

I. TITLE:

A. Mineral estate in the SE/4 Section 3, Township 15 South, Range 31 East, N.M.P.M.:

1. E/2 SE/4 Section 3 (subject to the oil and gas leases as indicated):

	<u>Total</u>	<u>Leases</u>
	<u>Interest</u>	
Amber Nicole Duke, whose marital status is unknown.....	.0194444	1
Gaylord K. Walden, as his separate property .....	.0129630	2
	.0064815	4
	<u>.0003704</u>	26
	.0198149	
Tika Dawn Hudson, formerly known as Dawn Ruthann Miller, as her separate property .....	.0129630	3
	.0064815	4
	<u>.0003704</u>	27
	.0198149	
Oscura Resources, Inc. ....	.0833333	5
Mary Lou Hill, as her separate property .....	.0048611	6
	<u>.0001852</u>	15
	.0050463	
Carol Tong, as her separate property .....	.0048611	6
	<u>.0001852</u>	24
	.0050463	
Debra Brooker, as her separate property .....	.0048611	6
	<u>.0001852</u>	25
	.0050463	
Brenda Williams, as her separate property .....	.0048611	6
	.0000617	15
	.0000617	24
	<u>.0000618</u>	25
	.0050463	
Madison M. Hinkle and Susan M. Hinkle, his wife .....	.0736111	7
Rolla R. Hinkle II, as his separate property .....	.0736111	8
Rolla R. Hinkle III and Rosemary H. Hinkle, his wife .....	.0736111	9

Matlock Minerals Ltd. Co. ....	.0625	30
Pure Energy Group, Inc. ....	.2500	UL
Chisos, Ltd. ....	.2500	UL
The Blanco Company ....	.1250	UL
First Roswell Company ....	.1250	UL

B. Oil and gas leasehold estate in the SE/4 Section 3, Township 15 South, Range 31 East, N.M.P.M.:

1. E/2 SE/4 Section 3:

a. Summary of oil and gas leasehold estate in the E/2 SE/4 Section 3:

Penroc Oil Corporation (Leases 1-6) .....	.1611111
COG Operating LLC (Leases 7-10) .....	.2944445
OXY NM LP, doing business in New Mexico as OXY NM Limited Partnership (Leases 11-26) .....	.3181480
Cimarex Energy Co. (Lease 27) .....	.0003704
Unleased .....	.2259260

b. Leases 1 through 6 covering an undivided 16.11111% of the oil and gas estate in the E/2 SE/4 Section 3 (subject to lessors' 3/16 royalty):

Penroc Oil Corporation All

c. Leases 7 through 10 covering an undivided 29.44445% of the oil and gas estate in the E/2 SE/4 Section 3 (subject to lessors' 23% royalty):

COG Operating LLC All

d. Leases 11 through 26 which appear to cover an undivided 31.81480% of the oil and gas estate in the E/2 SE/4 Section 3 (subject to lessors' 3/16 royalty):

OXY NM LP, doing business in New Mexico as OXY
NM Limited Partnership All

e. Lease 27 which appears to cover an undivided .03704% of the oil and gas estate in the E/2 SE/4 Section 3 (subject to lessor's 1/4 royalty):

Cimarex Energy Co. All

2. W/2 SE/4 Section 3:

Patricia B. Richardson, a widow .....	.0368056	10
Michael S. Richardson, Personal Representative of the Estate of Randolph M. Richardson, III, deceased .....	.0368056	10
Eva M. Bennett, apparently also known as Eva L. Bennett, a widow .....	.0396296	11
Lorrie Ann Carter, as her separate property .....	.0198148	12
Teri Lee Smith, as her separate property .....	.0198148	12
Phyllis L. Lynch, also known as Phyllis Lynch, as her separate property .....	.0099074	13
Georgena M. Moore, Trustee of the Carrell H. Moore and Georgena M. Moore Family Trust dated May 3, 1989 .....	.0396296	14
Jerry Kityk, Trustee of Lonnie D. Moore Revocable Trust dated September 4, 1996 .....	.0396296	16
Theodore S. Moore, as his separate property .....	.0396296	17
Martha McDonald, as her separate property .....	.0099074	18
Beda Merrill, as her separate property .....	.0099074	19
Beverly Barganski, a widow .....	.0099074	20
Mike W. Hurst, as his separate property .....	.0198148	21
Roger L. Hurst, as his separate property .....	.0198148	22
Carolyn J. Moore, Trustee of a Trust A of the Carl T. Moore and Carolyn J. Moore Family Trust dated January 24, 1989 .....	.0396296	23
New Mexico Boys and Girls Ranch Foundation, Inc. ....	.1981482	UL <i>leased</i>
A. D. Jones and Patricia A. Jones, his wife .....	.0277778	UL

2. W/2 SE/4 Section 3 (subject to the oil and gas leases as indicated):

	<u>Total</u>	
	<u>Interest</u>	<u>Leases</u>
Geneva Bruin Gardner, a widow .....	.1250	28
Good Earth Minerals LLC .....	.0625	29

a. Summary of oil and gas leasehold estate in the W/2 SE/4 Section 3:

Thomas E. Jennings, whose marital status is unknown (Lease 28) .....	.125
Chesapeake Exploration LLC (Leases 29 and 30) .....	.125
Unleased .....	.750

b. Lease 28 covering an undivided 12.5% of the oil and gas estate in the W/2 SE/4 Section 3 (subject to lessor's 1/5 royalty):

Thomas E. Jennings, whose marital status is unknown125
-----------------------------------------------------------	------

c. Leases 29 and 30 covering an undivided 12.5% of the oil and gas estate in the W/2 SE/4 Section 3 (subject to lessors' 1/4 royalty):

Chesapeake Exploration LLC125
----------------------------------	------

II. EFFECTIVE OIL AND GAS LEASES: The principal features of the apparently effective oil and gas leases covering the lands described in the caption of this opinion are as follows:

Lease 1:

Date:	August 4, 1980
Recorded:	Book 194, Page 951, Miscellaneous Records
Original Lessor:	Loy Wrinkle, a single man
Present Lessors:	Amber Nicole Duke as to the E/2 SE/4 Section 3, and apparently Loy Wrinkle (.0094444 mineral interest) and Amber Nicole Duke (.01 mineral interest) as to the remaining lands.
Interest Leased:	An undivided .0194444 interest in the mineral estate in the E/2 SE/4 Section 3. We have not examined the remaining lands covered by the lease, but based upon representations that we have seen in the materials examined, it appears that the lease covers the same interest in the remaining lands.
Term:	Five years and so long thereafter as oil, gas, or other mineral is produced from the leased lands or lands pooled with the leased lands.
Delay Rentals:	The lease provides for annual delay rentals in the amount of \$1,040.00, subject to proportionate reduction, and the First National Bank of Bronte, Texas is designated as the depository bank. By Rental Division Order dated August 5, 1980, recorded in Book 194,