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A PROFESSIONAL CORPORATION

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July 31, 2013

IN RE: OPINION OF TITLE TO THE
FOLLOWING TRACTS OF LAND
LOCATED IN EDDY COUNTY,
NEW MEXICO:

Tract 1: United States Oil and Gas Lease
NM 01165, insofar as it covers
W½ Section 17, containing
320 acres, more or less; and

Tract 2: United States Oil and Gas Lease
NM 01165, insofar as it covers
E½ Section 17, containing
320 acres, more or less.

Said two tracts of land collectively composing All
Section 17, Township 20 South, Range 29 East,
N.M.P.M., containing 640 acres, more or less,
as to those depths lying between the surface and
the base of the Bone Spring formation, located at an
approximate subsurface depth of 11,230 feet.

Your Glock "17" WIU

Mewbourne Oil Company
500 West Texas Avenue, Suite 1020
Midland, Texas 79701

Attention: Mr. D. Paul Haden
Senior Landman

Gentlemen:

To ascertain title to United States Oil and Gas Lease NM 01165 (the "Lease"), insofar as it covers the captioned tracts of land (collectively, the "Property"), for drilling purposes, at the request of Mewbourne Oil Company ("Mewbourne"), we have examined the following materials (collectively, the "Examined Materials"):

Oil Conservation Division
Case No. 3
Exhibit No. 3

No. 27402

EXHIBIT "A"

SUMMARY OF TITLE

I. TITLE TO OIL, GAS AND OTHER MINERALS:

Interest Owner

Interest Owned

United States of America

All *

* According to the Examined Materials, the mineral estate is subject to the Lease, which provides for a 12.5% royalty.

II. TITLE TO THE SURFACE OF THE PROPERTY:

Interest Owner

Interest Owned

United States of America

All *

* As noted, the county abstracts do not cover the surface estate. We have based the allocation of the surface upon entries found in the federal abstracts.

III. RECORD TITLE TO UNITED STATES OIL AND GAS LEASE NM 01165:

A. Record Title to United States Oil and Gas Lease NM 01165:

Interest Owner

Interest Owned

Yates Petroleum Corporation

100.000000%

IV. TITLE TO THE OPERATING RIGHTS IN UNITED STATES OIL AND GAS LEASE NM 01165:

A. Tract 1 (United States Oil and Gas Lease NM 01165, insofar as it covers W½ Section 17):

1. As to those depths lying between the surface and the top of the Bone Springs formation, which is located at a depth of approximately 5,988 feet subsurface, based on the induction electrical log run on the Cactus Jennings Federal No. 1 Well located in Section 10, Township 20 South, Range 29 East, N.M.P.M.:

<u>Interest Owner</u>	<u>Interest Owned</u>	
	<u>Gross Working Interest</u>	<u>Net Revenue Interest</u>
Mewbourne Oil Company	100.000000%	.72500000 *

- * This interest in the operating rights in Lease NM 01165 bears not only the ⅓ royalty interest reserved by the United States under Lease NM 01165, but also the entirety of an overriding royalty interest in the amount of five percent (5%) owned by Yates Brothers, a partnership, and an overriding royalty interest in the amount of ten percent (10%) reserved by Marathon Oil Company.

- 2. As to all depths lying between the top of the Bone Springs formation, which is again located at a depth of approximately 5,988 feet subsurface, based on the induction electrical log run on the Cactus Jennings Federal No. 1 Well located in Section 10, Township 20 South, Range 29 East, N.M.P.M., and the base of the Bone Springs formation, located at an approximate subsurface depth of 11,230 feet:

<u>Interest Owner</u>	<u>Interest Owned</u>	
	<u>Gross Working Interest</u>	<u>Net Revenue Interest</u>
Mewbourne Oil Company	87.250000%	.632562500 ^{1, 2}
Great Western Drilling Ltd.	8.059500%	.066490875 ¹

Interest Owner**Interest Owned**

	<u>Gross Working Interest</u>	<u>Net Revenue Interest</u>
Davoil, Inc.	4.440500%	.036634125 ¹
Brooks Oil & Gas Interests, Ltd.	<u>0.250000%</u>	<u>.002062500</u> ¹
Totals	100.000000%	.737750000

¹ Each of these interests in operating rights bears its proportionate share of the undivided 12.5% royalty interest reserved by the United States under the terms of Lease NM 01165, as well as an undivided five percent (5%) overriding royalty interest owned by Yates Brothers, a partnership.

