

EXHIBIT "B"

SCHEDULE SHOWING THE PERCENTAGE AND KIND OF  
OWNERSHIP OF OIL AND GAS INTERESTS IN ALL  
LAND IN THE POLECAT CANYON UNIT, CHAVES COUNTY, NEW MEXICO

<u>Tract No.</u>	<u>Description</u>	<u>No. of Acres</u>	<u>Serial No. and Effective Date of Lease</u>	<u>Landowner and Percentage of Royalty</u>	<u>Record Owner Of Lease Or Application</u>	<u>Overriding Royalty Owner and Percentage</u>	<u>Working Interest Owner and Percentage</u>
<u>Federal Lands</u>							
<u>T10S-R31E</u>							
1	<u>Sec. 15: E/2</u>	320.00	LC-062532-A 4-1-49	USA - 12 1/2%	Stanolind and Ralph Lowe	Warren F. Ratliff - 2 1/2%	Stanolind and Ralph Lowe - 8
2	<u>Sec. 11: W/2</u>	320.00	NM-05518 10-1-51	USA - 12 1/2%	Donald B. Anderson	Bonnie Holmgren - 1%	Malco Refineries Inc. - 8

Total Federal Land 640.00 Acres or 10.26% of Unit Area.

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<u>State Lands</u>							
<u>T 10S-R31E</u>							
3	Sec. 27: NE/4 NE/4	40.00	B-8638-3 4-19-40 (HBP)	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe	Earl G. Levick - 5%	Stanolind and Ralph Lowe - 82 1/2%
4A	Sec. 3: N/2 SW/4	80.00	E-6114 4-10-52	State of New Mexico-12 1/2%	Superior	None	Superior - 87 1/2%
4B	Sec. 10: SW/4 NE/4	40.00	E-6115 4-10-52	State of New Mexico-12 1/2%	Superior	None	Superior - 87 1/2%
5	Sec. 14: NE/4 NW/4	40.00	E-6116 4-10-52	State of New Mexico-12 1/2%	W. H. McKinley	None	W. H. McKinley - 87 1/2%
6	Sec. 34: N/2 NW/4	80.00	B-9630-80 5-6-42	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe	Lida L. Weaver - 2%	Stanolind and Ralph Lowe - 85 1/2%
7	Sec. 34: S/2 NW/4	80.00	B-9630-15 5-6-42	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe	Allen M. Mesirow, Executor and Trustee under Will of Alice Edmunds Weaver, deceased - 3%	Stanolind and Ralph Lowe - 84 1/2%
8	Sec. 3: NW/4 Sec. 2: SW/4 Sec. 14: NE/4 SW/4, S/2 SW/4	440.44	B-9701-4 6-18-42	State of New Mexico-12 1/2%	Magnolia Petroleum Co.	None	Magnolia - 87 1/2%
9	Sec. 3: NE/4 Sec. 2: NW/4 Sec. 14: S/2 NW/4	400.39	B-9930-2 11-28-42	State of New Mexico-12 1/2%	Honolulu Oil Corporation	None	Honolulu - 87 1/2%

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<u>State Lands</u>							
<u>T10S-R31E</u>							
10	Sec. 14: NW/4 NW/4	40.00	B-9930-4 11-28-42	State of New Mexico-12 1/2%	Magnolia Petroleum Co. ✓	None	Magnolia ✓ -87 1/2%
11	Sec. 22: NE/4 NW/4	40.00	B-9980-2 12-29-42	State of New Mexico-12 1/2%	Ohio Oil Company ✓	None	Ohio ✓ -87 1/2%
12	Sec. 3: SE/4 SE/4	40.00	B-10190-9 3-31-43	State of New Mexico-12 1/2%	Ohio Oil Company ✓	None	Ohio ✓ -87 1/2%
13	Sec. 27: NW/4 NE/4	40.00	B-10255-43 4-26-43	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe ✓	E. D. Killingsworth -5%	Stanolind and Ralph Lowe ✓ -82 1/2%
14	Sec. 14: NW/4 SW/4 Sec. 28: W/2 SE/4	120.00	B-10422-18 7-8-43	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe ✓	None	Stanolind and Ralph Lowe ✓ -87 1/2%
15	Sec. 23: SW/4 SW/4 Sec. 33: NW/4	200.00	B-10422-15 7-8-43	State of New Mexico-12 1/2%	Union Oil Co. of California ✓	W. L. Allard and wife Margaret Allard-5%	Union ✓ -82 1/2%
16	Sec. 34: NE/4 Sec. 35: S/2 NW/4	240.00	B-10491 7-28-43	State of New Mexico-12 1/2%	Tide Water Associated Oil Company	None	Tide Water -87 1/2%
17	Sec. 23: SE/4 SW/4	40.00	B-10498-5 7-30-43	State of New Mexico-12 1/2%	Honolulu Oil Corporation ✓	None	Honolulu ✓ -87 1/2%

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<u>State Lands</u>							
<u>T10S-R31E</u>							
18	Sec. 10: NW/4, N/2 SW/4, NW/4 SE/4	960.00	B-10605-2 9-9-43	State of New Mexico-12 1/2%	Magnolia Petroleum Co.	Allie M. Lee Reservation-Oil payment of \$20.00 per acre payable out of 1/16 of 7/8 production	Magnolia-82.03% to 87 1/2%
19	Sec. 22: W/2 NW/4, NW/4 NE/4 Sec. 23: E/2 NW/4 Sec. 26: N/2 SW/4 Sec. 28: N/2, SW/4 Sec. 33: S/2 NE/4	840.00	B-11019-2 2-19-44	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe	William Spurck and Vada Spurck, his wife-5%	Stanolind and Ralph Lowe -82 1/2%
20	Sec. 22: S/2, SE/4 NW/4, S/2 NE/4, NE/4 NE/4 Sec. 23: W/2 NW/4, NW/4 SW/4	600.00	B-11046-3 3-3-44	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe	None	Stanolind and Ralph Lowe -87 1/2%
21	Sec. 28: SE/4 SE/4	40.00	B-11111-63 3-4-44	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe	Walter Erickson and Edna L. Erickson, his wife-5%	Stanolind and Ralph Lowe -82 1/2%
22	Sec. 33: N/2 NE/4	80.00	E-465-1 8-10-45	State of New Mexico-12 1/2%	Kerr-McGee Oil Industries, Inc.	None	Kerr-McGee -87 1/2%

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<u>State Lands</u>							
<u>T10S-R31E</u>							
23	Sec. 10: NW/4 NE/4	40.00	E-1513 10-10-47	State of New Mexico-12 1/2%	Gulf Oil Corporation	None	Gulf -87 1/2%
24	Sec. 3: SW/4 SE/4	40.00	E-2360 1-10-49	State of New Mexico-12 1/2%	The Atlantic Refining Co.	None	Atlantic -87 1/2%
25	Sec. 27: SE/4 NE/4	40.00	E-2785 7-11-49	State of New Mexico-12 1/2%	A. N. Etz	None	A. N. Etz -87 1/2%
26	Sec. 3: S/2 SW/4	80.00	E-3522-2 5-10-50	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe	Bonnie H. Matlock and J. B. Headley Reservation - Oil Payment of \$500.00 per acre payable out of 1/16 of 7/8 production	Stanolind and Ralph Lowe -82% to 87 1/2%
27	Sec. 3: N/2 SE/4 Sec. 23: NE/4 SW/4 Sec. 28: NE/4 SE/4	160.00	E-3522-1 5-10-50	State of New Mexico-12 1/2%	Southern Petroleum Exploration, Inc.	None	Southern Petroleum Exploration, Inc.-87 1/2%
28	Sec. 10: SE/4 NE/4, NE/4 SE/4	80.00	E-4802 12-11-50	State of New Mexico-12 1/2%	Gulf Oil Corporation	None	Gulf -87 1/2%
29	Sec. 10: NE/4 NE/4	40.00	E-5285 6-11-51	State of New Mexico-12 1/2%	Gulf Oil Corporation	None	Gulf -87 1/2%

Total State Land 4,960.83 Acres or 79.48% of Unit Area.

Tract No.	Description	No. of Acres	Expiration Date of Lease	Landowner and Percentage of Royalty	Record Owner Of Lease Or Application	Overriding Royalty Owner and Percentage	Working Interest Owner
<u>Patented Lands</u>							
<u>T10S-R31E</u>							
30	Sec. 10: S/2 S/2 Sec. 15: NW/4	320.00	9-25-60	Elsie E. Reid -6.25% Leonard Oil Company-6.25%	Gulf Oil Corporation	None	Gulf -87 1/2%
31	Sec. 26: S/2 SW/4 Sec. 35: N/2 NW/4	160.00	11-22-60	Elsie E. Reid -12.5%	Gulf Oil Corporation	None	Gulf -87 1/2%
32(1)	Sec. 15: SW/4	160.00	7-16-57	S. P. Johnson -1.5625% S. P. Johnson, Jr. -1.5625%	Magnolia Petroleum Co.	None	Magnolia -87 1/2%
32(2)			7-16-57	Lura Flanagan -1.5625%			
32(3)			7-16-57	Henry G. Peveler -6.25%			
32(4)			7-18-57	Jack Markham -1.5625%			

RECAPITULATION

	Acres in Unit	Percentage of Unit Area
Land		
<u>Federal</u>	<u>640.00</u>	<u>10.26</u>
State	4,960.83	79.48
Patented	640.00	10.26
Total Unit Area	<u>6,240.83</u>	<u>100.00%</u>