

FILE 23793

Abst. 624

Buyer Scrip

CLASS

Reeves

COUNTY

Texas & Pacific Railway Co.

Surv. 1 Blk. 57 Twp. 2

Surv 2 Blk. 57 Twp. 2

640 ac.

640 ac.

Blk.

Cert.

OLD WRAPPER WITHIN

Std.

CONTENTS.

No. 1, Certificate.

No. 2 & 3, Field Notes.

Aug 9/77. Luck

A. B. Withers

Accorp. Coun
Mst 624
File 23793.

Bexar Scrip.

Texas & Pacific Railway Co.

Survey 13 Town 2 Block 57

" 14 " " "
F.N. of 14 in F-91542

640 acres

640 "

Scrip No. 5075

Conflicts with H. & S. R. R.
S. 2840 otherwise Bred
on Map Oct 18/77
Frank H. H. H. H.

Survey 2:13 Cornet for patenting
Nov 3/77

Patented Dec 3/77
Scrip No. 345.

Patented Dec 3/77
Scrip No. 345.

Vol. 37. via faxing

No. 5775

840 Acres.

The State of Texas,

This is to Certify
that the

LAND SCRP.

General Land Office,
Austin, Oct. 6, 1876.

TEXAS AND PACIFIC RAILWAY COMPANY,

Having completed a section of 112 miles and 375 feet of the Transcontinental branch of said railway, viz: From a point 1500 feet west of the Honey Grove depot to the junction with the main line of said Texas and Pacific Railroad; and a section of 35 miles and 2903 feet of the main line of said Texas and Pacific Railroad, viz: From Dallas to Fort Worth, making a total measurement of main track, single line, 139 miles, and 1543 feet, and of switches and turnouts 8 miles and 1735 feet, is entitled under the provisions of its charter and the General Laws governing the same, to **SIX HUNDRED AND FORTY ACRES OF LAND**, which may, by virtue of this Certificate, be located upon the odd sections within said Railway Company's Reservation, and to be surveyed in the following manner:

First. Two sections of land adjoining and connecting with each other and to be surveyed, one for the State and the other for the company.

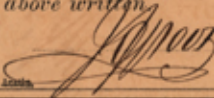
Second. The surveys to be made square, unless prevented by previous entries or navigable streams.

Third. The Commissioner will select and number the surveys and report the result to the Surveyor, who will fill up the blanks left in his record for that purpose, accordingly. (As a matter of convenience in describing the surveys, when reporting the numbers the Surveyor should number the field notes temporarily, in pencil.)

Fourth. Fractions of land of less size than 1280 acres of land, surrounded by previous surveys, must be equally divided, one-half surveyed for the State and the other half for the Company, and the residue of the Certificate may in like manner be located elsewhere, until the same is exhausted.

Fifth. The even numbers will be reserved to the State, and the odd numbers to the company.

In Testimony Whereof, I have hereunto set my hand and affix the impress of the seal of said office, the date first above written.


Commissioner.

1. File 23793.
Bexar Scrip
Texaco R.W. 60
Certificate
No 5076.

Filed Aug 9/77

[Signature]
Room 21

5075

The State of Texas,
County of Pecos.

Variation $11^{\circ} 57' \frac{1}{2}$ East.

Survey No. 18.
Township 2
Block No. 57.

FIELD NOTES of a Survey of 640 Acres of Land, made for the TEXAS & PACIFIC RAILWAY CO., in accordance with the provisions of an Act entitled an act to adjust and define the rights of the Texas & Pacific Railway Co., passed May 2d, 1873. Said survey is situated on the waters of Pecos River, a tributary of Rio Grande River, about 55 miles S. 24 1/2 W. from the E. corner of said mesa and known as Survey No. 18.
Township 2. Block No. 57.

Beginning at a stake and Earth mound, 4 feet the S. E. corner of Survey No. 18. Township No. 2. Block No. 57.

Thence West 1900 rods to Cor. S. E. Earth Mound and 4 feet

Thence South 1900 rods to Cor. S. E. Earth Mound and 4 feet

Thence East 1900 rods to Cor. S. E. Earth Mound and 4 feet

Thence North at 900 rods S. E. Earth Mound and 2 feet
1900 rods to

Surveyed Aug 20th 1876. Wm. B. Toland } the place of beginning.
G. M. Mitchell } Chain Carriers.

I, Wm. B. Champlin Deputy Surveyor for the Texas and Pacific Railway Company, DO HEREBY CERTIFY that the foregoing Survey has been made according to law, and that the limits, boundaries and corners, with the marks, natural and artificial, are truly described in the foregoing plat and field notes.

Wm. B. Champlin
Deputy Surveyor T. & P. Rwy Co.

I, Chas. H. Irvin, Principal Surveyor for the Texas & Pacific Railway Company, DO HEREBY CERTIFY that I have examined the foregoing plat and field notes, and find them correct, and that they are recorded in the office of the Company in Book 53 page 397.

Chas. H. Irvin
Principal Surveyor T. & P. Rwy Co.

I, Thos. C. Nelson Surveyor of Pecos Land District, DO HEREBY CERTIFY that the foregoing field notes have been appropriated by virtue of Certificate No. 277 for 640 Acres of Land, issued to the Texas & Pacific Railway Company, by the Commissioner of the General Land Office, on the 6th day of October, 1876, and I further certify that they are duly recorded in my office, in Book 24 Page 119 this the 28th day of July 1877.

Thos. C. Nelson
Surveyor Pecos Land Dist.

File 23793.

Bexar SCIP.

Field Notes, 640 Acres.

TEXAS & PACIFIC RAILWAY CO.

Filed in General Land Office,

Aug 9/1877

Correct on Map.

Patented Dec 3/77.
E. H. Crozier

wom

25-11-77
1877

that certain that they are duly recorded in my office in Book 2 of Page 110 this the
of the Commission of the General Land Office on the 21st day of October 1876 and I have
Certificate 7092, N.P. of 110 acres of land issued to the Texas & Pacific Railway Company.
DO HERBERT CERRILLO that the foregoing field notes have been appropriated by virtue of
to the Commission of the General Land Office of the Texas & Pacific Railway Company.

