

# Exhibit 11



# Exhibit 12

**DECLARATION OF JEFFREY M. JOHNSTON, ESQ.**

JEFFREY M. JOHNSTON, ESQ. declares as follows:

1. I am over the age of 18 years and have personal knowledge of the facts stated herein, except for those stated upon information and belief, and as to those, I believe them to be true. I am competent to testify as to the facts stated herein in a court of law and will so testify if called upon.

2. I am an attorney licensed to practice in the states of Texas and New Mexico. I am a shareholder in the law firm of Johnston & Associates, P.C. in Midland, Texas. I have been practicing law in Texas for approximately 29 years.

3. I am submitting this Declaration in Support of the Omnibus Opposition to (1) Petition for Determination of Construction and Interpretation of Language Relating to Trust No 2 and (2) Petition for Construction and Effect of Probate Court Order and Countermotion for Summary Judgment ("Opposition") and Countermotion for Summary Judgment ("Countermotion") in the In the Matter of The W.N. Connell and Marjorie T. Connell Living Trust Dated May 18, 1972, An Inter Vivos Irrevocable Trust, Case No. P-09-066425-T (The "Trust Dispute") pending in the Eighth Judicial District Court, Clark County, Nevada, Department 26.

**THE DIVISION ORDERS**

4. Oil companies typically issue a division order when: (1) a new well was drilled; or (2) a new company became responsible for the disbursement of the proceeds from the sale of oil and gas production.

5. Within the division order, the oil companies identify the owners, with their respective ownership interests, who would receive the proceeds from the sale of oil and gas production attributable to the mineral and royalty interests. In addition, the division orders would customarily contain representations and/or warranties by the actual owners for the benefit of the company disbursing oil and gas revenues as to the respective signatory mineral or royalty owner's correct and rightful ownership interest in the minerals being produced as reflected in the



1 division order. Thus, a division order typically serves to confirm with the oil companies how the  
2 proceeds should be disbursed to each respective owner.

### 3 THE APACHE DEAL

4 6. In early 2012, I was retained to handle the preparation of the lease agreements  
5 between the trustee of the W.N. Connell and Marjorie T. Connell Living Trust Agreement dated  
6 May 18, 1972 (the "Trust"), as lessor, and Apache Corporation ("Apache"), as lessee.

7 7. On April 4, 2012, I sent Jacqueline Montoya a letter enclosing the documentation  
8 to be executed for the closing with Apache. A true and correct copy of my letter dated April 4,  
9 2012 is attached as Exhibit 29 to the Opposition and Counter-motion.

10 8. On April 5, 2012, Jacqueline Montoya returned the leases and other necessary  
11 documentation to me, all signed solely by Eleanor Ahern, in her individual capacity and as  
12 Trustee of the Trust.

13 9. As a result of the Apache lease purchase transaction, it is my understanding that  
14 approximately \$1,727,493.60 was paid to the Trust as lease bonuses. A true and correct copy of  
15 my letter dated April 6, 2012 to Wells Fargo Bank instructing that bank that the lease bonuses  
16 were to be wired to the Trust's bank account is attached as Exhibit 32 to the Opposition and  
17 Counter-motion.

18 Pursuant to NRS § 53.045, I declare under penalty of perjury under the laws of the State  
19 of Nevada that the foregoing is true and correct.

20 Dated this 2 day of January, 2015.

21  
22   
23 JEFFREY M. JOHNSTON, ESQ.

# Exhibit 13

Las Vegas, Nevada  
May 19, 1980

✓ Tesoro Crude Oil Company  
8700 Tesoro Drive  
San Antonio, Texas 78286

Re: Royalty Interest  
William N. Connell and  
Marjorie T. Connell, Trustees  
Lease Number - 620434  
Cowden et al (1-5)  
Upton County Texas  
Sections 44 & 45, Block 39 -T-5-S  
T&P Ry. Company Survey

Attention: Division Order Department.

I am returning the Division Order received April 16, 1980 that shows the Royalty Interest of William N. Connell and Marjorie T. Connell, Trustees of the W. N. and Marjorie T. Connell Living Trust dated - May 18, 1972, and request that you send an Amended Division Order of Royalty Interest to the address below and show that Eleanor Marguerite Connell Hartman also known as Eleanor C. Hartman is Co-Trustee of the W. N. Connell and Marjorie T. Connell Living Trust.

I am enclosing documents of excerpts of the W. N. Connell and Marjorie T. Connell Living Trust and a copy of the death certificate of Mr. Connell.

Yours truly,

Marjorie T. Connell  
Marjorie T. Connell, Trustee  
P. O. Box 710  
Las Vegas, Nevada 89101

Eleanor C. Hartman  
Eleanor C. Hartman, Co-Trustee  
P. O. Box 710  
Las Vegas, Nevada 89101

Encl:

1. Oil run in pursuance of this division order shall be and become your property upon delivery thereof to any pipe line or other carrier which you may designate and then shall be credited to the owners thereof in proportion to the respective interest of each as shown hereinabove at the price to be determined as follows:

AS PER CURRENT AGREEMENT WITH OPERATOR

2. Payment shall be made monthly on or before the 20th day of the succeeding month for oil run during the preceding calendar month by mailing or delivering your draft or check to each of the undersigned at his, her or its address indicated for his, her or its respective interest in the oil run, provided, however, that you shall not be

ECA167

Las Vegas, Nevada

June 25, 1980

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

Royalty Interest  
William N. Connell and  
Marjorie T. Connell, Trustees  
Lease Number 191337  
Wayne W. Buchanan-Cowden Et. Al  
Upton County Texas  
SW/4 of Section 41, Block 39, T-5-S,  
T&P Ry. Co. Survey containing 100  
acres, more or less.

Dear Sirs:

I am returning the Division Order received May 20, 1980, that shows the Royalty Interest of William N. Connell and Marjorie T. Connell, Trustees of the W. N. and Marjorie T. Connell Living Trust dated - May 18, 1972, and request that you send an Amended Division Order of Royalty Interest to the address below and show that Eleanor Marguerite Connell Hartman also known as Eleanor C. Hartman is Co-Trustee of the W. N. Connell and Marjorie T. Connell Living Trust.

I am enclosing documents of excerpts of the W. N. Connell and Marjorie T. Connell Living Trust and a copy of the death certificate of Mr. Connell.

Yours truly,  
*Marjorie T. Connell*  
Marjorie T. Connell, Trustee  
P.O. Box 710  
Las Vegas, Nevada 89101

*Eleanor C. Hartman*  
Eleanor C. Hartman, Co-Trustee  
P.O. Box 710  
Las Vegas, Nevada 89101

Encl. 4

ECA173

# Exhibit 14



**PHILLIPS PETROLEUM COMPANY**

BARTLESVILLE, OKLAHOMA 74004

918 861-8600

EXPLORATION AND PRODUCTION GROUP

*Gas  
Division Orders*

February 10, 1981

File: SEE EXHIBIT "A"

Re: Connell Living Trust

Marjorie T. Connell  
P. O. Box 710  
Las Vegas, NV 89101

Dear Ms. Connell:

Our Legal Department has examined the trust agreements which were returned with my letter of November 12, 1980, and received in this office on December 2, 1980.

It is their opinion the future disbursement of proceeds of this trust may be made as set out on the attached instruments and if these instruments meet with your approval, please secure the necessary execution by Marjorie T. Connell and Eleanor M. Connell Hartman, as trustees.

Instructions were issued, effective January 1, 1981, to our Accounting Department to make the direct transfer from the former trust into the Marjorie T. Connell and Eleanor M. Connell Hartman, trusteeship.

Your prompt attention in securing the necessary execution and returning of these instruments will enable Phillips Petroleum Company to update our records at an early date.

Thanking you in advance for your assistance in this matter, and until our future correspondence, we remain

Very truly yours,

*Roger L. Evans*

Roger L. Evans/*JE*  
Division Orders

100 Pioneer Building  
Bartlesville, Oklahoma 74004  
1-918-661-4271

RLE:jb

Enclosures

EXHIBIT "A"

*Does this mean we are protected?*

55747

Oil Sales 247832  
Gas Purchase 26176  
TRACT 23 - PEMBROOK UNIT (Forest  
Lease)  
All Sec. 18, Blk. D, A-579, EL & RR  
Survey  
Upton County, Texas

X 223 BENEDUM

Meter Station 66626  
CONNELL ESTATE #1  
SE/4 Sec. 32, Blk. 39, T-5S, T&P  
Ry Co Survey  
Upton County, Texas

223 BENEDUM

Meter Station 66870  
COWDEN ET AL #1  
All of Sec. 44 & 45, Blk. 39, T-5S,  
T&P Ry Co Survey from the surface  
down to a depth not to exceed the  
base of the Dean Sand Formation at  
approximately 9,100'  
Upton County, Texas

223 BENEDUM

Meter Station 66880  
CONNELL ESTATE #2, #3, & #4  
SE/4 Sec. 32, Blk. 39, T-5S, T&P  
Ry Co Survey  
Upton County, Texas

223 BENEDUM

Meter Station 66627  
COWDEN "A" ET AL #1  
SW/4 Sec. 41, Blk. 39, T-5S, T&P  
Ry Co Survey  
Upton County, Texas

225 BENEDUM

Meter Station 66869  
CONNELL ESTATE #1  
All of Sec. 33, Blk. 39, T-5S, T&P  
Ry Co Survey  
Upton County, Texas



STIPULATION OF DIVISION OF INTEREST  
AND SETTLEMENT PERIODS

TO: PHILLIPS PETROLEUM COMPANY  
BARTLESVILLE, OKLAHOMA

THIS IS YOUR COPY

RLE:jb  
Date February 11, 1981  
File No. 2 2 3 BENEDUM

Each of the undersigned certifies and warrants that he is the lawful owner of the interest shown below in all gas produced from the following described property:

Lease Name COWDEN "A" ET AL #1  
Operator Wayman W. Buchanan  
Description SW/4 Sec. 41, Blk. 39, T-5S, T&P Ry Co Survey  
Upton County, Texas

EFFECTIVE: 2/1/81  
and requests that payment be made to him accordingly.

CREDIT TO

DIVISION OF INTEREST

POST OFFICE ADDRESS

MARJORIE T. CONNELL AND  
ELEANOR MARGUERITE CONNELL  
HARTMAN, TRUSTEES OF THE  
WILLIAM N. CONNELL AND  
MARJORIE T. CONNELL LIVING  
TRUST

.0585937 RI

P. O. Box 710  
Las Vegas, Nevada  
89101

THIS INTEREST CANNOT BE RELEASED UNTIL SUCH TIME AS WAYMOND W. BUCHANAN  
(OPERATOR OF THIS LEASE) ADVISES THAT TITLE REQUIREMENT #6 HAS BEEN MET.

Settlement shall be made within sixty days after the month during which the gas is produced by mailing or delivering to each of the undersigned owners, his heirs, assigns or legal representatives, a bank check or draft for the amount due. If, at any settlement date, the amount payable to any owner shall be less than Ten Dollars (\$10.00) Phillips Petroleum Company may withhold payment until the amount payable to such owner equals that sum, in which event payment shall be made at the next regular settlement date. Upon permanent cessation of production payment shall be made of any amounts due.

Phillips is hereby relieved 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 interests, and the signatory parties whose interests are affected by such money or other payments, agree to give Phillips notice in writing addressed to Phillips at Bartlesville, Oklahoma, when any such money or other payments have been completed or discharged or when any division of interest other than that set forth above shall, for any reason, become effective, and to furnish transfer orders accordingly.

Each of the undersigned owners agrees to notify you promptly in writing of any change in his fractional interest set forth above, and such change shall be effective the first day of the month following receipt of such notice. The undersigned also agrees to indemnify and hold you harmless from loss or damage for failure to give such notice.

SIGNATURE OF WITNESS

SIGNATURE OF OWNERS

SOCIAL SECURITY OR  
TAXPAYER NUMBER

Mike J. Buchanan  
400 Broadway St. #411  
Las Vegas Nev 89102

x Marjorie T. Connell  
Marjorie T. Connell

REDACTED 212

x Eleanor Marguerite Connell Hartman  
Eleanor Marguerite Connell Hartman

REDACTED 1044

IN ACCORDANCE WITH FEDERAL LAW, PLEASE INDICATE YOUR SOCIAL SECURITY OR TAX-  
PAYER IDENTIFICATION NUMBER. BE SURE YOU SHOW YOUR CORRECT MAILING ADDRESS.

FORM 5477-N 12-72

AA 1979

STIPULATION OF DIVISION OF INTEREST  
AND SETTLEMENT PERIODS

TO: PHILLIPS PETROLEUM COMPANY  
BARTLESVILLE, OKLAHOMA

THIS IS YOUR COPY

RLE:jb  
Date February 11, 1981  
File No. 223 BENEDUM  
M.S. 66880

Each of the undersigned certifies and warrants that he is the lawful owner of the interest shown below in all gas produced from the following described property:

Lease Name CONNELL ESTATE #2, #3, & #4  
Operator Wayman W. Buchanan  
Description SE/4 Sec. 32, Blk. 39, T-5S, T&P Ry Co Survey  
Upton County, Texas

EFFECTIVE: First Gas  
and requests that payment be made to him accordingly.

CREDIT TO

DIVISION OF INTEREST

POST OFFICE ADDRESS

MARJORIE T. CONNELL  
AND ELEANOR MARGUERITE  
CONNELL HARTMAN TRUSTEES  
OF THE WILLIAM N. CONNELL  
AND MARJORIE T. CONNELL  
LIVING TRUST

.0136719 RI

P. O. Box 710  
Las Vegas, Nevada  
89101

THIS INTEREST CANNOT BE RELEASED UNTIL SUCH TIME AS WAYMOND W. BUCHANAN  
(OPERATOR OF THIS LEASE) ADVISES THAT TITLE REQUIREMENT #6 HAS BEEN MET.

Settlement shall be made within sixty days after the month during which the gas is produced by mailing or delivering to each of the undersigned owners, his heirs, assigns or legal representatives, a bank check or draft for the amount due. If, at any settlement date, the amount payable to any owner shall be less than Ten Dollars (\$10.00) Phillips Petroleum Company may withhold payment until the amount payable to such owner equals that sum, in which event payment shall be made at the next regular settlement date. Upon permanent cessation of production payment shall be made of any amounts due.

Phillips is hereby relieved 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 interests, and the signatory parties whose interests are affected by such money or other payments, agree to give Phillips notice in writing addressed to Phillips at Bartlesville, Oklahoma, when any such money or other payments have been completed or discharged or when any division of interest other than that set forth above shall, for any reason, become effective, and to furnish transfer orders accordingly.

Each of the undersigned owners agrees to notify you promptly in writing of any change in his fractional interest set forth above, and such change shall be effective the first day of the month following receipt of such notice. The undersigned also agrees to indemnify and hold you harmless from loss or damage for failure to give such notice.

SIGNATURE OF WITNESS

SIGNATURE OF OWNERS

SOCIAL SECURITY OR  
TAXPAYER NUMBER

Walter D. Buchanan  
400 Branch St. #411  
Las Vegas Nev. 89107

x Marjorie T. Connell  
Marjorie T. Connell

REDACTED 1212

x Eleanor Marguerite Connell Hartman  
Eleanor Marguerite Connell Hartman

REDACTED 1044

IN ACCORDANCE WITH FEDERAL LAW, PLEASE INDICATE YOUR SOCIAL SECURITY OR TAX-  
PAYERS IDENTIFICATION NUMBER. BE SURE YOU SHOW YOUR CORRECT MAILING ADDRESS.

STIPULATION OF DIVISION OF INTEREST  
AND SETTLEMENT PERIODS

TO: PHILLIPS PETROLEUM COMPANY  
BARTLESVILLE, OKLAHOMA

THIS IS YOUR COPY

RLE:jb  
Date February 11, 1981  
File No. 223 BENEDUM  
M.S. 66626

Each of the undersigned certifies and warrants that he is the lawful owner of the interest shown below in all gas produced from the following described property:

Lease Name CONNELL ESTATE #1  
Operator Wayman W. Buchanan  
Description SE/4 Sec. 32, Blk. 39, T-5S, T&P Ry Co Survey  
Upton County, Texas

EFFECTIVE: First Gas  
and requests that payment be made to him accordingly.

CREDIT TO

DIVISION OF INTEREST

POST OFFICE ADDRESS

MARJORIE T. CONNELL AND  
ELEANOR MARGUERITE CONNELL  
HARTMAN, TRUSTEES OF THE  
WILLIAM N. CONNELL AND MARJORIE  
T. CONNELL LIVING TRUST

.0136219 RI

P. O. Box 710  
Las Vegas, Nevada  
89101

THIS INTEREST CANNOT BE RELEASED UNTIL SUCH TIME AS WAYMOND W. BUCHANAN  
(OPERATOR OF THIS LEASE) ADVISES THAT TITLE REQUIREMENT #6 HAS BEEN MET.

Settlement shall be made within sixty days after the month during which the gas is produced by mailing or delivering to each of the undersigned owners, his heirs, assigns or legal representatives, a bank check or draft for the amount due. If, at any settlement date, the amount payable to any owner shall be less than Ten Dollars (\$10.00) Phillips Petroleum Company may withhold payment until the amount payable to such owner equals that sum, in which event payment shall be made at the next regular settlement date. Upon permanent cessation of production payment shall be made of any amounts due.

Phillips is hereby relieved 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 interests, and the signatory parties whose interests are affected by such money or other payments, agree to give Phillips notice in writing addressed to Phillips at Bartlesville, Oklahoma, when any such money or other payments have been completed or discharged or when any division of interest other than that set forth above shall, for any reason, become effective, and to furnish transfer orders accordingly.

Each of the undersigned owners agrees to notify you promptly in writing of any change in his fractional interest set forth above, and such change shall be effective the first day of the month following receipt of such notice. The undersigned also agrees to indemnify and hold you harmless from loss or damage for failure to give such notice.

SIGNATURE OF WITNESS

SIGNATURE OF OWNERS

SOCIAL SECURITY OR  
TAXPAYER NUMBER

Albert L. Pennell  
400 Brook St. #11  
Las Vegas Nev. 89107

x Marjorie T. Connell  
Marjorie T. Connell

REDACTED 10210

x Eleanor Marguerite Connell Hartman  
Eleanor Marguerite Connell HARTMAN

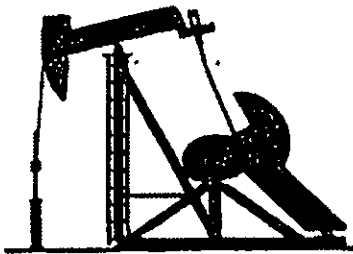
REDACTED 1044

IN ACCORDANCE WITH FEDERAL LAW, PLEASE INDICATE YOUR SOCIAL SECURITY OR TAX-  
PAYERS IDENTIFICATION NUMBER. BE SURE YOU SHOW YOUR CORRECT MAILING ADDRESS.

FORM 5477-N 12-72

AA 1981

# Exhibit 15



HALLCO PETROLEUM INC.

2525 N.W. EXPRESSWAY • SUITE 212

OKLAHOMA CITY, OK 73112

405/848-0546

*Copy  
mailed 2-19-86*

February 14, 1986

Marjorie T. Connell and  
Eleanor C. Hartman  
P. O. Box 710  
Las Vegas, NV 89125

Re: Marjorie T. Connell and  
Eleanor C. Hartman, Trustees  
of the W. N. Connell &  
Marjorie T. Connell Living  
Trust, dated 5/18/72,  
recorded 459 DR 100.

Gentlemen:

We received Social Security numbers for Marjorie T. Connell and Eleanor C. Hartman but because the interest in the Exxon-Cowden lease is a Trust, we must have a Tax Identification Number. Please obtain this information from your tax accountant and send it to us as soon as possible.

Thank you.

*Stephen Hall  
checked with my  
checks mailed to you*

Very truly yours,

HALLCO PETROLEUM INC.

*R.G.H.*

Robert G. Hall

RGH/sh

*My auditor has advised us to use our  
Social Security Number as a Tax  
identification Number. Other oil & gas  
companies that we have Royalty interest  
accept and use our Social Security  
Numbers*

*MARJORIE T. CONNELL, TRUSTEE  
SS# - 417-12-1212*

*ELEANOR C. HARTMAN, CO-TRUSTEE  
SS# REDACTED 1044*

Robert G. Hall  
2525 Northwest Expressway, Suite 212  
Oklahoma City, OK 73112  
(405) 848-0546

## GAS DIVISION ORDER

Lease No. \_\_\_\_\_

Property Name Exxon-Cowden #1-42

TO: Robert G. Hall  
(hereinafter designated "Operator")

August 28, 1985

The undersigned, and each of them, severally but not jointly, guarantee and warrant that they are the legal owners of the interest shown hereunder opposite their name in the gas and its constituent elements, including condensate, produced from the following described land located in the County of Upton, State of Texas, to-wit:

NW/4 - Section 42, Block 38, Township 5 South, T. & P. R., R. Co. Survey,

and effective with runs beginning First Production at 7:00 A.M. and thereafter until further written notice either from you or us, you are authorized to receive or sell the gas and its constituent elements, including condensate, produced therefrom, and pay or credit the proceeds received by you therefor as directed below:

NAME AND ADDRESS	DIVISION OF INTEREST	DECIMAL
------------------	----------------------	---------

SEE ATTACHED EXHIBIT "A"

COPY

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

1. The gas and its constituent elements, including condensate, received and purchased hereunder shall become your property as soon as the same is received into your custody or that of any pipe line designated by you.

10. This division order shall be valid and binding on each party above named when signed by such party, regardless of whether or not all of the above named parties have so signed. In consideration of the purchase of the gas and its constituent elements, including condensate, hereunder, consent is hereby given to you and/or any pipe line company which you may choose to connect with the wells and/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.

(All signatures should be witnessed and all signatures, including signatures of witnesses should be signed with ink. The social security number or tax identification number of each interest owner should be shown in the space provided therefor below.)

**WITNESSES:**

**OWNERS:**

**SOCIAL SECURITY NUMBER OR  
TAX IDENTIFICATION NUMBER**

[illegible]



EXHIBIT "A"

Royalty Interest:

Frances Mozelle Miller, Guardian of the Estate of Eleanor Connell Hopkins, a widow, NCM . . . . .	1.367188% R.I.
Carolyn Cowden Chaney, separate property . . . . .	.911458% R.I. ✓
Corinne Cowden Law, separate property . . . . .	.911458% R.I.
Constance Cowden Fauber, separate property . . . . .	.911458% R.I.
Marjorie T. Connell and Eleanor C. Hartman, Trustees of the W. N. Connell and Marjorie T. Connell Living Trust dated 5/18/72, recorded 459 DR 100. . . . .	1.367188% R.I.
North Central Oil Corporation . . . . .	.729166% R.I.
Emil Mosbacher, Jr. . . . .	.117188% R.I.
Robert Mosbacher. . . . .	.273437% R.I.
Emil Mosbacher, III . . . . .	.013021% R.I.
R. Bruce Mosbacher. . . . .	.013021% R.I.
John David Mosbacher. . . . .	.013021% R.I.
Clinton I. Smullyan, Jr.. . . . .	.019531% R.I.
Bennett E. Smullyan . . . . .	.019531% R.I.
Exxon Corporation . . . . .	8.125 % R.I.
Miriam L. Broudy, a widow . . . . .	.195313% R.I.
Earl R. Bruno, Jr.. . . . .	.195313% R.I.
William Howard Wolf and Bank of the Southwest, N.A., Houston, Trustees U/W/O William Wolf, deceased . . .	.079345% R.I.
Anna Ross Wolf, a widow . . . . .	.079346% R.I.
Marion Russell, a widow . . . . .	.039673% R.I.
Stephen P. Preslar. . . . .	.039673% R.I.
Norman Valpey, separate property. . . . .	.097656% R.I.
Ann Morrissey, separate property. . . . .	.034180% R.I.
Patricia Morrissey, separate property . . .	.034180% R.I.
Rachel Morrissey Moyer, separate property .	.014648% R.I.
Gregory Morrissey, separate property. . . .	.014648% R.I.
First International Bank in Houston, N.A., Trustee of the Houston Oil Trust. . .	.120850% R.I.

Houston Oil & Minerals Corporation . . . . .	.0402830 R.I.
M. E. Singleton, Jr. . . . .	.3222650 R.I.
John J. Redfern, Jr. . . . .	.0268550 R.I.
Gene C. Redfern, a widow . . . . .	.0268550 R.I.
C. E. Marsh, II. . . . .	.0537110 R.I.
J. H. Herd . . . . .	.0537110 R.I.
The First National Bank of Midland, Midland, Texas, Trustee . . . . .	.2929690 R.I.
The Fort Worth National Bank, Trustee. . . . .	.0732420 R.I.
Frances T. Miller, separate property . . . . .	.0162760 R.I.
Anna Gardner Osborn, separate property . . . . .	.0081380 R.I.
The Fort Worth National Bank, Trustee, for the GMGP Oil Account UTA dated 12/15/71, recorded 459 DR 721. . . . .	.0081380 R.I.
Josephine Weaver Herbert, Park Weaver and The Fort Worth National Bank as Trustees under the Will of John Warne Herbert, deceased. . . . .	.0569660 R.I.
The Fort Worth National Bank as Trustee under the Trust Agreement dated June 6, 1945, as amended 10/22/53, recorded 288 DR 251. . . . .	.0325520 R.I.
The First National Bank of Midland, Midland, Texas, Trustee of the Wm. E. and Edna D. Kreps Memorial Trust . . . . .	.0976560 R.I.
Solomon J. Karam . . . . .	.0781250 R.I.
John Perkins, III, Trustee . . . . .	.0976560 R.I.
Adele P. Slagle. . . . .	.0325520 R.I.
John Perkins, III. . . . .	.0244140 R.I.
Adele P. Slagle, Trustee U/W of John Perkins. . . . .	.0406900 R.I.
<u>Overriding Royalty Interest:</u>	
Ralph O. Shepley . . . . .	2.11799 0 R.I.
C. A. Chimene. . . . .	2.11799 0 O.R.I.
Amerada Hess Corporation. . . . . (67/640 x 9.375%)	.9814450 O.R.I.
Ruth Virginia Drewery, individually and as Trustee U/W of Hugh William Ferguson, Jr., deceased. . . . .	.5859370 O.R.I.
<u>Working Interest:</u>	
Exxon Corporation. . . . .	24.375 0 W.I.
Hallco Petroleum Inc. . . . .	32.91417 0 W.I.
Transwestern Investments Inc. . . . .	19.78792 0 W.I.

# Exhibit 16



OGDEN UT 84201-0038

In reply refer to: 0457172358  
Apr. 23, 2013 LTR 147C 0  
REDACTED 7338 000000 00

00004379  
BODC: SB

WILLIAM & MARJORIE CONNELL TRUST 2  
CONNELL MARJORIE E C HARTMAN CO-TTE  
% SEIDMAN & SEIDMAN  
PO BOX 710  
LAS VEGAS NV 89125-0710

002000

Employer Identification Number: REDACTED 7338

Dear Taxpayer:

Thank you for your inquiry of Apr. 12, 2013.

Your Employer Identification Number (EIN) is REDACTED 7338. Please keep this letter in your permanent records. Enter your name and EIN on all federal business tax returns and on related correspondence.

If you need forms, schedules, or publications, you can obtain them by visiting the IRS web site at [www.irs.gov](http://www.irs.gov) or by calling toll-free at 1-800-TAX-FORM (1-800-829-3676).

Please call our toll-free telephone number at 1-800-829-0115 with any questions you may have.

You also can write to us at the address shown at the top of this letter's first page.

When you write to us, please attach this letter and, in the spaces below, give us your telephone number with the hours we can reach you in case we need more information. You also may want to keep a copy of this letter for your records.

Telephone Number ( ) \_\_\_\_\_ Hours \_\_\_\_\_

We apologize for any inconvenience we may have caused you, and thank you for your cooperation.

ECA240

☒ CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.  DRAG A CATTLE COMPANY LLC P.O. BOX 2514 MIDLAND, TX 79702 432-682-9336		1 Rents	OMB No. 1545-0116		
		\$	2012 Form 1099-MISC		
		2 Royalties			
PAYER'S federal identification number  REDACTED 1631		RECIPIENT'S identification number  REDACTED 7338		3 Other income	4 Federal income tax withheld
				\$	\$
				5 Fishing boat proceeds	
RECIPIENT'S name, address, and ZIP code  W.N. & Marjorie T. Connell, Living Trust 8635 West Sahara Avenue #549 Las Vegas, NV 89117-5858		\$	\$	This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.	
		7 Nonemployee compensation	8 Substitute payments in lieu of dividends or interest		
		\$ 2300.00	\$		
Account number (see instructions)		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds		
		\$	\$		
		11	12		
15a Section 409A deferrals		15b Section 409A income		13 Excess golden parachute payments	14 Gross proceeds paid to an attorney
				\$	\$
				16 State tax withheld	17 State/Payer's state no.
\$	\$	\$	\$	18 State income	
Form 1099-MISC		(keep for your records)		38-2099803 Department of the Treasury - Internal Revenue Service	

BIRISREC MTF 257650

ECA241

**Certification of Trustee**  
(Deposit Accounts and Securities)**WELLS  
FARGO**

Banker name <b>Lisa Yonesawa-Valdez</b>	Office/Portfolio <b>N1231</b>	Date <b>09/20/2011</b>
Banker phone <b>702-515-2340</b>	Store number <b>1790</b>	Banker AU <b>0006501</b>
		Banker MAC <b>S4727-011</b>
CO ID <b>825</b>	Product <b>DDA</b>	Account number(s) <b>REDACTED 8611 and REDACTED 2227</b>

I/We the undersigned, as all of the currently acting Trustee(s) certify to Wells Fargo Bank, N.A. (Wells Fargo):

**Provisions - To be completed by trustee(s)**

1. Legal name of the Trust to which this certification applies and in which title to assets is held:

**ECA LIVING TRUST**

2. The trust is (select only one box)

☐ Irrevocable☒ RevocableIf revocable, Jacqueline Montoya (name(s)) has the power to revoke

3. The Grantor(s) ("Grantor" also refers to Settlor, Trustor, or Testator) of the Trust is:

Name of Grantor

Eleanor M. Aiken

Name of Grantor

Name of Grantor

Name of Grantor

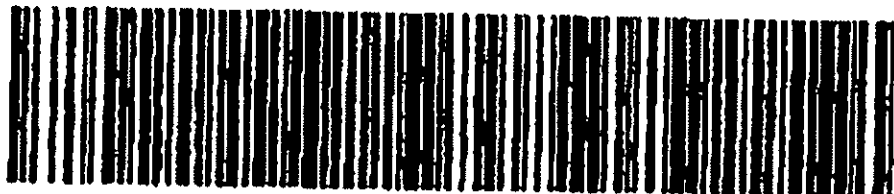
4. The Trust was executed on
- 1/7/2008
- (mm/dd/yyyy) and is in effect on the date of this certification.

5. The Trust is governed under the state law of
- Nevada
- (list U.S. state).

6. The Tax Identification Number used by the Trust is
- REDACTED 1044**
- .
- 
- The number is the (select only one box):

☐ Trust Employer Identification Number (EIN)☒ Grantor's Social Security Number (SSN)

(Grantor's SSN may only be used during the life time of the Grantor)



FO01-00000DSG5533-01

ECA242

Account number(s)

REDACTED 8811 and REDACTED 2227

## 7. Name(s) of currently acting Trustee(s) who may act: (select only one box)

☒ Independently (solely)☐ Joint Or ☐ Joint And

Name of Trustee or Co-Trustee

Jacqueline M Montoya

Street Address

3385 Maverick St

City

Las Vegas

State

NV

Zip Code

89108

Country

US

Name of Co-Trustee (if applicable)

Street Address

City

State

Zip Code

Country

Name of Co-Trustee (if applicable)

Street Address

City

State

Zip Code

Country

Name of Co-Trustee (if applicable)

Street Address

City

State

Zip Code

Country

## 8. The named Successor Trustee(s) is/are as follows:

Name of Successor Trustee or Successor Co-Trustee

KATHRYN A BOUVIER

Name of Successor Co-Trustee (if applicable)

Name of Successor Co-Trustee (if applicable)

Name of Successor Co-Trustee (if applicable)

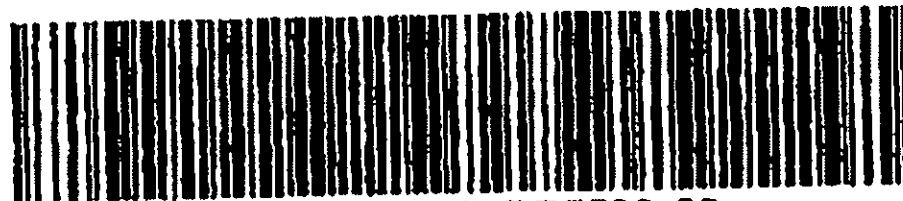
## 9. The Trustee(s) will not direct Wells Fargo to take any action unless the Trustee(s) has/have the power to act and such powers are properly exercised.

## 10. Pursuant to the terms of the Trust, the Trustee(s) has/have the power to contract for banking and other financial services and to transfer, purchase and/or sell financial assets and investments, including securities.

## 11. If requested, I/we will provide Wells Fargo with copies of excerpts of the original Trust instrument and amendments designating the Trustee and/or powers conferred on Trustee in support of any pending transaction under this certification.

## 12. The Trust has not been revoked, modified or amended in any manner which would cause the representations contained in this certification to be incorrect.

## 13. All information contained in this certification is true and correct, and you (Wells Fargo), as a third party conducting business with the Trustee may rely on this information until you receive written notice of any changes signed by the Trustee(s).



FO01-00000DSG5533-02



Account number(s)

REDACTED 8611 and REDACTED 2227

**NOTARIZATION IS REQUIRED FOR ALL TRUSTEES**

I/We declare under penalty of perjury under the laws of the State of Nevada (state of execution) that the foregoing is true and correct.

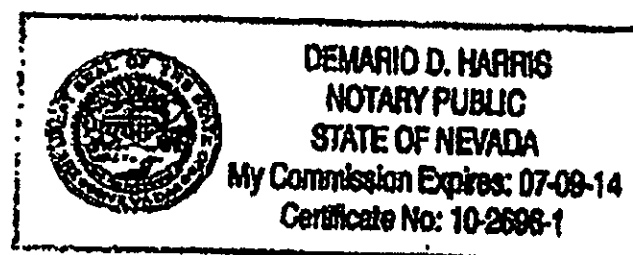
Name of Trustee (or Co-Trustee)	Signature of Trustee (or Co-Trustee)	Date
Jacqueline M Montoya	<i>Jacqueline Montoya</i>	9/20/11
Name of Co-Trustee (if any)	Signature of Co-Trustee (if any)	Date
	X	
Name of Co-Trustee (if any)	Signature of Co-Trustee (if any)	Date
	X	
Name of Co-Trustee (if any)	Signature of Co-Trustee (if any)	Date
	X	

State of NevadaCounty of Clark

On 09/20/2012 (month/day/year), before me, Demario Harris (name and title of the officer) personally appeared Jacqueline Montoya, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Nevada that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Demario Harris* (Seal)**Instructions to Notary (access Forms Online for all purpose Acknowledgement if needed):**

- If the Acknowledgement language does not meet your state requirements attach the correct Jurat or Acknowledgement for the state of execution.
- Attach separate Jurat/Acknowledgements for each additional Trustee signing the form.



FO01-00000DSG5533-03



OGDEN UT 84201-0038

In reply refer to: 0458677158  
June 24, 2013 LTR 147C 0  
REDACTED3010 000000 00  
00010343  
BODC: SB

WILLIAM & MARJORIE CONNELL TRUST 3  
MARJORIE CONNELL TTEE  
% ASHWORTH ERNST & CO  
PO BOX 710  
LAS VEGAS NV 89125-0710

09379

Employer Identification Number: REDACTED3010

Dear Taxpayer:

Thank you for your inquiry of June 12, 2013.

Your Employer Identification Number (EIN) is REDACTED3010. Please keep this letter in your permanent records. Enter your name and EIN on all federal business tax returns and on related correspondence.

If you need forms, schedules, or publications, you can obtain them by visiting the IRS web site at [www.irs.gov](http://www.irs.gov) or by calling toll free at 1-800-TAX-FORM (1-800-829-3676).

Please call our toll-free telephone number at 1-800-829-0115 with any questions you may have.

You also can write to us at the address shown at the top of this letter's first page.

When you write to us, please attach this letter and, in the spaces below, give us your telephone number with the hours we can reach you in case we need more information. You also may want to keep a copy of this letter for your records.

Telephone Number ( ) \_\_\_\_\_ Hours \_\_\_\_\_

We apologize for any inconvenience we may have caused you, and thank you for your cooperation.

ECA245

0458677158  
June 24, 2013 LTR 147C 0  
REDACTED3010 000000 00  
00010344

WILLIAM & MARJORIE CONNELL TRUST 3  
MARJORIE CONNELL TTEE  
% ASHWORTH ERNST & CO  
PO BOX 710  
LAS VEGAS NV 89125-0710

Sincerely yours,



Dwayne Wilson  
Department Manager, Accounts Mngmt.

Enclosure(s):  
Copy of this letter

ECA246

# Exhibit 17

*Copy*  
*Mailed back to Marathon*

August 9, 1985

*8-12-85 for Correction*

Marathon Petroleum Company  
P.O. Box 3128  
Houston, Texas 77253

Attention Division Order Dept:

Re: Exxon Cowden 1-42, TX DO #70331  
NW/4 Section 42, Block 38, T 5 S, T & P RR Co. Survey of the  
W. N. Connell and Marjorie T. Connell Living Trust dated  
May 18, 1972 and recorded in Upton County Courthouse, Rankin  
Texas.

Dear Sirs:

My husband, W. N. Connell passed away November 24, 1979. Due  
to change in ownership, my daughter Eleanor Connell Hartman, also  
known as Eleanor Marguerite Connell Hartman, has been appointed  
Co-Trustee.

The enclosed papers and records will varify that they have been  
recorded in Upton County, Rankin, Texas.

Would you please make the necessary corrections and Change the  
owner name to Marjorie T. Connell, Trustee and Eleanor C. Hartman,  
Co-Trustee of the W.N. Connell and Marjorie T. Connell Living Trust.  
A copy of the death certificate, Substitution of Trustee and a  
record of the location of recorded documents is enclosed for your  
files. These documents will varify the change so that this interest  
can be placed in line for payment. A total of 3 separate Division  
Orders are enclosed with a letter attached to each with information  
for corrections. To call your attention to the error on This  
attached Division Order, I have written the correction to be made  
in red for your convenience.

Yours truly,

*Marjorie T. Connell, Trustee*

Marjorie T. Connell, Trustee  
P.O. Box 710  
Las Vegas, Nevada 89125  
Social Security No. REDACTED1212

*Eleanor C. Hartman Co-Trustee*  
Eleanor C. Hartman, Co-Trustee  
P.O. Box 710  
Las Vegas, Nevada 89125  
Social Security No. REDACTED1044

Encls:



**Marathon  
Petroleum Company**

P.O. Box 3128  
Houston, Texas 77253  
Telephone 713/629-6600

*Copy  
mailed for correction  
8-12-85*

*NW 1/4 Sec 42*

TO OWNERS OF ROYALTY INTEREST:

As an owner of royalty interest in an oil or condensate producing property, your share of sales from that property is subject to "Windfall Profit Tax". You may, however, be an owner who qualifies for the Royalty Owner's Exemption from Windfall Profit Tax.

In order for us to withhold the proper amount of tax from your checks, please provide us additional information concerning your ownership interest. Enclosed are the following forms for your convenience in certifying your producer's Windfall Profit Tax status.

1. Owner Identification Form
2. I.R.S. Form 6783, Qualified Royalty Owner's Exemption Certificate with instructions.

Complete and return the "Owner Identification Form", along with your executed Division Order.

If you are a "Qualified Royalty Owner" with "Qualified Royalty Production" as defined in the instructions on the back of Form 6783, two barrels a day of your total production qualifies for exemption from Windfall Profit Tax. The exemption increases to three barrels a day in 1985 and thereafter. If you qualify and wish the exemption to be applied to the enclosed Division Order property, complete the enclosed Form 6783 indicating in Part A the property name. Return the completed certificate along with your executed Division Order. Upon receipt by our Accounting Department, Marathon will not withhold the tax from your payments on the certified property.

The above noted information is not intended to provide you legal advice in interpreting the complex provision of the Windfall Profit Tax Law. Read the instructions carefully, and, if you still have questions, we suggest you contact your tax advisor or the Internal Revenue Service.

IN THE EVENT OF QUESTIONS AS TO HOW TO COMPLETE THESE WINDFALL PROFIT TAX FORMS, PLEASE WRITE:

Marathon Petroleum Company  
539 South Main Street  
Findlay, Ohio 45840  
Attn: Royalty Owner Relations Department  
Rm. 1004-M

OR CALL 419-422-2121, Ext. 2814



**Marathon  
Petroleum Company**

P.O. Box 3128  
Houston, Texas 77253  
Telephone 713/629-6600

July 11, 1985

Re: TX DO #70331, Exxon Cowden 1-42

Dear Interest Owner:

We have received a Division Order Title Opinion for the above captioned farm account. As an interest owner, we are submitting to you a Division Order for execution.

Please add your complete address and your Social Security Number or Tax Identification number. Make certain that each signature is witnessed by the signature of an adult, then return the Order directly to this office for further handling.

Also, attached to the Order are tax forms for completion, according to the instructions provided. Please return the completed forms with the Order.

Upon receipt of the executed Order, we should be in a position to instruct our Accounting Department to release payment.

If you have any questions regarding the Order, please contact this office.

Yours very truly,

George F. Connelly  
Division Order Supervisor

By: Floyd E. Wright

FEW:jg

Enclosures



## DIVISION ORDER

FEW:jg

Farm Name Exxon Cowden 1-42 Lease No. \_\_\_\_\_ D.O. No. 70331  
 Operator Robert Hall Date Issued July 11, 1985  
 Effective Date of First Run  
 TO: MARATHON PETROLEUM COMPANY, herein called "Marathon", with offices at Division Order Department  
P.O. Box 3128, Houston Texas 77253

The undersigned, and each of them, represent and warrant that they are the legal owners in the respective proportions set out below of all the oil, including the royalty interest in such oil, produced from the above-named farm, described as follows:

NW/4 section 42, Block 38, T5S, T&P RR CO Survey  
 from surface down to 100 feet below the base of  
 the Dean formation,

located in the County of Upton, State of Texas.

Subject to the covenants hereinafter contained and until further written notice given either by Marathon or the undersigned, Marathon is authorized to receive and purchase the oil produced from the above-described lands and give credit for said oil as follows:

OWNER NAME AND ADDRESS	DIVISION OF INTEREST		TYPE OF INT.
	FRACTIONAL INTEREST	DECIMAL PROPORTION OF ALL OIL RUN	
<b>MARJORIE T. CONNELL, TRUSTEE</b> <b>ELEANOR C. HARTMAN, CO-TRUSTEE</b> W. N. Connell & Marjorie T. Connell Living Trust		.0136719	RI

The following covenants are part of this division order and, in consideration of the payments made by Marathon hereunder, shall be binding upon the undersigned, their successors, legal representatives and assigns:

1. The oil received and purchased by Marathon hereunder (hereafter "Oil") shall become the property of Marathon as soon as the same is received into the custody of Marathon or Marathon's designated carrier.
2. Subject to the terms of this division order, Marathon shall pay the undersigned for their respective proportionate parts of the Oil at Marathon's posted price if one is posted or, if not, then at \_\_\_\_\_

Marathon will deduct from payments for the Oil any taxes applicable laws and regulations require Marathon to deduct. In addition, Marathon may also deduct from such payments on behalf of the operator of the above-described lands any taxes applicable tax laws and regulations permit or require the operator to deduct. If it is necessary to transport the Oil by truck, Marathon is authorized to deduct from amounts due the respective owners for the Oil their respective proportion of all trucking costs incurred.

Settlement and payment shall be made monthly for Oil received and purchased during the preceding month by Marathon's check to respective parties at the addresses herein given for the amount of the purchase price due said parties respectively, less any taxes or trucking costs which may be deductible as aforesaid. If the proceeds accruing to any interest shall amount to less than Five Dollars (\$5.00) per month, Marathon is authorized to make payment for such accruals on an annual basis, such payment to be made during the month of December for such amount as may be due for Oil received and purchased up to and including the month of November; provided, however, Marathon shall not be required to make such annual payment until the amount of proceeds accrued equals or exceeds the sum of Five Dollars (\$5.00).

(Continued on reverse side)

# Exhibit 18

Las Vegas, Nevada  
Dec. 6, 1989

Graham Royalty, Ltd.

P.O. Box 3134

Covington, La. 70434 - 3134

att: Frances Beverly  
Land Dept.

Re: Greer & Co.

Upton County, Texas.

Dear Mrs. Beverly.

I am enclosing copies of all the records & etc. I have that I think will be of interest to you in order for you to correct your records. Where you show Eleanor M. Connell as a Royalty owner - it should be Eleanor C. Hartman.

We are Trustee and Co-Trustee of The W. M. Connell & Marjorie T. Connell Living Trust dated May 18, 1972. When my husband passed away Nov. 24, 1979 I appointed her as Co-Trustee. Hopefully copies of all the papers I have enclosed will help you to make the necessary corrections. Again I will remind you Royalty Checks & Correspondence should be to Marjorie T. Connell, Trustee & Eleanor C. Hartman Co-Trustee. P.O. Box 710 Las Vegas, Nevada 89125. Our Trust Number for Tax I.D. purposes is REDACTED 7338. If you need additional information let me know if I can help.

P.S. I am returning two checks for same change

Encl: 15

Yours truly,

Marjorie T. Connell  
Trustee

# Exhibit 19

Date:

JUNE 01, 1989  
KJY

## DIVISION ORDER

TO: Sun Refining and Marketing Company  
PO Box 2039  
Tulsa OK 74102-2039Crude Oil Account 500672-00000

Condensate Account \_\_\_\_\_

Effective 7 a.m., MAY 01, 1989

The undersigned, severally and not jointly, warrants, guarantees and certifies that it is the owner of the interest shown opposite its name on the attached exhibit in the oil (defined herein to include condensate), produced from:

Property Name: **DECK -A-**Operator: **KEYSTONE ENERGY OIL & GAS**Field: **SPRABERRY TREND**County: **UPTON**State: **TX**

Description: **SECTION 47, BLOCK 39, T-5-S, T&P RR CO. SURVEY. LIMITED TO DEPTHS BETWEEN 7,130 FEET BENEATH SURFACE OF GROUND DOWN TO 8,419 FEET BENEATH SURFACE OF GROUND.**

NE 1/4 S44

Call Keystone Re

## DIVISION OF INTEREST

See attached exhibit made a part of this Division Order for all purposes.  
Exhibit must be returned. Please do not detach.

**THIS DIVISION ORDER DOES NOT AMEND ANY OF THE LEASE PROVISIONS BETWEEN THE INTEREST OWNERS AND THE LESSEE.**

This Division Order is subject to all the terms and conditions appearing on the reverse side.

## FOR YOUR FILES

*Manly Simpson*  
Witnesses:  
X *Soledad Gonzalez*  
312 Bascom  
Las Vegas, NV 89101  
*Manly Simpson*  
*Shirley Ma*

## All Signatures Must Be Witnessed.

Signature of Interest Owner:

Social Security/Tax ID No.

*Maryanne J. Connell, Trustee**7338**P.O. Box 710**Las Vegas, NV 89125**Eleanor C. Hartman**7338**P.O. Box 710**Las Vegas, NV 89125*

Failure to furnish your Social Security/Tax I.D. number will result in a 20% withholding tax in accordance with federal law, and any tax withheld will not be refundable by Sun.

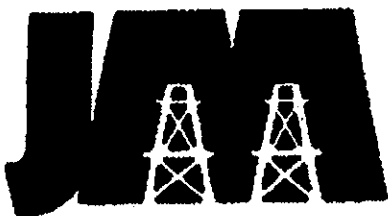
Property No. 500672-00000

EFFECTIVE MAY 01, 1989

Page No.

3

Owner Number and Owner's Social Security or Tax Account Number	Credit to	Division of Interest
650873 3 25-1489445	KEYSTONE 1984-P LIMITED PARTNERSHIP FIVE GATEWAY CTR STE 619 PITTSBURGH PA 15222	.71802730 WI
650876 6 25-1330817	KEYSTONE ENERGY OIL & GAS INC FIVE GATEWAY CTR STE 619 PITTSBURGH PA 15222	.03787550 WI
652396 3 230-37-1610	ATLANTIC RICHFIELD COMPANY PO BOX 201690 HOUSTON TX 77216-1690	.02343750 RI
655237 6 86-0460233	TRAFALGAR HOUSE OIL & GAS INC PO BOX 200284 HOUSTON TX 77216-0284	.02109370 RI
657033 7 464-04-7110	CONNIE S GLASSCOCK PO BOX 50215 MIDLAND TX 79710	.02140300 ORI
657035 2 462-08-0114	KRIS LOY PO BOX 8345 MIDLAND TX 79708	.02140300 ORI
657036 0 463-52-3444	CAROLYN COWDEN CHANEY 624 AMARILLO ST ABILENE TX 79602	.00390630 RI
657038 6 459-48-8643	CONSTANCE COWDEN FAUBER 1721 BROOKS DR ARLINGTON TX 76012	.00390620 RI
657039 4 457-34-7128	MARY LANE MYERS ANDERSON 7618 SOUTHWESTERN BLVD DALLAS TX 75225	.00039060 RI
657040 2 459-48-8642	CORINNE COWDEN LAU PO BOX 299 ALTO NM 88312	.00390630 RI
657042 8 85-6095246	FRANCES MOZELLE MILLER TRUSTEE OF THE ELEANOR C HOPKINS REVOCABLE TRUST 3621 CROMWELL PLANO TX 75075	.00585940 RI
657044 4 75-6353421	MARVIN E SINGLETON JR ESTATE PO BOX 717 WAXAHACHIE TX 75165	.00234380 RI
657047 7 75-6251565	PHILLIP MAVERICK TRUST A/C #504-03 REP BANK 1ST NATL MIDLAND TRUSTEE PO BOX 270 MIDLAND TX 79702	.00312500 RI
657048 5 465-80-0122	SARAH M WOODWARD 9004 GLEN SPRINGS DR DALLAS TX 75243	.00117190 RI
657052 7 41-7121212	W N & MARJORIE T CONNELL LIVING TRUST M T CONNELL AND E C HARTMAN CO-TRUSTEES PO BOX 710 LAS VEGAS NV 89125	.00585940 RI



**JM PETROLEUM CORPORATION**

2500 Allianz Financial Centre  
2323 Bryan  
Lock Box #186  
Dallas, Texas 75201

(214) 953-0330

August 14, 1989

Re: 48083 - Connell  
Upton County, Texas

Dear Interest Owner:

Effective August 1, 1989, JM Petroleum Corporation was designated purchaser of oil sold from the captioned lease.

We are enclosing two copies of a division order covering your interest in the lease. If your interest is shown correctly, please sign in the space provided, have your signature witnessed, enter your Social Security number or Federal Tax Identification number and return the signed copy to us to be placed in line for payment.

Thank you for your assistance in this matter.

Very truly yours,

JM PETROLEUM CORPORATION

*Sue Clark*

Sue Clark  
Division Order Analyst

SC:lmj

Enclosures

## DIVISION ORDER

To **JM PETROLEUM CORPORATION**  
 2500 Allianz Financial Centre  
 2323 Bryan, Lock Box #185  
 Dallas, TX 75201

*Block 39*  
*Sec. 36*

Lease No. 48083

DATE AUGUST 14, 1989

Each of the undersigned warrants that he is the owner of the interest credited to him in all oil produced from all wells on the PARKER & PARSLEY - CONNELL farm or lease, located in UPTON County, State of TEXAS more particularly described as follows:  
 All of Seciton 36, Block 39, T-5-S, T&P RR Co. Survey, Upton County, Texas, containing 672 acres, more or less, Limited as to all depths down to but not below the base of the Spraberry formation.

Effective 7 a.m. AUGUST 01, 1989

and until further written notice, subject to the conditions, covenants and directions hereof, you, your successors and assigns, are authorized to receive and purchase such oil and to give credit to the following:

OWNER NO.	LEASE NO.	INTEREST	CREDIT TO NAME AND ADDRESS
	48083		FOR DIVISION OF INTEREST SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

**FIRST:** The oil run in pursuance of this division order shall be merchantable and become your property upon delivery thereof to any pipe line designated by you. Correction for temperature and deductions for dirt, sediment and other impurities are to be made in accordance with your rules, regulations and customs in effect at the time and place of delivery. You may require that any unmerchantable oil be steamed or treated before you accept it. Each of the undersigned who is an actual operator of said lease warrants that oil run hereunder will be produced and delivered in accordance with all applicable Federal, State and Local Laws, Orders, Rules and Regulations.

**SECOND:** The oil received in pursuance of this division order shall be paid for monthly for oil run during the preceding calendar month to the party or parties entitled thereto according to the division of interest shown above, at the price per barrel (42 gallons) agreed upon between you and the operator. (In no event shall any price paid pursuant to this division order be greater than the maximum lawful ceiling price allowed for oil sold hereunder as determined by the laws and regulations of any federal or state agency having jurisdiction). These payments are to be made by your checks delivered or mailed to the parties thereto entitled at the addresses above given. However, it is agreed, if at any settlement date, the amount payable to any party hereunder shall be less than Twenty-Five Dollars, you may withhold payments, without interest, and in lieu of monthly settlement make payment annually. Pipeline grades and measurements, adjusted to conform to the provisions set forth herein and in the price posting above referred to, shall control in all settlements. The undersigned authorize you to withhold from the proceeds of any and all runs made hereunder the amount of any tax placed thereon, or on the production thereof, by any government authority, and to pay the same in our behalf. If at any time a federal or state agency having jurisdiction over the price of oil sold hereunder shall determine that the price which has been paid pursuant to this contract exceeds the maximum lawful ceiling price determined by said agency, the Owner agrees to refund to J M Petroleum Corporation the total amount of such overcharge within thirty (30) days from date of notice of the overcharge given by either said federal or state agency or J M Petroleum Corporation.

**THIRD:** In case of any adverse claim of title or in case title shall not be satisfactory to you at any time during the term of this division order, each of the undersigned agrees to furnish evidence of title satisfactory to you and authorize you to retain the purchase price of the oil, without obligation to pay interest on the amount so withheld or until title shall be made satisfactory to you. Each undersigned party, as to the oil purchased hereunder from said party, respectively agrees in the event suit is filed in any court affecting title to said oil, either before or after severance, to indemnify and save you and any carrier transporting said oil for your account harmless against any and all liability for loss, cost, damage and expense which you or the carrier may suffer or incur on account of receiving, transporting and paying said party for said oil. Where you, pursuant to the provisions hereof, withhold payment of the purchase price, or any part thereof, on any oil run hereunder, each undersigned party from whom payment is so withheld severally agrees to indemnify and hold you harmless from all liability for any tax, together with all interest and penalties incident thereto, imposed or assessed against, or paid by you on account of, the sum or sums so withheld from payment to said party, and severally agrees, that you may deduct all such taxes, interest and penalties so paid by you from any sums owing by you to said party.

**FOURTH:** The undersigned severally agree to notify you of any change of ownership and no transfer of interest shall be binding upon you until 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 on the first day of the calendar month in which notice is received by you. You are hereby relieved 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 interests and the signers hereof whose interests are affected by such money or other payments, if any, agree to give you notice in writing by registered letter addressed to J M Petroleum Corporation, 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 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 damages or loss which might arise out of any overpayment.

**FIFTH:** This division order shall become valid and binding on each and every owner above named as soon as signed by such owner, regardless of whether or not all of the above-named owners have so signed.

**IMPORTANT:** Owner, please insert your Tax Account Number in the space shown below. Corporate signatures must be attested and corporate seal affixed. NO PAYMENT WILL BE MADE UNTIL JM PETROLEUM HAS YOUR IRS TAX ACCOUNT NUMBER.

WITNESSES:

SIGNATURE OF OWNER:

OWNER'S SOCIAL SECURITY OR  
IRS TAX ACCOUNT NUMBER

*x Balle Gornales*  
*and*  
*and*

*Margaret J. BORDS*  
*P.O. Box 77*  
*Las Vegas, NV 89125*

7338

*and*  
*and*

*FOR YOUR RECORD*  
*NOT TO BE RETURNED*  
*FOR C. Hartman Co. trustee*  
*P.O. Box 710*  
*Las Vegas, NV 89125*

7338

Is your signature witnessed? ☒Is your correct address shown? ☒Include Zip Code ☒



LEASE NUMBER : 48083  
LEASE NAME : CONNELL  
LOCATION : UPTON

TX

OWNER NO.	INTEREST		CREDIT TO		
** 11433	0.00043940	R	ROY D GOLSTON JR ET AL #441 TAB/FT WORTH, TRUSTEE P O BOX 99033 FORT WORTH	TX	76199-0033
** 11439	0.00076900	R	JOHN W HERBERT EST #586-TAB FT WORTH, JOHN W HERBERT & JOANNE S BILBY, TRSTES DRAWER #99033 FORT WORTH	TX	76199-033
11441	0.00021970	R	ANA GARDNER OSBORN 755 SUNNY LANE BRYAN	TX	77801
11548	0.00468750	R	EMIL MOSBACHER, JR. MERIDIAN BLDG 170 MASON STREET GREENWICH	CT	06830
** 11814	0.00131830	R	TENNECO OIL CO: MID-CONTINENT DIV P O BOX 730089 DALLAS	TX	75373-0089
11999	0.00043940	R	J. H. HERD P O BOX 130 MIDLAND	TX	79702
12003	0.00010985	R	JOHN J REDFERN, JR ESTATE P O BOX 46 MIDLAND	TX	79702
12004	0.00010985	R	ROSALIND REDFERN P O BOX 2127 MIDLAND	TX	79702
12175	0.00820310	R	NORTH CENTRAL OIL CORPORATION 6001 SAVDY #600 HOUSTON	TX	77036-3381
** 19566	0.06093750	R	EXXON CORPORATION P.O. BOX 1547 HOUSTON	TX	77251-1547
24815	0.00195310	R	W E KREPS TRUST #1124 REPUBLICBK 1ST NATL MIDLAND, TRUSTEE P O BOX 270 MIDLAND	TX	79702
30900	0.00021970	R	GENE C. REDFERN JOHN J. REDFERN, JR, ATTORNEY-IN-FACT P O BOX 50430 MIDLAND	TX	79710
36332	0.00936250	W	JOE MAC PARSLEY P O BOX 1771 MIDLAND	TX	79702
36335	0.26025790	W	HOWARD W PARKER P O BOX 201420 AUSTIN	TX	78720
37381	0.00153680	R	JOHN PERKINS III, TRUSTEE P O BOX 2177 MIDLAND	TX	79702
44892	0.00129961	W	A FRANK KUBICA 2605 HODGES MIDLAND	TX	79705
** 44901	0.00129961	W	SCOTT D SHEFFIELD P O BOX 8585 MIDLAND	TX	79702

LEASE NUMBER : 48083  
LEASE NAME : CONNELL  
LOCATION : UPTON

TX

OWNER NO.	INTEREST	CREDIT TO		
44902	0.00129961 W	ROBERT J CASTOR 2302 AUBURN PL MIDLAND	TX	79705
45590	0.00195310 R	EARL R BRUND JR P O BOX 590 MIDLAND	TX	79702
51265	0.00129961 W	HERBERT C WILLIAMSON III 3109 STANDLIND CT MIDLAND	TX	79705
51811	0.25739345 W	PARSLEY OIL PROPERTIES INC P O BOX 1771 MIDLAND	TX	79702
64291	0.00043940 R	LORETTA MCDERMOTT MARSH ZHARRELL & MCCART 901 W INDIANA #A MIDLAND	TX	79701
65375	0.00097653 R	MARYLANE MYERS ANDERSON 7618 SOUTHWESTERN BLVD DALLAS	TX	75225-7926
65377	0.00097654 R	MICHAEL GLENN ANDERSON P O BOX 4291 RIVERSIDE	CA	92514-4291
65405	0.00129961 W	JAMES D. MORING 2510 CULPEPER MIDLAND	TX	79705-6318
66061	0.00146483 R	PHILLIP HILLHOUSE TRUST #504-03 NCNB TX NATL BK, TRUSTEE P O BOX 270 MIDLAND	TX	79702-0270
66062	0.00146484 R	GEORGE S HILLHOUSE TRUST #504-04 NCNB TX NATL BK, TRUSTEE P O BOX 270 MIDLAND	TX	79702-0270
66063	0.00146483 R	JAMES HILLHOUSE TRUST #504-02 NCNB TX NATL BK, TRUSTEE P O BOX 270 MIDLAND	TX	79702-0270
66072	0.00069750 R	GERTRUDE O. F. TYSON 2104 WOODLAWN MIDLAND	TX	79705-7549
66103	0.00195310 R	MIRIAM L. BROUDY CLOVERLAY CIRCLE "E" NORWALK	CT	06855-5358
66135	0.01367186 R ✓	CAROLYN C. CHANEY 624 AMARILLO ABILENE	TX	79605-1014
66137	0.04452340 W	DAISY CHORIN 1000 PARK AVE NEW YORK	NY	10028-0934
66628	0.02050780 R ✓	MARJORIE T CONNELL & E C HARTMAN, CO-TR P O BOX 710 LAS VEGAS	NV	<del>89101-0710</del> 89125-0710
68458	0.05198410 W	A. R. CONNELLY 1 CHASE MANHATTAN PL NEW YORK	NY	10005-1401

LEASE NUMBER : 48083  
LEASE NAME : CONNELL  
LOCATION : UPTON

TX

OWNER NO.	INTEREST		CREDIT TO		
68508	0.00097660	R	RUTH V. FERGUSON DREWERY 3508 EUCLID DALLAS	TX	75205-3214
68523	0.00097650	R	VALPEY FAMILY TRUST NORMAN C & GLADYS M VALPEY CO-TRTEES 1724 PLAZA DE SAN JOAQUIN MODESTO	CA	95350-3549
68525	0.01367187	R	CONSTANCE C. FAUBER 1721 BROOKS ARLINGTON	TX	76012
68526	0.00097660	R	HUGH W. FERGUSON, JR. ESTATE RUTH F. DREWERY TRUSTEE 3508 EUCLID DALLAS	TX	75205
68544	0.00021970	R	GMFG OIL ACCT #3153 TAB FT WORTH P O BOX 2605 FT WORTH	TX	76113
68555	0.00098870	R	JOSEPHINE H. GRAF C/O FT WORTH NATL BK DRAWER NO 99033 FORT WORTH	TX	76199-0033
68556	0.03964730 0.08182680	R W	FLAVIA R. HACKETT 19 EAST 72ND STREET NEW YORK	NY	10021
68575	0.00390620	R	SOLOMON J. KARAM CONSOLIDATED PRODUCE 1220 BANDERA ROAD SAN ANTONIO	TX	78200-4030
68587	0.01367187	R	CORINNE C. LAW P O BOX 299 ALTO	NM	88312-0299
68608	0.00073240	R	MISSIONARY SOCIETY OF OBLATE FATHERS 7711 MADONNA DR SAN ANTONIO	TX	78216-6620
68639	0.04332010	W	EDWARD S PINNEY MARITAL TRUST PO BOX 36010 LOUISVILLE	KY	40233
68642	0.00048820	R	STEPHEN F. PRESLAR 4847 VISTA DEL MONTE EL PASO	TX	79900
68650	0.00048820	R	HENRY RUSSELL ESTATE MARION RUSSELL EXEC 412 S ALBERTA PECOS	TX	79772-2715
68660	0.00263670	R	M. E. SINGLETON JR C/O CITIZENS NATL BK WAXAHACHIE	TX	75165
68669	0.00069750	R	J C THOMPSON & J C THOMPSON JR ROY ACCT 4500 NCNB CENTER TOWER II DALLAS	TX	75201-3993
68691	0.00097655	R	WM. WOLF FAMILY TR 0151602 BANK OF SOUTHWEST TR P O BOX 2629 HOUSTON	TX	77252-2629

LEASE NUMBER : 48083  
LEASE NAME : CONNELL  
LOCATION : UPTON

TX

OWNER NO.	INTEREST		CREDIT TO		
68716	0.00660780 R 0.00722000 W		MONTAGUE H. HACKETT JR 550 PARK AVENUE NEW YORK	NY	10021
69013	0.00034180 R		ANN MORRISSEY 205 YOAKUM PKWY #826 ALEXANDRIA	VA	22304
69014	0.00014650 R		GREGORY E MORRISSEY 2201 BYTON COURT FORREST HILL	MD	21050
69015	0.00034180 R		PATRICIA MORRISSEY 205 YOAKUM PARKWAY #826 ALEXANDRIA	VA	22304
69016	0.00014650 R		RACHEL MORRISSEY MOYER P O BOX 249 SHAWNEE ON DELA	PA	18356-0249
69075	0.02050780 R		E C HOPKINS TRUST FRANCES M MILLER, TRUSTEE 3621 CROMWELL PLANO	TX	75075
69250	0.00097655 R		ANNA R. WOLF TRUST 0151601 BANK OF SOUTHWEST-TRUSTEE P O BOX 2629 HOUSTON	TX	77252
71133	0.00097653 R 1.00000000		MELINDA ANDERSON CATES ADDRESS UNKNOWN		

Las Vegas, Nevada  
11/1/89

The Permian Corporation  
Attn: Bill Talley  
P. O. Box 3119  
*Midland Texas 79702-3119*  
Dear Mr. Talley:

I am returning Draft and Right-of-way and Damage contract for easement on NE<sup>1/4</sup> Sec. 36, T-5-S, Block 39. T&P RR Co. Upton County Texas for name corrections.

#1 - The Draft payee should be to Marjorie T. Connell.  
Trustee and Eleanor C. Hartman, Co-trustee.

#2 - The Easement Contract should be same.

Thank you. The IRS seems to pick up on these small errors and past experiences taught us to make the corrections before IRS picks up on them.

Yours truly,

*Marjorie T. Connell, Trustee*  
Marjorie T. Connell, Trustee

*Eleanor C. Hartman*  
Eleanor C. Hartman, Co-trustee

P. O. Box - 710  
Las Vegas, Nevada 89125



**JM PETROLEUM CORPORATION**

2500 Allianz Financial Centre  
2323 Bryan  
Lock Box #185  
Dallas, Texas 75201

(214) 953-0330

November 20, 1989

Re: 48996 - Cowden "37" #1  
Upton County, Texas

Dear Interest Owner:

Effective July 1, 1989 JM Petroleum Corporation was designated purchaser of condensate sold from the captioned lease.

We are enclosing two copies of a division order covering your interest in the lease. If your interest is shown correctly, please sign in the space provided, have your signature witnessed, enter your Social Security number or Federal Tax Identification number and return the signed copy to us to be placed in line for payment.

Thank you for your assistance in this matter.

Very truly yours,

JM PETROLEUM CORPORATION

*Sue Clark*

Sue Clark  
Division Order Analyst

SC:tc

Enclosures

*5-1 90*

*Copy sent to Houston*

*To be signed*



**JM PETROLEUM CORPORATION**

2500 Allianz Financial Centre  
2323 Bryan  
Lock Box #185  
Dallas, Texas 75201

(214) 953-0330

November 20, 1989

Re: 48995 - Cowden "36" #1  
Upton County, Texas

Dear Interest Owner:

Effective July 1, 1989 JM Petroleum Corporation was designated purchaser of condensate sold from the captioned lease.

We are enclosing two copies of a division order covering your interest in the lease. If your interest is shown correctly, please sign in the space provided, have your signature witnessed, enter your Social Security number or Federal Tax Identification number and return the signed copy to us to be placed in line for payment.

Thank you for your assistance in this matter.

Very truly yours,

JM PETROLEUM CORPORATION

*Sue Clark*

Sue Clark  
Division Order Analyst

SC:tc

Enclosures

**DIVISION ORDER**

**Lease No. 48996**

To **JM PETROLEUM CORPORATION**  
**2500 Allianz Financial Centre**  
**2323 Bryan, Lock Box #185**  
**Dallas, TX 75201**

DATE NOVEMBER 20, 1989

Each of the undersigned warrants that he is the owner of the interest credited to him in all oil produced from all wells on the PARKER & PARSELEY - COWDEN "37" #1 farm or lease, located in UPTON County, State of TEXAS more particularly described as follows:  
NW/4 & SE/4 Section 37, Block 40, T-5-S, T&P Ry Co Survey, Upton County, Texas

Effective 7 a.m. JULY 01, 1989

and until further written notice, subject to the condition:

OWNER NO.	LEASE NO.	INTEREST	CREDIT TO NAME AND ADDRESS
	48996		FOR DIVISION OF INTEREST SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

**FIRST:** The oil run in pursuance of this division order shall be merchantable and become your property upon delivery thereof to any pipe line designated by you. Correction for temperature and deductions for dirt, sediment and other impurities are to be made in accordance with your rules, regulations and custom in effect at the time and place of delivery. You may require that any unmerchantable oil be steamed or treated before you accept it. Each of the undersigned who is an actual operator of said lease warrants that oil run hereunder will be produced and delivered in accordance with all applicable Federal, State and Local Laws, Orders, Rules and Regulations.

**SECOND:** The oil received in pursuance of this division order shall be paid for monthly for oil run during the preceding calendar month to the party or parties entitled thereto according to the division of interest shown above, at the price per barrel (42 gallons) agreed upon between you and the operator. (In no even shall any price paid pursuant to this division order be greater than the maximum lawful ceiling price allowed for oil sold hereunder as determined by the law and regulations of any federal or state agency having jurisdiction). These payments are to be made by your checks delivered or mailed to the parties thereto entitled at the addresses above given. However, it is agreed, if at any settlement date, the amount payable to any party hereunder shall be less than Twenty-Five Dollars you may withhold payments, without interest, and in lieu of monthly settlement make payment annually. Pipeline grades and measurements, adjusted to conform to the provisions set forth herein and in the price posting above referred to, shall control in all settlements. The undersigned authorize you to withhold from the proceeds of any and all runs made hereunder the amount of any tax placed thereon, or on the production thereof, by any government authority, and to pay the same in our behalf. If at any time a federal or state agency having jurisdiction over the price of oil sold hereunder shall determine that the price which has been paid pursuant to this contract exceeds the maximum lawful ceiling price determined by said agency, the Owner agrees to refund to J M Petroleum Corporation the total amount of such overcharge within thirty (30) days from date of notice of the overcharge given by either said federal or state agency or J M Petroleum Corporation.

THIRD: In case of any adverse claim of title or in case title shall not be satisfactory to you at any time during the term of this division order, each of the undersigned agrees to furnish evidence of title satisfactory to you and authorize you to retain the purchase price of the oil, without obligation to pay interest on the amount so withheld or until title shall be made satisfactory to you. Each undersigned party, as to the oil purchased hereunder from said party, respectively agrees in the event suit is filed in any court affecting title to said oil, either before or after severance, to indemnify and save you and any carrier transporting said oil for you: account harmless against any and all liability for loss, cost, damage and expense which you or the carrier may suffer or incur on account of receiving, transporting and paying said party for said oil. Where you, pursuant to the provisions hereof, withhold payment of the purchase price, or any part thereof, on any oil run hereunder, each undersigned party from whom payment is so withheld severally agrees to indemnify and hold you harmless from all liability for any tax, together with all interest and penalties incident thereto, imposed or assessed against, or paid by you on account of, the sum or sums so withheld from payment to said party and severally agrees, that you may deduct all such taxes, interest and penalties so paid by you from any sums owing by you to said party.

FOURTH: The undersigned severally agree to notify you of any change of ownership.

FOURTH: The undersigned severally agree to notify you of any change of ownership and no transfer of interest shall be binding upon you until 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 on the first day of the calendar month in which notice is received by you. You are hereby relieved 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 interests and the signers hereof whose interests are affected by such money or other payments, if any, agree to give you notice in writing by registered letter addressed to J M Petroleum Corporation, 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 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 damages or loss which might arise out of any overpayment.

FIFTH: This division order shall become valid and binding on each and every owner above named as soon as signed by such owner, regardless of whether or not all of the above-named owners have so signed.

**IMPORTANT: Owner, please insert your Tax Account Number in the space shown below. Corporate signatures must be attested and corporate seal affixed. NO PAYMENT WILL BE MADE UNTIL JM PETROLEUM HAS YOUR IRS TAX ACCOUNT NUMBER.**

**WITNESSES:**

**SIGNATURE OF OWNER:**

OWNER'S SOCIAL SECURITY OR  
IRS TAX ACCOUNT NUMBER

X *Kim Montoya*

Marjorie T. Conrads  
 P.O. Box 710  
 Elanor Hartman & Trustee  
 710 Las Vegas NV 89125

2338

7338

Is your signature witnessed? ~~yes~~

~~10~~ Is your correct address shown? ~~10~~

**Include Zip Code**



LEASE NUMBER : 48996  
LEASE NAME : COWDEN "37" #1  
LOCATION : UPTON

TX

OWNER NO.	INTEREST	CREDIT TO
** 11433	0.00029300 R	ROY D GOLSTON JR ET AL #441 TEAM BANK TRUSTEE P O BOX 99033 FORT WORTH TX 76199-0033
11435	0.00014650 R	OMGF OIL ACCOUNT #3153 TAB FT WORTH, N.A., TRUSTEE P O BOX 99033 FORT WORTH TX 76199-0033
** 11438	0.00065920 R	JOSEPHINE GRAF TRUST #1403 TAB FT WORTH, TRUSTEE P O BOX 99033 FORT WORTH TX 76199-0033
** 11439	0.00051270 R	JOHN W HERBERT EST #586-TAB FT WORTH, JOHN W HERBERT & JOANNE S BILBY, TRSTES DRAWER #99033 FORT WORTH TX 76199-033
11441	0.00014650 R	ANA GARDNER OSBORN 755 SUNNY LANE BRYAN TX 77801
11548	0.00234380 R	EMIL MOSBACHER, JR. 170 MASON ST GREENWICH CT 06830
11999	0.00039280 R	J. H. HERD P O BOX 130 MIDLAND TX 79701
** 12003	0.00009810 R	JOHN J REDFERN, JR ESTATE JOHN J REDFERN III EXECUTOR P O BOX 46 MIDLAND TX 79702
12004	0.00009820 R	ROSALIND REDFERN P O BOX 2127 MIDLAND TX 79702
12175	0.00546880 R	NORTH CENTRAL OIL CORP 6001 SAVOY #600 HOUSTON TX 77036-3381
13980	0.79955860 W	PARKER & PARSLEY PETROLEUM CO P O BOX 3178 MIDLAND TX 79702
** 15245	0.00087890 R	HOUSTON OIL & MINERALS CORP P O BOX 200771 HOUSTON TX 77126
** 15566	0.06093750 R	EXXON CORPORATION P O BOX 1547 HOUSTON TX 77252-1547
24815	0.00097660 R	W E KREPS TRUST #1124 REPUBLICBK 1ST NATL MIDLAND, TRUSTEE P O BOX 270 MIDLAND TX 79702
30900	0.00019640 R	GENE C. REDFERN JOHN J. REDFERN, JR, ATTORNEY-IN-FACT P O BOX 50430 MIDLAND TX 79710
37381	0.00085450 P 0.00195310 R	JOHN PERKINS III, TRUSTEE P O BOX 2177 MIDLAND TX 79702

LEASE NUMBER : 48996  
LEASE NAME : COWDEN "37" #1  
LOCATION : UPTON

TX

OWNER NO.	INTEREST	CREDIT TO		
68526	0.01495360 P	HUGH W FERGUSON JR ESTATE RUTH F DREWERY-TRUSTEE 3508 EUCLID AVE DALLAS	TX	75205
68575	0.00097660 R	SOLOMON J. KARAM CONSOLIDATED PRODUCE 1220 BANDERA ROAD SAN ANTONIO	TX	78200-4030
68587	0.00911460 R	CORINNE C. LAW P O BOX 299 ALTO	NM	88312-0299
68642	0.00048830 R	STEPHEN F. PRESLAR 4847 VISTA DEL MONTE EL PASO	TX	79900
68650	0.00048830 R	MARION WHEELER RUSSELL, TRUSTEE 412 S ALBERTA ST PECOS	TX	79772-2715
68691	0.00097660 R	WM. WOLF FAMILY TRUST #4815151629 MTRUST CORP, TRUSTEE P O BOX 97788 DALLAS	TX	75397
69013	0.00034180 R	ANN MORRISSEY 205 YODAKUM PKWY #286 ALEXANDRIA	VA	22304
69014	0.00014650 R	GREGORY E MORRISSEY 2201 BYTON CT FOREST HILL	MD	21050
69015	0.00034180 R	PATRICIA MORRISSEY 205 YODAKUM PARKWAY 826 ALEXANDRIA	VA	22304
69016	0.00014650 R	RACHEL MORRISSEY MOYER P O BOX 249 SHAWNEE ON DELA	PA	18356-0249
69075	0.01367180 R	E C HOPKINS TRUST FRANCES M MILLER, TRUSTEE 3621 CROMWELL PLANO	TX	75075
** 69250	0.00097650 R	ANNA R. WOLF TRUST #4815151610 MTRUST CORP-TRUSTEE P O BOX 97788 DALLAS	TX	75397
	1.00000000			

LEASE NUMBER : 48996  
LEASE NAME : COWDEN "37" #1  
LOCATION : UPTON

TX

OWNER NO.	INTEREST	CREDIT TO		
45590	0.00195310 R	EARL R BRUND JR 5211 WHITMAN MIDLAND	TX	79705
64128	0.02083330 O	DAVIS PARTNERS LTD P O BOX 271 MIDLAND	TX	79702
64291	0.00039270 R	LORETTA McDERMOTT MARSH %HARRELL & MCCART 901 W INDIANA #A MIDLAND	TX	79701
66061	0.00021360 P 0.00097660 R	PHILLIP HILLHOUSE TRUST #504-03 NCNB TX NATL BK. TRUSTEE P O BOX 270 MIDLAND	TX	79702-0270
66062	0.00021370 P 0.00097650 R	GEORGE S HILLHOUSE TRUST #504-04 NCNB TX NATL BK. TRUSTEE P O BOX 270 MIDLAND	TX	79702-0270
66063	0.00021360 P 0.00097660 R	JAMES HILLHOUSE TRUST #504-02 NCNB TX NATL BK. TRUSTEE P O BOX 270 MIDLAND	TX	79702-0270
66065	0.00032040 P 0.00146480 R	CORNELIA C BLAKE-TRUSTEE 500 W 7TH ST #1213 FORT WORTH	TX	76102-478
66067	0.00016020 P 0.00073240 R	WALTER R. BERGER, JR 612 WALL TOWERS WEST 203 W WALL ST MIDLAND	TX	79701
66068	0.00016020 P 0.00073240 R	LEE V BERGER MARITAL TRUST JULIA SMITH BERGER-TRUSTEE 6300 RIDGLEA PL #414 FORT WORTH	TX	76116-5789
66069	0.00175780 R	M E SINGLETON JR ESTATE G H SINGLETON & J S CLOYD, INDP CO-EXC P O BOX 717 WAXAHACHIE	TX	76165-0717
66103	0.00195310 R	MIRIAM L. BROUDY CLOVERLAY CIRCLE "E" NORWALK	CT	06855-5358
66135	0.00911460 R	CAROLYN C. CHANEY 624 AMARILLO ABILENE	TX	79605-1014
66628	0.01367180 R	MARJORIE T CONNELL & E C HARTMAN, CO-TR P O BOX 710 LAS VEGAS	NV	89125-0710
68508	0.01495360 P	RUTH V. FERGUSON BREWERY 3508 EUCLID DALLAS	TX	75205-3214
68523	0.00097650 R	VALPEY FAMILY TRUST NORMAN C & GLADYS M VALPEY CO-TRUSTEES 1724 PLAZA DE SAN JOAQUIN MODESTO	CA	95350-3549
68525	0.00911440 R	CONSTANCE C. FAUBER 1721 BROOKS ARLINGTON	TX	76012

DIVISION ORDER

Lease No. 48995

To JM PETROLEUM CORPORATION  
2500 Allianz Financial Centre  
2323 Bryan, Lock Box #185  
Dallas, TX 75201

DATE NOVEMBER 20, 1989

Each of the undersigned warrants that he is the owner of the interest credited to him in all oil produced from all wells on the PARKER & PARSLEY - COWDEN "36" #1 farm or lease, located in UPTON County, State of TEXAS  
more particularly described as follows:  
NW/4 & SE/4 Section 36, Block 40, T-5-S, T&P Ry Co Survey, Upton County, Texas

Effective 7 a.m. JULY 01, 1989 and until further written notice, subject to the conditions, covenants and directions hereof, you, your successors and assigns, are authorized to receive and purchase such oil and to give credit to the following:

OWNER NO.	LEASE NO.	INTEREST	CREDIT TO NAME AND ADDRESS
	48995		FOR DIVISION OF INTEREST SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

FIRST: The oil run in pursuance of this division order shall be merchantable and become your property upon delivery thereof to any pipe line designated by you. Correction for temperature and deductions for dirt, sediment and other impurities are to be made in accordance with your rules, regulations and customs in effect at the time and place of delivery. You may require that any unmerchantable oil be steamed or treated before you accept it. Each of the undersigned who is an actual operator of said lease warrants that oil run hereunder will be produced and delivered in accordance with all applicable Federal, State and Local Laws, Orders, Rules and Regulations.

SECOND: The oil received in pursuance of this division order shall be paid for monthly for oil run during the preceding calendar month to the party or parties entitled thereto according to the division of interest shown above, at the price per barrel (42 gallons) agreed upon between you and the operator. (In no event shall any price paid pursuant to this division order be greater than the maximum lawful ceiling price allowed for oil sold hereunder as determined by the laws and regulations of any federal or state agency having jurisdiction). These payments are to be made by your checks delivered or mailed to the parties thereto entitled at the addresses above given. However, it is agreed, if at any settlement date, the amount payable to any party hereunder shall be less than Twenty-Five Dollars, you may withhold payments, without interest, and in lieu of monthly settlement make payment annually. Pipeline grades and measurements, adjusted to conform to the provisions set forth herein and in the price posting above referred to, shall control in all settlements. The undersigned authorize you to withhold from the proceeds of any and all runs made hereunder the amount of any tax placed thereon, or on the production thereof, by any government authority, and to pay the same in our behalf. If at any time a federal or state agency having jurisdiction over the price of oil sold hereunder shall determine that the price which has been paid pursuant to this contract exceeds the maximum lawful ceiling price determined by said agency, the Owner agrees to refund to J M Petroleum Corporation the total amount of such overcharge within thirty (30) days from date of notice of the overcharge given by either said federal or state agency or J M Petroleum Corporation.

THIRD: In case of any adverse claim of title or in case title shall not be satisfactory to you at any time during the term of this division order, each of the undersigned agrees to furnish evidence of title satisfactory to you and authorize you to retain the purchase price of the oil, without obligation to pay interest on the amount so withheld or until title shall be made satisfactory to you. Each undersigned party, as to the oil purchased hereunder from said party, respectively agrees in the event suit is filed in any court affecting title to said oil, either before or after severance, to indemnify and save you and any carrier transporting said oil for your account harmless against any and all liability for loss, cost, damage and expense which you or the carrier may suffer or incur on account of receiving, transporting and paying said party for said oil. Where you, pursuant to the provisions hereof, withhold payment of the purchase price, or any part thereof, on any oil run hereunder, each undersigned party from whom payment is so withheld severally agrees to indemnify and hold you harmless from all liability for any tax, together with all interest and penalties incident thereto, imposed or assessed against, or paid by you on account of, the sum or sums so withheld from payment to said party, and severally agrees, that you may deduct all such taxes, interest and penalties so paid by you from any sums owing by you to said party.

FOURTH: The undersigned severally agree to notify you of any change of ownership and no transfer of interest shall be binding upon you until 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 on the first day of the calendar month in which notice is received by you. You are hereby relieved 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 interests and the signers hereof whose interests are affected by such money or other payments, if any, agree to give you notice in writing by registered letter addressed to J M Petroleum Corporation, 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 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 damages or loss which might arise out of any overpayment.

FIFTH: This division order shall become valid and binding on each and every owner above named as soon as signed by such owner, regardless of whether or not all of the above-named owners have so signed.

IMPORTANT: Owner, please insert your Tax Account Number in the space shown below. Corporate signatures must be attested and corporate seal affixed. NO PAYMENT WILL BE MADE UNTIL JM PETROLEUM HAS YOUR IRS TAX ACCOUNT NUMBER.

WITNESSES:

SIGNATURE OF OWNER:

OWNER'S SOCIAL SECURITY OR  
IRS TAX ACCOUNT NUMBER

*Tim Montoya*  
*Tim Montoya*

*Margaret J. Cordes*  
*P.O. Box 710 Las Vegas NV 89125*  
*Eleanor Cordes*  
*P.O. Box 710 Las Vegas NV 89125*

7338

7338

Is your signature witnessed?

Is your correct address shown?

Include Zip Code

LEASE NUMBER : 48995  
LEASE NAME : COWDEN "36" #1  
LOCATION : UPTON

TX

OWNER NO.	INTEREST		CREDIT TO		
** 11433	0.00029300	R	ROY D GOLSTON JR ET AL #441 TEAM BANK TRUSTEE P O BOX 99033 FORT WORTH	TX	76199-0033
11435	0.00014650	R	GMOF OIL ACCOUNT #3153 TAB FT WORTH, N. A., TRUSTEE P O BOX 99033 FORT WORTH	TX	76199-0033
** 11438	0.00065920	R	JOSEPHINE GRAF TRUST #1403 TAB FT WORTH, TRUSTEE P O BOX 99033 FORT WORTH	TX	76199-0033
** 11439	0.00051270	R	JOHN W HERBERT EST #586-TAB FT WORTH, JOHN W HERBERT & JOANNE S BILBY, TRSTES DRAWER #99033 FORT WORTH	TX	76199-033
11441	0.00014650	R	ANA GARDNER OSBORN 755 SUNNY LANE BRYAN	TX	77801
11548	0.00234380	R	EMIL MOSBACHER, JR. 170 MASON ST GREENWICH	CT	06830
11999	0.00039260	R	J. H. HERD P O BOX 130 MIDLAND	TX	79701
12002	0.00019630	R	FRANK J REDFERN ESTATE PETER J & JAMES F REDFERN, CO-EXECS P O BOX 10246 MIDLAND	TX	79702
** 12003	0.00009820	R	JOHN J REDFERN, JR ESTATE JOHN J REDFERN III EXECUTOR P O BOX 46 MIDLAND	TX	79702
12004	0.00009810	R	ROSALIND REDFERN P O BOX 2127 MIDLAND	TX	79702
12175	0.00546880	R	NORTH CENTRAL OIL CORP 6001 SAVOY #600 HOUSTON	TX	77036-3381
13980	0.79955860	W	PARKER & PARSLEY PETROLEUM CO P O BOX 3178 MIDLAND	TX	79702
** 15245	0.00087890	R	HOUSTON OIL & MINERALS CORP P O BOX 200771 HOUSTON	TX	77126
** 15566	0.06093750	R	EXXON CORPORATION P O BOX 1547 HOUSTON	TX	77252-1547
24815	0.00097660	R	W E KREPS TRUST #1124 REPUBLICBK 1ST NATL MIDLAND, TRUSTEE P O BOX 270 MIDLAND	TX	79702
37381	0.00085450 0.00195310	P R	JOHN PERKINS III, TRUSTEE P O BOX 2177 MIDLAND	TX	79702

LEASE NUMBER 48995  
LEASE NAME : COWDEN "36" #1  
LOCATION : UPTON

TX

OWNER NO.	INTEREST		CREDIT TO		
68587	0.00911460	F	CORINNE C. LAW P O BOX 299 ALTO	NM	88312-0299
68642	0.00048830	R	STEPHEN F. PRESLAR 4847 VISTA DEL MONTE EL PASO	TX	79900
68650	0.00048830	R	MARION WHEELER RUSSELL, TRUSTEE 412 S ALBERTA ST PECOS	TX	79772-2715
68691	0.00097660	R	WM. WOLF FAMILY TRUST #4815151629 MTRUST CORP, TRUSTEE P O BOX 97788 DALLAS	TX	75397
69013	0.00034180	R	ANN MORRISSEY 205 YOAKUM PKWY #286 ALEXANDRIA	VA	22304
69014	0.00014650	R	GREGORY E MORRISSEY 2201 BYTON CT FOREST HILL	MD	21050
69015	0.00034180	R	PATRICIA MORRISSEY 205 YOAKUM PARKWAY 826 ALEXANDRIA	VA	22304
69016	0.00014650	R	RACHEL MORRISSEY MOYER P O BOX 249 SHAWNEE ON DELA	PA	18356-0249
69075	0.01367180	R	E C HOPKINS TRUST FRANCES M MILLER, TRUSTEE 3621 CROMWELL PLANO	TX	75075
** 69250	0.00097650	R	ANNA R. WOLF TRUST #4815151610 MTRUST CORP-TRUSTEE P O BOX 97788 DALLAS	TX	75397
	1.00000000				

LEASE NUMBER : 48995  
LEASE NAME : COWDEN "36" #1  
LOCATION : UPTON

TX

OWNER NO.	INTEREST		CREDIT TO		
45590	0.00195310	R	EARL R BRUND JR 9211 WHITMAN MIDLAND	TX	79705
64128	0.02083330	D	DAVIS PARTNERS LTD P O BOX 271 MIDLAND	TX	79702
64291	0.00039270	R	LORETTA McDERMOTT MARSH %HARRELL & MCCART 901 W INDIANA #A MIDLAND	TX	79701
66063	0.00064080 0.00292980	P R	JAMES HILLHOUSE TRUST #504-02 NCNB TX NATL BK, TRUSTEE P O BOX 270 MIDLAND	TX	79702-0270
66065	0.00032040 0.00146480	P R	CORNELIA C BLAKE-TRUSTEE 900 W 7TH ST #1213 FORT WORTH	TX	76102-4783
66067	0.00016020 0.00073240	P R	WALTER R. BERGER, JR 612 WALL TOWERS WEST 203 W WALL ST MIDLAND	TX	79701
66068	0.00016020 0.00073240	P R	LEE V BERGER MARITAL TRUST JULIA SMITH BERGER-TRUSTEE 6300 RIDGLEA PL #414 FORT WORTH	TX	76116-5789
66069	0.00175780	R	M E SINGLETON JR ESTATE G H SINGLETON & J S CLOYD, INDP CO-EXC P O BOX 717 WAXAHACHIE	TX	76165-0717
66103	0.00195310	R	MIRIAM L. BROUDY CLOVERLAY CIRCLE "E" NORWALK	CT	06855-5358
66135	0.00911460	R	CAROLYN C. CHANEY 624 AMARILLO ABILENE	TX	79605-1014
66628	0.01367190	R	MARJORIE T CONNELL & E C HARTMAN, CO-TR P O BOX 710 LAS VEGAS	NV	89125-0710
68508	0.01495360	P	RUTH V. FERGUSON DREWERY 3508 EUCLID DALLAS	TX	75205-3214
68523	0.00097650	R	VALPEY FAMILY TRUST NORMAN C & GLADYS M VALPEY CO-TRTEES 1724 PLAZA DE SAN JOAQUIN MODESTO	CA	95350-3549
68525	0.00911460	R	CONSTANCE C. FAUBER 1721 BROOKS ARLINGTON	TX	76012
68526	0.01495360	P	HUGH W FERGUSON JR ESTATE RUTH F DREWERY-TRUSTEE 3508 EUCLID AVE DALLAS	TX	75205
68575	0.00097660	R	SOLOMON J. KARAM CONSOLIDATED PRODUCE 1220 BANDERA ROAD SAN ANTONIO	TX	78200-4030

October 17, 1990

MARJORIE T CONNELL  
E C CONNELL  
P O BOX 710  
LAS VEGAS NV 10028-0934

*Division  
Orders*

Enclosed is a Division Order or Transfer Order in duplicate, which credits you with an interest in production marketed from the property described thereon. This document is to verify your interest and establish the basis of payment. The following instructions have been designed to assist you in completing the document and sending it back to us. While we hope the data is self-explanatory, please let us know if you have any questions.

