MF 046970

County	REEVES
Survey	T & P
Block	56
Block Name	
Township	
Section/tract	20
Land Part	TSP-3
Part Description	
Acres	640
Name	JOHNN DRILLING CO.
Lease Date	
Primary Term	
Bonus ($)	
Rental ($)	
Lease Royalty	

*Leasing:*_____

*Analyst:*_____

*Maps:*_____

*GIS:*_____

-M-
F
0
4
6
9
7
0
F270635
JOHNN DRILLING CO

F/R Mineral File 46970 A File

COUNTY: Reeves
TRACT :
PART : Sec 20 Blk 56 Tsp 3 T & P
ACRES : 640

LESSEE : Johnn Drilling Co.
DATE :
TERM :
BONUS :
RENTAL:
FILE :

FREE ROYALTY

)DUCING producing

A-FILE

For Title Papers and D...s and Rental Payments

File 46970

Reeves County

MINERAL LANDS

~~Sinclair Crude Oil Co.~~ JOHNN DRLG. CO.

640 Acres

Section 20

Block 56

T&P Tsp. 3

Cert.

File: 151372

Name of Claim

VOL. P.

File 46970

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4. " to Johnn Drlg. Co. 6-21-57 MX

~~1 Ltr. inspect. loc. rept 8-5-56 EO~~

3. Division Order 4-14-61 gmj.

4. DIVISION ORDER 4-18-61 "

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C/F. Orla Peters Inc. - January 14, 1985

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GENERAL LAND OFFICE LEASE NUMBER 46970

15

1350/8

Description of Area from which following production secured:

PART OR AREA	SECTION OR TRACT	BLOCK	GRANTEE	ACRES	COUNTY
T&P Ry. Co. Survey	20	56	Johnn Drilling Company	320	Reeves

Name of Lease George P. Hill Name of Field Allar Marks, Dellaware Sand

Name of Operator Johnn Drilling Company Address Box 127, Lampasas, Texas

STATEMENT OF OIL AND GAS PRODUCTION FOR MONTH OF August, 19 56

OIL OR GAS DISTILLATE STATEMENT

This lease has 1 producing oil wells with 2-210 bbl storage tanks and the total allowable for this month was 1024 barrels. Oil sold to Sinclair Crude Oil Co., Sinclair Bldg. Independence, Kansas

Delivered by Cactus Transport Company, Midland, Texas

	BARRELS
Stock beginning of month (7 AM on 1st)	0
Gross production as shown by daily tank gauges	387.10
Net sales as shown by pipe line run tickets, truck tenders, etc.	283.56
Other Disposition (itemize) . Recovered oil . Royalty & Tax free	142.20
Correction — BS & W and Temperature	3.44
Stock close of month (7 AM on 1st)	100.10

OIL SALES

GRAVITY	NET BARRELS	PRICE	GROSS VALUE
33.3 °	140.20	2.69	377.14
33.0 °	143.36	2.69	385.64
°	Less Trucking		112.51
°		2.29	650.27
°			
TOTAL	283.56	$ 2.69	$ 762.78

Rec. & Stk Sept. off

POSTED

ROYALTY INTEREST .75 % ROYALTY DUE STATE $ 40.64

GAS STATEMENT

Gas is being marketed from ..... wells producing oil and gas, and ..... wells producing only gas.

PROCESSED GAS

GASOLINE

Volume ..... M.C.F. Gasoline content per M.C.F. .....

Total Gallons ..... Contract per cent ..... Gallons due lease .....

Price ..... Value due Lease . . . $ .....

BUTANE AND PROPANE

Gallons Produced ..... Contract per cent ..... Gallons due lease .....

Price per Gallon ..... Value due Lease . . . .

SULPHUR

M.C.F. Hydrogen Sulphide ..... Price ..... Value due Lease . . . .

RESIDUE GAS

Available for Sale ..... M.C.F. Returned to Lease ..... M.C.F.

Volume Sold ..... M.C.F. Contract per cent to Lease ..... Price .....

Value due Lease . . . .

Total Value of Gas Sold to ..... $ none

Royalty Interest ..... % Royalty due State $ .....

NON-PROCESSED GAS

Sold: ..... M.C.F. Price per M.C.F. ..... Value . . $ .....

Used on Lease: ..... M.C.F. Price per M.C.F. ..... Value . . ..

Flared: ..... M.C.F. Price per M.C.F. ..... Value . . ..

Total Value of Gas Utilized By ..... $ none

Royalty Interest ..... % Royalty due State $ .....

Total Gas Royalty Due State $ .....

REMARKS:

I certify that this statement is true and correct and shows entire production of all forms of petroleum oil and gas and disposition thereof from area owned by the undersigned out of the lease for the period indicated.

Johnn Drilling Company

By: Bruce Blain Bruce Blain

Title: Production Superintendent

Sworn and subscribed to before me the undersigned authority, on this 13 day of July, 1957

Alta Mary Edens Notary Public in and for Lampasas County, State of Texas.

LAND OFFICE USE ONLY

RECEIVED

JUL 17 1957

GENERAL LAND OFFICE

RECEIVING STAMP

IMPORTANT: Be sure to give General Land Office Lease Number above.

INFORMATION

1. The operator of the lease is responsible for all payments and records due the General Land Office. See Title 86, Chapter 4, Article 5380, Revised Civil Statutes of 1925.

2. It is necessary that the following records be furnished this office:

   (a) Logs of all wells
   (b) *Affidavits of production
   (c) *Oil and gas purchaser statements
   (d) *Daily Gauge reports
   (e) *Run tickets
   (f) Tank tables

   *Due on or before 20th of month following month of production.

PREPARATION OF AFFIDAVIT

1. Show all information requested in the spaces provided.

2. Report on both oil and gas. If no gas is sold or utilized, write "none" in spaces provided for Total Value.

3. Show all oil measurements two places past decimal. Example: 129.63

4. The term "Net Sales" as used in this affidavit means the number of barrels sold after correction for BS & W and Temperature.

5. No State or Federal tax is to be deducted from the gross value before the calculation of royalty due.

6. If additional space is needed for remarks, attach a sheet with the remarks and note in "Remarks" space "See attached remarks."

7. If permission has been granted to combine two or more leases on one affidavit, then an allocation by leases must be shown on the reverse side of the affidavit or on an attachment.

8. Show Railroad Commission field name.

M.F. 46808

AFFIDAVIT, STATEMENT OF PRODUCTION, ROYALTY PAYMENT—OIL AND GAS

FOR AUG 1956

Commissioner

FILED BY ED Clerk

1A

SCO-15 B

SINCLAIR CRUDE OIL COMPANY
DIVISION ORDER

August 26 (Date), 19 56

To SINCLAIR CRUDE OIL COMPANY, 901 Fair Building, Fort Worth, Texas (Address)

The undersigned, and each of them, guarantee and warrant that they are the legal owners in the proportions set out below of all the oil produced from the Johnn Drilling Company - - - - - - - - - Hill Farm, described as

NE/4 NE/4 SW/4 NE/4;;
NE/4 SE/4 Sw/4 SE/4;
NE/4 Nw/4 SW/4 NW/4;
NE/4 SW/4 Sw/4 SW/4;
All in Section 20, Block 56, Township 3
T & P RR Co. Survey,

RECEIVED
AUG 28 1956
GENERAL LAND OFFICE

THIS DIVISION ORDER IS LIMITED TO PRODUCTION DOWN TO A DEPTH OF 3650 FEET ONLY.

State of Texas, in Reeves County, and commencing as of 7 a. m. the ____ day of FIRST RUN, 19____ and until further written notice either from you or us you are authorized to receive oil therefrom, purchase it and pay therefor as follows:

CREDIT TO	DIVISION OF INTEREST	POSTOFFFICE ADDRESS
	WORKING INTEREST	
Sinclair Oil & Gas Company	1/14 of 7/8 ORRI	
W. H. Masterson	1/28 of 7/8 ORRI	
A. P. Wells	1/28 of 7/8 ORRI	
Johnn Drilling Company	6/7 of 7/8 W.I.	
	ROYALTY INTEREST	
Commissioner of the General Land Office		
for the Use and Benefit of the State of		
Texas	1/2 of 1/8 R.I.	
George P. Hill	1/2 of 1/8 R.I.	

The following covenants are also parts of this division order, and shall be binding upon the undersigned, their successors, legal representatives and assigns:

FIRST: The oil run hereunder shall become your property upon actual delivery thereof into any gathering or trunk line of any pipe line company designated by you.

SECOND: The oil received and purchased in pursuance hereof shall be delivered f. o. b. to you or to any gathering system or pipe line designated by you which gathers and receives the same, and shall be paid for monthly to the owners set out above at the market price posted by you for the same kind and quality of oil from the field in which the above described farm is located on the day of the receipt thereof, by mailing or delivering to each of them on or before the 15th day of each month a bank check for the amount due on account of oil purchased hereunder during the preceding month less any taxes required by law to be deducted by you as purchaser. Pipe line grades and measurements shall govern and control in all settlements, quantities to be computed from correctly compiled tank tables showing the full capacity of the tank.

(over)

rw

THIRD: You shall correct the volume to a temperature of sixty degrees (60°) Fahrenheit and you shall deduct from such corrected volume the full percentage of basic sediment, water and other impurities as shown by your test. You are to receive merchantable oil only under the terms of this division order.

FOURTH: Satisfactory abstracts or other evidence of title will be furnished to you at any time on demand. In the event of a failure so to furnish such evidence of title, or in the event of an adverse claim, question or dispute at any time concerning the title to such oil or any part thereof or to the land from which such oil is produced, you may hold the proceeds of all oil received and run, to the extend of the interest involved in such adverse claim, question or dispute, without interest, until indemnity satisfactory to you has been furnished or until said claim, question or dispute as to ownership has been finally settled or finally determined. In the event any action or suit is filed in any court affecting the title either to the real property above described or to the oil produced therefrom in which any of the undersigned are parties, written notice of the filing of said action shall be immediately furnished you by the undersigned stating the court in which the same is filed and the title of such action or suit.

You and/or any carrier transporting oil for your account shall be held harmless by each party to this division order to the extent of each party's interest, as set forth in this division order, from any judgment rendered against you or it on account of receiving, purchasing, paying for or transporting the oil credited to such party's interest.

FIFTH: You will not be responsible for any change of ownership in the absence of actual notice and satisfactory proof thereof.

SIXTH: In consideration of the purchase of oil hereunder, consent is hereby given to you and/or any pipe line company which you may cause to connect with the wells and/or tanks on said land, to disconnect and remove such pipe line in case of termination by either you or us of purchases under this division order.

SEVENTH: All parties hereto who are connected with the operation of the lease above described severally warrant that the oil tendered hereunder has not been and will not be produced or otherwise handled in violation of the Federal Fair Labor Standards Act of 1938 as heretofore or hereafter amended and all official regulations and orders issued thereunder, and that such oil has been produced and will be produced in accordance with all other applicable State and Federal laws and official rules and regulations thereunder.

EIGHTH: If this division order contains any provision or provisions calling for the payment out of any part of the proceeds of the oil purchased hereunder of any sum or sums limited to a definite amount or amounts, or if any interest is actually so limited but no definite amount is stated herein, or, if the payment of any part of the proceeds hereunder is limited to a time, either definite or indefinite, whether or not such time is stated herein, it is understood that the distribution and application of such proceeds by Sinclair Crude Oil Company for the benefit of the parties concerned is purely for the accommodation of such parties and that Sinclair Crude Oil Company assumes no responsibility for errors resulting in over or under payment, or a wrong payment, of such sum or sums, and it may without liability continue payments unless and until it has been furnished with written notice to desist by any party concerned.

NINTH: This division order shall become valid and binding on each and every owner above named as soon as signed by him or her regardless of whether or not any of the other above named owners have so signed.

TENTH: All written notices provided for herein shall be given to the party to receive the same, at the address of such party stated herein.

WITNESSES:

1. MF-46970
DIVISION ORDER
FILE DATE 9-5-56
EARL RUDDER, COM'R/MW

General Land Office
State of Texas
Austin
14

J. EARL RUDDER, COMMISSIONER
DENNIS WALLACE, CHIEF CLERK

October 22, 1956

Sinclair Crude Oil Company
Fair Building
Fort Worth, Texas

Re: JOHNN DRILLING COMPANY - HILL LEASE
Pt. of Section 20, Block 56, Tsp. 3
Reeves County, Texas (down to 3650)

Gentlemen:

OUR LEASE NO. M-46970

THIS LETTER IS ISSUED IN LIEU OF THE ORDINARY FORM OF "DIVISION ORDER" PREPARED BY THE OIL COMPANIES PRIMARILY FOR EXECUTION BY THE INDIVIDUAL ROYALTY OWNER.

INASMUCH AS THE STATUTES PROVIDE THE MANNER IN WHICH THE STATE SHALL RECEIVE ITS ROYALTIES, I DO NOT FEEL THAT IT WOULD BE IN CONFORMITY WITH THE LAW ON THE SUBJECT FOR THIS DEPARTMENT TO EXECUTE YOUR DIVISION ORDER AND THEREBY ATTEMPT TO BIND THE STATE BY THE PROVISIONS CONTAINED THEREIN.

THIS DEPARTMENT, INSOFAR AS PERMITTED UNDER THE LAW, ACQUIESCES IN THE SALE OF THE OIL AND/OR GAS TO YOU FROM THIS LEASE, WHICH OIL AND/OR GAS SHALL BECOME YOUR PROPERTY WHEN THE STATE IS PAID FOR SAME, AS PRESCRIBED BY LAW AND UNDER THE TERMS AND CONDITIONS AS SET OUT IN THE LEASE COVERING THE AREA IN QUESTION.

SINCERELY YOURS,

EARL RUDDER, COMMISSIONER

BY

MELVIN ECKHOFF
ACCOUNTING DEPARTMENT

ME/MW

SCO-15B

SINCLAIR CRUDE OIL COMPANY
DIVISION ORDER

October 17, (Date), 19 56

To SINCLAIR CRUDE OIL COMPANY, 901 Fair Building, Fort Worth, Texas (Address)

The undersigned, and each of them, guarantee and warrant that they are the legal owners in the proportions set out below of all the oil produced from the Johnn Drilling Company - - - - - - - - Hill Farm, described as

NE/4 NE/4 SW/4 NE/4;

NE/4 SE/4 SW/4 SE/4;

NE/4 NW/4 SW/4 NW/4;

NE/4 SW/4 SW/4 SW/4;

All in Section 20, Block 56, Township 3,

T & P RR Co. Survey,

THIS DIVISION ORDER IS LIMITED TO PRODUCTION DOWN TO A DEPTH OF 3650 FEET ONLY.

State of Texas, and commencing as of 7 a. m. the _____ day of FIRST RUN, 19____, in Reeves County and until further written notice either from you or us you are authorized to receive oil therefrom, purchase it and pay therefor as follows:

CREDIT TO	DIVISION OF INTEREST	POSTOFFFICE ADDRESS
	WORKING INTEREST	
Sinclair Oil & Gas Company	1/14 of 7/8 ORRI	
W. H. Masterson	1/28 of 7/8 ORRI	
A. P. Wells	1/28 of 7/8 ORRI	
Johnn Drilling Company	6/7 of 7/8 W.I.	
	ROYALTY INTEREST	
Commissioner of the General Land Office		
for the Use and Benefit of the State of		
Texas	1/2 of 1/8 R.I. - 1/16	
George P. Hill and Houston Hill	1/2 of 1/8 R.I.	

The following covenants are also parts of this division order, and shall be binding upon the undersigned, their successors, legal representatives and assigns:

FIRST: The oil run hereunder shall become your property upon actual delivery thereof into any gathering or trunk line of any pipe line company designated by you.

SECOND: The oil received and purchased in pursuance hereof shall be delivered f. o. b. to you or to any gathering system or pipe line designated by you which gathers and receives the same, and shall be paid for monthly to the owners set out above at the market price posted by you for the same kind and quality of oil from the field in which the above described farm is located on the day of the receipt thereof, by mailing or delivering to each of them on or before the 15th day of each month a bank check for the amount due on account of oil purchased hereunder during the preceding month less any taxes required by law to be deducted by you as purchaser. Pipe line grades and measurements shall govern and control in all settlements, quantities to be computed from correctly compiled tank tables showing the full capacity of the tank.

*received

(over)

rw

THIRD: You shall correct the volume to a temperature of sixty degrees (60°) Fahrenheit and you shall deduct from such corrected volume the full percentage of basic sediment, water and other impurities as shown by your test. You are to receive merchantable oil only under the terms of this division order.

FOURTH: Satisfactory abstracts or other evidence of title will be furnished to you at any time on demand. In the event of a failure so to furnish such evidence of title, or in the event of an adverse claim, question or dispute at any time concerning the title to such oil or any part thereof or to the land from which such oil is produced, you may hold the proceeds of all oil received and run, to the extend of the interest involved in such adverse claim, question or dispute, without interest, until indemnity satisfactory to you has been furnished or until said claim, question or dispute as to ownership has been finally settled or finally determined. In the event any action or suit is filed in any court affecting the title either to the real property above described or to the oil produced therefrom in which any of the undersigned are parties, written notice of the filing of said action shall be immediately furnished you by the undersigned stating the court in which the same is filed and the title of such action or suit.

You and/or any carrier transporting oil for your account shall be held harmless by each party to this division order to the extent of each party's interest, as set forth in this division order, from any judgment rendered against you or it on account of receiving, purchasing, paying for or transporting the oil credited to such party's interest.

FIFTH: You will not be responsible for any change of ownership in the absence of actual notice and satisfactory proof thereof.

SIXTH: In consideration of the purchase of oil hereunder, consent is hereby given to you and/or any pipe line company which you may cause to connect with the wells and/or tanks on said land, to disconnect and remove such pipe line in case of termination by either you or us of purchases under this division order.

SEVENTH: All parties hereto who are connected with the operation of the lease above described severally warrant that the oil tendered hereunder has not been and will not be produced or otherwise handled in violation of the Federal Fair Labor Standards Act of 1938 as heretofore or hereafter amended and all official regulations and orders issued thereunder, and that such oil has been produced and will be produced in accordance with all other applicable State and Federal laws and official rules and regulations thereunder.

EIGHTH: If this division order contains any provision or provisions calling for the payment out of any part of the proceeds of the oil purchased hereunder of any sum or sums limited to a definite amount or amounts, or if any interest is actually so limited but no definite amount is stated herein, or, if the payment of any part of the proceeds hereunder is limited to a time, either definite or indefinite, whether or not such time is stated herein, it is understood that the distribution and application of such proceeds by Sinclair Crude Oil Company for the benefit of the parties concerned is purely for the accommodation of such parties and that Sinclair Crude Oil Company assumes no responsibility for errors resulting in over or under payment, or a wrong payment, of such sum or sums, and it may without liability continue payments unless and until it has been furnished with written notice to desist by any party concerned.

NINTH: This division order shall become valid and binding on each and every owner above named as soon as signed by him or her regardless of whether or not any of the other above named owners have so signed.

TENTH: All written notices provided for herein shall be given to the party to receive the same, at the address of such party stated herein.

WITNESSES:

2. MF-46970
Division Order
File Date 10-22-56
Earl Rudder, Com'r/mw

GENERAL LAND OFFICE

AUSTIN 14, TEXAS

JERRY SADLER
COMMISSIONER

April 14, 1961

The Permian Corporation
P. O. Box 3119
Midland, Texas

Re: HENRY ANDERSON, ET AL
George P. Hill Lease
All in Sec. 20, Blk. 56,
Tsp. 3, T&P Ry. Co.
Reeves County, Texas

Gentlemen:

Our Lease No. **M-46970**

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the royalties the State shall receive, it is felt that it would not be in conformity with the law on the subject for this Department to execute your division order and thereby attempt to bind the State by the provisions contained therein.

This Department, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease which oil and/or gas shall become your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Sincerely yours,

JERRY SADLER, Commissioner

JS/oj
Permian's Lease No. 276230

RECEIVED
APR 14 1961
General Land Office

THE PERMIAN CORPORATION

DIVISION ORDER

Lease No. 276230

April 4, 19 61

TO THE PERMIAN CORPORATION, P. O. BOX 3119, MIDLAND, TEXAS.

The undersigned, and each of us, certify and guarantee that we are the legal owners of and hereby warrant the title to our respective interests as set out below in all oil produced from all wells on the Henry Anderson, et al - George P. Hill farm or lease, located in Reeves County, State of Texas, more particularly described as follows:

NE/4 NE/4; SW/4 NE/4; NE/4 SE/4; SW/4 SE/4; NE/4 NW/4; SW/4 NW/4; NE/4 SW/4 and SW/4 SW/4; All in Section 20, Block 56, Township 3, T & P RR Company Survey, LIMITED TO PRODUCTION DOWN TO A DEPTH OF 3,650 FEET ONLY.

and commencing at 7 A.M., the 1st day of March, 1961, and until further written notice either from you or us you are authorized to receive oil therefrom, purchase it and pay for it as follows:

CREDIT TO	DIVISION OF INTEREST	POST OFFICE ADDRESS
	ROYALTY INTEREST	
The State of Texas, payable to the Commissioner of the General Land Office	.0625000 R.I.	
George P. Hill and Houston Hill	.0416667 R.I.	
J. R. Meeker	.0208333 R.I.	
	WORKING INTEREST	
Johnn Drilling Company	.0937500 W.I.	
W. H. Masterson	.0312500 W.I.	
A. P. Wells	.0312500 W.I.	
Sinclair Oil and Gas Company	.0625000 W.I.	
Henry J. Anderson, Jr.	.6562500 W.I.	

MAKE SURE YOUR CORRECT MAILING ADDRESS IS SHOWN ABOVE

S. M. F. 4-6-7-66
Division Order
Date Filed 4-6-66
JERRY SABIN, COUNTY CLERK

The following covenants are also parts of this division order and shall be binding on the undersigned, their heirs, devisees, successors, legal representatives and assigns.

FIRST: The oil received and purchased hereunder shall become your property as soon as the same is received into your custody, or that of any pipe line company or carrier designated by you, and the undersigned agree to look solely to you for payment of oil purchased hereunder and shall have no claim or recourse against any subsequent purchaser of said oil.

SECOND: The oil received and purchased hereunder shall be delivered F. O. B. to any pipeline or carrier designated by you which gathers and receives said oil, and you shall pay for such oil to the respective owners according to the division of interest above set forth at the same price per barrel received by the operator of the lease covered by this division order. The word "oil" used herein shall mean crude oil and condensate (or distillate) delivered hereunder.

THIRD: Quality and quantity shall be determined in accordance with the conditions specified in the purchase agreement with lease operator. The oil shall be steamed when necessary to make merchantable and you may refuse to receive any oil not considered merchantable by you.

FOURTH: Settlements and payments shall be made monthly by check mailed from your office to the respective parties at the addresses above given, for the amount of such purchase price due said parties, respectively, less any taxes required by law to be deducted and paid by you as purchaser. At your option, you may withhold payment for such interests which have not accumulated the sum of $5.00 without the charge of interest.

FIFTH: Abstracts and other evidence of title satisfactory to you will be furnished to you at any time on demand. In the event of failure to so furnish such evidence of title, or in the event of any dispute or question at any time concerning title to the above lands, or the oil produced therefrom, you may hold the proceeds of all oil received and run, without interest, until indemnity satisfactory to you has been furnished or until such dispute or question of title is corrected or removed to your satisfaction. And in the event any action or suit is filed in any Court affecting title either to the real property above described or to the oil produced therefrom in which any of the undersigned are parties, written notice of filing of such action shall immediately be furnished you by the undersigned, stating the Court in which the same is filed and the title of such action or suit, and you or any carrier transporting oil for your account shall be held harmless from any judgment rendered in such suit and all reasonable costs and expenses incurred in defending against said claim, whether in your defense or in the defense of the carrier transporting oil for your account, and the undersigned shall pay said judgment and said costs and expenses.

SIXTH: The undersigned severally shall notify you of any change of ownership, and no transfer of interest shall be binding upon you until a transfer order and the recorded instrument evidencing such transfer, or a certified copy thereof, shall be furnished to you. Transfers of interest shall be made effective not earlier than the first day of the calendar month in which notice is received by you. You are relieved hereby of any responsibility for determining if and when any of the interests hereinabove set forth shall or should revert to or be owned by other parties as a result of the completion or discharge of money or other payments from said interest and the signers hereof whose interests are affected by such money or other payments, if any, assume said responsibility and shall give you notice in writing by registered letter addressed to you at the above address, when any such money or other payments have been completed or discharged or when any other division of interest than that set forth above shall, for any reason, become effective and to furnish transfer orders accordingly, and that in the event such notice shall not be received, you shall be held harmless in the event of, and are hereby released from any and all damage or loss which might arise out of any overpayment.

SEVENTH: This division order shall become valid and binding on each and every owner above named as soon as signed by him or her regardless of whether any of the other above named owners have so signed; and in consideration of the purchase of oil hereunder, consent is given hereby to you and any pipe line company which you may cause to connect with the wells or tanks on said land, to disconnect and remove such pipe lines, in case of termination by either you or us of purchases under this division order.

EIGHTH: Working interest owners and operators who sign this division order, and each of them, gurantee and warrant for your benefit and that of any pipe line or other carrier designated by you to run or transport said oil, that all oil tendered hereunder has been and will be produced and handled in compliance with the Fair Labor Standards Act of 1938, and any amendments thereto, and all other federal, state and municipal laws, rules and regulations.

WITNESS OF SIGNATURES	OWNERS SIGN BELOW
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
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_____	_____
_____	_____
_____	_____
_____	_____

BE SURE YOUR SIGNATURE IS WITNESSED AND YOUR CORRECT ADDRESS IS SHOWN

GENERAL LAND OFFICE

AUSTIN 14, TEXAS

April 18, 1961

JERRY SADLER
COMMISSIONER

The Permian Corporation
P. O. Box 3119
Midland, Texas

Re: HENRY ANDERSON, ET AL
George P. Hill Lease
All in Sec. 20, Blk. 56,
Tsp. 3, T&P Ry. Co.
Reeves County, Texas

Gentlemen:

Our Lease No. M-46970

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the royalties the State shall receive, it is felt that it would not be in conformity with the law on the subject for this Department to execute your division order and thereby attempt to bind the State by the provisions contained therein.

This Department, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease which oil and/or gas shall become your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Sincerely yours,

JERRY SADLER, Commissioner

JS/oj
Permian's Lease No. 276230

THE PERMIAN CORPORATION

DIVISION ORDER

Lease No. 276230

April 4, 19 61

TO THE PERMIAN CORPORATION, P. O. BOX 3119, MIDLAND, TEXAS.

The undersigned, and each of us, certify and guarantee that we are the legal owners of and hereby warrant the title to our respective interests as set out below in all oil produced from all wells on the Henry Anderson, et al - George P. Hill farm or lease, located in Reeves County, State of Texas, more particularly described as follows:

NE/4 NE/4; SW/4 NE/4; NE/4 SE/4; SW/4 SE/4; NE/4 NW/4; SW/4 NW/4; NE/4 SW/4 and SW/4 SW/4; All in Section 20, Block 56, Township 3, T & P RR Company Survey, LIMITED TO PRODUCTION DOWN TO A DEPTH OF 3,650 FEET ONLY.

and commencing at 7 A.M., the 1st day of March, 1961, and until further written notice either from you or us you are authorized to receive oil therefrom, purchase it and pay for it as follows:

CREDIT TO	DIVISION OF INTEREST	POST OFFICE ADDRESS
	ROYALTY INTEREST	
The State of Texas, payable to the Commissioner of the General Land Office	.0625000 R.I.	**General Land Office Austin 14, Texas**
George P. Hill and Houston Hill	.0416667 R.I.	
J. R. Meeker	.0208333 R.I.	
	WORKING INTEREST	
Johnn Drilling Company	.0937500 W.I.	
W. H. Masterson	.0312500 W.I.	
A. P. Wells	.0312500 W.I.	
Sinclair Oil and Gas Company	.0625000 W.I.	
Henry J. Anderson, Jr.	.6562500 W.I.	

MAKE SURE YOUR CORRECT MAILING ADDRESS IS SHOWN ABOVE

RECEIVED
APR 14 1961
General Land Office

4. M.F. 4-62-210
Division Order
File Date 4-12-62
SADLER COMMERCIAL

The following covenants are also parts of this division order and shall be binding on the undersigned, their heirs, devisees, successors, legal representatives and assigns.

FIRST: The oil received and purchased hereunder shall become your property as soon as the same is received into your custody, or that of any pipe line company or carrier designated by you, and the undersigned agree to look solely to you for payment of oil purchased hereunder and shall have no claim or recourse against any subsequent purchaser of said oil.

SECOND: The oil received and purchased hereunder shall be delivered F. O. B. to any pipeline or carrier designated by you which gathers and receives said oil, and you shall pay for such oil to the respective owners according to the division of interest above set forth at the same price per barrel received by the operator of the lease covered by this division order. The word "oil" used herein shall mean crude oil and condensate (or distillate) delivered hereunder.

THIRD: Quality and quantity shall be determined in accordance with the conditions specified in the purchase agreement with lease operator. The oil shall be steamed when necessary to make merchantable and you may refuse to receive any oil not considered merchantable by you.

FOURTH: Settlements and payments shall be made monthly by check mailed from your office to the respective parties at the addresses above given, for the amount of such purchase price due said parties, respectively, less any taxes required by law to be deducted and paid by you as purchaser. At your option, you may withhold payment for such interests which have not accumulated the sum of $5.00 without the charge of interest.

FIFTH: Abstracts and other evidence of title satisfactory to you will be furnished to you at any time on demand. In the event of failure to so furnish such evidence of title, or in the event of any dispute or question at any time concerning title to the above lands, or the oil produced therefrom, you may hold the proceeds of all oil received and run, without interest, until indemnity satisfactory to you has been furnished or until such dispute or question of title is corrected or removed to your satisfaction. And in the event any action or suit is filed in any Court affecting title either to the real property above described or to the oil produced therefrom in which any of the undersigned are parties, written notice of filing of such action shall immediately be furnished you by the undersigned, stating the Court in which the same is filed and the title of such action or suit, and you or any carrier transporting oil for your account shall be held harmless from any judgment rendered in such suit and all reasonable costs and expenses incurred in defending against said claim, whether in your defense or in the defense of the carrier transporting oil for your account, and the undersigned shall pay said judgment and said costs and expenses.

SIXTH: The undersigned severally shall notify you of any change of ownership, and no transfer of interest shall be binding upon you until a transfer order and the recorded instrument evidencing such transfer, or a certified copy thereof, shall be furnished to you. Transfers of interest shall be made effective not earlier than the first day of the calendar month in which notice is received by you. You are relieved hereby of any responsibility for determining if and when any of the interests hereinabove set forth shall or should revert to or be owned by other parties as a result of the completion or discharge of money or other payments from said interest and the signers hereof whose interests are affected by such money or other payments, if any, assume said responsibility and shall give you notice in writing by registered letter addressed to you at the above address, when any such money or other payments have been completed or discharged or when any other division of interest than that set forth above shall, for any reason, become effective and to furnish transfer orders accordingly, and that in the event such notice shall not be received, you shall be held harmless in the event of, and are hereby released from any and all damage or loss which might arise out of any overpayment.

SEVENTH: This division order shall become valid and binding on each and every owner above named as soon as signed by him or her regardless of whether any of the other above named owners have so signed; and in consideration of the purchase of oil hereunder, consent is given hereby to you and any pipe line company which you may cause to connect with the wells or tanks on said land, to disconnect and remove such pipe lines, in case of termination by either you or us of purchases under this division order.

EIGHTH: Working interest owners and operators who sign this division order, and each of them, gurantee and warrant for your benefit and that of any pipe line or other carrier designated by you to run or transport said oil, that all oil tendered hereunder has been and will be produced and handled in compliance with the Fair Labor Standards Act of 1938, and any amendments thereto, and all other federal, state and municipal laws, rules and regulations.

WITNESS OF SIGNATURES	OWNERS SIGN BELOW

BE SURE YOUR SIGNATURE IS WITNESSED AND YOUR CORRECT ADDRESS IS SHOWN

SCURLOCK OIL COMPANY
HOUSTON CLUB BUILDING
HOUSTON, TEXAS

December 15, 1969

Dear Interest Owner:

We have completed our examination of title material and are accordingly enclosing herewith our division order covering the lease described thereon, under which you own an interest. If you find your interest to be correct, the division order should be signed by you in the presence of a witness in the space provided for signature of such witness. If the interest stands in the name of a married woman, the signature of her husband is also required. Permian Corporation was the former purchaser of this production.

In some cases, various interest owners have executed liens and/or deeds of trust covering their interest; and our division order has been prepared making this interest payable to the mortgagee in retirement of the particular indebtedness involved. It is necessary that both the mortgagor and the mortgagee execute a copy of this division order before this interest can be released for payment.

One copy of the division order, properly executed, should be returned to us promptly and the extra copy retained for your files. It is important that you check the division order to be sure it shows your correct mailing address.

It is also suggested that you make a record of the lease name; that is, the name of the producer as well as the name of the lease and the number which we have assigned to the lease, as our remittances will reflect the number only.

Your promptness in executing this division order and returning it to this office will be appreciated and will expedite payment to each of the interest owners.

Very truly yours,

SCURLOCK OIL COMPANY

James M. Bryant

James M. Bryant

JMB/ic
Encls.

RECEIVED
DEC 16 1969
General Land Office

JMB/ic

DIVISION ORDER

No. 16598

To: SCURLOCK OIL COMPANY
1501 Houston Club Building
Houston, Texas 77002

December 15, 19 69
EFFECTIVE WITH OCTOBER 1, 1969 RUNS

The undersigned certify and guarantee that they are the legal owners of Wells Nos. 1 and up on the

LAN OIL COMPANY Lease: ** GEORGE P. HILL

Described: NE/4 NE/4; NE/4 NW/4 Section 20, Block 56, Township 3, T & P RR Company Survey, Reeves County, Texas, LIMITED to production down to a depth of 3,650 feet only.

(KEN REGAN-DEL.)

REEVES County, State of TEXAS and the oil produced therefrom, including the Royalty Interest, and until further notice you will give credit for all oil received as per directions below:

CREDIT TO	DIVISION OF INTEREST		P. O. ADDRESS
ATLANTIC RICHFIELD CO.	.062500	OR	P. O. Box 354 Dallas, Texas 75221
EMMA E. HILL	.010417	RI	1021 Ft. Worth Natl. Bank Bldg. Fort Worth, Texas 76102
GEORGE P. HILL	.020833	RI	1325 Ft. Worth Natl. Bank Bldg. Fort Worth, Texas 76102
JOHNN DRILLING CO.	.080357	PP*	Box 6157 Odessa, Texas
VIRGINIA GLENN HILL LATTIMORE	.005208	RI	1021 Ft. Worth Natl. Bank Bldg. Ft. Worth, Texas 76102
JAMES ROBERT HILL	.005208	RI	1021 Ft. Worth Natl. Bank Bldg. Ft. Worth, Texas 76102
W. H. MASTERSON	.031250	OR	2807 Eastover Drive Odessa, Texas
J. R. MEEKER	.020833	RI	6000 Camp Bowie Blvd. Fort Worth, Texas 76116

(SEE REVERSE SIDE)

1. The oil run hereunder shall become the property of the Scurlock Oil Company, and good title is hereby warranted to it, and such good title to same shall pass to it as soon as the same is received and delivered to any pipe lines or other conveyances designated by the Scurlock Oil Company.
2. The oil received under this Division Order shall be paid for by the Purchaser (Scurlock Oil Company) to the party or parties entitled thereto according to the division of interests shown above at the price posted by Scurlock Oil Company. Settlements therefor shall be made monthly, except as hereinafter provided.
3. For the amount due on account of oil received during each calendar month, payment shall be made on or before the 20th of the next succeeding calendar month. Payments may be made by paying to the parties above designated in person or by mailing the Scurlock Oil Company check therefor to the address of the parties designated to receive same, as given above. Provided, however, at the option of the Scurlock Oil Company, that no payments shall be made to individual interest holders until the sum due on account of such interest shall amount to $5.00 or more. Orders transferring interests, supported by certified copy of deed, assignments, or other legal documents, should be in our hands by the 20th of the month in which the transfer becomes effective, it being understood that transfers of interests are effective on the first of any current month.
4. Quantities are to be computed from regularly compiled tank tables, or other methods of computation, the oil owner to have the privilege of witnessing the gauge tickets; and in addition to the deduction of the tank tables, correction shall be made for temperature and impurities according to the rules and regulations as prescribed by the Commission or other legal authority of the State in which wells are located. The oil shall be steamed, when necessary, to render it merchantable.
5. This contract shall continue in force for thirty days and thereafter, until terminated upon notice in accordance with this paragraph. It is agreed that after the expiration of said thirty days from date hereof, this contract may be terminated by the Scurlock Oil Company, the Purchaser, by its giving notice of its purpose so to terminate; and that any of the owners of said well interest may, by similar notice to the Scurlock Oil Company terminate this contract as to his interest, without, however, affecting the same as to the interest of the other parties.
6. Sellers severally agree to notify the Scurlock Oil Company of any change in ownership, it being understood that any vendee or assignee of said wells or the production thereof shall take the same, subject to the terms hereof.
7. Satisfactory abstracts or other evidence of title will be furnished to you at any time on demand. In the event of a failure to so furnish such evidence of title, or in the event of an adverse claim or dispute at any time concerning title, you may hold the proceeds of all oil received and run without being liable for interest on the amount retained, until indemnity satisfactory to you has been furnished, and in the event of any action or suit is filed in any court affecting the title either to the real property above described or to the oil produced therefrom in which any of the undersigned are parties, written notice of the filing of said action shall be immediately furnished you by the undersigned party against whom action is commenced, stating the court in which same is filed and the title of such action or suit; and you and/or any carrier transporting oil for your account shall be held harmless from any judgment rendered in such suit, insofar as same adversely affects the interest in said property owned by the undersigned and/or all reasonable costs and expenses incurred in defending against such claim insofar as same adversely affect the interest of the undersigned, whether in your defense or in the defense of the carrier transporting the oil for your account, and the undersigned agree to pay said judgment and said costs and expenses in the proportion and to the extent that same affect the interest owned by the undersigned.
8. Where, under the foregoing provision, the purchase price of any oil is retained, owners agree to indemnify and hold the Scurlock Oil Company harmless from any liability for any tax proposed or assessed against or paid on account of said retained purchase price, together with penalties incident thereto; and the Scurlock Oil Company may deduct same from any amount owing by it to owners.
9. The undersigned each agrees that any person, partnership or corporation to whom you may sell all or any part of the oil which you purchase hereunder may make payment to you for all of said oil purchased from you, and agrees to look solely to Scurlock Oil Company for payment of his interest in the oil which Scurlock Oil Company is purchasing from him hereunder. The undersigned each agrees, insofar as his interest is concerned, to hold harmless any purchaser from Scurlock Oil Company against any claim of any nature in connection with the purchase of such oil from Scurlock Oil Company and payment therefor.
10. This division order shall become valid and binding on each and every owner above named as soon as signed by him or her regardless of whether or not any other of the above named owners have so signed.
11. This division order supersedes all former division orders given on the property described above.
12. Where the term "oil" is used herein, it is intended to include "distillate or condensate."

Witness the signatures of the parties the day and year above written.

WITNESS:	SIGNATURE OF INTEREST OWNER	SOCIAL SECURITY OR TAX ACCOUNT NUMBER

RECEIVED
DEC 16 1969
General Land Office

(A COPY IS ENCLOSED FOR YOUR FILES)

SHOW YOUR ADDRESS and social security or tax account number. Failure to do so may delay payment. Signature must be witnessed.

No. 16598

CREDIT TO	DIVISION OF INTEREST		P. O. ADDRESS
STATE OF TEXAS	.062500	RI	General Land Office Austin, Texas
A. P. WELLS	.031250	OR	P. O. Box 951 Midland, Texas
L. A. LIVELY	.334822	WI	P. O. Box 1459 Pecos, Texas
RICHARD D. NAYLOR	.334822	WI	P. O. Box 1459 Pecos, Texas
	1.000000		

* The above interest represents a production payment payable until a certain sum, plus taxes, has been paid from the above interest. Scurlock Oil Company will not be held liable for erroneous payments until such time as Scurlock Oil Company has been notified in writing. This production payment will revert back to the working interest owner upon termination thereof.

December 17, 1969

Scurlock Oil Company
1501 Houston Club Building
Houston, Texas 77002

RE: George P. Hill Lease
All in Section 20, Block 56
Township 3, T & P RR. Co. Survey
Reeves County, Texas
D/O Number 16598 (Oil)

Gentlemen:

Our Lease No. 46970

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the royalties the State shall receive, it is felt that it would not be in conformity with the law on the subject for this Department to execute your division order and thereby attempt to bind the State by the provisions contained therein.

This Department, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease which oil and/or gas shall become your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Sincerely yours,

JERRY SADLER, COMMISSIONER

JS/js

Enclosure

D10 (5)

M. F. 46970

CORRESPONDENCE FILE

To Sunlock Oil Co.

From

Dated 12-17-69

SLS

INSTRUCTIONS TO ALL INTEREST OWNERS

Read Carefully Before Signing The Instrument

This instrument should not be altered in any way unless accompanied by documentary evidence to support the change.

If your name and interest are correctly shown:

Signature:

Sign name as shown on the instrument. Have your signature witnessed by at least one person not related to the party signing.

If signing for a corporation, signature must be attested, corporate seal affixed, and title of signatory party shown. If not previously furnished, a certified copy of authority of executing officer must be submitted.

If signed for a partnership, all partners must sign unless signed by an authorized partner and we are furnished a certified copy of his authority.

Signature by Second Party:

If the instrument is signed by agent, attorney-in-fact, guardian, estate representative, trustee or any party other than the named interest owner, we must have evidence of the rights vested in the signatory party.

Taxpayers Identification Number or Social Security Number:

Insert your number in the space provided.

Mailing Address:

Indicate, in the space provided, the address to which checks are to be mailed. Print or type. Do not abbreviate. If you are already receiving checks from this company, be sure to use the same address to which we are now mailing checks.

Lease Number:

On the third line of the instrument you will find the number assigned to this lease. This number will appear on the statement attached to your check and should always be used when corresponding with this company.

Change of Address:

You should notify us promptly of any change in your mailing address. This notice must be over your own signature, or the signature of your appointed agent. Always include your Owner Number (which appears on your check from this company) and your old address, then state your new address with zip code.

RETURN THE EXECUTED INSTRUMENT WITHOUT DELAY TO THE ADDRESS BELOW. KEEP ONE COPY FOR YOUR RECORDS.

The Permian Corporation
Attention: Division Order Department
P.O. Box 1183
Houston, Texas 77001

121

THE PERMIAN CORPORATION

2000 SOUTH POST OAK ROAD AREA CODE 713-840-7530
P. O. BOX 1183 HOUSTON, TEXAS 77001

TWX: 910-881-1675
"OXYCHEM HOU #2"

February 9, 1981

RE: Lease No. 473347 - The Eastland Oil Company - H & M

Dear Royalty Interest Owner:

Please find enclosed The Permian Corporation's division order covering the captioned lease and based upon Mr. W. F. Pennebaker's division order title opinion dated January 9, 1981.

If this division order meets with your approval, kindly execute in accordance with the attached instructions and return one fully executed and witnessed copy to The Permian Corporation for further handling.

Thank you for your attention to the above. If we may be of further assistance, please advise.

Sincerely,

THE PERMIAN CORPORATION

Deborah G. Dodge

DGD:ds

enclosure

cc: The Eastland Oil Company
P. O. Box 3488
Midland, Texas 79702

THE PERMIAN CORPORATION

DIVISION ORDER

Lease No. 473347 February 9 ,19 81

TO THE PERMIAN CORPORATION, P. O. BOX 1183, HOUSTON, TEXAS 77001

The undersigned, and each of us, certify and guarantee that we are the legal owners of and hereby warrant the title to our respective interests as set out below in all oil produced from all wells on the

The Eastland Oil Company - H & M

farm or lease, located in Reeves County, State of Texas, more particularly described as follows:

Section 20, Block 56, T-3, T&P RR Co. Survey, REEVES COUNTY, TEXAS, Save and Except the NE/4 of NE/4 and the NE/4 of NW/4 of said Section 20, but limited from the surface to a depth of 3650 feet.

and commencing at 7 A.M., the _____ day of first runs, 19____, and until further written notice either from you or us you are authorized to receive oil therefrom, purchase it and pay for it as follows:

CREDIT TO	DIVISION OF INTEREST		POST OFFICE ADDRESS
	ROYALTY INTEREST		GENERAL LAND OFFICE STEPHEN F. AUSTIN BUILDING 1700 NORTH CONGRESS AVENUE AUSTIN, TEXAS 78701 TAX I. D. [redacted]
State of Texas	1/16 (.0625000)	R.I.	
Hill Revocable Trusts U/T/A 4/1/74	1/3 of 3/16 (.0625000)	R.I.	
Virginia Glenn Hill Lattimore	1/4 of 1/3 of 3/16 (.0156250)	R.I.	
James Robert Hill	1/4 of 1/3 of 3/16 (.0156250)	R.I.	
Virginia Glenn Hill Lattimore and James Robert Hill, Independent Executors of the Estate of Emma E. Hill	1/2 of 1/3 of 3/16 (.0312500)	R.I.	
* Macfils Corporation	1/3 of 1/3 of 3/16 (.0208334)	R.I.	
* National Bank of Commerce ** of San Antonio for the account of James J. Meeker	1/3 of 1/3 of 3/16 (.0208334)	R.I.	

MAKE SURE YOUR CORRECT MAILING ADDRESS IS SHOWN ABOVE

Form 259 Rev. 4-1-63

The following covenants are also parts of this division order and shall be binding on the undersigned, their heirs, devisees, successors, legal representatives and assigns.

FIRST: The oil received and purchased hereunder shall become your property as soon as the same is received into your custody, or that of any pipe line company or carrier designated by you, and the undersigned agree to look solely to you for payment of oil purchased hereunder and shall have no claim or recourse against any subsequent purchaser of said oil.

SECOND: The oil received and purchased hereunder shall be delivered F. O. B. to any pipeline or carrier designated by you which gathers and receives said oil, and you shall pay for such oil to the respective owners according to the division of interest above set forth at the same price per barrel received by the operator of the lease covered by this division order. The word "oil" used herein shall mean crude oil and condensate (or distillate) delivered hereunder.

THIRD: Quality and quantity shall be determined in accordance with the conditions specified in the purchase agreement with lease operator. The oil shall be steamed when necessary to make merchantable and you may refuse to receive any oil not considered merchantable by you.

FOURTH: Settlements and payments shall be made monthly by check mailed from your office to the respective parties at the addresses above given, for the amount of such purchase price due said parties, respectively, less any taxes required by the law to be deducted and paid by you as purchaser.

FIFTH: Abstracts and other evidence of title satisfactory to you will be furnished to you at any time on demand. In the event of failure to so furnish such evidence of title, or in the event of any dispute or question at any time concerning title to the above lands, or the oil produced therefrom, you may hold the proceeds of all oil received and run, without interest, until indemnity satisfactory to you has been furnished or until such dispute or question of title is corrected or removed to your satisfaction. And in the event any action or suit is filed in any Court affecting title either to the real property above described or to the oil produced therefrom in which any of the undersigned are parties, written notice of filing of such action shall immediately be furnished you by the undersigned, stating the Court in which the same is filed and the title of such action or suit, and you or any carrier transporting oil for your account shall be held harmless from any judgment rendered in such suit and all reasonable costs and expenses incurred in defending against said claim, whether in your defense or in the defense of the carrier transporting oil for your account, and the undersigned shall pay said judgment and said costs and expenses.

SIXTH: The undersigned severally shall notify you of any change of ownership, and no transfer of interest shall be binding upon you until a transfer order and the recorded instrument evidencing such transfer, or a certified copy thereof, shall be furnished to you. Transfers of interest shall be made effective not earlier than the first day of the calendar month in which notice is received by you. You are relieved hereby of any responsibility for determining if and when any of the interests hereinabove set forth shall or should revert to or be owned by other parties as a result of the completion or discharge of money or other payments from said interest and the signers hereof whose interests are affected by such money or other payments, if any, assume said responsibility and shall give you notice in writing by registered letter addressed to you at the above address, when any such money or other payments have been completed or discharged or when any other division of interest than that set forth above shall, for any reason, become effective and to furnish transfer orders accordingly, and that in the event such notice shall not be received, you shall be held harmless in the event of, and are hereby released from any and all damage or loss which might arise out of any overpayment.

SEVENTH: This division order shall become valid and binding on each and every owner above named as soon as signed by him or her regardless of whether any of the other above named owners have so signed; and in consideration of the purchase of oil hereunder, consent is given hereby to you and any pipe line company which you may cause to connect with the wells or tanks on said land, to disconnect and remove such pipe lines, in case of termination by either you or us of purchases under this division order.

EIGHTH: Working interest owners and operators who sign this division order, and each of them, guarantee and warrant for your benefit and that of any pipe line or other carrier designated by you to run or transport said oil, that all oil tendered hereunder has been and will be produced and handled in compliance with the Fair Labor Standards Act of 1938, and any amendments thereto, and all other federal, state and municipal laws, rules and regulations.

IN ACCORDANCE WITH FEDERAL LAW, PLEASE INDICIATE YOUR SOCIAL SECURITY OR IDENTIFICATION NUMBER BELOW:

_____

WITNESS OF SIGNATURES	OWNERS SIGN BELOW
	GENERAL LAND OFFICE STEPHEN F. AUSTIN BUILDING 1700 NORTH CONGRESS AVENUE AUSTIN, TEXAS 78701 TAX I. D. [redacted]

BE SURE YOUR SIGNATURE IS WITNESSED AND YOUR CORRECT ADDRESS IS SHOWN

* Lawrence Hill Meeker and The First National Bank of Fort Worth, Trustees u/w/o W. W. Meeker F/B/O Charley R. Meeker Trust No. 2952	1/12 of 1/3 of 3/16 (.0052083)	R.I.
* Lawrence Hill Meeker and The First National Bank of Fort Worth, Trustees U/A for Charley R. Meeker Trust No. 3084	1/12 of 1/3 of 3/16 (.0052083)	R.I.
* The First National Bank of Fort Worth, Guardian for Anne Phillips Trust No. 1876	1/12 of 1/3 of 3/16 (.0052083)	R.I.
* The First National Bank of Fort Worth, Trustee U/W/O W. W. Meeker F/B/O Anne Phillips Trust No. 2951	1/12 of 1/3 of 3/16 (.0052083)	R.I.

OVERRIDING ROYALTY INTEREST

Frank or Ester M. O'Kelley	25% of 4% (.0100000)	O.R.R.I.
Frank M. O'Kelley	1/2 of 1% (.0050000)	O.R.R.I.
Jim L. Hooker	25% of 4% plus 1/2 of 1% (.0150000)	O.R.R.I.
Tom Craddick	25% of 4% (.0100000)	O.R.R.I.
Linden T. Heck	1/3 of 25% of 4% (.0033333)	O.R.R.I.
James A. Heck	1/3 of 25% of 4% (.0033333)	O.R.R.I.
Douglas G. Heck	1/3 of 25% of 4% (.0033334)	O.R.R.I.

WORKING INTEREST

*** L.B.L. 80 Company, a partnership	75% of 70% (.5250000)	W.I.
*** The Eastland Oil Company	22.5% of 70% (.1575000)	W.I.
*** Edward R. Kennedy	2.5% of 70% (.0175000)	W.I.

* If, as and when payout occurs, these interests shall be subject to change. By execution of this division order, each of said parties covenants and agrees to hold The Permian Corporation harmless from any liability in determining if, as and when this contingency occurs in the absence of 30 days written notice by registered mail.

** This interest is payable as credited above by virtue of a Deed of Trust dated 24 August 1978 and recorded in Volume 110, Page 36, Deed of Trust Records _____ County (State) _____ in favor of Ridglea Bank, Fort Worth, Texas; this deed of trust was assigned by Ridglea Bank to National Bank of Commerce, San Antonio, Texas, by instrument dated 24 July 1979, recorded in Volume 378, Page 351, Deed Records _____ County (State) _____. By execution of this division order, James J. Meeker covenants and agrees to hold The Permian Corporation harmless from any liability in determining if, as and when this indebtedness is paid in the absence of 30 days written notice by registered mail.

** This interest is payable as credited above by virtue of a Mortgage dated 26 June 1979 and recorded in Volume(Book) 112, Page 251, Deed of Trust Records Reeves County, Texas. By execution of this division order, James J. Meeker covenants and agrees to hold The Permian Corporation harmless from any liability in determining if, as and when this indebtedness is paid in the absence of 30 days written notice by registered mail.

*** These interests are subject to change if options in Macfils Corporation et al are exercised. By execution of this division order, each of said parties authorizes and directs The Permian Corporation to make payment as credited above and further covenants and agrees to hold The Permian Corporation wholly harmless and not liable for the accounting of payments made under these interests until such time as The Permian Corporation shall have received 30 days written notice by registered mail that such interests shall no longer be paid as credited above.

General
Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

March 25, 1981

The Permian Corp.
P. O. Box 1183
Houston, Texas 77001

RE: State Lease M-46970
The Eastland Oil Co. - H & M
Sec. 20, Blk. 56, T-3, T&P RR. Co. Sur.
Reeves County, Texas
Oil DO #473347

Gentlemen:

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the royalties the State shall receive, it is felt that it would not be in conformity with the law on the subject for this Division to execute your division order and thereby attempt to bind the State by the provisions contained therein.

This Division, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease, which oil and/or gas shall become your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Very truly yours,

Max J. Werkenthin, Attorney
Energy Resources
Phone: 512-475-6749
Enclosure

(6)

M. F. 46970
CORRESPONDENCE FILE

To Surface Leases

From

Dated 3-25-81

121

THE PERMIAN CORPORATION

2000 POST OAK BOULEVARD 713/840-7530
P. O. BOX 1183 HOUSTON, TEXAS 77001

TWX: 910-881-1675
"OXYCHEM HOU #2"

September 29, 1982

RE: Lease No. 477802 - The Eastland Oil Company - H & M
RE: State Lease No. M-46970

Mr. Max Werkenthin, Atty.
General Land Office - State of Texas
1700 N. Congress Ave.
Austin, Texas 78701

Dear Mr. Werkenthin:

Pursuant to our telephone conversation on September 29, 1982 regarding the land description for the above referenced lease, enclosed please find a set of the letters which we sent to all interest owners on about July 28, 1982 correcting the description for the H & M Lease.

If the enclosed description meets with your approval, kindly indicate your acceptence thereon as indicated in the letter, return one fully signed copy on behalf of the State of Texas to this office and retain the additional copy for the State's records.

If you have any questions or if we can be of additional assistance, please do not hesitate to contact us. Thank you for your cooperation.

Very truly yours,

THE PERMIAN CORPORATION

Charmayne King

Charmayne King

CK/jjk

Enclosures

THE PERMIAN CORPORATION

2000 POST OAK BOULEVARD 713/840-7530
P. O. BOX 1183 HOUSTON, TEXAS 77001

TWX: 910-881-1675
"OXYCHEM HOU #2"

July 28, 1982

Re: Lease No. 477802 - The Eastland Oil Company - H & M

Dear Interest Owner:

The Permian Corporation is in receipt of a letter from The Eastland Oil Company dated July 20, 1982 indicating that we correct the division order for the above captioned lease to read as follows:

> NW/4 of NE/4 of Section 20, Block 56, T-3, T&P Ry Company Survey, Reeves County, Texas, but limited to a depth of 3,650 feet from the surface.

In order that The Permian Corporation may have an acknowledgment from you of receipt of a copy of this letter, please so indicate by signing and dating in the space provided below and return one copy to this office for further handling. For your convenience, we have enclosed a self addressed stamped envelope.

If you have any questions about the amended description for the H & M Lease, or if we can be of further assistance, please do not hesitate to contact us. Thank you for your cooperation in this matter.

Very Truly Yours,

THE PERMIAN CORPORATION

Charmayne Moody Wells

Charmayne Moody Wells

CMW/jjk

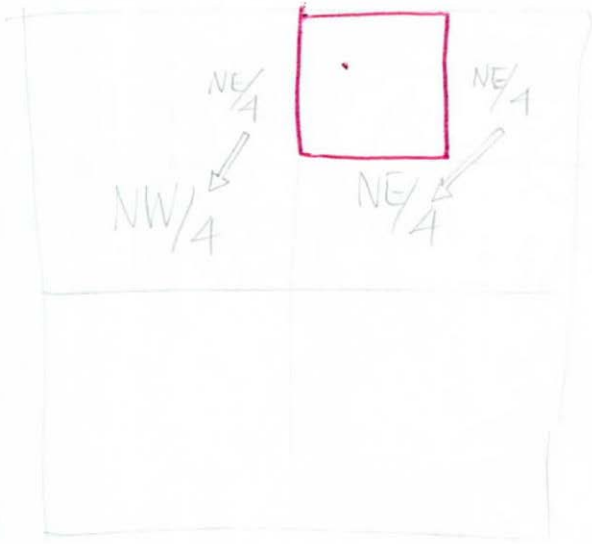
enclosures

cc: Mr. E. J. Hogan
The Eastland Oil Company
P. O. Drawer 3488
560 One Marienfeld Place
Midland, Texas 79702

Accepted and agreed to this

_____ day of _____ 1982

_____
Signature


NE/4
NE/4
NW/4
NE/4

121

THE PERMIAN CORPORATION

2000 POST OAK BOULEVARD 713/840-7530
P. O. BOX 1183 HOUSTON, TEXAS 77001

TWX: 910-881-1675
"OXYCHEM HOU #2"

June 29, 1982

Re: Lease No. 477802 - The Eastland Oil Company - H & M

Dear Interest Owner:

Enclosed is The Permian Corporation's division order covering the above captioned lease. The interest credited to you was furnished to us as the after payout schedule for lease no. 473347, the H & M "B" division order title opinion by Mr. W. F. Pennebaker dated January 9, 1981. Additional information was also furnished to us by The Eastland Oil Company.

Please review the enclosed division order. If it meets with your approval, kindly execute same in accordance with the attached instructions and return one fully executed and witnessed copy to The Permian Corporation for further handling. The additional copy is for your records.

If you have any questions regarding the division order, or we can be of additional assistance, please do not hesitate to contact us. Thank your for your cooperation.

Very Truly Yours,

THE PERMIAN CORPORATION

Charmayne Moody Wells

Charmayne Moody Wells

CMW/jjk

enclosures

cc: Mr. E. J. Hogan
The Eastland Oil Company
P. O. Drawer 3488
560 One Marienfeld Place
Midland, Texas 79702

* Check on legal desch of prop.

9-29-82 called Permian. They said D/O intended to cover only NW/4 of NE/4 of Sec. 20, Blk. 56.

INSTRUCTIONS TO ALL INTEREST OWNERS

Read Carefully Before Signing The Instrument

This instrument should not be altered in any way unless accompanied by documentary evidence to support the change.

If your name and interest are correctly shown:

Signature:

Sign name as shown on the instrument. Have your signature witnessed by at least one person not related to the party signing.

If signing for a corporation, signature must be attested, corporate seal affixed, and title of signatory party shown. If not previously furnished, a certified copy of authority of executing officer must be submitted.

If signed for a partnership, all partners must sign unless signed by an authorized partner and we are furnished a certified copy of his authority.

Signature by Second Party:

If the instrument is signed by agent, attorney-in-fact, guardian, estate representative, trustee or any party other than the named interest owner, we must have evidence of the rights vested in the signatory party.

Taxpayers Identification Number or Social Security Number:

Insert your number in the space provided.

Mailing Address:

Indicate, in the space provided, the address to which checks are to be mailed. Print or type. Do not abbreviate. If you are already receiving checks from this company, be sure to use the same address to which we are now mailing checks.

Lease Number:

On the third line of the instrument you will find the number assigned to this lease. This number will appear on the statement attached to your check and should always be used when corresponding with this company.

Change of Address:

You should notify us promptly of any change in your mailing address. This notice must be over your own signature, or the signature of your appointed agent. Always include your Owner Number (which appears on your check from this company) and your old address, then state your new address with zip code.

RETURN THE EXECUTED INSTRUMENT WITHOUT DELAY TO THE ADDRESS BELOW. KEEP ONE COPY FOR YOUR RECORDS.

The Permian Corporation
Attention: Division Order Department
P.O. Box 1183
Houston, Texas 77001

PC-127

THE PERMIAN CORPORATION

DIVISION ORDER

June 29, 19 82

Lease No. 477802

TO THE PERMIAN CORPORATION, P. O. BOX 1183, HOUSTON, TEXAS 77001

The undersigned, and each of us, certify and guarantee that we are the legal owners of and hereby warrant the title to our respective interests as set out below in all oil produced from all wells on the The Eastland Oil Company - H & M

farm or lease, located in Reeves County, State of Texas, more particularly described as follows:

40 acres out of Section 20, Block 56, T-3, T & P RR. Co. Survey, Save and Except the NE/4 of NE/4 and the NE/4 of NW/4 of said Section 20, but limited from the surface to a depth of 3,650 feet, Reeves County, Texas.

and commencing at 7 A.M., the _____ day of first runs, 19____, and until further written notice either from you or us you are authorized to receive oil therefrom, purchase it and pay for it as follows:

CREDIT TO	DIVISION OF INTEREST	POST OFFICE ADDRESS
	ROYALTY INTEREST	
State of Texas	1/16 R. I. (.0625000)	
Hill Revocable Trusts	1/16 R. I. (.0625000)	
Virginia Glenn Hill Lattimore	1/4 of 1/3 of 3/16 R. I. (.0156250)	
James Robert Hill	1/4 of 1/3 of 3/16 R. I. (.0156250)	
Virginia Glenn Hill Lattimore and James Robert Hill, Independent Executors of Estate of Emma E. Hill	1/2 of 1/3 of 3/16 R. I. (.0312500)	
Meeker & Co., Inc.	1/3 of 1/3 of 1/16 R. I. (.0069444)	
*James J. Meeker	1/3 of 1/3 of 1/16 R. I. (.0069445)	
Lawrence Hill Meeker & The First National Bank of Fort Worth, Trustees for Charles R. Meeker Trust # 2952	1/12 of 1/3 of 1/16 R. I. (.0017361)	

MAKE SURE YOUR CORRECT MAILING ADDRESS IS SHOWN ABOVE

Form 259 Rev. 4-1-63

The following covenants are also parts of this division order and shall be binding on the undersigned, their heirs, devisees, successors, legal representatives and assigns.

FIRST: The oil received and purchased hereunder shall become your property as soon as the same is received into your custody, or that of any pipe line company or carrier designated by you, and the undersigned agree to look solely to you for payment of oil purchased hereunder and shall have no claim or recourse against any subsequent purchaser of said oil.

SECOND: The oil received and purchased hereunder shall be delivered F. O. B. to any pipeline or carrier designated by you which gathers and receives said oil, and you shall pay for such oil to the respective owners according to the division of interest above set forth at the sam price per barrel received by the operator of the lease covered by this division order. The word "oil" used herein shall mean crude oil and condensate (or distillate) delivered hereunder.

THIRD: Quality and quantity shall be determined in accordance with the conditions specified in the purchase agreement with lease operator. The oil shall be steamed when necessary to make merchantable and you may refuse to receive any oil not considered merchantable by you.

FOURTH: Settlements and payments shall be made monthly by check mailed from your office to the respective parties at the addresses above given, for the amount of such purchase price due said parties, respectively, less any taxes required by the law to be deducted and paid by you as purchaser.

FIFTH: Abstracts and other evidence of title satisfactory to you will be furnished to you at any time on demand. In the event of failure to so furnish such evidence of title, or in the event of any dispute or question at any time concerning title to the above lands, or the oil produced therefrom, you may hold the proceeds of all oil received and run, without interest, until indemnity satisfactory to you has been furnished or until such dispute or question of title is corrected or removed to your satisfaction. And in the event any action or suit is filed in any Court affecting title either to the real property above described or to the oil produced therefrom in which any of the undersigned are parties, written notice of filing of such action shall immediately be furnished you by the undersigned, stating the Court in which the same is filed and the title of such action or suit, and you or any carrier transporting oil for your account shall be held harmless from any judgment rendered in such suit and all reasonable costs and expenses incurred in defending against said claim, whether in your defense or in the defense of the carrier transporting oil for your account, and the undersigned shall pay said judgment and said costs and expenses.

SIXTH: The undersigned severally shall notify you of any change of ownership, and no transfer of interest shall be binding upon you until a transfer order and the recorded instrument evidencing such transfer, or a certified copy thereof, shall be furnished to you. Transfers of interest shall be made effective not earlier than the first day of the calendar month in which notice is received by you. You are relieved hereby of any responsibility for determining if and when any of the interests hereinabove set forth shall or should revert to or be owned by other parties as a result of the completion or discharge of money or other payments from said interest and the signers hereof whose interests are affected by such money or other payments, if any, assume said responsibility and shall give you notice in writing by registered letter addressed to you at the above address, when any such money or other payments have been completed or discharged or when any other division of interest than that set forth above shall, for any reason, become effective and to furnish transfer orders accordingly, and that in the event such notice shall not be received, you shall be held harmless in the event of, and are hereby released from any and all damage or loss which might arise out of any overpayment.

SEVENTH: This division order shall become valid and binding on each and every owner above named as soon as signed by him or her regardless of whether any of the other above named owners have so signed; and in consideration of the purchase of oil hereunder, consent is given hereby to you and any pipe line company which you may cause to connect with the wells or tanks on said land, to disconnect and remove such pipe lines, in case of termination by either you or us of purchases under this division order.

EIGHTH: Working interest owners and operators who sign this division order, and each of them, guarantee and warrant for your benefit and that of any pipe line or other carrier designated by you to run or transport said oil, that all oil tendered hereunder has been and will be produced and handled in compliance with the Fair Labor Standards Act of 1938, and any amendments thereto, and all other federal, state and municipal laws, rules and regulations.

IN ACCORDANCE WITH FEDERAL LAW, PLEASE INDICIATE YOUR SOCIAL SECURITY OR IDENTIFICATION NUMBER BELOW:

_____

WITNESS OF SIGNATURES	OWNERS SIGN BELOW

BE SURE YOUR SIGNATURE IS WITNESSED AND YOUR CORRECT ADDRESS IS SHOWN

Lawrence Hill Meeker & The First National Bank of Fort Worth, Trustees of the Charley R. Meeker Trust # 3084	1/12 of 1/3 of 1/16 R. I. (.0017361)
The First National Bank of Fort Worth, Guardian for Anne W. Phillips Trust # 1876	1/12 of 1/3 of 1/16 R. I. (.0017361)
The First National Bank of Fort Worth, Trustee for Anne W. Phillip Trust # 2951	1/12 of 1/3 of 1/16 R. I. (.0017361)

OVERRIDING ROYALTY INTEREST

Frank O'Kelley	25% of 4% plus 1/2 of 1% O. R. R. I. (.0150000)
Jim L. Hooker	25% of 4% plus 1/2 of 1% O. R. R. I. (.0150000)
Tom Craddick	25% of 4% O. R. R. I. (.0100000)
Linden T. Kettlewell	1/3 of 25% of 4% O. R. R. I. (.0033333)
James A. Heck	1/3 of 25% of 4% O. R. R. I. (.0033333)
Douglas G. Heck	1/3 of 25% of 4% O. R. R. I. (.0033333)

WORKING INTEREST

L. B. L. 80 Company, Ltd.	.5015625 W. I.
The Eastland Oil Company	.1504688 W. I.
Edward R. Kennedy	.0167187 W. I.
Meeker & Company, Inc.	1/3 x 1/4 x 1/3 x 7/8 W. I. (.0243056)
*James J. Meeker	1/3 x 1/4 x 1/3 x 7/8 W. I. (.0243056)
Lawrence Hill Meeker & The First National Bank of Fort Worth, Trustees for Charles R. Meeker Trust # 2952	1/12 x 1/4 x 1/3 x 7/8 W. I. (.0060764)
Lawrence Hill Meeker & First National Bank of Fort Worth, Trustees of the Charley R. Meeker Trust # 3084	1/12 x 1/4 x 1/3 x 7/8 W. I. (.0060764)

The First National Bank of Fort Worth, Guardian for Anne W. Phillips Trust # 1876	1/12 x 1/4 x 1/3 x 7/8 W. I. (.0060764)
The First National Bank of Fort Worth, Trustee for Anne W. Phillips Trust # 2951	1/12 x 1/4 x 1/3 x 7/8 W. I. (.0060764)

*These interests are subject to a Deed of Trust dated August 1, 1982 and recorded in Volume 118, Page 280, Deed Records Reeves County, Texas, in favor of Wells Fargo Bank, N. A. which by execution of this division order, authorizes and directs The Permian Corporation to make payment as credited above and further covenants and agrees to hold The Permian Corporation wholly harmless and not liable for the accounting the payments made under this interest until such time as The Permian Corporation shall have received 30 days written notice by registered mail that such interest shall no longer be paid as credited above.

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

October 12, 1982

The Permian Corp.
P. O. Box 1183
Houston, Texas 77001

RE: State Lease M-46907
The Eastland Oil Co - H & M
40 Acres, Sec. 20, Block 56, T-3,
T&P RR Co. Survey
Reeves County, Texas
Oil D.O. #477802

Gentlemen:

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the royalties the State shall receive, it is felt that it would not be in conformity with the law on the subject for this Division to execute your division order and thereby attempt to bind the State by the provisions contained therein.

This Division, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease, which oil and/or gas shall become your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Very truly yours,

Max J. Werkenthin, Attorney
Energy Resources
Phone: 512-475-6749
Enclosure

(7)

M. F. 4/6970

CORRESPONDENCE FILE

To

DIVISION ORDER

From

Dated 10-12-82

THE PERMIAN CORPORATION
P. O. BOX 1183 HOUSTON, TEXAS 77001

State of Texas
General Land Office
Austin, Texas 78701

121

THE PERMIAN CORPORATION

2000 POST OAK BOULEVARD 713/840-7530
P. O. BOX 1183 HOUSTON, TEXAS 77001

TWX: 910-881-1675
"OXYCHEM HOU #2"

June 13, 1983

RE: Lease No. 482012 - The Eastland Oil Company - H & M-C

Dear Interest Owners:

Enclosed herewith is The Permian Corporation's Division Order covering the captioned lease and based upon information already received under Permian's Lease No. 473347 and Lease No. 477802. We have also used two fully executed and recorded Assignments executed in favor of Eastland Oil Company and W. R. Laws, et al. If the attached Division Order meets with your approval, kindly execute in accordance with our instructions and return one fully executed and witnessed copy to The Permian Corporation for further handling.

For our file completion, The Permian Corporation would request that The Eastland Oil Company furnish us with a copy of their well location plat.

Thank you for your attention to the above matters and if we can be of additional assistance, please advise.

Sincerely,

THE PERMIAN CORPORATION

Janice O'Neal

Janice O'Neal

JO/jjk

Enclosures

INSTRUCTIONS TO ALL INTEREST OWNERS

Read Carefully Before Signing The Instrument

This instrument should not be altered in any way unless accompanied by documentary evidence to support the change.

If your name and interest are correctly shown:

Signature:	Sign name as shown on the instrument. Have your signature witnessed by at least one person not related to the party signing. If signing for a corporation, signature must be attested, corporate seal affixed, and title of signatory party shown. If not previously furnished, a certified copy of authority of executing officer must be submitted. If signed for a partnership, all partners must sign unless signed by an authorized partner and we are furnished a certified copy of his authority.
Signature by Second Party:	If the instrument is signed by agent, attorney-in-fact, guardian, estate representative, trustee or any party other than the named interest owner, we must have evidence of the rights vested in the signatory party.
Taxpayers Identification Number or Social Security Number:	Insert your number in the space provided.
Mailing Address:	Indicate, in the space provided, the address to which checks are to be mailed. Print or type. Do not abbreviate. If you are already receiving checks from this company, be sure to use the same address to which we are now mailing checks.
Lease Number:	On the third line of the instrument you will find the number assigned to this lease. This number will appear on the statement attached to your check and should always be used when corresponding with this company.
Change of Address:	You should notify us promptly of any change in your mailing address. This notice must be over your own signature, or the signature of your appointed agent. Always include your Owner Number (which appears on your check from this company) and your old address, then state your new address with zip code.

RETURN THE EXECUTED INSTRUMENT WITHOUT DELAY TO THE ADDRESS BELOW. KEEP ONE COPY FOR YOUR RECORDS.

The Permian Corporation
Attention: Division Order Department
P.O. Box 1183
Houston, Texas 77001

THE PERMIAN CORPORATION

DIVISION ORDER

LEASE NO. 482012 June 13 ,19 83

TO THE PERMIAN CORPORATION, P. O. BOX 1183, HOUSTON, TEXAS 77001

The undersigned, and each of us, certify and guarantee that we are the legal owners of and hereby warrant the title to our respective interests as set out below in all oil produced from all wells on the

The Eastland Oil Company - H & M-C

farm or lease, located in Reeves County, State of Texas, more particularly described as follows:

SW/4 of NW/4, Section 20, Block 56, T-3, T&P RR Co. Survey, Reeves County, Texas.

LIMITED to production obtained from the surface to 3,650 feet beneath the surface.

and commencing at 7 A.M., the _____ day of first runs, 19____, and until further written notice either from you or us you are authorized to receive oil therefrom, purchase it and pay for it as follows:

CREDIT TO	DIVISION OF INTEREST	POST OFFICE ADDRESS
	ROYALTY INTERESTS	
State of Texas	.0625000 R.I. ✓	STATE OF TEXAS GENERAL LAND OFFICE STEPHEN F. AUSTIN BUILDING AUSTIN, TEXAS 78701 TAX I. D. #74-6000 108
Virginia Glenn Hill Lattimore	.0156250 R.I.	
James Robert Hill	.0156250 R.I.	
Virginia Glenn Hill Lattimore and James Robert Hill Indep. Executors of the Est. of Emma E. Hill	.0312500 R.I.	
Meeker and Co., Inc.	.0208333 R.I.	
James J. Meeker	.0208334 R.I.	
Lawrence Hill Meeker & the First National Bank of Ft. Worth Trustees u/w/o W. W. Meeker f/t/b/o Charley R. Meeker, Trust No. 2952	.0052083 R.I.	
Lawrence Hill Meeker & the First National Bank of Ft. Worth, Trustees of the Charley R. Meeker Trust, No. 3084	.0052083 R.I.	
The First National Bank of Fort Worth, Guardian for Anne Phillips, Trust No. 1876	.0052083 R.I.	

GLO Copy

MAKE SURE YOUR CORRECT MAILING ADDRESS IS SHOWN ABOVE

Form 259 Rev. 4-1-63

The following covenants are also parts of this division order and shall be binding on the undersigned, their heirs, devisees, successors, legal representatives and assigns.

FIRST: The oil received and purchased hereunder shall become your property as soon as the same is received into your custody, or that of any pipe line company or carrier designated by you, and the undersigned agree to look solely to you for payment of oil purchased hereunder and shall have no claim or recourse against any subsequent purchaser of said oil.

SECOND: The oil received and purchased hereunder shall be delivered F. O. B. to any pipeline or carrier designated by you which gathers and receives said oil, and you shall pay for such oil to the respective owners according to the division of interest above set forth at the same price per barrel received by the operator of the lease covered by this division order. The word "oil" used herein shall mean crude oil and condensate (or distillate) delivered hereunder.

THIRD: Quality and quantity shall be determined in accordance with the conditions specified in the purchase agreement with lease operator. The oil shall be steamed when necessary to make merchantable and you may refuse to receive any oil not considered merchantable by you.

FOURTH: Settlements and payments shall be made monthly by check mailed from your office to the respective parties at the addresses above given, for the amount of such purchase price due said parties, respectively, less any taxes required by the law to be deducted and paid by you as purchaser.

FIFTH: Abstracts and other evidence of title satisfactory to you will be furnished to you at any time on demand. In the event of failure to so furnish such evidence of title, or in the event of any dispute or question at any time concerning title to the above lands, or the oil produced therefrom, you may hold the proceeds of all oil received and run, without interest, until indemnity satisfactory to you has been furnished or until such dispute or question of title is corrected or removed to your satisfaction. And in the event any action or suit is filed in any Court affecting title either to the real property above described or to the oil produced therefrom in which any of the undersigned are parties, written notice of filing of such action shall immediately be furnished you by the undersigned, stating the Court in which the same is filed and the title of such action or suit, and you or any carrier transporting oil for your account shall be held harmless from any judgment rendered in such suit and all reasonable costs and expenses incurred in defending against said claim, whether in your defense or in the defense of the carrier transporting oil for your account, and the undersigned shall pay said judgment and said costs and expenses.

SIXTH: The undersigned severally shall notify you of any change of ownership, and no transfer of interest shall be binding upon you until a transfer order and the recorded instrument evidencing such transfer, or a certified copy thereof, shall be furnished to you. Transfers of interest shall be made effective not earlier than the first day of the calendar month in which notice is received by you. You are relieved hereby of any responsibility for determining if and when any of the interests hereinabove set forth shall or should revert to or be owned by other parties as a result of the completion or discharge of money or other payments from said interest and the signers hereof whose interests are affected by such money or other payments, if any, assume said responsibility and shall give you notice in writing by registered letter addressed to you at the above address, when any such money or other payments have been completed or discharged or when any other division of interest than that set forth above shall, for any reason, become effective and to furnish transfer orders accordingly, and that in the event such notice shall not be received, you shall be held harmless in the event of, and are hereby released from any and all damage or loss which might arise out of any overpayment.

SEVENTH: This division order shall become valid and binding on each and every owner above named as soon as signed by him or her regardless of whether any of the other above named owners have so signed; and in consideration of the purchase of oil hereunder, consent is given hereby to you and any pipe line company which you may cause to connect with the wells or tanks on said land, to disconnect and remove such pipe lines. in case of termination by either you or us of purchases under this division order.

EIGHTH: Working interest owners and operators who sign this division order, and each of them, guarantee and warrant for your benefit and that of any pipe line or other carrier designated by you to run or transport said oil, that all oil tendered hereunder has been and will be produced and handled in compliance with the Fair Labor Standards Act of 1938, and any amendments thereto, and all other federal, state and municipal laws, rules and regulations.

IN ACCORDANCE WITH FEDERAL LAW, PLEASE INDICIATE YOUR SOCIAL SECURITY OR IDENTIFICATION NUMBER BELOW:

_____

WITNESS OF SIGNATURES	OWNERS SIGN BELOW

BE SURE YOUR SIGNATURE IS WITNESSED AND YOUR CORRECT ADDRESS IS SHOWN

The First National Bank of Fort Worth, Trustee for Anne W. Phillips Trust No. 2951	.0052084 R.I.
Hill Revocable Trusts U/T April 1, 1972	.0625000 R.I.

OVERRIDING ROYALTY INTERESTS

Frank or Ester O'Kelley	.0100000 O.R.R.I.
Frank M. O'Kelley	.0050000 O.R.R.I.
Jim L. Hooker	.0150000 O.R.R.I.
Tom Craddick	.0100000 O.R.R.I.
Linden T. Heck	.0033330 O.R.R.I.
James A. Heck	.0033330 O.R.R.I.
Douglas G. Heck	.0033340 O.R.R.I.

WORKING INTERESTS

William R. Laws	.250000 of .70 W.I. (.1750000)
George A. Donnelly, Jr.	.187500 of .70 W.I. (.1312500)
Peggy D. McConnell	.125000 of .70 W.I. (.0875000)
Douglas R. Sanford	.125000 of .70 W.I. (.0875000)
Edward R. Kennedy, Jr.	.056250 of .70 W.I. (.0393750)
E. L. Perkins	.031250 of .70 W.I. (.0218750)
The Eastland Oil Company	.225000 of .70 W.I. (.1575000)

Garry Mauro
Commissioner
General Land Office

June 28, 1983

The Permian Corp.
P. O. Box 1183
Houston, Texas 77001

RE: State Lease **M-46970**
Eastland Oil Co. - H & M-C
SW/4 of NW/4, Sec. 20, Blk. 56, T-3
T&P RR. Co. Sur., Reeves County, Texas
Oil DO #482012

Gentlemen:

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the royalties the State shall receive, it is felt that it would not be in conformity with the law for the General Land Office to execute your division order and thereby attempt to bind the State by the provisions contained therein.

The General Land Office, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease, which oil and/or gas shall become your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Very truly yours,

Max J. Werkenthin, Attorney
Energy Resources
Phone: 512-475-6749
Enclosure

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

(7) 1/2

M. F. 46970
CORRESPONDENCE FILE

To DIVISION ORDER

From

Dated 6-28-83

January 5, 1983[4]

The Eastland Oil Company
P.O. Drawer 3488
Midland, Texas 79702

ATTENTION: ACCOUNTING MANAGER

RE: State Lease M-46970
H & M, H & M "B" Leases
Ken Reagan (Delaware) Field
Reeves County, Texas

Gentlemen:

A review of the records of the subject State lease reveals there is a monthly production of casinghead gas being reported to the Texas Railroad Commission for which Gas Reports (Form MA-2) are not filed with this office indicating sales of gas.

Please review your records (beginning November, 1980 on the H & M lease and May, 1982 on the H & M "B" lease) and advise what disposition is being made of the monthly casinghead gas being produced.

Sincerely yours,

Charles Whitsel, Gas Supervisor
Resource Accounting
Telephone No. 512-475-2858
BS/lkc

8

M. F. 46970

CORRESPONDENCE FILE

To

Eastland Oil Co.

From

Dated 1-5-84

General Land Office
State of Texas
Austin
14

J. EARL RUDDER, COMMISSIONER
DENNIS WALLACE, CHIEF CLERK

SEPTEMBER 5, 1956

SINCLAIR CRUDE OIL COMPANY
901 FAIR BUILDING
FORT WORTH, TEXAS

RE: JOHNN DRILLING COMPANY - HILL LEASE
SECTION 20, BLOCK 56, TOWNSHIP 3
REEVES COUNTY, TEXAS (DOWN TO 3650')

GENTLEMEN:

OUR LEASE NO. M-46970

THIS LETTER IS ISSUED IN LIEU OF THE ORDINARY FORM OF "DIVISION ORDER" PREPARED BY THE OIL COMPANIES PRIMARILY FOR EXECUTION BY THE INDIVIDUAL ROYALTY OWNER.

INASMUCH AS THE STATUTES PROVIDE THE MANNER IN WHICH THE STATE SHALL RECEIVE ITS ROYALTIES, I DO NOT FEEL THAT IT WOULD BE IN CONFORMITY WITH THE LAW ON THE SUBJECT FOR THIS DEPARTMENT TO EXECUTE YOUR DIVISION ORDER AND THEREBY ATTEMPT TO BIND THE STATE BY THE PROVISIONS CONTAINED THEREIN.

THIS DEPARTMENT, INSOFAR AS PERMITTED UNDER THE LAW, ACQUIESCES IN THE SALE OF THE OIL AND/OR GAS TO YOU FROM THIS LEASE, WHICH OIL AND/OR GAS SHALL BECOME YOUR PROPERTY WHEN THE STATE IS PAID FOR SAME, AS PRESCRIBED BY LAW AND UNDER THE TERMS AND CONDITIONS AS SET OUT IN THE LEASE COVERING THE AREA IN QUESTION.

SINCERELY YOURS,

EARL RUDDER, COMMISSIONER

BY

MELVIN ECKHOFF
ACCOUNTING DEPARTMENT

ME/MW

ASSIGNMENT AND AGREEMENT

STATE OF TEXAS)
KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF REEVES)

PART I: STIPULATION AND CROSS CONVEYANCE

WHEREAS, certain fee lands, surface estates, various Oil and Gas Leases, royalty interests, working interests, overriding royalty, and other mineral interests located in Reeves County, State of Texas, were previously conveyed to the Hill Revocable Trusts, the name given to and used by two (2) separate trusts created by Geo. P. Hill and Margery Belle Hill under an Agreement dated April 1, 1974, notice of which is filed of record in Book 329, Page 474, in Reeves County, State of Texas, which two (2) trusts were named the "Geo. P. Hill Trust" and the "Margery Belle Hill Trust".

AND WHEREAS, due to the deaths of Geo. P. Hill and Margery Belle Hill, each of the two (2) trusts became and are now irrevocable without being revoked.

AND WHEREAS, by a Special Warranty Deed and Assignment dated January 2, 1984, and recorded in Book 443, Page 653, of Reeves County, State of Texas, Kenneth M. Waltrip (being the same person as Ken Waltrip), Patsy Sue Waltrip, and Dorothy Jean Keenom (formerly known as Dorothy Jean Puff), as Trustees of the Hill Revocable Trusts, and Patsy Sue Waltrip and Dorothy Jean Keenom in their individual capacities, conveyed and assigned to Joe S. Hill "an undivided (1/3) of the right, title and interest of grantors" in the properties shown therein, including the exhibits thereto, which were all owned of record by the Hill Revocable Trusts.

RECEIVED
APR 15 1986
LEGAL SERVICES DIVISION

AND WHEREAS, the Grantors were in fact acting as Co-Trustees only of the Geo. P. Hill Trust, and none of the properties owned by the Margery Belle Hill Trust and none of the properties owned of record individually by Patsy Sue Waltrip or Dorothy Jean Puff Keenom were conveyed or assigned by any of them.

AND WHEREAS, we wish to clarify the record to show the interests of the two (2) separate trusts, and the purpose of PART I of this instrument is to reflect the ownership of the interests owned by the Hill Revocable Trusts.

NOW THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, the parties to this PART I agree that the following reflects the present ownership of the surface and mineral interests, Oil and Gas Mineral Leases, and all other oil and gas interests, whether they be royalties, overriding royalties, production payments, working interests, revenue and back-in interests, term interests, any fee lands or reversionary interests, together with all of the proceeds attributable thereto, more particularly described in Exhibit B and C attached hereto and made part hereof.

Prior to the conveyances of PARTS II and III of this instrument below, the ownership is as follows:	UNDIVIDED INTEREST IN THE PROPERTIES DESCRIBED IN:	
	EXHIBIT B	EXHIBIT C
Kenneth M. Waltrip, Patsy Sue Waltrip, and Dorothy Jean Keenom, Trustees of the Geo. P. Hill Trust 2610 Texas American Bank Building 500 Throckmorton Street Fort Worth, Texas 76102	10/24	2/6
Kenneth M. Waltrip, Patsy Sue Waltrip, and Dorothy Jean Keenom, Trustees of the Margery Belle Hill Trust 2610 Texas American Bank Building 500 Throckmorton Street Fort Worth, Texas 76102	9/24	3/6
Joe S. Hill Box 1568 Cedar Park, Texas 78613	5/24	1/6

Dorothy Jean Keenom and Patsy Sue Waltrip, beneficiaries of the Geo. P. Hill Trust, join in this PART I in their individual capacities to evidence their consent to its provisions and to acknowledge that it binds interests received or to be received by them upon termination of the Trust. This instrument has no effect on interests owned by them which were acquired in any manner other than through the Trust.

DATED February 1, 1986, but effective as of January 2, 1984.

Kenneth M. Waltrip, as Co-Trustee of the Geo. P. Hill Trust and as Co-Trustee of the Margery Belle Hill Trust

Patsy Sue Waltrip, Individually and as Co-Trustee of the Geo. P. Hill Trust and as Co-Trustee of the Margery Belle Hill Trust

Dorothy Jean Keenom, Individually and as Co-Trustee of the Geo. P. Hill Trust and as Co-Trustee of the Margery Belle Hill Trust

PART II: ASSIGNMENT, CONVEYANCE, AND BILL OF SALE

Grantors Kenneth M. Waltrip, Patsy Sue Waltrip, and Dorothy Jean Keenom, as Co-Trustees of the Geo. P. Hill Trust, 2610 Texas American Bank Building, 500 Throckmorton Street, Fort Worth, Texas 76102, for and in consideration of the sum of TEN DOLLARS and NO/100 ($10.00), and other valuable consideration in hand paid, the receipt of which is hereby acknowledged, do hereby grant, bargain, sell, assign, transfer, set over, and convey, outright and free of trust, unto DOROTHY JEAN KEENOM, 1320 Lake Street, Fort Worth, Texas 76102, Grantee, as her separate property, one-half (1/2) the interests of the Geo. P. Hill Trust as shown in PART I of this instrument.

The interests conveyed are subject to all contracts, gas contracts, farm-ins, farmouts, production payments, overriding royalties, net profits interests, letter agreements, other existing agreements, pooling agreements, unit agreements, joint operating agreements, and cooperative plans for development which are presently effective and pertain to or are appurtenant to the interests described in Exhibit B and C. By accepting each interest, Grantee assumes and agrees to perform her proportionate part of the obligations referred to in the preceding sentence.

To have and to hold the interests conveyed unto the Grantee, forever.

This Assignment, Conveyance, and Bill of Sale is made without warranty, either express or implied, but is made with full substitution and subrogation of Grantee in and to all covenants and warranties by others heretofore given or made in respect to the interests conveyed or any part thereof.

GRANTORS DO NOT WARRANT THE MERCHANTABILITY OR THE FITNESS OF THE PERSONAL PROPERTY AND EQUIPMENT CONVEYED.

This Assignment, Conveyance, and Bill of Sale is binding upon and inures to the benefit of Grantee, her heirs, personal representatives, and assigns.

Dated April 3, 1986, but effective as of 7:00 A.M., February 1, 1986.

Kenneth M. Waltrip, as Co-Trustee of the Geo. P. Hill Trust

Patsy Sue Waltrip, as Co-Trustee of the Geo. P. Hill Trust

Dorothy Jean Keenom, as Co-Trustee of the Geo. P. Hill Trust

PART III: ASSIGNMENT, CONVEYANCE, AND BILL OF SALE

Grantors Kenneth M. Waltrip, Patsy Sue Waltrip, and Dorothy Jean Keenom, as Co-Trustees of the Margery Belle Hill Trust, 2610 Texas American Bank Building, 500 Throckmorton Street, Fort Worth, Texas 76102, for and in consideration of the sum of TEN DOLLARS and NO/100 ($10.00), and other valuable consideration in hand paid, the receipt of which is hereby acknowledged, do hereby grant, bargain, sell, assign, transfer, set over, and convey to the following named parties, hereinafter referred to as "Grantees", in equal undivided shares, the interests of the Margery Belle Hill Trust as shown in PART I of this instrument:

GRANTEES	UNDIVIDED INTEREST IN THE INTEREST OF THE MARGERY BELLE HILL TRUST IN THE PROPERTIES DESCRIBED IN: EXHIBIT B	EXHIBIT C
Kenneth M. Waltrip, Patsy Sue Waltrip, and Dorothy Jean Keenom, as Co-Trustees of the Michael Scott Waltrip Trust 2610 Texas American Bank Building 500 Throckmorton Street Fort Worth, Texas 76102	1/4	1/4
Kenneth M. Waltrip, Patsy Sue Waltrip, and Dorothy Jean Keenom, as Co-Trustees of the Margery Linn Hanna Trust (formerly Margery Linn Waltrip) 2610 Texas American Bank Building 500 Throckmorton Street Fort Worth, Texas 76102	1/4	1/4
Dorothy Jean Keenom, Kenneth M. Waltrip, and Patsy Sue Waltrip, as Co-Trustees of the Thomas Hill Puff Trust 1320 Lake Street Fort Worth, Texas 76102	1/4	1/4
Dorothy Jean Keenom, Kenneth M. Waltrip, and Patsy Sue Waltrip, as Co-Trustees of the Nancy Puff Jones Trust (Formerly Nancy Puff) 1320 Lake Street Fort Worth, Texas 76102	1/4	1/4

The interests conveyed are subject to all contracts, gas contracts, farm-ins, farmouts, production payments, overriding royalties, net profits interests, letter agreements, other existing agreements, pooling agreements, unit agreements, joint operating agreements, and cooperative plans for development which are presently effective and pertain to or are appurtenant to the interests described in Exhibit B and C. By accepting each interest, each Grantee assumes and agrees to perform its proportionate part of the obligations referred to in the preceding sentence, which assumptions and agreements are joint and several.

To have and to hold the interests conveyed unto the Grantees, forever.

This Assignment, Conveyance, and Bill of Sale is made without warranty, either express or implied, but is made with full substitution and subrogation of Grantees in and to all covenants and warranties by others heretofore given or made in respect to the interests conveyed or any part thereof.

GRANTORS DO NOT WARRANT THE MERCHANTABILITY OR THE FITNESS OF THE PERSONAL PROPERTY AND EQUIPMENT CONVEYED.

This Assignment, Conveyance, and Bill of Sale is binding upon and inures to the benefit of Grantees, their heirs, and assigns.

Dated April 3, 1986, but effective as of 7:00 A.M., February 1, 1986.

Kenneth M. Waltrip, as Co-Trustee of the Margery Belle Hill Trust

Patsy Sue Waltrip, as Co-Trustee of the Margery Belle Hill Trust

Dorothy Jean Keenom, as Co-Trustee of the Margery Belle Hill Trust

PART IV: RESIGNATIONS AND TRUSTEE SUMMARY

WHEREAS, the Geo. P. Hill Trust and Margery Belle Hill Trust referred to as the "Hill Revocable Trusts", were created by instrument dated April 1, 1974 (the "Trust Agreement").

AND WHEREAS, Geo. P. Hill, Margery Belle Hill, Ed Everett, and Ken Waltrip (the same person as Kenneth M. Waltrip) were named as trustees of each trust.

AND WHEREAS, on May 20, 1976, Ed Everett resigned as a Co-Trustee pursuant to Article III.D.1.2 of the Trust Agreement.

AND WHEREAS, Margery Belle Hill died January 21, 1978, and Geo. P. Hill died May 4, 1979.

AND WHEREAS, according to the terms of the Trust Agreement, Patsy Sue Waltrip and Dorothy Jean Keenom (formerly Dorothy Jean Puff) were appointed as Co-Trustees of the Geo. P. Hill Trust and the Margery Belle Hill Trust.

AND WHEREAS, Kenneth M. Waltrip, Patsy Sue Waltrip, and Dorothy Jean Keenom desire to resign as trustees of certain of the trusts, pursuant to the Trust Agreement.

NOW THEREFORE:

(1) Kenneth M. Waltrip and Patsy Sue Waltrip resign as Co-Trustees of the Thomas Hill Puff Trust and the Nancy Puff Jones Trust, and thereby, the only remaining trustee of the Thomas Hill Puff Trust and the Nancy Puff Jones Trust will be Dorothy Jean Keenom.

(2) Dorothy Jean Keenom resigns as Trustee of the Geo. P. Hill Trust, the Margery Belle Hill Trust, the Michael Scott Waltrip Trust, and the Margery Linn Hanna Trust. By virtue of her resignation, Kenneth M. Waltrip and Patsy Sue Waltrip are the only Co-Trustees of the Geo. P. Hill Trust, Margery Belle Hill Trust, the Michael Scott Waltrip Trust, and the Margery Linn Hanna Trust.

(3) The resignations are effective February 1, 1986.

(4) Exhibit A summarizes the ownership of the properties in Exhibits B and C.

Dated April 3, 1986.

Kenneth M. Waltrip

Patsy Sue Waltrip

Dorothy Jean Keenom

SIGNATURE ACKNOWLEDGEMENTS

STATE OF TEXAS

COUNTY OF TARRANT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this 3rd day of April, 1986, personally appeared KENNETH M. WALTRIP, AS CO-TRUSTEE OF THE GEO. P. HILL TRUST AND AS CO-TRUSTEE OF THE MARGERY BELLE HILL TRUST and, PATSY SUE WALTRIP, INDIVIDUALLY AND AS CO-TRUSTEE OF THE GEO. P. HILL TRUST AND AS CO- TRUSTEE OF THE MARGERY BELLE HILL TRUST, to me known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth and in the capacity therein stated.

GIVEN UNDER my hand and seal of office the day and year last above written.

Debby W. Wilkey
Notary Public

My Commission Expires:
DEBBY W. WILKEY, Notary Public
My Commission Expires 6/4/88

STATE OF TEXAS

COUNTY OF TARRANT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this 3rd day of April, 1986, personally appeared DOROTHY JEAN KEENOM, INDIVIDUALLY AND AS CO-TRUSTEE OF THE GEO. P. HILL TRUST AND AS CO-TRUSTEE OF THE MARGERY BELLE HILL TRUST, to me known to be the identical person who executed the within and foregoing instrument and acknolwdged to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth and in the capacity therein stated.

GIVEN UNDER my hand and seal of office the day and year last above written.

Shirley Ottinger
Notary Public
SHIRLEY OTTINGER

My Commission Expires:
1-31-88

EXHIBIT A

SUMMARY OF OWNERSHIP

As a result of the foregoing conveyances and resignations the properties described in Exhibits B and C are now owned as follows:

OWNERSHIP SUBSEQUENT TO PARTS I, II, AND III	UNDIVIDED INTERESTS IN THE INTERESTS DESCRIBED IN: EXHIBIT B	EXHIBIT C
Kenneth M. Waltrip and Patsy Sue Waltrip, as Co-Trustees of the Geo. P. Hill Trust	20/96	4/24
Dorothy Jean Keenom, Individually	20/96	4/24
Joe S. Hill, Individually	20/96	4/24
Kenneth M. Waltrip and Patsy Sue Waltrip, as Co-Trustees of the Michael Scott Waltrip Trust	9/96	3/24
Kenneth M. Waltrip and Patsy Sue Waltrip, as Co-Trustees of the Margery Linn Hanna Trust	9/96	3/24
Dorothy Jean Keenom, Sole Trustee of the Thomas Hill Puff Trust	9/96	3/24
Dorothy Jean Keenom, Sole Trustee of the Nancy Puff Jones Trust	9/96	3/24
TOTAL:	96/96	24/24

The parties contemplate that for convenience the Geo. P. Hill Trust, the Michael Scott Waltrip Trust and the Margery Linn Hanna Trust will hereafter use the name "Hill Trusts", and will be located at 2610 Texas American Bank Building, 500 Throckmorton Street, Fort Worth, Texas 76102.

EXHIBIT "B"

NO PROPERTIES LISTED ON EXHIBIT "B".

EXHIBIT "C"

#667: State of Texas #151372 (Surface & Mineral Interests)

GRANTOR:	State of Texas #151372
GRANTEE:	George P. Hill
DATED:	May 10, 1944
RECORDED:	General Land Office Records: Ledger 200, Page 384-A Deed Records of Reeves County, Texas: Volume 183, Page 112
DESCRIPTION:	State of Texas Fee, Section 20, Block 56, T-3, Certificate #5161, T&P Ry. Co. Survey containing 640.00 acres, m/o/l, Reeves County, Texas.
NOTE:	Above information based on Certificate of Facts from Commissioner of General Land Office dated June 13, 1946.

33 pd

$33.00 PD

Hill Trusts
2610 Texas Am. Bk. Bldg.
Ft. Worth 76102

Shirley Ottinger

001112

FILED FOR RECORD
1986 APR -7 AM 11:00
CATHERINE ASHLEY
COUNTY CLERK, REEVES COUNTY, TEXAS
By: Pat Monroe

"COMPARED"

THE STATE OF TEXAS,
County of Reeves } CATHERINE ASHLEY Clerk of the County

Court of said County do hereby certify that the foregoing instrument of writing dated the 1st day of February A. D. 1986 with its certificate of authentication was filed for record in my office the 7th day of April A. D. 1986 at 11:00 o'clock A. M., and duly recorded this 7th day of April A. D. 1986 at 4:00 o'clock P. M. in the DEED records of said county in volume 465 on page 437

WITNESS my hand and the seal of the County Court of said County at office in Pecos, Texas on the date and year last above written.

CATHERINE ASHLEY
Clerk County Court, Reeves County, Texas
By Billie Jo Freeman, Depy.

(Billie JO Freeman)

General Land Office

State of Texas

Austin

669

TO BE RETURNED TO HILL & HILL

BASCOM GILES, COMMISSIONER

ALVIS VANDYGRIFF, CHIEF CLERK

June 13, 1946

I, Bascom Giles, Commissioner of the General Land Office of the State of Texas, do hereby certify that the papers, records and documents of said office show:

That School Section 20, Block 56, Township 3, in Reeves County, consisting of 640 acres, located and surveyed by virtue of Certificate 5161, issued to the T. & P. Ry. Co., was awarded to Luther Leech, November 23, 1909, upon application filed in the Land Office October 11, 1909, to purchase the same under the classification Mineral and Grazing, at the appraisement of $1.50 per acre, and as a home tract;

That on October 28, 1911, Luther Leech conveyed said Section 20, with other land, to L. O. Sherman, by deed filed in the Land Office October 30, 1911;

That on November 25, 1912, L. O. Sherman, Assignee, made the required proof of occupancy with improvements on said Section 20, Block 56, which proof was filed in the Land Office November 29, 1912, and upon which proof, Certificate of Occupancy No. 9870 was issued November 30, 1912;

That on January 3, 1913, L. O. Sherman and wife conveyed said Section 20, with other land, to L. O. Cox, by deed filed in the Land Office July 7, 1913;

That on July 12, 1913, the sale of said Section 20 by the State was forfeited for nonpayment of interest;

That under the provisions of Chapter 160, Act approved April 18, 1913, L. O. Cox filed in the Land Office January 7, 1914, his application to repurchase said Section 20, Block 56, under the classification Grazing, and at the appraisement of $2.00 per acre, and tendered with his application, the requisite amount to cover fee for appraising and to make the initial payment on said Section, accompanied by his obligation for the remainder of the purchase price thereof, which was accepted, and on February 28, 1914, said Section 20, Block 56, was awarded to L. O. Cox, on said application to repurchase;

That on February 16, 1914, L. O. Cox and wife conveyed said Section 20, Block 56, with other land, to G. S. Cox, by deed filed in the Land Office May 4, 1925;

That on January 6, 1943, the sale by the State of said Section 20 was forfeited for nonpayment of interest, and the fact of such forfeiture was noted upon the file wrapper, recorded on the records of the Land Office, and upon the account with the purchaser, and on January 13, 1943, notice of such forfeiture was mailed to the County Clerk of Reeves County;

That on April 27, 1944, notice of the sale by the State of said Section 20 having been given by the School Land Board and the Commissioner of the General Land Office, George P. Hill made application to purchase said Section at $2.06 per acre, under the provisions of the laws relating to the sale of School Land, and without settlement, and with a reservation of 1/8th of the sulphur and 1/16th of all the other minerals as a free royalty to the State, and tendered with said application, 1/5th of the purchase price of said land and his obligation for the remainder thereof, which application was submitted to, considered and accepted by the School Land Board at a regular meeting thereof on May 10, 1944, whereupon said Section 20, Block 56, was awarded to George P. Hill on his application to purchase the same under the classification Mineral and Grazing, at the price of $2.06 per acre, and without condition of settlement, and now stands in his name on the records of this office;

IN TESTIMONY WHEREOF, I hereunto set my hand and affix the seal of said office the date first above written.

Bascom Giles

BASCOM GILES, COMMISSIONER
OF THE GENERAL LAND OFFICE

Arnold:jl

Hill & Hill
512 Petroleum Building
Fort Worth, Texas
Fee - $2.00; Invoice 271 CF
Account - 192
File - 151372

INTEREST STATEMENT
GENERAL LAND OFFICE

BASCOM GILES, Commissioner
~~DENNIS WALLACE~~, Chief Clerk
ALVIS VANDYGRIFF

AUSTIN, TEXAS, June 13, 1946 19

Hill & Hill
512 Petroleum Bldg
Ft Worth, Texas

REPLYING TO YOUR INQUIRY OF 6/5/46 INTEREST IS DUE ON THE FOLLOWING DESCRIBED

LAND IN Reeves COUNTY AS SHOWN HEREON:

SECTION	BLOCK	CERT.	TSP.	GRANTEE	ACRES	LEDGER	PAGE	UNPAID PRINCIPAL		INT. RATE %	(I) INTEREST DUE TO NOV. 1		(PI) PENAL INT.		(TI) TOTAL
20	56	5161	3	151372 T&P	640	200	384A	1054	72	5	1945	00			

IMPORTANT: The Act requiring payment of penal interest went into effect May 29, 1931; see Chap. 271, Sec. 7, Acts of 42nd Legislature, Reg. Session. The rate is 5%, compounded annually on Nov. 1. All interest and penal interest accrued and unpaid on Nov. 1, 1945, is included in "I" column. In addition to amount shown in "PI" column, 5% penal interest on amount in "I" column, from _____ to date payment is received here, should be added to "TI" column, if payment is delayed later than date shown in "PI" column. Make remittance payable to State Treasurer, but send it to this office with duplicate receipt forms, or full descriptions of the land, including our LEDGER and PAGE of the account.

