An undivided 6.25% mineral interest, which is subject to a 1/8 royalty Oil and Gas Lease, which mineral interest covers the following described land:

Township 18 South, Range 26 East
Section 13: S/2SE/4, SE/4SW/4

The proration unit for the #1 Leavitt Comm. is Section 13: W/2 (3000'-9,445');
The proration unit for the #1 Higgins Trust is Section 13: E/2;
The Kewanee-Atoka-San Andres Unit covers Section 13: All, with Tract 28 therein covering Section 13: S/2SE/4, SE/4SW/4

SUBJECT TO:

1. The Oil and Gas Lease covering this mineral interest.
2. Kewanee-Atoka-San Andres Unit Agreement dated 2/1/68.

CHARLES B. READ'S NET	
INTEREST IN PRODUCTION IN THESE WELLS.	(#1 Leavitt Comm.) .097656% RI
 (#1 Higgins) .19531% RI
	(Kewanee-Atoka-San Andres Unit Tr. 28) .78125% RI

LEA.HIG

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EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #21

Bright Federal Unit

CBR #200066W

CBR #200065

A .50% ORR under Oil and Gas Lease NM-028347 from USA to Edgar Bright, Jr.
covering the following described land:

Township 21 South, Range 23 East
Section 21: W/2NE/4

This ORR interest is included in the Bright Federal Unit which covers:

Township 21 South, Range 23 East
Section 21: All

SUBJECT TO:

1. The terms of the subject Oil and Gas Lease.
2. Bright Federal Unit Agreement

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS UNIT.0625% ORR

BRIGHT

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #22

East Red Lake Waterflood Unit

CBR #200071U

CBR #200055, 200070

200055 An undivided 12.50% WI and 9.375% NRI in Oil and Gas Lease E-9510 dated 11/15/55, from State of New Mexico, to Atlantic Refining Co., covering the following described land:

Township 17 South, Range 28 East

Section 1: SE/4NW/4 from surface to 1,785'

Section 1: SW/4NW/4 from surface to 2,363';

200070 An undivided 4.015% WI and 2.82038% NRI in Oil and Gas Lease E-10068 dated 5/15/56 from State of New Mexico, to Standard Uranium Corp., covering the following described land:

Township 16 South, Range 28 East

Section 36: SW/4 from surface to base of Penrose Sand of the Queen formation;

The Unit Area covers the following described land:

Township 16 South, Range 28 East

Section 35: SE/4SE/4

Section 36: SW/4

Township 17 South, Range 28 East

Section 1: NW/4

Section 2: NE/4

containing 517.68 acres, more or less, insofar as it covers the Penrose Sand of the Queen formation at a depth from 1550' to 1585'.

SUBJECT TO:

1. East Red Lake Waterflood Unit Agreement and Unit Operating Agreement dated June 1, 1967 designating Kincaid and Watson as Operator.
2. The subject leases.

CHARLES B. READ'S
WORKING INTEREST IN THIS UNIT. 3.75% WI

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS UNIT. 2.82038% NRI

RED UNIT

EDDY COUNTY, NEW MEXICO

Charles B. Read

Parcel Number #23

Grayburg Jackson Waterflood Unit

(Tract #13)

CBR #200140W

CBR #108346

An undivided .1250% ORR interest as to all depths in Tract I & II and a 6.25% WI/BPO and 4.17% WI/APO with a 4.6875% NRI/BPO and 3.52% NRI/APO as to depths from 3,350' to 11,478' in Tract I only, in an Oil and Gas Lease from the USA, as Lessor to Bert Aston Estate, as Lessee, dated 9/1/67, bearing Serial #LC-030570-B, insofar as said lease covers the following described acreage which is designated as Unit Tract #13 in said unit in the Grayburg Jackson Formation only, with a participation factor of 14.72773%:

Township 17 South, Range 30 East

Section 25: SW/4 (Tract I)

Section 26: SE/4 (Tract II)

containing 320 acres, more or less; and

Charles B. Read owns the above mentioned ORR but no working interest, in those depths covered by this Waterflood Unit.

