

ATWOOD, MALONE, MANN & TURNER

A PROFESSIONAL ASSOCIATION
LAWYERS

JEFF D. ATWOOD [1883-1960]
ROSS L. MALONE [1910-1974]

P. O. DRAWER 700
SUNWEST CENTRE
ROSWELL, NEW MEXICO 88201
[505] 622-6221

CHARLES F. MALONE
RUSSELL D. MANN, P.A.
BOB F. TURNER
JOHN W. BASSETT
ROBERT E. SABIN
BRIAN W. COPPLE
ROBERT H. STRAND
STEVEN L. BELL
WILLIAM P. LYNCH
RODNEY M. SCHUMACHER

R. TRACY SPROULS
FREDDIE J. ROMERO
GEORGE D. GIDDENS, JR.
LEE M. ROGERS, JR.
TIMOTHY A. LUCAS
ARTHUR P. BROCK

December 16, 1983

IN RE OPINION OF TITLE TO:

Township 25 South, Range 37 East, NMPM

Section 20: N/2 NW/4, SW/4 NW/4

Limited to the Interval Comprising the
Yates portion of the Jalmat Interval.

Containing 120.00 acres, more or less,
Lea County, New Mexico.

Justis-Christmas No. 1 Well

Doyle Hartman
Post Office Box 10426
Midland, Texas 79702

BEFORE EXAMINER DISCOVER
OIL & GAS INTEREST
<u>HARTMAN</u> EASEMENT No. <u>4</u>
Case No. <u>8089</u>

Gentlemen:

In connection with title to the captioned, for
division order purposes, we have examined the following:

Prior Opinions

1. Kerr, Fitz-Gerald & Kerr Opinion of Title dated January 22, 1982, covering the captioned lands, based on abstracts certified from inception of records to December 9, 1981 at 7:00 a.m.

Abstracts

1. Abstract of Title No. 32606 compiled by Lea County Abstract Company, Lovington, New Mexico, containing 1191 pages, and tracing title to the minerals only of the captioned lands as reflected by the Records of the County Clerk and Clerk of the District Court of Lea County, New Mexico, from inception of records to December 9, 1981, at 7:00 a.m.
2. Abstract of Title No. 32935 (Supplemental) compiled by Lea County Abstract Company, Lovington, New Mexico, containing 35 pages, and tracing title to the minerals only of the captioned lands as reflected by the Records of the County Clerk and Clerk of the District Court of Lea County, New Mexico, from December 9, 1981 at 7:00 a.m. to July 12, 1982 at 7:00 a.m.
3. Abstract of Title No. 33380 (Supplemental) compiled by Lea County Abstract Company, Lovington, New Mexico, containing 57 pages, and tracing title to the minerals only of the captioned

Thomas Leck Cowden		
1/8 x .125		.01562500 RI
Effie Mae Gilliland		
1/8 x .125		.01562500 RI
Donald LaHann Jones, Jr., as Trustee under the Will and as Personal Representative of the Estate of Mae Raht Cowden, deceased		
1/8 x .125		.01562500 RI
Security Trust Company, as Trustee under that certain Trust Agreement executed by Joyce C. Brown and John Allen Brown, under the date of June 6, 1975		
1/8 x .125		.01562500 RI
B. A. Christmas, Jr.		
1/16 x .125		.00781250 RI
Mary T. Christmas Holladay		
1/64 x .125		.00195312 RI
Bradford A. Christmas		
1/64 x .125		.00195312 RI
Candy Christmas		
1/64 x .125		.00195313 RI
Helen J. Christmas Barby		
1/64 x .125		.00195313 RI
Gulf Oil Corporation		
1/8 x 7/8		.10937500 ORI
		.23437500

Prior to Payout of the Justis-Christmas No. 1 Well:

H. M. Bettis, Inc.		
1/5 x (.25 - .234375)		.00312500 ORI
W. T. Boyle and wife Loyce Boyle		
1/5 x (.25 - .234375)		.00312500 ORI
Norman D. Stovall, Jr., and wife Eleanor F. Stovall		
1/5 x (.25 - .234375)		.00312500 ORI
Spencer B. Street, Jr., and wife Carole G. Street		
1/5 x (.25 - .234375)		.00312500 ORI
Turnco, Inc.		
1/5 x (.25 - .234375)		.00312500 ORI
Doyle Hartman		
.6875 x .75		.51562500 WI
James A. Davidson		
.25 x .75		.18750000 WI
Jack Fletcher		
.015625 x .75		.01171875 WI

Doyle Hartman

Justis-Christmas No. 1

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James E. Burr		
.015625 x .75		.01171875 WI
Larry Nermyr		
.015625 x .75		.01171875 WI
Alvareen O. Hartman		
.0078125 x .75		.00585937 WI
George N. Hartman		
.0078125 x .75		.00585938 WI
		<u>.76562500</u>
		1.00000000

Subsequent to Payout of the Justis-Christmas No. 1 Well
(Assuming H. M. Bettis, Inc. et al exercise their conversion
rights):

H. M. Bettis, Inc.		
1/5 x .40 x .765625		.06125000 WI
W. T. Boyle and wife Loyce Boyle		
1/5 x .40 x .765625		.06125000 WI
Norman D. Stovall, Jr., and wife Eleanor F. Stovall		
1/5 x .40 x .765625		.06125000 WI
Spencer B. Street, Jr., and wife Carole G. Street		
1/5 x .40 x .765625		.06125000 WI
Turnco, Inc.		
1/5 x .40 x .765625		.06125000 WI
Doyle Hartman		
.6875 x .60 x .765625		.31582031 WI
James A. Davidson		
.25 x .60 x .765625		.11484375 WI
Jack Fletcher		
.015625 x .60 x .756525		.00717773 WI
James E. Burr		
.015625 x .60 x .765625		.00717773 WI
Larry Nermyr		
.015625 x .60 x .765625		.00717773 WI
Alvareen O. Hartman		
.0078125 x .60 x .765625		.00358887 WI
George N. Hartman		
.0078125 x .60 x .765625		.00358888 WI
		<u>.76562500</u>
		1.00000000

TRACT NO. 2:

Township 25 S., Range 37 E., NMPM
Section 20: W/2 NW/4 NW/4
20.00 acres, more or less.

