

LEASE ANALYSIS

BB&S # _____

NW 1/4 Sec 12

PROSPECT: Sotol

COUNTY/STATE: Eddy County, New Mexico

LEASE NAME: BBI-Sotol BB&S # _____

WELL NAME: #1 Sotol Fed. Com. BB&S # _____

TYPE LEASE & NUMBER: Federal (KGS) NM-67106

DESCRIPTION: NW 1/4 Section 12, T24S-R31E

DEEP RIGHTS ONLY. Shallow rights down to top of Bone spring assigned to
Bran Oil Corporation.

GROSS ACRES: 160 NET ACRES: 160

EFFECTIVE DATE OF LEASE: 12-1-86

EXPIRATION DATE: 12-1-91

LESSOR: U.S.A.

LESSEE: Bettis Brothers, Inc.

WORKING INTEREST OWNERS: _____

<u>Stovall Investments, Inc.</u>	<u>10%</u>	<u>Spencer B. Street, Jr.</u>	<u>4%</u>
<u>Turnco, inc.</u>	<u>10%</u>	<u>James R. Guinn</u>	<u>2%</u>
<u>H. M. Bettis, Inc.</u>	<u>10%</u>	<u>The Allar Company</u>	<u>34%</u>
<u>W. T. Boyle</u>	<u>5%</u>	<u>Edward K. Gaylord, II</u>	<u>5%</u>
<u>W. T. Boyle & Co.</u>	<u>5%</u>	<u>B.A.G.A.M. Ltd.</u>	<u>15%</u>

PURCHASE PRICE - TOTAL & PER ACRE: \$100,400.00 - \$627.50/acre

RENTALS: \$2.00 per net acre, or \$320.00

NEXT RENTAL DATE: 12-1-87

PAYABLE TO: Department of the Interior
Minerals Management Service, RMP - Brass

ADDRESS: P. O. Box 5640 - T. A., Denver, Colorado 80217

ROYALTY: 12.5% variable

GROSS NRI: 87.5%

ORRI: 2.00% to Tom Smith

BB&S NRI: 85.5%

SPECIAL PROVISIONS AND REMARKS: Usual Federal provisions