

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

AREA CODE 505
746-3508

31 October 1978

IN RE DRILLING OPINION OF TITLE TO: State of :
New Mexico Oil and Gas Lease L-6287, insofar :
as the same covers all horizons between 2,102 :
feet and 9,320 feet, underlying: :
:

Township 19 South, Range 24 East, N.M.P.M. : No. 4602
:

Section 11: S/2 N/2 :
:

Section 12: S/2 N/2 :
:

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 and horizons described in the caption hereof, we have examined
the following:

1. Abstracts of Title Nos. 25833 and 29959, compiled by Federal
Abstract Company, Santa Fe, New Mexico, containing 35 pages
and tracing title to the captioned lease and lands from the
records in the Office of the Commissioner of Public Lands of
the State of New Mexico down to February 27, 1978 at 8:00 A.M.
2. Abstracts of Title Nos. 74393 and 78131, compiled by Currier
Abstract Company, Artesia, New Mexico, containing 40 pages
and tracing title to the mineral estate only as shown by 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:

A. Minerals:

State of New Mexico All

B. Oil and Gas Leasehold Estate:

State of New Mexico125000	RI
*Great Western Drilling Company (.64476 of .875) . .	.564165	WI
*Davoil, Inc. (.35524 of .875)310835	WI

*Subject to Operating Agreement dated September 20, 1973, by
Yates Petroleum Corporation, as Operator, and Allied Chemical
Corporation, et al, as Non-Operators, recorded Book 146, Page
33, Miscellaneous Records.