HERBERT CERRILLO that I have examined the foregoing plat and field notes and find

that they are duly recorded in my office in Book 2 of Page 110 this the

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that they are duly recorded in my office in Book 2 of Page 110 this the

of the Commission of the General Land Office on the 21st day of October 1876 and I have



July 31, 1996

I, Garry Mauro, 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 on October 6, 1876, J.J. Groos, Commissioner of the Texas General Land Office, issued Land Scrip Certificate 5074, entitling the Texas and Pacific Railway Company, by virtue of having completed railway improvements, to 640 acres of land, which land was to be located upon any of the vacant, unreserved, and unappropriated public domain of the State of Texas, in accordance with its charter and the General Laws governing the same, the grant having been made upon the condition that an alternate section be surveyed for the State, as well as the odd-numbered section for the railway company, and said Land Scrip Certificate was filed in the Texas General Land Office on August 9, 1877, in File Bexar Scrip 23792;

That on August 20, 1876, William B. Champlin, Deputy Surveyor for the Texas and Pacific Railway Co., surveyed 640 acres in Pecos County for the State of Texas, by virtue of Certificate 5074, and compiled field notes thereon, designating it as Section 12, Township 2, Block 57, which field notes were recorded in Book D-4, Page 118, Surveyor's Records, Pecos Land District, and were filed in the Texas General Land Office on August 9, 1877, in Bexar Scrip 23792, marked correct on map for 640 acres;

That the file wrapper for File Bexar Scrip 23792 is endorsed: "Conflict with H&GN RR S-2840 & 2841 otherwise correct on map (dated) Oct. 18/77 (signed) Wm Thompson";

That on November 24, 1906, Section 12, Township 2, Block 57, T&P Ry. Co. Survey, Certificate 5074, 640 acres in Reeves County was awarded to Mrs. Julia Crume on her application filed in the Texas General Land Office on September 20, 1906, in School File 92212, and which application was filed to purchase said land under the provisions of Title LXXXVII, Chapter 12A, Revised Civil Statutes of 1895, and the amendments thereto by the Act of May 19, 1897, and

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the Acts relating to the sale and lease of Public Free School and Asylum lands, approved April 19, 1901, and April 15, 1905, as a actual settler, said tract applied for having been classified as Mineral and Dry Grazing and endorsed: "Land forfeited for failure to reside thereon as required by law. (dated) 2/20/09 (signed) J.T. Robison Comm.", "Reinstated (dated) 4/12/09 (signed) J.T. Robison Comm." and "Must file waiver of mineral right, and also show whether or not you are a married woman. (dated) 10/29/06";

That on November 21, 1906, Mrs Julia Crume, executed an affidavit, sworn to according to law, in which she stated "that she is a widow over the age of twenty one years", said affidavit was filed in the Texas General Land Office on November 23, 1906, in School File 92212;

That on November 30, 1906, a certified copy of Mrs. Julia Crume's mineral rights waiver was received in the Texas General Land Office and filed in School File 92212;

That on April 9, 1909, an opinion was received in the Texas General Land Office from R.V. Davidson, Texas Attorney General, said opinion stated, "I am of the opinion that Mrs. Crume was not absent, in contemplation of law, from her home or from her land and that she has not abandoned same or absented herself therefrom and has in no manner forfeited her title, right or interest in and to said sections, and that you have the power and should reinstate her purchase and cancel the award thereof made to any subsequent party or parties", and a copy of said opinion was filed in the General Land Office in School File 92212;

That on September 25, 1909, Mrs. Julia Crume, a feme sole, made the required proof of occupancy on said Home Section 12, Township 2, Block 57, T&P Ry. Co. Survey, which proof was filed in the Texas General Land Office on October 2, 1909, in School File 92212, and Certificate of Occupancy 11930 was issued on October 5, 1917;

That on April 21, 1914, Julia Crume conveyed Section 12, Township 2, Block 57, T&P Ry. Co. Survey, as well as other lands, 1492 total acres in Reeves County, to Mays and Mays, a law firm composed of W.J. Mays and Charles Mays, and a certified copy of said deed was filed in the Texas General Land Office on July 10, 1926, in School File 92212;

That on December 13, 1923, W.J. Mays and Charles Mays conveyed Section 12, Township 2, Block 57, T&P Ry. Co., in Reeves County, to Helmer Peterson, and a certified copy of said deed was filed in the Texas General Land Office on July 10, 1926, in School File 92212;

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That on August 27, 1925, Helmer Peterson conveyed Section 12, Township 2, Block 57, T&P Ry. Co. Survey, 440 acres in Reeves County, to K.M. Regan, and a certified copy of said deed was filed in the Texas General Land Office on July 10, 1926, in School File 92212, and is endorsed: "Cannot tell what portion of the Sec. is conveyed by this deed";

That the old file wrapper for School File 92212 is endorsed: "For add-See F92213, 97615 & 97616", "MF 6150", "Reuse to cancel the claim should affidavit of abandonment be filed through investigation (dated) 3/31/08", "Forfeited for failure to reside upon the land as required by law. (signed) J.T. Robison (dated) 2/20/08" and "Reinstated under opinion Atty Genl. see copy within (signed) J.T. Robison (dated) 4/12/09";

That the new file wrapper for School File 92212 is endorsed: "E 1/2 of NE 1/4, W 1/2 of NW 1/4, NW pt. of S 1/2", "See Official SK. in F-142477", "E 1/2 of NW 1/4 F 142475, W 1/2 of NE 1/4 F 142476, SE pt of N 400 a F 142477", "Sold in File 151379" and "(stamped) Land Forfeited Aug. 26, 1941 (signed) Bascom Giles Commissioner (Reinstated statement on old file wrapper)";

That on June 14, 1920, Helmer Peterson conveyed Section 12, Block 57, Township 2, T&P Ry. Co. Survey, 200 acres in Reeves County, to Mrs. Helmer (Myrtle) Peterson, and a certified copy of said deed was filed in the Texas General Land Office on July 10, 1926, in School File 141756;

That the file wrapper for School File 141756 is endorsed: "Abt. 4829", "See Office SK F-142477", "Orig. in 92212. (dated) 7-1-27" and "(stamped) LAND FORFEITED (signed) J.T. Robison Commr.";

That on October 30, 1919, Alma McLendon conveyed her application to Prospect Section 12, Block 57, Township 2, T&P Ry. Co. Survey in Reeves County, to C.H. Finley, and a certified copy of said deed was filed in the Texas General Land Office on April 12, 1929, in Mineral File M-6150;

That on January 3, 1920, JH Walker, Commissioner of the Texas General Land Office, under the provisions of Chapter 83, Act

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approved March 16, 1917, issued Oil and Gas Permit 6150, to C.H. Finley, Assignee of Alma McLendon, covering Section 12, Certificate 5074, Block 57, Township 2, T&P Ry. Co. Survey, as well as other Sections, total of 2560 acres of land, in Reeves County, for a term of three years and a certified copy of said permit was received in the Texas General Land Office on January 3, 1920, in Mineral File M-6150, and is endorsed: "(stamped) Forfeited for failure to continue development and pay 3rd year 10¢ per acre to State within time prescribed by law. (dated) 3-10-1922, (signed) JT Robison Commissioner";

