

PROSPECT Ewing State

LANDMAN

DATE 12/10/90

COUNTY OF Eddy

STATE OF New Mexico

320.0 ACRES, MORE OR LESS

SURFACE OWNER: State of New Mexico subject to Contract #5131-4 with Yates

Petroleum Corporation

TENANT: Yates Petroleum Corporation

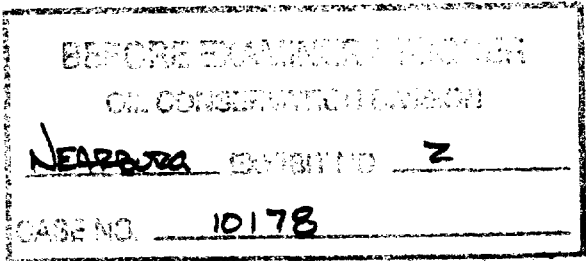
DESCRIPTION

Section 16: W/2 (Described in 2 tracts)

Tract #1: Northwest Quarter Northwest Quarter (NW/4 NW/4);
Southwest Quarter (SW/4)

Tract #2: Northeast Quarter Northwest Quarter (NE/4 NW/4);
South Half of the Northwest Quarter (S/2 NW/4)

320 acres, more or less



MINERAL OWNERSHIP

PROSPECT Ewing State

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NAME OF MINERAL OWNERS	INTEREST	NET ACRES	LEASEHOLD AND EXPIRATION DATE
<u>TRACT #1</u> State of New Mexico	100%	200	Lease LG-9278: <u>Record Title</u> Santa Fe Operating Partners,L.P. <u>Operating Rights</u> Nearburg Exploration Company 60% *Santa Fe Operating Partners,L.P. 15% *Felmont Oil and Gas Company 25%
*Interest of Santa Fe Operating Partners, L. P. and Felmont Oil and Gas Company subject to Exploration Agreement dated July 15, 1983 by and between Santa Fe Energy Company and Felmont Oil Corporation.			

I CERTIFY THAT I HAVE: X PERSONALLY EXAMINED THE COUNTY RECORDS^{after 9/17/90.}
 BEEN FURNISHED WITH ABSTRACTORS RECORD CHECK
 X Title Opinion certified to 9/17/90

IN CONNECTION WITH THE CAPTIONED TRACT, I INTERPRET THE OWNERSHIP TO BE AS
REPRESENTED ABOVE, SIGNED _____

MINERAL OWNERSHIP

PROSPECT Ewing State

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NAME OF MINERAL OWNERS	INTEREST	NET ACRES	LEASEHOLD AND EXPIRATION DATE
State of New Mexico	100%	120	Lease V-3067 <u>Record Title</u> Santa Fe Energy Operating Partners, L. P. <u>Operating Rights</u> Nearburg Exploration Company 60% Santa Fe Energy Operating Partners, L. P. 40%

I CERTIFY THAT I HAVE: _____ PERSONALLY EXAMINED THE COUNTY RECORDS
_____ BEEN FURNISHED WITH ABSTRACTORS RECORD CHECK

IN CONNECTION WITH THE CAPTIONED TRACT, I INTERPRET THE OWNERSHIP TO BE AS
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MINERAL OWNERSHIP

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NAME OF MINERAL OWNERS	INTEREST	NET ACRES	LEASEHOLD AND EXPIRATION DATE
<u>Spacing Unit Ownership</u> West Half (W/2) Section 16, Township-18-South, Range-25-East, Eddy County, New Mexico State of New Mexico	100%	320.0	*Nearburg Exploration Company 60% Santa Fe Operating Partners, L.P. 24.375% **Felmont Oil and Gas Company 15.625%
*Nearburg Producing Company operator of unit pursuant to Operating Agreement dated September 17, 1990 by and between Nearburg Producing Company, Nearburg Exploration Company and Santa Fe Energy Operating Partners, L. P. by Santa Fe Pacific Exploration Co. Managing General Partner.			
**Felmont Oil and Gas Company interest in prospect subject to dispute.			

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REPRESENTED ABOVE. SIGNED _____