

A. J. LOSEE  
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LAW OFFICES  
LOSEE & CARSON, P.A.  
300 AMERICAN HOME BUILDING  
P. O. DRAWER 239  
ARTESIA, NEW MEXICO 88210

AREA CODE 505  
746-3508

6 November 1978

IN RE DRILLING OPINION OF TITLE TO: United  
States Oil and Gas Lease NM 0554472, covering:

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

Section 11: N/2 N/2

Section 12: N/2 N/2

No. 4607

containing 320 acres, more or less,  
in Eddy County, New Mexico.

Yates Petroleum Corporation  
207 South Fourth Street  
Artesia, New Mexico 88210

Gentlemen:

In connection with the title to the oil and gas lease covering the  
lands described in the caption hereof, we have examined the fol-  
lowing:

1. Abstracts of Title Nos. 17374, 25830 and 29950 compiled by  
Federal Abstract Company, Santa Fe, New Mexico, containing  
49 pages and tracing title to the captioned lease and lands  
from the Plat Book Records, Historical Index Records, Serial  
Record and Case File in the United States Land Office, Santa  
Fe, New Mexico, to February 23, 1978 at 10:00 A.M.
2. Abstracts of Title Nos. 15738, 74392 and 78130 compiled by  
Currier Abstract Company, Artesia, New Mexico, containing  
36 pages and tracing title to the mineral estate only from  
the records in the Offices of the County Clerk and Clerk of  
the District Court of Eddy County, New Mexico, from the  
inception of the records to February 27, 1978 at 8:00 A.M.

From our examination of the foregoing, we report as follows:

I. TITLE:

1. Minerals. United States . . . . . All
2. Oil and Gas Leasehold Estate.

United States . . . . .	.125 RI
Erlon E. Nowell . . . . .	.020 ORI
L. Claude Roark . . . . .	.020 ORI
*Allied Chemical Corporation . . . . .	.835 WI

\*Apparently subject to the terms of a joint operating  
agreement dated September 20, 1973, recorded Book 146,  
Page 33, designating Yates Petroleum Corporation as  
operator.