That on March 20, 1920, C.H. Finley conveyed Oil and Gas Permit 6150, covering Section 12, Certificate 5074, Block 57, Township 2, T&P Ry. Co. Survey, as well as other Sections, total of 2560 acres of land, in Reeves County, to H.B. McDowell, J.O. Crockett, and F.H. Lazenby, Trustee of the American Oil and Refining Company, and a certified copy of said deed was filed in the Texas General Land Office on May 12, 1920, in Mineral File M-6150;

The file wrapper for Mineral File M-6150 is endorsed:
"Forfeited for failure to pay third year 10¢ per acre to State within time prescribed by law. (dated) 3-10-1922 (signed) J.T. Robison, Commissioner", "See No. 12 Cert. No. 5074, See No. 14 Cert. No. 5075, See No. 22 Cert. No. 5079, See No. 24 Cert. No. 5080", "Transfer MF 5928", "Cert. of Co. Sur. in App. 8528, Combination Agreement in 4813" and "combined with 4813-4651-4812-4733-5019-6098-6180-4218 Average date Oct. 8-1919" and "(stamped) FORFEITED";

* * *

That on April 12, 1929, J.T. Robison, Commissioner of the Texas General Land Office, under the provisions of Chapter 83, Act approved March 16, 1917, issued Oil and Gas Permit 14458, to Theo W. Carter, covering South part of Section 12, Certificate 5074, Block 57, Township 2, T&P Ry. Co. Survey, 160 acres in Reeves County, for a term of three years and a certified copy of said permit was filed in the Texas General Land Office on April 12, 1929 in Mineral File M-14458, and is endorsed: "(stamped) Forfeited for failure to begin development and 10¢ per acre to State within time prescribed by law. (dated) 6-11-1931, (signed) JH Walker Commissioner";

That the file wrapper for Mineral File 14458 is endorsed:
"S. pt Section No. 12", "Combination within, Combined with 16350" and "(stamped) Forfeited for failure to begin

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development and pay 10¢ per acre to State within time prescribed by law. (dated) 6-11-1931 (signed) J.H. Walker Commissioner.";

* * *

That on December 13, 1949, pursuant to Chapter 271, Acts of the 42nd Legislature, 1931, as amended by House Bill No. 9, Acts of the 46th Legislature, 1939, Chapter 82, Acts of the 50th Legislature, 1947, and other applicable laws, Bascom Giles, Commissioner of the Texas General Land Office, executed and delivered State Oil & Gas Lease M-34841, covering the South part of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, Reeves County, containing 200 acres, more or less, as shown by the official map filed in the Texas General Land Office, to Jack May, for a cash bonus of \$500.00, with a primary term of five years, an annual delay rental of \$1.00 per acre, and a royalty to the State of one-eighth (1/8) of the production of oil and gas from the tract, and, upon the payment of the cash bonus due, and the 1.0% statutory sale fee when required, a copy of the lease was filed in the Texas General Land Office on December 13, 1949, in Mineral File M-34841;

That the file wrapper for Mineral File M-34841 is endorsed: "200 acres (drawn through and changed to) 120" and "(stamped) EXPIRED";

* * *

That on October 2, 1973, pursuant to Chapter 271, General Laws, Acts of the 42nd Legislature, Regular Session, 1931, as amended, (Art. 5421c, V.T.C.S.), Senate Bill 816, Acts of the 63rd Legislature, 1973, and subject to all rules and regulations promulgated by the Commissioner of the Texas General Land Office and/or the School Land Board, pursuant to Articles 5366 and 5421c-3, V.T.C.S., as amended, and all other applicable statutes and amendments thereto, Bob Armstrong, Commissioner of the Texas General Land Office, executed and delivered State Oil & Gas Lease M-68734, covering the South part of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, Reeves County, containing 200 acres, as shown by the official map filed in the Texas General Land Office, to the Skelly Oil Company, for a cash bonus of \$30,478.00, with a primary term of five years, an annual delay rental of \$5.00 per acre, and a royalty to the State of one-sixth (1/6) of the production of oil and gas from the tract, and, upon the payment of the cash bonus due, and the 1.0% statutory sale fee when required, a copy of the lease was filed in the Texas General Land Office on October 2, 1973, in Mineral File M-68734;

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That the file wrapper for Mineral File M-68734 is endorsed: "Expired (initialed) AJW";

* * *

That on February 6, 1979, pursuant to Chapter 32 and Subchapters A-E, G, and H of Chapter 52 of the Natural Resources Code, and subject to all rules and regulations promulgated by the Commissioner of the Texas General Land Office and/or the School Land Board, pursuant thereto, and all other applicable statutes and amendments to said Natural Resources Code, Bob Armstrong, Commissioner of the Texas General Land Office, executed and delivered State Oil & Gas Lease M-78875, covering the South Part of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, Reeves County, containing 200 acres, as shown by the official map filed in the Texas General Land Office, to the Continental Oil Company, for a cash bonus of \$36,400.00, with a primary term of three years, an annual delay rental of \$5.00 per acre, and a royalty to the State of one-fifth (1/5) of the production of oil and gas from the tract, and, upon the payment of the cash bonus due, and the 1.0% statutory sale fee when required, a copy of the lease was filed in the Texas General Land Office on February 6, 1979, in Mineral File M-78875;

That the file wrapper for Mineral File M-78875 is endorsed: "Released (dated) 9-3-82 (initialed) ES" and "(stamped) EXPIRED (initialed) NS";

* * *

That on October 5, 1982, pursuant to Chapter 32 and Subchapters A-E, G, and H of Chapter 52 of the Natural Resources Code, and subject to all rules and regulations promulgated by the Commissioner of the Texas General Land Office and/or the School Land Board, pursuant thereto, and all other applicable statutes and amendments to said Natural Resources Code, Bob Armstrong, Commissioner of the Texas General Land Office, executed and delivered State Oil & Gas Lease M-88364, covering the South Part of Section 12, T&P Ry. Co. Survey, Block 57, Township 2, Reeves County, containing 200 acres, as shown by the official map filed in the Texas General Land Office, to Prewit Minerals, for a cash bonus of \$15,000.00, with a primary term of three years, an annual delay rental of \$5.00 per acre, and a royalty to the State of one-fourth (1/4) of the production of oil and gas from the tract, and, upon the payment of the cash bonus due, and the 1.0% statutory sale fee when required, a copy of the lease was filed in the Texas General Land Office on October 5, 1982, in Mineral File M-88364;

That on November 23, 1982, Prewit Minerals assigned to Union Texas Petroleum Corp., its interest in the lease in Mineral File M-88364, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Book 428, Pages 10-11, Deed Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on January 28, 1983, in Mineral File M-88364;

That on December 31, 1984, Union Texas International Corporation assigned to Union Texas Petroleum Corporation, its interest in the lease in Mineral File M-88364, as well as other leases, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Volume 456, Page 394, Deed Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on August 31, 1985, in Mineral File M-60527;

That Mineral File M-84199 contains a copy of a State of Delaware Certificate of Incorporation and Name Change, dated March 26, 1985, which document providing that the "Union Texas Properties Corporation", filed a Restated Certificate of Incorporation, changing its corporate title to "Union Texas Petroleum Corporation", certified by J.C. Grubb, Vice President and Secretary, April 8, 1985, and said copy was filed in the Texas General Land Office on June 27, 1985;

That on June 20, 1986, effective as of the first day of production, Union Texas Petroleum Corporation made a partial assignment to Orla Petco, Inc., various interests in the lease in Mineral File M-88364, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Volume 468, Page 267, Deed Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on July 3, 1986, in Mineral File M-88364;

That on June 27, 1986, effective date as of the first day of production, Orla Petco, Inc. made a partial assignment to Blair Royalties of Orla, Inc., various interests in the lease in Mineral File M-88364, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Volume 468, Page 268, Deed Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on July 3, 1986, in Mineral File M-88364;

That on August 12, 1986, and August 25, 1986, Railroad Commission Form W-2, Oil Well Potential Test, Completion or Recompletion Report and Log, was filed in the Texas General Land Office in

Mineral File M-88364, indicating that well No. 1, Long Shot, Matthews (Lower Cherry Canyon), was completed as a new well on September 1, 1985;

That on August 25, 1986, Railroad Commission Form W-2, Oil Well Potential Test, Completion or Recompletion Report and Log, was filed in the Texas General Land Office in Mineral File M-88364, indicating that well No. 2, Long Shot A, Matthews (Lower Cherry Canyon), was completed as a new well on May 16, 1986;

That on July 29, 1986, effective as of the first day of production, Blair Royalties of Orla, Inc. assigned to Oliver S. Heard, Jr., 20/3333%, Stephen Blair 20.3334%, Tom Goggan 20.3333%, James M.C. Ritchie, Jr. 2.0000%, William A. Heard, Jr. 1.0000%, Cordelia C. Ritchie 1.0000%, Ed R. Kennedy, Jr. 1.0000%, Jody P. McDade 1.0000%, Steven B. McKinney 1.0000%, Ronald E. Meeks 1.0000%, Nathan W. Moon 1.0000%, Pauline Grubb 1.0000%, Johnny M. Fisher 1.0000%, Doak E. Enabnit 1.0000%, Betty J. Randell 1.0000%, Earl L. Perkins 1.0000%, an undivided 75% interest in a total of 80 acres as described in said assignment in the lease in Mineral File M-88364, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Book 469, Page 229, Deed Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on August 27, 1986, in Mineral File M-88364;

That on May 24, 1987, effective as of May 26, 1987, Nathan W. Moon assigned to W.A. Blair, an undivided 1% interest in the lease in Mineral File M-88364, as well as a 1% interest in another lease, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Book 482, Page 662, Deed Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on April 27, 1988, in Mineral File M-88364;

That on March 4, 1988, effective date of first run, Orla Petco, Inc., assigned an undivided 79.00% interest to Wintershall Oil and Gas 37.035%, Orla Drilling Fund No. 6, 19.447%, Bruce Pearson 7.407%, J.M.C. Ritchie 7.407%, Arden Grover 3.704%, Betty Randell 2.00%, J.M.C. Ritchie, Jr. 2.00% interest in a total of 80 acres as described in said assignment in the lease in Mineral File M-88364, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Book 483, Page 566, Deed Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on April 8, 1988, in Mineral File M-88364;

That on January 22, 1988, effective date of first runs, Orlo Petco, Inc., assigned to Ed R. Kennedy, Jr., an overriding royalty equal to two percent of eight-eighths (2% of 8/8ths) of all oil interest in the lease in Mineral File M-88364, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Volume 482, Page 462, Deed Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on June 8, 1988, in Mineral File M-88364;

That on July 12, 1988, Railroad Commission Form W-2, Oil Well Potential Test, Completion or Recompletion Report and Log, was filed in the Texas General Land Office in Mineral File M-88364, indicating that well No. 1, State "12", Matthews Lower Cherry Canyon, was completed as a new well on November 8, 1987;

That on February 13, 1990, effective as of January 1, 1990, J.N. Jones and wife, Judy Jones made a partial assignment to W.A. Blair 16.17%, Craig L. Blair 16.17%, in 120 acres, as described in said assignment, the lease in Mineral File M-88364, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Book 499, Page 612, Deed Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on March 17, 1990, in Mineral File M-88364;

That the latest royalty payments for lease M-88364 were received in the Texas General Land Office on May 23, 1996, for oil produced during April 1996, and on June 14, 1996, for gas produced during March 1996;

* * *

That on October 16, 1990, pursuant to the authority granted by the Texas Natural Resources Code, Section 51.291, et seq. (Vernon 1978), and by Land Resources, Title 31, Texas Administrative Code, Chapter 13, and subject to all rules and regulations promulgated by the Commissioner of the Texas General Land Office pursuant thereto and all other statutes and amendments to the Texas Natural Resources Code, Garry Mauro, Commissioner of the Texas General Land Office, issued Miscellaneous Easement ME-900011 to Conoco Inc. for a thirty (30) foot easement located in the South half of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, Reeves County, Texas for a right-of-way, and a certified copy of said assignment was filed in the Texas General Land Office on October 9, 1990, in Miscellaneous Easement File ME-900011;

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That on March 14, 1994, pursuant to the authority granted by Texas Natural Resources Code, Section 51.121 et seq., and Title 31, Texas Administrative Code, Chapter 13 (Land Resources), and subject to all rules and regulations promulgated by the Commissioner of the Texas General Land Office pursuant thereto and all other applicable statutes and amendments to the Texas Natural Resources Code, now in force and as amended after the execution here of, Garry Mauro Commissioner of the Texas General Land Office, executed and delivered State Grazing Lease SL-880028, covering South 200 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, Reeves County, to Roy Lindsay, for a term of five years beginning May 1, 1993, with an annual rental of \$62.00, and a certified copy of said lease was filed in the Texas General Land Office on February 28, 1994, in Grazing Lease File SL-880028;

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

GARRY MAURO
COMMISSIONER

GM/BDS

John P. Usery
Richard J. Ganem CPL\ESA
400 N. Marienfeld, Suite 100
Midland, TX 79701-0527

Fee: \$100.00
Register No. 65242
Dicta No. 96-130
Files: Bexar Scrip 23793; School 92212, 141756; Mineral M-6150, M-14458, M-34841, M-60527, M-68734, M-78875, M-84199 and M-88364; ME-900011; SL-880028;

Dicta No. 96-130

FILE NO. 23793

Revised COUNTY

C/F 96-130

LED 23/19 96

GARRY MAURO, COM'R

Bds



Texas General Land Office
Garry Mauro, Commissioner

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495
(512) 463-5001

August 9, 1996

I, Garry Mauro, 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 on October 6, 1876, J.J. Groos, Commissioner of the Texas General Land Office, issued Land Scrip Certificate 5074, entitling the Texas and Pacific Railway Company, by virtue of having completed railway improvements, to 640 acres of land, which land was to be located upon any of the vacant, unreserved, and unappropriated public domain of the State of Texas, in accordance with its charter and the General Laws governing the same, the grant having been made upon the condition that an alternate section be surveyed for the State, as well as the odd-numbered section for the railway company, and said Land Scrip Certificate was filed in the Texas General Land Office on August 9, 1877, in File Bexar Scrip 23792;

That on August 20, 1876, William B. Champlin, Deputy Surveyor for the Texas and Pacific Railway Co., surveyed 640 acres in Pecos County for the State of Texas, by virtue of Certificate 5074, and compiled field notes thereon, designating it as Section 12, Township 2, Block 57, which field notes were recorded in Book D-4, Page 118, Surveyor's Records, Pecos Land District, and were filed in the Texas General Land Office on August 9, 1877, in Bexar Scrip 23792, marked correct on map for 640 acres;

That the file wrapper for File Bexar Scrip 23792 is endorsed: "Conflict with H&GN RR S-2840 & 2841 otherwise correct on map (dated) Oct. 18/77 (signed) Wm Thompson";

That on November 24, 1906, Section 12, Township 2, Block 57, T&P Ry. Co. Survey, Certificate 5074, 640 acres in Reeves County was awarded to Mrs. Julia Crume on her application filed in the Texas General Land Office on September 20, 1906, in School File 92212, and which application was filed to purchase said land under the provisions of Title LXXXVII, Chapter 12A, Revised Civil Statutes of 1895, and the amendments thereto by the Act of May 19, 1897, and

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the Acts relating to the sale and lease of Public Free School and Asylum lands, approved April 19, 1901, and April 15, 1905, as a actual settler, said tract applied for having been classified as Mineral and Dry Grazing and endorsed: "Land forfeited for failure to reside thereon as required by law. (dated) 2/20/09 (signed) J.T. Robison Comm.", "Reinstated (dated) 4/12/09 (signed) J.T. Robison Comm." and "Must file waiver of mineral right, and also show whether or not you are a married woman. (dated) 10/29/06";

That on November 21, 1906, Mrs Julia Crume, executed an affidavit, sworn to according to law, in which she stated "that she is a widow over the age of twenty one years", said affidavit was filed in the Texas General Land Office on November 23, 1906, in School File 92212;

That on November 30, 1906, a certified copy of Mrs. Julia Crume's mineral rights waiver was received in the Texas General Land Office and filed in School File 92212;

That on April 9, 1909, an opinion was received in the Texas General Land Office from R.V. Davidson, Texas Attorney General, said opinion stated, "I am of the opinion that Mrs. Crume was not absent, in contemplation of law, from her home or from her land and that she has not abandoned same or absented herself therefrom and has in no manner forfeited her title, right or interest in and to said sections, and that you have the power and should reinstate her purchase and cancel the award thereof made to any subsequent party or parties", and a copy of said opinion was filed in the General Land Office in School File 92212;

That on September 25, 1909, Mrs. Julia Crume, a feme sole, made the required proof of occupancy on said Home Section 12, Township 2, Block 57, T&P Ry. Co. Survey, which proof was filed in the Texas General Land Office on October 2, 1909, in School File 92212, and Certificate of Occupancy 11930 was issued on October 5, 1917;

That on April 21, 1914, Julia Crume conveyed Section 12, Township 2, Block 57, T&P Ry. Co. Survey, as well as other lands, 1492 total acres in Reeves County, to Mays and Mays, a law firm composed of W.J. Mays and Charles Mays, and a certified copy of said deed was filed in the Texas General Land Office on July 10, 1926, in School File 92212;

That on December 13, 1923, W.J. Mays and Charles Mays conveyed Section 12, Township 2, Block 57, T&P Ry. Co., in Reeves County, to Helmer Peterson, and a certified copy of said deed was filed in the Texas General Land Office on July 10, 1926, in School File 92212;

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That on August 27, 1925, Helmer Peterson conveyed Section 12, Township 2, Block 57, T&P Ry. Co. Survey, 440 acres in Reeves County, to K.M. Regan, and a certified copy of said deed was filed in the Texas General Land Office on July 10, 1926, in School File 92212, and is endorsed: "Cannot tell what portion of the Sec. is conveyed by this deed";

That the old file wrapper for School File 92212 is endorsed: "For add-See F92213, 97615 & 97616", "MF 6150", "Reuse to cancel the claim should affidavit of abandonment be filed through investigation (dated) 3/31/08", "Forfeited for failure to reside upon the land as required by law. (signed) J.T. Robison (dated) 2/20/08" and "Reinstated under opinion Atty Genl. see copy within (signed) J.T. Robison (dated) 4/12/09";

That the new file wrapper for School File 92212 is endorsed: "E 1/2 of NE 1/4, W 1/2 of NW 1/4, NW pt. of S 1/2", "See Official SK. in F-142477", "E 1/2 of NW 1/4 F 142475, W 1/2 of NE 1/4 F 142476, SE pt of N 400 a F 142477", "Sold in File 151379" and "(stamped) Land Forfeited Aug. 26, 1941 (signed) Bascom Giles Commissioner (Reinstated statement on old file wrapper)";

* * *

That on September 12, 1925, K.M. Regan conveyed 80 acres, more or less, out of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Frank H. Schuler, F.C. Gehle and Fred W. Ulrich, and a certified copy of said Warrenty Deed was filed in the Texas General Land Office on August 26, 1926, in School File 142477;

That on November 13, 1943, H.U. von Rosenberg, compiled field notes for 80 acres in Reeves County, designating it as the South East Pt. of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, which field notes were filed in the Texas General Land Office on November 13, 1943, in School File 142477, marked correct on map for 80 acres on November 13, 1943, and are endorsed as patented on November 17, 1943;

That on March 24, 1975, Evelyn M. Gehle, a widow, conveyed an undivided one-third (1/3) interest in and to all of the Southeast part of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, Reeves County, to Jack E. Blake, and a certified copy of said Warranty Deed was received in the Texas General Land Office on July 16, 1975, in School File 142477;

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That the file wrapper for School File 142477 is endorsed:
"SE pt of N 440 Section 12", "Orig in 92212" and "See
office SK. in this file";

That on November 13, 1943, payment in full for 80 acres, Southeast pt. of the North part of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, Certificate 5074, Reeves County, was received in the Texas General Land Office, and said land, having been classified Mineral and Grazing, with all minerals reserved to the State, was patented on November 17, 1943, to Frank H. Schuler, F.C. Gehle, and Fred Ulrich, their heirs, and assigns, by Patent Number 54, Volume 92A, under Abstract 4924 and School File 142477;

That on October 30, 1919, Alma McLendon conveyed her application to Prospect Section 12, Block 57, Township 2, T&P Ry. Co. Survey in Reeves County, to C.H. Finley, and a certified copy of said deed was filed in the Texas General Land Office on April 12, 1929, in Mineral File M-6150;

That on January 3, 1920, JH Walker, Commissioner of the Texas General Land Office, under the provisions of Chapter 83, Act approved March 16, 1917, issued Oil and Gas Permit 6150, to C.H. Finley, Assignee of Alma McLendon, covering Section 12, Certificate 5074, Block 57, Township 2, T&P Ry. Co. Survey, as well as other Sections, total of 2560 acres of land, in Reeves County, for a term of three years and a certified copy of said permit was received in the Texas General Land Office on January 3, 1920, in Mineral File M-6150, and is endorsed: "(stamped) Forfeited for failure to continue development and pay 3rd year 10¢ per acre to State within time prescribed by law. (dated) 3-10-1922, (signed) JT Robison Commissioner";

That on March 20, 1920, C.H. Finley conveyed Oil and Gas Permit 6150, covering Section 12, Certificate 5074, Block 57, Township 2, T&P Ry. Co. Survey, as well as other Sections, total of 2560 acres of land, in Reeves County, to H.B. McDowell, J.O. Crockett, and F.H. Lazenby, Trustee of the American Oil and Refining Company, and a certified copy of said deed was filed in the Texas General Land Office on May 12, 1920, in Mineral File M-6150;

The file wrapper for Mineral File M-6150 is endorsed:
"Forfeited for failure to pay third year 10¢ per acre to State within time prescribed by law. (dated) 3-10-1922 (signed) J.T. Robison, Commissioner", "See No. 12 Cert. No. 5074, See No. 14 Cert. No. 5075, See No. 22 Cert. No.

5079, See No. 24 Cert. No. 5080", "Transfer MF 5928", "Cert. of Co. Sur. in App. 8528, Combination Agreement in 4813" and "combined with 4813-4651-4812-4733-5019-6098-6180-4218 Average date Oct. 8-1919" and "(stamped) FORFEITED";

That on June 25, 1975, Jack E. Blake and wife, Carol Jo Blake, individually, and as agents for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering all of the Southeast part of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to the Dalco Oil Company, for a primary term of five years, with a cash bonus of \$733.33, and an annual delay rental of \$40.00, with like amounts payable each to landowner and State, and a royalty of three-thirtyseconds (3/32), payable each to landowner and State, and a certified copy of said lease was filed in the Texas General Land Office on August 28, 1975, in Mineral File M-72161;

That on November 13, 1975, Violet Schuler, single, Evelyn Schuler, widow of Robert L. Schuler, individually, and as agents for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering a part of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, Abstract 5701, containing 80 acres in Reeves County, to Griffin & Burnett, Inc., for a primary term of five years, with a cash bonus of \$666.75, and an annual delay rental of \$40.00, with like amounts payable each to landowner and State, and a royalty of three-sixteenths (3/16), one-half payable each to landowner and State, and a certified copy of said lease was filed in the Texas General Land Office on February 21, 1976, in Mineral File M-72161;

That on August 16, 1977, Betty Jane Yowell, individually, and as agent for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering an 80 acre tract of land out of the Southeast part of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, Reeves County, to Stanley S. Beard, for a primary term of five years, with a cash bonus of \$833.33, and an annual delay rental of \$80.00, with like amounts payable each to landowner and State, and a royalty of one-sixth (1/6), one-half payable each to landowner and State, and a certified copy of said lease was filed in the Texas General Land Office on September 29, 1977, in Mineral File M-72161;

That the file wrapper for Mineral File M-72161 is endorsed: "(stamped) EXPIRED (initialed) RW";

* * *

That on October 8, 1982, Violet Schuler and Evelyn Schuler, widow of Robert L. Schuler, individually, and as agents for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering all of the Southeast part of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, 80 acres in Reeves County, to Blake Oil & Gas Corporation, for a primary term of five years, with a cash bonus of \$1,333.34, and an annual delay rental of \$40.00, with like amounts payable each to landowner and State, and a royalty of three-sixteenth (3/16), one-half payable each to landowner and State, and a certified copy of said lease was filed in the Texas General Land Office on December 21, 1982, in Mineral File M-88676;

That on August 1, 1983, R.W. Blake, individually, and as agent for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering all of the Southeast part of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, 80 acres in Reeves County, to Orla Petco, Inc., for a primary term of three years, with a cash bonus of \$667.00, and an annual delay rental of \$6.67, with like amounts payable each to landowner and State, and a royalty of one-fourth (1/4), one-half payable each to landowner and State, and a certified copy of said lease was filed in the Texas General Land Office on December 8, 1983, in Mineral File M-88676;

That on August 1, 1983, Jack E. Blake and wife, Carol Jo Blake, individually, and as agents for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering all of the Southeast part of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, 80 acres in Reeves County to Orla Petco, Inc., for a primary term of three years, with a cash bonus of \$667.00, this is a paid up lease and the rental sum of Thirteen and 34/100 Dollars (\$13.34) covering the full three year term has been paid to owner of the soil and like amount to the state and no further rental is due, and a royalty of one-fourth (1/4), one-half payable each to landowner and State, and a certified copy of said lease was filed in the Texas General Land Office on May 11, 1984, in Mineral File M-88676;

That on August 4, 1983, Blake Oil & Gas Corporation assigned to Orla Petco, Inc., various interests in the lease in Mineral File M-88676, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Book 437, Page 718, Deed Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on May 11, 1984, in

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Mineral File M-88676;

That on November 22, 1983, Robert S. Schuler and James N. Schuler, individually, and as agents for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering all of the Southeast part of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, 80 acres in Reeves County, to Blake Oil & Gas Corporation, for a primary term of three years, with a cash bonus of \$444.45, this is a paid up lease and the rental sum of Eight dollars and 90/100 (\$8.90) covering the full three year term has been paid to owner of the soil and like amount to the state and no further rental is due, and a royalty of one-fourth (1/4), one-half payable each to landowner and State, and a certified copy of said lease was filed in the Texas General Land Office on January 4, 1984, in Mineral File M-88676;