1. Minerals:

	<u>Lease No.</u>	
Dana June Christmas	(2) . .	1/32
Margaret Miller	(3) . .	1/32
Estate of William Eugene Justis, deceased	(3) . .	1/32
Marilyn J. Grayson, Trustee under Trust Agreement dated November 14, 1978 . .	(3) . .	1/32
Cities Service Company	(4) . .	1/4
WAY Enterprises, Inc.	(3) . .	1/48
Melba Stevens Justis	(3) . .	1/16
Melba Warren Justis	(3) . .	1/16
Ruth Blakeney Conger	(3) . .	1/96
Maude Cowden Blakeney	(3) . .	1/96
H. M. Bettis, Inc.	(3) . .	1/5 of 34/192
W. T. Boyle and wife Loyce Boyle . .	(3) . .	1/5 of 34/192
Norman D. Stovall, Jr. and wife Eleanor F. Stovall	(3) . .	1/5 of 34/192
Turnco, Inc.	(3) . .	1/5 of 34/192
Spencer B. Street, Jr. and wife Carole G. Street	(3) . .	1/5 of 34/192
Cities Development Company, Inc. . .	(3) . .	1/8
Dan Freel Youngerman	(3) . .	37/256
Tenneco Oil Company	(Unleased)	3/256

2. Oil and Gas Leasehold Estate:

Dana June Justis [1/32 + (1/4 x 1/2 x 1/714 x 1/8)] x .125	.00390898 RI
Margaret Miller [1/32 + (1/4 x 1/2 x 1/714 x 1/8)] x .125	.00390898 RI
Estate of William Eugene Justis, dec'd. [1/32 + (1/4 x 1/2 x 1/714 x 1/8)] x .125	.00390898 RI

Marilyn J. Grayson, Trustee under Trust Agreement dated November 14, 1978 [1/32 + (1/4 x 1/2 x 1/714 x 1/8)] x .125	.00390898 RI
Cities Service Company 1/4 x .125	.03125000 RI
WAY Enterprises, Inc. 1/48 x .125	.00260417 RI
Melba Stevens Justis [1/16 x (1/2 x 1/2 x 1/714 x 1/8)] x .125	.00781797 RI
Melba Warren Justis [1/16 x (1/2 x 1/2 x 1/714 x 1/8)] x .125	.00781797 RI
Ruth Blakeney Conger 1/96 x .125	.00130208 RI
Maude Cowden Blakeney 1/96 x .125	.00130208 RI
H. M. Bettis, Inc. (1/5 x 34/192 x .125)+(1/5 x 1/2 x 2/714 x 1/8 x .125)	.00443147 RI
W. T. Boyle and wife Loyce Boyle (1/5 x 34/192 x .125)+(1/5 x 1/2 x 2/714 x 1/8 x .125)	.00443147 RI
Norman D. Stovall, Jr. and wife Eleanor F. Stovall (1/5 x 34/192 x .125)+(1/5 x 1/2 x 2/714 x 1/8 x .125)	.00443147 RI
Turnco, Inc. (1/5 x 34/192 x .125)+(1/5 x 1/2 x 2/714 x 1/8 x .125)	.00443147 RI
Spencer B. Street, Jr. and wife Carole G. Street (1/5 x 34/192 x .125)+(1/5 x 1/2 x 2/714 x 1/8 x .125)	.00443146 RI
Margaret E. Lasseter 1/2 x 1/714 x 1/8 x .125	.00001094 RI
Mellie Van Horn and Mrs. W. L. Hall and W. L. Hall 1/2 x 1/714 x 1/8 x .125	.00001094 RI
George A. Smith 1/2 x 1/714 x 1/8 x .125	.00001094 RI
Hyde Oil and Gas Corporation 1/2 x 1/4 x 24/714 x 1/8 x .125	.00006565 RI
Frances W. Hyde and the First National Bank of Fort Worth, Trustees under the LWT of Clarence E. Hyde 1/2 x 1/4 x 24/714 x 1/8 x .125	.00006565 RI

Doyle Hartman
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Strauder G. Nelson	
1/2 x 1/2 x 24/714 x 1/8 x .125	.00013130 RI
Cities Development Company	
[(1/2 x 160/1280)+(1/2 x 683 x 1/8)] x .125	.01528580 RI
Dan Freel Youngerman	
37/256 x .125	.01806641 RI
	.12353516

Prior to Payout of the Justis-Christmas No. 1 Well:

H. M. Bettis, Inc.	
1/5 x 1265/1280 x (.25 - .125)	.02470703 ORI
W. T. Boyle and wife Loyce Boyle	
1/5 x 1265/1280 x (.25 - .125)	.02470703 ORI
Norman D. Stovall, Jr. and wife Eleanor F. Stovall	
1/5 x 1265/1280 x (.25 - .125)	.02470703 ORI
Turnco, Inc.	
1/5 x 1265/1280 x (.25 - .125)	.02470703 ORI
Spencer B. Street, Jr. and wife Carole G. Street	
1/5 x 1265/1280 x (.25 - .125)	.02470703 ORI
Doyle Hartman	
.6875 x 1265/1280 x .75	.50958253 WI
James A. Davidson	
.25 x 1265/1280 x .75	.18530273 WI
Jack Fletcher	
.015625 x 1265/1280 x .75	.01158142 WI
James E. Burr	
.015625 x 1265/1280 x .75	.01158142 WI
Larry Nermyr	
.015625 x 1265/1280 x .75	.01158142 WI
Alvareen O. Hartman	
.0078125 x 1265/1280 x .75	.00579071 WI
George N. Hartman	
.0078125 x 1265/1280 x .75	.00579071 WI
	.86474609

Unleased Mineral Interest

Tenneco Oil Company	
3/256 x 8/8	.01171875 UMI
	1.00000000

December 16, 1983

Subsequent to Payout of the Justis-Christmas No. 1 Well
(Assuming H. M. Bettis, Inc., et al, exercise their conversion
rights):