Sincerely yours,

BASCOM GILES, Commissioner

(8)

M 46970

Assignment of Agreement

File dated 4-15-86

Garry Mauro, Commissioner

RECEIVED AS STATED

25.00

DATE 4-15-86

Reg. No. 46788

GENERAL LAND OFFICE

4-15-86

DETACH AND RETAIN THIS STATEMENT THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

DATE	DESCRIPTION	AMOUNT
4/10/86	Recording Fee for Assignment and Agreement between Hill Trusts and Dorothy Jean Keenom State of Texas # 151372 Reeves County, Texas # 667 #670.02 Hill Royalty	202 X 25.00 46788

HILL ROYALTY

HILL TRUSTS
2610 TEXAS AMERICAN BANK BUILDING
500 THROCKMORTON
FORT WORTH, TEXAS 76102
817-336-5793

April 10, 1986

General Land Office
1700 N. Congress Ave., Suite 629
Austin, Texas 78701

Re: Filing of Assignment and Agreement
between Hill Trusts and Dorothy Jean
Keenom, Individually and as Trustee

State of Texas 151372
Reeves County, Texas
Our #667

Gentlemen:

After several phone calls to the GLO this morning regarding the necessity of filing the enclosed Assignment, I am still unclear on the matter. For your reference, I enclose a copy of letter dated June 13, 1946 evidencing the purchase of Section 20 by Mr. George P. Hill.

The question is this; since, Mr. Hill actually purchased the fee land, is it mandatory to file with the State, the enclosed Assignment and Agreement, whereby the Hill Trusts conveys an interest in fee and minerals under Section 20 to Dorothy Jean Keenom ? If so, Hill Royalty's Check No. 768, in the amount of $25.00 is furnished to cover the filing fee. However, after your perusal of the enclosures and should this action not be required, kindly return said check along with the unfiled original document to the undersigned.

Further, if something is available, we would certainly appreciate receiving any type of information regarding the State's filing requirements.

Thank you very much for your assistance and do not hesitate contacting me should there be any questions.

Yours very truly,

Shirley Ottinger

Shirley Ottinger

enclosures

(9)

M. F. 46970

CORRESPONDENCE FILE

To Hill Trusts

From

Dated 4-10-86

PRESERVATION COPY

M-12-98

Garry Mauro
Commissioner
General Land Office

April 17, 1986

Ms. Shirley Ottinger
Hill Trusts
2610 Texas American Bank Bldg.
500 Throckmorton
Ft. Worth, Texas 76102

Re: Assignment and Agreement of
Free Royalty Lease M-46970
Reeves County, Texas

Dear Ms. Ottinger:

The recorded original of the captioned assignment has been filed in our records. If you have any further questions, please call.

Sincerely,

Diana Dickson
Oil and Gas Section
Legal Services Division
512 463-5007

/dd

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

(10)

M. F. 40970

CORRESPONDENCE FILE

To Hill Trusts

From

Dated 4-17-86

FILE COPY

June 16, 2003

Plains Marketing LP
PO Box 4648
Houston, Texas 77210-4648

Re: State Lease MF046970
H & M A
01 112969

The General Land Office has received and filed the division order submitted for the above-referenced state lease. Please be advised that the payment of royalties attributable to state-owned mineral interests is set by statute. As the execution of division orders may, in some cases, affect the manner in which such payments are paid or calculated, it is the policy of this office not to execute them.

Subject to applicable state law and the state's right to take its production in-kind, the General Land Office acquiesces to the sale of oil and gas under the terms and conditions set out in the oil and gas lease. If you should have questions concerning this matter, please feel free to call me at (512) 463-6521.

Sincerely,

Beverly Boyd, Lease Analyst
Mineral Leasing Division

DOPRBAT / BM / ree
1E43 / 026450 / 0062639

MF046970

(KEEP THIS COPY FOR YOUR RECORDS)

RECEIVED
02 NOV 13 PM 2:29
COMMISSIONER RECORDS

DIVISION ORDER

To: Plains Marketing, L.P.
P.O. Box 4648
Houston, TX 77210-4648

Owner Number:
0062639
Property Number:
01 112969

Date: 11/08/2002
Property Descr: SEE EXHIBIT 'A'
Effective 7 A.M.: 10/01/2002

Property Name: H&M A
Operator: SLEDGE BROS OIL COMPANY
County and State: REEVES, TX
Production: OIL / CONDENSATE (GAS)

Decimal Interest: 0.06250000
Type of Interest: RI
ROYALTY INTEREST

Owner Name and Address:	[Correspondence Address]	[Remittance Address]
	COMMISSIONER GENERAL LD OFFICE	COMMISSIONER GENERAL LD OFFICE
	STATE OF TEXAS	STATE OF TEXAS
	1700 NORTH CONGRESS AVENUE	1700 NORTH CONGRESS AVENUE
	AUSTIN, TX 78701	AUSTIN, TX 78701

The undersigned severally and not jointly certifies the ownership of their decimal interest in production or proceeds as described above payable by Plains Marketing, L.P. (hereinafter called "Payor").

Payor shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to reimburse Payor any amount attributable to an interest to which the undersigned is not entitled. Unless otherwise required by law, Payor shall not be required to pay interest on payments withheld due to a title dispute or adverse claim.

Payments of less than $25.00 may be accrued before disbursement until the total amount equals $25.00 or more, or until December 31 of each year, whichever occurs first.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil or gas.

The undersigned will be paid in accordance with the division of interests set out above. As to oil and/or condensate, the Payor shall pay all parties at the price agreed to by the operator for oil and/or condensate to be sold pursuant to this division order. Payor shall compute quantity and make corrections for gravity and temperature and make deductions for impurities. As to gas, the undersigned will be paid in accordance with the division of interest set forth herein. The Payor will pay all parties for their respective interest in the gas proceeds paid to Payor by the operator for disbursement at the price and upon the terms agreed to by the operator for the gas marketed by the operator. Payor is a disbursement service provider only and does not purchase the gas nor take title to the gas. The operator is responsible for marketing gas produced from the property described in the attached property description. Payor does not assume any obligations of the lessee or operator under any oil and gas lease, gas sales contract or other agreement to which Payor is not a party.

In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located.

Special Clauses/Requirements: If applicable, see Exhibit 'A'.

Owner Social Security # or Taxpayer ID #: [redacted]
Owner Daytime Telephone #:
Owner FAX #:
Email Address:

Owner Signature: BY: _____ Signature of two Witnesses/Attest _____

OWNER #: 0062639

TITLE: _____ _____

FEDERAL LAW REQUIRES YOU TO FURNISH YOUR SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER. FAILURE TO COMPLY WILL RESULT IN 30% TAX WITHHOLDING AND WILL NOT BE REFUNDABLE BY PAYOR.

DOPRBAT / BM / me
021108003801

(KEEP THIS COPY FOR YOUR RECORDS)

EXHIBIT 'A'

PROPERTY NUMBER: 01 112969

OWNER: 0062639

OWNER	NAME/ADDRESS	SSN/TIN	INTEREST	TYPE	PAY ST	EFFECTIVE	CLAUSES	REQUIREMENTS
0062639	COMMISSIONER GENERAL LD OFFICE STATE OF TEXAS 1700 NORTH CONGRESS AVENUE AUSTIN, TX 78701	[redacted]	0.06250000	RI	3U	10/01/2002	N/A	N/A

LEGAL DESCRIPTION

PLEASE PROVIDE AN EXACT LEGAL DESCRIPTION IF AVAILABLE

09-21-11

#1 Ord. 11.

File No. MF046970

DO

Date Filed: 7-30-03

Jerry E. Patterson, Commissioner

By B Boyd

FILE COPY

June 16, 2003

Plains Marketing LP
PO Box 4648
Houston, Texas 77210

Re: State Lease MF046970
H & M B
01 112972

The General Land Office has received and filed the division order submitted for the above-referenced state lease. Please be advised that the payment of royalties attributable to state-owned mineral interests is set by statute. As the execution of division orders may, in some cases, affect the manner in which such payments are paid or calculated, it is the policy of this office not to execute them.

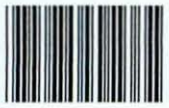
Subject to applicable state law and the state's right to take its production in-kind, the General Land Office acquiesces to the sale of oil and gas under the terms and conditions set out in the oil and gas lease. If you should have questions concerning this matter, please feel free to call me at (512) 463-6521.

Sincerely,

Beverly Boyd, Lease Analyst
Mineral Leasing Division

DOPRBAT / BAM / fja
1E5C / 026450 / 0062639

MF046970



RECEIVED
02 NOV 15 PM 4:41
ENERGY RESOURCES

DIVISION ORDER

To: Plains Marketing, L.P.
P.O. Box 4648
Houston, TX 77210-4648

Owner Number
0062639
Property Number:
01 112972

Property Name: H&M B
Operator: SLEDGE BROS OIL COMPANY
County and State: REEVES, TX
Production: OIL / CONDENSATE (GAS)

Date: 11/08/2002
Property Descr: SEE EXHIBIT 'A'
Effective 7 A.M.: 10/01/2002

Decimal Interest: 0.06250000
Type of Interest: RI
ROYALTY INTEREST

Owner Name and Address:	[Correspondence Address]	[Remittance Address]
	COMMISSIONER GENERAL LD OFFICE	COMMISSIONER GENERAL LD OFFICE
	STATE OF TEXAS	STATE OF TEXAS
	1700 NORTH CONGRESS AVENUE	1700 NORTH CONGRESS AVENUE
	AUSTIN, TX 78701	AUSTIN, TX 78701

The undersigned severally and not jointly certifies the ownership of their decimal interest in production or proceeds as described above payable by Plains Marketing, L.P. (hereinafter called "Payor").

Payor shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to reimburse Payor any amount attributable to an interest to which the undersigned is not entitled. Unless otherwise required by law, Payor shall not be required to pay interest on payments withheld due to a title dispute or adverse claim.

Payments of less than $25.00 may be accrued before disbursement until the total amount equals $25.00 or more, or until December 31 of each year, whichever occurs first.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil or gas.

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Special Clauses/Requirements: If applicable, see Exhibit 'A'.

Owner Social Security # or Taxpayer ID #: [redacted]
Owner Daytime Telephone #: _____
Owner FAX #: _____
Email Address: _____

Owner Signature: BY: _____ Signature of two Witnesses/Attest _____

OWNER #: 0062639

TITLE: _____ _____

FEDERAL LAW REQUIRES YOU TO FURNISH YOUR SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER. FAILURE TO COMPLY WILL RESULT IN 30% TAX WITHHOLDING AND WILL NOT BE REFUNDABLE BY PAYOR.

DOPRBAT / BAM / fja
021108007901

11.15.02
EXHIBIT 'A'

PROPERTY NUMBER: 01 112972

OWNER: 0062639

OWNER	NAME/ADDRESS	SSN/TIN	INTEREST	TYPE	PAY ST	EFFECTIVE	CLAUSES	REQUIREMENTS
0062639	COMMISSIONER GENERAL LD OFFICE STATE OF TEXAS 1700 NORTH CONGRESS AVENUE AUSTIN, TX 78701	[redacted]	0.06250000	RI	3U	10/01/2002	N/A	N/A

LEGAL DESCRIPTION

PLEASE PROVIDE AN EXACT LEGAL DESCRIPTION IF AVAILABLE

#12

File No. MF046970

DO

Date Filed: 7-30-03

Jerry E. Patterson, Commissioner

By R Boyd

Conoco Inc.
P.O. Box 1267
Ponca City, OK 74603

September 26, 1985

Dear Interest Owner:

Division Order No. 35493
H & M "B"
Reeves County, Texas

Enclosed you will find our division order for the above captioned property. We ask that you fully execute the enclosed. This includes social security number and having your signature witnessed, and return to my attention. The other copy may be retained for your future reference.

Yours very truly,

David Hunt

David Hunt
Land Analyst
Mineral Lease Records

ppy
Enc.

DEH

Conoco Inc.
Oil and Gas Division Order

RSC No. 44-
D.O. No. 35493

EFFECTIVE: 1st Run, 19 85

TO: Conoco Inc.
Mineral Lease Records
P.O. Box 1267
Ponca City, OK 74603

Each of the undersigned warrants ownership of the interest, set opposite his name, in all oil (defined as crude oil and condensate) and/or in the proceeds derived from the sale of all gas (defined as natural gas and casinghead gas) produced from H & M "B" Lease (or Unit), Reeves County, Texas, described as:

Section 20, Block 56, T-3, T&P Ry Co. Survey, save and except the NE/4 NE/4, and NE/4 NW/4 of said Section 20, containing 560 acres, more or less, limited to a depth of 3650 feet beneath the surface.

including all substances produced with such oil and gas. From the effective date and until further written notice, and subject to the following provisions, you, or your designated agent, are authorized to receive such production and give credit for all production received, and for the proceeds derived from the sale of gas, in accordance with the division of interest shown below: (The contents of the reverse side, and any attachments hereto, shall constitute a part of this Division Order.)

Credit To	Division of Interest	P. O. Address (Give box number or street address and zip code)
THE WORKING INTEREST		
LBL 80 Company Ltd.	.5118750	
LBL Oil Company	.1551136	
Ed R. Kennedy	.0175000	
R. H. Lindley Trust	.0155114	
THE OVERRIDING ROYALTY INTEREST		
Tom Craddick	.0100000	
Jim L. Hooker	.0150000	
Frank O'Kelley	.0150000	
James A. Heck	.0033333	
Linden T. Heck	.0033333	
Douglas G. Heck	.0033334	
THE ROYALTY INTEREST		
Virginia Glenn Hill Lattimore	.0156250	
J. J. Meeker	.0208334	
Emma E. Hill Estate	.0312500	
Hill Trusts	.0520833	
Joe S. Hill	.0104167	
Interfirst Bank, Ft. Worth, Tr. u/w/o W. W. Meeker f/b/o Anne Windfohr Phillips Trust No. 2951	.0052083	
Lawrence Hill Meeker & Interfirst Bank Co-Trs. u/w/o W. W. Meeker for Charles Roeser Meeker Trust No. 2952	.0052083	
Lawrence Hill Meeker & Interfirst Bank Ft. Worth, Co-Tr. u/a Charles Roeser Meeker Tr. No. 3084	.0052083	

YOUR COPY

(cont'd)

1. Oil shall become the property of the purchaser upon actual delivery to it or to its designated carrier or agent. The oil shall be graded and measured in accordance with the customary pipe line rules and regulations or standards generally accepted in the industry. If purchased by you, settlement shall be based on your posted or quoted price per barrel (42 U.S. gallons) in effect on delivery date for oil of the kind and quality for the field where produced. You are authorized to reduce such price by any charges for transporting oil by pipeline, truck and/or barge and any treating costs which in your opinion are necessary to make the oil merchantable. If oil is sold by you to another purchaser, settlement shall be based on the net proceeds realized at the well by you from such sale, after deducting any costs for transporting or treating the oil for delivery.

2. Settlement for gas sold shall be based on the net proceeds realized at the well by you, after deducting any costs incurred in compressing, treating, transporting and/or dehydrating the gas for delivery. If the gas is processed in or near the field where produced, settlement shall be based on the net proceeds realized at the well, as determind by the agreement between the producer and processor, or, in the absence of such an agreement, the same basis as settlement with other producers of gas of like kind and quality processed at the same plant. For gas used off the lease, settlement shall be based on market value at the well. Where gas is sold subject to regulation by governmental authority, the price approved by order of such authority shall be used as a basis for determining net proceeds realized, or market value at the well, provided, that the portion of the proceeds not based on a permanent certificate price may be suspended, without interest, until you have been furnished indemnification satisfactory to you that any required refund shall be paid.

3. Settlements shall be made monthly by your check mailed to the undersigned parties at the addresses given on the reverse side, less any taxes required by law to be deducted and paid by you. Should the proceeds accruing to any interest hereunder for any month be less than One Dollar ($1.00), you may, at your option, retain such proceeds without interest until the first regular settlement date when the proceeds accumulated total as much as Five Dollars ($5.00); provided that, regardless of the total, payment of the accumulated amounts shall be made in December of each year.

4. You are hereby relieved of any responsibility for determining when any interest hereunder shall change by increase, decrease, termination, reversion or otherwise. You are authorized to remit pursuant to the division of interest credited hereunder until written notice to the contrary is received by you at Ponca City, Oklahoma, and you shall be held harmless against loss or liability due to your failure to receive such notice. Each of the undersigned agrees to notify you in writing of any change in his interest, and no transfer of interest shall be binding on you until you are furnished the original recorded instrument (or a certified copy thereof) or a transcript of proceedings which satisfactorily evidences such transfer, and your regular form of Transfer Order is fully executed and returned to you. Regardless of the effective date of the transfer, all transfers of interest shall be effective hereunder as of 7:00 A.M. on the first day of a calendar month, but not earlier than the first day of the calendar month in which such written notice is received.

5. Each party agrees to indemnify and hold you harmless from and against any and all loss, cost or expense arising out of a claim or suit based on your payment to him of proceeds of production attributable to such interest. If any claim is made which in your opinion adversely affects title to any interest credited hereunder, or such title is not satisfactory to you, the parties credited with such interest severally agree to furnish abstracts or other evidence of title acceptable to you. In the event of failure to furnish such evidence of title, you are authorized to withhold payments accruing to such interest, without interest, until the claim is settled.

6. In the event the land described herein, or any part thereof, is included in one or more units now or hereafter formed or revised by order of any appropriate governmental authority, or is included in one or more authorized voluntary or declared units now or hereafter formed or revised, it is agreed that settlement shall be made in accordance with the production allocated to said land without the execution of additional division orders.

7. Each working interest owner warrants that the oil and/or gas has been produced in accordance with all applicable laws, rules and regulations.

8. This Division Order may be executed in counterparts, and shall be binding upon and inure to the benefit of all signers hereof, their heirs, successors and assigns, whether or not it is signed by all parties named herein.

IMPORTANT: TO AVOID DELAY IN PAYMENT — YOUR CORRECT ADDRESS AND YOUR SOCIAL SECURITY NUMBER OR TAX ACCOUNT NUMBER MUST BE SHOWN. FAILURE TO SHOW YOUR SOCIAL SECURITY NUMBER OR TAX ACCOUNT NUMBER MAY RESULT IN OUR WITHHOLDING 20% OF 1099 REPORTABLE PAYMENTS EFFECTIVE JANUARY 1, 1984, IN COMPLIANCE WITH FEDERAL LAW.

SOCIAL SECURITY NUMBER: ___ — ___ — ____

FEDERAL TAX ID NUMBER: ___ — _____

WITNESSES:

_____ _____

_____

_____ _____

_____

_____ _____

_____

Interfirst Bank Fort Worth NA Agent S. R. Clark Trustee Windi Phillips 1983 Trust Agency No.4906	.0052083
James Robert Hill	.0156250
Meeker & Co., Inc.	.0208334
State of Texas Comm. General Land Office	.0625000

(13)

M. F. 46970
CORRESPONDENCE FILE
TO
Conoco Inc
FROM
DATED 9-28-85

RRC ONLINE SYSTEM

Oil & Gas Data Query

Query Menu Help

Specific Lease Query Results

Query Path: Search Criteria > District: 08

Date Range: Mar 2017 to Feb 2022 Submit

Related Links
O&G Directory
O&G Proration Schedule
Offshore County Map

Production and Total Disposition | Disposition Details | County Production

Search Criteria:

Lease Name: H&M "B" , Lease No.: 27281
Well Type: Oil
District: 08
Lease Production and Disposition
Date Range: Mar 2017 - Feb 2022

Return

60 results Page: 1 of 1 Page Size: View All

Date	OIL (BBL)		Casinghead (MCF)		Operator Name	Operator No.	Field Name	Field No.
	Production	Disposition	Production	Disposition				
Mar 2017	0	0	0	0	7S OIL & GAS, LLC	954992	KEN REGAN (DELAWARE)	48754500
Apr 2017	0	0	0	0				
May 2017	3	0	0	0				
Jun 2017	3	0	0	0				
Jul 2017	0	0	0	0				
Aug 2017	2	0	0	0				
Sep 2017	2	0	0	0				
Oct 2017	1	0	0	0				
Nov 2017	0	0	0	0	ARCH OIL & GAS, LLC	029272	KEN REGAN (DELAWARE)	48754500
Dec 2017	0	0	0	0				
Jan 2018	1	0	0	0				
Feb 2018	0	0	0	0				
Mar 2018	0	58	0	0				
Apr 2018	0	0	0	0				
May 2018	0	0	0	0				
Jun 2018	0	0	0	0				
Jul 2018	0	0	0	0				
Aug 2018	0	0	0	0				
Sep 2018	0	0	0	0				
Oct 2018	0	0	0	0				
Nov 2018	0	0	0	0				
Dec 2018	0	0	0	0				
Jan 2019	0	0	0	0				
Feb 2019	0	0	0	0				
Mar 2019	0	0	0	0				
Apr 2019	0	0	0	0				
May 2019	0	0	0	0				
Jun 2019	0	0	0	0				
Jul 2019	0	0	0	0				
Aug 2019	0	0	0	0				
Sep 2019	0	0	0	0				
Oct 2019	0	0	0	0				
Nov 2019	0	0	0	0				
Dec 2019	0	0	0	0				
Jan 2020	0	0	0	0				
Feb 2020	0	0	0	0				
Mar 2020	0	0	0	0				

Apr 2020	0	0	0	0				
May 2020	0	0	0	0				
Jun 2020	0	0	0	0				
Jul 2020	0	0	0	0				
Aug 2020	0	0	0	0				
Sep 2020	0	0	0	0				
Oct 2020	0	0	0	0				
Nov 2020	0	0	0	0	KILLER RABBIT FIELDS LLC	460397	KEN REGAN (DELAWARE)	48754500
Dec 2020	NO RPT	NO RPT	NO RPT	NO RPT				
Jan 2021	NO RPT	NO RPT	NO RPT	NO RPT				
Feb 2021	NO RPT	NO RPT	NO RPT	NO RPT				
Mar 2021	NO RPT	NO RPT	NO RPT	NO RPT				
Apr 2021	NO RPT	NO RPT	NO RPT	NO RPT				
May 2021	NO RPT	NO RPT	NO RPT	NO RPT				
Jun 2021	NO RPT	NO RPT	NO RPT	NO RPT				
Jul 2021	NO RPT	NO RPT	NO RPT	NO RPT				
Aug 2021	NO RPT	NO RPT	NO RPT	NO RPT				
Sep 2021	NO RPT	NO RPT	NO RPT	NO RPT				
Oct 2021	NO RPT	NO RPT	NO RPT	NO RPT				
Nov 2021	NO RPT	NO RPT	NO RPT	NO RPT				
Dec 2021	NO RPT	NO RPT	NO RPT	NO RPT				
Jan 2022	NO RPT	NO RPT	NO RPT	NO RPT				
Feb 2022	NO RPT	NO RPT	NO RPT	NO RPT				
Total	12	58	0	0				

Download Return

(14.)

File No. MF046970

Reeves County

Inactivation Packet

Date Filed: 05/02/2022

George P. Bush, Commissioner

By MSB

FREE ROYALTY

FR

Mineral File 46970 B & W. R.

COUNTY: Reeves
TRACT :
PART : Sec 20 Blk 56 Tsp 3 T&P
ACRES : 640

LESSEE : Johnn Drilling Company
DATE :
TERM :
BONUS :
RENTAL:
FILE :

PRODUCING **B-FILE**

For Correspondence

FREE ROYALTY

46970

File

Reeves County

MINERAL LAND

Johnn Drilling Co.

640 Acres

Section 20

Block 56

T & P 3

Tsp.

File: 151372 Cert.

Name of Claim

23. Letter fr. Finley & Seagrn 10-1-69 ss
24. " " The Permian Corp. 10-4-69 SS
25. Letter fr. Thomas Westmoreland 12-12-69 SS
26 " to " 12-16-69 SS
27. " " " " 5-13-70 SS
28. letter from Production Services 5-22-70 SS
29. " to Lan Oil company 5-27-70 SS
30. letter from West Texas Oil 6-11-70 SS
31. ltr. to Lan Oil Co. 2-5-73 gw

VOL. P.

Form 2503b-VB-J-10-46-4M

46970

File

CONTENTS

1- Fld. inspect. loc rept. AUG 5 1956 ED
2 Ltr fr. Sinclair Crude oil Co OCT 17 1956 ED
3 " to Johnn Drl. Co JUN 21 1957 "
4. " " " " " 2/13/58 "
5. " " " " " 5-24-60 gwj.
6. " " " " " 7-22-60 "
7. " from " " " 7-25-60 NL
8. " " Henry J. Anderson & Assoc. 8-12-6 gwj.
9. " " Finley & Seagrn 8-4-61 "
10. " to " " 8-8-61 "
11. Ltr fr. J. R. Meeker 7-5-62 bs
12. " to Longhorn Service & Drilling Co. 9-13-63 VB
13 " fr. E A Coy Oil Reports 9-16-63 DC
14 " to Longhorn Serv. & Drlg Co 6-5-64 VB
15 " " " " " " 7-31-64 VB
16 " " " " " 7-31-64 VB
17. " " " " " " 9-30-64 RR
18 " " " " " 9-30-64 RR
19. " fr. Production Services 5-25-68
20. Ltr to Thomas T. Westmoreland 3-25-69
21 " fr. Permian 4-2-69 SS
22. Ltr to Thomas T. Westmoreland 9-23-69 gw

(over)

CONTENTS OF FILE NO. 46970 B File

1. Fld Inspct Lse Rept 8-5-1956
2. Ltr fr Sinclair 10-17-1956
3. " To Johnson Drl 6-21-1957
4. " " " " 2-13-1953
5. " " " " 5-24-1960
6. " " " " 7-22-1960
7. " fr " " 7-25-1960
8. " fr H. J. Anderson 8-12-1960
9. " " Finley & Scogins 8-4-1961
10. " to " " 8-8-1961
11. Ltr to J. R. Meeker 7-5-1962
12. " to LongHorn Ser & Drlg 9-13-63
13. " fr E. A. Cox Oil 9-16-1963
14. " to Longhorn Ser & Drlg 6-5-1964
15. " " " " " " 7-31-1964
16. " " " " " " 7-31-1964
17. " " " " " " 9-30-1963
18. " " " " " " 9-30-1964
19. Ltr fr Production Ser 5-25-1968
20. Ltr to T. T. Westmorland 3-25-1969
21. " fr Permian 4-2-1969
22. " to T. Westmorland 9-23-1969
23. " fr Finley & Scogins 10-1-1969
24. " fr Permian Corp 10-4-1969
21 1/2 Ltr to Thomas Westmorland 12-9-69
25. " fr T. Westmorland 12-12-1969
26. " to " " 12-16-1969
27. " " " " 5-13-1970
28. " fr Production Ser 5-22-1970
29. " to Lan Oil Co 5-27-1970
30. " fr West Tex Oil 6-11-1970
31. " to Lan Oil Co 2-5-1973
32. Ltr from Eastland Oil 1-31-85 MA
33. Ltr to Eastland Oil 2-7-85 MA

34. APPLICATION TO DRILL WELL #3 7-12-85 MA
35. COMP. REPORT WELL #3 7-12-85 MA
36. Transp. ltr to LBL 11/26/85 RSS
37. Transp. ltr to LBL 12-13-85
38. Ltr to Cattano Oil 12-18-85
39. Ltr to Stouffer Oil Corp. 12-18-85
40. Ltr from LBL 12-3-85 SK
41. Ltr. from LBL 1-14-85 SK
42. Application to drill well #2 7-30-86 TP
43. Application to Drill well #2 6-20-88
44. Billing Sledge Bros. Oil Co. 11-9-01
45. Scanned sm 4/25/14
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N.S. - no record of this lease

DATE 8/5/56 MINERAL FILE 46970 (See Remarks)

GENERAL LAND OFFICE
FIELD INSPECTORS LEASE REPORT

OPERATOR Johnn Drilling Co. FIELD ~~Fea Regan~~ DIAR-Morris

NAME OF LEASE Geo. P. Hill COUNTY Reeves

NUMBER OF TANKS ON LEASE 2 (LIST TANK NUMBERS IN "REMARKS" COLUMN)

NUMBER OF WELLS FLOWING 1 PUMPING ____ SHUT DOWN ____ GAS ____ DUAL ____

DOES THE TANK BATTERY ON THIS LEASE SERVE ANOTHER LEASE? NO

IS GAS OR OIL BEING USED ON THE LEASE? NO

IS GAS OR OIL BEING FURNISHED OTHER LEASES? NO

IS OIL MOVED FROM LEASE BY PIPE LINE ____ TRUCK V BARGE ____

DO TRUCK TRACKS APPEAR ALONG SIDE TANKS ON LEASE? NO

DOES THE OPERATOR OF THIS LEASE OWN THE ADJOINING LEASE? NO

IS GAS BEING FLARED ON THIS LEASE? Yes

IS GAS BEING SOLD FROM THIS LEASE PRODUCED THROUGH A SEPARATOR? None sold

IS GAS METERED ON THE LEASE? NO

IS THE LEASE FULLY DEVELOPED? Yes ARE ANY OFFSETS DUE? NO
(MAKE A PLAT ON THE REVERSE SIDE SHOWING WHERE OFFSETS SHOULD BE DRILLED)

ARE ALL WELLS ON THIS LEASE PROPERLY MARKED SO AS TO SHOW WELL NUMBER, NAME OF OPERATOR AND LEASE NAME? Yes

GIVE NAME AND ADDRESS OF PERSON IN CHARGE OF THIS LEASE UNKNOWN

LAST DATE YOU VISITED THIS LEASE ____

REMARKS

This lease is on Sec. 20, Blk. 56, TSP. 3, T. & P. Survey, Reeves County.
The Two Tanks have no numbers.
One Tank sealed with Cactus Pet. seal 3249
Unsealed Tank has 14'4" of oil.

BY R. V. Crawford
INSPECTOR

JA/MW
11-16-55

RWC

M. F. 46940

Fld. inspect. Gas-Dept

FILED 8-5 1956

J. EARL RUDDER

COMMISSIONER

ED

CLERK

SINCLAIR CRUDE OIL COMPANY

FAIR BUILDING

FORT WORTH, TEXAS

DIVISION ORDER DEPARTMENT

October 17, 1956

M-46970

In Re: Johnn Drilling Company
Hill Farm
Reeves County, Texas

Commissioner of the General Land Office
Austin 14, Texas

Attention: Mr. Melvin Eckhoff

Dear Sir:

We are pleased to advise that your interest under the captioned lease has been placed in line for payment, effective date of first run; however, in connection with this lease, it has come to our attention that our division order did not provide for the price received by Sinclair Crude Oil Company instead of our posted market price.

We, therefore, enclose herewith corrected division order, with the request that you please attach your usual letter in which you acquiesce in the sale of the oil to this Company to same and initial this special price provision to indicate your identification and acceptance of this change in our printed division order form. This change is made inasmuch as the production from this lease is currently being purchased by Crown Central Petroleum Corporation who is making payment to Sinclair Crude Oil Company of the 100% proceeds and we, in turn, are disbursing said proceeds to all parties in interest. The price presently being paid Sinclair Crude Oil Company for this production is the prevailing price for West Texas Intermediate Type Sweet Crude Oil, less a trucking charge of 38¢ per barrel and the 3% Federal Transportation Tax thereon.

We request that you please give this matter your prompt attention in order that there may be no interruption in payments to you.

Yours very truly,

SINCLAIR CRUDE OIL COMPANY

By James H. Gephart
James H. Gephart

RECEIVED
OCT 18 1956
GENERAL LAND OFFICE

MR:rw
Encl.

Mailed to Sinclair
10-22-56

M. F. 46970

CORRESPONDENCE FILE

To Sinclair Crude Oil Co.

From

Dated 10-17-56

June 21, 1957

Johnn Drilling Company
711 Fair Building
Fort Worth, Texas

Re: State Lease M-46970
Hill Lease
Reeves County, Texas

Gentlemen:

Enclosed is a supply of affidavit forms for your use in preparing an affidavit in support of each month's production and sales from the captioned lease. These affidavits are to be accompanied by copies of daily gauge reports and pipe line run tickets. Please file these records for the period of first production through May, 1957, and accompany them with copies of the tank tables.

To complete the files in this office I would appreciate receiving a copy of the lease covering Section 20, Block 56, Township 3, T&P Ry. Co. Survey, Reeves County, Texas.

Sincerely yours,

EARL RUDDER, Commissioner

By
Melvin Eckhoff, Assistant Director
Accounting & Auditing Division

ME/mw
Encl.(forms)

M. F. 46970

CORRESPONDENCE FILE

To Johnson Drlg. Co.

~~From~~

Dated 6-21-57

MEMO

OPERATOR Johnn Drilling Co

ADDRESS 711 Fair Building

Ft. worth, Texas

RE: MF 46970

Lease Name Hill Lease

Field Clear Marks

County(ies) Reeves

REQUEST:

Daily Gauges for ____/____

Run Tickets for ____/____

Run Ticket Nos. ____/____

Tank Table Nos. ____/____

____ Oil Purchase Stms. for ____

____ Gas Purchase Stms. for ____

____

Other (specify) Orl Affs. for July 1957 thru Jan. 1958.

REMARKS:

Oil Purchase Stubs & Royalty are in - This is a FR lease, with No gauges, runs, or TT in -

R&G Apl Aff. Rec'd Date 2-7 58

February 13, 1958

Johnn Drilling Company
711 Fair Building
Fort Worth, Texas

Re: State Lease M-46970
Hill Lease, Allar Marks
Field, Reeves County, Texas

Gentlemen:

The records of this office show that affidavits of production, daily gauge reports and pipe line run tickets have not been filed for the captioned lease for the period July, 1957, through January, 1958.

Please file these records in the near future and accompany them with copies of tank tables for each tank located on the lease.

Sincerely yours,

BILL ALLCORN, Commissioner

By
Melvin Eckhoff, Assistant Director
Accounting & Auditing Division

ME/mw

4.

M. F. 46970

CORRESPONDENCE FILE

To Johns Drug Co.

~~From~~

Dated 2/13/58

MEMO

OPERATOR Johnny Drilling Co.

ADDRESS 711 Fair Bldg.

Ft. Worth, Texas

RE: MF 46970

Lease Name Hice

Field Allar Marks,

County(ies) Reeves

REQUEST:

Daily Gauges for _____ / _____

Run Tickets for _____ / _____

Daily Gauge Report(s) & Run Ticket(s) for

_____ / _____

Oil or Gas Distillate Report (Form MA-1)

for Dec. 1959 thru Apr. 1960

Gas Report (Form MA-2) for _____

_____

_____ (Co.) Oil Purchase

Statement(s) for _____

_____ (Co.) Gas Purchase

Statement(s) for _____

Tank Table(s) for Tank(s) No(s). _____

_____

Copy of Railroad Commission Form 3-266-A

for _____

REMARKS:

R&G _____ Aff. RWG Date 5-23-60

11-59

May 24, 1960

Johnn Drilling Company
711 Fair Building
Fort Worth, Texas

Re: State Lease M-46970
Hill Lease
Aller Marks Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require that certain records be filed in the General Land Office on or before the twentieth day of each month for the preceding month when a lease is producing.

The files of this office show the below listed records have not been received. Please file these records in the near future:

Oil or Gas Distillate Report (Form MA-1) for December, 1959 through April, 1960.

Thank you for your cooperation.

Sincerely yours,

BILL ALLCORN, Commissioner

By
Melvin Eckhoff, Assistant Director
Accounting & Auditing Division

RWC/jnj

5.

M. F. 46272

CORRESPONDENCE FILE

To

Johnson Oil Co.

~~From~~

Dated 5-24-60

MEMO

OPERATOR Johnson Drilling Co.

ADDRESS 711 Fair Bldg.

Ft. Worth, Texas

RE: MF 46970

Lease Name Hill

Field Allar Marks

County(ies) Reeves

REQUEST:

Daily Gauges for _____ / _____

Run Tickets for _____ / _____

Daily Gauge Report(s) & Run Ticket(s) for

_____ / _____

Oil or Gas Distillate Report (Form MA-1)

for Dec. 1959 thru June 1960

Gas Report (Form MA-2) for _____

_____

_____ (Co.) Oil Purchase

Statement(s) for _____

_____ (Co.) Gas Purchase

Statement(s) for _____

Tank Table(s) for Tank(s) No(s). _____

_____

Copy of Railroad Commission Form 3-266-A

for _____

REMARKS: 2nd Request

R&G _____ Aff. RWC Date 7-22-60

11-59

July 22, 1960

Johnn Drilling Company
711 Fair Building
Fort Worth, Texas

Re: State Lease M-46970
Hill Lease
Allar Marks Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require that certain records be filed in the General Land Office on or before the twentieth day of each month for the preceding month when a lease is producing.

The files of this office show the below listed records have not been received. Please file these records in the near future:

Oil or Gas Distillate Report (Form MA-1) for December, 1959 through June, 1960.

SECOND REQUEST

Thank you for your cooperation.

Sincerely yours,

BILL ALLCORN, Commissioner

By
Melvin Eckhoff, Assistant Director
Accounting & Auditing Division

RWC/jnj

6.

M. F. 46970

CORRESPONDENCE FILE

To

Johns Dilg

~~From~~

Dated 7-22-60

JOHNN DRILLING COMPANY
711 FAIR BUILDING
FORT WORTH 2, TEXAS

J. W. ARNOLD
SECRETARY-TREASURER

July 25, 1960

15

RECEIVED
JUL 26 1960
General Land Office

General Land Office
Austin 14, Texas

Attention: Mr. Melvin Eckhoff

Re: State Lease M-46970
Hill Lease
Allar Marks Field
Reeves County, Texas

Gentlemen:

We are in receipt of your letter of July 22, 1960 regarding the above captioned lease.

Please be advised that as of January 1, 1960, this lease has been sold to Mr. Henry J. Anderson & Associates, Suite 600 City National Bank Building, Wichita Falls, Texas.

If we may be of any further assistance to you, please do not hesitate to call upon us.

Yours very truly,

J. W. Arnold

JWA:pm

cc: Henry J. Anderson & Associates
Suite 600 City National Bank Building
Wichita Falls, Texas

7. M. F. 46920

CORRESPONDENCE FILE

~~To~~

Johnn Drlg. Co.

From

Dated 7-25-60

Henry J. Anderson & Associates

SUITE 600 CITY NATIONAL BANK BUILDING

Wichita Falls, Texas

OIL PROPERTIES

PHONE 723-2796

August 12, 1960

RECEIVED

AUG 13 1960

General Land Office

General Land Office
General Land Office Bldg.
Austin 14, Texas

In Re: Your Lease No. M-46970, Allar Marks Field, Reeves County, Texas

Gentlemen:

This will advise that Mr. E. A. Cox of Midland, Texas, is our agent and has full and complete authority to send all land office affidavits in connection with the above lease.

This authorization shall remain in full force and effect until notice has been received by you of its revocation.

Very truly yours,

HENRY J. ANDERSON & ASSOCIATES

Henry J. Anderson

HJA: eg

CC: E. A. Cox Oil Reports
603 Oil and Gas Building
Midland, Texas

8.

M. F. 46970

CORRESPONDENCE FILE

~~To~~

Henry J. Anderson D

From Assoc.

Dated 8-12-60

LAW OFFICES
FINLEY AND SCOGIN
P. O. Box 686
KERMIT, TEXAS

GEORGE FINLEY
ROBERT SCOGIN
—
R. G. GUTHRIE

211 NORTH OAK
TELEPHONE
JUNIPER 6-3418

15

19

August 4, 1961

General Land Office
State of Texas
Austin, Texas

Oil only, Free Roy.
B

Re: State Lease M-46970, Hill Lease,
Allar Marks Field, Reeves County,
Texas

Gentlemen:

This is to advise you that Mr. John D. Crawford and Mr. Thomas T. Westmoland of Wink, Texas, whose address is Box 427, have purchased the working interest of the above captioned lease.

We would appreciate very much your forwarding to us the necessary forms to make these changes with your records and the necessary forms that are necessary to file with the General Land Office each month.

Thank you very much for your cooperation in this matter and should you need a copy of the assignment we will certainly forward one to you.

Yours very sincerely,

Robert Scogin

Robert Scogin

RS:rd
cc: Longhorn Service and Drilling Company

RECEIVED
AUG 7 1961
General Land Office

9.

M. F. 46970

CORRESPONDENCE FILE

~~To~~

From Finley + Scogin

Dated 8-4-61

August 8, 1961

Finley and Scogin
P. O. Box 686
Kermit, Texas

Attention: Mr. Robert Scogin

Re: State Lease M-46970
Hill Lease
Allar Marks Field
Reeves County, Texas

Gentlemen:

This is in reference to your letter of August 4, 1961, requesting the necessary forms for the reporting of production from the captioned lease.

Enclosed please find a supply of the Oil or Gas Distillate Report (Form MA-1) together with an order blank for your use in reordering these forms when your supply is exhausted.

Please forward a copy of the assignment whereby Mr. Crawford and Mr. Westmoland received title to the captioned lease.

Thank you for your cooperation in this matter.

Sincerely yours,

JERRY SADLER, Commissioner

By
Melvin Eckhoff, Director
Accounting & Auditing Division

ME/oj
Encl.

10.

M. F. 46970

CORRESPONDENCE FILE

To

Finley v. Scogin

~~From~~

Dated 8-8-61

J. R. MEEKER
6100 Camp Bowie Boulevard
FORT WORTH 16, TEXAS

July 3, 1962

RECEIVED
JUL 05 1962
General Land Office

file

M-46970

Sinclair Oil & Gas Company
P. O. Box 1470
Midland, Texas

Attention: Production Department

Gentlemen:

With reference to that certain oil and gas lease, dated March 20, 1950, between George P. Hill, as Lessor, and Francis K. Campbell, Lessee, presently owned by you and Johnn Drilling Company covering Section 20, Block 56, T-3, T. & P. RR. Co. Survey, Reeves County, Texas, which lease reserved unto the Lessor a 1/16th royalty on oil and gas and a 1/16th free royalty on oil and gas to The State of Texas.

This acreage has been drained since the 10th day of September, 1959, by the Ken Reagan No. 5-A Bolinger located in Section 16, and as a royalty owner under said Section 20, I insist that you immediately commence operations for the drilling of this offset or pay to me compensatory royalty from the above date. Should you elect not to drill or pay said royalty, then I will appreciate your forwarding me a properly executed release of this offset location.

In addition, I insist that you commence operations for the development of said Section 20 by virtue of the wells drilled thereon by Johnn Drilling Company on a farmout from you, or furnish me with a release of this entire lease, except the spacing unit surrounding each producing well drilled by said Johnn Drilling Company.

Please advise me of your intentions regarding the above within the next ten (10) days, or I shall be required to take appropriate legal action.

Very truly yours,

J. R. Meeker

JRM:bd

cc: Hill and Hill
General Land Office

11.

M. F. 46970
CORRESPONDENCE IN "B" FILE
Lt. J. J.R. Meeker
FILED 7-5 1962
JERRY SADLER, COMMISSIONER
FILED BY lsd

September 13, 1963

-B

Longhorn Service & Drilling Co.
c/o E. A. Cox
603 Oil and Gas Bldg.
Midland, Texas

RE: State Lease M-46970
Hill Lease
Ken Reagan Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require that certain records be filed in the General Land Office on or before the twentieth day of each month pertaining to production of the preceding month when a lease is producing.

The files of this office do not show the following records to have been received:

Oil or Gas Distillate Reports (Form MA-1) for June and July, 1963.
The Permian Corporation's Oil Purchase Statements for June and July, 1963.

Please file these records at the earliest possible time. Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, Commissioner

By
C. F. Niebuhr, Director
Finance, Audit and Investment

CFN:hf

12. M. F. 46970

CORRESPONDENCE FILE

To

Longhorn Service & Drilling Co.

Dated 9-13-63

BUS. PH. MU 4-6562

RES. PH. MU 2-4651

E. A. Cox Oil Reports

603 OIL & GAS BLDG.

MIDLAND, TEXAS

September 16, 1963

General Land Office
Austin, Texas

Attention: Mr. C. F. Niebuhr

RE: State Lease M-46970
Longhorn Serv. & Drlg. Co.
Hill Lease
Ken Reagan Field
Reeves County, Texas

Gentlemen:

Enclosed please find copies of Form MA-1 requested in your letter dated September 13, 1963. These were mailed to Austin July 17 and August 18, respectively.

We are also sending copies of The Permian Corporation's oil purchase statements from February through August 1963.

Yours very truly,

E. A. COX OIL REPORTS

Barbara Williams

Barbara Williams
Secy to E. A. Cox

bjw/s

Encl (9)

RECEIVED
SEP 18 1963
General Land Office

13

M. F. 46970

CORRESPONDENCE FILE

~~To~~

E. A. Cox, Dir. Reports

From

Dated 9-16-63

June 5, 1964

Longhorn Service & Drilling Co.
c/o E. A. Cox
603 Oil & Gas Bldg.
Midland, Texas

RE: State Lease No. M-46970
George P. Hill Lease
Ken Reagan Dela. Field
Reeves County, Texas

Gentlemen:

Your March, 1964 Oil and Gas Distillate Report indicates the State's royalty based on gross value prior to deduction of trucking charges.

Please deduct the trucking charge from the gross value prior to computing the State's royalty on future reports for the above lease.

Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, Commissioner

By:
C. F. Niebuhr, Director
Finance, Audit and Investment

CFN:hf

M. F. 46970

CORRESPONDENCE FILE

To Longhorn Serv. & Drlg Co

~~From~~

Dated 6-5-64

July 31, 1964

Longhorn Service & Drilling Co.
c/o E. A. Cox Oil Reports
603 Oil & Gas Building
Midland, Texas

RE: State Lease M-46970
George P. Hill Lease
Ken Reagan (Delaware) Field
Reeves County, Texas

Gentlemen:

Our Files do not contain a copy of your April, 1964 Oil or Gas Distillate Report and copies of The Permian Corporation's Oil Purchase Statement for April and May, 1964.

Please submit these records to complete our files.

Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, Commissioner

By:
C. F. Niebuhr, Director
Finance, Audit and Investment

CFN:hf

15

M. F. 46970

CORRESPONDENCE FILE

To

Longhorn Serv + Drlg Co

~~From~~

Dated 7-31-64

GENERAL LAND OFFICE

AUSTIN, TEXAS

JERRY SADLER
COMMISSIONER

July 31, 1964

Longhorn Service & Drilling Co.
c/o E. A. Cox Oil Reports
603 Oil & Gas Building
Midland, Texas

13

RE: State Lease M-46970
George P. Hill Lease
Ken Reagan (Delaware) Field
Reeves County, Texas

Gentlemen:

Our Files do not contain a copy of your April, 1964 Oil or Gas Distillate Report and copies of The Permian Corporation's Oil Purchase Statement for April and May, 1964.

Please submit these records to complete our files.

Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, Commissioner

By: C. F. Niebuhr
C. F. Niebuhr, Director
Finance, Audit and Investment

CFN:hf

RECEIVED
AUG 5 1964
General Land Office

16

M. F. 46970-B

CORRESPONDENCE FILE

~~To~~

Longhorn Service & Drilling

~~From~~

Dated 7-31-64

GENERAL LAND OFFICE

AUSTIN, TEXAS

JERRY SADLER
COMMISSIONER

September 30, 1964

Longhorn Service & Drilling Co.
% E. A. Cox
603 Oil & Gas Bldg.
Midland, Texas

B

Re: State Lease M-46970
George P. Hill Lease
Allar Marks Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require that certain records be filed in the General Land Office on or before the twentieth day of each month pertaining to production of the preceding month when a lease is producing.

The files of this office do not show the following records to have been received:

The Permian Company Oil Purchase Statement for June, 1964.

Please file these records at the earliest possible time. Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, COMMISSIONER

By: C. F. Niebuhr
C. F. Niebuhr, Director
Finance, Audit and Investment

CFN:hf

RECEIVED
OCT 3 1964
General Land Office

September 30, 1964

B

Longhorn Service & Drilling Co.
% E. A. Cox
603 Oil & Gas Bldg.
Midland, Texas

Re: State Lease M-46970
George P. Hill Lease
Allar Marks Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require that certain records be filed in the General Land Office on or before the twentieth day of each month pertaining to production of the preceding month when a lease is producing.

The files of this office do not show the following records to have been received:

The Permian Company Oil Purchase Statement for June, 1964.

Please file these records at the earliest possible time. Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, COMMISSIONER

By:
C. F. Niebuhr, Director
Finance, Audit and Investment

CFN:hf

#17

M. F. 46970

CORRESPONDENCE FILE

To Longhorn Serv. + Dlg.

~~From~~

Dated 9-30-64

38842 - B.

Ponca City, Oklahoma
October 1, 1964

RECEIVED
OCT 3 1964
General Land Office

Mr. J. C. Curry, Odessa, Texas

LOST OIL, UNIVERSITY "F," DUNE FIELD, CRANE COUNTY, TEXAS

We are enclosing a Verifax copy of a letter received from the General Land Office concerning lost oil on which royalty should be paid to the state of Texas, according to the General Land Office.

We have no records of this lost oil in this office and would appreciate your checking on it and furnishing us run tickets or other information needed to support or refute this claim in order that we may close our file.

Jack E. Bieber

Jack E. Bieber
Production and Pipe Line
Accounting Division

JEB-DF
Enc.
Carbon copy to:
General Land Office
Austin, Texas

Attention of Mr. C. F. Niebuhr

GENERAL LAND OFFICE
AUSTIN, TEXAS

JERRY SADLER
COMMISSIONER

September 21, 1964

RECEIVED
OCT 3 1964
General Land Office

15

Continental Oil Company
P. O. Drawer 1267
Ponca City, Oklahoma

Re: State Lease M-38842
University "F" Lease
Dune Field
Crane County, Texas

Gentlemen:

Records in this office indicate that 129.00 barrels of oil were lost during July, 1964, on the subject lease.

Your lease requires that oil royalty be paid for all oil produced.

Based on the price of $2.59 received for oil sold during May, 1964, we compute $41.76 royalty is due.

Please forward your check for $41.76 to pay the oil royalty for this lost oil.

Thank you for your co-operation.

Sincerely yours,

JERRY SADLER, Commissioner

By:

C. F. Niebuhr, Director
Finance, Audit and Investment

CFN:dw
cc: University Oil & Gas
Production Auditor

M. F. 46970

CORRESPONDENCE FILE

To

Longhorn Service

~~From~~

Dated 9-30-64

18

PRODUCTION SERVICE CO.

PHONE JU 6-2670 P. B. BOX 1087
KERMIT, TEXAS 79745

May 25, 1968

15

General Land Office
Oil & Gas Division
Capitol Station
Austin, Texas

RE: Thomas T. Westmoreland
Lease # M 46970 — B
Geo. P. Hill Lease
Ken Regan (Deleware)Field

Dear Sir:

Please show the following changes in the agent on your records:

From: E. A. Cox, Agent
P.O. Box 1167
Midland, Texas

TO: George M. Campbell, Agent
P.O. Box 1087
Kermit, Texas 79745

Future correspondence on this lease should be directed to George M. Campbell, Agent.

Sincerely,

George M Campbell

George M. Campbell

RECEIVED
MAY 27 1968
General Land Office

19

M. F. 46970

CORRESPONDENCE FILE

To

Production Surveillance

From

Dated 5-25-68

RECEIVED
MAY 27 1968
General Land Office

March 25, 1969

Mr. Thomas T. Westmoreland
P. O. Box 1087
Kermit , Texas 79745

RE: State Lease M-46970
George P. Hill Lease
Allar Marks Field
Reeves County, Texas

Dear Mr. Westmoreland:

Our records indicate we have not received copies of your Permian Corporation oil purchase statements for May through August, 1968 for the above lease.

Please send copies to this office to complete our files.

Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, COMMISSIONER

BY:
E. F. Niebuhr, Director
Finance, Audit and Investment

CFN/ms

(20)

M. F. 46770

CORRESPONDENCE FILE

To

Thomas I. Westmoreland

From

Dated 3-25-69

JR

THE PERMIAN CORPORATION
1509 W. WALL P. O. BOX 3119
MIDLAND, TEXAS 79701
915-683-4711

April 1, 1969

M-46970 - B
Allar Marks #2.

General Land Office
Austin, Texas 78701
Attn: Mr. C. F. Niebuhr

Re: Lease No. 276230 - George P. Hill

Gentlemen:

In reply to your letter of March 25, 1969 address to Mr. Thomas T. Westmoreland with reference to the above captioned lease, we are enclosing copies of the operator statements for the months of May, July and August, 1968. According to our records, there were no runs for the month of June, 1968.

We trust this is the information you desire, and if we may be of further assistance to you, please advise.

Yours very truly,

THE PERMIAN CORPORATION

William E. Perry

md

Enclosures

cc: Mr. Thomas T. Westmoreland
P. O. Box 1087
Kermit, Texas 79745

RECEIVED
APR 2 1969
General Land Office

(21)

M. F. 46970

CORRESPONDENCE FILE

~~To~~

From Permian

Dated 4-2-69

SS

September 23, 1969

Mr. Thomas T. Westmoreland
P. O. Box 1087
Kermit, Texas 79745

RE: State Lease M-46970
George P. Hill Lease
Ken Regan Delaware Field
Reeves County, Texas

Dear Mr. Westmoreland:

We are not receiving copies of The Permian Corporation oil purchase statements, their Number 276230.

We received these statements from The Permian Corporation through August, 1968.

Please send these statements for September, 1968 to date and each month thereafter.

Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, COMMISSIONER

BY:
C. F. Niebuhr, Director
Finance, Audit and Investment

CFN/hf

(22)

M. F. 46970

CORRESPONDENCE FILE

To

Thomas T.

From Westmoreland

Dated 9-23-69

dp

LAW OFFICES
FINLEY AND SCOGIN
211 NORTH OAK
P. O. BOX 920
KERMIT, TEXAS 79745

GEORGE FINLEY
ROBERT SCOGIN
GLEN WILLIAMSON

AREA CODE 915
586-3418

September 29, 1969

General Land Office
Austin, Texas 78701

Attention: Mr. C. F. Niebuhr, Director
Finance, Audit and Investment

Re: State Lease M-46970
George P. Hill Lease
Ken Regan Delaware Field
Reeves County, Texas

Dear Mr. Niebuhr:

In reference to your letter of September 23, 1969, which was received in this office on September 29, 1969, please be advised that the Permian Corporation is still purchasing the oil from this lease in which you gave reference to their number being 276230.

It is my understanding that Permian should furnish this information to the General Land Office and if it has not I am by carbon copy of this letter requesting that the Permian Corporation furnish whatever information that it has in the past furnished in regard to this lease.

The purchase statements which you refer to I presume are no more than the amount of oil purchased by Permian each month or perhaps each time the oil is picked up from the tank battery and I do not know why Permian has ceased to furnish these to you.

For information purposes only we have a field ticket that shows that on September 5, 1969, in reference to Lease No. 276230 that there was an estimated 145 barrels purchased, however I am sure that this is subject

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OCT 1 1969
General Land Office

to certain corrections for temperature and other factors.

It may be that this is the information you are requiring and I again am at loss to know why Permian has not furnished this information to you and I am by a copy of this letter, as above stated, requesting that Permian do so.

Yours very sincerely,

Robert Scogin

Robert Scogin

dk

cc: The Permian Corporation
P. O. Box 4157
Midland, Texas 79701

Mr. Wilburn Westmoland

RECEIVED
OCT 1 1969
General Land Office

(23)

M. F. 46970

CORRESPONDENCE FILE

To

From Finley & Scogin

Dated 10-1-69

SLS

THE PERMIAN CORPORATION
1509 W. WALL P. O. BOX 3119
MIDLAND, TEXAS 79701

915-683-4711

RECEIVED
OCT 4 1969
General Land Office

October 2, 1969

General Land Office
Attn: Mr. C. F. Niebuhr, Director
Austin, Texas 78701

Re: State Lease M-46970
George P. Hill Lease
Ken Regan Delaware Field
Reeves County, Texas

Dear Mr. Niebuhr:

As requested by correspondence of September 29th, we are attaching hereto copies of the operator statements on our Lease #276230 for the months of September, 1968, through August, 1969. This has been added to our mailing list for you to receive a copy of this statement each month.

If we may be of any further assistance in this matter, please advise.

Yours very truly,

THE PERMIAN CORPORATION

William E. Perry mw

William E. Perry

mw
Encl.
cc Finley and Scogin
211 North Dak
P O Box 920
Kermit, Texas 79745

24

M. F. 46970

CORRESPONDENCE FILE

To

From The Permian Corp.

Dated 10-4-69

345

December 9, 1969

Mr. Thomas T. Westmoreland
% Mr. E. A. Cox
Box 1667
Midland, Texas 79701

RE: State Lease M-46970
George P. Hill Lease
Ken Regan Delaware Field
Reeves County, Texas

Dear Mr. Westmoreland:

This is to advise that the statutes require that certain records be filed in the General Land Office each month pertaining to production of the preceding month when a lease is producing.

The files of this office do not show the following records to have been received:

Oil or Gas Distillate Reports (Form MA-1) for March, 1969 to date.

The Permian Corporation's Oil Purchase Statement for September, 1969.

Please file these records at the earliest possible time. Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, COMMISSIONER

by:
C. F. Niebuhr, Director
Finance, Audit and Investment

CFN: hf

(25) 1/2

M. F. 46970

CORRESPONDENCE FILE

To Thomas Westmoreland

From

Dated 12-9-69

SLS

GENERAL LAND OFFICE

AUSTIN, TEXAS

78701

JERRY SADLER
COMMISSIONER

December 9, 1969

26

Mr. Thomas T. Westmoreland
% Mr. E. A. Cox
Box 1667
Midland, Texas 79701

RE: State Lease M-46970
George P. Hill Lease
Ken Regan Delaware Field
Reeves County, Texas

Dear Mr. Westmoreland:

This is to advise that the statutes require that certain records be filed in the General Land Office each month pertaining to production of the preceding month when a lease is producing.

The files of this office do not show the following records to have been received:

Oil or Gas Distillate Reports (Form MA-1) for March, 1969 to date.

The Permian Corporation's Oil Purchase Statement for September, 1969.

Please file these records at the earliest possible time. Thank you for your cooperation.

RECEIVED
DEC 12 1969
General Land Office

Sincerely yours,

JERRY SADLER, COMMISSIONER

by: C. F. Niebuhr
C. F. Niebuhr, Director
Finance, Audit and Investment

CFN: hf

We have not handled the filing of reports on this lease in 1969. Please check your addresses for a new Party responsible for this. Thanks

E. A. Cox

(25)

M. F. 46976

CORRESPONDENCE FILE

To

From Thomas Westmoreland

Dated 12-12-69

315

RECEIVED
DEC 15 1969
Chicago Field Office

December 17, 1969

Mr. Thomas T. Westmoreland
% Mr. George M. Campbell
P. O. Box 1087
Kermit, Texas 79745

RE: State Lease M-46970
George P. Hill Lease
Ken Regan Field
Reeves County, Texas

Dear Mr. Westmoreland:

Our records indicate we have not received copies of your Oil or Gas Distillate Reports for March, 1969 to date.

Enclosed are several copies of the Form MA-1 Report and a blank for reorder when this supply is exhausted.

Please forward necessary Form MA-1 Reports to this office to complete our files.

Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, COMMISSIONER

BY:

C. F. Niebuhr, Director
Finance, Audit and Investment

CFN/hf

Enclosures

(26)

M. F. 46970

CORRESPONDENCE FILE

To

Thomas Westmoreland

From

Dated 12-17-69

SLS

May 13, 1970

Mr. Thomas T. Westmoreland
% Mr. George M. Campbell
P. O. Box 1087
Kermit, Texas 79745

RE: State Lease M-46970
George P. Hill Lease
Ken Reagan Field
Reeves County, Texas

Dear Mr. Westmoreland:

This refers to our letter dated December 17, 1969 in which we requested Oil or Gas Distillate Reports for March, 1969 to date.

Our records do not show these Reports to have been received.

Please submit these Reports and The Permian Corporation's Oil Purchase Statements for September, 1969 to date.

Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, COMMISSIONER

BY:

C. F. Niebuhr, Director
Finance, Audit and Investment

CFN/hf

(21)

M. F. 46970

CORRESPONDENCE FILE

To

Thomas Westmoreland

From

Dated 5-13-70

SLS

PRODUCTION SERVICE CO.
PHONE JU 6-2670 P. B. Box 1087
KERMIT, TEXAS 79745

May 20, 1970

15

General Land Office
Austin, Texas

Attn: Mr. C.F. Niebuhr

Re: State Lease M-46970
George P. Hill Lease
Ken Reagan Field
Reeves County, Texas

Dear Sir:

This lease was turned over to the law offices of Finley and Scogin for purposes of arranging a sale. It is my understanding that is has since been sold, therefore, you should direct all further correspondence concerning this property to the offices of Finley & Scogin, P. O. Box 920, Kermit, Texas 79745.

Enclosed are two reports which are copies of the originals held in our files. Thanking you for your consideration, I remain,

Sincerely yours,

George M. Campbell

GMC:dk

Enclosures (2)

RECEIVED
MAY 22 1970
General Land Office

(28)

M. F. 4-0970

CORRESPONDENCE FILE

To Production Service

From

Dated 5-22-70

May 27, 1970

Lan Oil Company
Box 953
Midland, Texas 79701

RE: State Lease M-46970
George B. Hill Lease
Ken Reagan Field
Reeves County, Texas

Gentlemen:

Our records indicate that you assumed operation of the subject lease on May, 1969.

As the State owns an interest in the above lease, various reports concerning the lease's production and sales should be filed with this office each month.

To aid you in filing these reports, we are enclosing a pamphlet entitled Reporting Oil and Gas Production, a supply of Oil or Gas Distillate Reports (Form MA-1), several Gas Reports (Form MA-2), and a blank for reorder when this supply is exhausted.

Reports which should be filed by the end of the month following the month of production are listed on Page 2 of the enclosed pamphlet.

Please file the necessary reports for May, 1969 to date and monthly thereafter.

Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, COMMISSIONER

BY:

C. F. Niebuhr, Director
Finance, Audit and Investment

CFN/hf

Enclosures

(29)

M. F. 46970

CORRESPONDENCE FILE

To

Lan Oil

From

Dated 5-27-70

SLS

RAILROAD COMMISSION REPORTS PREPARED
PROPERTY MANAGEMENT
EVALUATIONS
WELL COMPLETIONS

West Texas Oil Reports
AND ENGINEERING SERVICE
P. O. Box 953
MIDLAND, TEXAS 79701

LAMAR ESCHBERGER
REGISTERED PROFESSIONAL ENGINEER

684-6381
401 WILKINSON-FOSTER BLDG.

June 8, 1970

General Land Office
Land Office Bldg.
Austin, Texas 78711

Attention: C F Niebuhr, Director
Finance, Audit and Investment

Re: State Lease M-46970
George P Hill Lease
Ken Regan Field
Reeves County, Texas

Dear Sir:

This letter is to inform you that Lan oil Company became the operator on the captioned lease effective 10-1-69. We are filing MA-1 Reports on the lease at this time.

Thank you.

Yours truly,

Lillian Jones

Lillian Jones
Agent

LJ/fs
cc

RECEIVED
JUN 11 1970
General Land Office

(30)

M. F. 46970

CORRESPONDENCE FILE

To

From West Texas Oil

Dated 6-11-70

SLS

General
Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

February 5, 1973

Lan Oil Company
Box 953
Midland, Texas 79701

RE: State Lease M-46970
George P. Hill Lease
Ken Regan (Delaware) Field
Reeves County, Texas

Gentlemen:

Oil or Gas Distillate Reports are being received indicating General Land Office lease number of M-44970 for the subject lease.

Our records indicate the correct lease number is M-46970 not M-44970 as reported.

Please use lease number M-46970 on future reports submitted to this office.

Thank you for your cooperation.

Sincerely yours,

Bob Armstrong

BY: Harold Frank, Jr., Assistant Director
Finance, Audit and Investment

JD/glr
Enclosure

(31)

M. F. 46970

CORRESPONDENCE FILE

To Lan Oil Co.

From

Dated 2-5-73 gr

EASTLAND

THE EASTLAND OIL COMPANY

P.O. DRAWER 3488
560 ONE MARIENFELD PLACE
MIDLAND, TEXAS 79702
TELEPHONE: (915) 683-6293

January 31, 1985

General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

Attention: J. Daryl Morgan

Ref: State Lease M-46970
H&M, H&M "B" Leases
Ken Regan (Delaware) Field
Sec 20, Blk 56, Tsp 3, T&P
Reeves County, Texas

Gentlemen:

Enclosed are the leases requested. Please be advised that L.B.L. Oil Company, Tulsa, is now the operator of the captioned leases.

Yours truly,

THE EASTLAND OIL COMPANY

Robert R. Donnelly

Robert R. Donnelly

RRD:skp

Enclosures

cc: L.B.L. Oil Company
P. O. Box 4822
Tulsa, Oklahoma 74104

(32)

M. F. 46970
CORRESPONDENCE FILE
~~TO~~ Eastland Oil
From
Dated 1-31-85

5-8-92

Garry Mauro
Commissioner
General Land Office

February 7, 1985

Mr. Robert R. Donnelly
The Eastland Oil Company
P. O. Drawer 3488
Midland, TX 79702

Re: Two Free Royalty Leases
Assignment of Free Royalty Lease
M-46970; Sec. 20, Blk. 56, T-3, T&P Ry. Co.
Reeves County, Texas

Dear Mr. Donnelly:

The copies of free royalty oil and gas leases and the assignment of free royalty leases covering the captioned tract have been filed in our records under the captioned mineral file number. Please refer to this file number in all future correspondence concerning these leases.

Should you have any further questions, please call.

Sincerely,

J. Daryl Morgan

J. Daryl Morgan
Oil and Gas Section
Legal Division
512 475-4246

JDM/ma

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

(33)

M.F. 46970

CORRESPONDENCE FILE

TO Eastland Oil Co.

~~From~~

Dated 2-7-85

WITHIN FREE Royalty M-46970

Fees shall be payable to the State Treasurer of Texas. Address to:
Railroad Commission of Texas
Oil and Gas Division, Drilling Permits
P. O. Drawer 12967, Capitol Station
Austin, Texas 78711
▶ File a copy of W-1 and plat in RRC District Office

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

▶ Read Instructions on Back

Form W-1
Rev. 9/1/83
483-060

Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

Purpose of filing (mark appropriate boxes):
[X] Drill [ ] Deepen (below casing) [ ] Deepen (within casing) [ ] Plug Back [ ] Re-Enter
[ ] Directional Well [ ] Sidetrack [ ] Amended Permit (enter permit no. at right & explain fully in Remarks)

Enter here, if assigned: API No. ▶ 42-389-31637 Permit No. ▶ 267716

Rule 37 Case No. ▶

1. Operator's Name (exactly as shown on Form P-5, Organization Report): Stouffer Oil Corporation
3. RRC Operator No.: 824226
4. RRC District No.: 8
5. County of Well Site: Reeves

2. Address (including city and zip code): P.O. Box 740304, Dallas, Texas 75374 (Inactive X 994279)
6. Lease Name (32 spaces maximum): Meeker-Hill "B"
7. RRC Lease ID No.: N.A.
8. Well No.: 3
9. Total Depth: 3,600'

10. Location
• Section 20 Block 56 Survey T&P RR Co. T-3 Abstract No. A-
• This well is to be located 30 miles in a NW direction from Pecos
which is the nearest town in the county of the well site.

MAR 22 1985

11. Distance from proposed location to nearest lease or unit line: 660'
12. Number of contiguous acres in lease, pooled unit, or unitized tract: 40 (OUTLINE ON PLAT)

Amended 2/25/85

13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.	14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.)	20. Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. OIL	GAS
Ken Regan (Delaware) 48754500	3,600'	330/660	40	40	No	None	Oil	1	

22. Perpendicular surface location from two nearest designated lines:
• Lease/Unit 660' FE&SL of Lease
• Survey/Section 1,980' FE&SL of Sec. 20

If a directional well, show also projected bottom-hole location:
• Lease/Unit
• Survey/Section

23. Is this a pooled unit? Yes [ ] ▶ (Attach Form P-12 and certified plat.) No [X]

24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes [ ] ▶ (Attach Form W-1A) No [X]

25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes [ ] No [X] If subject to Rule 36, is Form H-9 filed? Yes [ ] No [ ] ▶ If not filed, explain in Remarks.

26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? Yes [X] No [ ]
If not, and if the well requires a Rule 37 or 38 exception, see instructions for Rule 37.

Remarks

I certify that information stated in this application is true and complete, to the best of my knowledge.

Signature: J. Raney
J.C. Raney, Cons. Engineer
Name and title of operator's representative

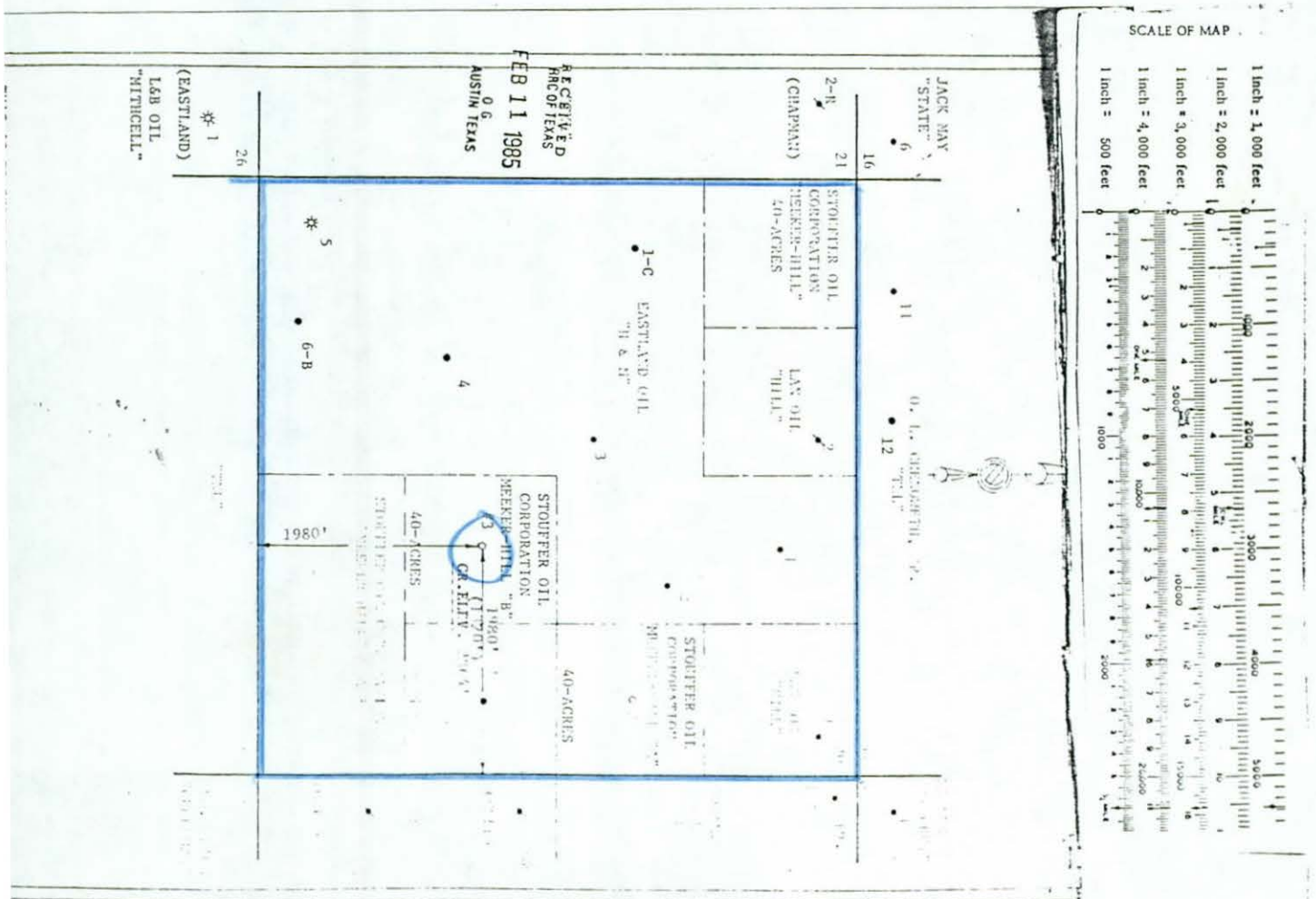
Date: 2 mo. 9 day 85 yr. Tel: 915 683 2842 Area Code Number

214805 FEB 11 85

• RRC Use Only •

274110

RECEIVED
RRC OF TEXAS
FEB 11 1985
O & G
AUSTIN, TEXAS



Stauffer PLAT SERVICE

8

3-585

(34)

M.F 46970

APPLICATION TO DRILL

WELL # 3

FILED 7-12 19 85

GARRY MAURO, COMMISSIONER

BY [illegible]

Type or print only

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form W-2
Rev. 4/1/83
483-046

API No. 42- 38931637

7. RRC District No. 8

8. RRC Lease No. Not Avail

Oil Well Potential Test, Completion or Recompletion Report, and Log

1. FIELD NAME (as per RRC Records or Wildcat): Ken Regan (Delaware)

2. LEASE NAME: Meeker-Hill "B"

9. Well No. 3

3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report): Stouffer Oil Corporation

RRC Operator No. 824226

10. County of well site: Reeves

4. ADDRESS: P.O. Box 740304 Dallas, Texas 75374

11. Purpose of filing
- Initial Potential [X]
- Retest [ ]
- Reclass [ ]
- Well record only (explain in Remarks) [ ]

5. If Operator has changed within last 60 days, name former operator

6a. Location (Section, Block, and Survey): Sec. 20, Blk.56, T&P RR, T-3

6b. Distance and direction to nearest town in this county.: 30 Miles Northwest of Pecos

12. If workover or reclass, give former field (with reservoir) & gas ID or oil lease no.
FIELD & RESERVOIR | GAS ID or OIL LEASE # | Oil - O Gas - G | WELL NO.

13. Type of electric or other log run: Dual Spaced Neutron Log

14. Completion or recompletion date: April 18, 1985

SECTION I: POTENTIAL TEST DATA IMPORTANT: Test should be for 24 hours unless otherwise specified in field rules.

15. Date of test	16. No. of hours tested	17. Production method (Flowing, Gas Lift, Jetting, Pumping—Size & Type of pump)	18. Choke size
April 24, 1985	24	Flowing	10/64"

	Oil - BBLS	Gas — MCF	Water - BBLS	Gas - Oil Ratio	Flowing Tubing Pressure
19. Production during Test Period ▶	35	55	70	1,571	300 PSI
20. Calculated 24-Hour Rate ▶	35	55	70	Oil Gravity—API—60° 35	Casing Pressure 0 PSI

21. Was swab used during this test? Yes [ ] No [X]

22. Oil produced prior to test (New & Reworked wells): 172 Bbl.

23. Injection Gas—Oil Ratio --

REMARKS:

INSTRUCTIONS: File an original and one copy of the completed Form W-2 in the appropriate RRC District Office within 30 days after completing a well and within 10 days after a potential test. If an operator does not properly report the results of a potential test within the 10-day period, the effective date of the allowable assigned to the well will not extend back more than 10 days before the W-2 was received in the District Office. (Statewide Rules 16 and 51) To report a completion or recompletion, fill in both sides of this form. To report a retest, fill in only the front side.

WELL TESTER'S CERTIFICATION
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test by observation of (a) meter readings or (b) the top and bottom gauges of each tank into which production was run during the test. I further certify that the potential test data shown above is true, correct, and complete, to the best of my knowledge.

J. Raney — Signature: Well Tester

Raney & Associates, Inc. — Name of Company

RRC Representative

OPERATOR'S CERTIFICATION
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

J.C. Raney
Typed or printed name of operator's representative

Consulting Engineer
Title of Person

915-683-2842
Telephone: Area Code Number

Date: 4 / 25 / 85 (mo. / day / year)

J. Raney
Signature

SECTION II — DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

24. Type of Completion: New Well [X] Deepening [ ] Plug Back [ ] Other [ ]

25. Permit to Drill, Plug Back or Deepen — DATE: 2-25-85 — PERMIT NO.: 267716
Rule 37 Exception — CASE NO.:
Water Injection Permit — PERMIT NO.:
Salt Water Disposal Permit — PERMIT NO.:
Other — PERMIT NO.:

26. Notice of Intention to Drill this well was filed in Name of: Stouffer Oil Corporation

27. Number of producing wells on this lease in this field (reservoir) including this well: 1

28. Total number of acres in this lease: 40

29. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced 3-26-85; Completed 4-3-85

30. Distance to nearest well, Same Lease & Reservoir: None

31. Location of well, relative to nearest lease boundaries of lease on which this well is located: 660' Feet From South Line and 660' Feet from East Line of the Meeker-Hill "B" Lease

32. Elevation (DF, RKB, RT, GR, ETC.): 2876.5'

33. Was directional survey made other than inclination (Form W-12)? [ ] Yes [X] No

34. Top of Pay	35. Total Depth	36. P. B. Depth	37. Surface Casing Determined by:
3369'	3600'	3556'	Field Rules [X]; Recommendation of T.D.W.R. Railroad Commission (Special) [ ]; Dt. of Letter

38. Is well multiple completion? No

39. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No.

FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil—O Gas—G	WELL #

40. Intervals Drilled by: Rotary Tools: All; Cable Tools:

41. Name of Drilling Contractor: V & B

42. Is Cementing Affidavit Attached? [X] Yes [ ] No

43. CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
8 5/8"	24	240	-	175 Sk Cl C	12 1/4"	Surface	230
4 1/2"	10.5	3598	-	250 Sk Cl C	7 7/8"	2840	336

44. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen

45. TUBING RECORD

Size	Depth Set	Packer Set
2 3/8"	3314'	3314'

46. Producing Interval (this completion) indicate depth of perforation or open hole

From	To
3440'	3444'

47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

Depth Interval	Amount and Kind of Material Used
3440' to 3444'	800 Gal 15% NE FE Acid plus 12 Balls
	5000 Gal Of 2% K Cl Water plus 8000 # Of
	20-40 Sand

48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth
Delaware (Lamar)	3369'	Olds Sand	3450'
Ramesy Sand	3429'		

REMARKS

(35)

M. F. 46970
WELL # 3 COMPLETION REPORT
GARRY MAURO, COMMISSIONER
FILED 7-12-85 BY WPK

Garry Mauro
Commissioner
General Land Office

36
SK

IMPORTANT: RETAIN WHITE COPY AND RETURN BLUE COPY
WITH SEPARATE CHECK FOR THE TOTAL DUE

November 26 1985

L.B.L. Oil Corp.
P.O. Box 4574
Tulsa OK 74159

ATTENTION: VICKIE STRODE

State Lease M-46970 and M-82072
H & M "A & B" and Armstrong Lease
Reagan Ken (Delaware) Field
Reeves County, Texas

Dear Ms. Strode:

Examination of Permian Oil Purchase Statements and Permian Royalty Payments for the subject leases indicates oil royalty has been underpaid $1,013.48 for the period September 1984 thru July 1985.

This underpayment is the result of Permian making royalty payments based on a net value after deducting for transportation costs. In accordance with established Land Office policy, royalties due the state shall be computed on gross value and paid without deductions for production or severance taxes, or for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas, and other products produced there from ready for sale or use.

If your records show this royalty has been paid, please advise the total amount of the check and the approximate date it was mailed. If royalty has not been paid, please pay $1,115.13 which includes $1,013.48 additional royalty and the required statutory delinquent penalty of $101.65. Failure to submit royalties when due for period August 1984 thru June 1985 subjects the amount owed to a statutory penalty of 1% of the amount owed for each thirty day period or fractional part thereof as provided by Section 52.131, Texas Natural Resources Code. However, no penalty may be less than five dollars ($5.00).

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

Failure to submit royalties when due for July 1985 and thereafter subjects the amount owed to a 5% penalty for the first 30 days after due date, and an additional 5% penalty beginning on the 31st day after due date. Minimum penalty shall be $25.00. Interest at 12% begins to accrue on the 61st day. New penalty and interest are in accordance with Revision to Section 52.131 Texas Natural Resources Code, effective September 1, 1985.

Payment should be received in this office no later than December 27, 1985.
If you have any questions, please feel free to contact me or Tracey Howard at (512) 475-2858.

Sincerely

Peter Brady

Peter Brady,
Supervisor
Energy Resources/Royalty Audit

Attachment:

PB/TH/rgg

LEASE NUMBER: 82072 OPERATOR: LBL Oil Corp.

	Month / Year	1 Gross Value of Owner's Interest *	2 Net Value of Owner's Interest *	3 Additional Royalty Value Due	4 Penalty @ 10% Per 30 Day Period or Fractional Part	5 Total Due	6
1	9/84	-0-	-0-	-0-	-0-	-0-	
2	10/84	-0-	-0-	-0-	-0-	-0-	
3	11/84	83894	81232	2662	266	2928	
4	12/84	79052	76407	2645	238	2883	
5	1/85	-0-	-0-	-0-	-0-	-0-	
6	2/85	-0-	-0-	-0-	-0-	-0-	
7	3/85	-0-	-0-	-0-	-0-	-0-	
8	4/85	-0-	-0-	-0-	-0-	-0-	
9	5/85	79269	76199	3070	123	3193	
10	6/85	-0-	-0-	-0-	-0-	-0-	
11	7/85	-0-	-0-	-0-	-0-	-0-	
12		242215	233838	8377	627	9004	
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LEASE NUMBER: 46970 OPERATOR: L.B.L. Oil Co.

	Month / Year	1 Gross Value of Owner's Interest *	2 Net Value of Owner's Interest *	3 Additional Royalty Value Due	4 Penalty @ 1% Per 30 Day Period or Fractional Part	5 Total Due	6
1	9/84	271572	263198	8380	1006	9386	1
2	10/84	272333	264133	8200	902	9102	2
3	11/84	311692	301845	9847	985	10832	3
4	12/84	306879	297009	9870	888	10758	4
5	1/85	256018	245669	10343	827	11170	5
6	2/85	315459	302275	13184	923	14107	6
7	3/85	258377	244589	13788	827	14615	7
8	4/85	207257	199088	8169	408	8577	8
9	5/85	104068	98007	6061	242	6303	9
10	6/85	25904	24892	1012	30	1042	10
11	7/85	104318	100201	4117	* 2500	6617	11
12	Total	2433871	2340900	92971	9538	102509	12
13							13
14							14
15							15
16	* Minimum						16
17	Applied						17
18							18
19							19
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40							40

Operator: ZBL Oil Co.

	Lease Number	1 Additional Royalty Due	2 Penalty @ 1% Per 30 day Period	3 Total Due	4	5	6
1	M-46970	92971	9538	102509			
2	M-82072	8377	627	9004			
3		101348	10165	111513			
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(36) Transportation Ltr
11.46970
11/26/85 R98

General
Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

TO: LESSEES AND OPERATORS OF STATE LEASES

FROM: BOB ARMSTRONG

SUBJECT: COMPUTATION OF ROYALTIES ON GROSS VALUE

DATE: MARCH 7, 1975

From time to time the General Land Office has notified certain producers that State oil and gas royalties are to be computed on gross value with no deductions for either associated marketing costs or production taxes. Although occurrences of such unauthorized deductions are few, I feel that much time and effort can be saved by stating the General Land Office policy for the benefit of all parties and by calling your attention to the fact that reducing the State's royalty via deductions taken by the producer, or by the purchaser paying on the producer's behalf, may unwittingly place producing leases in jeopardy of forfeiture.

The General Land Office has been advised by the Office of the Attorney General that there is nothing in the language of the lease agreements covering lands in which the State of Texas or its agencies have a mineral interest which can be construed to diminish the royalties reserved to the State by statute. In this respect the State of Texas is on substantially different ground than private royalty owners.

It is quite probable that some deductions have unwittingly been taken due to the mistaken notion that the basis for determining severance tax payments to the State Comptroller could also be utilized in determining oil and gas royalty payments to the Commissioner of the General Land Office. It must be pointed out, however, that two completely different sets of statutes control State taxes and royalties and therefore the tax basis and the royalty basis utilized by the respective State agencies differ with regard to deductions.

Simply stated, the General Land Office policy is as follows:

> As a royalty owner it is the policy of the State of Texas and the General Land Office that all oil and gas royalties be computed strictly on gross value and be paid without deduction for production or severance taxes, or for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced therefrom ready for sale or use.

I feel this statement of policy will benefit all parties concerned - producers, purchasers and the General Land Office alike - by reducing the time and effort spent on correspondence, accounting and related activities.

Sincerely yours,

Bob Armstrong

Bob Armstrong

JS/GWF

Garry Mauro
Commissioner
General Land Office

DATE: December 5, 1984

TO: Lessees and Operators of State Leases

FROM: Garry Mauro

SUBJECT: GENERAL LAND OFFICE POLICY ON ROYALTY DEDUCTIONS

As you know, it has always been the General Land Office's policy for State royalties to be strictly computed and paid on gross value without deductions. This policy, which applies to all lands on which the State holds a mineral interest, is incorporated into the State's lease agreements.

The General Land Office previously issued a policy memorandum in March and October, 1975, which expressly prohibited lessees from taking deductions for "production or severance taxes, or for the cost of producing, gathering, storing, separating, treating dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced therefrom ready for sale or use."

Please be advised that this policy will continue to be strictly enforced. Failure to base royalties on gross value without deductions places the lease(s) in jeopardy of forfeiture, as provided by Section 52.176 of the Texas Natural Resources Code. In addition, outstanding royalties will be assessed a mandatory 1% penalty for each thirty day period the amount remains delinquent.

Thank you for your attention to this matter.

JH/DS/dlb

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

	Initials	Date
Prepared By		
Approved By		

OPERATOR: LBL Oil Co.

	1	2	3	4	5	6	
LEASE NUMBER	ADDITIONAL ROYALTY DUE	PENALTY @1% PER 30 DAY PERIOD	TOTAL DUE				
M-46970	66299	5704	72003				1
M-82072	8377	627	9004				2
	74676	6331	81007				3
							4
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LEASE NUMBER: 46970 OPERATOR: L.B.L. OIL CORP.

	MONTH / YEAR	1 GROSS VALUE OF OWNER'S INTEREST *	2 NET VALUE OF OWNER'S INTEREST *	3 ADDITIONAL ROYALTY VALUE DUE	4 PENALTY @ 1% PER 30 DAY PERIOD OR FRACTIONAL PART	5 TOTAL DUE	6
1	9/84	27152	26339	8180	982	9162	1
2	10/84	24164	23436	7276	800	8076	2
3	11/84	31169	30184	9847	985	10832	3
4	12/84	27863	26959	8974	808	9782	4
5	1/85	33029	32098	9297	744	10041	5
6	2/85	22048	21273	9209	645	9854	6
7	3/85	15875	15238	6379	383	6762	7
8	4/85	18108	17394	7137	357	7494	8
9	5/85	-0-	-0-	-0-	-0-	-0-	9
10	6/85	-0-	-0-	-0-	-0-	-0-	10
11	7/85	-0-	-0-	-0-	-0-	-0-	11
12		189416	182786	66099	5704	72003	12
13							13
14							14
15							15
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MADE IN U.S.A.

LEASE NUMBER: 82072 OPERATOR: L.B.L. Oil Corp.

	Month / Year	1 Gross Value of Owner's Interest *	2 Net Value of Owner's Interest *	3 Additional Royalty Value Due	4 Penalty @ 1% Per 30 Day Period or Fractional Part	5 Total Due	6
1	9/84	-0-	-0-	-0-	-0-	-0-	
2	10/84	-0-	-0-	-0-	-0-	-0-	
3	11/84	83894	81232	2662	266	2928	
4	12/84	79052	76407	2645	238	2883	
5	1/85	-0-	-0-	-0-	-0-	-0-	
6	2/85	-0-	-0-	-0-	-0-	-0-	
7	3/85	-0-	-0-	-0-	-0-	-0-	
8	4/85	-0-	-0-	-0-	-0-	-0-	
9	5/85	79269	76199	3070	123	3193	
10	6/85	-0-	-0-	-0-	-0-	-0-	
11	7/85	-0-	-0-	-0-	-0-	-0-	
12		242215	233838	8377	627	9004	
13							
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MADE IN U.S.A.

Garry Mauro
Commissioner
General Land Office

IMPORTANT: Retain White copy and Return Blue copy with Separate Check for The Total Due.

(37) SAC

December 13, 1985

L.B.L. Oil Corp.
P.O. Box 4822
Tulsa OK 74159

ATTENTION: R.H. LINDLEY

R=1/8 R=.09375

RE: State Lease No. M-46970 AND M-82072
H&M "A&B" AND Armstrong Lease
Reagan Ken (Delaware) Field
Reeves County, Texas

Dear Mr. Lindley:

This letter serves to correct and replace our original request for additional royalty dated November 26, 1985. We apologize for the errors which were the result of invalid information provided by the Permian Corporation.

In reference to your December 3, 1985 letter, purchasers of production have no contractual obligation with the General Land Office to pay royalty due on State Leases and we must look to the operators of such leases for any royalty deficiences. Purchasers act as an agent for the operator, not for the State.

It is a well established General Land Office policy (see attached memos dated March 7, 1975 and December 5, 1984) that all oil and gas royalties be computed on gross value (i.e. including transportation charges, etc.). Although we can sympathize with your comments concerning penalties, penalties are a statutory requirement established by the State Legislature. We are required by law to collect them as the Legislature does not allow us to waive penalties under any circumstances.

Examination of Permian Oil Purchase Statements and Permian Royalty Payments for the subject lease(s) indicates oil royalty has been underpaid $746.76 for the period September, 1984 thru July, 1985.

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

This underpayment is the result of Permian making royalty payments based on a net value after deducting for transportation costs. In accordance with established General Land Office policy, royalties due the state shall be computed on gross value and paid without deductions for production or severance taxes, or for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas, and other products produced there from ready for sale or use.

If your records show this royalty has been paid, please advise the total amount of the check and the approximate date it was mailed. If royalty has not been paid, please pay $810.07 which includes $746.76 additional royalty and the required statutory delinquent penalty of $63.31. Failure to submit royalties when due for period August, 1984 thru June, 1985 subjects the amount owed to a statutory penalty of 1% of the amount owed for each thirty day period or fractional part thereof as provided by Section 52.131, Texas Natural Resources Code. However, no penalty may be less than five dollars ($5.00).

Failure to submit royalties when due for July, 1985 and thereafter subjects the amount owed to a 5% penalty for the first 30 days after due date, and an additional 5% penalty beginning on the 31st day after due date. Minimum penalty shall be $25.00. Interest at 12% begins to accrue on the 61st day. New penalty and interest are in accordance with Revision to Section 52.131, Texas Natural Resources Code, effective September 1, 1985.

Payment should be received in this office no later than January 13, 1986. If you have any questions, please feel free to contact me or Steve Kalteyer at (512) 475-2858.

Sincerely,

Peter Brady

Peter Brady
Supervisor
Energy Resources/Royalty Audit Division

PB/SK/rgg

Attachment:

M.F. # 46910

CORRESPONDENCE FILE

TO R. H. Lindley

FROM Peter Brady

DATED 12-13-85

INDEX # 37

	Initials	Date
Prepared By		
Approved By		

OPERATOR: EASTLAND OIL CO.

LEASE NUMBER	ADDITIONAL ROYALTY DUE	PENALTY @ 1% PER 30 DAY PERIOD	TOTAL DUE
46970	5940	3000	8940
86067	3828	500	4328
	9768	3500	13268

LEASE NUMBER: 86067 OPERATOR: EASTLAND OIL CO.

	MONTH / YEAR	1 GROSS VALUE OF OWNER'S INTEREST *	2 NET VALUE OF OWNER'S INTEREST *	3 ADDITIONAL ROYALTY VALUE DUE	4 PENALTY @ 1% PER 30 DAY PERIOD OR FRACTIONAL PART	5 TOTAL DUE	6
1	9/84						
2	10/84						
3	11/84	56236	54453	1783			
4	12/84	0	0	0			
5	1/85						
6	2/85						
7	3/85						
8	4/85						
9	5/85	0	0	0			
10	6/85	52329	50284	2045			
11	7/85	0	0	0			
12		108565	104737	3828	* 500	4328	
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15	* MINIMUM APPLIED 9-84 TO 6-85						
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MADE IN U.S.A.

LEASE NUMBER: 46970 OPERATOR: EASTLAND OIL CO.

	MONTH / YEAR	1 GROSS VALUE OF OWNER'S INTEREST *	2 NET VALUE OF OWNER'S INTEREST *	3 ADDITIONAL ROYALTY VALUE DUE	4 PENALTY @ 1% PER 30 DAY PERIOD (FRACTIONAL PART)	5 TOTAL DUE	6
1	9/84						
2	10/84	30689	29765	924	102		
3	11/84						
4	12/84	28246	27350	896	81		
5	1/85						
6	2/85	24359	23342	1017	72		
7	3/85	25576	24549	1027	62		
8	4/85	26172	25140	1032	52		
9	5/85						
10	6/85						
11	SUB TOTAL	135042	130146	4896			
12		MINIMUM APPLIED 9-84 TO 6-85			* 500		
13	7/85	26485	25441	1044	** 2500		
14	TOTAL	161527	155587	5940	3000	8940	
15							
16							
17							
18							
19	* MINIMUM APPLIED 9-84 TO 6-85						
20	** MINIMUM APPLIED 7-85						
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MADE IN U.S.A.

Garry Mauro
Commissioner
General Land Office

IMPORTANT: Retain White copy and Return Blue copy with Separate Check for The Total Due.

38
SLC

December 18, 1985

Eastland Oil Co.
Drawer 3488
Midland, TX 79702

ATTENTION: ACCOUNTING MANAGER

RE: State Lease No. M-86067 and M-46970
ARCO State 1 Lease
Reeves N (3200) Field
Reeves County, Texas

Gentlemen:

This letter serves to correct and replace our originial request for additional royalty dated November 27, 1985. We apologize for the errors contained therein which resulted from invalid information furnished us by the Permian Corporation.

Examination of Permian Oil Purchase Statements and Permian Royalty Payments for the subject lease(s) indicates oil royalty has been underpaid $97.68 for the period September 1984 thru July, 1985. (See attached schedule).

This underpayment is the result of Permian making royalty payments based on a net value after deducting for transportation costs. In accordance with established General Land Office policy, royalties due the state shall be computed on gross value and paid without deductions for production or severance taxes, or for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas, and other products produced there from ready for sale or use.

If your records show this royalty has been paid, please advise the total amount of the check and the approximate date it was mailed. If royalty has not been paid, please pay $132.68 which includes $97.68 additional royalty and the required statutory delinquent penalty of $35.00. Failure to submit royalties when due for period August, 1984 thru June, 1985 subjects the amount owed to a statutory penalty of 1% of the amount owed for each thirty day period or fractional part thereof as provided by Section 52.131, Texas Natural Resources Code. However, no penalty may be less than five dollars ($5.00).

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

Failure to submit royalties when due for July, 1985 and thereafter subjects the amount owed to a 5% penalty for the first 30 days after due date, and an additional 5% penalty beginning on the 31st day after due date. Minimum penalty shall be $25.00. Interest at 12% begins to accrue on the 61st day. New penalty and interest are in accordance with Revision to Section 52.131, Texas Natural Resources Code, effective September 1, 1985.

Payment should be received in this office no later than January 20, 1986. If you have any questions, please feel free to contact me or Steve Kalteyer at (512) 475-2858.

Sincerely,

Peter Brady

Peter Brady
Supervisor
Energy Resources/Royalty Audit Division

PB/SK/rgg

Attachment:

M.F. # 86067

CORRESPONDENCE FILE

TO Accting Mgr

FROM Peter Bradley

DATED 12-18-85

INDEX # 38

LEASE NUMBER: 46970 OPERATOR: STOUFFER OIL CORP.

	MONTH / YEAR	1 GROSS VALUE OF OWNER'S INTEREST *	2 NET VALUE OF OWNER'S INTEREST *	3 ADDITIONAL ROYALTY VALUE DUE	4 PENALTY @ 1% PER 30 DAY PERIOD OR FRACTIONAL PART	5 TOTAL DUE	6
1	9/84	0	0	0	0	0	
2	10/84						
3	11/84						
4	12/84	0	0	0	0	0	
5	1/85	25717	24671	1046	84	1130	
6	2/85	70618	67660	2958	208	3166	
7	3/85	74042	67660	6382	383	6765	
8	4/85	51415	49385	2030	102	2132	
9	5/85	104068	98007	6061	242	6303	
10	6/85	-0-	-0-	-0-	-0-	-0-	
11	7/85	77833	74760	3073	* 2500	5573	
12		403693	382143	21550	3519	25069	
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14							
15	* MINIMUM APPLIED 7-85						
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MADE IN U.S.A.

Garry Mauro
Commissioner
General Land Office

IMPORTANT: Retain White copy and Return Blue copy with Separate Check for The Total Due.

(39) SIC

December 18, 1985

Stouffer Oil Corp.
P.O. Box 740304
Dallas, TX 75374

ATTENTION: ACCOUNTING MANAGER

RE: State Lease No. M-46970
H&M Lease
Ken Regan (Delaware) Field
Reeves County, Texas

Gentlemen:

Examination of Permian Oil Purchase Statements and Permian Royalty Payments for the subject lease(s) indicates oil royalty has been underpaid $215.50 for the period September 1984 thru July, 1985.(See attached schedules.)

This underpayment is the result of Permian making royalty payments based on a net value after deducting for transportation costs. In accordance with established General Land Office policy, royalties due the state shall be computed on gross value and paid without deductions for production or severance taxes, or for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas, and other products produced there from ready for sale or use.

If your records show this royalty has been paid, please advise the total amount of the check and the approximate date it was mailed. If royalty has not been paid, please pay $250.69 which includes $215.50 additional royalty and the required statutory delinquent penalty of $35.19. Failure to submit royalties when due for period August, 1984 thru June, 1985 subjects the amount owed to a statutory penalty of 1% of the amount owed for each thirty day period or fractional part thereof as provided by Section 52.131, Texas Natural Resources Code. However, no penalty may be less than five dollars ($5.00).

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

Failure to submit royalties when due for July, 1985 and thereafter subjects the amount owed to a 5% penalty for the first 30 days after due date, and an additional 5% penalty beginning on the 31st day after due date. Minimum penalty shall be $25.00. Interest at 12% begins to accrue on the 61st day. New penalty and interest are in accordance with Revision to Section 52.131, Texas Natural Resources Code, effective September 1, 1985.

Payment should be received in this office no later than January 20, 1986. If you have any questions, please feel free to contact me or Steve Kalteyer at (512) 475-2858.

Sincerely,

Peter Brady

Peter Brady
Supervisor
Energy Resources/Royalty Audit Division

PB/SK/rgg

Attachment:

M.F. # 46970

CORRESPONDENCE FILE

TO Access Map

FROM Peter Brady

DATED 12-18-85

INDEX # 39

Box 4574
AREA 74159

Garry Mauro, Commissioner
General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

99 .21

L. B. L. OIL COMPANY
P. O. BOX 4822
TULSA. 74159
1 - 918 - 743-1690

December 3, 1985

Garry Mauro, Commissioner
General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

Ref: Your letter 11/26/85. Ken Regan Field.

46970 40 SK
82072

Dear Mr. Mauro,

We are enclosing a copy of your 11/26/85 letter wherein you demand $1,115.13 - alledgedly because Permian failed to pay enough royalty for the oil purchased from state leases M-46970 (H&M "A" & H&M "B") and M-82072 (Armstrong) for the months 9/84 - 7/85.

Since the royalties were paid directly to the Land Office by Permian, we have no records and no knowledge of how much Permian paid you. However, since we sold no oil from lease M-46970 to Permian during the month of 5/85, or 6/85, or 7/85, and you indicate that you were paid $2,231.00 royalty for these months - and want $139.62 more, we believe you have either already been overpaid or someone in your office has the records fouled up.

Even ignoring the apparent accounting errors, Permian certainly did not pay your shortage to us so we fail to see any equitable reason why we should be held liable.

Even worse, you demand $101.65 delinquent penalty from us! Your office knew, or should have known, about this alledged shortage since September/84. So did Permian. LBL had no way of knowing since neither Permian nor the Land Office notifies us of such payments. Why then, after more than a year elapsed, do you attempt to penalize us - the only innocent party?

We have no records of your oil royalty payments but suspect your accounting department is considerably in error as to the amount it claims to be due. Moreover, Permian paid LBL only the royalties due it - after taxes, dehydration, transportation, sales and all other costs had been deducted. Permian didn't pay LBL a dime that belonged to the Land Office. If you have a claim of underpaid royalty, it should be directed to Permian - not LBL.

Yours truly

R. H. Lindley

R.H. Lindley

DEC 6 REC'D

Garry Mauro
Commissioner
General Land Office

IMPORTANT: RETAIN WHITE COPY AND RETURN BLUE COPY
WITH SEPARATE CHECK FOR THE TOTAL DUE

November 26 1985

L.B.L. Oil Corp.
P.O. Box 4574
Tulsa OK 74159

ATTENTION: VICKIE STRODE

State Lease M-46970 and M-82072
H & M "A & B" and Armstrong Lease
Reagan Ken (Delaware) Field
Reeves County, Texas

Dear Ms. Strode:

Examination of Permian Oil Purchase Statements and Permian Royalty Payments for the subject leases indicates oil royalty has been underpaid $1,013.48 for the period September 1984 thru July 1985.

This underpayment is the result of Permian making royalty payments based on a net value after deducting for transportation costs. In accordance with established Land Office policy, royalties due the state shall be computed on gross value and paid without deductions for production or severance taxes, or for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas, and other products produced there from ready for sale or use.

If your records show this royalty has been paid, please advise the total amount of the check and the approximate date it was mailed. If royalty has not been paid, please pay $1,115.13 which includes $1,013.48 additional royalty and the required statutory delinquent penalty of $101.65. Failure to submit royalties when due for period August 1984 thru June 1985 subjects the amount owed to a statutory penalty of 1% of the amount owed for each thirty day period or fractional part thereof as provided by Section 52.131, Texas Natural Resources Code. However, no penalty may be less than five dollars ($5.00).

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

Failure to submit royalties when due for July 1985 and thereafter subjects the amount owed to a 5% penalty for the first 30 days after due date, and an additional 5% penalty beginning on the 31st day after due date. Minimum penalty shall be $25.00. Interest at 12% begins to accrue on the 61st day. New penalty and interest are in accordance with Revision to Section 52.131 Texas Natural Resources Code, effective September 1, 1985.

Payment should be received in this office no later than December 27, 1985.
If you have any questions, please feel free to contact me or Tracey Howard at (512) 475-2858.

Sincerely

Peter Brady

Peter Brady,
Supervisor
Energy Resources/Royalty Audit

Attachment:

PB/TH/rgg

LEASE NUMBER: 46970 OPERATOR: L.B.L. Oil Co.

	BBLS Sold TO CANCEL A	BBLS Sold TO CANCEL B	MONTH / YEAR	1 GROSS VALUE OF OWNER'S INTEREST *	2 NET VALUE OF OWNER'S INTEREST *	3 ADDITIONAL ROYALTY VALUE DUE @1.80	4 PENALTY @ 1% PER 30 DAY PERIOD OR FRACTIONAL PART	5 TOTAL DUE	6 BBLS Sold TO Permian A	6 BBLS Sold TO Permian B
1			9/84	271572	~~263172~~	~~8380~~	~~982~~ 1096	~~13362~~ 13480		
2			10/84	272333	264133	8200	902	9102		
3			11/84	311692	301845	9847	985	10832		
4			12/84	306879	297009	9870	888	10758	168.79	426.57
5			1/85	256012	245669	10343	827	11170	157.78	258.80
6			2/85	315459	302275	13184	953	14107	39.27	108.92
7			3/85	258377	244589	13788	827	14615	0	92.12
8			4/85	207257	199088	8169	408	8577		138.52
9			5/85	104068	98007	6061	543	6604		
10			6/85	25904	24872	1032	30	1062	139.67	
11	655.84	1029.42	7/85	104318	100201	4117	* 2500	6617		
12			Total	2433871	2340900	92971	9538	102509		

* Minimum Applied

488939 – Stauffer
482012 – The Eastland Oil Co.
487916 – Stauffer P.O. Drawer 3488
Midland, TX. 79702
487916 – Stauffer
Stauffer
~~487916~~
~~488939~~ Stauffer Oil Corp.
(Program 12, Ltd)
P.O. Box 740304
Dal TX 75374

Barbara Wood
Permian
(713)787-2396

Lease Number: 82072 Operator: LBL Oil Corp.

	Month / Year	Gross Value of Owner's Interest *	Net Value of Owner's Interest *	Additional Royalty Value Due	Penalty @ 1% Per 30 Day Period (If Fractional Part)	Total Due
1	9/84	-0-	-0-	-0-	-0-	-0-
2	10/84	-0-	-0-	-0-	-0-	-0-
3	11/84477466	83894	81232	2662	266	2928
4	12/84477466	79052	76407	2645	238	2883
5	1/85	-0-	-0-	-0-	-0-	-0-
6	2/85	-0-	-0-	-0-	-0-	-0-
7	3/85	-0-	-0-	-0-	-0-	-0-
8	4/85	-0-	-0-	-0-	-0-	-0-
9	5/85477466	79269	76199	3070	123	3193
10	6/85	-0-	-0-	-0-	-0-	-0-
11	7/85	-0-	-0-	-0-	-0-	-0-
12	L.B.L.	242015	233838	8377	627	9004
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Operator: ZBZ Oil Co.

	Lease Number	1 Additional Royalty DUE	2 Penalty @ 1% Per 30 day Period	3 Total DUE	4	5	6
1	M-46970	9879.71	95.37	1025.08			
2	M-82078	837.77	6.27	90.04			
3		10134.48	101.35	1115.13			
4							
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40							

40. MF-46970
Ltr from LBL
12-3-85

L. B. L. OIL COMPANY
P. O. BOX 4575
TULSA, 74159-0574
1 - 918 - 743-1690

COPY TO SPECIAL PROJECTS
475-2071

January 14, 1985

121

Garry Mauro, Commissioner
General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

Re: H&M and Armstrong Leases (State 46970 & 82072), Ken Regan Field, Reeves County, Texas.

Dear Mr. Mauro

Your Mr. Peter Brady has advised us that we are expected to pay $810.07 ($746.76 + $63.31 penalty) because The Permian Corporation (purchaser) failed to pay the Land Office enough royalty for oil production during the period 9/84 through 3/85. We dispute this alleged debt because:

1. The Land Office originally claimed an underpayment of $1115.13 but now says Permian made a mistake and has decreased the alleged underpayment to $810.47 on a net amount received of $20,617.01. Since all financial transactions have been directly between Permian and your office we have no records of our own to determine how much the Land Office has been paid, but we calculate that if the Land Office has actually been paid $20,617.01 then it has already been paid $1147.86 more than was due.

2. Even if Permian did underpay the Land Office it certainly did not pay the shortage to us and we fail to understand why we should be penalized. Permian was engaged by a previous operator, we have never had a contract with them, they were never our agents, and we relaced them as soon as possible after becoming operator. Moreover Permian, completely without our authorization, consent, or knowledge, picked up 312 Bbls of oil from these leases more than 3 months after it had been advised that we had switched purchasers.

3. Even if Permian did underpay, only the Land Office and Permian knew of the underpayment. LBL did not know. Why then are we, the only innocent party of the three, expected to pay a penalty, in addition to the alleged underpayment, for the negligence of the Land Office in requesting a correction when the underpayment was made?

41

JAN 17 REC'D

COPY TO SPECIAL PROJECTS
475-2071

4. Production expenses end when our oil is pumped, treated, stored in tanks and made ready for sale. All interest owners, including the Land Office, have the option of taking their share of the production at that point and doing with it as they will. Some purchasers pay a higher price and charge the owners for hauling the oil to town. Other purchasers pay a lower price and charge no transportation. It comes out about the same either way. It seems to us that the State is being unfair in demanding its part of the higher price and at the same time making us pay for transporting the State's oil to town.

You force us to sell to purchasers who pay lower prices.

It seems the only possible reason for this claim is the Land Office's ex-parte policy. We think your policy is unfair and contrary to our policy of refusing to be blackmailed. Texans, I think more than most, fight back when governmental authorities seek to coerce. We are Texans and intend to fight.

R. H. Lindley

R.H. Lindley
L.B.L. Oil Corporation

Box 4574
AREA 74159

1-17-86

14 JAN 1986

USA 22

Carru Mauro, Commissioner
General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

M-46970

41

corresp-file

Within Free Royalty M-76970

▶ Return each W-1 with plat and $100.00 fee. Make a check or money order payable to the State Treasurer of Texas. Address to:
Railroad Commission of Texas
Oil and Gas Division, Drilling Permits
P. O. Drawer 12967, Capitol Station
Austin, Texas 78711
▶ File a copy of W-1 and plat in RRC District Office.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

▶ Read Instructions on Back

Form W-1
Rev. 9/1/83
483-060

Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

Purpose of filing (mark appropriate boxes):
[X] Drill [ ] Deepen (below casing) [ ] Deepen (within casing) [ ] Plug Back [ ] Re-Enter
[ ] Directional Well [ ] Sidetrack [ ] Amended Permit (enter permit no. at right & explain fully in Remarks)

Enter here, if assigned: API No. ▶ 42-389-31720 Permit # ▶ 204401 Rule 37 Case No. ▶

1. Operator's Name (exactly as shown on Form P-5, Organization Report)	3. RRC Operator No.	4. RRC District No.	5. County of Well Site
The Stouffer Oil Corporation	824226	8	Reeves

2. Address (including city and zip code)
P. O. Box 740304
Dallas, TX 75374
994279

6. Lease Name (32 spaces maximum): Meeker Hill A
7. RRC Lease/ID No.:
8. Well No.: 2
9. Total Depth: 3600

10. Location
• Section 20 Block 56T3 Survey T&P RR Co. Abstract No. A-
• This well is to be located 30 miles in a NW direction from Pecos, which is the nearest town in the county of the well site.

11. Distance from proposed location to nearest lease or unit line: 660 ft.
12. Number of contiguous acres in lease, pooled unit, or unitized tract: 40 (OUTLINE ON PLAT.)

Permit Granted 3/19/86 Diagram OK

13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.	14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.)	20. Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. OIL	GAS
Ken Regan (Delaware) 48754 500	3600	330/660 ~~467/1200~~	40/20	40	no	NA	oil	1	0

22. Perpendicular surface location from two nearest designated lines:
• Lease/Unit 660 FSL & 660 FEL
• Survey/Section 3300 FSL & 660 FEL

If a directional well, show also projected bottom-hole location:
• Lease/Unit
• Survey/Section

RECEIVED
R. R. C. OF TEXAS
MAR 19 1986
AUSTIN, TEXAS

23. Is this a pooled unit? Yes [ ] ▶ (Attach Form P-12 and certified plat.) No [X]

24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes [ ] ▶ (Attach Form W-1A) No [X]

25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes [ ] No [X] If subject to Rule 36, is Form H-9 filed? Yes [ ] No [ ] ▶ If not filed, explain in Remarks.

26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? Yes [X] No [ ]
If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37.

I certify that information stated in this application is true and complete, to the best of my knowledge.
Jerry Russell
Signature
Jerry Russell/Agent
Name and title of operator's representative
Date: 3 mo. 19 day 86 yr. Tel.: (512)469-0064 Area Code Number

Remarks
Compl. 5-7-86
TD 3590'

• RRC Use Only •
0-61107
312298

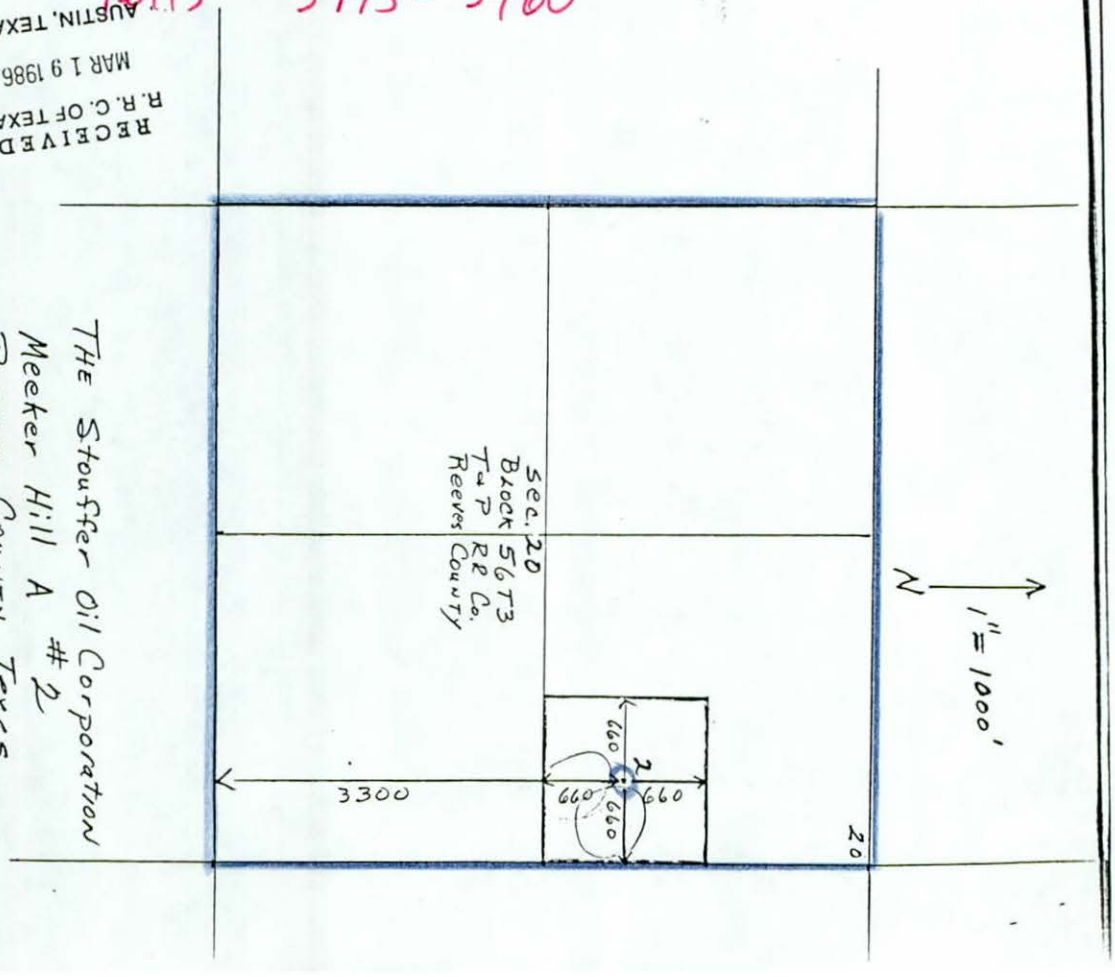
Ken Reagan (Delaware)
Perfs 3445-3460

4-3-86

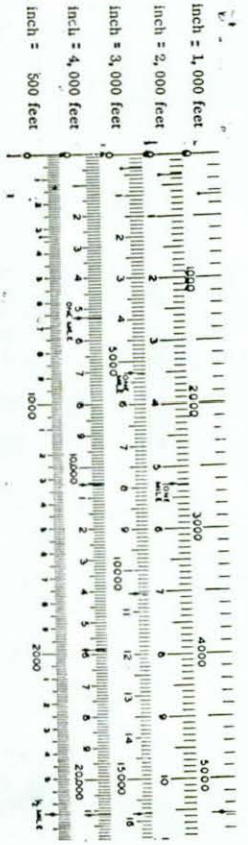
Statewide PLAT SERVICE
P. O. DRAWER 1867, AUSTIN, TEXAS 78767

3-25-86

RECEIVED
R.R.C. OF TEXAS
MAR 19 1986
AUSTIN, TEXAS



SCALE OF MAP



The Stouffer Oil Corporation
Meeker Hill A #2
Reeves County, Texas

```
                    *** OIL AND GAS W-2/G-1 RECORD ***          INQUIRY
API #: 389   31720                                          SOURCE: RRC
DIST:  Ø8  LSE/ID: 3Ø683_    WELL#:    2     TYPE:  OIL    CNTY: REEVES
FLD:    KEN REGAN (DELAWARE)                LSE: MEEKER HILL "A"
OPER:  NEW HORIZON EXPLORATION, INC.
COMPLETION:  Ø5 Ø7 86                       DRILLING PERMIT    #:  299Ø1
W2-G1:       Ø5 13 86    BUILT: Ø6 Ø2 86    R-37 EXCEP CASE    #:
ATTACHMENTS:  ON FILE                       WATER INJECT PERM #:
KEY 'S' TO VIEW ATTACH: _                   SALT WATER DISP    #:
                                            DOCKET   NUMBER:
DRILL COMPLETED:    Ø3 25 86
ELEVATION:          2881    GR
TOTAL DEPTH:        3590                    WELLBORE PLUGGED:
PLUGBACK DEPTH:     3491
LOCATION  SEC: 2Ø              BLK: 56          ABST:
          SUR: T3, T & P RR CO
SUR/SECT:   ØØ33ØØ FT FROM SL          AND   ØØØ66Ø FT FROM  EL
NOTE=> REMARKS ON FILE FOR THIS DATE
 * SCREEN OPTIONS: 12=FORM/SQZE 13=REMARKS 14=WATER 19=PERMITS/WELLIDS
 * SELECT OPTION:  __    (Ø1=RETURN TO MENU, ØØ= HELP AND OTHER OPTIONS)
PRESS 'ENTER' FOR NEXT SCREEN
```

```
                        *** OIL AND GAS DIVISION ***
                        CASING/LINER/TUBING/PERF DATA          INQUIRY
 API #: 389  31720    WELL ID:  Ø8   3Ø683     2    OIL  BUILT:  Ø6/Ø2/86
 CASING RECORD:                          MULTISTAGE   AMT CEMENT   HOLE    TOP OF
  SIZE:         WT#/FT:          DEPTH:  TOOL DEPTH:  MEAS Y/F/S:  SIZE:   CEMENT
  8 5/8     24.Ø                  28Ø                   15Ø  S   12 1/4    SURF
  4 1/2     1Ø.5                 3525                   1ØØ  S    7 7/8    2955
 LINER RECORD:
  SIZE:    TOP      BOTTOM:  SACKS:     SIZE:      TOP:      BOTTOM:  SACKS:
                                                                OPEN
 TUBING RECORD:                                  PERFS:          HOLE (Y/N):
  SIZE:      DEPTH:  PACKER:                     FR:  3445 TO:  3460     N
  2 3/8       3416     3373                      FR:       TO:
                                                 FR:       TO:
                                                 FR:       TO:
                                                 FR:       TO:
 *SCREEN OPTIONS: 1Ø=W-2/G-1 RECORD, 12=FORM/SQZE, 13=REMARKS, 14=WATER *
 *SELECT OPTION:  __    (Ø1 = RETURN TO MENU, ØØ = HELP AND OTHER OPTIONS) *
 PRESS 'ENTER' FOR NEXT SCREEN
```

(42)

M.F 46970

APPLICATION TO DRILL

WELL # 2

FILED 7-30-86 19

GARRY MAURO, COMMISSIONER

BY TP

Within/Free Royalty M-46970

▶ Return each W-1 with plat and $100.00 fee. Make check or money order payable to the State Treasurer of Texas. Address to: Railroad Commission of Texas, Oil and Gas Division, Drilling Permits, P. O. Drawer 12967, Capitol Station, Austin, Texas 78711
▶ File a copy of W-1 and plat in RRC District Office

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

▶ Read Instructions on Back

Form W-1
Rev. 9/1/83
483-060

7
AA
6-20-88

Purpose of filing (mark appropriate boxes)
[X] Drill [ ] Deepen (below casing) [ ] Deepen (within casing) [ ] Plug Back [ ] Re-Enter
[ ] Directional Well [ ] Sidetrack [ ] Amended Permit (enter permit no. at right & explain fully in Remarks)

Enter here, if assigned: API No. ▶ 42-389-31855 Permit No. ▶ 347574 Rule 37 Case No. ▶

1. Operator's Name (exactly as shown on Form P-5, Organization Report): New Horizon Exploration, Inc. — OK 6/9/88 043212
2. Address (including city and zip code): P. O. Box 166558, Irving, TX 75016
3. RRC Operator No.: 606475
4. RRC District No.: 8
5. County of Well Site: Reeves
6. Lease Name (32 spaces maximum): Meeker Hill "C"
7. RRC Lease/ID No.:
8. Well No.: 4
9. Total Depth: 3,700
10. Location
• Section 20 Block 56, T-3 Survey ~~T. 3,~~ T&P RR Co Abstract No. A-
• This well is to be located 10 miles in a Southeast direction from Orla, TX which is the nearest town in the county of the well site.

11. Distance from proposed location to nearest lease or unit line: 330 ft.
12. Number of contiguous acres in lease, pooled unit, or unitized tract: 20 (OUTLINE ON PLAT.)

Permit granted 6/9/88 Docket No. 8-91,500

13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.	14. Completion depth	15. Spacing pattern	16. Density pattern (acres)	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.)	20. Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. OIL	GAS
KEN REGAN (DELAWARE)	3,700	330/660	~~40~~ 20	20	NO	NA	Oil	1	0

Code C 6m

RECEIVED JUN 09 1988

22. Perpendicular surface location from two nearest designated lines:
• Lease/Unit 330 FWL - 330 FSL
• Survey/Section 2640 FSL - 990 FEL
If a directional well, show also projected bottom-hole location:
• Lease/Unit
• Survey/Section

23. Is this a pooled unit? Yes [ ] ▶ (Attach Form P-12 and certified plat.) No [X]
24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes [ ] ▶ (Attach Form W-1A) No [X]
25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes [ ] No [X] If subject to Rule 36, is Form H-9 filed? Yes [ ] No [ ] ▶ If not filed, explain in Remarks.
26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? Yes [X] No [ ] If not, and if the well requires a Rule 37 or 38 exception, see instructions for Rule 37.

Remarks

I certify that information stated in this application is true and complete, to the best of my knowledge.
Signature: Everett McElroy
Everett McElroy, President
Name and title of operator's representative
Date: 6 mo. 8 day 88 yr. Tel.: 214-579-7724 Area Code Number

• RRC Use Only •
D-16678 347574

6-15-88

DFA 6-26-88
1370' TD

Stateside PLAT SERVICE
P. O. DRAWER 1857, AUSTIN, TEXAS 78767

SCALE OF MAP
1 inch = 500 feet
1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet

PLAT SHOWING PROPOSED NEW WELL LOCATION

Description: 330 FWL - 330 FSL Of Lease
2640 FSL - 990 FEL of Sec. 20 - Blk. 56 - T.3- T&P RR
Section Block Survey
Reeves County, Texas

Sec. 20 - Blk. 56 - Twp. 3 - T.&P.R.R.

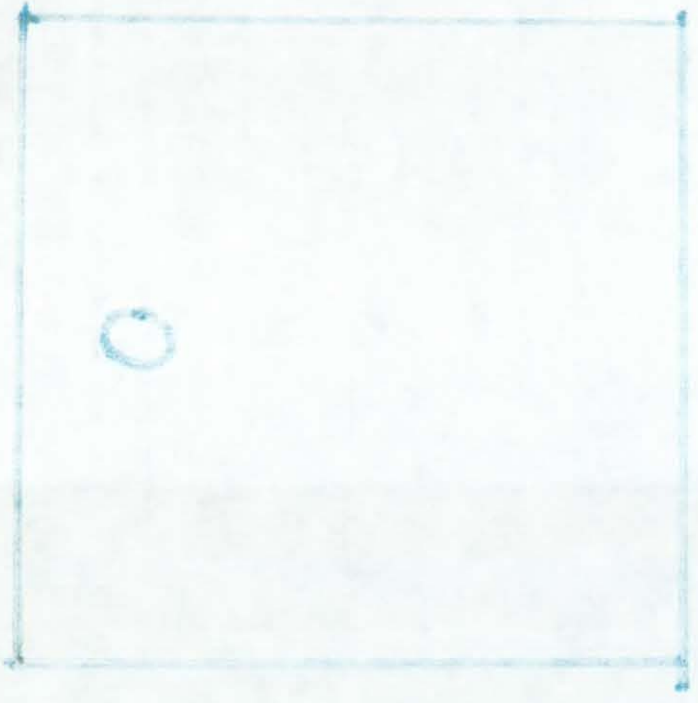
New Horizon Expl., Inc. — 30Ac. Meeker-Hill "B" — 20Ac. Meeker-Hill — 20Ac. Meeker-Hill — 30Ac. Meeker-Hill "A" — 30Ac. Meeker-Hill "C" — 2640' — 330' — 330' — 990'

Scale: 1"=1000'
Date Staked 5/31/88
Operator: New Horizon Exploration, Inc.
I certify this plat to be true and correct to the best of my knowledge.

M-46970 (43)

Application to Drill well #4

6-20-88



Texas General
Land Office

David Dewhurst
Commissioner

November 9, 2001

CERTIFIED MAIL 7000 0520 0023 2503 5147

SECOND REQUEST

Paid

SLEDGE BROS. OIL COMPANY
P. O. BOX 953
SUITE 1900
MIDLAND, TEXAS 79702

RE: Notice of non-payment on State Leases
(M-31461, 46970, 67636, 74593)

Dear Sir or Madam:

Enclosed is a copy of our letter to you dated September 12, 2001, requesting additional royalties due on the captioned leases. As of this date we have not received your payment or a reply to this letter.

Be advised that penalty and interest continue to accrue until payment is received. A revised schedule is enclosed showing updated penalty and interest. The amount now due is $1,249.47, which is comprised of $752.01 in additional royalty, $400.00 in penalty and $97.46 in interest. Penalty and interest have been computed in accordance with Section 52.131 of the Texas Natural Resources Code.

You are also hereby notified that if the amount now due is not received in this office by December 5, 2001, these leases will be forwarded to our legal division for appropriate action.

Sincerely,

Michael W. Dunn, Director
Energy Inspections Division
Energy Resources

MD/lr

CC: Gary Posey
Senior Manager
Energy Inspections Division
(915) 694-1483
e-mail: gary.posey@glo.state.tx.us

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

SLEDGE BROS. OIL COMPANY
STATE LEASE: M-31461
LEASE NAME: NORCOP, A. W., DX
KEN REGAN (DELAWARE) FIELD
REEVES COUNTY
RRC OIL WELL #08-14886
STATE'S ROYALTY DECIMAL: .0625

ATTACHMENT II-A

Penalty Date
12/5/01

AE: LWR
Filename: SledgeBr
Date: 11/7/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	Computed Gas Production (MCF) (A)	Price (B)	BTU	Gross Value (2)X(3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
May-00	184	2.02	1.00	$371.68	0.0625	$23.23	508	$25.00	$3.43	$51.66
Jun-00	166	2.02	1.00	$335.32	0.0625	$20.96	477	$25.00	$2.88	$48.84
Jul-00	164	3.57	1.00	$585.48	0.0625	$36.59	446	$25.00	$4.66	$66.25
Aug-00	152	3.57	1.00	$542.64	0.0625	$33.92	416	$25.00	$3.98	$62.90
Total	666			$1,835.12		$114.70		$100.00	$14.95	$229.65

NOTE:

(A) - REPRESENTS THE COMPUTED GAS PRODUCTION. VENTED GAS VOLUMES WERE CALCULATED USING THE (GOR) GAS-TO-OIL RATIO FROM ANNUAL WELL TESTS SUBMITTED BY THE OPERATOR TO THE RRC FOR WELL ID# 08-14886. THIS WEIGHTED GOR FOR THIS LEASE WAS APPLIED TO THE MONTHLY OIL VOLUMES (FOUR MONTHS) TO DETERMINE THE AMOUNT OF GAS PRODUCED EACH MONTH.

(B) - PRICE - REPRESENTS THE PRICE TAKEN FROM THE COUNTY AVERAGE GAS SALES PRICES COMPILED BY THE GAS PRODUCER'S MONTHLY TAX REPORTS AND PROVIDED BY THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS.

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATION.

SLEDGE BROS. OIL COMPANY
STATE LEASE: M-46970
LEASE NAME: H & M -B- / -C-
KEN REGAN (DELAWARE) FIELD
REEVES COUNTY
RRC OIL WELL #08-27281, 28051
STATE'S ROYALTY DECIMAL: .0625

ATTACHMENT II-B

Penalty Date
12/5/01

AE: LWR
Filename: SledgeBr
Date: 11/7/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Month	Computed Gas Production (MCF) W#28051 (A)	Computed Gas Production (MCF) W#27281 (A)	Total RRC Production (2) + (3)	Price (B)	BTU	Gross Value (4)X(5)X(6)	Royalty Decimal	Royalty Due (7)X(8)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (9)+(11)+(12)
May-00	28	202	229	2.02	1.00	$462.78	0.0625	$28.92	508	$25.00	$4.27	$58.19
Jun-00	110	70	180	2.02	1.00	$363.60	0.0625	$22.73	477	$25.00	$3.12	$50.85
Jul-00	78	118	195	3.57	1.00	$696.51	0.0625	$43.53	446	$25.00	$5.54	$74.07
Aug-00	60	126	186	3.57	1.00	$664.02	0.0625	$41.50	416	$25.00	$4.87	$71.37
Total	275	515	790			$2,186.91		$136.68		$100.00	$17.80	$254.48

NOTE:

(A) - REPRESENTS THE COMPUTED GAS PRODUCTION. VENTED GAS VOLUMES WERE CALCULATED USING THE (GOR) GAS-TO-OIL RATIO FROM ANNUAL WELL TESTS SUBMITTED BY THE OPERATOR TO THE RRC FOR WELL ID# 08-27281 AND WELL ID#08-28051. THIS WEIGHTED GOR FOR THIS LEASE WAS APPLIED TO THE MONTHLY OIL VOLUMES (FOUR MONTHS) TO DETERMINE THE AMOUNT OF GAS PRODUCED EACH MONTH.

(B) - PRICE - REPRESENTS THE PRICE TAKEN FROM THE COUNTY AVERAGE GAS SALES PRICES COMPILED BY THE GAS PRODUCER'S MONTHLY TAX REPORTS AND PROVIDED BY THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS.

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

SLEDGE BROS. OIL COMPANY
STATE LEASE: M-67636
LEASE NAME: BOLLINGER
KEN REGAN (DELAWARE) FIELD
REEVES COUNTY
RRC OIL WELL #08-23315
STATE'S ROYALTY DECIMAL: .0625

ATTACHMENT II-C

Penalty Date
12/5/01

AE: LWR
Filename: SledgeBr
Date: 11/7/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Month	Computed Gas Production (MCF) (A)	GLO Royalty Participation 50% (A)	Price (B)	BTU	Gross Value (3)X(4)X(5)	Royalty Decimal	Royalty Due (6)X(7)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (8)+(10)+(11)
May-00	599	300	2.02	1.00	$605.45	0.0625	$37.84	508	$25.00	$5.59	$68.43
Jun-00	568	284	2.02	1.00	$573.43	0.0625	$35.84	477	$25.00	$4.93	$65.77
Jul-00	631	316	3.57	1.00	$1,126.62	0.0625	$70.41	446	$25.00	$8.96	$104.37
Aug-00	680	340	3.57	1.00	$1,214.07	0.0625	$75.88	416	$25.00	$8.91	$109.79
Total	2,479	1,239			$3,519.57		$219.97		$100.00	$28.39	$348.36

NOTE:

(A) - REPRESENTS THE COMPUTED GAS PRODUCTION. VENTED GAS VOLUMES WERE CALCULATED USING THE (GOR) GAS-TO-OIL RATIO FROM ANNUAL WELL TESTS SUBMITTED BY THE OPERATOR TO THE RRC FOR WELL ID# 08-23315. THIS WEIGHTED GOR FOR THIS LEASE WAS APPLIED TO THE MONTHLY OIL VOLUMES (FOUR MONTHS) TO DETERMINE THE AMOUNT OF GAS PRODUCED EACH MONTH.

(B) - PRICE - REPRESENTS THE PRICE TAKEN FROM THE COUNTY AVERAGE GAS SALES PRICES COMPILED BY THE GAS PRODUCER'S MONTHLY TAX REPORTS AND PROVIDED BY THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS.

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

SLEDGE BROS. OIL COMPANY
STATE LEASE: M-74593
LEASE NAME: ARCO-STATE
KEN REGAN (DELAWARE) FIELD
REEVES COUNTY
RRC OIL WELL #08-24482
STATE'S ROYALTY DECIMAL: .25

ATTACHMENT II-D

Penalty Date
12/5/01

AE: LWR
Filename: SledgeBr
Date: 11/7/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Month	Computed Gas Production (MCF) (A)	GLO Royalty Participation 50% (A)	Price (B)	BTU	Gross Value (3)X(4)X(5)	Royalty Decimal	Royalty Due (7)X(8)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (9)+(11)+(12)
May-00	203	102	2.02	1.00	$205.03	0.25	$51.26	508	$25.00	$7.57	$83.83
Jun-00	198	99	2.02	1.00	$199.98	0.25	$50.00	477	$25.00	$6.87	$81.87
Jul-00	187	94	3.57	1.00	$333.80	0.25	$83.45	446	$25.00	$10.62	$119.07
Aug-00	215	108	3.57	1.00	$383.78	0.25	$95.95	416	$25.00	$11.26	$132.21
Total	803	402			$1,122.59		$280.66		$100.00	$36.32	$416.98

NOTE:

(A) - REPRESENTS THE COMPUTED GAS PRODUCTION. VENTED GAS VOLUMES WERE CALCULATED USING THE (GOR) GAS-TO-OIL RATIO FROM ANNUAL WELL TESTS SUBMITTED BY THE OPERATOR TO THE RRC FOR WELL ID# 08-24482. THIS WEIGHTED GOR FOR THIS LEASE WAS APPLIED TO THE MONTHLY OIL VOLUMES (FOUR MONTHS) TO DETERMINE THE AMOUNT OF GAS PRODUCED EACH MONTH.

(B) - PRICE - REPRESENTS THE PRICE TAKEN FROM THE COUNTY AVERAGE GAS SALES PRICES COMPILED BY THE GAS PRODUCER'S MONTHLY TAX REPORTS AND PROVIDED BY THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS.

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

44

File No. 046970
Sledge Bros. Oil Company
FME

Date Filed: 11-9-01

Jerry E. Patterson, Commissioner

By _____

CONTENTS OF FILE NO. M-46970

1.

2.

3.

4.

5.

6.

7.

8. APPLICATION TO DRILL WELL #1 2-25-85/KK

[redacted]

Scanned sm 4/25/14

GLO-S-08-(1-82)

WITHIN FREE Royalty M-46970

Make check or money order payable to the State Treasurer of Texas. Address to:
Railroad Commission of Texas
Oil and Gas Division, Drilling Permits
P. O. Drawer 12967, Capitol Station
Austin, Texas 78711
▶ File a copy of W-1 and plat in RRC District Office.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

▶ Read Instructions on Back

Form W-1
Rev. 9/1/83
483-060

Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

MV 7-23-84

Purpose of filing (mark appropriate boxes)
[X] Drill [ ] Deepen (below casing) [ ] Deepen (within casing) [ ] Plug Back [ ] Re-Enter
[ ] Directional Well [ ] Sidetrack [ ] Amended Permit (enter permit no. at right & explain fully in Remarks)

Enter here, if assigned: API No. ▶ 42-389-31519 Permit No. ▶ 243387 Rule 37 Case No. ▶

1. Operator's Name (exactly as shown on Form P-5, Organization Report): Stouffer Oil Corporation
3. RRC Operator No.: 824270
4. RRC District No.: 8
5. County of Well Site: Reeves

2. Address (including city and zip code): P. O. Box 740304, Dallas, Texas 75374-0304

6. Lease Name (32 spaces maximum): Meeker-Hill Lease
7. RRC Lease/ID No.:
8. Well No.: 1
9. Total Depth: 3600'

10. Location
• Section 20 Block 56 Survey T&P RR Co. T-3 Abstract No. A-
• This well is to be located 30 miles in a NW direction from Pecos which is the nearest town in the county of the well site.

JUL 24 1984

11. Distance from proposed location to nearest lease or unit line: 660 ft.
12. Number of contiguous acres in lease, pooled unit, or unitized tract: 200 (OUTLINE ON PLAT.)

granted 6/27/84

13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.	14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.)	20. Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. OIL	GAS
Ken Regan Delaware	3350' to 3450'	330'/660'	40/20	40	no	None	Oil	1	
48754 500									

22. Perpendicular surface location from two nearest designated lines:
• Lease/Unit 2000' FSL, & 660' FEL
• Survey/Section 2000' FSL, & 660' FEL

If a directional well, show also projected bottom-hole location:
• Lease/Unit
• Survey/Section

23. Is this a pooled unit? Yes [ ] ▶ (Attach Form P-12 and certified plat.) No [X]

24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes [ ] ▶ (Attach Form W-1A) No [X]

25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes [ ] No [X]
If subject to Rule 36, is Form H-9 filed? Yes [ ] No [ ] ▶ If not filed, explain in Remarks.

26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? If not, and if the well requires a Rule 37 or 38 exception, see instructions for Rule 37. Yes [X] No [ ]

Remarks

I certify that information stated in this application is true and complete, to the best of my knowledge.

J. C. Raney
Signature

J. C. Raney P.E. (Agent)
Name and title of operator's representative

Date: 6 21 84 (mo. day yr.)
Tel.: (915) 683-2842 (Area Code Number)

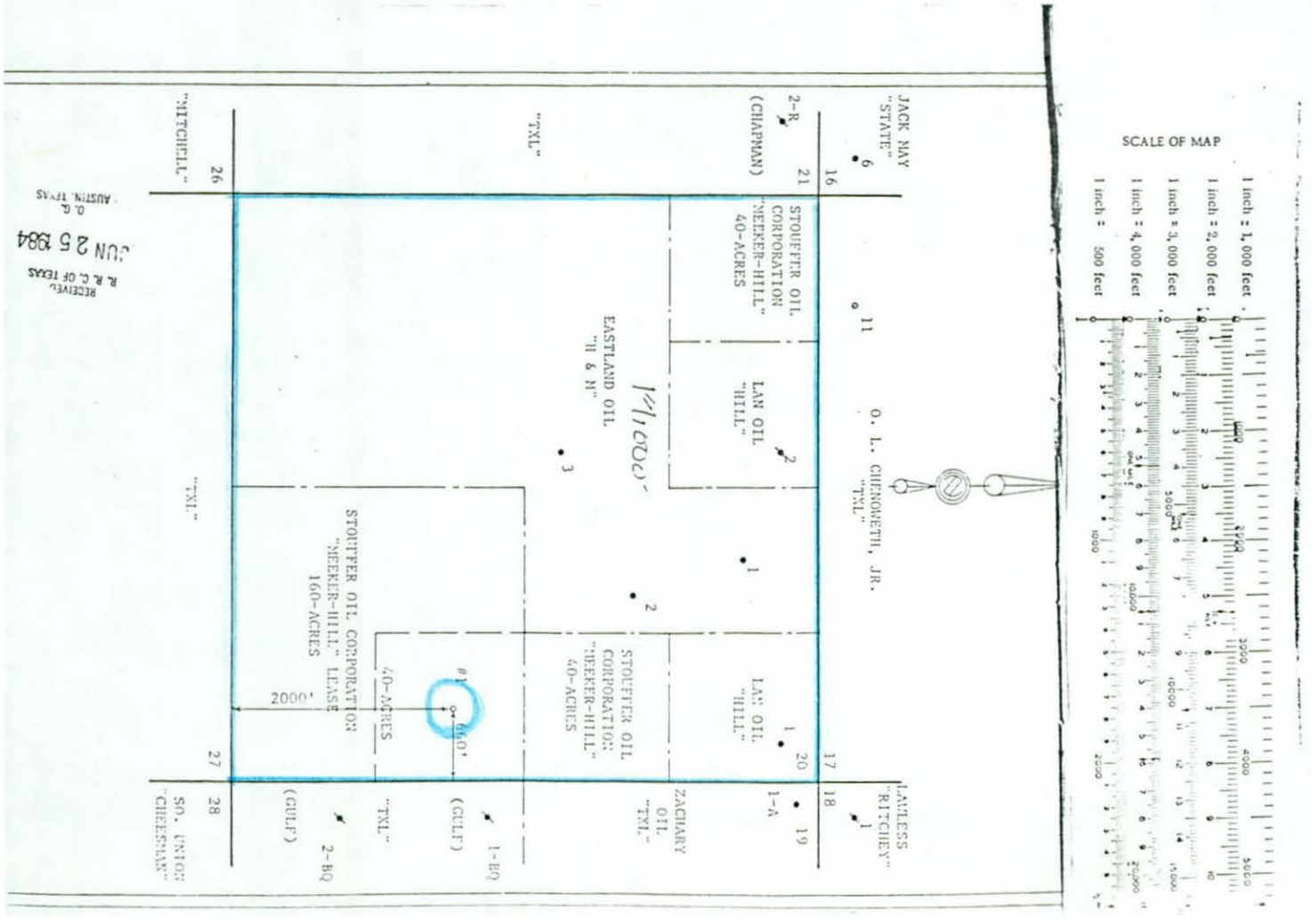
• RRC Use Only •
225805 JUN 25 84

247428

Statewide PLAT SERVICE
P. O. DRAWER 1967, AUSTIN, TEXAS 78767

1-9-84

RECEIVED
R. R. C. OF TEXAS
JUN 25 1984
O. & G.
AUSTIN, TEXAS



```
                    *** OIL AND GAS W-2/G-1 RECORD ***          INQUIRY
API #: 389   31519                                          SOURCE: RRC
DIST:  08  LSE/ID: 29548_    WELL#:    1     TYPE:  OIL    CNTY: REEVES
FLD:   KEN REGAN (DELAWARE)                LSE: MEEKER-HILL
OPER:  STOUFFER OIL CORPORATION, THE
COMPLETION:  01 28 85                          DRILLING PERMIT   #:  243387
W2-G1:       01 31 85    BUILT: 02 13 85       R-37 EXCEP CASE   #:
ATTACHMENTS:  ON FILE                          WATER INJECT PERM #:
KEY 'S' TO VIEW ATTACH: _                      SALT WATER DISP   #:
                                               DOCKET   NUMBER:
DRILL COMPLETED:    01 06 85
ELEVATION:          2896    KB
TOTAL DEPTH:        3598                       WELLBORE PLUGGED:
PLUGBACK DEPTH:     3553
LOCATION  SEC: 20           BLK: 56              ABST:
          SUR: T & P RR CO. T-3
SUR/SECT:   002000 FT FROM SL          AND   000660 FT FROM  EL
NOTE=> NO REMARKS ON FILE FOR THIS DATE
 * SCREEN OPTIONS: 12=FORM/SQZE 13=REMARKS 14=WATER 19=PERMITS/WELLIDS
 * SELECT OPTION:      (01=RETURN TO MENU, 00= HELP AND OTHER OPTIONS)
PRESS 'ENTER' FOR NEXT SCREEN
```

perfs 3464' to 3472'
3488' to 3492'
3498' to 3505'

(8)

M.F. 46970

APPLICATION TO DRILL

WELL # 1

FILED 2-25 19 85

GARRY MAURO, COMMISSIONER

BY: HDK

RODUCING

WELL RECORD

REE ROYALTY

File 46970

Reeves County

MINERAL LAND

Johnn Drilling Co.

640 Acres

Section 20

Block 56

T & P Tsp. 3

Cert.

File: 151372

Name of Claim

VOL. P.

FORM 2503B-549-1M

File 46970

CONTENTS

CONTENTS OF FILE NO. 46970 Well Record

1. APPLICATION TO DRILL WELL # 1 R. V. PHIPPS DEC 0 1980
2. APPLICATION TO DRILL WELL # 2/3-10-81 R. V. PHIPPS
3. APPLICATION TO DRILL WELL # 3 JUL 21 1981 R. V. PHIPPS
4. APPLICATION TO DRILL WELL # 4 MAR 8 1982 R. V. PHIPPS
5. APPLICATION TO DRILL WELL # 5 AUG 19 1982 R. V. PHIPPS
6. APPLICATION TO DRILL WELL # 6 12-28-82 R. V. PHIPPS
7. APPLICATION TO DRILL WELL # 1-C MAY 27 1983 R. V. PHIPPS
8. Ltr to Eastland Oil Co. 1/5/84
9. F.R. Lease 2-6-85 MA
10. Assignment 2-6-85 MA
11. DIVISION ORDER 7-22-85
12. DIVISION ORDER 7-26-85
13. DIVISION ORDER 9-28-85 DLM missing
14. DIVISION ORDER 9-28-25 DLM
15. Division Order Amendment 3-8-86
16. Three D.O. + Ltr. to Pride Pipeline 8.5.91
17. D.O. + Ltr. to Pride 12.13.91
18. Division Orders from Lantern Pet. 1-B-2000 12-24-99
19. Division Order 12-1-99
20. See item (78) in M-31461
21. Scanned sm 4/25/14
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OIV M-46410 FORM W-1 (6-78)

API Well No. 42 389-31132
Instruction (7a & b) on back side.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

086412

☐ Directional Well ☐ Amended or Corrected Permit

RRC Permit Number, if previously assigned.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: [X] DRILL ☐ DEEPEN (Below Casing) ☐ DEEPEN (Within Casing) ☐ PLUG BACK ☐ OTHER (Specify)

If Amended Application, explain fully in Remarks or Attach Separate Page.

1. Operator
The Eastland Oil Company

2. Address (Including City and Zip Code)
P.O. Drawer 3488
Midland, Texas 79702

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed?
YES [XX] NO ☐ (Instruction (2) on back side.)

4. Lease Name and RRC Lease or ID No. (If Assigned)
H & M ~~Lease~~

5. Location (Sec., Blk., Survey)
Sec. 20, Block 56, T3, T&P RR Survey

6. This well is to be located 9 miles South
Direction from Orla, Texas
Nearest Post Office or Town.

JUL 17 1980

7. RRC District
8

8. County
Reeves

9. Well Number
1

10. Number of Acres in Lease
560

11. Distance from Proposed Location to Nearest Property or Lease Line (ft.)
660'

12. Total Depth
3500'

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Exc. Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40, 80, acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	20. Distance and Direction from proposed location to nearest drilling completed or applied for well in same res. on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Exc. Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Wells or Permitted locations on this Lease in same Reservoir for which this Permit is Requested? OIL	GAS
48754 500											
Ken Regan (Delaware)	3450	None	330-660	40 ac.	40 ac.	No	Only Well	Regular 1 [X] Rule 37 2 ☐	Oil	0	0
C: 10-30-80								Regular 1 ☐ Rule 37 2 ☐			
IP 61 BO + 73MCF + 104 BW								Regular 1 ☐ Rule 37 2 ☐			
OH - 3404-3431 TD								Regular 1 ☐ Rule 37 2 ☐			

RECEIVED R.R.C. OF TEXAS JUL 09 1980 O.G. MIDLAND, TEXAS

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED:
A. Lease Lines 660 feet FNL, 660 feet FEL
B. Survey Lines 660 feet FNL, 1980 feet FEL, Sec. 20

25. (a) Is this wellbore subject to SWR 36? Yes ☐ No [XX]
(b) If subject to SWR 36, has Form H-9 been filed? (If no, attach explanation.)

NOTICE
NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REMARKS: Field rules specify a minimum of 220 feet of surface casing. #25 - No H_2S Zones penetrated - Delaware produces sweet gas and crude

George Dhrel
Signature
Superintendent
Title
July 8, 1980
Date
Telephone: Area Code 915 683-6293

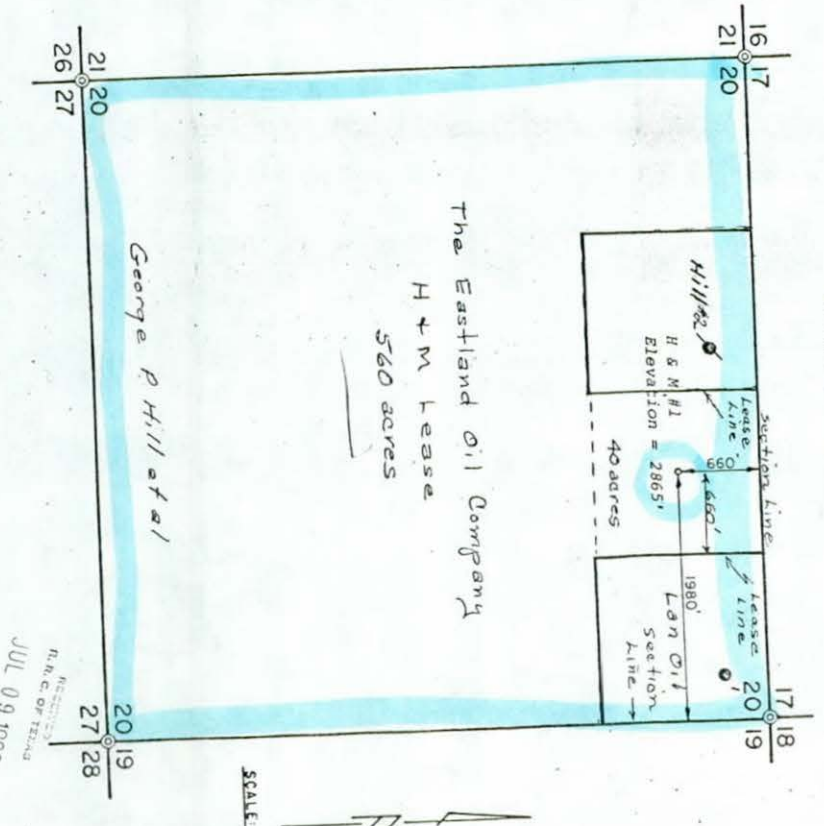
READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

RVP 6-17-80

Statewide PLAT SERVICE P. O. DRAWER 1867, AUSTIN, TEXAS 78767

7-15-80

13



THE STATE OF TEXAS
COUNTY OF ECTOR

I, Gary N. Haner, a Registered Public Surveyor of the State of Texas, do hereby certify that the above plat of the location for:

THE EASTLAND OIL COMPANY, H & M WELL NO. 1, 660 feet from the north line and 1980 feet from the east line of Section 20, Block 56, T3, T & P RY Company Survey, Reeves County, Texas,

RECEIVED R.R.C. OF TEXAS JUL 09 1980 O.G. MIDLAND, TEXAS

WELL LOCATION FOR
THE EASTLAND OIL COMPANY
H & M WELL NO. 1
660' FROM NORTH LINE AND 1980' FROM EAST LINE
SECTION 20, BLOCK 56, T3, T & P RY COMPANY SURVEY
REEVES COUNTY, TEXAS

SCALE OF MAP

1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet
1 inch = 500 feet

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ FREE ROYALTY ✓

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M WELL NO. 1

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 1 SPUD DATE 7/22/80 DRILLING DEPTH _____

COMPLETION DATE _____ TOTAL DEPTH _____

PERFS _____ 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL _____ GAS _____ D&A _____

REMARKS: Rigging up - Tool Pusher Said they would Spud That evening -

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE July 22, 1980

WELL STATUS REPORT

OPERATOR Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ FREE ROYALTY ←

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M WELL NO. 1

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 2 SPUD DATE 7/23/80 DRILLING DEPTH 818

COMPLETION DATE _____ TOTAL DEPTH _____

PERFS _____ 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL _____ GAS _____ D&A _____

REMARKS: Have trouble with water

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE August 12, 1980

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ FREE ROYALTY ✓

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M WELL NO. 1

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 3 SPUD DATE 7-23-80 DRILLING DEPTH _____

COMPLETION DATE _____ TOTAL DEPTH _____

PERFS _____ 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL _____ GAS _____ D&A _____

REMARKS: _____

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE September 10, 1980

WELL STATUS REPORT

OPERATOR Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ___ R.A.L. ___ FREE ROYALTY ✓

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M WELL NO. 1

FIELD NAME Ken Regan/Delaware WILDCAT ___ COUNTY Reeves

REPORT NO. 3 SPUD DATE 7-23-80 DRILLING DEPTH _____

COMPLETION DATE _____ TOTAL DEPTH 3431 - fishing

PERFS _____ 1ST COMPLETION: YES ___ NO ___

POTENTIAL/TEST: OIL ___ GAS _____ D&A ___

REMARKS: fishing for String of tools in hole - (Cable tools)
If they can get them out - they will Run Casing
that is on location -

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE September 22, 1980

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ___ R.A.L. ___ FREE ROYALTY ✓

OFFSET, APPROX. ___ FT. FROM STATE LEASE ___

LEASE H & M WELL NO. 1

FIELD NAME Ken Regan/Delaware WILDCAT ___ COUNTY Reeves

REPORT NO. 4 SPUD DATE 7-23-80 DRILLING DEPTH ___

COMPLETION DATE ___ TOTAL DEPTH 3440'

PERFS ___ 1ST COMPLETION: YES ___ NO ___

POTENTIAL/TEST: OIL ___ GAS ___ D&A ___

REMARKS: Ran into Halliburton field man Mr. Pierce - He said they had fish out of hole - they were going to make a few more feet - Run Casing and be Ready to Cement on Morning of 10-10-80

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE October 7, 1980

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ FREE ROYALTY ✓

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M WELL NO. 1

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 5 SPUD DATE 7-23-80 DRILLING DEPTH _____

COMPLETION DATE 10-30-80 TOTAL DEPTH 3431'

PERFS open Hole 3404 to 3431 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL ✓ GAS _____ D&A _____

REMARKS: Top of Pay 3419' - Oil Produced prior to test 385 bbls -
Date of 24 hr. test - 11/10/80
oil/bbls - Gas/MCF - water/bbls - Gas/oil Ratio - Flowing tubing Pressure
61.3 - 73 - 104 - 1190 - 150 PSI
Calculated 24hr. Oil Gravity API 60° - Casing Pressure
61.3 - 73 - 104 - 34.8 940 PSI

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE December 3, 1980

(1)

M. F. 46970

APPLICATION TO DRILL

WELL # 1

FILED DEC 9 1980 19

BOB ARMSTRONG, COMMISSIONER

BY: R. V. PHIPPS

API Well No. 42-389-31163
Instruction (7a & b) on back side.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

103691

☐ Directional Well ☐ Amended or Corrected Permit

RRC Permit Number, if previously assigned.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: [XX] DRILL ☐ DEEPEN (Below Casing) ☐ DEEPEN (Within Casing) ☐ PLUG BACK ☐ OTHER (Specify) _____

If Amended Application, explain fully in Remarks or Attach Separate Page.

7. RRC District: 8

8. County: Reeves

1. Operator: The Eastland Oil Company 239785

2. Address (Including City and Zip Code): P.O. Drawer 3488, Midland, Texas 79702

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES [X] NO ☐ (Instruction (2) on back side.)

4. Lease Name and RRC Lease or ID No. (If Assigned): H & M ~~Lease~~, RRC# 26202

5. Location (Sec., Blk., Survey): Sec. 20, Blk. 56, T3, T&P RR Survey

6. This well is to be located 9 miles South Direction from Orla Nearest Post Office or Town.

JAN 8 1981

9. Well Number: 2

10. Number of Acres in Lease: 560

11. Distance from Proposed Location to Nearest Property or Lease Line (ft.): 467'

12. Total Depth: 3500'

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Exc. Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	20. Distance and Direction from proposed location to nearest drilling completed or applied for well in same res. on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Exc. Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Wells or Permitted locations on this Lease in same Reservoir for which this Permit is Requested? OIL	GAS
148754 540											
Ken Regan (Delaware)	3450	none	330-660	40	40	no	1044'NW	Regular 1 [X] Rule 37 2 ☐	oil	1	0
								Regular 1 ☐ Rule 37 2 ☐			
								Regular 1 ☐ Rule 37 2 ☐			
								Regular 1 ☐ Rule 37 2 ☐			

RECEIVED R.R.C. OF TEXAS DEC 31 1980 OIL & GAS DIV. MIDLAND, TEXAS

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED:
A. Lease Lines: 1650' FNL, 1650' FEL H &M Lease
B. Survey Lines: 1650' FNL, 1650' FEL Sec. 20

25. (a) Is this wellbore subject to SWR 36? Yes ☐ No ☐
(b) If subject to SWR 36, has Form H-9 been filed? (If no, attach explanation.)

NOTICE
NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REMARKS: Field rules specify a minimum of 220' surface csg.
#25.) No H_2S zones penetrated. Delaware produces sweet gas and crude.

C: 2-1-80
Pfs: 3432-44
IPP: 84 BOPD
TD: 3510

Signature: George Dreal
George D. Nea
Superintendent
Title
Dec. 24, 1980
Date
Telephone: Area Code 915 683-6293

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

WITHIN FREE ROYALTY
M-46970

Statewide PLAT SERVICE P. O. DRAWER 1867, AUSTIN, TEXAS 78767
1-6-81

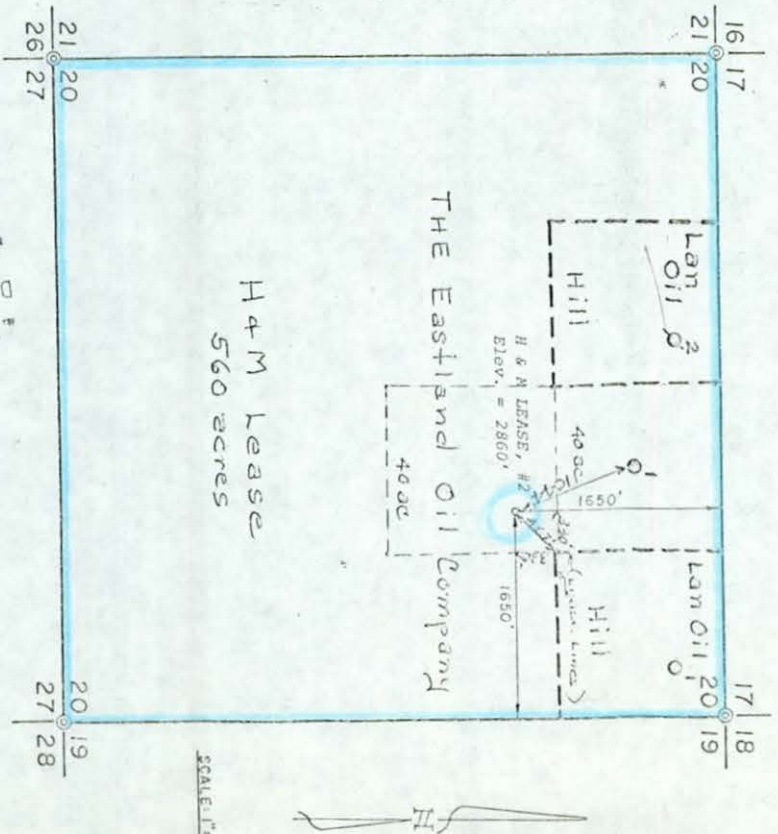
SCALE OF MAP
1 inch = 500 feet
1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet

THE STATE OF TEXAS
COUNTY OF REEVES

I, Gary N. Haner, a Registered Public Surveyor of the State of Texas, do hereby certify that the above plat of the location for:

THE EASTLAND OIL COMPANY, H & M LEASE, WELL NO. 2, 1650 feet

RECEIVED R.R.C. OF TEXAS DEC 31 1980 OIL & GAS DIV. MIDLAND, TEXAS



WELL LOCATION FOR
THE EASTLAND OIL COMPANY
H & M LEASE, WELL NO. 2
1650' FROM NORTH LINE AND 1650' FROM EAST LINE OF
SECTION 20, BLOCK 56, T3, T & P RY COMPANY SURVEY
REEVES COUNTY, TEXAS

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ___ R.A.L. ___ FREE ROYALTY ✓

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M WELL NO. 2

FIELD NAME Ken Regan/Delaware WILDCAT ___ COUNTY Reeves

REPORT NO. 1 SPUD DATE 1-7-81 DRILLING DEPTH 2970

COMPLETION DATE _____ TOTAL DEPTH _____

PERFS _____ 1ST COMPLETION: YES ___ NO ___

POTENTIAL/TEST: OIL ___ GAS _____ D&A ___

REMARKS: _____

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE January 14, 1981

WELL STATUS REPORT

OPERATOR Teh Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ FREE ROYALTY x

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M WELL NO. 2

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 3 SPUD DATE 1-7-81 DRILLING DEPTH _____

COMPLETION DATE _____ TOTAL DEPTH 3450

PERFS _____ 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL _____ GAS _____ D&A _____

REMARKS: Rig moved off location and well shut in.

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE February 17, 1981

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ FREE ROYALTY -x

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M WELL NO. 2

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 2 SPUD DATE 1-7-81 DRILLING DEPTH 3390

COMPLETION DATE _____ TOTAL DEPTH _____

PERFS _____ 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL _____ GAS _____ D&A _____

REMARKS: Almost to TD

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE February 9, 1981

M. E. 46970

APPLICATION TO DRILL

WELL # 2

FILED 3-10-81 19

BOB ARMSTRONG, COMMISSIONER

BY: [illegible]

NOTAN / FREE ROYALTY 71-76770

FORM W-1
(6/78)

API Well No. 42 389-31185
Instruction (7a & b)

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

☐ Directional Well ☐ Amended or Corrected Permit

RRC Permit Number, if previously assigned: No

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK 120709

Check one: XX DRILL ☐ DEEPEN (Below Casing) ☐ DEEPEN (Within Casing) ☐ PLUG BACK ☐ OTHER (Specify)

If Amended Application, explain fully in Remarks or Attach Separate Page.

1. Operator: The Eastland Oil Company

2. Address (Including City and Zip Code): P.O. Drawer 3488, Midland, Texas 79702 — 239725

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES [X] NO ☐ (Instruction (2) on back side.)

4. Lease Name and RRC Lease or ID No. (If Assigned): H & M Lease, RRC #26202

5. Location (Sec., Blk., Survey): Sec. 20, Blk. 56, T3, T&P RR Co.

6. This well is to be located 9 miles South Direction from Orla Nearest Post Office or Town.

7. RRC District: 8

8. County: Reeves (N)

9. Well Number: 3

10. Number of Acres in Lease: 560

11. Distance from Proposed Location to Nearest Property or Lease Line (ft.): 990'

12. Total Depth: 3500'

JUN 18 1981

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Exc. Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	20. Distance and Direction from proposed location to nearest drilling completed or applied for well in same res. on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Exc. Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Wells on this Lease in same Reservoir for which this Permit is Requested? OIL	GAS
48154 500 Ken Regan (Delaware)	3450	None	330-660	40/80	40	No	1476'NE	Regular 1 [X] Rule 37 2 [ ]	Oil	2	0
C: 6-17-81 IPF: 94BO + 92 MCF GOR 1/22/81								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			

RECEIVED R.R.C. OF TEXAS MAY - 4 1981 OIL & GAS DIV. AUSTIN, TEXAS

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED:
A. Lease Lines 990' FNL & 2310' FWL H & M Lease
B. Survey Lines 2310' FNL & 2310' FWL Sec. 20

25. (a) Is this wellbore subject to SWR 36? Yes [ ] No [X]
(b) If subject to SWR 36, has Form H-9 been filed? (If no, attach explanation.)

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

REMARKS: Field rules specify a minimum of 220' surface casing.

No H_2S zones penetrated. Delaware produces sweet gas & crude.

CERTIFICATE

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

George D. Neal
Signature

Vice President - Production
Title

5/1/81
Date

Telephone: Area Code 915 683-6293

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

pps: 3430-3437
TD 3500

SURVEYOR'S PLAT-SERVICE
P. O. DRAWER 1857, AUSTIN, TEXAS 78767

6-16-81

SCALE OF MAP

1 inch = 500 feet
1 inch = 4,000 feet
1 inch = 3,000 feet
1 inch = 2,000 feet
1 inch = 1,000 feet

WELL LOCATION FOR
THE EASTLAND OIL COMPANY
H & M WELL NO. 3
2310' FROM NORTH LINE AND 2310' FROM WEST LINE OF
SECTION 20, BLOCK 56, T-3, T&P RY COMPANY SURVEY
REEVES COUNTY, TEXAS

THE STATE OF TEXAS
COUNTY OF REEVES

I, Gary N. Haner, a Registered Public Surveyor of the State of Texas, do hereby certify that the above plat of the location for:

THE EASTLAND OIL COMPANY, H & M WELL NO. 3, 2310 feet from the north line and 2310 feet from the west line of Section 20, Block 56, T-3, T & P Ry Company Survey, Reeves County,

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ FREE ROYALTY xx

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M WELL NO. 3

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 1 SPUD DATE 5/17/81 DRILLING DEPTH 3404'

COMPLETION DATE _____ TOTAL DEPTH _____

PERFS _____ 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL _____ GAS _____ D&A _____

REMARKS: Almost to TD.

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE June 16, 1981

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ FREE ROYALTY xx

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M WELL NO. 3

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 2 SPUD DATE 5/27/81 DRILLING DEPTH _____

COMPLETION DATE _____ TOTAL DEPTH 3500'

PERFS _____ 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL _____ GAS _____ D&A _____

REMARKS: Starting to get ready to test well on June 21, 1981

BA/jmh/gs

2-25-75

W. A. White

INSPECTOR

DATE June 23, 1981

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ FREE ROYALTY xx

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M Lease WELL NO. 3

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 3 SPUD DATE 5-29-81 DRILLING DEPTH _____

COMPLETION DATE 6-17-81 TOTAL DEPTH 3500' PBD 3480'

PERFS 3430' to 3437' 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL Flowing GAS _____ D&A _____

REMARKS: Top of pay 3430'--Formations-Delaware Lime 3360'-Delaware Sand 3430'-
Top of Salt 2725'--Base of Salt 3190'--Date of 24 hr. Test 7/2/81-Oil produced prior to
test 163 bbls.

Oil/bbls.	Gas/MCF	Water/bbls.	Gas/Oil Ratio	Flowing tubing pressure
93.9	92	141	980	20 psi

Calculated 24 hr.	Oil Gravity API 60	Casing pressure
93.9	Not shown	750 psi

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE July 15, 1981

(3)

M. F.

APPLICATION TO DRILL

WELL # 3

FILED JUL 21 1981 19

BOB ARMSTRONG, COMMISSIONER

BY: R. V. PHIPPS

WITHIN 1 FREE ROYALTY 14-48710

THIS APPLICATION MUST BE FILED IN DUPLICATE IN THE APPROPRIATE DISTRICT OFFICE.

132907

FORM W-1
1/1/81

API Well No. 42
Instruction (7a & b) on back side. 389-31280

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

☐ Directional Well ☐ Sidetrack ☐ Amended Permit (Explain in Remarks)

RRC Permit Number, if previously assigned. No

APPLICATION FOR PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER

Check one: ☒ DRILL ☐ DEEPEN (Below Casing) ☐ DEEPEN (Within Casing) ☐ PLUG BACK ☐ RE-ENTER

7. RRC District: 8

8. County: Reeves (N)

1. Operator: The Eastland Oil Company

4a. Lease Name (32 Spaces Maximum): H & M Lease

4b. RRC Lease or ID No. (if assigned): 26202

9. Well Number: 4

2. Address (Including City and Zip Code): P. O. Drawer 3488, Midland, Texas 79702

5. Location (Sec., Blk., Survey): Sec. 20, Blk. 56, T3, T&PRRCo.

10. Number of Contiguous Acres in Lease or Unitized Tract: 560

6. This well is to be located 9 miles South Direction from Orla Nearest Post Office or Town.

11. Distance from Proposed Location to Nearest Lease or Unit Line (ft.): 1650'

12. Total Depth: 3500'

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES ☒ NO ☐ (Instruction (2) on back side.)

SEP 25 1981

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below. One zone per line. List all zones for which a permit is sought.	14. Completion Depth	15. All Prior Rule 37 Exc. Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same res. on same lease? Yes or No. If yes explain in remarks.	20. Distance and Direction from proposed location to nearest drilling completed or applied for well in same res. on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Exc. Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of completed, permitted or applied for, locations on this lease in same reservoir for which this permit is sought? OIL	GAS
Ken Regan (Delaware)	3450	None	330-660	40/10	40	No	1476'NE	Regular 1 ☒ Rule 37 2 ☐	Oil	3	0
48754 500								Regular 1 ☐ Rule 37 2 ☐			
								Regular 1 ☐ Rule 37 2 ☐			
								Regular 1 ☐ Rule 37 2 ☐			

C: 1-9-82
IP: 66.7 BO + 28 Bbl

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED:
A. Lease Lines 1650' FSL & 1650' FWL, H & M Lease
B. Survey Lines 1650' FSL & 1650' FWL, Sec. 20

25. (a) Is this wellbore subject to SWR 36? Yes ☐ No ☒
(b) If subject to SWR 36, has Form H-9 been filed? If no, attach explanation.) Yes ☐ No ☐

26. Do you anticipate future use of this wellbore to complete in any penetrated zone not listed in Column 13, for which a Rule 37 or Rule 38 exception is presently required? If Yes, attach a list of such zones and see Instruction #8. Yes ☐ No ☒

27. Is this a pooled unit? YES ☐ (Attach P-12, certified plat, & list of pooled zones) NO ☒

28. Substandard Acreage YES ☐ (Attach W-1A) NO ☒

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REMARKS: Field rules specify a minimum of 220' surface casing.

pp: 3427-3443

George D. Neal
Signature

Vice President, Production
Title

August 26, 1981
Date

Telephone: Area Code 915 , 683-6293

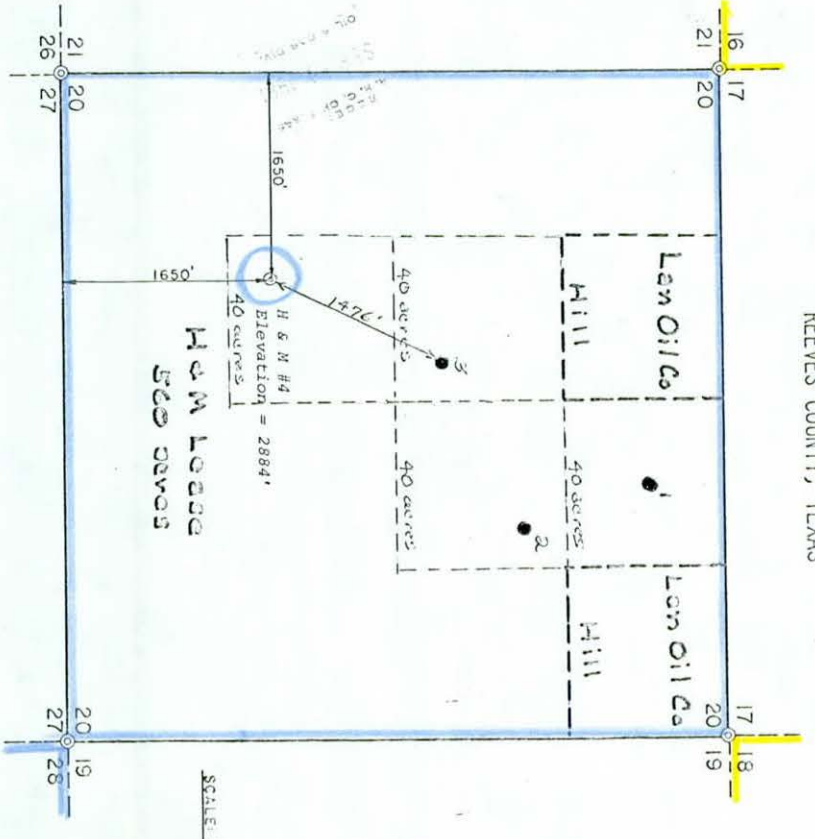
READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

TD 4343

THE STATE OF TEXAS
COUNTY OF REEVES

I, Gary N. Haner, a Registered Public Surveyor of the State of Texas, do hereby certify that the above plat of the location for:

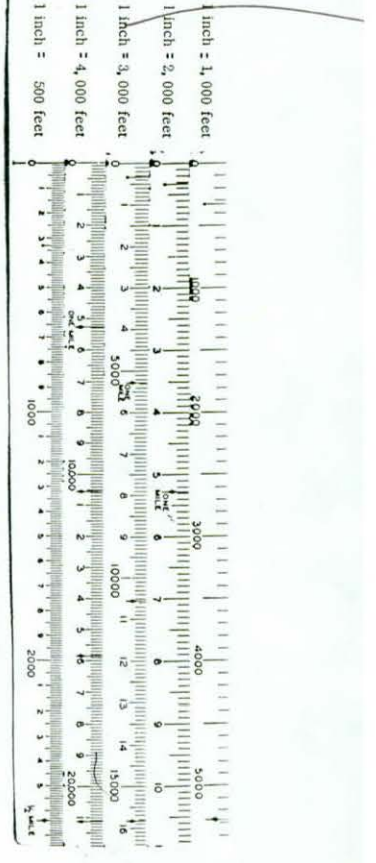
THE EASTLAND OIL COMPANY, H & M WELL NO. 4, 1650 feet from the south line and 1650 feet from the west line of Section 20, Block 56, T-3, T & P Ry Company Survey, Reeves County, Texas,



SCALE: 1"=1000'

WELL LOCATION FOR
THE EASTLAND OIL COMPANY
H & M WELL NO. 4
1650' FROM SOUTH LINE AND 1650' FROM WEST LINE OF
SECTION 20, BLOCK 56, T-3, T & P RY COMPANY SURVEY
REEVES COUNTY, TEXAS

SCALE OF MAP



Statewide PLAT SERVICE
P. O. DRAWER 1897, AUSTIN, TEXAS 78767

9-15-81

THIS APPLICATION MUST BE FILED IN DUPLICATE IN THE APPROPRIATE DISTRICT OFFICE.

FORM W-1
1/1/81

WITHIN / FREE
// ROYALTY M-46970

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

API Well No. 42 (Instruction (7a & b) on back side.) 389-31280

☐ Directional Well ☐ Amended Permit (Explain in Remarks) ☐ Sidetrack

RRC Permit Number, if previously assigned. No

APPLICATION FOR PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER

Check one: ☒ DRILL ☐ DEEPEN (Below Casing) ☐ DEEPEN (Within Casing) ☐ PLUG BACK ☐ RE-ENTER

7. RRC District: 8

8. County: Reeves (N)

1. Operator: The Eastland Oil Company

4a. Lease Name (32 Spaces Maximum): H & M Lease

4b. RRC Lease or ID No. (if assigned): 26202

9. Well Number: 4

2. Address (Including City and Zip Code)
P. O. Drawer 3488
Midland, Texas 79702

5. Location (Sec., Blk., Survey): Sec. 20, Blk. 56, T3, T&PRRCo.

6. This well is to be located 9 miles South Direction from Orla Nearest Post Office or Town.

SEP 18 1981

10. Number of Contiguous Acres in Lease or Unitized Tract: 560

11. Distance from Proposed Location to Nearest Lease or Unit Line (ft.): 1650'

12. Total Depth: 3500'

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES ☒ NO ☐ (Instruction (2) on back side.)

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below. One zone per line. List all zones for which a permit is sought.	14. Completion Depth	15. All Prior Rule 37 Exec. Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same res. on same lease? Yes or No. If yes explain in remarks.	20. Distance and Direction from proposed location to nearest drilling completed or applied for well in same res. on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Exc. Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of completions permitted or applied for, locations on this lease in same res. for which this permit is sought? OIL	GAS
Ken Regan (Delaware)	3450	None	330-660	40/20	40	No	1476'NE	Regular 1 ☒ Rule 37 2 ☐	Oil	3	0
48754 500								Regular 1 ☐ Rule 37 2 ☐			
								Regular 1 ☐ Rule 37 2 ☐			
								Regular 1 ☐ Rule 37 2 ☐			

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED:
A. Lease Lines 1650' FSL & 1650' FWL, H & M Lease
B. Survey Lines 1650' FSL & 1650' FWL, Sec. 20

25. (a) Is this wellbore subject to SWR 36? Yes ☐ No ☒
(b) If subject to SWR 36, has Form H-9 been filed? If no, attach explanation.) Yes ☐ No ☐

26. Do you anticipate future use of this wellbore to complete in any penetrated zone not listed in Column 13, for which a Rule 37 or Rule 38 exception is presently required? If Yes, attach a list of such zones and see Instruction #8. Yes ☐ No ☒

27. Is this a pooled unit? YES ☐ (Attach P-12, certified plat, & list of pooled zones) NO ☒

28. Substandard Acreage YES ☐ (Attach W-1A) NO ☒

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REMARKS: Field rules specify a minimum of 220' surface casing.

George D. Neal
Signature

Vice President, Production
Title

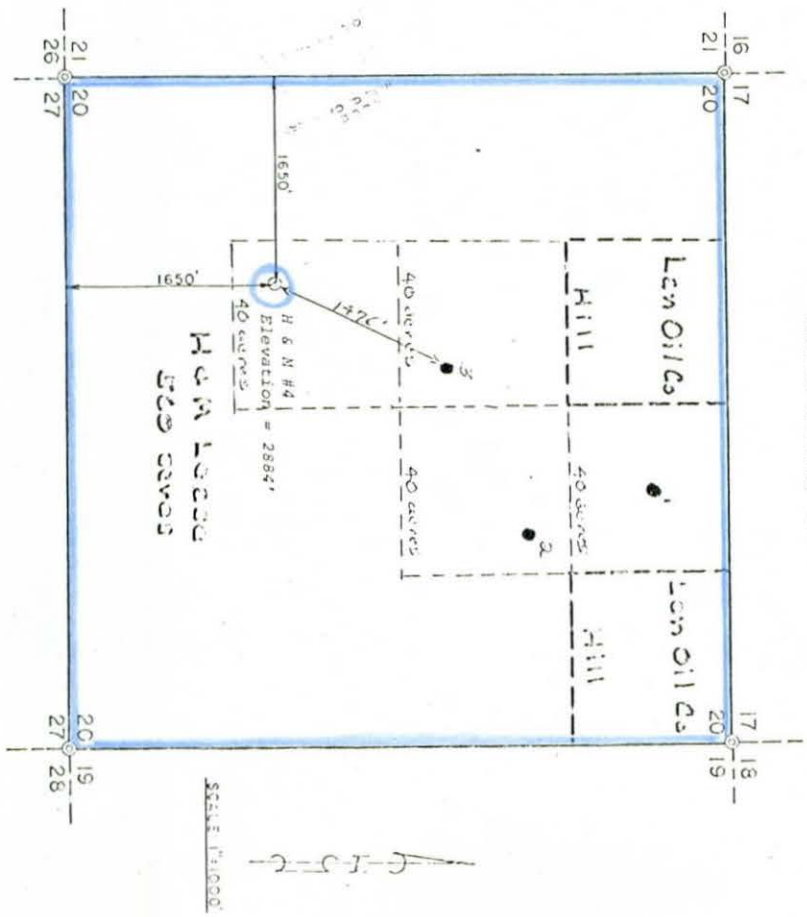
August 26, 1981
Date

Telephone: Area Code 915, 683-6293

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

Statewide PLAT SERVICE
P. O. DRAWER 1687, AUSTIN, TEXAS 78767

9-15-81



WELL LOCATION FOR
THE EASTLAND OIL COMPANY
H & M WELL NO. 4
1650' FROM SOUTH LINE AND 1650' FROM WEST LINE OF
SECTION 20, BLOCK 56, T-3, T&P RY COMPANY SURVEY
REEVES COUNTY, TEXAS

SCALE OF MAP

1 inch = 500 feet
1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet

THE STATE OF TEXAS
COUNTY OF REEVES

I, Gary N. Haner, a Registered Public Surveyor of the State of Texas, do hereby certify that the above plat of the location for:

THE EASTLAND OIL COMPANY, H & M WELL NO. 4, 1650 feet from the south line and 1650 feet from the west line of Section 20, Block 56, T-3, T & P Ry Company Survey, Reeves County,

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ FREE ROYALTY xx

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M WELL NO. 4

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 1 SPUD DATE 10/23/81 DRILLING DEPTH 1270'

COMPLETION DATE _____ TOTAL DEPTH _____

PERFS _____ 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL _____ GAS _____ D&A _____

REMARKS: _____

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE October 27, 1981

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ FREE ROYALTY xx

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M WELL NO. 4

FIELD NAME Kem Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 2 SPUD DATE 10/23/81 DRILLING DEPTH 1390'

COMPLETION DATE _____ TOTAL DEPTH _____

PERFS _____ 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL _____ GAS _____ D&A _____

REMARKS: Move rig from H & M #4 to Arco State #1--Wait on cable tool rig to finish H & M #4

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE November 17, 1981

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-86067 FEE ____ R.A.L. xx FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE H & M WELL NO. 4

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 4 SPUD DATE 10/23/81 DRILLING DEPTH 2245'

COMPLETION DATE ____ TOTAL DEPTH ____

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: This is the hole the rig moved off of and they waited on cable tool rig to finish the hole.

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE December 22, 1981

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ FREE ROYALTY xx

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M WELL NO. 4

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 5 SPUD DATE 10/23-81 DRILLING DEPTH _____

COMPLETION DATE _____ TOTAL DEPTH 3443'

PERFS _____ 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL _____ GAS _____ D&A _____

REMARKS: They were getting ready to run casing while I was on location.

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE January 11, 1982

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ FREE ROYALTY xx

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M WELL NO. 4-

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 6 SPUD DATE 10/23/81 DRILLING DEPTH _____

COMPLETION DATE 1/9/82 TOTAL DEPTH 3443'

PERFS 3427' to 3443' 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL 10/64" Choke Flowing GAS _____ D&A ____

REMARKS: Top of pay 3431'--Oil Produced prior to test 336 bbls.--Formations: Base Salt 3190, Lamar Black Shale 3355', Sand 3431'--/Date of test: 1/26/82 (24 hr.)

Oil/bbls.--Gas/MCF--Water/bbls.--Gas/Oil Ratio--Flowing Tubing Pressure

66.7 -- 81 -- 28 -- 1214-1 -- 225 psi

Calculated 24 hr. Oil Gravity --API 60 --Casing Pressure

66.7 -- 81 -- 28 -- 35.2 -- 925 psi

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE February 22, 1982

(4)

M. F. 46970

APPLICATION TO DRILL

WELL # 4

FILED MAR 8 1982 19

BOB ARMSTRONG, COMMISSIONER

BY: R. V. PHIPPS

WITHIN 1 FREE ROYALTY 111-46910

THIS APPLICATION MUST BE FILED IN DUPLICATE IN THE APPROPRIATE DISTRICT OFFICE.

FORM W-1
1/1/81

API Well No. 42 Instruction (7a & b) on back side: 389-31261

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

☐ Directional Well ☐ Sidetrack ☐ Amended Permit (Explain in Remarks)

RRC Permit Number, if previously assigned: No 152121

APPLICATION FOR PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER

Check one: [XX] DRILL ☐ DEEPEN (Below Casing) ☐ DEEPEN (Within Casing) ☐ PLUG BACK ☐ RE-ENTER

7. RRC District: 8

8. County: Reeves (N)

1. Operator: The Eastland Oil Company 23-172

4a. Lease Name (32 Spaces Maximum): H & M "B" Lease

4b. RRC Lease or ID No. (if assigned)

9. Well Number: 15

2. Address (including City and Zip Code): P. O. Drawer 3488, Midland, Texas 79702 001-4 41

5. Location (Sec., Blk., Survey): Sec. 20, Blk. 56, T-3, T&P RR. Co.

10. Number of Contiguous Acres in Lease or Unitized Tract: 520

6. This well is to be located 9 miles South Direction from Orla Nearest Post Office or Town. MAY 19 1982

11. Distance from Proposed Location to Nearest Lease or Unit Line (ft.): 467

12. Total Depth: 3500'

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES [X] NO ☐ (Instruction (2) on back side.)

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below. One zone per line. List all zones for which a permit is sought.	14. Completion Depth	15. All Prior Rule 37 Exc. Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same res. on same lease? Yes or No. If yes explain in remarks.	20. Distance and Direction from proposed location to nearest drilling completed or applied for well in same res. on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Exc. Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of completed, permitted or applied for, locations on this lease in same reservoir for which this permit is sought? OIL	GAS
Ken Regan (Delaware)	3450	None	330-660	40/10	40	No	1673' NE	Regular 1 [X] Rule 37 2 ☐	Oil	3	0
48754 500								Regular 1 ☐ Rule 37 2 ☐			
C: 6-18-82								Regular 1 ☐ Rule 37 2 ☐			
IPAOF; 3900 MCFGD								Regular 1 ☐ Rule 37 2 ☐			

R.R.C. OF TEXAS APR 29 1982 O.G.

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED:
A. Lease Lines: 467' FSL & 467' FWL, H & M "B" Lease
B. Survey Lines: 467' FSL & 467' FWL Section 20

25. (a) Is this wellbore subject to SWR 36? Yes ☐ No [X]
(b) If subject to SWR 36, has Form H-9 been filed? If no, attach explanation.) ☐ ☐

26. Do you anticipate future use of this wellbore to complete in any penetrated zone not listed in Column 13, for which a Rule 37 or Rule 38 exception is presently required? If Yes, attach a list of such zones and see Instruction #8. Yes ☐ No [X]

27. Is this a pooled unit? YES ☐ (Attach P-12, certified plat, & list of pooled zones) NO [X]

28. Substandard Acreage YES ☐ (Attach W-1A) NO [X]

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REMARKS: *Application made April 13, 1982 to subdivide the H & M Lease (RRC #26202 - 560 acres) into H & M "A" Lease (RRC #26202 - 40 acres) and H & M "B" Lease - 520 acres. Lease number has not been assigned H & M "B" Lease. Drilling Permit Only

George D. Neal
Signature
Vice President - Production
Title
April 28, 1982
Date
Telephone: Area Code 915, 683-6293

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

OH: 3373-3391
TD 3391

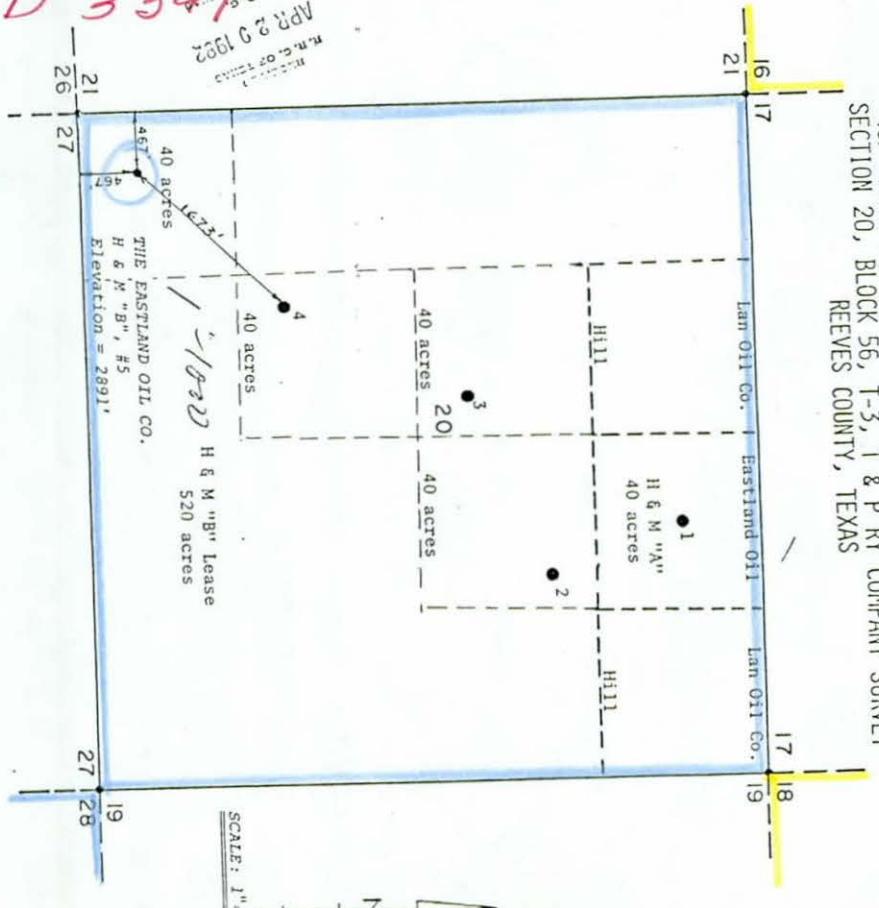
APR 29 1982 R.R.C. OF TEXAS O.G.

THE STATE OF TEXAS
COUNTY OF REEVES

I, Gary N. Haner, a Registered Public Surveyor of the State of Texas, do hereby certify that the above plat of the location for:

THE EASTLAND OIL CO., H & M "B", WELL NO.5, 467 feet from the south line and 467 feet from the west line of Section 20, Block 56, T-3, T & P Ry Company Survey, Reeves County, Texas,

represents a survey actually made on the ground under my supervision.



H & M "B", WELL NO. 5
467' FROM SOUTH LINE AND 467' FROM WEST LINE OF
SECTION 20, BLOCK 56, T-3, T & P RY COMPANY SURVEY
REEVES COUNTY, TEXAS

Statewide PLAT SERVICE
P. O. DRAWER 1867, AUSTIN, TEXAS 78767

5-11-82

1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet
1 inch = 500 feet

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ FREE ROYALTY xx

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M "B" WELL NO. 5

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 1 SPUD DATE 5/7/82 DRILLING DEPTH 3350'

COMPLETION DATE _____ TOTAL DEPTH _____

PERFS _____ 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL _____ GAS _____ D&A _____

REMARKS: Rotary rig moved off hole-Cable tool rig will finish. From 3350' to 3400"

BA/jmh/gs

2-25-75

W. A. White

INSPECTOR

DATE May 25, 1982

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ FREE ROYALTY xx

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M "B" WELL NO. 5

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 2 SPUD DATE 5/7/82 DRILLING DEPTH 3350'

COMPLETION DATE _____ TOTAL DEPTH _____

PERFS _____ 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL _____ GAS _____ D&A _____

REMARKS: Still waiting on Cable Tool Rig to move in and complete

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE June 10, 1982

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-36970 FEE ____ R.A.L. ____ FREE ROYALTY xx

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M "B" WELL NO. 5

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 3 SPUD DATE 5/7/82 DRILLING DEPTH _____

COMPLETION DATE _____ TOTAL DEPTH 3391

PERFS _____ 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL _____ GAS _____ D&A _____

REMARKS: Testing well

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE July 7, 1982

WELL STATUS REPORT

OPERATOR The Eastland Oil.Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ FREE ROYALTY xx

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M "B" WELL NO. 1

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 4 SPUD DATE 5/7/82 DRILLING DEPTH _____

COMPLETION DATE 6/18/82 TOTAL DEPTH 3391'

PERFS Open Hole F/3373' to 3391' 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL _____ GAS AOF 3900 MCF/Day D&A _____

REMARKS: Top of pay 3380'--Date of test 7/5/82--Gas produced during test 544.1 MCF

No pipelane connection at this time.

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE August 11, 1982

(5)

M. F. 46970

APPLICATION TO DRILL

WELL # 5

FILED AUG 19 1982 19

BOB ARMSTRONG, COMMISSIONER

BY: ~~R. V. PHIPPS~~

THIS APPLICATION MUST BE FILED IN DUPLICATE IN THE APPROPRIATE DISTRICT OFFICE.

FORM W-1
1/1/81

API Well No. 42 389-31305
Instruction (2a & b) on Reverse Side

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

☐ Directional Well ☐ Sidetrack ☐ Amended Permit (Explain in Remarks)

RRC Lease Number (If previously assigned) 073279

APPLICATION FOR PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER

Check one: ☒ DRILL ☐ DEEPEN (Below Casing) ☐ DEEPEN (Within Casing) ☐ PLUG BACK ☐ RE-ENTER

7. RRC District: 8

8. County: Reeves (N)

1. Operator: The Eastland Oil Company 039725

4a. Lease Name (32 Spaces Maximum): H & M "B"

4b. RRC Lease or ID No. (If assigned): 27281

9. Well Number: 16

2. Address (Including City and Zip Code): P. O. Drawer F 5418, Midland, Texas 79702 006641

5. Location (Sec., Blk., Survey): Section 20, Blk 56, T-3, T&P RR Co.

10. Number of Contiguous Acres in Lease or Unitized Tract: 520

6. This well is to be located 9 miles South Direction from Orla Nearest Post Office or Town

OCT 13 1982

11. Distance from Proposed Location to Nearest Lease or Unit Line (ft.): 330

12. Total Depth: 3500'

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? Yes ☒ No ☐ (Instruction (2) on back side.)

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable). If Wildcat, so state below. One zone per line. List all zones for which a permit is sought.	14. Completion Depth	15. All Prior Rule 37 Exc. Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same res. on same lease? Yes or No. If yes explain in remarks.	20. Distance and Direction from proposed location to nearest drilling completed or applied for well in same res. on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Exc. Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of completed, permitted or applied for, locations on this lease in same reservoir for which this permit is sought? OIL	GAS
Ken Regan (Delaware)	3450	None	330-660	40/20	40	No	874' NW	Regular 1 XX Rule 37 2 ☐	Oil	3	1
48764 500 C: 10-26-82 IPF: 27BO + 1BW OH 3424-3444								Regular 1 ☐ Rule 37 2 ☐			
								Regular 1 ☐ Rule 37 2 ☐			
								Regular 1 ☐ Rule 37 2 ☐			

RECEIVED
R.R.C. OF TEXAS
SEP 15
O. G.
MIDLAND, TEXAS

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED:
A. Lease Lines: 330' FSL & 1330' FWL, H & M "B" Lease
B. Survey Lines: 330' FSL & 1330' FWL, Section 20

25. Is Lease Pooled? YES ☐ (Attach P-12, certifies plat, & list of pooled zones) NO XX

28. Substandard Acreage YES ☐ (Attach W-1A) NO ☒

25. (a) Is this wellbore subject to SWR 36? Yes ☐ No XX
(b) If subject to SWR 36, has Form H-9 been filed? If no, attach explanation.) Yes ☐ No ☐

26. Do you anticipate future use of this wellbore to complete in any penetrated zone not listed in Column 13, for which a Rule 37 or Rule 36 exception is presently required? If Yes, attach a list of such zones and see Instruction #8. Yes ☐ No XX

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depths of all water sands that must be protected.

CERTIFICATE

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REMARKS: TD 3444

George D. Neal
Signature

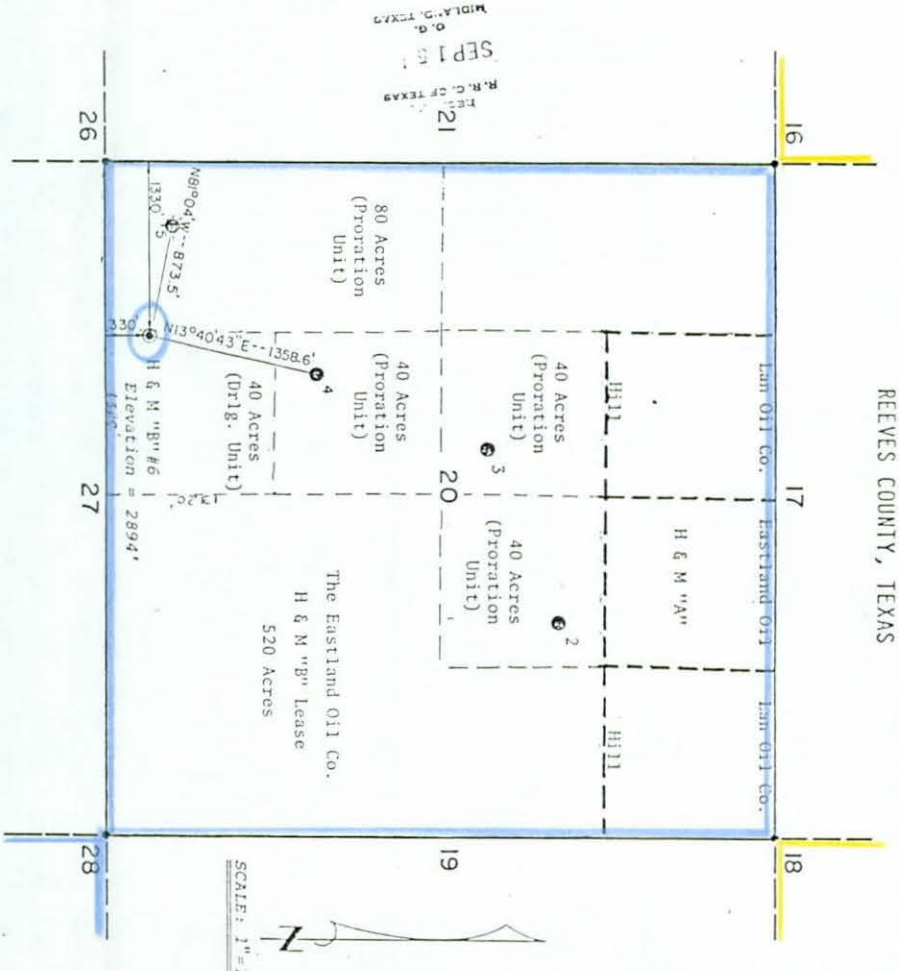
Vice President - Production
Title

September 14, 1982
Date

Telephone: Area Code 915, 683-6293

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

Statewide PLAT SERVICE
P O DRAWER 1867, AUSTIN, TEXAS 78767
10-7-82



THE STATE OF TEXAS
COUNTY OF REEVES

I, Gary N. Haner, a Registered Public Surveyor of the State of Texas, do hereby certify that the above plat of the location for:

THE EASTLAND OIL COMPANY, H & M "B" NO. 6, 330 feet from the South line and 1330 feet from the west line of Section 20, Block 56, T-3, T & P RY Co. Survey, Reeves County, Texas,

represents a survey actually made on the ground under my supervision.

330' FROM SOUTH LINE AND 1330' FROM WEST LINE
SECTION 20, BLOCK 56, T-3, T & P RY CO. SURVEY
REEVES COUNTY, TEXAS

H & M "B" WELL NO. 6

1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet
1 inch = 500 feet

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ FREE ROYALTY X

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE H & M "B" WELL NO. 6

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 1 SPUD DATE 10-11-82 DRILLING DEPTH 3433'

COMPLETION DATE ____ TOTAL DEPTH ____

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: Waiting on Cable tool Rig to move over hole to finish drilling Production Zone. - Rig to be on location october 25, 1982

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE October 19, 1982

GLO-ED-04-(1-82)

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ Within/ FREE ROYALTY xx

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M "B" WELL NO. 6

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 2 SPUD DATE 10/11/82 DRILLING DEPTH _____

COMPLETION DATE _____ TOTAL DEPTH 3442'

PERFS _____ 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL _____ GAS _____ D&A _____

REMARKS: Bob, the lady said the well ~~fa~~ was flowing 25 bbls. oil & 1 bbl. of Water. They drilled out with cable tool rig and they also produce in open hole. All the other wells are on pumps, so I'll check this out.

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE December 8, 1982

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ Within/ FREE ROYALTY xx

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M "B" WELL NO. 6

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 3 SPUD DATE 10/11/82 DRILLING DEPTH _____

COMPLETION DATE 10/26/82 TOTAL DEPTH 3444'

PERFS Open Hole 3424' to 3444' 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL Flowing (24 hr.) GAS _____ D&A _____

REMARKS: Top of pay 3444'--Date of test 11/4/82--Oil produced prior to test 86 bbls. Choke 12/64"--Depth corrected from 3433' to 3424' w/cable tool rig measurements. Oil/bbls.--27.3--Gas/MCF 24--Water/bbls. 1--Gas/Oil Ratio 827--Flowing Tubing Pressure 20 psi--Casing Pressure 1650 psi--Oil Gravity 35.4

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE December 14, 1982

GLO-ED-04-(1-82)

(6)

M. F. 46970

APPLICATION TO DRILL

WELL # 6

FILED 12-28-1982

BOB ARMSTRONG, COMMISSIONER

BY: b

WITHDRAWN FREE NOTARY M-46710

THIS APPLICATION MUST BE FILED IN DUPLICATE IN THE APPROPRIATE DISTRICT OFFICE.

FORM W-1
1/1/81

API Well No. 42 Instruction (7a & b) on back side: 389-31362

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

☐ Directional Well ☐ Sidetrack ☐ Amended Permit (Explain in Remarks)

RRC Permit Number if previously assigned: 186952

APPLICATION FOR PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER

Check one: ☒ DRILL ☐ DEEPEN (Below Casing) ☐ DEEPEN (Within Casing) ☐ PLUG BACK ☐ RE-ENTER

7. RRC District: 8

8. County: Reeves (N)

1. Operator: The Eastland Oil Company 239225

2. Address (Including City and Zip Code): P. O. Drawer 3488, Midland, Texas 79702 006641

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES ☒ NO ☐ (Instruction (2) on back side.)

4a. Lease Name (32 Spaces Maximum): H & M "C"

4b. RRC Lease or ID No. (if assigned):

9. Well Number: 1

5. Location (Sec., Blk., Survey): Sec. 20, Blk. 56, T-3, T&P Ry Co.

10. Number of Contiguous Acres in Lease or Unitized Tract: 80

6. This well is to be located 10 miles Southwest Direction from Orla, Texas Nearest Post Office or Town.

11. Distance from Proposed Location to Nearest Lease or Unit Line (ft.): 660'

12. Total Depth: 3600'

W MAR 15 1983

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE, READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below. One zone per line. List all zones for which a permit is sought.	14. Completion Depth	15. All Prior Rule 37 Exc. Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same res. on same lease? Yes or No/If yes explain in remarks.	20. Distance and Direction from proposed location to nearest drilling completed or applied for well in same res. on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Exc. Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of completed, permitted or applied for, locations on this lease in same reservoir for which this permit is sought: OIL	GAS
Ken Regan (Delaware) 48754 500 IPF: -	3500'	None C', 3-23-83	330-660	40/20	40 ✓	No	only well	Regular 1 ☒ Rule 37 2 ☐	Oil	0	0
								Regular 1 ☐ Rule 37 2 ☐			
								Regular 1 ☐ Rule 37 2 ☐			
								Regular 1 ☐ Rule 37 2 ☐			

2480+5980

OH: 3364-3384

RECEIVED R.R.C. OF TEXAS FEB 16 1983 O.G. MIDLAND, TEXAS

24. PERPENDICULAR LOCATION FROM ... DESIGNATED:
A. Lease Lines 660' FSL, 660' FWL H & M "C" Lease
B. Survey Lines 1980' FNL, 660' FWL Section 20

25. (a) Is this wellbore subject to SWR 36? Yes ☐ No ☒
(b) If subject to SWR 36, has Form H-9 been filed? If no, attach explanation.) ☐ ☐

26. Do you anticipate future use of this wellbore to complete in any penetrated zone not listed in Column 13, for which a Rule 37 or Rule 38 exception is presently required? If Yes, attach a list of such zones and see Instruction #8. Yes ☐ No ☒

27. Is this a pooled unit? YES ☐ (Attach P-12, certified plat, & list of pooled zones) NO ☒

28. Substandard Acreage YES ☐ (Attach W-1A) NO ☒

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REMARKS: TD 3384

George D. Neal
Signature

Vice President - Production
Title

February 16, 1983
Date

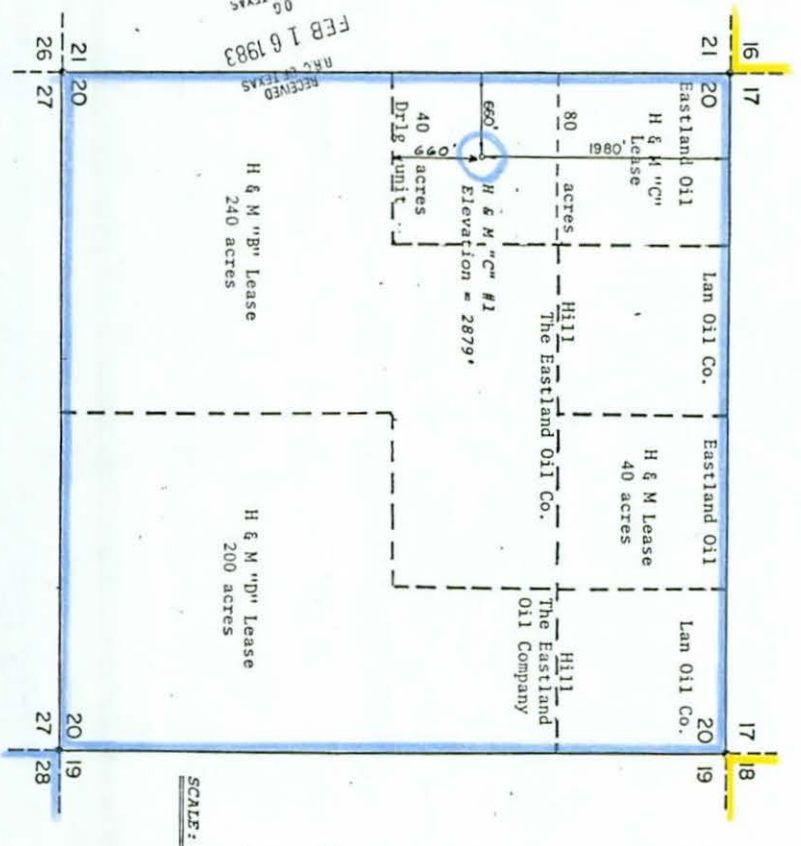
Telephone: Area Code 915 683-6293

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

Statewide PLAT SERVICE P. O. DRAWER 1867, AUSTIN, TEXAS 78767

3-9-83

RECEIVED R.R.C. OF TEXAS FEB 16 1983 O.G. MIDLAND, TEXAS



SCALE: 1"=1000'

THE STATE OF TEXAS
COUNTY OF REEVES

I, Gary N. Haner, a Registered Public Surveyor of the State of Texas, do hereby certify that the above plat of the location for:

THE EASTLAND OIL COMPANY H & M "C", WELL NO. 1, 1980 feet from the north line and 660 feet from the west line of Section 20, Block 56, T-3, T & P Ry Co. Survey, Reeves County, Texas,

1980' FROM NORTH LINE AND 660' FROM WEST LINE
SECTION 20, BLOCK 56, T-3, T & P RY CO. SURVEY
REEVES COUNTY, TEXAS

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ Within/ FREE ROYALTY xx

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M "C" WELL NO. 1

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 3 SPUD DATE 2/26/83 DRILLING DEPTH _____

COMPLETION DATE _____ TOTAL DEPTH At TD but no one on location

PERFS _____ 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL _____ GAS _____ D&A _____

REMARKS: _____

BA/jmh/gs

2-25-75

W. A. Whitee
INSPECTOR

DATE Aprile 6, 1983

GLO-ED-04-(1-82)

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-46970 FEE ____ R.A.L. ____ Within/ FREE ROYALTY xx

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE H & M "C" WELL NO. 1

FIELD NAME Ken Regan/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 4 SPUD DATE 2/26/83 DRILLING DEPTH _____

COMPLETION DATE 3/23/83 TOTAL DEPTH 3384'

PERFS Open hole 3364 to 3384' 1ST COMPLETION: YES ____ NO _____

POTENTIAL/TEST: OIL Choke 14/64" Flowing GAS _____ D&A _____

REMARKS: Top of pay 3378'--Date of test 4/10/83 (24 hr.)--Oil produced prior to test 174 bbls.--Oil/bbls. 23.8--Gas/MCF 155--Water/bbls. 59--Gas/Oil Ratio 6510 to 1 Flowing tubing pressure 275 psi--Casing pressure 600 psi--Oil Gravity 35.5

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE May 17, 1983

GLO-ED-04-(1-82)

(1)

M.F 46970

APPLICATION TO DRILL

WELL # 1-C

FILED MAY 27 1988 19

GARRY MAURO, COMMISSIONER
R. V. PHIPPS

BY:

January 5, 1983

The Eastland Oil Company
P.O. Drawer 3488
Midland, Texas 79702

ATTENTION: ACCOUNTING MANAGER

RE: State Lease M-46970
H & M, H & M "B" Leases
Ken Reagan (Delaware) Field
Reeves County, Texas

Gentlemen:

A review of the records of the subject State lease reveals there is a monthly production of casinghead gas being reported to the Texas Railroad Commission for which Gas Reports (Form MA-2) are not filed with this office indicating sales of gas.

Please review your records (beginning November, 1980 on the H & M lease and May, 1982 on the H & M "B" lease) and advise what disposition is being made of the monthly casinghead gas being produced.

Sincerely yours,

Charles Whitsel, Gas Supervisor
Resource Accounting
Telephone No. 512-475-2858
BS/lkc

8

M. F. 46970

CORRESPONDENCE FILE

To

Eastland Oil Co.

From

Dated 1-5-84

Independent Executors of the Estate of Jean E. Hill

Lessor (whether one or more) and KENDOVA OIL COMPANY, a partnership composed of Herschel O'Kelley and Jim L. Hooker,
Lessee, WITNESSETH:

1. Lessor in consideration of ------ Ten and No/100 ---------- Dollars
($ 10.00) in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce save, take care of, treat, transport, and own said products, and housing its employees, the following described land in Reeves County, Texas to-wit:

Horizons to a depth of 3,650 feet beneath the surface of Section 20, Block 56, T-3, T&P Railway Company Survey, SAVE AND EXCEPT the NE/4 of NE/4 and NE/4 of NW/4 of said Section 20,

and containing 560 acres, more or less. In the event a resurvey of said lands shall reveal the existence of excess and/or vacant lands lying adjacent to the lands above described and the lessor, his heirs, or assigns, shall, by virtue of his ownership of the lands above described, have preference right to acquire said excess and/or vacant lands, then in that event this lease shall cover and include all such excess and/or vacant lands which the lessor, his heirs, or assigns, shall have the preference right to acquire by virtue of his ownership of the lands above described as and when acquired by the lessor; and the lessee shall pay the lessor for such excess and/or vacant lands at the same rate per acre as the cash consideration paid for the acreage hereinabove mentioned.

2. Subject to the other provisions herein contained, this lease shall be for a term of Six (6) months from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land hereunder.

3. The Royalties to be paid Lessor are: (a) on oil, one-eighth of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected. Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-eighth of the amount realized from such sale; where gas from a well producing gas or gas and condensate only is not sold or used, Lessee may pay or tender as royalty, by check or draft of Lessee, to the owner of such royalty, or to their credit in the depository bank named in the lease, on or before ninety days after the date on which said well is shut in and annually thereafter, a sum equal to the amount of annual rental payable in lieu of drilling operations during the primary term of this lease on the number of acres subject to this lease at the time such payment is made, and if such payment is made it will be considered that gas is being produced within the meaning of Paragraph 2 hereof; and (c) all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be fifty cents (50c) per long ton. Lessee shall have free use of oil, gas, coal, wood and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, gas and coal shall be computed after deducting any so used. Lessor shall have the privilege at his risk and expense of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon out of any surplus gas not needed for operations hereunder.

4. If operations for drilling are not commenced on said land on or before one year from this date the lease shall then terminate as to both parties unless on or before such anniversary date Lessee shall pay or tender to Lessor or to credit of Lessor in

Bank at (which bank and its successors are Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of changes in ownership of said land or the rentals) the sum of ----Five Hundred Sixty and No/100 ---------- Dollars
($ 560.00), (herein called rental), which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payments or tenders annually the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental may be made by the check or draft of Lessee mailed or delivered to said bank on or before such date of payment. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument, naming another bank as agent to receive such payments or tenders. The down cash payment is consideration for this lease according to its terms and shall not be allocated as mere rental for a period. Lessee may at any time execute and deliver to Lessor or to the depository above named or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases. In this connection the above described premises shall be treated as comprising 560 acres, whether there be more or less.

5. If prior to discovery of oil or gas on said land Lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas the production thereof should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or re-working operations within sixty (60) days thereafter or (if it be within the primary term) commences or resumes the payment or tender of rentals on or before the rental paying date next ensuing after the expiration of three months from date of completion of dry hole or cessation of production. If at the expiration of the primary term oil, gas or other mineral is not being produced on said land but Lessee is then engaged in drilling or re-working operations thereon, the lease shall remain in force so long as operations are prosecuted with no cessation of more than thirty (30) consecutive days, and if they result in the production of oil, gas or other minerals so long thereafter as oil, gas or other mineral is produced from said land. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within six hundred sixty (660) feet of and draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, successors and assigns, but no change or divisions in ownership of the land, rentals, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a certified copy of recorded instrument evidencing same. In event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part save as herein expressly provided. If the obligation for reasonable development should require the drilling of a well or wells, Lessee shall have ninety (90) days after ultimate judicial ascertainment of the existence of such obligation within which to begin the drilling of a well, and the only penalty for failure to do so shall be the termination of this lease save as to forty (40) acres for each well being worked on and/or being drilled and/or producing oil or gas to be selected by Lessee so that each 40-acre tract will embrace one such well.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land and in event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and rentals to be paid Lessor shall be reduced proportionately.

10. If any operation permitted or required hereunder, or the performance by Lessee of any covenant, agreement, or requirement hereof is delayed or interrupted directly or indirectly by any past or future acts, orders, regulations or requirements of the Government of the United States or any state or other governmental body, or any agency, officer, representative or authority of any of them, or because of delay or inability to get materials, labor, equipment or supplies, or on account of any other similar or dissimilar cause beyond the control of Lessee, the period of such delay or interruption shall not be counted against the Lessee, and the primary term of this lease shall automatically be extended after the expiration of the primary term set forth in Section 2 above, so long as the cause or causes for such delays or interruptions continue and for a period of six (6) months thereafter; and such extended term shall constitute and shall be considered for the purposes of this lease as a part of the primary term hereof. The provisions of Section 4 hereof, relating to the payment of delay rentals shall in all things be applicable to the primary term as extended hereby just as if such extended term were a part of the original primary term fixed in Section 2 hereof. The Lessee shall not be liable to Lessor in damages for failure to perform any operation permitted or required hereunder or to comply with any covenant, agreement or requirement hereof during the time Lessee is relieved from the obligations to comply with such covenants, agreements or requirement.

~~IN WITNESS WHEREOF, this instrument is executed on the date first above written.~~

~~WITNESSES:~~

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS, }
COUNTY OF TARRANT }

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared JAMES ROBERT HILL, individually and as Independent Executor of the Estate of Emma E. Hill known to me to be the person whose name subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 31st day of March A. D. 1980.

(L. S.) _____

My Commission Expires: 5-31-81 Notary Public in and for Tarrant County, Texas

---

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS, }
COUNTY OF }

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared

known to me to be the person whose name subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the day of A. D. 19

(L. S.) _____

Notary Public in and for County, Texas

WIFE'S SEPARATE ACKNOWLEDGMENT

THE STATE OF TEXAS, }
COUNTY OF }

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared , wife of , known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the day of A. D. 19

(L. S.) _____

Notary Public in and for County, Texas

JOINT ACKNOWLEDGMENT

THE STATE OF TEXAS, }
COUNTY OF }

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared and , his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said , wife of the said having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of A. D. 19

(L. S.) _____

Notary Public in and for County, Texas.

OFFICERS 88 (1-64)—TEXAS

Mineral Lease

FROM

TO

. 19

County, Texas

was filed for record on the

19 , at

M., and duly

Page

records of this office.

County Clerk

County, Texas

, Deputy

recorded return to

12. Anything to the contrary herein contained notwithstanding, the royalties to be paid Lessor on production are one-fourth (1/4), and whenever the word one-eighth (1/8) appears in this printed lease form, the same is hereby amended to read one-fourth (1/4). The State of Texas is entitled to receive a one-sixteenth (1/16) free royalty on oil and gas and this royalty is to be deducted from the royalty due Lessor.

13. Anything to the contrary herein contained notwithstanding, this lease shall cover only oil, gas and other hydrocarbons, and all reference to other minerals contained herein is hereby deleted.

14. The privilege of paying shut-in gas well royalty as provided herein shall be effective and continue only through the primary term of this lease and for a term of three (3) years thereafter and no longer.

15. Lessor shall have the option, but not the obligation, to take in kind Lessor's share of the royalty on production, and to market and dispose of its share of the production upon such terms as Lessor may desire.

16. Beginning at the expiration of the primary term, Lessee agrees to engage in continuous drilling operations on the above described lands and to continue such continuous drilling operations until it has drilled the full number of wells permitted under the spacing regulations of the Railroad Commission of the State of Texas. By continuous operations is meant the commencement of another well for oil and gas purposes within one hundred twenty (120) days after the completion of each well and the drilling of each well with due diligence and dispatch in a good and workmanlike manner until it has been completed either as a producer of oil or gas in commercial quantities or is plugged as a dry hole. Should Lessee fail to commence such continuous drilling operations or should it default after the commencement thereof, then in either event this lease will terminate save and except for the 40-acre spacing unit around each producing oil well and the 40-acre spacing unit around each well capable of producing gas (or such larger unit as may be prescribed by the Texas Railroad Commission regulations) in commercial quantities then located on the leased premises. In no event, however, will there be any monetary liability on the part of the Lessee for failure to commence or to carry out such continuous drilling operations but only the termination of the lease except for the spacing units around each producing well as specified above.

17. Lessors or any of their representatives or employees may have access to the derrick floor during drilling operations and shall receive copies of all drilling reports, electric logs and completion reports upon request from the operator.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

Virginia Glenn Hill Lattimore

James Robert Hill
Individually and as Independent Executors
of the Estate of Emma E. Hill

THE STATE OF TEXAS)
COUNTY OF TARRANT)

BEFORE ME, the undersigned authority, on this day personally appeared VIRGINIA GLENN HILL LATTIMORE, individually and as Independent Executor of the Estate of Emma E. Hill, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 27th day of March, 1980.

My Commission Expires:

Nancy Woods
Notary Public, Tarrant County, Texas

"COMPARED"

FILED FOR RECORD
AT 10:30 O'CLOCK
SEP 15 1980
CATHERINE ASHLEY
County Clerk, Reeves County, Texas
By Billie Jo Freeman Dep.

THE STATE OF TEXAS,
County of Reeves } CATHERINE ASHLEY Clerk of the County

Court of said County do hereby certify that the foregoing instrument of writing dated the 4th. day of February A.D. 80 with its certificate of authentication was filed for record in my office the 12th Sept. A.D. 19 80. at 10:30 o'clock A. M. and duly recorded on the 15th day of Sept. A.D. 19 80 at 11:30 o'clock A. M. in the DEED records of said county in volume 394 on page 100

WITNESS my hand and the seal of the County Court of said County at office in Pecos, Texas on the date and year last above written.

CATHERINE ASHLEY
Clerk County Court, Reeves County, Texas
By Billie Jo Freeman Dep.

(Billie JO Freeman)

(9)

M 46970
FR Lease
File dated 2-6-85
Garry Mauro, Commissioner

5.6.92

Lessor (whether one or more) and Lessee, WITNESSETH: RENDOVA OIL COMPANY, a partnership composed of Herschel O'Kelley and Jim L. Hooker,

1. Lessor in consideration of ---------- Ten and No/100 ---------- Dollars

($ 10.00) in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce save, take care of, treat, transport, and own said products, and housing its employees, the following described land in Reeves County, Texas to-wit:

Horizons to a depth of 3,650 feet beneath the surface of Section 20, Block 56, T-3, T&P Railway Company Survey, SAVE AND EXCEPT the NE/4 of NE/4 and NE/4 of NW/4 of said Section 20,

and containing 560 acres, more or less. In the event a resurvey of said lands shall reveal the existence of excess and/or vacant lands lying adjacent to the lands above described and the lessor, his heirs, or assigns, shall, by virtue of his ownership of the lands above described, have preference right to acquire said excess and/or vacant lands, then in that event this lease shall cover and include all such excess and/or vacant lands which the lessor, his heirs, or assigns, shall have the preference right to acquire by virtue of his ownership of the lands above described as and when acquired by the lessor; and the lessee shall pay the lessor for such excess and/or vacant lands at the same rate per acre the cash consideration paid for the acreage hereinabove mentioned.

2. Subject to the other provisions herein contained, this lease shall be for a term of 180 days from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land hereunder.

3. The Royalties to be paid Lessor are: (a) on oil, one-eighth of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected. Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-eighth of the amount realized from such sale; where gas from a well producing gas or gas and condensate only is not sold or used, Lessee may pay or tender as royalty, by check or draft of Lessee, to the owner of such royalty, or to their credit in the depository bank named in the lease, on or before ninety days after the date on which said well is shut in and annually thereafter, a sum equal to the amount of annual rental payable in lieu of drilling operations during the primary term of this lease on the number of acres subject to this lease at the time such payment is made, and if such payment is made it will be considered that gas is being produced within the meaning of Paragraph 2 hereof; and (c) all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be fifty cents (50c) per long ton. Lessee shall have free use of oil, gas, coal, wood and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, gas and coal shall be computed after deducting any so used. Lessor shall have the privilege at his risk and expense of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon out of any surplus gas not needed for operations hereunder.

4. If operations for drilling are not commenced on said land on or before one year from this date the lease shall then terminate as to both parties unless on or before such anniversary date Lessee shall pay or tender to Lessor or to credit of Lessor in

Bank at (which bank and its successors are Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of changes in ownership of said land or the rentals) the sum of ----Five Hundred Sixty and No/100 ---------- Dollars

($ 560.00), (herein called rental), which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payments or tenders annually the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental may be made by the check or draft of Lessee mailed or delivered to said bank on or before such date of payment. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument, naming another bank as agent to receive such payments or tenders. The down cash payment is consideration for this lease according to its terms and shall not be allocated as mere rental for a period. Lessee may at any time execute and deliver to Lessor or to the depository above named or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases. In this connection the above described premises shall be treated as comprising 560 acres, whether there be more or less.

5. If prior to discovery of oil or gas on said land Lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas the production thereof should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or re-working operations within sixty (60) days thereafter or (if it be within the primary term) commences or resumes the payment or tender of rentals on or before the rental paying date next ensuing after the expiration of three months from date of completion of dry hole or cessation of production. If at the expiration of the primary term oil, gas or other mineral is not being produced on said land but Lessee is then engaged in drilling or re-working operations thereon, the lease shall remain in force so long as operations are prosecuted with no cessation of more than thirty (30) consecutive days, and if they result in the production of oil, gas or other minerals so long thereafter as oil, gas or other mineral is produced from said land. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within six hundred sixty (660) feet of and draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, successors and assigns, but no change or divisions in ownership of the land, rentals, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a certified copy of recorded instrument evidencing same. In event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part save as herein expressly provided. If the obligation for reasonable development should require the drilling of a well or wells, Lessee shall have ninety (90) days after ultimate judicial ascertainment of the existence of such obligation within which to begin the drilling of a well, and the only penalty for failure to do so shall be the termination of this lease save as to forty (40) acres for each well being worked on and/or being drilled and/or producing oil or gas to be selected by Lessee so that each 40-acre tract will embrace one such well.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land and in event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and rentals to be paid Lessor shall be reduced proportionately.

10. If any operation permitted or required hereunder, or the performance by Lessee of any covenant, agreement, or requirement hereof is delayed or interrupted directly or indirectly by any past or future acts, orders, regulations or requirements of the Government of the United States or any state or other governmental body, or any agency, officer, representative or authority of any of them, or because of delay or inability to get materials, labor, equipment or supplies, or on account of any other similar or dissimilar cause beyond the control of Lessee, the period of such delay or interruption shall not be counted against the Lessee, and the primary term of this lease shall automatically be extended after the expiration of the primary term set forth in Section 2 above, so long as the cause or causes for such delays or interruptions continue and for a period of six (6) months thereafter; and such extended term shall constitute and shall be considered for the purposes of this lease as a part of the primary term hereof. The provisions of Section 4 hereof, relating to the payment of delay rentals shall in all things be applicable to the primary term as extended hereby just as if such extended term were a part of the original primary term fixed in Section 2 hereof. The Lessee shall not be liable to Lessor in damages for failure to perform any operation permitted or required hereunder or to comply with any covenant, agreement or requirement hereof during the time Lessee is relieved from the obligations to comply with such covenants, agreements or requirements.

WITNESSES:

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS, }
COUNTY OF TARRANT }

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared PATSY SUE WALTRIP, TRUSTEE OF THE HILL REVOCABLE TRUSTS, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 24th day of March A. D. 1980.

(L. S.)

My Commission Expires: 10/3/81 Notary Public in and for Tarrant County, Texas

Michelle Ryan

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS, }
COUNTY OF TARRANT }

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared DOROTHY JEAN PUFF, TRUSTEE OF THE HILL REVOCABLE TRUSTS known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 24th day of March A. D. 1980.

(L. S.)

My Commission Expires: 10/3/81 Notary Public in and for Tarrant County, Texas

Michelle Ryan

WIFE'S SEPARATE ACKNOWLEDGMENT

THE STATE OF TEXAS, }
COUNTY OF }

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared , wife of , known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the day of A. D. 19

(L. S.)

Notary Public in and for County, Texas

JOINT ACKNOWLEDGMENT

THE STATE OF TEXAS, }
COUNTY OF }

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared and , his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said , wife of the said having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of A. D. 19

(L. S.)

Notary Public in and for County, Texas.

Hill Mineral Lease

FROM

TO

, 19

County, Texas

was filed for record on the

, 19 , at

o'clock M., and duly

, Page

records of this office.

County Clerk

County, Texas

, Deputy

recorded return to

12. Anything to the contrary herein contained notwithstanding, the royalties to be paid Lessor on production are one-fourth (1/4), and whenever the word one-eighth (1/8) appears in this printed lease form, the same is hereby amended to read one-fourth (1/4). The State of Texas is entitled to receive a one-sixteenth (1/16) free royalty on oil and gas and this royalty is to be deducted from the royalty due Lessor.

13. Anything to the contrary herein contained notwithstanding, this lease shall cover only oil, gas and other hydrocarbons, and all reference to other minerals contained herein is hereby deleted.

14. The privilege of paying shut-in gas well royalty as provided herein shall be effective and continue only through the primary term of this lease and for a term of three (3) years thereafter and no longer.

15. Lessor shall have the option, but not the obligation, to take in kind Lessor's share of the royalty on production, and to market and dispose of its share of the production upon such terms as Lessor may desire.

16. Beginning at the expiration of the primary term, Lessee agrees to engage in continuous drilling operations on the above described lands and to continue such continuous drilling operations until it has drilled the full number of wells permitted under the spacing regulations of the Railroad Commission of the State of Texas. By continuous operations is meant the commencement of another well for oil and gas purposes within one hundred twenty (120) days after the completion of each well and the drilling of each well with due diligence and dispatch in a good and workmanlike manner until it has been completed either as a producer of oil or gas in commercial quantities or is plugged as a dry hole. Should Lessee fail to commence such continuous drilling operations or should it default after the commencement thereof, then in either event this lease will terminate save and except for the 40-acre spacing unit around each producing oil well and the 40-acre spacing unit around each well capable of producing gas (or such larger unit as may be prescribed by the Texas Railroad Commission regulations) in commercial quantities then located on the leased premises. In no event, however, will there be any monetary liability on the part of the Lessee for failure to commence or to carry out such continuous drilling operations but only the termination of the lease except for the spacing units around each producing well as specified above.

17. Lessors or any of their representatives or employees may have access to the derrick floor during drilling operations and shall receive copies of all drilling reports, electric logs and completion reports upon request from the operator.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

HILL REVOCABLE TRUSTS

By _____
Kenneth Waltrip, Trustee

_____
Patsy Sue Waltrip, Trustee

_____
Dorothy Jean Puff, Trustee

THE STATE OF TEXAS)
COUNTY OF TARRANT) BEFORE ME, the undersigned authority, on this day personally appeared KENNETH WALTRIP, TRUSTEE OF THE HILL REVOCABLE TRUSTS, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 24th day of March, 1980.

_____
Michelle Ryan
Notary Public, Tarrant County, Texas

My Commission Expires:
October 3, 1981

FILED FOR RECORD
AT 10:30 O'CLOCK A.M.
SEP 12 1980
CATHERINE ASHLEY
County Clerk, Reeves County, Texas
By Marianne James DEPUTY

THE STATE OF TEXAS
County of Reeves

I, CATHERINE ASHLEY Clerk of the County Court of said County, do hereby certify that the foregoing instrument of writing dated the 4th day of February A.D. 80 with the certificate of authentication was filed for record in my office the 12th day of Sept. A.D. 80 at 10:30 o'clock A.M. and was duly recorded the 15th day of Sept. A.D. 80 at 11:30 o'clock A.M. in the DEED records of said County in volume 394 on page 103

WITNESS my hand and the seal of the County Court of said County at office in Pecos, Texas on the date and year last above written.

CATHERINE ASHLEY
Clerk County Court, Reeves County, Texas
By Billie Jo Freeman Dep.

(Billie JO Freeman)

M 46970

FR Lease

File dated 2-6-85

Garry Mauro, Commissioner

5.0.02

ASSIGNMENT of INTEREST in OIL and GAS LEASE

A) The Parties

For Ten Dollars ($10.00) and other good and valuable consideration, THE EASTLAND OIL COMPANY of Midland, Texas, hereinafter called EASTLAND, does hereby assign and convey 75.0000% of it's entire interest in the below described property unto;

1. *L.B.L. '80 Company, Ltd., and 22.72727% of it's entire interest unto;*
2. *L.B.L. OIL CORPORATION, and 2.27273% of it's entire interest unto;*
3. *LINDLEY FAMILY TRUST, R.H. Lindley, Trustee.*

B) The Property

The property is defined as Eastland's entire interest in the two oil and gas leasehold estates described below and all equipment and personal properties located thereon, obtained therefor or in connection therewith; together with all permits, licenses, rights, and agreements related thereto. Such equipment is understood to include a certain gas pipeline laid in 1982, and easement therefor, from the H&M lease in a northerly direction for a distance of approximately 1½ miles to near the NE corner of the NW/4 of Section 16, Block 56, T-3, T&P, Pecos County, Texas.

The leases included are:

1. H&M Lease (Alternately known as H&M "A" Lease)

Covering horizons to a depth of 3,650 feet beneath the surface of the ground in the NW/4 of the NE/4 (40 acres more or less) of Section 20, Block 56, T-3, T&P RR Survey, Reeves County, Texas and covered by the following leases recorded in the Courthouse of said Reeves County:

	Lessor	Dated	Recorded
a.	J.J. Meeker, et. al., Trustees	2/4/80	394-95
b.	Virginia Hill Latimore, et. al.	2/4/80	394-100
c.	Hill Revocable Trust	2/4/80	394-103

The Eastland Oil Company, H&M #1 is located on said H&M lease and EASTLAND affirms that it has good title to an individual 20.2879% working interest (15.04688% Net Revenue Interest) in said H&M lease and that said interest is assigned without liens, farmouts, assignments or other encumberances thereon.

2. H&M "B" Lease

Covering horizons to a depth of 3,650 feet beneath the surface of the ground on which The Eastland Oil Company, H&M "B", well units numbered 2 thru 6 are located and more specifically being identified as the SW/4 of the NE/4 (H&M "B"#2, 40 acres more or less), the SE/4 of the NW/4 (H&M "B"#3, 40 acres more or less), the NE/4 of the SW/4 (H&M "B"#4, 40 acres more or less), the W/2 of the SW/4 (H&M "B"#5, 80 acres more or less), and the SE/4 of the SW/4 (H&M "B"#6, 40 acres more or less), of the same section and covered by the same recorded leases as described above for the H&M lease.

Eastland affirms that it has good title to an undivided 22.50000% working interest (15.75000% Net Revenue Interest) in said H&M "B" lease and that said interest is assigned without liens, farmouts, assignments or other encumberances thereon except for a letter agreement dated June 30, 1980 between J.J. Meeker, et. al., Trustees and Rendova Oil Company relating to Lease "A" described above.

C) Division of Interest

EASTLAND'S interest in the above described property shall be apportioned between the three assignees herein as is tabulated below:

Lease Assignee	Share of Eastland's Assigned Interest	Working Interest	Net Revenue Interest
H&M "A" Lease			
1. L.B.L. '80 Company,Ltd.	75.00000%	15.21592%	11.28516%
2. L.B.L. Oil Corporation	22.72727%	4.61089%	3.41975%
3. Lindley Family Trust, R.H. Lindley, Trustee	2.27273%	.46109%	.34197%
Total	100.00000%	20.28790%	15.04688%
H&M "B" Lease			
1. L.B.L. '80 Company, Ltd.	75.00000%	16.87500%	11.81250%
2. L.B.L. Oil Corporation	22.72727%	5.11364%	3.57955%
3. Lindley Family Trust, R.H. Lindley, Trustee	2.27273%	.51136%	.35795%
Total	100.00000%	22.50000%	15.75000%

Dated this 1st day of July, 1984.

THE EASTLAND OIL COMPANY

by Richard Donnelly

Title Vice President

STATE OF TEXAS

COUNTY OF MIDLAND

this instrument was acknowledged before me on the 6 day of July, 1984, by RICHARD DONNELLY, VICE-PRESIDENT, of THE EASTLAND OIL COMPANY, a TEXAS corporation on behalf of said corporation.

Sandra K. Paxton

Notary Public in and for
the State of Texas
Printed Name of Notary:
SANDRA K. PAXTON

My Commission Expires:
9/16/86

TX97-01A

ASSIGNMENT of INTEREST in OIL and GAS LEASE

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   and 22.72727% of it's entire interest unto;
2. L.B.L. OIL CORPORATION,
   and 2.27273% of it's entire interest unto;
3. LINDLEY FAMILY TRUST, R.H. Lindley, Trustee.

B) The Property

The property is defined as Eastland's entire interest in the two oil and gas leasehold estates described below and all equipment and personal properties located thereon, obtained therefor or in connection therewith; together with all permits, licenses, rights, and agreements related thereto. Such equipment is understood to include a certain gas pipeline laid in 1982, and easement therefor, from the H&M lease in a northerly direction for a distance of approximately 1½ miles to near the NE corner of the NW/4 of Section 16, Block 56, T-3, T&P, Pecos County, Texas.

The leases included are:

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	Lessor	Dated	Recorded
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Covering horizons to a depth of 3,650 feet beneath the surface of the ground on which The Eastland Oil Company, H&M "B", well units numbered 2 thru 6 are located and more specifically being identified as the SW/4 of the NE/4 (H&M "B"#2, 40 acres more or less), the SE/4 of the NW/4 (H&M "B"#3, 40 acres more or less), the NE/4 of the SW/4 (H&M "B"#4, 40 acres more or less), the W/2 of the SW/4 (H&M "B"#5, 80 acres more or less), and the SE/4 of the SW/4 (H&M "B"#6, 40 acres more or less), of the same section and covered by the same recorded leases as described above for the H&M lease.

Eastland affirms that it has good title to an undivided 22.50000% working interest (15.75000% Net Revenue Interest) in said H&M "B" lease and that said interest is assigned without liens, farmouts, assignments or other encumberances thereon except for a letter agreement dated June 30, 1980 between J.J. Meeker, et. al., Trustees and Rendova Oil Company relating to Lease "A" described above.

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H&M "A" Lease			
1. L.B.L. '80 Company,Ltd.	75.00000%	15.21592%	11.28516%
2. L.B.L. Oil Corporation	22.72727%	4.61089%	3.41975%
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3. Lindley Family Trust, R.H. Lindley, Trustee	2.27273%	.51136%	.35795%
Total	100.00000%	22.50000%	15.75000%

Dated this 1st day of July, 1984.

THE EASTLAND OIL COMPANY

by Richard Donnelly

Title Vice President

STATE OF TEXAS

COUNTY OF MIDLAND

this instrument was acknowledged before me on the 6 day of July, 1984, by RICHARD DONNELLY, VICE-PRESIDENT, of THE EASTLAND OIL COMPANY, a TEXAS corporation on behalf of said corporation.

Sandra K. Paxton

Notary Public in and for
the State of Texas
Printed Name of Notary:
SANDRA K. PAXTON

My Commission Expires:
9/16/86

(FROM LBL OIL CORPORATION TO LINDLEY F[illegible] TRUST)

WHEREAS, on February [illegible] 980, a certain oil and gas [illegible] lease was made and entered into by and between J.J. Meeker, et al, Trustees; Virginia Hill Latimore, et al; and Hill Revocable Trust, Lessors, and Rendova Oil Company, Lessee, covering the following described land in Reeves County, Texas, to-wit:

Horizons to a depth Of 3650' below the surface in Section 20, Block 56, T3, T&P R.R. Survey, Save and Except the NE/4 of the NE/4 and the NE/4 of the NW/4 of said Section. Said land included in the leases aggerating 560 acres, more or less.

Said lease being recorded in the office of the Register of Deeds for Reeves County, Texas in Book 394, pages 95, 100, 103.

For reference hereinafter said 560 acres is subdivided into the following three tracts:

TRACT A being comprised of the NW/4 of the NE/4 (40 acres, more or less) of said Section 20.

TRACT B being comprised of the S/2 (320 acres), together with the S/2 of the NE/4 (80 acres), together with the NW/4 and the SE/4 of the NW/4 (80 acres) of the said Section 20. (Tract B being comprised in aggerate of 480 acres, more or less.)

TRACT C being comprised of the SW/4 of the NW/4 (40 acres, more or less) of the said Section 20.

WHEREAS, LBL 80 Company, Ltd. having acquired 75% of 8/8ths undivided interest in the said leases from Rendova Oil Company by assignment dated July 1, 1980, did by assignment dated February 1, 1983, transfer 18.75% of 8/8ths undivided interest in said lease unto LBL Oil Corporation, and, WHEREAS, LBL Oil Corporation is the present owner of 16.9066% of 8/8ths undivided interest in Tract A, and 18.75% of 8/8ths undivided interest in Tract B, and nil interest in Tract C;

NOW, THEREFORE, For and in consideration of the sum of ONE DOLLAR, in hand paid to LBL Oil Corporation by the Lindley Family Trust, receipt of which is hereby acknowledged, and other good and valuable considerations, together with the conditions, covenants and agreements hereinafter contained and set forth and to be performed and kept by the parties hereto, their successors and assigns, the said LBL Oil Corporation does hereby assign, set over, transfer and convey unto the said Lindley Family Trust, it's successors and assigns, an undivided 1.53696% of 8/8ths interest in the aforesaid Oil and Gas lease of Tract A, and a undivided 1.70455% of 8/8ths interest in the aforesaid Oil and Gas lease of Tract B, together with all the rights thereunder or incident thereto.

Provided that, as a futher consideration of this assignment, the said Lindley Family Trust, it's successors and assigns, will promptly pay it's proportionate share of the expenses hereafter made for all future and futher drilling, developing, equipping and improvement of said lease and caring for the oil and gas produced from said premises.

EXECUTED, This 1st day of March, 1983

Witnessed by R. E. Bickham

R.E. Bickham, Secretary
LBL Oil Corporation

LBL Oil Corporation

by G.D. McElree

G.D. McElree, Vice-President

STATE OF Texas
County of Harris } ss.

CORPORATION ACKNOWLEDGMENT

On this 1st day of March, A. D., 19 83, before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared G.D. McElree, Jr. to me known to be the identical person who signed the name of the maker thereof to the within and foregoing instruments as its Vice-President and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Laurie Mauldin
Notary Public

My commission expires LAURIE MAULDIN Notary Public in and for the State of Texas My Commission Expires March 26, 1986

If the instrument is executed by a corporation, the corporate seal must be affixed and instrument signed by its President or Vice-President and attested by its Secretary or Assistant Secretary and the Corporate Seal Affixed.

No.

Assignment of Oil & Gas Lease

FROM LBL Oil Corporation

TO Lindley Family Trust

March 1 83

2 Township 3 Survey T&P RR

Reeves County Texas

Acres 520 Term Indefinite

OF } ss.

This instrument was filed for record on the day of 19, at o'clock M., and duly recorded page of the of this office.

County Clerk—Registrar of Deeds

Deputy

RECORD AND MAIL TO:

Family Trust, Box 4822,

Oklahoma 74159

Form Printing & Stationery Co., Tulsa, Okla.

WHEREAS, On the 4th day of February, 19 83, a certain oil and gas mining lease was made and entered into by and between J.J. Meeker, et al, Trustees; Virginia Hill Latimore, et al; and Hill Revocable Trust lessor, and Rendova Oil Company lessee, covering the following described land in the County of Reeves and State of Texas to-wit

Horizons to a depth of 3650 feet below the surface in Section 20, Block 56, T-3, T&P RR Survey, Save and Except the NE/4 of the NE/4 and the NE/4 of the NW/4 of said Section. (Said land included in the leases and this assignment aggerating 560 acres, more or less.)

said lease being recorded in the office of the Register of Deeds in and for said County, in Book 394 Pages 95,100,103;

WHEREAS, L.B.L. 80 Comapny, Ltd aquired 75% of 8/8ths undivi interest from Rendova Oil Company by assignment dated July 1, 1980,

WHEREAS, L.B.L. 80 Comapny, Ltd. hereinafter refered to as party of t first part, is desirous of transfering an undivided 18.75% of 8/8ths interest in and to said oil and gas lease and L.B.L. Oil Corporation hereinafter refered to as the party of the second part, is desirous of acquiring title to an undivided 18.75% of 8/8ths interest in said oil and gas lease,

NOW, THEREFORE, For and in consideration of the sum of ONE DOLLAR, in hand paid to the party of the first part by the said party of the second part, receipt of which is hereby acknowledged, and other good and valuable considerations, together with the conditions, covenants and agreements hereinafter contained and set forth and to be performed and kept by the parties hereto, their successors and assigns, the said party of the first part does hereby assign, set over, transfer and convey unto the said party of the second part, it's successors and assigns, an undivided 18.75% of 8/8ths interest in and to the oil and gas mining lease aforesaid, and all the rights thereunder or incident thereto and subject to that certian Operating Agreement between party of the first part and Eastland Oil Company dated 11/30/80.

Provided further that, as a further consideration of this assignment, the said party of the second part, his successors and assigns, will promptly pay it's proportionate share of the expenses hereinafter made for all future and further drilling, developing, equipping and improvement of said lease and caring for the oil and gas produced from said premises.

And for the same consideration the undersigned, for LBL 80 Company, Ltd. and it's heirs, successors and assigns, or representatives, does covenant with the said assignee, his successors and assigns that he is the lawful owner of said lease and rights and interests thereunder and the undersigned has good right and authority to convey the same and that all rentals due and payable thereunder have been duly paid.

IN WITNESS WHEREOF, The undersigned owner and assignor has signed and sealed this instrument this 1st day of February 19 83

Witness:

L.B.L. OIL CORPORATION, General partner of L.B.L. 80 Company, Ltd. (SEAL)

by R.H. Lindley (SEAL)

R.H. Lindley, President (SEAL)

STATE OF Oklahoma } ss.
County of Tulsa }

(CORPORATION ACKNOWLEDGMENT)

On this 1st day of February A. D., 19 83, before me, the undersigned, a Notary Public, in and for the County and State aforesaid, personally appeared R.H. Lindley to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its General Partner's President and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written

My commission expires 4/2/86

Notary Public.

No.

Assignment of Interest

FROM L.B.L. 80 Company, Ltd.

TO L.B.L. Oil Corporation

February 1, 1983

20 Township 3 T&P RR Surv.

Reeves County, Texas

560 Acres Term

STATE OF ss.

This instrument was filed for record on the day of 19 at o'clock M., and duly recorded page of the

County Clerk—Register of Deeds

Deputy

RECORD AND MAIL TO:

L.B.L. Oil Corp.

Box 4822

Tulsa Okla. 74159

M 46970

Assignment

File dated 2-6-85

Garry Mauro, Commissioner

5.0.92

THE PERMIAN CORPORATION

DIVISION ORDER

Lease No. 487916

July 2, 19 85

TO THE PERMIAN CORPORATION, P. O. BOX 1183, HOUSTON, TEXAS 77251-1183

The undersigned, and each of us, certify and guarantee that we are the legal owners of and hereby warrant the title to our respective interests as set out below in all oil produced from all wells on the

The Stouffer Oil Corp. - Meeker-Hill #1

farm or lease, located in Reeves County, State of Texas, more particularly described as follows:

NE/4 SE/4 of Section 20, Block 56, T-3, T&P Ry. Co. Survey, Reeves County, Texas, Abstract No. 5694, Limited in depth from the surface to 50 feet below the deepest depth penetrated by any well on the leased premises within the primary term, but in no event below 3,600 feet below the surface of the earth.

and commencing at 7 A.M., the _____ day of first runs, 19____, and until further written notice either from you or us you are authorized to receive oil therefrom, purchase it and pay for it as follows:

CREDIT TO	DIVISION OF INTEREST	POST OFFICE ADDRESS
	ROYALTY INTERESTS	
State of Texas	1/16 R.I. (.0625000)	
Kenneth Waltrip, Patsy Sue Waltrip and Dorothy Jean Puff Keenom, Trustees of the Hill Revocable Trust created under agreement of April 1, 1974	1/6 of 3/16 R.I. (.0312500)	
Joe S. Hill	1/18 of 3/16 R.I. (.0104167)	
Patsy Sue Waltrip	1/18 of 3/16 R.I. (.0104167)	
Dorothy Jean Puff Keenom	1/18 of 3/16 R.I. (.0104166)	
Virginia Glenn Hill Lattimore and James Robert Hill, Trustees of the Houston and Emma Hill Trust Estate u/w/o Emma E. Hill	1/6 of 3/16 R.I. (.0312500)	
Virginia Glenn Hill Lattimore	1/12 of 3/16 R.I. (.0156250)	
James Robert Hill	1/12 of 3/16 R.I. (.0156250)	

ELO Copy

MAKE SURE YOUR CORRECT MAILING ADDRESS IS SHOWN ABOVE

Form 259 Rev. 4-1-63

The following covenants are also parts of this division order and shall be binding on the undersigned, their heirs, devisees, successors, legal representatives and assigns.

FIRST: The oil received and purchased hereunder shall become your property as soon as the same is received into your custody, or that of any pipe line company or carrier designated by you, and the undersigned agree to look solely to you for payment of oil purchased hereunder and shall have no claim or recourse against any subsequent purchaser of said oil.

SECOND: The oil received and purchased hereunder shall be delivered F. O. B. to any pipeline or carrier designated by you which gathers and receives said oil, and you shall pay for such oil to the respective owners according to the division of interest above set forth at the same price per barrel received by the operator of the lease covered by this division order. The word "oil" used herein shall mean crude oil and condensate (or distillate) delivered hereunder.

THIRD: Quality and quantity shall be determined in accordance with the conditions specified in the purchase agreement with lease operator. The oil shall be steamed when necessary to make merchantable and you may refuse to receive any oil not considered merchantable by you.

FOURTH: Settlements and payments shall be made monthly by check mailed from your office to the respective parties at the addresses above given, for the amount of such purchase price due said parties, respectively, less any taxes required by the law to be deducted and paid by you as purchaser.

FIFTH: Abstracts and other evidence of title satisfactory to you will be furnished to you at any time on demand. In the event of failure to so furnish such evidence of title, or in the event of any dispute or question at any time concerning title to the above lands, or the oil produced therefrom, you may hold the proceeds of all oil received and run, without interest, until indemnity satisfactory to you has been furnished or until such dispute or question of title is corrected or removed to your satisfaction. And in the event any action or suit is filed in any Court affecting title either to the real property above described or to the oil produced therefrom in which any of the undersigned are parties, written notice of filing of such action shall immediately be furnished you by the undersigned, stating the Court in which the same is filed and the title of such action or suit, and you or any carrier transporting oil for your account shall be held harmless from any judgment rendered in such suit and all reasonable costs and expenses incurred in defending against said claim, whether in your defense or in the defense of the carrier transporting oil for your account, and the undersigned shall pay said judgment and said costs and expenses.

SIXTH: The undersigned severally shall notify you of any change of ownership, and no transfer of interest shall be binding upon you until a transfer order and the recorded instrument evidencing such transfer, or a certified copy thereof, shall be furnished to you. Transfers of interest shall be made effective not earlier than the first day of the calendar month in which notice is received by you. You are relieved hereby of any responsibility for determining if and when any of the interests hereinabove set forth shall or should revert to or be owned by other parties as a result of the completion or discharge of money or other payments from said interest and the signers hereof whose interests are affected by such money or other payments, if any, assume said responsibility and shall give you notice in writing by registered letter addressed to you at the above address, when any such money or other payments have been completed or discharged or when any other division of interest than that set forth above shall, for any reason, become effective and to furnish transfer orders accordingly, and that in the event such notice shall not be received, you shall be held harmless in the event of, and are hereby released from any and all damage or loss which might arise out of any overpayment.

SEVENTH: This division order shall become valid and binding on each and every owner above named as soon as signed by him or her regardless of whether any of the other above named owners have so signed; and in consideration of the purchase of oil hereunder, consent is given hereby to you and any pipe line company which you may cause to connect with the wells or tanks on said land, to disconnect and remove such pipe lines. in case of termination by either you or us of purchases under this division order.

EIGHTH: Working interest owners and operators who sign this division order, and each of them, guarantee and warrant for your benefit and that of any pipe line or other carrier designated by you to run or transport said oil, that all oil tendered hereunder has been and will be produced and handled in compliance with the Fair Labor Standards Act of 1938, and any amendments thereto, and all other federal, state and municipal laws, rules and regulations.

IN ACCORDANCE WITH FEDERAL LAW, PLEASE INDICIATE YOUR SOCIAL SECURITY OR IDENTIFICATION NUMBER BELOW:

_____

WITNESS OF SIGNATURES	OWNERS SIGN BELOW

BE SURE YOUR SIGNATURE IS WITNESSED AND YOUR CORRECT ADDRESS IS SHOWN

Re: Lease No. 487916 - The Stouffer Oil Corp. - Meeker-Hill #1

ROYALTY INTERESTS

1/	James J. Meeker	1/9 of 3/16 R.I. (.0208333)
	L.H. Meeker, Julian Wade Meeker and InterFirst Bank Fort Worth, N.A., Trustee for the lifetime benefit of L.H. Meeker u/w/o J.R. Meeker	1/9 of 3/16 R.I. (.0208333)
	Charles R. Meeker, separate property	1/144 of 3/16 R.I. (.0013021)
	Lawrence Hill Meeker and InterFirst Bank Fort Worth, N.A., Trustees u/w/o W.W. Meeker f/b/o Charley R. Meeker Trust #2952	3/144 of 3/16 R.I. (.0039063)
	Lawrence Hill Meeker and InterFirst Bank Fort Worth, N.A., Trustees u/t/a dated January 2, 1976, for the Charley R. Meeker Revocable Trust #3084	1/36 of 3/16 R.I. (.0052083)
	InterFirst Bank Fort Worth, N.A., Trustee u/w/o W.W. Meeker f/b/o the Anne Phillips Trust #2951	1/36 of 3/16 R.I. (.0052083)
	Shirley R. Clark, Jr., Trustee of the Windi Phillips 1983 Trust	1/36 of 3/16 R.I. (.0052084)

OVERRIDING ROYALTY INTEREST

The Stouffer Oil Corporation	3% O.R.R.I. (.0300000)

WORKING INTEREST

The Stouffer Oil Corporation Program No. 12, Ltd.	less	All of 3/4 W.I. 3% (.7200000)

Re: Lease No. 487916 - The Stouffer Oil Corp. - Meeker-Hill #1

1/ This interest is subject to the following Deeds of Trust:

(1) Deed of Trust dated 8-24-78, Volume 110, Page 36 in favor of Ridglea Bank, Fort Worth, Texas, later renewed and assigned to National Bank of Commerce of San Antonio (7-24-79, 378 DTR 351).

(2) Deed of Trust dated 6-26-79, Volume 112, Page 251, in favor of National Bank of Commerce of San Antonio subsequently assigned to Wells Fargo Bank, N.A. San Francisco, California (8-21-81, 408 DTR 759).

(3) Deed of Trust dated 3-15-76, Recorded Volume 101, Page 656, in favor of Ridglea Bank, Fort Worth, subsequently assigned to National Bank of Commerce, San Antonio (12-13-76 399, DTR 19).

(4) Deed of Trust dated 8-21-81, Volume 118, Page 287, in Deed of Trust dated 8-21-81, Volume 118, Page 287, in favor of Wells Fargo Bank, N.A., a partial renewal of Deed of Trust #2 above; Deed Records of Reeves County, Texas. By execution of this Division Order, each of said parties authorize and direct The Permian Corporation to make payment as credited above and further covenant and agree to hold The Permian Corporation wholly harmless and not liable for the accounting of payments made under this interest until such time as The Permian Corporation shall have received 30 days written notice by registered mail that such interest shall no longer be paid as credited above.

(11) MF-46970
Division order
7/22/85

THE PERMIAN CORPORATION

DIVISION ORDER

Lease No. 488939

July 2, 19 85

TO THE PERMIAN CORPORATION, P. O. BOX 1183, HOUSTON, TEXAS 77251-1183

The undersigned, and each of us, certify and guarantee that we are the legal owners of and hereby warrant the title to our respective interests as set out below in all oil produced from all wells on the The Stouffer Oil Corp. - Meeker-Hill "B"

farm or lease, located in Reeves County, State of Texas, more particularly described as follows:

NW/4 SE/4 of Section 20, Block 56, T-3 T&P Ry. Co. Survey, Reeves County, Texas, Abstract No. 5694, Limited in depth from the surface to 50 feet below the deepest depth penetrated by any well on the leased premises within the primary term, but in no event below 3,600 feet below the surface of the earth.

and commencing at 7 A.M., the _____ day of first runs, 19____, and until further written notice either from you or us you are authorized to receive oil therefrom, purchase it and pay for it as follows:

CREDIT TO	DIVISION OF INTEREST	POST OFFICE ADDRESS
	ROYALTY INTERESTS	
State of Texas	1/16 R.I. (.0625000)	
Kenneth Waltrip, Patsy Sue Waltrip and Dorothy Jean Puff Keenom, Trustees of the Hill Revocable Trust created under agreement of April 1, 1974	1/6 of 3/16 R.I. (.0312500)	
Joe S. Hill	1/18 of 3/16 R.I. (.0104167)	
Patsy Sue Waltrip	1/18 of 3/16 R.I. (.0104167)	
Dorothy Jean Puff Keenom	1/18 of 3/16 R.I. (.0104166)	
Virginia Glenn Hill Lattimore and James Robert Hill, Trustees of the Houston and Emma Hill Trust Estate u/w/o Emma E. Hill	1/6 of 3/16 R.I. (.0312500)	
Virginia Glenn Hill Lattimore	1/12 of 3/16 R.I. (.0156250)	
James Robert Hill	1/12 of 3/16 R.I. (.0156250)	
1/ James J. Meeker	1/9 of 3/16 R.I. (.0208333)	

MAKE SURE YOUR CORRECT MAILING ADDRESS IS SHOWN ABOVE

Form 259 Rev. 4-1-63

GLO Copy

The following covenants are also parts of this division order and shall be binding on the undersigned, their heirs, devisees, successors, legal representatives and assigns.

FIRST: The oil received and purchased hereunder shall become your property as soon as the same is received into your custody, or that of any pipe line company or carrier designated by you, and the undersigned agree to look solely to you for payment of oil purchased hereunder and shall have no claim or recourse against any subsequent purchaser of said oil.

SECOND: The oil received and purchased hereunder shall be delivered F. O. B. to any pipeline or carrier designated by you which gathers and receives said oil, and you shall pay for such oil to the respective owners according to the division of interest above set forth at the same price per barrel received by the operator of the lease covered by this division order. The word "oil" used herein shall mean crude oil and condensate (or distillate) delivered hereunder.

THIRD: Quality and quantity shall be determined in accordance with the conditions specified in the purchase agreement with lease operator. The oil shall be steamed when necessary to make merchantable and you may refuse to receive any oil not considered merchantable by you.

FOURTH: Settlements and payments shall be made monthly by check mailed from your office to the respective parties at the addresses above given, for the amount of such purchase price due said parties, respectively, less any taxes required by the law to be deducted and paid by you as purchaser.

FIFTH: Abstracts and other evidence of title satisfactory to you will be furnished to you at any time on demand. In the event of failure to so furnish such evidence of title, or in the event of any dispute or question at any time concerning title to the above lands, or the oil produced therefrom, you may hold the proceeds of all oil received and run, without interest, until indemnity satisfactory to you has been furnished or until such dispute or question of title is corrected or removed to your satisfaction. And in the event any action or suit is filed in any Court affecting title either to the real property above described or to the oil produced therefrom in which any of the undersigned are parties, written notice of filing of such action shall immediately be furnished you by the undersigned, stating the Court in which the same is filed and the title of such action or suit, and you or any carrier transporting oil for your account shall be held harmless from any judgment rendered in such suit and all reasonable costs and expenses incurred in defending against said claim, whether in your defense or in the defense of the carrier transporting oil for your account, and the undersigned shall pay said judgment and said costs and expenses.

SIXTH: The undersigned severally shall notify you of any change of ownership, and no transfer of interest shall be binding upon you until a transfer order and the recorded instrument evidencing such transfer, or a certified copy thereof, shall be furnished to you. Transfers of interest shall be made effective not earlier than the first day of the calendar month in which notice is received by you. You are relieved hereby of any responsibility for determining if and when any of the interests hereinabove set forth shall or should revert to or be owned by other parties as a result of the completion or discharge of money or other payments from said interest and the signers hereof whose interests are affected by such money or other payments, if any, assume said responsibility and shall give you notice in writing by registered letter addressed to you at the above address, when any such money or other payments have been completed or discharged or when any other division of interest than that set forth above shall, for any reason, become effective and to furnish transfer orders accordingly, and that in the event such notice shall not be received, you shall be held harmless in the event of, and are hereby released from any and all damage or loss which might arise out of any overpayment.

SEVENTH: This division order shall become valid and binding on each and every owner above named as soon as signed by him or her regardless of whether any of the other above named owners have so signed; and in consideration of the purchase of oil hereunder, consent is given hereby to you and any pipe line company which you may cause to connect with the wells or tanks on said land, to disconnect and remove such pipe lines. in case of termination by either you or us of purchases under this division order.

EIGHTH: Working interest owners and operators who sign this division order, and each of them, guarantee and warrant for your benefit and that of any pipe line or other carrier designated by you to run or transport said oil, that all oil tendered hereunder has been and will be produced and handled in compliance with the Fair Labor Standards Act of 1938, and any amendments thereto, and all other federal, state and municipal laws, rules and regulations.

IN ACCORDANCE WITH FEDERAL LAW, PLEASE INDICIATE YOUR SOCIAL SECURITY OR IDENTIFICATION NUMBER BELOW:

_____

WITNESS OF SIGNATURES

OWNERS SIGN BELOW

BE SURE YOUR SIGNATURE IS WITNESSED AND YOUR CORRECT ADDRESS IS SHOWN

Re: Lease No. 488939 - The Stouffer Oil Corp. - Meeker-Hill "B"

ROYALTY INTERESTS

L.H. Meeker, Julian Wade Meeker and InterFirst Bank Fort Worth, N.A., Trustee f/t/b/o L.H. Meeker u/w/o J.R. Meeker	1/9 of 3/16 R.I. (.0208333)
Charles R. Meeker, separate property	1/144 of 3/16 R.I. (.0013021)
Lawrence Hill Meeker and InterFirst Bank Fort Worth, N.A., Trustees u/w/o W.W. Meeker f/b/o Charley R. Meeker Trust #2952	3/144 of 3/16 R.I. (.0039063)
Lawrence Hill Meeker and InterFirst Bank Fort Worth, N.A., Trustees u/t/a dated January 2, 1976, for the Charley R. Meeker Revocable Trust #3084	1/36 of 3/16 R.I. (.0052083)
InterFirst Bank Fort Worth, N.A., Trustee u/w/o W.W. Meeker f/b/o the Anne Phillips Trust #2951	1/36 of 3/16 R.I. (.0052083)
Shirley R. Clark, Jr., Trustee of the Windi Phillips 1983 Trust	1/36 of 3/16 R.I. (.0052084)

OVERRIDING ROYALTY INTEREST

The Stouffer Oil Corporation	3% O.R.R.I. (.0300000)

WORKING INTEREST

The Stouffer Oil Corporation Program No. 13, Ltd.	less	All of 3/4 W.I. 3% (.7200000)

1/ This interest is subject to the following Deeds of Trust:

(1) Deed of Trust dated 8-24-78, Volume 110, Page 36 in favor of Ridglea Bank, Fort Worth, Texas, later renewed and assigned to National Bank of Commerce of San Antonio (7-24-79, 378 DTR 351).