That on January 3, 1984, Blake Oil & Gas Corporation, assigned to Orla Petro, Inc. its interest in the lease in Mineral File M-88676, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Book 443, Page 610, Deed Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on May 11, 1984, in Mineral File M-88676;

That on May 8, 1986, Algo A. Novallo executed an Affidavit of Heirship regarding F.C. Gehle, Theodore F. Gehle, Henry C. Gehle, Otto A Gehle, Marie Charlotte Moehlman, Anna Louise Kiel, Emma Gehle, and Clara Dorothy Gehle, and the property listed: Southeast part of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, Reeves County, Texas, and reference to said affidavit is herein made for all purposes to the instrument which was filed of record in Volume 485, Page 466, Deed Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on November 15, 1988, in Mineral File M-88676;

That on December 8, 1986, Robert A. Schuler and James N. Schuler, individually and as Remainderman under Evelyn Schuler, Life Estate, c/o Violet Schuler and as agent for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering all of the Southeast part of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, 80 acres in Reeves County, to Blake Oil & Gas Corporation, for a primary term of three years, with a cash bonus of \$333.00, and an annual delay rental of \$4.44, with like amounts payable each to landowner and State, and a royalty of three-sixteenths (3/16), one-half payable each to landowner and State, and a certified copy of said lease was filed in the Texas General Land Office on February 26, 1987, in Mineral

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File M-88676;

That on October 10, 1987, Evelyn Schuler, individually, and as agent for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Blake Oil & Gas Corporation, for a primary term of three years, with a cash bonus of \$166.50, and an annual delay rental of \$2.22, with like amounts payable each to landowner and State, and a royalty of three-sixteenths (3/16), one-half payable each to landowner and State, and a certified copy of said lease was filed in the Texas General Land Office on December 26, 1987, in Mineral File M-88676;

That on October 10, 1987, Violet Schuler, individually, and as agent for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Blake Oil & Gas Corporation, for a primary term of three years, with a cash bonus of \$500.00, and an annual delay rental of \$6.67, with like amounts payable each to landowner and State, and a royalty of three-sixteenths (3/16), one-half payable each to landowner and State, and a certified copy of said lease was filed in the Texas General Land Office on December 26, 1987, in Mineral File M-88676;

That on September 30, 1988, Lois Oestrich and Clint Oestrich, individually, and as agents for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering .296 net acres of the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Blake Oil & Gas Corporation, for a primary term of three years, with a cash bonus of \$11.10, and an annual delay rental of \$.15, with like amounts payable each to landowner and State, and a royalty of three-sixteenths (3/16), one-half payable each to landowner and State, and a certified copy of said lease was received in the Texas General Land Office on November 7, 1988, and filed in Mineral File M-88676;

That on September 30, 1988, Mildred Max, individually, and as agent for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering .89 net acres of the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Blake Oil & Gas Corporation, for a primary term of three years, with a cash bonus of \$66.75, and an annual delay rental of \$.89, and a royalty of three-sixteenths (3/16), one-half payable each to landowner and

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State, and a certified copy of said lease was received in the Texas General Land Office on November 7, 1988, and filed in Mineral File M-88676;

That on September 30, 1988, Richard Kiel, individually, and as agent for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering .444 net acres of the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Blake Oil & Gas Corporation, for a primary term of three years, with a cash bonus of \$33.30, and an annual delay rental of \$.44, with like amounts paid to the landowner and State and a royalty of three-sixteenths (3/16), one-half payable each to landowner and State, and a certified copy of said lease was received in the Texas General Land Office on November 7, 1988, and filed in Mineral File M-88676;

That on September 30, 1988, Robert W. Blake and wife, Marion, individually, and as agents for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering 13.33 net acres of the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Blake Oil & Gas Corporation, for a primary term of three years, with a cash bonus of \$999.75, and an annual delay rental of \$13.33, and a royalty of three-sixteenths (3/16), one-half payable each to landowner and State, and a certified copy of said lease was received in the Texas General Land Office on November 7, 1988, and filed in Mineral File M-88676;

That on September 30, 1988, Mary C. Gehle, individually, and as agent for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering 1.34 net acres of the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Blake Oil & Gas Corporation, for a primary term of three years, with a cash bonus of \$50.25, and an annual delay rental of \$.67, with like amounts paid to the landowner and State and a royalty of three-sixteenths (3/16), one-half payable each to landowner and State, and a certified copy of said lease was received in the Texas General Land Office on November 7, 1988, and filed in Mineral File M-88676;

That on September 30, 1988, Altha M. Farwell, individually, and as agent for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering 1.34 net acres of the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Blake Oil &

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Gas Corporation, for a primary term of three years, with a cash bonus of \$50.25, and an annual delay rental of \$.67, with like amounts paid to the landowner and State and a royalty of three-sixteenths (3/16), one-half payable each to landowner and State, and a certified copy of said lease was received in the Texas General Land Office on November 7, 1988, and filed in Mineral File M-88676;

That on September 30, 1988, Richard Gehle, individually, and as agent for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering .89 net acres of the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Blake Oil & Gas Corporation, for a primary term of three years, with a cash bonus of \$66.75, and an annual delay rental of \$.89, and a royalty of three-sixteenths (3/16), one-half payable each to landowner and State, and a certified copy of said lease was received in the Texas General Land Office on December 3, 1988, and filed in Mineral File M-88676;

That on September 30, 1988, Algo A. Novallo, individually, and as agent for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering 1.34 net acres of the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Blake Oil & Gas Corporation, for a primary term of three years, with a cash bonus of \$50.25, and an annual delay rental of \$.67, with like amounts paid to the landowner and State, and a royalty of three-sixteenths (3/16), one-half payable each to landowner and State, and a certified copy of said lease was received in the Texas General Land Office on December 3, 1988, and filed in Mineral File M-88676;

That on October 10, 1988, Donald H. Kiel, individually, and as agent for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering .296 net acres of the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Blake Oil & Gas Corporation, for a primary term of three years, with a cash bonus of \$11.10, and an annual delay rental of \$.15 with like amounts paid to the landowner and State and a royalty of three-sixteenths (3/16), one-half payable each to landowner and State, and a certified copy of said lease was received in the Texas General Land Office on November 7, 1988, and filed in Mineral File M-88676;