H. M. Bettis, Inc.		
1/5 x 1265/1280 x .40 x .875	.06917969	WI
W. T. Boyle and wife Loyce Boyle		
1/5 x 1265/1280 x .40 x .875	.06917969	WI
Norman D. Stovall, Jr. and wife Eleanor F. Stovall		
1/5 x 1265/1280 x .40 x .875	.06917969	WI
Turnco, Inc.		
1/5 x 1265/1280 x .40 x .875	.06917969	WI
Spencer B. Street, Jr. and wife Carole G. Street		
1/5 x 1265/1280 x .40 x .875	.06917969	WI
Doyle Hartman		
.6875 x 1265/1280 x .60 x .875	.35670776	WI
James A. Davidson		
.25 x 1265/1280 x .60 x .875	.12971191	WI
Jack Fletcher		
.015625 x 1265/1280 x .60 x .875	.00810699	WI
James E. Burr		
.015625 x 1265/1280 x .60 x .875	.00810699	WI
Larry Nermyr		
.015625 x 1265/1280 x .60 x .875	.00810699	WI
Alvareen O. Hartman		
.0078125 x 1265/1280 x .60 x .875	.00405350	WI
George N. Hartman		
.0078125 x 1265/1280 x .60 x .875	.00405350	WI
	.86474609	

Unleased Mineral Interest

Tenneco, Inc.		
3/256 x 8/8	.01171875	UMI
	1.00000000	

TRACT NO. 3: Township 25 S., Range 37 E., NMPM
Section 20: E/2 NW/4 NW/4
20.00 acres, more or less.

1. Minerals:

	<u>Lease No.</u>	
Dana June Justis	(3) . . .	1/32 + 1/4 x 1/714 x 1/8

Margaret Miller	(3) . .	$\frac{1}{32} + \frac{1}{4} \times \frac{1}{714} \times \frac{1}{8}$
Estate of William Eugene Justis, dec'd.	(3) . .	$\frac{1}{32} + \frac{1}{4} \times \frac{1}{714} \times \frac{1}{8}$
Marilyn J. Grayson, Trustee under Trust Agreement dated November 14, 1978	(3) . .	$\frac{1}{32} + \frac{1}{4} \times \frac{1}{714} \times \frac{1}{8}$
Cities Service Company	(4) . .	$\frac{1}{4}$
WAY Enterprises, Inc.	(3) . .	$\frac{1}{48}$
Melba Stevens Justis	(3) . .	$\frac{1}{16} + \frac{1}{2} \times \frac{1}{714} \times \frac{1}{8}$
Melba Warren Justis	(3) . .	$\frac{1}{16} + \frac{1}{2} \times \frac{1}{714} \times \frac{1}{8}$
Ruth Blakeney Conger	(3) . .	$\frac{1}{96}$
Maude Cowden Blakeney	(3) . .	$\frac{1}{96}$
H. M. Bettis, Inc.	(3) . .	$(\frac{1}{5} \times \frac{34}{92}) + (\frac{1}{5} \times \frac{2}{714} \times \frac{1}{8})$
W. T. Boyle and wife Loyce Boyle	(3) . .	$(\frac{1}{5} \times \frac{34}{92}) + (\frac{1}{5} \times \frac{2}{714} \times \frac{1}{8})$
Norman D. Stoval, Jr. and wife Eleanor F. Stovall	(3) . .	$(\frac{1}{5} \times \frac{34}{92}) + (\frac{1}{5} \times \frac{2}{714} \times \frac{1}{8})$
Turnco, Inc.	(3) . .	$(\frac{1}{5} \times \frac{34}{92}) + (\frac{1}{5} \times \frac{2}{714} \times \frac{1}{8})$
Spencer B. Street, Jr., and wife Carole G. Street	(3) . .	$(\frac{1}{5} \times \frac{34}{92}) + (\frac{1}{5} \times \frac{2}{714} \times \frac{1}{8})$
Dan Freel Youngerman	(3) . .	$\frac{37}{256}$
Margaret E. Lasseter	(3) . .	$\frac{1}{714} \times \frac{1}{8}$
Mellie Van Horn and Mrs. W. L. Hall and W. L. Hall	(3) . .	$\frac{1}{714} \times \frac{1}{8}$
George A. Smith	(3) . .	$\frac{1}{714} \times \frac{1}{8}$
Hyde Oil and Gas Company	(3) . .	$\frac{1}{4} \times \frac{24}{714} \times \frac{1}{8}$
Frances W. Hyde and The First National Bank of Fort Worth, Trustees under the Last Will and Testament of Clarence E. Hyde, deceased	(3) . .	$\frac{1}{4} \times \frac{24}{714} \times \frac{1}{8}$

	<u>Lease No.</u>	
Strauder G. Nelson	(3) . .	1/2 x 24/714 x 1/8
Cities Development Company	(3) . .	602/714 x 1/8
Tenneco Oil Company	(Unleased)	3/256
Undetermined	(Unleased)	81/714 x 1/8

2. Oil and Gas Leasehold Estate:

Dana June Justis [1/32 + (1/4 x 1/2 x 1/714 x 1/8)] x .125	.00390898 RI
Margaret Miller [1/32 + (1/4 x 1/2 x 1/714 x 1/8)] x .125	.00390898 RI
Estate of William Eugene Justis, dec'd. [1/32 + (1/4 x 1/2 x 1/714 x 1/8)] x .125	.00390898 RI
Marilyn J. Grayson, Trustee under Trust Agreement dated November 14, 1978 [1/32 + (1/4 x 1/2 x 1/714 x 1/8)] x .125	.00390898 RI
Cities Service Company 1/4 x .125	.03125000 RI
WAY Enterprises, Inc. 1/48 x .125	.00260417 RI
Melba Stevens Justis [1/16 + (1/2 x 1/2 x 1/714 x 1/8)] x .125	.00781797 RI
Melba Warren Justis [1/16 + (1/2 x 1/2 x 1/714 x 1/8)] x .125	.00781797 RI
Ruth Blakeney Conger 1/96 x .125	.00130208 RI
Maude Cowden Blakeney 1/96 x .125	.00130208 RI
H. M. Bettis, Inc. (1/5 x 34/192 x .125)+(1/5 x 1/2 x 2/714 x 1/8 x .125)	.00443147 RI
W. T. Boyle and wife Loyce Boyle (1/5 x 34/192 x .125)+(1/5 x 1/2 x 2/714 x 1/8 x .125)	.00443147 RI
Norman D. Stovall, Jr. and wife Eleanor F. Stovall (1/5 x 34/192 x .125)+(1/5 x 1/2 x 2/714 x 1/8 x .125)	.00443147 RI

Turnco, Inc. (1/5 x 34/192 x .125)+(1/5 x 1/2 x 2/714 x 1/8 x .125)	.00443147 RI
Spencer B. Street, Jr. and wife Carole G. Street (1/5 x 34/192 x .125)+(1/5 x 1/2 x 2/714 x 1/8 x .125)	.00443146 RI
Dan Freel Youngerman 37/256 x .125	.01806641 RI
Margaret E. Lasseter 1/2 x 1/714 x .125	.00001094 RI
Mellie Van Horn and Mrs W. L. Hall and W. L. Hall 1/2 x 1/714 x 1/8 x .125	.00001094 RI
George A. Smith 1/2 x 1/714 x 1/8 x .125	.00001094 RI
Hyde Oil and Gas Company 1/2 x 1/4 x 24/714 x 1/8 x .125	.00006565 RI
Frances W. Hyde and The First National Bank of Fort Worth, Trustees under the LWT of Clarence E. Hyde 1/2 x 1/4 x 24/714 x 1/8 x .125	.00006565 RI
Strauder G. Nelson 1/2 x 1/2 x 24/714 x 1/8 x .125	.00013130 RI
Cities Development Company [(602/714 x 1/8)+(1/2 x 31/714 x 1/8)] x .125	<u>.01351321</u> RI .12176257

Prior to Payout of the Justis-Christmas No. 1 Well:

H. M. Bettis, Inc. 1/5 x (1265/1280 - 81/714 x 1/8)x(.25 - .125)	.02435252 ORI
W. T. Boyle and wife Loyce Boyle 1/5 x (1265/1280 - 81/714 x 1/8)x(.25 - .125)	.02435252 ORI
Norman D. Stovall, Jr. and wife Eleanor F. Stovall 1/5 x (1265/1280 - 81/714 x 1/8)x(.25 - .125)	.02435252 ORI
Turnco, Inc. 1/5 x (1265/1280 - 81/714 x 1/8)x(.25 - .125)	.02435252 ORI
Spencer B. Street, Jr. and wife Carole G. Street 1/5 x (1265/1280 - 81/714 x 1/8)x(.25 - .125)	.02435251 ORI
Doyle Hartman .6875 x (1265/1280 - 81/714 x 1/8) x .75 . .	.50227061 WI
James A. Davidson .25 x (1265/1280 - 81/714 x 1/8) x .75 . . .	.18264385 WI

Jack Fletcher		
.015625 x (1265/1280 - 81/714 x 1/8) x .75		.01141524 WI
James E. Burr		
.015625 x (1265/1280 - 81/714 x 1/8) x .75		.01141524 WI
Larry Nermyr		
.015625 x (1265/1280 - 81/714 x 1/8) x .75		.01141524 WI
Alvareen O. Hartman		
.0078125 x (1265/1280 - 81/714 x 1/8) x .75		.00570762 WI
George N. Hartman		
.0078125 x (1265/1280 - 81/714 x 1/8) x .75		<u>.00570762</u> WI
		.85233801

Unleased Mineral Interest

Tenneco Oil Company		
3/256 x 8/8		.01171875 UMI
Undetermined		
81/714 x 1/8 x 8/8		<u>.01418067</u> UMI
		1.00000000

Subsequent to Payout of the Justis-Christmas No. 1 Well
(Assuming H. M. Bettis, Inc., et al, exercise their conversion
rights):

H. B. Bettis, Inc.		
1/5 x (1265/1280 - 81/714 x 1/8) x .40 x .875		.06818704 WI
W. T. Boyle and wife, Loyce Boyle		
1/5 x (1265/1280 - 81/714 x 1/8) x .40 x .875		.06818704 WI
Norman D. Stovall, Jr. and wife Eleanor F. Stovall		
1/5 x (1265/1280 - 81/714 x 1/8) x .40 x .875		.06818704 WI
Turnco, Inc.		
1/5 x (1265/1280 - 81/714 x 1/8) x .40 x .875		.06818704 WI
Spencer B. Street, Jr. and wife Carole G. Street		
1/5 x (1265/1280 - 81/714 x 1/8) x .40 x .875		.06818704 WI
Doyle Hartman		
.6875 x (1265/1280 - 81/714 x 1/8) x .60 x .875		.35158943 WI
James A. Davidson		
.25 x (1265/1280 - 81/714 x 1/8) x .60 x .875		.12785070 WI
Jack Fletcher		
.015625 x (1265/1280 - 81/714 x 1/8) x .60 x .875		.00799067 WI
James E. Burr		
.015625 x (1265/1280 - 81/714 x 1/8) x .60 x .875		.00799067 WI

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Margaret Miller	(1)	630/12096 of 1/8 + 1/4 x 1/714 x 1/8
Estate of William Eugene Justis, deceased	(1)	630/12096 of 1/8 + 1/4 x 1/714 x 1/8
Marilyn J. Grayson, Trustee under Trust Agreement dated 11/14/78	(1)	630/12096 of 1/8 + 1/4 x 1/714 x 1/8
New Mexico Bank & Trust Company, Trustee	(1)	1/5 x 1470/12076 of 1/8
J. L. Burke III	(1)	1/5 x 1470/12076 of 1/8
Marilyn Burke Salter	(1)	1/5 x 1470/12076 of 1/8
Beverly B. Strohl	(1)	1/5 x 1470/12076 of 1/8
Nancy I. Farmer	(1)	1/5 x 1470/12076 of 1/8
Tenneco Oil Company	(1)	1512/12096 of 1/8 + 3/256
John W. Justis	(1)	210/12096 of 1/8
Susie Menn	(1)	210/12096 of 1/8
Joyce Stallings	(1)	210/12096 of 1/8
Melba Warren Taft	(1)	210/12096 of 1/8
Mrs. Ida Pennington	(1)	315/12096 of 1/8
Mrs. Ethel Nevitt	(1)	315/12096 of 1/8
Estate of Fred Roy Lancaster, dec'd.	(1)	315/12096 of 1/8
Mrs. Amo Camille Greeson	(1)	315/12096 of 1/8
Mrs. Edith I. Sanford	(1)	315/12096 of 1/8
Mrs. Alice M. Eldridge	(1)	315/12096 of 1/8
Mrs. Francis A. Snipes	(1)	315/12096 of 1/8
Mrs. Irene E. Taylor	(1)	144/12096 of 1/8
Clifford B. Justis	(1)	144/12096 of 1/8
R. W. Justis	(1)	144/12096 of 1/8
Robert E. Justis, Jr.	(1)	144/12096 of 1/8

