Boyd & McWilliams

Oil & Gas Properties

Kline Boyd
Toby McWilliams

300 West Texas, Suite 704
Midland, Texas 79701
(915) 684-7921

EXAMINER STOGNER
Oil Conservation Division
Exhibit No. 2
Case No. 9417

May 26, 1988

Re: File No. 87-920-04
WEST KNOWLES PROSPECT
S/2 Sec. 28, T16S, R38E,
Lea County, NM - 320 ac

Fernand Renocourt
c/o Imperial Trusts Co. of Canada
Toronto, Canada

The Records of Lea County, New Mexico show that you are the owner of a 1/600 mineral interest in the captioned land.

We wish to obtain an oil and gas lease from you covering this interest and hereby offer you the following terms:

Bonus: $100.00 per net acre
Term: 3 years
Royalty: 3/16
Delay Rental: $1.00 per acre annual

Provided this offer meets with your approval, it is requested that you advise the undersigned at your earliest opportunity.

Thank you for your attention.

Yours truly,

Tommy P. Withrow

Tommy P. Withrow

TPW/ab

Boyd & McWilliams

Oil & Gas Properties

300 W. Texas, Suite 704

Midland, Texas 79701

Tommy

MIDLAND TX 797
PM
26 MAY
1988

Fernand Renocourt
c/o Imperial Trusts Co. of Canada
Toronto, Canada

GB. #7255

MINERAL DEED.

KNOW ALL MEN BY THESE PRESENTS: THAT W.C. Goffatt, 331 Bay Street, Toronto 2, Ontario, Canada, of hereinafter called Grantor, (whether one or more), for and in consideration of the sum of One and no/100 Dollars ($1.00) cash in hand paid and other good and valuable considerations, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, convey, transfer, assign and deliver unto Fernand Renoncourt, c/o The Imperial Trusts Company of Canada, of Toronto 2, Ontario, Canada, hereinafter called Grantee (whether one or more) an undivided one six hundred th (1/600th) interest in and to all of the oil, gas and other minerals in and under and that may be produced from the following described lands situated in Lea County, State of New Mexico, to-wit:

> East half (E/2) and Southwest quarter (SW/4) of Section 28, and Northwest quarter (NW/4) and East half (E/2) of Southwest quarter (SW/4) and Southeast quarter (SE/4) of Section 33, all in Township 16 South, Range 38 East, and North half (N/2) and Southwest quarter (SW/4) of Section 4, and east half (E/2) of section 8 and West half (W/2) of Section 9, all in Township 17, South Range 38 East.

containing 2,000 acres, more or less, together with the right of ingress and egress at all times for the purpose of mining, drilling, exploring, operating and developing said lands for oil, gas, and other minerals, and storing, handling, transporting and marketing [illegible]

together with the right to remove from said land all of Grantee's property and improvements.

This sale is made subject to any rights now existing to any lessee or assigns under any valid and subsisting oil and gas lease of record heretofore executed; it being understood and agreed that said Grantee shall have, receive, and enjoy the herein granted undivided interest in and to all bonuses, rents, royalties and other benefits which may accrue under the terms of said lease insofar as it covers the above described land from and after the date hereof, precisely as if the Grantee herein had been at the date of the making of said lease the owner of a similar undivided interest in and to the lands described and Grantee one of the lessors therein.

Grantor agrees to execute such further assurances as may be requisite for the full and complete enjoyment of the rights herein granted and likewise agrees that Grantee herein shall have the right at any time to redeem for said Grantor by payment, any mortgage, taxes or other liens on the above described land, upon default in payment by Grantor, and be subrogated to the rights of the holder thereof.

TO HAVE AND TO HOLD The above described property and easement with all and singular the rights, privileges, and appurtenances thereunto or in any wise belonging to the said Grantee herein, his heirs, successors, personal representatives, administrators, executors, and assigns forever, and Grantor does hereby warrant said title to Grantee, his heirs, executors, administrators, personal representatives, successors and assigns forever and does hereby agree to defend all and singular the said property unto the said Grantee herein, his heirs, successors, executors, personal representatives, and assigns against every person whomsoever claiming or to claim the same or any part thereof.

WITNESS my hand this 19th day of January, 1933.

W.C. Goffett

STATE OF NEW YORK)
)SS
COUNTY OF ERIE)

Before me, the undersigned, a Notary Public in and for said County and State on this 19th day of January, 1933, personally appeared W.C. Goffatt, to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

(Notarial Seal) My Commission expires: March 1, 1934. Michael E. Zimmer, Notary Public.

P.O. 1216 Liberty Bank Bldg., Buffalo, New York.

STATE OF NEW MEXICO)
COUNTY OF LEA) SS This instrument was filed for record on the 21st day of March, 1933, at 2:40 o'clock P.M., and duly recorded in Book 34 page 133 of the records of this office.

(~~Xxxxxxxxxxxx~~ (County Clerk's Seal)

B.S. Barnes, County Clerk,
Register of Deeds.
By: L.M. Blackmon, Deputy.