

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

P. O. BOX 1410

FORT WORTH, TEXAS—76101

JAMES K. SMITH
DIVISION ATTORNEY

June 11, 1965

Pan American Petroleum Corporation
Fort Worth, Texas

New Mexico
San Juan County
Margaret H. Jones
Lease No. 187969
AFE 29,227

237581
Jones Gas Unit "C"

DIVISION ORDER TITLE OPINION

Re: SW/4 Section 8, Township 29 North, Range 11 West, N.M.P.M.,
San Juan County, New Mexico, below the base of the Pictured
Cliffs Formation.

Reference is hereby made to the Supplemental Title Opinion dated November 2, 1960, to the opinions referred to therein, and to the abstracts examined.

ABSTRACTS:

1. Supplemental Abstract No. BT-16190 by Basin Title Company, San Juan County, New Mexico, covering the captioned land from September 16, 1960 at 4:30 P.M., to October 31, 1962 at 5 P.M. - 1 page
 2. Supplemental Abstract No. N-15,091 by San Juan County Abstract & Title Company, Farmington, New Mexico, covering the captioned land from October 31, 1962 at 5 P.M., to May 16, 1965 at 4:30 P.M. - 51 pages
- 52 pages

FREE SIMPLE TITLE VESTED AS FOLLOWS:

SURFACE:

Claude Smith and wife, Maude L. Smith, as
community property
Margaret Hasselman Jones
Julia Hasselman Keller
Jennie Hasselman Hill
Clara Prangley
Richard H. Kouns
Evelyn K. Kurtz
Robert H. Kouns

- 1/2
- 1/8
- 1/8
- 1/8
- 1/32
- 1/32
- 1/32
- 1/32

OIL CONSERVATION ~~DIVISION~~ *Com'n*

CASE NUMBER

EXHIBIT NUMBER 13



TITLE OPINIONS

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MINERALS: (Including 1/8 Royalty)

Claude Smith and wife, Maude L. Smith, as community property	- 75/160
George B. Robbins	- 4/160
J. R. Robbins	- 1/160
Margaret Hasselman Jones	- 1/8*
Julia Hasselman Keller	- 1/8*
Jennie Hasselman Hill	- 1/8*
Clara Prangley	- 1/32*
Richard H. Kouns	- 1/32*
Evelyn K. Kurtz	- 1/32*
Robert H. Kouns	- 1/32*

*By a Designation of Agent dated January 9, 1965, these parties appointed Jennie Hasselman Hill as their Agent and Attorney in Fact for the purpose of receiving for their account any and all royalties payable by Pan American under the terms of Basic Lease "A", and Pan American was directed to make all such royalty payments to the said Jennie Hasselman Hill or to her credit in the depository bank named in the lease, which is First National Bank, Greeley, Colorado.

LEASEHOLD:Below the base of the Pictured Cliffs Formation:

Pan American Petroleum Corporation - 7/8 W.I.* **

*This interest is subject to an overriding royalty of 75/160 of 4% of production which is owned by Hugh J. Mitchell and wife, Raimonda Mitchell.

**This interest is subject to an additional royalty of 1/2 of 4% of 8/8 of production reserved by the lessors in Basic Lease "A" and owned by the asterisked parties shown under "Minerals" above, and in the same proportion.

ANALYSIS OF BASIC LEASE "C":

Dated:	April 9, 1964
Filed:	September 14, 1964
Recorded:	Book 587, Page 47, Records
Lessors:	George B. Robbins and wife, Bessie H. Robbins, and J. R. Robbins and wife, India B. Robbins
Lessee:	Pan American Petroleum Corporation

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Description:	The captioned land
Term:	Five years and as long thereafter as productive
Royalty:	Regular 1/8
Depository:	First National Bank of Farmington, Farmington, New Mexico
Delay Rentals:	\$160
Delay Rental Instructions:	In the absence of production, delay rentals in the sum of \$5 are payable to the lessors or to their credit at the depository named before April 9 of each year during the primary term of this lease.
Pooling:	Yes, all or in part into units of 40 acres for oil or 640 acres for gas, with a 10% tolerance in each case; however, larger units may be created to conform to governmental regulation.

TAXES:

Taxes are certified as having been paid to and including the year 1964, for which year the assessment was to Claude Smith and Hasselman heirs, care of H. H. Hill.

REQUIREMENTS:

The only requirement heretofore made in connection with the basic leases which is found in the original Title Opinion of December 18, 1959, was waived for royalty payment purposes by the Division Committee on February 23, 1965.

ADDITIONAL REQUIREMENTS:

1. Mandatory. In the event of further development of this land, some investigation should be made concerning its possessory aspects, since I find no evidence in the file that this has ever been done.

COMMENTS:

1. It now appears to be in order to pay whatever royalties and other burdens on production which may become due and payable under the terms and provisions of the basic leases, in accordance with the ownership as set forth above.

2. You will note that this Division Order Title Opinion covers only those formations lying below the base of the Pictured Cliffs Formation.


3. The basic lease was committed to a Dakota gas unit consisting of the entire W/2 of Section 8, T-29-N, R-11-W, N.M.P.M., by a Communitization Agreement dated September 23, 1964, executed by Pan American et al., which is recorded in Book 596, Page 6, Records. This lease and land are also subject to an Operating Agreement

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dated the same date, executed by Pan American and Beta Development Co.

Returned herewith you will find the lease file, the abstracts examined, Contract File No. 60,427, and the Jones Gas Unit "C" File No. 237581.

Yours very truly,


K. M. NOLEN
Attorney

KMN:jh

CC - Mr. J. W. Durkee

original to D.O. file
1 cc to unit file
2 cc to lease file

Wm
6-17-65