(2) Deed of Trust dated 6-26-79, Volume 112, Page 251, in favor of National Bank of Commerce of San Antonio subsequently assigned to Wells Fargo Bank, N.A. San Francisco, California (8-21-81, 408 DTR 759).

(3) Deed of Trust dated 3-15-76, Recorded Volume 101, Page 656, in favor of Ridglea Bank, Fort Worth, subsequently assigned to National Bank of Commerce, San Antonio (12-13-76 399, DTR 19).

Re: Lease No. 488939 - The Stouffer Oil Corp. - Meeker-Hill "B"

(4) Deed of Trust dated 8-21-81, Volume 118, Page 287, in Deed of Trust dated 8-21-81, Volume 118, Page 287, in favor of Wells Fargo Bank, N.A., a partial renewal of Deed of Trust #2 above; Deed Records of Reeves County, Texas. By execution of this Division Order, each of said parties authorize and direct The Permian Corporation to make payment as credited above and further covenant and agree to hold The Permian Corporation wholly harmless and not liable for the accounting of payments made under this interest until such time as The Permian Corporation shall have received 30 days written notice by registered mail that such interest shall no longer be paid as credited above.

(12)

MF-46970
Division order
7-26-85

CONOCO

121

Conoco Inc.
P.O. Box 1267
Ponca City, OK 74603

M-46970

September 26, 1985

Dear Interest Owner:

Division Order No. 35710
H & M "A"
Reeves County, Texas

Enclosed you will find our division order for the above captioned property. We ask that you fully execute the enclosed. This includes social security number and having your signature witnessed, and return to my attention. The other copy may be retained for your future reference.

Yours very truly,

David Hunt

David Hunt
Land Analyst
Mineral Lease Records

DEH/ppy

Conoco Inc.
Oil and Gas Division Order

RSC No. 44-3358100
D.O. No. 35710

EFFECTIVE: 5/24 1st run, 19 85

TO: Conoco Inc.
Mineral Lease Records
P.O. Box 1267
Ponca City, OK 74603

Each of the undersigned warrants ownership of the interest, set opposite his name, in all oil (defined as crude oil and condensate) and/or in the proceeds derived from the sale of all gas (defined as natural gas and casinghead gas) produced from H & M "A" Lease (or Unit), Reeves County, Texas, described as:

NW/4 NE/4 of Section 20, Block 56, T-3, T&P Ry Co. Survey, limited to a depth of 3650 feet from the surface.

including all substances produced with such oil and gas. From the effective date and until further written notice, and subject to the following provisions, you, or your designated agent, are authorized to receive such production and give credit for all production received, and for the proceeds derived from the sale of gas, in accordance with the division of interest shown below: (The contents of the reverse side, and any attachments hereto, shall constitute a part of this Division Order.)

Credit To	Division of Interest	P. O. Address (Give box number or street address and zip code)
THE WORKING INTEREST		
L B L 80 Company, Ltd.	.4890235	
L B L Oil Corporation	.1481889	
Meeker & Co., Inc.	.0243056	
J. J. Meeker	.0243056	
Rd. R. Kennedy, Jr.	.0167187	
R H Lindley, Trustee, Lindley Family Trust	.0148188	
Interfirst Bank, Ft. Worth, Tr. u/w/o W W Meeker f/b/o Anne Windfohr Phillips Trust No. 2951	.0060764	
Lawrence Hill Meeker & Interfirst Bank Ft. Worth, Co-Trs. u/w Charles Roeser Meeker Tr. No. 3084	.0060764	
Interfirst Bank Ft. Worth, NA Agent S R Clark Trustee Windi Phillips 1983 Trust Agency No. 4906	.0060764	
Lawrence Hill Meeker & Interfirst Bank, Co-Trs. u/w/o W. W. Meeker for Charles Roeser Meeker Trust No. 2952	.0045573	
Interfirst Bank, Ft. Worth, NA Charles Roeser Meeker No. 4212	.0015191	
THE OVERRIDING ROYALTY INTEREST		
Tom Craddick	.0100000	
Jim L. Hooker	.0150000	
James A. Heck	.0033333	
Linden T. Heck	.0033333	
Douglas G. Heck	.0033334	
Frank O'Kelly	.0150000	

YOUR COPY

(cont'd)

1. Oil shall become the property of the purchaser upon actual delivery to it or to its designated carrier or agent. The oil shall be graded and measured in accordance with the customary pipe line rules and regulations or standards generally accepted in the industry. If purchased by you, settlement shall be based on your posted or quoted price per barrel (42 U.S. gallons) in effect on delivery date for oil of the kind and quality for the field where produced. You are authorized to reduce such price by any charges for transporting oil by pipeline, truck and/or barge and any treating costs which in your opinion are necessary to make the oil merchantable. If oil is sold by you to another purchaser, settlement shall be based on the net proceeds realized at the well by you from such sale, after deducting any costs for transporting or treating the oil for delivery.

2. Settlement for gas sold shall be based on the net proceeds realized at the well by you, after deducting any costs incurred in compressing, treating, transporting and/or dehydrating the gas for delivery. If the gas is processed in or near the field where produced, settlement shall be based on the net proceeds realized at the well, as determind by the agreement between the producer and processor, or, in the absence of such an agreement, the same basis as settlement with other producers of gas of like kind and quality processed at the same plant. For gas used off the lease, settlement shall be based on market value at the well. Where gas is sold subject to regulation by governmental authority, the price approved by order of such authority shall be used as a basis for determining net proceeds realized, or market value at the well, provided, that the portion of the proceeds not based on a permanent certificate price may be suspended, without interest, until you have been furnished indemnification satisfactory to you that any required refund shall be paid.

3. Settlements shall be made monthly by your check mailed to the undersigned parties at the addresses given on the reverse side, less any taxes required by law to be deducted and paid by you. Should the proceeds accruing to any interest hereunder for any month be less than One Dollar ($1.00), you may, at your option, retain such proceeds without interest until the first regular settlement date when the proceeds accumulated total as much as Five Dollars ($5.00); provided that, regardless of the total, payment of the accumulated amounts shall be made in December of each year.

4. You are hereby relieved of any responsibility for determining when any interest hereunder shall change by increase, decrease, termination, reversion or otherwise. You are authorized to remit pursuant to the division of interest credited hereunder until written notice to the contrary is received by you at Ponca City, Oklahoma, and you shall be held harmless against loss or liability due to your failure to receive such notice. Each of the undersigned agrees to notify you in writing of any change in his interest, and no transfer of interest shall be binding on you until you are furnished the original recorded instrument (or a certified copy thereof) or a transcript of proceedings which satisfactorily evidences such transfer, and your regular form of Transfer Order is fully executed and returned to you. Regardless of the effective date of the transfer, all transfers of interest shall be effective hereunder as of 7:00 A.M. on the first day of a calendar month, but not earlier than the first day of the calendar month in which such written notice is received.

5. Each party agrees to indemnify and hold you harmless from and against any and all loss, cost or expense arising out of a claim or suit based on your payment to him of proceeds of production attributable to such interest. If any claim is made which in your opinion adversely affects title to any interest credited hereunder, or such title is not satisfactory to you, the parties credited with such interest severally agree to furnish abstracts or other evidence of title acceptable to you. In the event of failure to furnish such evidence of title, you are authorized to withhold payments accruing to such interest, without interest, until the claim is settled.

6. In the event the land described herein, or any part thereof, is included in one or more units now or hereafter formed or revised by order of any appropriate governmental authority, or is included in one or more authorized voluntary or declared units now or hereafter formed or revised, it is agreed that settlement shall be made in accordance with the production allocated to said land without the execution of additional division orders.

7. Each working interest owner warrants that the oil and/or gas has been produced in accordance with all applicable laws, rules and regulations.

8. This Division Order may be executed in counterparts, and shall be binding upon and inure to the benefit of all signers hereof, their heirs, successors and assigns, whether or not it is signed by all parties named herein.

IMPORTANT: TO AVOID DELAY IN PAYMENT — YOUR CORRECT ADDRESS AND YOUR SOCIAL SECURITY NUMBER OR TAX ACCOUNT NUMBER MUST BE SHOWN. FAILURE TO SHOW YOUR SOCIAL SECURITY NUMBER OR TAX ACCOUNT NUMBER MAY RESULT IN OUR WITHHOLDING 20% OF 1099 REPORTABLE PAYMENTS EFFECTIVE JANUARY 1, 1984, IN COMPLIANCE WITH FEDERAL LAW.

SOCIAL SECURITY NUMBER: ___ ___

FEDERAL TAX ID NUMBER: ___

WITNESSES:

_____ _____

_____

_____ _____

_____

_____ _____

_____

THE ROYALTY INTEREST

Meeker & Co., Inc.	.0069444
J. J. Meeker	.0069445
Interfirst Bank, Ft. Worth, Tr. u/w/o W. W. Meeker f/b/o Anne Windfohr Phillips Trust No. 2951	.0017361
Lawrence Hill Meeker & Interfirst Bank Ft. Worth, Co-Trs. u/w Charles Roeser Meeker Tr. No. 3084	.0017361
Interfirst Bank Ft. Worth, NA Agent S. R. Clark Trustee Windi Phillips 1983 Trust Agency No.4906	.0017361
Lawrence Hill Meeker & Interfirst Bank, Co-Trs. u/w/o W. W. Meeker for Charles Roeser Meeker Trust No. 2952	.0013021
Interfirst Bank, Ft. Worth, NA Charles Roeser Meeker No. 4212	.0004340
Virginia Glenn Hill Lattimore	.0156250
Houston & Emma Hill Trust Estate	.0312500
Hill Trusts	.0520833
Joe S. Hill	.0104167
James Robert Hill	.0156250
State of Texas Comm. General Land Office	.0625000

M. F. 46970

CORRESPONDENCE FILE

TO

Conoco Inc

FROM

DATED 9-28-85

conoco

Mineral Lease Records

Conoco Inc.
P.O. Box 1267
Ponca City, OK 74603
(405) 767-3456

M-46970

March 3, 1986

121

C.h.

Dear Interest Owner:

Division Order No. 35493
H&M "B" Lease
Reeves County, Texas

LBL Oil Company, the operator of the above-mentioned property, has provided information that changes the property description.

Instead of circulating new division orders, we ask that you accept this letter in lieu of that reflects the correct property description as the SW/4 NE/4, SE/4 NW/4, NE/4 SW/4, W/2 SW/4, and the SE/4 SW/4 of Section 20, Block 56, Township 3, T&P Survey, containing 240 acres, more or less, limited to a depth of 3,650' beneath the surface.

Please adjust your records to reflect the new property description.

Yours very truly,

David Hunt

David Hunt
Land Analyst
Mineral Lease Records

trw

5.

M. F. 41970

CORRESPONDENCE FILE

TO

Conoco

FROM

DATED: 3-8-86

[redacted]RIDE PIPELINE COMPANY
O. BOX 2436
BILENE, TEXAS 79604

DIVISION ORDER

07/03/91 BP

DUPLICATE

No. 05-028926

JUNE 1, 1991
Effective as of the date of first runs by you.

The undersigned certify and guarantee that they are the legal owners of, and hereby warrant title to, in the proportions set out below, all the oil produced from the

NEW HORIZON EXPLORATION INC/MEEKER HILL C-5 Lease,

LOCATED IN THE COUNTY OF REEVES STATE OF TEXAS and described as follows: to wit:

THE MEEKER HILL C-5 BEING THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER & THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 20, BLOCK 55, T-3, T & P RY. CO. SURVEY, REEVES COUNTY, TEXAS-LIMITED TO 50' BELOW THE DEEPEST DEPTH PENETRATED BY ANY WELL ON THE LANDS DESCRIBED, BUT IN NO EVENT BELOW 3600 FEET BELOW THE SURFACE OF THE EARTH.

Until further written notice, you are authorized to purchase oil therefrom and pay therefor, as follows:

OWNER NO.	CREDIT TO	NET REVENUE INTEREST
00004577	STATE OF TEXAS GENERAL LAND OFFICE	.06250000 RI

SEE EXHIBIT 'A', ATTACHED HERETO AND MADE A PART HEREOF.

1. Oil run hereunder shall become your property upon delivery thereof into any tank, pipeline, or other conveyance designated by you, and shall be paid for by you monthly, except as hereinafter provided, according to the division of interest shown above at the price being posted or paid by you at the time of such delivery.

2. Payments for such oil shall be made on or before the 25th day of the month succeeding such purchases. Payments may be made to the owners shown above in person or by mailing your check therefor to the address of the owners designated to receive same as shown above. Provided, however, that at your option no payments shall be made to an owner until the sum due on account of such interest shall amount to $25.00 or more.

3. Quantities shall be computed from regularly compiled tank tables or by other reliable methods of computation (the owners to have the privilege of witnessing the gauge tickets), and correction shall be made for temperature and impurities according to the prevailing practice and the rules and regulations prescribed by the Commission or other legal authority of the State where the purchases hereunder are made. You may require the owners to treat or steam any unmerchantable oil at the owners' expense, before acceptance hereunder.

4. The owners severally agree to notify you in writing of any change in ownership, and that their successors shall be bound by the terms hereof. Orders transferring interests, supported by certified copy of deed, assignment, or other legal document, shall be in your hands by the 20th day of the month in which the transfer becomes effective, it being understood that transfers of interests are effective only on the first day of any current month at 7:00 o'clock A.M.

5. Satisfactory abstracts or other evidence of title will be furnished to you at any time on demand. In the event of a failure to so furnish such evidence of title, or in the event of a claim or controversy, which in your opinion, concerns title to any interest hereunder, you may hold, without interest and without any liability, the proceeds of all oil received by you hereunder until indemnity satisfactory to you has been furnished or until such claim or controversy has been settled to your satisfaction. In the event any action or suit is filed in any court affecting the title either to the real property above described or to the oil produced therefrom in which any of the owners are parties, written notice of the filing of said action or suit shall be immediately furnished to you by such owner against whom such action or suit is commenced, stating the court in which same is filed and the title of such action or suit. Each owner agrees to hold you harmless and to protect and indemnify you and/or any carrier transporting oil for your account from, against and for any loss or expense which you and/or such carrier may suffer or sustain or become liable for by reason of your purchase hereunder of said owner's interest, as above set out, in said oil and the payment therefor to said owner regardless of how the same may arise and including, but not limited to, the following: Any judgment rendered in an action or suit affecting the title to either the real property above described or the oil produced therefrom; all reasonable costs or expenses incurred in defending in such action or suit your position or that of your carrier receiving the oil; any claim or claims or judgment arising therefrom, for any tax, State or Federal, which may be asserted by any taxing authority against you in connection with, incident or in any manner related to, any sum or sums of money held in Suspense by you during the existence of any claim, controversy or suit, as above provided. You may deduct any such loss or expense from any amount owed by you to such owner at any time. Upon written notification to you by any Operator of the above lease that the undersigned is in default in the payment of its share of the leasehold expenses, you may pay direct to such Operator the proceeds of the oil run hereunder until notified by such Operator that the default is cured, and the undersigned agrees to hold you harmless and to protect and indemnify you for any such payments. You shall further be authorized to withhold funds in the event you are due money from owner and apply the funds to the payment of your account. In the event you are notified of a mispayment to any owner on any lease from which you purchase or that all parties have not been properly paid from any lease from which you purchase, each owner agrees to allow you to suspend funds until the claim is satisfied.

6. You are hereby authorized to withhold from the proceeds of any and all runs made hereunder the amount of any tax, either State or Federal, placed thereon, and to pay the same in our behalf.

7. This division order shall become valid and binding upon each and every owner as soon as signed by such owner, regardless of whether or not any other owners have so signed, and this division order supersedes all former division orders given on the property described above.

8. This contract shall continue in force for Thirty days and thereafter, until terminated by you giving notice of your intent to so terminate, or by any owner giving notice of intent to so terminate, without, however, affecting the same as to the interest of the other owners.

9. Where the term "oil" is used herein, it is intended also to include "distillate, condensate or other liquid hydrocarbons."

STATE OF TEXAS

BY _____

TITLE _____
TAX ID. [redacted]

WITNESS: _____

STATE OF TEXAS
GENERAL LAND OFFICE
STEPHEN F AUSTIN BLDG
AUSTIN TX 78701

IMPORTANT: TO AVOID DELAY IN PAYMENT - YOUR CORRECT ADDRESS AND YOUR SOCIAL SECURITY NUMBER OR TAX ACCOUNT NUMBER MUST BE SHOWN.

005 (Rev. Dec. 84)

NEW HORIZON EXPLORATION INC/MEEKER HILL C-5
REEVES COUNTY
PRIDE LEASE 028926

CREDIT	DIVISION OF INTEREST
ROYALTY INTEREST	
CHARLES R MEEKER NCNB TEXAS NATL BK AGENT 3084	0.01041670
DOROTHY J PUFF KEENOM	0.01041660
HILL TRUSTS	0.02604170
HOUSTON & EMMA HILL TRUST EST JAMES ROBERT HILL VIRGINIA GLENN HILL LATTIMORE & JOHN STYRSKY TRUSTEES	0.03125000
J J MEEKER	0.02083330
J R MEEKER TEST TRUST FBO LAWRENCE H MEEKER	0.02083330
JAMES ROBERT HILL	0.01562500
JOE S HILL	0.01041670
NANCY PUFF JONES TRUST DOROTHY JEAN KEENOM SOLE TRTEE	0.00781250
STATE OF TEXAS GENERAL LAND OFFICE	0.06250000
THOMAS HILL PUFF TRUST DOROTHY JEAN KEENOM SOLE TRTEE	0.00781250
VIRGINIA GLENN HILL LATTIMORE	0.01562500
WILLIAM WADE MEEKER TEST TRUST FBO ANNE W PHILLIPS	0.00520830
WINDI PHILLIPS 1983 TRUST 4906 S R CLARK TRUSTEE	0.00520840
OVERRIDING ROYALTY INTEREST	
NEW HORIZON EXPLORATION INC	0.01500000

NEW HORIZON EXPLORATION INC/MEEKER HILL C-5
REEVES COUNTY
PRIDE LEASE 028926

CREDIT	DIVISION OF INTEREST
WORKING INTEREST	
NEW HORIZON EXPLORATION INC MEEKER HILL 2 LTD	0.73500000

121

P.O. Box 2436
Abilene, Texas 79604
Phone (915) 674-8110

PRIDE PIPELINE COMPANY

M-46970

July 31, 1991

State of Texas
General Land Office
Stephen F. Austin Bldg.
Austin, TX 78701

Re: Meeker Hill C-5/PPL #05-28926
Reeves County, Texas

Dear Interest Owner:

Please be advised of a change in the legal description on our Division Order on the above referenced lease.

The legal description should read:

The Meeker Hill C-5 being the Northeast Quarter of the Southeast Quarter & the Southeast Quarter of the Northeast Quarter of Section 20, Block 56, T-3, T & P Ry. Co. Survey, Reeves County, Texas-limited to 50' below the deepest depth penetrated by any Well on the lands described, but in no event below 3600 feet below the surface of the Earth.

Please acknowledge your agreement with the change by signing below and return the original of this letter to us. We have enclosed a copy for your files.

Very truly yours,

PRIDE PIPELINE COMPANY

Brenda Perry

Brenda Perry
Division Order Analyst

BP/ds

Acknowledged and agreed to this _____ day of _____, 1991.

Owner Name: State of Texas

BY: _____

TITLE: _____

STATE OF TEXAS
GENERAL LAND OFFICE
STEPHEN F. AUSTIN BUILDING
78701
53-108

RECEIVED
AUG - 1 1991
ENERGY RESOURCES

TO: PRIDE PIPELINE COMPANY
P.O. BOX 2436
ABILENE, TEXAS 79604

DIVISION ORDER

06/13/91 BP

DUPLICATE

No. 05-028924

JUNE 1, 1991

Effective as of the date of first runs by you.

The undersigned certify and guarantee that they are the legal owners of, and hereby warrant title to, in the proportions set out below, all the oil produced from the

NEW HORIZON EXPLORATION/MEEKER HILL "A" 2 Lease,

LOCATED IN THE COUNTY OF REEVES STATE OF TEXAS and described as follows: to wit:

THE MEEKER HILL "A" 2 BEING THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 20, BLOCK 56, T-3, T & P RY. CO. SURVEY REEVES COUNTY, TEXAS LIMITED TO 50 FEET BELOW THE DEEPEST DEPTH PENETRATED BY ANY WELL ON THE LANDS DESCRIBED ABOVE, BUT IN NO EVENT BELOW 3600 FEET BELOW THE SURFACE OF THE EARTH.

Until further written notice, you are authorized to purchase oil therefrom and pay therefor, as follows:

OWNER NO.	CREDIT TO	NET REVENUE INTEREST
00004577	STATE OF TEXAS	.06250000 RI

SEE EXHIBIT 'A', ATTACHED HERETO AND MADE A PART HEREOF.

1. Oil run hereunder shall become your property upon delivery thereof into any tank, pipeline, or other conveyance designated by you, and shall be paid for by you monthly, except as hereinafter provided, according to the division of interest shown above at the price being posted or paid by you at the time of such delivery.

2. Payments for such oil shall be made on or before the 25th day of the month succeeding such purchases. Payments may be made to the owners shown above in person or by mailing your check therefor to the address of the owners designated to receive same as shown above. Provided, however, that at your option no payments shall be made to an owner until the sum due on account of such interest shall amount to $25.00 or more.

3. Quantities shall be computed from regularly compiled tank tables or by other reliable methods of computation (the owners to have the privilege of witnessing the gauge tickets), and correction shall be made for temperature and impurities according to the prevailing practice and the rules and regulations prescribed by the Commission or other legal authority of the State where the purchases hereunder are made. You may require the owners to treat or steam any unmerchantable oil at the owners' expense, before acceptance hereunder.

4. The owners severally agree to notify you in writing of any change in ownership, and that their successors shall be bound by the terms hereof. Orders transferring interests, supported by certified copy of deed, assignment, or other legal document, shall be in your hands by the 20th day of the month in which the transfer becomes effective, it being understood that transfers of interests are effective only on the first day of any current month at 7:00 o'clock A.M.

5. Satisfactory abstracts or other evidence of title will be furnished to you at any time on demand. In the event of a failure to so furnish such evidence of title, or in the event of a claim or controversy, which in your opinion, concerns title to any interest hereunder, you may hold, without interest and without any liability, the proceeds of all oil received by you hereunder until indemnity satisfactory to you has been furnished or until such claim or controversy has been settled to your satisfaction. In the event any action or suit is filed in any court affecting the title either to the real property above described or to the oil produced therefrom in which any of the owners are parties, written notice of the filing of said action or suit shall be immediately furnished to you by such owner against whom such action or suit is commenced, stating the court in which same is filed and the title of such action or suit. Each owner agrees to hold you harmless and to protect and indemnify you and/or any carrier transporting oil for your account from, against and for any loss or expense which you and/or such carrier may suffer or sustain or become liable for by reason of your purchase hereunder of said owner's interest, as above set out, in said oil and the payment therefor to said owner regardless of how the same may arise and including, but not limited to, the following: Any judgment rendered in an action or suit affecting the title to either the real property above described or the oil produced therefrom; all reasonable costs or expenses incurred in defending in such action or suit your position or that of your carrier receiving the oil; any claim or claims or judgment arising therefrom, for any tax, State or Federal, which may be asserted by any taxing authority against you in connection with, incident or in any manner related to, any sum or sums of money held in Suspense by you during the existence of any claim, controversy or suit, as above provided. You may deduct any such loss or expense from any amount owed by you to such owner at any time. Upon written notification to you by any Operator of the above lease that the undersigned is in default in the payment of its share of the leasehold expenses, you may pay direct to such Operator the proceeds of the oil run hereunder until notified by such Operator that the default is cured, and the undersigned agrees to hold you harmless and to protect and indemnify you for any such payments. You shall further be authorized to withhold funds in the event you are due money from owner and apply the funds to the payment of your account. In the event you are notified of a mispayment to any owner on any lease from which you purchase or that all parties have not been properly paid from any lease from which you purchase, each owner agrees to allow you to suspend funds until the claim is satisfied.

6. You are hereby authorized to withhold from the proceeds of any and all runs made hereunder the amount of any tax, either State or Federal, placed thereon, and to pay the same in our behalf.

7. This division order shall become valid and binding upon each and every owner as soon as signed by such owner, regardless of whether or not any other owners have so signed, and this division order supersedes all former division orders given on the property described above.

8. This contract shall continue in force for Thirty days and thereafter, until terminated by you giving notice of your intent to so terminate, or by any owner giving notice of intent to so terminate, without, however, affecting the same as to the interest of the other owners.

9. Where the term "oil" is used herein, it is intended also to include "distillate, condensate or other liquid hydrocarbons."

STATE OF TEXAS

BY _____

TITLE _____

TAX ID [redacted]

WITNESS: _____

STATE OF TEXAS
GENERAL LAND OFFICE
STEPHEN F AUSTIN BLDG
AUSTIN TX 78701

IMPORTANT: TO AVOID DELAY IN PAYMENT - YOUR CORRECT ADDRESS AND YOUR SOCIAL SECURITY NUMBER OR TAX ACCOUNT NUMBER MUST BE SHOWN.

-005 (Rev. Dec. 84)

NEW HORIZON EXPLORATION/MEEKER HILL "A" 2
REEVES COUNTY
PRIDE LEASE 028924

CREDIT	DIVISION OF INTEREST
ROYALTY INTEREST	
CHARLES R MEEKER NCNB TEXAS NATL BK AGENT 3084	0.01041670
DOROTHY J PUFF KEENOM	0.01041660
HILL TRUSTS	0.02604170
HOUSTON & EMMA HILL TRUST EST JAMES ROBERT HILL VIRGINIA GLENN HILL LATTIMORE & JOHN A STYRSKY TRUSTEES	0.03125000
J J MEEKER	0.02083330
J R MEEKER TEST TRUST FBO LAWRENCE H MEEKER	0.02083330
JAMES ROBERT HILL	0.01562500
JOE S HILL	0.01041670
NANCY PUFF JONES TRUST DOROTHY JEAN KEENOM SOLE TRTEE	0.00781250
STATE OF TEXAS	0.06250000
THOMAS HILL PUFF TRUST DOROTHY JEAN KEENOM SOLE TRTEE	0.00781250
VIRGINIA GLENN HILL LATTIMORE	0.01562500
WILLIAM WADE MEEKER TEST TRUST FBO ANNE W PHILLIPS	0.00520830
WINDI PHILLIPS 1983 TRUST 4906 S R CLARK TRUSTEE	0.00520840
WORKING INTEREST	
NEW HORIZON EXPLORATION INC MEEKER HILL 2 LTD	0.75000000

TO: . PRIDE PIPELINE COMPANY
P.O. BOX 2436
ABILENE, TEXAS 79604

DIVISION ORDER

06/13/91 BP

DUPLICATE

No. 05-028923

JUNE 1, 1991

Effective as of the date of first runs by you.

The undersigned certify and guarantee that they are the legal owners of, and hereby warrant title to, in the proportions set out below, all the oil produced from the

NEW HORIZON EXPLORATION/MEEKER HILL D-7 Lease,

LOCATED IN THE COUNTY OF REEVES STATE OF TEXAS and described as follows: to wit:

THE MEEKER HILL D-7 BEING THE SOUTH HALF OF THE SOUTHEAST QUARTER AND THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 20, BLOCK 56, T-3, T & P RY. CO. SURVEY, REEVES COUNTY, TEXAS, LIMITED TO 50 FEET BELOW THE DEEPEST DEPTH PENETRATED BY AND WELL ON THE LANDS DESCRIBED ABOVE BUT IN NO EVENT BELOW 3,600 FEET BELOW THE SURFACE OF THE EARTH.

Until further written notice, you are authorized to purchase oil therefrom and pay therefor, as follows:

OWNER NO.	CREDIT TO	NET REVENUE INTEREST
00004577	STATE OF TEXAS	.06250000 RI

SEE EXHIBIT 'A', ATTACHED HERETO AND MADE A PART HEREOF.

1. Oil run hereunder shall become your property upon delivery thereof into any tank, pipeline, or other conveyance designated by you, and shall be paid for by you monthly, except as hereinafter provided, according to the division of interest shown above at the price being posted or paid by you at the time of such delivery.

2. Payments for such oil shall be made on or before the 25th day of the month succeeding such purchases. Payments may be made to the owners shown above in person or by mailing your check therefor to the address of the owners designated to receive same as shown above. Provided, however, that at your option no payments shall be made to an owner until the sum due on account of such interest shall amount to $25.00 or more.

3. Quantities shall be computed from regularly compiled tank tables or by other reliable methods of computation (the owners to have the privilege of witnessing the gauge tickets), and correction shall be made for temperature and impurities according to the prevailing practice and the rules and regulations prescribed by the Commission or other legal authority of the State where the purchases hereunder are made. You may require the owners to treat or steam any unmerchantable oil at the owners' expense, before acceptance hereunder.

4. The owners severally agree to notify you in writing of any change in ownership, and that their successors shall be bound by the terms hereof. Orders transferring interests, supported by certified copy of deed, assignment, or other legal document, shall be in your hands by the 20th day of the month in which the transfer becomes effective, it being understood that transfers of interests are effective only on the first day of any current month at 7:00 o'clock A.M.

5. Satisfactory abstracts or other evidence of title will be furnished to you at any time on demand. In the event of a failure to so furnish such evidence of title, or in the event of a claim or controversy, which in your opinion, concerns title to any interest hereunder, you may hold, without interest and without any liability, the proceeds of all oil received by you hereunder until indemnity satisfactory to you has been furnished or until such claim or controversy has been settled to your satisfaction. In the event any action or suit is filed in any court affecting the title either to the real property above described or to the oil produced therefrom in which any of the owners are parties, written notice of the filing of said action or suit shall be immediately furnished to you by such owner against whom such action or suit is commenced, stating the court in which same is filed and the title of such action or suit. Each owner agrees to hold you harmless and to protect and indemnify you and/or any carrier transporting oil for your account from, against and for any loss or expense which you and/or such carrier may suffer or sustain or become liable for by reason of your purchase hereunder of said owner's interest, as above set out, in said oil and the payment therefor to said owner regardless of how the same may arise and including, but not limited to, the following: Any judgment rendered in an action or suit affecting the title to either the real property above described or the oil produced therefrom; all reasonable costs or expenses incurred in defending in such action or suit your position or that of your carrier receiving the oil; any claim or claims or judgment arising therefrom, for any tax, State or Federal, which may be asserted by any taxing authority against you in connection with, incident or in any manner related to, any sum or sums of money held in Suspense by you during the existence of any claim, controversy or suit, as above provided. You may deduct any such loss or expense from any amount owed by you to such owner at any time. Upon written notification to you by any Operator of the above lease that the undersigned is in default in the payment of its share of the leasehold expenses, you may pay direct to such Operator the proceeds of the oil run hereunder until notified by such Operator that the default is cured, and the undersigned agrees to hold you harmless and to protect and indemnify you for any such payments. You shall further be authorized to withhold funds in the event you are due money from owner and apply the funds to the payment of your account. In the event you are notified of a mispayment to any owner on any lease from which you purchase or that all parties have not been properly paid from any lease from which you purchase, each owner agrees to allow you to suspend funds until the claim is satisfied.

6. You are hereby authorized to withhold from the proceeds of any and all runs made hereunder the amount of any tax, either State or Federal, placed thereon, and to pay the same in our behalf.

7. This division order shall become valid and binding upon each and every owner as soon as signed by such owner, regardless of whether or not any other owners have so signed, and this division order supersedes all former division orders given on the property described above.

8. This contract shall continue in force for Thirty days and thereafter, until terminated by you giving notice of your intent to so terminate, or by any owner giving notice of intent to so terminate, without, however, affecting the same as to the interest of the other owners.

9. Where the term "oil" is used herein, it is intended also to include "distillate, condensate or other liquid hydrocarbons."

STATE OF TEXAS

BY _____

TITLE _____

TAX ID. [redacted]

WITNESS: _____

STATE OF TEXAS
GENERAL LAND OFFICE
STEPHEN F AUSTIN BLDG
AUSTIN TX 78701

IMPORTANT: TO AVOID DELAY IN PAYMENT - YOUR CORRECT ADDRESS AND YOUR SOCIAL SECURITY NUMBER OR TAX ACCOUNT NUMBER MUST BE SHOWN.

-005 (Rev. Dec. 84)

ATTACHMENT-EXHIBIT 'A'
NEW HORIZON EXPLORATION/MEEKER HILL D-7
REEVES COUNTY
PRIDE LEASE 028923

CREDIT	DIVISION OF INTEREST
ROYALTY INTEREST	
CHARLES R MEEKER NCNB TEXAS NATL BK AGENT 3084	0.01041670
DOROTHY J PUFF KEENOM	0.01041660
HILL TRUSTS	0.02604160
HOUSTON & EMMA HILL TRUST EST JAMES ROBERT HILL VIRGINIA GLENN HILL LATTIMORE & JOHN A STYRSKY TRUSTEES	0.03125000
J J MEEKER	0.02083330
J R MEEKER TEST TRUST FBO LAWRENCE H MEEKER	0.02083330
JAMES ROBERT HILL	0.01562500
JOE S HILL	0.01041660
NANCY PUFF JONES TRUST DOROTHY JEAN KEENOM SOLE TRTEE	0.00781260
STATE OF TEXAS	0.06250000
THOMAS HILL PUFF TRUST DOROTHY JEAN KEENOM SOLE TRTEE	0.00781260
VIRGINIA GLENN HILL LATTIMORE	0.01562500
WILLIAM WADE MEEKER TEST TRUST FBO ANNE W PHILLIPS	0.00520830
WINDI PHILLIPS 1983 TRUST 4906 S R CLARK TRUSTEE	0.00520840
OVERRIDING ROYALTY INTEREST	
NEW HORIZON EXPLORATION INC	0.03000000

NEW HORIZON EXPLORATION/MEEKER HILL D-7
REEVES COUNTY
PRIDE LEASE 028923

CREDIT	DIVISION OF INTEREST
WORKING INTEREST	
NEW HORIZON EXPLORATION INC FAO THE STOUFFER OIL CORP	0.72000000

Garry Mauro
Commissioner
General Land Office

August 05, 1991

Division Order Department
Pride Pipeline Company
P.O. Box 2436
Abilene, Texas 79604

Three Wells — A-2
D-7
C-5

RE: Mineral File No. M-40970
Dear Sir or Madam:

This letter acknowledges the Division Order prepared by your company for execution by the individual royalty owners.

The statutes provide for the royalties that the State receives. It is not the policy of the General Land Office to execute division orders.

The General Land Office, insofar as permitted under the law, acquiesces in the sale of the oil and gas to you under the lease, as prescribed by law and under the terms and conditions set out in the lease covering the land in question.

We have filed the division order in the mineral file referenced above. If you have any questions, please feel free to call me at (512) 463-5042.

Sincerely,

Drew Reid

Drew Reid, Landman
Lease Administration
Energy Resources

DR/dr

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

Printed on recycled paper

MF 46970
ITEM Three D.O. + Ltr. to Pride
TO → Pride Pipeline
FROM →
DATE 8.5.91

16

E PIPELINE COMPANY
O. BOX 2436
ILENE, TEXAS 79604

DIVISION ORDER

DUPLICATE

10/09/91 CR

No. 05-028932

SEPTEMBER 1, 1991
Effective as of the date of first runs by you.

The undersigned certify and guarantee that they are the legal owners of, and hereby warrant title to, in the proportions set out below, all the oil produced from the

NEW HORIZON EXPLORATION INC/MEEKER HILL B-6 Lease,

LOCATED IN THE COUNTY OF REEVES STATE OF TEXAS and described as follows: to wit:

THE MEEKER HILL B BEING LOCATED IN THE NW/4 NW/4, SE/4 NE/4, AND ALL OF THE SE/4 OF SECTION 20, BLOCK 56, T-3, T & P RY. CO. SURVEY, REEVES COUNTY, TEXAS.

Until further written notice, you are authorized to purchase oil therefrom and pay therefor, as follows:

OWNER NO.	CREDIT TO	NET REVENUE INTEREST
00004577	STATE OF TEXAS GENERAL LAND OFFICE	.06250000 RI

SEE EXHIBIT 'A', ATTACHED HERETO AND MADE A PART HEREOF.

1. Oil run hereunder shall become your property upon delivery thereof into any tank, pipeline, or other conveyance designated by you, and shall be paid for by you monthly, except as hereinafter provided, according to the division of interest shown above at the price being posted or paid by you at the time of such delivery.

2. Payments for such oil shall be made on or before the 25th day of the month succeeding such purchases. Payments may be made to the owners shown above in person or by mailing your check therefor to the address of the owners designated to receive same as shown above. Provided, however, that at your option no payments shall be made to an owner until the sum due on account of such interest shall amount to $25.00 or more.

3. Quantities shall be computed from regularly compiled tank tables or by other reliable methods of computation (the owners to have the privilege of witnessing the gauge tickets), and correction shall be made for temperature and impurities according to the prevailing practice and the rules and regulations prescribed by the Commission or other legal authority of the State where the purchases hereunder are made. You may require the owners to treat or steam any unmerchantable oil at the owners' expense, before acceptance hereunder.

4. The owners severally agree to notify you in writing of any change in ownership, and that their successors shall be bound by the terms hereof. Orders transferring interests, supported by certified copy of deed, assignment, or other legal document, shall be in your hands by the 20th day of the month in which the transfer becomes effective, it being understood that transfers of interests are effective only on the first day of any current month at 7:00 o'clock A.M.

5. Satisfactory abstracts or other evidence of title will be furnished to you at any time on demand. In the event of a failure to so furnish such evidence of title, or in the event of a claim or controversy, which in your opinion, concerns title to any interest hereunder, you may hold, without interest and without any liability, the proceeds of all oil received by you hereunder until indemnity satisfactory to you has been furnished or until such claim or controversy has been settled to your satisfaction. In the event any action or suit is filed in any court affecting the title either to the real property above described or to the oil produced therefrom in which any of the owners are parties, written notice of the filing of said action or suit shall be immediately furnished to you by such owner against whom such action or suit is commenced, stating the court in which same is filed and the title of such action or suit. Each owner agrees to hold you harmless and to protect and indemnify you and/or any carrier transporting oil for your account from, against and for any loss or expense which you and/or such carrier may suffer or sustain or become liable for by reason of your purchase hereunder of said owner's interest, as above set out, in said oil and the payment therefor to said owner regardless of how the same may arise and including, but not limited to, the following: Any judgment rendered in an action or suit affecting the title to either the real property above described or the oil produced therefrom; all reasonable costs or expenses incurred in defending in such action or suit your position or that of your carrier receiving the oil; any claim or claims or judgment arising therefrom, for any tax, State or Federal, which may be asserted by any taxing authority against you in connection with, incident or in any manner related to, any sum or sums of money held in Suspense by you during the existence of any claim, controversy or suit, as above provided. You may deduct any such loss or expense from any amount owed by you to such owner at any time. Upon written notification to you by any Operator of the above lease that the undersigned is in default in the payment of its share of the leasehold expenses, you may pay direct to such Operator the proceeds of the oil run hereunder until notified by such Operator that the default is cured, and the undersigned agrees to hold you harmless and to protect and indemnify you for any such payments. You shall further be authorized to withhold funds in the event you are due money from owner and apply the funds to the payment of your account. In the event you are notified of a mispayment to any owner on any lease from which you purchase or that all parties have not been properly paid from any lease from which you purchase, each owner agrees to allow you to suspend funds until the claim is satisfied.

6. You are hereby authorized to withhold from the proceeds of any and all runs made hereunder the amount of any tax, either State or Federal, placed thereon, and to pay the same in our behalf.

7. This division order shall become valid and binding upon each and every owner as soon as signed by such owner, regardless of whether or not any other owners have so signed, and this division order supersedes all former division orders given on the property described above.

8. This contract shall continue in force for Thirty days and thereafter, until terminated by you giving notice of your intent to so terminate, or by any owner giving notice of intent to so terminate, without, however, affecting the same as to the interest of the other owners.

9. Where the term "oil" is used herein, it is intended also to include "distillate, condensate or other liquid hydrocarbons."

STATE OF TEXAS
GENERAL LAND OFFICE

BY _____

TITLE _____

TAX ID. [redacted]

WITNESS: _____

STATE OF TEXAS
GENERAL LAND OFFICE
STEPHEN F AUSTIN BLDG
AUSTIN TX 78701

IMPORTANT: TO AVOID DELAY IN PAYMENT - YOUR CORRECT ADDRESS AND YOUR SOCIAL SECURITY NUMBER OR TAX ACCOUNT NUMBER MUST BE SHOWN.

005 (Rev. Dec. 84)

NEW HORIZON EXPLORATION INC/MEEKER HILL B-6
REEVES COUNTY
PRIDE LEASE 028932

CREDIT	DIVISION OF INTEREST
ROYALTY INTEREST	
CHARLES R MEEKER NCNB TEXAS NATL BK AGENT 3084	0.01041670
DOROTHY JEAN KEENOM INDIVIDUALLY	0.01041660
HILL TRUSTS	0.02604160
HOUSTON & EMMA HILL TRUST EST JAMES ROBERT HILL VIRGINIA GLENN HILL LATTIMORE & JOHN A STYRSKY TRUSTEES	0.03125000
J R MEEKER TEST TRUST FBO LAWRENCE H MEEKER	0.02083330
JAMES J MEEKER	0.02083330
JAMES ROBERT HILL	0.01562500
JOE S HILL	0.01041660
NANCY PUFF JONES TRUST DOROTHY JEAN KEENOM SOLE TRTEE	0.00781260
STATE OF TEXAS GENERAL LAND OFFICE	0.06250000
THOMAS HILL PUFF TRUST DOROTHY JEAN KEENOM SOLE TRTEE	0.00781260
VIRGINIA GLENN HILL LATTIMORE	0.01562500
WILLIAM WADE MEEKER TEST TRUST FBO ANNE W PHILLIPS	0.00520830
WINDI PHILLIPS 1983 TRUST 4906 S R CLARK TRUSTEE	0.00520840
OVERRIDING ROYALTY INTEREST	
NEW HORIZON EXPLORATION INC	0.03000000

NEW HORIZON EXPLORATION INC/MEEKER HILL B-6
REEVES COUNTY
PRIDE LEASE 028932

CREDIT	DIVISION OF INTEREST
WORKING INTEREST	
NEW HORIZON EXPLORATION INC A/C STOUFFER OIL CORP PROGRAM NO 13	0.69000000
ROBERT C JONES	0.01500000
SAM D JONES	0.01500000

Garry Mauro
Commissioner
General Land Office

December 13, 1991

Division Order Department
Pride Pipeline company
P.O. Box 2436
Abilene, Texas 79604

RE: Mineral File No. M-46970
Dear Sir or Madam:

This letter acknowledges the Division Order prepared by your company for execution by the individual royalty owners.

The statutes provide for the royalties that the State receives. It is not the policy of the General Land Office to execute division orders.

The General Land Office, insofar as permitted under the law, acquiesces in the sale of the oil and gas to you under the lease, as prescribed by law and under the terms and conditions set out in the lease covering the land in question.

We have filed the division order in the mineral file referenced above. If you have any questions, please feel free to call me at (512) 463-5042.

Sincerely,

Drew Reid

Drew Reid, Landman
Lease Administration
Energy Resources

DR/dr

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

M-46970

(47) D.O. + Ltr to Pride
12-13-91

Texas General
Land Office

David Dewhurst
Commissioner

January 18,2000

LANTERN PETROLEUM
ATTN: DIVISION ORDER DEPT.
P O BOX 2281
MIDLAND TX 79702

Re: Property Name: SEE ATTACHED EXHIBIT A
Mineral File No: SEE ATTACHED EXHIBIT A
Property Number: SEE ATTACHED EXHIBIT A

Dear Sir or Madam:

We have received the division order submitted by your company for the above-referenced lease and added it to our files. Please be sure to reference this mineral file number in all future royalty payments, reports and correspondence concerning the lease.

The payment of royalties to the State of Texas is set by statute. As the execution of the division order may in some cases affect the payments of such royalties, it is not the policy of this office to execute them. Insofar as allowed by law, the Texas General Land Office is acquiescent in the sale of oil and gas under the terms and conditions set out in the lease.

If you should have any questions, please feel free to call me at (512) 463-5408.

Sincerely,

Shirley Chou

Shirley Chou
Accounts Examiner
Royalty and Revenue Processing
Energy Resources

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

EXHIBIT A

PROPERTY NAME	MINERAL FILE NUMBER	PROPERTY NUMBER
SABRE 40	MF040154	TX65987-00
SABRE GRAY 40	MF040154	TX65986-00
SABRE GRAY HD #1	MF040154	TX65960-00
MEEKER HILL C	MF046970	TX65975-00
STATE OF TEXAS 23	MF065945	TX65964-00
STATE OF TEXAS 26	MF065945	TX65963-00
AMARILLO STATE 36 #3	MF068427	TX65967-00
AMARILLO STATE 36 #1	MF068555	TX65966-00
HILL STATE 23 #6	MF075119	TX65970-00
ARCO STATE 34 #1	MF076006	TX65969-00
HILL 32 #1	MF077533	TX65971-00
MEEKER 15 #1	MF077534	TX65973-00
MEEKER TRUST 2805	MF082414	TX65972-00

AM

DIVISION ORDER

PLEASE RETURN ONE COPY TO:

PREPARED: 01/08/00

LANTERN PETROLEUM
A DIVISION OF COAST ENERGY GROUP
P.O. BOX 2281
MIDLAND, TX 79702

LANTERN'S PROPERTY #: TX65975-00

EFFECTIVE 7 A.M.: 12/01/99

PROPERTY NAME: MEEKER HILL C M7 046970

OPERATED BY: LINOP CORPORATION

DESCRIPTION: SECTION 20, BLOCK 56, T-3, REEVES COUNTY, TEXAS.

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil/gas and related liquid /gaseous hydrocarbons produced from the property described above.

OWNER#:	CREDIT TO:	DECIMAL:	*TI:
07034	THE COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS	.06250000	R

* TYPE INTEREST: R = ROYALTY, O = OVERRIDING ROYALTY, W = NET WORKING INTEREST, P = PRODUCTION PAYMENT, U = UNLEASED MINERAL INTEREST

Read all covenants appearing on the reverse side hereof which are incorporated herein by reference. The undersigned agrees that each covenant shall be deemed and considered an essential part of this Division Order in like manner and with the same effect as if printed above the undersigned's signature.

SIGNATURE OF WITNESS/ATTEST

SIGNATURE OF OWNER

** SOCIAL SECURITY OR TAX I.D. # OF THIS ACCOUNT:

BY: YOUR COPY

DAYTIME PHONE #:

TITLE: _____
(OFFICER, PARTNER, TRUSTEE, EXECUTOR, etc.)

OWNER'S REMITTANCE ADDRESS:

MAIL CORRESPONDENCE TO (IF DIFFERENT):

** IN ACCORDANCE WITH FEDERAL LAW, 31% TAX WILL BE WITHHELD IF YOU DO NOT PROVIDE YOUR CORRECT SOCIAL SECURITY NUMBER OR EMPLOYER IDENTIFICATION NUMBER.

This agreement does not amend any lease or operating agreement between the interest owners and the lessee or operator or any other contracts for the purchase of oil or gas.

Terms of Sale: The undersigned will be paid in accordance with the division of interests set out above. The payor shall pay all parties at the price agreed to by the operator for oil to be sold pursuant to this Division Order. Payor shall compute quantity and make corrections for gravity and temperature and make deductions for impurities.

Payment: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil runs during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than $25 may be accrued before disbursement until the total amount equals $25 or more, or until December 31 of each year, whichever occurs first. Owner agrees to refund to payor any amounts attributable to an interest or part of an interest that owner does not own.

Indemnity: The owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney's fees or judgments in connection with any suit that affects the owner's interest to which payor is made a party.

Dispute; Withholding of Funds: If a suit is filed that affects the interest of the owner; written notice shall be given to payor by the owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

Termination: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

Notices: The owner agrees to notify payor in writing of any changes in the division of interest, including changes of interest contingent on payment of money or expiration of time.

No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs.

Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor.

Any correspondence regarding this agreement shall be furnished to the addresses listed above unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this Division Order, an owner may have certain statutory rights under the laws of this state (where the subject property is located).

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M.I. 04690

Correspondence File

To

From Lantern petroleum 1-8-2000

Dated Division Order 12-2[illegible]99

YOUR COPY

Texas General Land Office

David Dewhurst
Commissioner

February 25,2000

LANTERN PETROLEUM
ATTN: DIVISION ORDER DEPT.
P O BOX 2281
MIDLAND TX 79702

Re: Property Name: MEEKER HILL A
Mineral File No: MF046970
Property Number: TX65974-00

Dear Sir or Madam:

We have received the division orders submitted by your company for the above-referenced lease and added it to our files. Please be sure to reference this mineral file number in all future royalty payments, reports and correspondence concerning the lease.

The payment of royalties to the State of Texas is set by statute. As the execution of the division order may in some cases affect the payments of such royalties, it is not the policy of this office to execute them. Insofar as allowed by law, the Texas General Land Office is acquiescent in the sale of oil and gas under the terms and conditions set out in the lease.

If you should have any questions, please feel free to call me at (512) 463-5408.

Sincerely,

Shirley Chou
Accounts Examiner
Royalty and Revenue Processing
Energy Resources

Stephen F. Austin Building
1700 North
Congress Avenue
Austin, Texas
78701-1495
512-463-5001

DIVISION ORDER

KK

PLEASE RETURN ONE COPY TO:

PREPARED: 01/24/00

LANTERN PETROLEUM
A DIVISION OF COAST ENERGY GROUP
P.O. BOX 2281
MIDLAND, TX 79702

LANTERN'S PROPERTY #: TX65974-00

EFFECTIVE 7 A.M.: 12/01/99

PROPERTY NAME: MEEKER HILL "A"

OPERATED BY: LINOP CORPORATION

DESCRIPTION: SECTION 20, BLOCK 56, T-3, REEVES COUNTY, TEXAS.

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil/gas and related liquid /gaseous hydrocarbons produced from the property described above.

OWNER#:	CREDIT TO:	DECIMAL:	*TI:
07034	THE COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS	.06250000	R

RECEIVED
00 FE

* TYPE INTEREST: R = ROYALTY, O = OVERRIDING ROYALTY, W = NET WORKING INTEREST, P = PRODUCTION PAYMENT, U = UNLEASED MINERAL INTEREST

Read all covenants appearing on the reverse side hereof which are incorporated herein by reference. The undersigned agrees that each covenant shall be deemed and considered an essential part of this Division Order in like manner and with the same effect as if printed above the undersigned's signature.

SIGNATURE OF WITNESS/ATTEST

SIGNATURE OF OWNER

** SOCIAL SECURITY OR TAX I.D. # OF THIS ACCOUNT:

BY:

DAYTIME PHONE #:

TITLE: (OFFICER, PARTNER, TRUSTEE, EXECUTOR, etc.)

OWNER'S REMITTANCE ADDRESS:

MAIL CORRESPONDENCE TO (IF DIFFERENT):

** IN ACCORDANCE WITH FEDERAL LAW, 31% TAX WILL BE WITHHELD IF YOU DO NOT PROVIDE YOUR CORRECT SOCIAL SECURITY NUMBER OR EMPLOYER IDENTIFICATION NUMBER.

RECEIVED
00 FEB 23 AM 8:57
TEXAS RAILROAD COMMISSION

This agreement does not amend any lease or operating agreement between the interest owners and the lessee or operator or any other contracts for the purchase of oil or gas.

Terms of Sale: The undersigned will be paid in accordance with the division of interests set out above. The payor shall pay all parties at the price agreed to by the operator for oil to be sold pursuant to this Division Order. Payor shall compute quantity and make corrections for gravity and temperature and make deductions for impurities.

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Indemnity: The owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney's fees or judgments in connection with any suit that affects the owner's interest to which payor is made a party.

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No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs.

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In addition to the legal rights provided by the terms and provisions of this Division Order, an owner may have certain statutory rights under the laws of this state (where the subject property is located).

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M.I. 0469270

Correspondence File

To

From Division Orders

Dated 12-1-99