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M. RONALD ECKERT

June 4, 1997

ORIGINAL TITLE OPINION NO. 97006

Parker & Parsley Petroleum USA Inc.
303 W. Wall
Midland, Texas 79701

Attention: Mr. Steven K. Owen, Landman

**Re: SE/4 NW/4, NE/4 SW/4, and SW/4 NW/4 of Section 18, Township 20 South,
Range 39 South, NMPM, Lea County, New Mexico**

Gentlemen:

In connection with captioned lease and land, we have examined the following:

RUNSHEET

Uncertified runsheet prepared by Perry & Perry, Inc. purporting to cover all filings found in the indices of Caprock Title Company, Midland, Texas, pertaining to the mineral estate of the captioned lands from sovereignty to February 27, 1997. We have examined each of the instruments reflected in said runsheet as the same are filed of record with the County Clerk and the District Clerk of Eddy County, New Mexico.

INSTRUMENTS

Photocopies of the following instruments:

1. Letter dated December 11, 1996, from Advanced Image Measurement Systems, Houston, Texas to Robert W. Floyd regarding the interest of Walter Claer, deceased, together with photocopy of Will and Order Admitting Will to Probate in Cause No. 235788 in the Estate of Verena Claer Batten, deceased, in the Probate Court No. 2 of Harris County, Texas.
2. Excerpts from the Estate of Carl Edwin Claer including the Will and Order Admitting Will to Probate.
3. Excerpts from the Estate of Edith Claer Lewis including Application to Probate Will, Last Will and Testament and Order Admitting Will to Probate.
4. Last Will and Testament of Norman Dawson, deceased.
5. The Will of Gladys R. Berry, deceased, together with Certificate of the Trustees under the Will of Gladys R. Berry, deceased.

NEW MEXICO
OIL CONSERVATION DIVISION

Parker & Parsley Petroleum USA Inc.
Enerquest Resources LLC
Title Opinion #97006

EXHIBIT 3
CASE NO. 11932
HEARING DATE: 8/2/97

- 21. Last Will and Testament of Carla Imes Warrick.
- 22. Unexecuted Mineral Deed from Enerquest Resources, L.L.C. to Sugarberry Land Company.

Based solely upon examination of the foregoing and subject to the comments and requirements hereinafter set forth, we find title to captioned land as of February 27, 1997, at 8 a.m., to be vested as follows:

FEE TITLE

Surface Estate:

Robert McCasland ----- 1/2
McCasland Partners I ----- 1/2

Minerals:

SE/2 NW/4 and NE/4 SW/4 of Section 18:

F & M Bank & Trust, Trustee of the William
G. Bates Revocable Trust created u/t/d 3/11/86 ----- 1/32

James A. Davidson ----- 12.664444% of 2545/21600

Doyle Hartman ----- 87.335556% of 2545/21600

Southland Royalty Company ----- 3/32

The Allar Company ----- 509/21600

The heirs or successors of Chester Imes Heirs ----- 1/150

Exchange National Bank and Trust Company
Trustee u/w/o Gladys R. Berry ----- 1/256

Norman Dawson, individually and as Trustee of the
D. H. Dawson Trust Estate ----- 1/8

June D. Speight, as separate property ----- 1/16

Norwest Bank, Texas, Successor Trustee u/w/o
J. E. Simmons and Beulah H. Simmons ----- 1/16

Geodyne Nominee Corporation ----- 53.8378686% of 509/28800 plus 509/28800

Petro Tiger Ltd. ----- 46.1621317% of 509/28800♦

Ronald J. Byers, a single man and
Constance E. Byers, a widow ----- 509/14400

Trust Corporation of Montana, Trustee for
Bessie L. Whelan ----- 1/256

Roy G. Barton, Jr. -----	(10/200 + 1/512) or 26.6/512
Roy G. Barton, Jr., Trustee of the Roy G. Barton, Sr. and Opal Barton Revocable Trust -----	1/16
Clifton Wilderspin -----	5/200
Melba Y. Trobaugh, a widow -----	5/200
Heirs or Successors of Walter Claer, deceased -----	10/200
Heirs or Successors of Katrina Deakins, deceased -----	5/200
Don L. Pardue -----	5/200
Sugarberry Land Company -----	1/128
Phillip O. Carey, sole and separate property -----	1/256
Joyce Carey Gaither Warren, Trustee of the Joyce Carey Gaither Revocable Trust -----	1/256
Eddie Don Moore, Trustee of the Elta Moore Trust -----	22.5/200
Joyce Blackburn Hart, for life, remainder to Edwin Robert Hart, Jr., Landa Hart Catterton, Samuel Lloyd Hart, Brenda Denise Hart, William Otho Hart, David Ray Hart and Jason Gregory Hart -----	1/512
Kathryn Everett Bray, for life, then Kathryn Bray Richards for life, then remainder to Kathryn Kimberlea Richards, Kendall Richards Bourland and Arlen Lee Casey Richards -----	1/512
Mark E. Hodge, sole and separate property -----	1/512

- ♦ Pursuant to Mineral Deed dated June 20, 1989, recorded in Book 454, page 621, Deed Records, Geodyne Nominee Corporation becomes the owner of 12.5% of the interest of Petro Tiger, Ltd. at “payout” (as defined in Article I, paragraph G, of Acquisition and Management Agreement dated November 3, 1987, as subsequently amended by Muirfield Resources Company and Petro Tiger, Ltd.)

SW/4 NW/4 of Section 18:

James A. Davidson -----	12.664444% of 365/2700
Doyle Hartman -----	87.335556% of 365/2700
Southland Royalty Company -----	3/32
The Allar Company -----	73/2700
The heirs or successors of Chester Imes Heirs -----	1/150

We have assume that the parties executing said instruments were successors in interest to Annie Lee Kornegay, who, along with her husband, Earl Kornegay, owned the surface estate in captioned land.

REQUIREMENT: Obtain and furnish us photocopies of New Mexico Probate proceedings in the Estate of Annie Lee Kornegay in order that we may confirm that the above deeds were effective to convey, collectively, a 1/2 interest in the surface estate in captioned land.

COMMENTS

This opinion is limited as follows:

(a) This opinion cannot cover such matters as area, boundaries, locations on the ground or other matters which can be determined only by an actual ground survey, nor does it cover any matters not revealed by the materials examined, such as unsubmitted and unrecorded agreements and undisclosed understandings among parties.

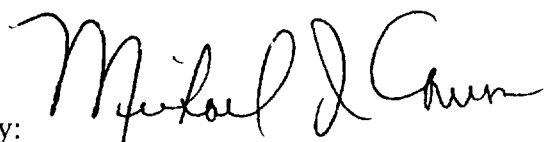
(b) This opinion does not cover the question of possible dedication of natural gas deposits under prior contract subject to the jurisdiction of governmental regulatory agencies. Such dedication may survive the expiration of oil and gas leases owned by the party making the dedication.

(c) This opinion does not deal with any questions of state or federal securities and environmental laws and regulations or the possible effect thereof on title to, or operations on, this property or interests assigned or to be assigned therein.

(d) This opinion may not be relied upon by any party other than the addressee hereof without our written consent.

Respectfully submitted,

CANON, SHORT & GASTON

By: 
Michael J. Canon

MJC/lbw

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE