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2500 FIRST NATIONAL BANK BUILDING
DENVER, COLORADO 80202
572-1551 AREA CODE 303

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OCT 3 1975
COLO. OIL & GAS CONS. COMM.

July 18, 1975

Oxford Exploration Company
1030 Denver Club Building
Denver, Colorado 80202

Re: Original Title Opinion
Lots 1,2 and the S/2 of Section 23
Township 12 North, Range 52 West
Logan County, Colorado
Meier Company, et al, Lessors

Gentlemen:

In response to your request for an Original Title Opinion covering the following described lands, to wit:

Logan County, Colorado
Township 12 North, Range 52 West
Section 23: Lots 1, 2 and the S/2,
containing 400.97 acres more or less

hereinafter referred to as the "Captioned Lands", I have examined the following materials:

1. Base Abstract of Title as originally prepared and continued by the Logan County Abstract Company and as continued by The Platte Valley Title and Mortgage Company and covering the period from original entry to October 5, 1945.
2. Supplemental Abstract Title prepared by The Platte Valley Title and Mortgage Company and covering the period from October 5, 1945 to December 27, 1955.
3. Supplemental Abstract of Title prepared by The Platte Valley Title and Mortgage Company and covering the period from December 27, 1955 to July 3, 1975 at 7:00 A.M.
4. Original recorded oil and gas lease from Meier Company to Paul F. Faust dated April 29, 1975, and recorded in Book 692 at Page 989 of the Records of Logan County, Colorado.



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5. Original recorded oil and gas lease from Donald W. Meier, et ux, to Paul F. Faust dated April 29, 1975, and recorded in Book 692 at Page 991 of the Records of Logan County, Colorado.

6. Original unrecorded assignment of the Meier Company and Donald W. Meier lease and other leases from Paul F. Faust to Oxford Exploration Company dated July 8, 1975.

7. Original unrecorded assignment of overriding royalty affecting the Meier Company and Donald W. Meier lease and other leases from Oxford Exploration Company to Ira H. Cram, Jr., et al, dated July 8, 1975.

Based upon my examination of the foregoing abstracts, I find the Title to be as follows:

TRACT A

Lots 1, 2 and the S/2 of Section 23, Township 12 North, Range 52 West, less and except Tract B as hereinafter described.

SURFACE

Meier Company All

MINERALS

(Bonus, Delay Rentals, Leasing Privileges and Landowners Royalty)

Meier Company 82.15%
Donald W. Meier 17.85%

OIL AND GAS LEASEHOLD ESTATE

Oxford Exploration Company. All

OVERRIDING ROYALTY INTEREST

Ira A. Cram, Jr.. 1.0%
Paul F. Faust 3.0%
David C. Gargliardo 3.0%

TRACT B

A tract of land lying in the SE/4 SE/4 of Sec. 23, Twp. 12 N., R. 52 W. of the 6th P.M., Logan County, Colorado, and being more particularly described as follows:

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Commencing at the Southeast corner of said Sec. 23; thence westerly along the south line of said Sec. 23 a distance of 636.2 feet to the true point of beginning; thence continuing along the last described course a distance of 135.0 feet; thence northerly an angle right of 90°00'00" from the last described course a distance of 212.0 feet; thence easterly an angle right of 90°00'00" from the last described course a distance of 135.0 feet; thence southerly an angle right of 90°00'00" from the last described course a distance of 212.0 feet to the point of beginning and containing 0.657 acres, more or less.

SURFACE

Mervill E. Meier and Annette M. Meier,
Joint Tenants All

MINERALS

(Bonus, Delay Rentals, Leasing privileges
and Landowners Royalty)

Mervill E. Meier and Annette M. Meier,
Joint Tenants 82.15%
Donald W. Meier 17.85%

OIL AND GAS LEASEHOLD ESTATE

Oxford Exploration Company. 17.85%

OVERRIDING ROYALTY INTEREST

Ira A. Cram, Jr.. 1% of 17.85%
Paul F. Faust 3% of 17.85%
David C. Gargliardo 3% of 17.85%

OIL AND GAS LEASES

Lease No. 1

Lessor : Meier Company, a Colorado
corporation
Lessee : Paul F. Faust
Form : 88 (Producers) 1-43 B
Date : April 29, 1975

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Term : Three years
Expiration Date : April 29, 1978
Recorded : April 29, 1975 in Book 692
at Page 989 of the Records of
Logan County, Colorado. This
lease was also recorded on
January 5, 1975 in Book 170
at Page 298 of the Records of
Cheyenne County, Nebraska.

Lands Covered : Captioned Lands and other lands.
Interest Covered : 82.15% interest in lands in
Tract A only, 328.86 net mineral
acres, more or less.

Royalty : 1/8th
Delay Rental Instructions : On or before April 29, 1976,
and 1977, pay or tender to the
credit of the Lessor in The
American National Bank of
Sidney, Nebraska, the sum of
\$328.86.

Shut-In Gas Clause : Yes
Entirety Clause : Yes
Unusual Provisions : None

Lease No. 2

Lessor : Donald W. Meier and Clara J.
Meier, husband and wife.
Lessee : Paul F. Faust
Form : 88 (Producers) 1-43 B
Date : April 29, 1975
Term : Three years
Expiration Date : April 29, 1978
Recorded : April 29, 1975 in Book 692 at
Page 991 of the Records of
Logan County, Colorado. This
lease was also recorded on June
5, 1975 in Book 170 at Page 300
of the Records of Cheyenne County,
Nebraska.

Lands Covered : Captioned Lands and other lands.
Interest Covered : 17.85% interest in both Tracts
A and B, 71.57 net mineral acres,
more or less.

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Delay Rental Instructions	:	See Requirement 3 below.
Shut-In Gas Clause	:	Yes
Entirety Clause	:	Yes
Unusual Provisions	:	None

ASSIGNMENT OF OIL AND GAS LEASES

Assignor	:	Paul F. Faust
Assignee	:	Oxford Exploration Company
Date	:	July 8, 1975
Recorded	:	Not Recorded
Leases Assigned	:	The above tabulated leases and other leases
Interest Assigned	:	All of Assignor's interest

ASSIGNMENT OF OVERRIDING ROYALTY:

Assignor	:	Oxford Exploration Company
Assignee	:	Ira H. Cram, Jr., Paul F. Faust and David C. Gagliardo
Date	:	July 8, 1975
Recorded	:	Not Recorded
Leases Assigned	:	The above tabulated lease and other leases
Interest Assigned	:	1% overriding royalty to Ira H. Cram, Jr. and 3% overriding royalty to each Paul F. Faust and David C. Gagliardo proportionately reduced to the interest owned by Assignor in the underlying oil and gas leasehold estate.

TITLE COMMENTS, EXCEPTIONS AND REQUIREMENTS

1. Nothing has been submitted relative to a determination of the rights of any party in possession of the Captioned Lands.

Requirement: Determine the rights of the parties in actual possession and furnish the undersigned with an affidavit showing the possession history and if required, obtain a "Tenant's Consent" from any tenant in possession.

2. The assignment from Paul F. Faust to Oxford Exploration Company and the assignment of overriding royalty from Oxford Exploration Company to Ira H. Cram, Jr., Paul F. Faust and David C. Gagliardo have not been recorded.

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Requirement: Record the assignments from Paul F. Faust to Oxford Exploration Company and from Oxford Exploration Company to Ira H. Cram, Jr., Paul F. Faust and David C. Gagliardo in the county records of Logan County, Colorado and continue the abstract to a date subsequent to the recording of such assignments and resubmit same for further examination.

3. The lease from Donald W. Meier and Clara J. Meier tabulated as Lease No. 2 above indicates that the agreement was entered into on April 29, 1975. The rental paying clause in the lease provides that if no well is commenced on the leased lands on or before April 29, 1975, then the Lessee will pay a rental. The correct date that should have been inserted in the rental paying clause should have been April 29, 1976.

Requirement: Obtain an appropriate curative instrument that provides:

- a) A correct rental paying date of April 29, 1976, and
- b) A ratification and confirmation of the existing lease.

Assuming that the foregoing curative material is obtained in the normal form, on or before April 29, 1977, pay or tender to the credit of Donald W. Meier and Clara J. Meier, husband and wife, in The American National Bank of Sidney, Nebraska, the sum of \$71.57.

4. The 82.15% interest of Mervill E. Meier and Annette M. Meier in Tract B is not subject to an oil and gas lease.

Requirement: Obtain a lease covering the interest of Mervill E. Meier and Annette M. Meier covering their interest in Tract B, record same in the county records of Logan County, Colorado, obtain a continuation of your abstract to a date subsequent to the recording of said lease and submit same for examination.

5. Under date of April 30, 1964, a grant of easement was given in favor of the United States of America granting a perpetual right-of-way and easement to place, construct, maintain, operate, repair, replace, patrol and remove a cable line, junction boxes, manholes and other appurtenances in, upon, over and under a strip of land sixteen and one half feet in width across the SESE of Section 23, Township 12 North, Range 52 West, said strip containing .29 acres more or less together with the right of ingress and egress as may be necessary to maintain, operate, repair, replace, patrol, remove said cable line, junction boxes, manholes and other appurtenances.

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Requirement: You should locate the sixteen and one half foot right-of-way on the ground and you should conduct your operations so as not to interfere with the use of the easement.

6. Each of the leases as tabulated above contain an entirety clause. In the event of production, it will be necessary to examine abstracts that cover all of the land in each of the leases.

Requirement: None, advisory.

7. At entries 22 and 23 of the base abstract, it appears that a county road is laid out along the south side of the Captioned Lands. Because the entries do not contain verbatim copies of the instruments, it is not possible to absolutely determine if the road petition affects the underlying minerals. However, from the material included in the abstract it would appear that the ownership of the minerals are not affected by the roadway and accordingly, it is suggested that no action be taken on this matter at this time, but in the event of production, an indepth investigation be made as to the ownership of the minerals lying underneath the roadway.

Requirement: None, advisory.

TAXES

All taxes for 1974 and prior years show as being paid.

This Opinion does not include the rights of persons in actual possession of the Captioned Lands nor does it cover matters not ascertainable from an examination of the above described title materials. The abstracts and other title materials examined are herewith returned to you.

Very truly yours,


Robert E. Dippe

RED/kp

Enclosures