Julia Bell Coleman	(1) .	504/12096 of 1/8
Imogene S. Hale	(1) .	504/12096 of 1/8
Leona Richardson	(1) .	336/12096 of 1/8
Minnie T. Babasin	(1) .	336/12096 of 1/8
Robert Hugo Slate	(1) .	35/12096 of 1/8
Patricia Ann Slate	(1) .	35/12096 of 1/8
Naomi Jean Slate	(1) .	35/12096 of 1/8
Bethany Elaine Slate	(1) .	35/12096 of 1/8
Edith Carolyn Slate	(1) .	35/12096 of 1/8
Mary Ruth Slate	(1) .	35/12096 of 1/8
Donna Gail Rabideaux	(1) .	36/12096 of 1/8
Marjorie Charlene Welsch	(1) .	36/12096 of 1/8
Charles H. Justis, Jr.	(1) .	36/12096 of 1/8
Lynda Kay Justis Bates	(1) .	36/12096 of 1/8
Jack R. Turner	(1) .	168/12096 of 1/8
John P. Turner	(1) .	168/12096 of 1/8
Carlton E. Justis, Jr.	(1) .	36/12096 of 1/8
James Justis	(1) .	36/12096 of 1/8
Barry Ann Justis	(1) .	36/12096 of 1/8
Margaret E. Lasseter	(1) . .	1/714 x 1/8
Mellie Van Horn and Mrs. W. L. Hall and W. L. Hall	(1) . .	1/714 x 1/8
George A. Smith	(1) . .	1/714 x 1/8
Hyde Oil and Gas Corporation	(1) .	1/4 x 24/714 x 1/8
Frances W. Hyde and The First National Bank of Fort Worth, Trustees under the LWT of Clarence E. Hyde, dec'd.	(1) .	1/4 x 24/714 x 1/8
Strauder G. Nelson	(1) .	1/2 x 24/714 x 1/8
Melba Stevens Justis	(1) .	1/2 x 1/714 x 1/8
Melba Warren Justis	(1) .	1/2 x 1/714 x 1/8
Cities Development Company	(1) .	1/8 + 602/714 x 1/8
Undetermined	(1) . .	81/714 x 1/8

2. Oil and Gas Leasehold Estate:

Cities Service Company		
1/4 x .125		.03125000 RI
Dan Freel Youngerman		
37/256 x .125		.01806641 RI
WAY Enterprises, Inc.		
1/48 x .125		.00260417 RI
Ruth Blakeney Conger		
1/96 x .125		.00130208 RI
Maude Cowden Blakeney		
1/96 x .125		.00130208 RI
H. M. Bettis, Inc.		
[(1/5 x 17/96)+(1/5 x 495/12096 x 1/8) +		
(1/5 x 2/714 x 1/8)] x .125		.00456372 RI
W. T. Boyle and wife Loyce Boyle		
[(1/5 x 17/96)+(1/5 x 495/12096 x 1/8) +		
(1/5 x 2/714 x 1/8)] x .125		.00456372 RI
Norman D. Stovall, Jr. and wife Eleanor F.		
Stovall		
[(1/5 x 17/96)+(1/5 x 495/12096 x 1/8) +		
(1/5 x 2/714 x 1/8)] x .125		.00456372 RI
Turnco, Inc.		
[(1/5 x 17/96)+(1/5 x 495/12096 x 1/8) +		
(1/5 x 2/714 x 1/8)] x .125		.00456372 RI
Spencer B. Street, Jr. and wife Carole G.		
Street		
[(1/5 x 17/96)+(1/5 x 495/12096 x 1/8) +		
(1/5 x 2/714 x 1/8)] x .125		.00456372 RI
Dana June Justis		
[(630/12096 x 1/8)+(1/4 x 1/714 x 1/8)] x .125		.00081927 RI
Margaret Miller		
[(630/12096 x 1/8)+(1/4 x 1/714 x 1/8)] x .125		.00081927 RI
Estate of William Eugene Justis, deceased.		
[(630/12096 x 1/8)+(1/4 x 1/714 x 1/8)] x .125		.00081927 RI
Marilyn J. Grayson, Trustee under Trust Agree-		
ment dated November 14, 1978		
[(630/12096 x 1/8)+(1/4 x 1/714 x 1/8)] x .125		.00081927 RI
New Mexico Bank & Trust Company, Trustee		
1/5 x 1470/12096 x 1/8 x .125		.00037978 RI
J. L. Burke III		
1/5 x 1470/12096 x 1/8 x .125		.00037978 RI

Marilyn Burke Salter		
1/5 x 1470/12096 x 1/8 x .125		.00037978 RI
Beverly B. Strohl		
1/5 x 1470/12096 x 1/8 x .125		.00037978 RI
Nancy I. Farmer		
1/5 x 1470/12096 x 1/8 x .125		.00037978 RI
Tenneco Oil Company		
[(1512/12096 x 1/8)+(3/256)] x .125		.00341797 RI
John W. Justis		
210/12096 x 1/8 x .125		.00027127 RI
Susie Menn		
210/12096 x 1/8 x .125		.00027127 RI
Joyce Stallings		
210/12096 x 1/8 x .125		.00027127 RI
Melba Warren Taft		
210/12096 x 1/8 x .125		.00027127 RI
Mrs. Ida Pennington		
315/12096 x 1/8 x .125		.00040690 RI
Mrs. Ethel Nevitt		
315/12096 x 1/8 x .125		.00040690 RI
Estate of Fred Roy Lancaster, deceased.		
315/12096 x 1/8 x .125		.00040690 RI
Mrs. Amo Casmille Greeson		
315/12096 x 1/8 x .125		.00040690 RI
Mrs. Edith I. Sanford		
315/12096 x 1/8 x .125		.00040690 RI
Mrs. Alice M. Eldridge		
315/12096 x 1/8 x .125		.00040690 RI
Mrs. Frances A. Snipes		
315/12096 x 1/8 x .125		.00040690 RI
Mrs. Irene E. Taylor		
144/12096 x 1/8 x .125		.00018601 RI
Clifford B. Justis		
144/12096 x 1/8 x .125		.00018601 RI
R. W. Justis		
144/12096 x 1/8 x .125		.00018601 RI
Robert E. Justis, Jr.		
144/12096 x 1/8 x .125		.00018601 RI
Julia Bell Coleman		
504/12096 x 1/8 x .125		.00065104 RI

Doyle Hartman
Justis-Christmas No. 1

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December 16, 1983

Imogene S. Hale 504/12096 x 1/8 x .125	.00065104 RI
Leona Richardson 336/12096 x 1/8 x .125	.00043403 RI
Minnie T. Babasin 336/12096 x 1/8 x .125	.00043403 RI
Robert Hugo Slate 35/12096 x 1/8 x .125	.00004521 RI
Patricia Ann Slate 35/12096 x 1/8 x .125	.00004521 RI
Naomi Jean Slate 35/12096 x 1/8 x .125	.00004521 RI
Bethany Elaine Slate 35/12096 x 1/8 x .125	.00004521 RI
Edith Carolyn Slate 35/12096 x 1/8 x .125	.00004521 RI
Mary Ruth Slate 35/12096 x 1/8 x .125	.00004521 RI
Donna Gail Rabideaux 36/12096 x 1/8 x .125	.00004650 RI
Marjorie Charlene Welsch 36/12096 x 1/8 x .125	.00004650 RI
Charles H. Justis, Jr. 36/12096 x 1/8 x .125	.00004650 RI
Lynda Kay Justis Bates 36/12096 x 1/8 x .125	.00004650 RI
Jack R. Turner 168/12096 x 1/8 x .125	.00021702 RI
John P. Turner 168/12096 x 1/8 x .125	.00021702 RI
Carlton E. Justis, Jr. 36/12096 x 1/8 x .125	.00004650 RI
James Justis 36/12096 x 1/8 x .125	.00004650 RI
Barry Ann Justis 36/12096 x 1/8 x .125	.00004650 RI
Margaret E. Lasseter 1/714 x 1/8 x .125	.00002189 RI
Nellie Van Horn and Mrs. W. L. Hall and W. L. Hall 1/714 x 1/8 x .125	.00002189 RI

George A. Smith 1/714 x 1/8 x .125	.00002189 RI
Hyde Oil and Gas Corporation 1/4 x 24/714 x 1/8 x .125	.00013131 RI
Frances W. Hyde and The First National Bank of Fort Worth, Trustees under the LWT of Clarence E. Hyde, deceased. 1/4 x 24/714 x 1/8 x .125	.00013131 RI
Strauder G. Nelson 1/2 x 24/714 x 1/8 x .125	.00026261 RI
Melba Stevens Justis 1/2 x 1/714 x 1/8 x .125	.00001095 RI
Melba Warren Justis 1/2 x 1/714 x 1/8 x .125	.00001095 RI
Cities Development Company [1/8 + (602/714 x 1/8)] x .125	.02879902 RI
Undetermined 81/714 x 1/8 x .125	<u>.00177253</u> RI <u>.12500000</u>

Prior to Payout of the Justis-Christmas No. 1 Well:

H. M. Bettis, Inc. 1/5 x (.25 - .125)	.02500000 ORI
W. T. Boyle and wife Loyce Boyle 1/5 x (.25 - .125)	.02500000 ORI
Norman D. Stovall, Jr. and wife Eleanor F. Stovall 1/5 x (.25 - .125)	.02500000 ORI
Turnco, Inc. 1/5 x (.25 - .125)	.02500000 ORI
Spencer B. Street, Jr. and wife Carole G. Street 1/5 x (.25 - .125)	.02500000 ORI
Doyle Hartman .6875 x .75	.51562500 WI
James A. Davidson .25 x .75	.18750000 WI
Jack Fletcher .015625 x .75	.01171875 WI
James E. Burr .015625 x .75	.01171875 WI
Larry Nermyr .015625 x .75	.01171875 WI

December 16, 1983

[illegible]

George N. Hartman
 .0078125 x .7500585937 WI
 .87500000

Subsequent to Payout of the Justis-Christmas No. 1 Well
(Assuming H. M. Bettis, Inc., et al, exercise their conversion
rights:

H. M. Bettis, Inc.	
1/5 x .40 x .875	.07000000 WI

[illegible][illegible][illegible][illegible]

Doyle Hartman
.6875 x .60 x .87536093750 WI

```
James A. Davidson
.25 x .60 x .875 . . . . . .13125000 WI
```

```
Jack Fletcher
.015625 x .60 x .875 . . . . . .00820313 WI
```

James E. Burr
.015625 x .60 x .87500820312 WI

Larry Nermyr
.015625 x .60 x .87500820313 WI

Alvareen O. Hartman
.0078125 x .60 x .87500410156 WI

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George N. Hartman                                .00410156 WI  
.0078125 x .60 x .875 . . . . .  
      .87500000  
      1.00000000
```

B. Ownership of Production from the Captioned Lands:

Prior to Payout of the Justis-Christmas No. 1 Well:

H. M. Bettis, Inc.
 $(40/120 \times .00312500) + (20/120 \times .02470703)$
 $+ (20/120 \times .02435252) + (40/120 \times .02500000)$.01755159 ORI

W. T. Boyle and wife Loyce Boyle
(40/120 x .00312500) + (20/120 x .02470703)
+ (20/120 x .02435252) + (40/120 x .02500000) .01755159 ORI

Norman D. Stovall, Jr. and wife Eleanor F. Stovall
(40/120 x .00312500) + (20/120 x .02470703)
+ (20/120 x .-2435252) + (40/120 x .02500000) .01755159 ORI

Spencer B. Street, Jr., and wife Carole G. Street
(40/120 x .00312500) + (20/120 x .02470703)
+ (20/120 x .02435251) + (40/120 x .02500000) .01755159 ORI

Turnco, Inc.
(40/120 x .00312500) + (20/120 x .02470703)
+ (20/120 x .02435252) + (40/120 x .02500000) .01755159 ORI

Doyle Hartman
(40/120 x .51562500) + (20/120 x .50958253)
+ (20/120 x .50227061) + (40/120 x .51562500) .51239220 WI

James A. Davidson
(40/120 x .18750000) + (20/120 x .18530273)
+ (20/120 x .18264385) + (40/120 x .18750000) .18632442 WI

Jack Fletcher
(40/120 x .01171875) + (20/120 x .01158142)
+ (20/120 x .01141524) + (20/120 x .01171875) .01164527 WI

James E. Burr
(40/120 x .01171875) + (20/120 x .01158142)
+ (20/120 x .01141524) + (40/120 x .01171875) .01164528 WI

Larry Nermyr
(40/120 x .01171875) + (20/120 x .01158142)
+ (20/120 x .01141524) + (40/120 x .01171875) .01164528 WI

Alvareen O. Hartman
(40/120 x .00585937) + (20/120 x .00579071)
+ (20/120 x .00570762) + (40/120 x .00585938) .00582264 WI

George N. Hartman
(40/120 x .00585938) + (20/120 x .00579071)
+ (20/120 x .00570762) + (40/120 x .00585937) .00582264 WI
.83305568

Subsequent to Payout of the Justis-Christmas No. 1 Well
(Assuming H. M. Bettis, Inc. et al exercise their conversion
rights):

H. M. Bettis, Inc.
(40/120 x .06125000) + (20/120 x .06917969)
+ (20/120 x .06818704) + (40/120 x .07000000) .06664445 WI

W. T. Boyle, and wife Loyce Boyle
(40/120 x .06125000) + (20/120 x .06917969)
+ (20/120 x .06818704) + (40/120 x .07000000) .06664445 WI

Norman D. Stovall, Jr., and wife Eleanor F. Stovall
(40/120 x .06125000) + (20/120 x .06917969)
+ (20/120 x .06818704) + (40/120 x .07000000) .06664445 WI

Spencer B. Street, Jr., and wife Carole G. Street
(40/120 x .06125000) + (20/120 x .06917969)
+ (20/120 x .06818704) + (40/120 x .07000000) .06664445 WI

Turnco, Inc.
(40/120 x .06125000) + (20/120 x .06917969)
+ (20/120 x .06818704) + (40/120 x .07000000) .06664445 WI

Doyle Hartman
(40/120 x .31582031) + (20/120 x .35670776)
+ (20/120 x .35158943) + (40/120 x .36093750) .34363547 WI

James A. Davidson
(40/120 x .11484375) + (20/120 x .12971191)
+ (20/120 x .12785070) + (40/120 x .13125000) .12495836 WI

Jack Fletcher
(40/120 x .00717773) + (20/120 x .00810699)
+ (20/120 x .00799067) + (40/120 x .00820313) .00780990 WI

James E. Burr
(40/120 x .00717773) + (20/120 x .00810699)
+ (20/120 x .00799067) + (40/120 x .00820312) .00780990 WI

Larry Nermyr
(40/120 x .00717773) + (20/120 x .00810699)
+ (20/120 x .00799068) + (40/120 x .00820313) .00780990 WI

Alvareen O. Hartman
(40/120 x .00358887) + (20/120 x .00405350)
+ (20/120 x .00399533) + (40/120 x .00410156) .00390495 WI

George N. Hartman
(40/120 x .00358888) + (20/120 x .00405350)
+ (20/120 x .00399533) + (40/120 x .00410156) .00390495 WI
.83305568

II. OIL AND GAS LEASES: The principal features of Leases No. 1 through 4 covering the captioned lands are described in the prior Kerr, Fitz-Gerald & Kerr Opinion.

III. COMMENTS:

A. Limitation of Opinion: The abstracts examined for this Opinion are limited to the mineral estate only, and this Opinion is also therefore so limited, and no examination has been made as to surface ownership.

B. Prior Opinion: This Opinion is based in part on a prior opinion prepared by another law firm, and while we feel you may safely rely on this Opinion, we are sure you understand that we can take no responsibility for the contents thereof.

C. Justis-Christmas No. 1 Well: We have examined a photocopy of a Well Completion Report dated February 26, 1982, reflecting that the Justis-Christmas No. 1 Well located 2,225 feet from the North line and 790 feet from the West line

of Section 20, Township 25 South, Range 37 East, Lea County, New Mexico, was spudded on February 8, 1982, and drilled to a total depth of 3,150 feet. The report reflects that this well was completed as a gas well in Jalmat Gas Pool, and is producing through perforations from 2,732 feet to 2,831 feet sub-surface. The report further reflects such perforations to be within the Yates interval. Production from this well is owned in accordance with the schedule of interests above.

IV. EXCEPTIONS TO TITLE AND REQUIREMENTS:

A. Status of Requirements in Prior Kerr, Fitz-Gerald & Kerr Opinion:

Exception No. 1: We have not been provided with a copy of the Gas Purchase Agreement dated September 3, 1954 referred to in this exception, and we leave it to your discretion as to whether you desire that we examine the same.

Exception No. 2: The matters detailed in this Exception to Title remain relevant, and will be discussed further under Exception to Title D below.

Exception No. 3: This exception remains relevant, and the 3/256 mineral interest described therein, and now owned by Tenneco Oil Company is shown as an unleased mineral interest under the schedule of interests above.

Exception No. 4: This exception to title also remains relevant, and we would concur with the recommendation therein that you pay gas royalty under the NE/4 NW/4 Section 20 at the rate of 1/8 of gross production rather than the \$100/well/year royalty rate shown in Lease No. 1.

Exception No. 5: Relevant only for drilling purposes.

Exception No. 6: This exception relates to a Mineral Deed from Mrs. Cona S. McCoy to H. M. Bettis, Inc. et al conveying all of the grantor's mineral interest under the NW/4 NW/4 Section 20. As described below under Exception to Title D, we are unable to determine ownership of certain mineral interests attributable to lots within the townsite of Jal, and we must assume that Mrs. Cona S. McCoy may have owned one or more of such lots. Since we cannot determine the interests involved, we have not credited H. M. Bettis, Inc., et al with any mineral interests attributable to this Deed.

Exception No. 7: This exception remains relevant, and the requirements therein should be completed.

Exception No. 8: This exception to title remains relevant, and the requirements therein should be completed.

Exception No. 9: This exception remains relevant, and this Opinion is based on the assumption that Leases No. 1 through 4 described in the prior opinion have in fact been held by production and are currently in effect.