² In addition to its proportionate share of the royalty interest reserved by the federal government and the overriding royalty interest owned by Yates Brothers, Mewbourne's interest bears the entirety of an overriding royalty interest in the amount of 8.725%, which is the proportionately reduced overriding royalty interest attributable to Marathon Oil Company.

B. Tract 2 (United States Oil and Gas Lease NM 01165, insofar as it covers E½ Section 17):

1. As to those depths lying between the surface and the top of the Bone Springs formation, which is located at a depth of approximately 5,988 feet subsurface, based on the induction electrical log run on the Cactus Jennings Federal No. 1 Well located in Section 10, Township 20 South, Range 29 East, N.M.P.M.:

Interest Owner**Interest Owned**

	<u>Gross Working Interest</u>	<u>Net Revenue Interest</u>
Yates Petroleum Corporation	100.000000%	.82500000 *

* This interest in the operating rights in Lease NM 01165 bears not only the 1/8 royalty interest reserved by the United States under Lease NM 01165, but also the entirety of an overriding royalty interest in the amount of five percent (5%) owned by Yates Brothers, a partnership

→ 2.

As to all depths lying between the top of the Bone Springs formation, which is again located at a depth of approximately 5,988 feet subsurface, based on the induction electrical log run on the Cactus Jennings Federal No. 1 Well located in Section 10, Township 20 South, Range 29 East, N.M.P.M., and the base of the Bone Springs formation, located at an approximate subsurface depth of 11,230 feet:

<u>Interest Owner</u>	<u>Gross Working Interest</u>	<u>Net Revenue Interest</u>
Yates Petroleum Corporation	60.978374%	50.3071585
Abo Petroleum Corporation	6.250000%	5.15625000
Myco Industries, Inc.	6.250000%	5.15625000
OXY Y-1 Company	6.250000%	5.15625000
John A. Yates, whose wife is Peggy A. Yates	4.166667%	3.43750028
Sharbro Energy, LLC	4.166667%	3.43750028
Axis Energy Corporation	2.864240%	2.36299800
Wildcat Energy, LLC	2.864240%	2.36299800
Westway Petro	1.562500%	1.28906250
Marigold LLLP	1.388889%	1.14583342
Santo Legado LLLP	1.388889%	1.14583342
Tulipan LLC	1.388888%	1.14583260
Estate of E. Trompeter, a/k/a Earl Trompeter, Deceased	0.048443%	0.03996548
Evert Willem Karel Andrau, John Paul Andrau and May Andrau Feldmeir, as Trustees of the William Evert Andrau Trust No. 2	0.017981%	0.01483433

Interest OwnerInterest Owned

	<u>Gross Working Interest</u>	<u>Net Revenue Interest</u>
Barbara A. Powell and John W. Gibson,as Trustees of the Helene B. Hewett/ Barbara A. Powell Trust No. 2	0.017981%	0.01483433
Samuel L. Siegler, II, Karelyn Siegler, Todd B. Siegler, and Jelene Antoinette Andrau Siegler, as Trustees of the Siegler Family Trust No. 2	0.017981%	0.01483433
Homer Tutton, whose marital status is unknown	0.015139%	0.01248967
S. K. Clay U/TRT 6-21-78	0.015139%	0.01248967
W.P. Kendall U/TRT 6-21-78	0.015138%	0.01248885
William Jacobs, whose marital status is unknown	0.015138%	0.01248885
Andrew E. McMacMahon, a married man whose wife is unknown	0.012112%	0.00999238
Greenstar Resources, LLC	0.010092%	0.00832590
Robert L. Beavers, Inc.	0.010092%	0.00832590
Russell S. Sampson, whose marital status is unknown	0.010092%	0.00832590
Ivor J. Silver, whose marital status is unknown	0.009083%	0.00749348
Patricia A. McMillian, whose marital status is unknown	0.009083%	0.00749348
Lewis F. Holmes, whose marital_status is unknown	0.007569%	0.00624443

Interest OwnerInterest Owned

	<u>Gross Working Interest</u>	<u>Net Revenue Interest</u>
Alex M. Roter, whose marital status is unknown	0.006056%	0.00499619
Ann S. Ragsdale, whose marital status is unknown	0.006056%	0.00499619
Anthony Hawe, whose marital status is unknown	0.006056%	0.00499619
Arthur A. Ostmann, whose marital status is unknown	0.006056%	0.00499619
Arturo G. Sterling, whose marital status is unknown	0.006056%	0.00499619
Charles C. Albright Trust	0.006056%	0.00499619
Don Friedman, whose marital status is unknown	0.006056%	0.00499619
Dorothy Hinchliff, whose marital status is unknown	0.006056%	0.00499619
First State Bank	0.006056%	0.00499619
George M. Oringdolph and H. E. Oringdolph, both of whose marital statuses are unknown	0.006056%	0.00499619
Gilbert T. Kanegawa, whose marital status is unknown	0.006056%	0.00499619
Glenn E. Duke, whose marital status is unknown	0.006056%	0.00499619
Harry Bersner, whose marital status is unknown	0.006056%	0.00499619

Interest Owner**Interest Owned**

	<u>Gross Working Interest</u>	<u>Net Revenue Interest</u>
Harry F. Poll, whose marital status is unknown	0.006056%	0.00499619
Harry L. Green, Sr., whose marital status is unknown	0.006055%	0.00499538
Henry C. Landers, whose marital status is unknown	0.006055%	0.00499538
James Roby Clopton, Inc.	0.006055%	0.00499538
Janet S. Joslin, whose marital status is unknown	0.006055%	0.00499538
John Steinman, whose marital status is unknown	0.006055%	0.00499538
Larry M. Pickett and wife, Betty Jean Pickett	0.006055%	0.00499538
Leroy H. Simpkins, Jr, whose marital status is unknown	0.006055%	0.00499538
Leroy L. Burnette, whose marital status is unknown	0.006055%	0.00499538
Lillian Kamph, Trustee of Trust 454F	0.006055%	0.00499538
John L. Steffan	0.006055%	0.00499538
Louesther Zwick Trust IV, P.S. and C.D. Zwick, Trustees	0.006055%	0.00499538
M. D. Williams and D. L. Pilant, both of whose marital statuses are unknown	0.006055%	0.00499538
Mark J. Sandler and wife, Beth Sandler	0.006055%	0.00499538

Interest OwnerInterest Owned

	<u>Gross Working Interest</u>	<u>Net Revenue Interest</u>
Neil W. Schilke, whose marital status is unknown	0.006055%	0.00499538
Norton S. Waldfogel, whose marital status is unknown	0.006055%	0.00499538
Robert M. Varn, whose marital status is unknown	0.006055%	0.00499538
Steven R. Lindersmith, whose marital status is unknown	0.006055%	0.00499538
Thomas Geimer, whose marital status is unknown	0.006055%	0.00499538
T. Grover Swift, Jr., whose marital status is unknown	0.006055%	0.00499538
Jackie D. Willis, whose marital status is unknown	0.006055%	0.00499538
Warren N. Rosenquist and wife, Judith V. Rosenquist	0.006055%	0.00499538
Whitney Karis Wilson, whose marital status is unknown	0.006055%	0.00499538
William Bondeson and wife, Julie Bondeson	0.006055%	0.00499538
William P. McCormick, whose marital status is unknown	0.006055%	0.00499538
William R. and wife, Darlen Manclark	0.006055%	0.00499538
William W. Fetner, whose marital status is unknown	0.006055%	0.00499538

Interest OwnerInterest Owned

	<u>Gross Working Interest</u>	<u>Net Revenue Interest</u>
Evert Willem Karel Andrau, John Paul Andrau and May Andrau Feldmeir, as Trustees of the William Evert Andrau Trust No. 1	0.002204%	0.00181830
Barbara A. Powell and John W. Gibson, as Trustees of the Helene B. Hewett/ Barbara A. Powell Trust No. 1	0.002204%	0.00181830
Samuel L. Siegler, II, Karelyn Siegler, Todd B. Siegler, and Jelene Antoinette Andrau Siegler, as Trustees of the Siegler Family Trust No.1	0.002204%	0.00181830
Sandra Houppermans, whose marital status is unknown	<u>0.000757%</u>	<u>0.00062453</u>
Totals	100.000000%	.82500000

Each of these interests in operating rights bears its proportionate share of the undivided 12.5% royalty interest reserved by the United States under the terms of Lease NM 01165, as well as an undivided five percent (5%) overriding royalty interest owned by Yates Brothers, a partnership.

IV. TITLE TO OVERRIDING ROYALTY INTERESTS IN THE LEASE, INsofar AS IT COVERS TRACTS 1 AND 2 OF THE PROPERTY:

A. Tract 1 (United States Oil and Gas Lease NM 01165, insofar as it covers W½ Section 17):

1. As to those depths lying between the surface and the top of the Bone Springs formation, which is located at a depth of approximately 5,988 feet subsurface, based on the induction electrical log run on the Cactus Jennings Federal No. 1 Well located in Section 10, Township 20 South, Range 29 East, N.M.P.M.:

Interest OwnerInterest Owned

Marathon Oil Company

10.000000%