SUBJECT TO:

1. The terms and provisions of said lease.
2. Grayburg Jackson Unit Agreement.

CHARLES B. READ'S NET
INTEREST IN PRODUCTION IN THIS UNIT.018409% ORR

GRAY.UNIT

CHARLES B. READ

Royalty Trusts

CBR #200110W through #200117W

Certificates of beneficial interest in each of the below described royalty trusts representing ownership of non-participating royalty interest in certain properties which were carved out of Flag-Redfern Oil Co. minerals and working interests. These properties are situated in various locations from South Texas to Wyoming.

CBR #	Name	Certificate #	Date	CBR # of Units
200115W	Flag Redfern Roy. Trust #1	RI80-0176	5/31/80	6
200113W	Zeta Flag Roy. Trust	RI86-182	12/31/86	6
200116W	Beta Flag Roy. Trust	RI81-192	6/22/81	6
200110W	Gamma Flag Roy. Trust	RI82-207	12/30/82	6
200111W	Delta Flag Roy. Trust	RI83-182	10/1/83	6
200112W	Epsilon Flag Roy. Trust	RI85-170	12/31/85	6
200114W	Eta-Flag Roy. Trust	RI88-186	1/16/88	6
200117W *	Permian Basin Roy. Trust	S 74964	7/11/88	252

* The Permian Basin Royalty Trust is a mutual fund traded on the over-the-counter stock market with the properties in said Trust operated by MESA Petroleum Company.

CBR.ROY

STATE OF NEW MEXICO, County of Eddy, ss. I hereby certify that this instrument was filed for record on the 4 day of January, 19 93 at 10:34 o'clock A.M., and recorded in BOOK 143 PAGE 1091 of Eddy County Records
KAREN DAVIS, County Clerk By: R. J. Smith Deputy

EXHIBIT B
PROPOSED ALLOCATION FORMULA

In order to ensure that every real property interest owner's correlative rights are protected the Division may create an Allocation Formula as follows:

Step 1

$$\frac{\text{Depth Severance Track WI} \times \text{Severance Track Thickness}}{\text{Total Formation Thickness}} = \text{Allocated Track WI}$$

Step 2

$$\frac{\text{Allocated Track WI} \times \text{Track Gross Acreage}}{\text{Pooled Unit Gross Acreage}} = \text{Pooled Unit WI}$$

Please find below a hypothetical showing how this works. As you can see the Track Acreage is 12.5% of the Unit and the Allocated WI also comprises 12.5% of the Unit. PR would then perform this same allocation formula on the remaining 87.5% of the acreage in the Unit and the Unit WI will add up to 100%.

Owner	Hypothetical Track WI	Severance Thickness	Total Formation Thickness	Allocated Track WI	Tract Acreage	COM Acreage	Unit WI
WI 1	0.25	350	1000	0.08750000	40	320	0.0109375
WI 2	0.65	350	1000	0.22750000	40	320	0.0284375
WI 3	0.1	350	1000	0.03500000	40	320	0.004375
WI 4	0.75	650	1000	0.48750000	40	320	0.0609375
WI 5	0.25	650	1000	0.16250000	40	320	0.0203125
				1.00000000	40	320	0.125
						0.125	

EXHIBIT C

Case Nos. 25145-25146 Carolyn Beall's Working Interest Ownership in the Third Bone Spring:

Case No. 25145 NE/4NW/4 - Sec. 14 (Lease: NMNM028096)

	Carolyn Beall		Carolyn Beall (Vested Remainder)			
NE/4NW/4 Sec. 14	BPO	APO	BPO	APO	BPO Total	APO Total
From 3,900' – 9,290'	2%	1.50%	0.67%	0.67%	2.67%	2.17%
From 9,290' – 9,293	1%	0.75%	0.67%	0.67%	1.67%	1.42%

Case No. 25146 - S/2NE/4, NE/4NE/4, NW/4NE/4 & SE/4NW/4 Sec. 14 (Lease LC-0047633-A)

	Carolyn Beall
S/2NE/4, NE/4NE/4, NW/4NE/4 & SE/4NW/4 Sec. 14 (Lease LC-0047633-A)	BPO/APO
All Depths	0.67%