Exception No. 10: The requirements in this exception are generally covered in the additional Exceptions to Title and Requirements below.

B. Pooling: We have examined a photocopy of Administrative Order NSP-1275 dated January 6, 1982, issued by the New Mexico Oil Conservation Division. This Administrative Order approves the captioned lands consisting of 120 acres as a non-standard Jalmat Gas Proration Unit to be dedicated to the Justis-Christmas No. 1 Well. Leases No. 1 through 4 described above do not contain pooling clauses, and therefore, the royalty interests thereunder, and the overriding royalty interest owned by Gulf Oil Corporation under the SW/4 NW/4 Section 20 are not subject to the above described Order. Also, the unleased mineral interests shown in the Schedule of Interests above are not subject to such Order. We have therefore not calculated the pooled interests attributable to such royalty interests, Gulf overriding royalty interest, and unleased mineral interests as a part of the Schedule of Ownership above relating to ownership of production under the pooled 120 acre tract. We have, however, shown the pooled interests attributable to the working interest under Leases No. 1 through 4 conveyed by H. M. Bettis, Inc. et al to Doyle Hartman and the other participants in the Justis-Christmas No. 1 Well. Based on the assignment of such interests, and the Farmout Agreement which was the basis for such interests, we are of the opinion that the parties to this Assignment intended that the interests covered thereby should be pooled under the 120 acre proration unit.

REQUIREMENT NO. 1:

We are enclosing with this Opinion a form Ratification of Pooled Unit covering the captioned lands, and this ratification should be sent to all of the above described royalty interest owners, Gulf Oil Corporation, and the owners of unleased mineral interests for execution. We suspect that you will be unable to locate a number of these people, and some of those who are requested to ratify the proration unit may well refuse to execute the ratification. This being the case, it will be necessary to file a compulsory Pooling Application before the New Mexico Oil Conservation Division to effectively pool all interests under the proration unit, which do not voluntarily execute the ratification described above.

C. Mortgages: The abstracts examined reflect the following mortgages executed by working interest owners under the captioned lands, and encumbering the interests of such parties:

1. Deed of Trust, Mortgage, Security Agreement and Assignment dated April 22, 1982, recorded in Book 403, page 155 of the Mortgage Records from Jack Fletcher, in favor of Charles D. Frazier as Trustee for the First National Bank of Midland, Midland, Texas.

2. Deed of Trust, Mortgage, Security Agreement and Assignment dated May 18, 1982, recorded in Book 403, page 80 of the Mortgage Records, from James E. Burr and wife Laveta F. Burr in favor of Charles D. Frazier as Trustee for the First National Bank of Midland, Midland, Texas.

3. Deed of Trust, Mortgage, Security Agreement and Assignment dated December 16, 1982, recorded in Book 414, page 435 of the Mortgage Records, in favor of J. Kip Boyd, as Trustee for the First National Bank of Midland, Midland, Texas.

REQUIREMENT NO. 2

The First National Bank of Midland should execute your Division Orders, and should provide you with written instructions as to payment of runs attributable to the working interests owned by the Mortgagors above.

D. Undetermined Ownership of Mineral Interests:

As discussed under Exception to Title No. 2 in the prior Kerr, Fitz-Gerald & Kerr Opinion, the ownership of the mineral estate under the N/2 NW/4 Section 20 is extremely complex. Based on the materials in the abstracts, we have been able to determine the ownership of all of the mineral interests under the W/2 NW/4 NW/4 of Section 20, and such interest, and the leasehold interests attributable thereto are reflected in the schedule of tract interests above. As to the E/2 NW/4 NW/4 and the NE/4 NW/4 of Section 20, we have been able to determine mineral ownership as to all of the minerals except for 81/714 of 1/8 interest. This remaining undeterminable interest is attributable to a number of town lots in the City of Jal, and it appears that the title to the surface of, and mineral interests attributable to such lots is in a hopeless state of confusion. Due to the small interest involved, we do not feel it is worthwhile to attempt to determine such ownership, and, we are not at all sure that such ownership can, in fact, even be determined. This undeterminable interest under the NW/4 NW/4 of Section is unleased, however, as to the NE/4 NW/4, such interest is subject to Lease No. 1, as conveyances of such lots took place after execution of the lease.

REQUIREMENT NO. 3:

Runs attributable to such undetermined interests should be suspended, and in the event any claims are made to such interest, you should require that the parties making such claims substantiate their ownership prior to any release of runs. Also, as noted above, these undetermined interests should be made subject to the Application for Compulsory Pooling, which we believe it will be necessary to file in order to determine ownership under the pooled proration unit.

E. Jack Fletcher Divorce: Supplemental Abstract No. 33380 reflects a copy of the Final Decree entered in Cause No. DR-13,948 before the 318th Judicial District Court for Midland County, Texas, such case being in the Matter of the Marriage of Marie Fletcher and Jack Frank Fletcher and in the interest of Lauren Michelle Fletcher, a minor child. The above Final Decree reflects that Jack Fletcher and Marie Fletcher were divorced on November 11, 1982, and that the petitioner, Marie Fletcher, was to receive title to an undivided 1/2 interest in the oil and gas properties listed on Exhibit "A" and attached to the Decree. The Decree contains a notation by the abstractor that the captioned lands were not listed in such exhibit to the Final Decree, and therefore such exhibits were omitted from the abstract. This being the case, we have not credited Marie Fletcher with owning any interest in production from the captioned lands, however, we do have the following requirement.

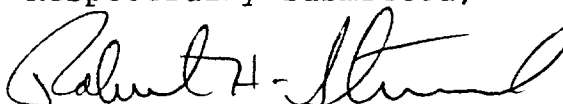
REQUIREMENT NO. 4:

You should provide us with a copy of the exhibit to the Final Decree referred to above, so that we may determine that the captioned lands were, in fact, not included. Also, you should inquire of Jack Fletcher to determine whether Marie Fletcher may, in fact, claim any interest under the captioned lands.

This Opinion does not cover matters which might be disclosed by a survey or on the ground inspection of the captioned lands, rights of parties in possession, nor boundaries by acquiescence by virtue of usage, fence lines or similar situations.

Subject to compliance with the above comments and requirements, title is approved for division order purposes in accordance with the ownership schedule set out above as of the certificate dates of the above described abstracts.

Respectfully submitted,



Robert H. Strand

RHS/dlc