That on October 10, 1988, Lorna Jean Rybachack, individually, and

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as agent for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering .296 net acres of the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Blake Oil & Gas Corporation, for a primary term of three years, with a cash bonus of \$11.10, and an annual delay rental of \$.15 with like amounts paid to the landowner and State and a royalty of three-sixteenths (3/16), one-half payable each to landowner and State, and a certified copy of said lease was received in the Texas General Land Office on November 7, 1988, and filed in Mineral File M-88676;

That on October 17, 1988, Shirley E. Campbell, individually, and as agent for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering 1.34 net acres of the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Blake Oil & Gas Corporation, for a primary term of three years, with a cash bonus of \$50.25, and an annual delay rental of \$.67, with like amounts paid to the landowner and State, and a royalty of three-sixteenths (3/16), one-half payable each to landowner and State, and a certified copy of said lease was received in the Texas General Land Office on November 7, 1988, and filed in Mineral File M-88676;

That on September 30, 1988, Esther I. Wurm, individually, and as agent for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering .89 net acres of the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Blake Oil & Gas Corporation, for a primary term of three years, with a cash bonus of \$66.75, and an annual delay rental of \$.89, and a royalty of three-sixteenths (3/16), one-half payable each to landowner and State, and a certified copy of said lease was received in the Texas General Land Office on February 1, 1989, and filed in Mineral File M-88676;

That on September 30, 1988, Carol Wagner and Arthur Wagner, individually, and as agents for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering .444 net acres of the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Blake Oil & Gas Corporation, for a primary term of three years, with a cash bonus of \$16.65, and an annual delay rental of \$.22, with like amounts paid to the landowner and State, and a royalty of three-sixteenths (3/16), one-half payable each to landowner and State, and a certified copy of said lease was

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received in the Texas General Land Office on February 1, 1989, and filed in Mineral File M-88676;

That on November 2, 1988, Jack E. Blake and wife, Carol Jo Blake, individually, and as agents for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering 16.884 net acres of the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Michael W. Roye, for a primary term of three years, with a cash bonus of \$1,688.40, and an annual delay rental of \$16.88, with like amounts paid to the landowner and State, and a royalty of twenty three percent (23%), one-half payable each to landowner and State, and a certified copy of said lease was received in the Texas General Land Office on February 11, 1989, and filed in Mineral File M-88676;

That on November 2, 1988, Betty Jane Staples, individually, and as agent for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering 13.33 net acres of the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Michael W. Roye, for a primary term of three years, with a cash bonus of \$1,333.00, and an annual delay rental of \$13.33, and a royalty of twenty three percent (23%), one-half payable each to landowner and State, and a certified copy of said lease was received in the Texas General Land Office on February 11, 1989, and filed in Mineral File M-88676;

That on January 30, 1989, Jack E. Blake, President of Blake Oil and Gas Corporation made a partial assignment to Michael W. Roye, of its interest in the leases in Mineral File M-88676, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Book 495, Page 52, Deed Records, Reeves County, a certified copy of which was received in the Texas General Land Office on August 2, 1989, and filed in Mineral File M-88676;

That on January 30, 1989, Michael W. Roye made an assignment to Blake Oil & Gas Corp., Jack E. Blake, Jr. and Bruce W. Blake, of an overriding royalty assignment of Four and One-Quarter Percent (4.25%) of all oil and gas produced in lease M-88676, said assignment is herein made for all purposes to the instrument which was filed of record in Book 492, Page 79, Deed Records, Reeves County and a certified copy of said assignment was filed in the Texas General Land Office on December 4, 1989, in Mineral File M-88676;

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That on January 31, 1989, Michael W. Roye made a partial assignment to Blair Royalties of Orla, Inc., of his interest in the leases in Mineral File M-88676, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Book 495, Page 54, Deed Records, Reeves County, a certified copy of which was received in the Texas General Land Office on August 2, 1989, and filed in Mineral File M-88676;

That on January 31, 1989, Blair Royalties of Orla, Inc., made an Overriding Royalty assignment to Michael W. Roye, of its interest in the leases in Mineral File M-88676, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Book 495, Page 57, Deed Records, Reeves County, a certified copy of which was received in the Texas General Land Office on August 2, 1989, and filed in Mineral File M-88676;

That on November 27, 1989, Blair Royalties of Orla, Inc., released said lease M-88676, and a certified copy of said release was filed in the Texas General Land Office on December 4, 1989, in Mineral File M-88676;

That on November 28, 1989, Robert W. Blake and wife, Marion, individually, and as agents for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering 13.33 net acres the Southeast 80 acres of the North 440 acres of Section 12, Block 57, Township 2, T&P Ry. Co. Survey, in Reeves County, to Blair Royalties of Orla, Inc., for a primary term of two years, with a cash bonus of \$666.50, and an annual delay rental of \$40.00, with like amounts paid to the landowner and State, and a royalty of twenty three percent (23%), one-half payable each to landowner and State, and a certified copy of said lease was received in the Texas General Land Office on December 4, 1989, and filed in Mineral File M-88676;

That on January 3, 1990, Blair Royalties of Orla, Inc., made an Overriding Royalty Interest assignment to Michael Roye, of an overriding royalty interest of one percent of eight-eighths (1% of 8/8ths) of all the oil, gas and other hydrocarbons produced, the instrument which was filed of record in Book 500, Page 464, Deed Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on May 15, 1990, in Mineral File M-88676;

That on May 18, 1990, Jack E. Blake, Jr., made an Overriding Royalty assignment to Michael W. Roye, of an undivided One Hundred Percent (100%) Interest in and to the Overriding Royalty Interest conveyed to Jack E. Blake, Jr., the instrument which was filed of record in Book 502, Page 264, Deed Records, Reeves County, a

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certified copy of which was filed in the Texas General Land Office on June 22, 1990, in Mineral File M-88676;

That the latest royalty payments for lease M-88676 were received in the Texas General Land Office on May 23, 1996, for oil produced during April, 1996, and on June 14, 1996, for gas produced during March 1996;

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

GARRY MAURO
COMMISSIONER

GM/BDS

John P. Usrey
Richard J. Ganem CPL\ESA
400 N. Marienfeld, Suite 100
Midland, TX 79701-0527

Fee: \$100.00
Register No. 65242
Dicta No. 96-131
Files: Bexar Scrip 23793; School 92212, 142477; Mineral M-6150, M-72161, M-88676;

FILE NO. *Bex 5-23793*
COUNTY

Brewster

CF 96-131

FILED *8-9-96*

BY *GARRY MAURO, COM'R*

Dicta No. 96-131

Dicta No. 96-131

FILE NO. Bay S-23793

Reeres COUNTY

9/7 96-131

FILED: 8-9 19 96

GARRY MAURO, COM'R

BY: Bdo