- o If you agree with your interest as shown, please sign and date the instrument on the designated lines at the bottom of the form. Sign your name exactly as it appears on the lines below. If your name has changed, or if it is spelled incorrectly, please print any correction and initial the change. Please attach documentation supporting any such name change, such as a marriage certificate or divorce decree. Insert the date signed on the line below the mailing address. Have two people witness your signature. It is not necessary to have the instrument notarized.
- o If you are signing for some other person, please attach documentation of your authority to sign. If your interest is subject to a special provision requiring that a mortgagee also sign the instrument, please secure the signature of the mortgagee before returning the instrument.
- o Since your mailing address and social security or taxpayer identification number will be used for payment and reporting purposes, please review this data carefully. If they are missing or incorrect, please print or type the correct address or number. FAILURE TO PROVIDE YOUR SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER MAY SUBJECT YOU TO A 20% BACKUP WITHHOLDING AS REQUIRED BY FEDERAL LAW.
- o If special information or instructions apply to this instrument, you will find a letter attached.
- o When the instrument has been fully signed, return one copy without delay in the enclosed, postage-paid envelope. The exhibits are part of the instrument and should not be detached. KEEP THE COPY MARKED "DUPLICATE - FOR YOUR RECORDS - DO NOT RETURN."
- o If you disagree with your interest, please indicate what you believe to be the correct interest and attach supporting documentation.
- o The division order number associated with each property is shown on Exhibit A. Your owner number is shown below the social security/taxpayer identification number. These numbers will appear on your check as an identification of the property and your owner account. Please refer to both of these numbers in any correspondence with us. If you write or telephone our office with specific questions regarding this instrument, please furnish the additional codes shown in the lower left-hand portion of the form. We appreciate your cooperation and assistance.

Exxon Royalty Owner Relations  
(713) 656-6028

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EXXON CORPORATION  
DIVISION ORDER

TO: EXXON CORPORATION

P. O. BOX 2024  
HOUSTON, TX 77252-2024

EFFECTIVE 7 A.M. 09/01/90

Each of the undersigned warrants that it is the owner of the interest, shown opposite its name set forth on Exhibit B (attached), in the oil and gas (defined herein to include all substances contained in such oil and gas) produced from the land or allocated under a pooling or unit agreement to the land described on Exhibit A (attached) and hereby authorizes you or your designated agent to receive and measure such production.

The oil purchased by you shall become your property when run from the lease tanks or through other lease measuring facilities by you or any carrier or agency designated by you and settlements therefor shall be based on your posted per barrel (42 U.S. Gallons) price for similar oil for the field where produced in effect on the date of each respective run; provided that, during any period in which you have no posted price in effect for the field for similar oil, settlements shall be based upon the per barrel price shown on Exhibit B in effect on the date of each respective run; provided further that during any period in which you have no posted price in effect for similar oil for the field and no per barrel price is shown on Exhibit B, then settlements shall be based upon a posted per barrel price for similar oil in the field or area by other purchasers in effect on the date of each respective run. In the event that oil is sold to another purchaser at the lease or at a designated marketing point in or near the field, settlements shall be based on the same net per barrel price realized at the wells by you. For settlement purposes, the term "oil" shall include condensate. Settlements for gas sold or used off the premises or used for the extraction of gasoline or other product therefrom shall be made on the market value at the well of the gas so sold or used; provided that on gas sold the market value shall not exceed the amount received by you for such gas computed at the mouth of the well, and on gas sold at the well settlement shall be on the amount received by you from such sale. If the price of oil or gas is regulated by any governmental agency, the value or price of such substance for purposes herein shall not be in excess of that regulated price.

Settlements shall be made monthly either by your check or electronic funds transfer; however, if the proceeds for any one month amount to less than \$25.00, you may defer settlement until the accruals total that sum.

You are not responsible for any change in the undersigned's ownership interest until you are given written notice of such change and the undersigned shall hold you harmless from any loss or expense for any incorrect payment in absence of such written notice. Regardless of the effective date of the instrument of conveyance, all transfers of interest shall be made effective as of 7:00 A.M. of the first day of the calendar month in which said written notice is received. In case of an adverse claim of title as to undersigned's interest, you are authorized to withhold payment until such adverse claim is finally resolved.

Exxon is a Government Contractor. If required by applicable laws and regulations, this agreement also includes Executive Order 11246, as amended, Executive Order 11738 (Compliance with Environmental Regulations), Executive Order 11625 (Compliance with Minority Business Enterprises Regulations), the Small Business Act and the Small Business Investment Act of 1958, as amended, the affirmative action clauses concerning disabled veterans, veterans of the Vietnam era and employment of the handicapped. The appropriate clauses are incorporated herein by reference.

This Division Order may be terminated by any of the undersigned as to its interest or by Exxon Corporation as to any one or more or all interest owners effective on the first day of any calendar month following at least 30 days advance written notice of such termination.

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

Signature of Witnesses:

Virginia Hathorn  
Miriam Turner

Signature of Owner(s):

DUPLICATE - FOR YOUR RECORDS - DO NOT RETURN  
Marjorie T. Connell, Trustee  
Eleanor C. Hartman Co-Trustee  
MARJORIE T. CONNELL, TRUSTEE  
~~E. O. CONNELL~~ ELEANOR C. HARTMAN, Co-TRUSTEE  
P O BOX 710  
LAS VEGAS NV ~~49628-0934~~ 89125

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Date signed: 11-13-90  
SSN or TIN :  
ION : 168465

EXHIBIT A  
DIVISION ORDER PROPERTY DESCRIPTION

PAGE 1 OF EXHIBIT A

DI: 28313  
OPERATOR: PARKER AND PARSLEY  
PROPERTY: CONNELL  
COUNTY: UPTON  
STATE: TEXAS  
DESCRIPTION: ALL SEC. 36 BLK 39 T5S T&P RR CO. SURVEY,  
LIMITED AS TO ALL DEPTHS DOWN TO BUT NOT BELOW THE BASE OF THE  
SPRABERRY FORMATION.

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EXHIBIT B  
DIVISION OF INTEREST

PAGE 1 OF EXHIBIT B

	INTEREST
MARYLANE MYERS ANDERSON	.00097653
EARL R BRUND JR	.00195310
ROBERT J CASTOR	.00129961
MELINDA ANDERSON CATES	.00097653
MICHEAL GLENN ANDERSON	.00097654
MIRIAM L BROUDY	.00195310
CAROLYN C CHANEY	.01367186
DAISY CHORIN	.04452340
*** MARJORIE T CONNELL, TRUSTEE	.02050780
<del>E C CONNELL ELEANOR C FARTMAN Co. TRUSTEE</del>	
<del>FOR WNY MARJORIE T CONNELL TRUST DATED 5/18/73 TRUST # 88-6037338-</del>	
<del>FOR WNY # 88-6037338- TRUST # 88-6037338-</del>	
A R CONNELLY	.05198410
CRAVATH SWAINE & MOORE	
RUTH V FERGUSON	.00097660
HUGH W FERGUSON JR EST	.00097660
RUTH F DREWERY TR	
CONSTANCE C FAUBER	.01367187
TEXAS AMERICAN BANK FT WORTH	.00021970
NA TRUSTEE GMGF OIL ACCT	
JOSEPHINE H GRAFF	.00098870
TEXAS AMERICAN BANK FT WORTH	.00043940
NA TR FOR ROY D GOLSTON JR ET	
AL U/A DATED JUNE 6 1945 AS	
AMENDED	
ACCT NO 441	
TRUST DEPT	
MONTAGUE HACKETT JR	.00722000
E C HOPKINS TRUST	.02050780
FRANCES M MILLER TR	
JOHN W HERBERT EST	.00076900
JOHN W HERBERT	
JOANNE S HERBERT	
ACCT #586 T	
FLAVIA R HACKETT	.08182680
J H HERD	.00043940
NCNB TX NATL BANK MIDLAND TR	.00146484
FOR GEORGE SHELTON HILLHOUSE	
TRUST ACCT # 504 04	
NCNB TX NATL BANK MIDLAND TR	.00146483
FOR JAMES DOUGLAS HILLHOUSE IV	
TRUST ACCT # 504 02	

SPECIAL NOTES AND PROVISIONS:

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EXHIBIT B  
DIVISION OF INTEREST

PAGE 2 OF EXHIBIT B

	INTEREST
NCNB TEXAS NATIONAL BANK MIDLAND TR FOR PHILLIP MAVRICK HILLHOUSE TRUST ACCT # 504 03	.00146483
A FRANK KUBICA	.00129961
SOLOMON J KARAM	.00390620
EDNA D AND WILLIAM E KREPS MEMORIAL TRUST NCNB TX NATL BANK TRUST 1124	.00195310
CORINNE C LAW	.01367187
JAMES D MORING	.00129961
ANN MORRISSEY	.00034180
GREGORY E MORRISSEY	.00014650
PATRICIA MORRISSEY	.00034180
RACHEL MORRISSEY MOYER	.00014650
LORETTA MCDERMOTT MARSH	.00043940
THE MISSIONARY SOCIETY OF (THE) OBLATE FATHERS OF TEXAS	.00073240
EMIL MOSBACHER JR	.00468750
NORTH CENTRAL OIL CORP	.00820310
ANA GARDNER GOLSTON OSBORN	.00021970
JOHN PERKINS III TR	.00153680
PARKER & PARSLEY PETROLEUM CO	.00936250 .00660780 .03964730
PARSLEY OIL PROP INC.	.25739345
EDWARD S PINNEY MARITAL TR	.04332010
HOWARD W PARKER	.26025790
STEPHEN F PRESLAR	.00048820
JOHN J REDFERN JR EST JOHN J REDFERN III EXEC	.00010985
ROSALIND REDFERN	.00010985
MARION WHEELER RUSSELL TR	.00048820
GENE C REDFERN	.00021970
MARVIN E SINGLETON EST GEORGE H. SINGLETON JEANNETTE S CLOYD CITIZENS NATL BANK ALL INDEPNT CO EXEC	.00263670

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SPECIAL NOTES AND PROVISIONS:

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EXHIBIT B  
DIVISION OF INTEREST

PAGE 3 OF EXHIBIT B

	INTEREST
SCOTT D SHEFFIELD	.00129961
J CLEO THOMPSON AND JAMES CLEO THOMPSON JR	.00069750
TENNECO OIL COMPANY MID CONTINENT DIVISION	.00131830
GERTRUDE OLINGER TYSON	.00069750
VALPEY FAMILY TRUST	.00097650
HERBERT C WILLIAMSON III	.00129961
WILLIAM WOLF FAMILY TRUST #48 AMERITRUST TEXAS N A TR	.00097655
ANNA R WOLF TRUST AMERITRUST TEXAS N A TR ACCT 48151	.00097655
EXXON CORPORATION	.06093750

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SPECIAL NOTES AND PROVISIONS:

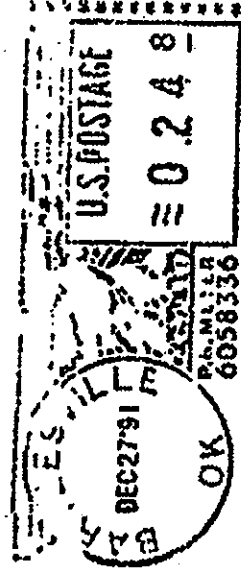
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PHILLIPS 66 COMPANY  
BOX 5400  
BARTLESVILLE, OKLAHOMA 74005-5400

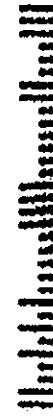
GROUP SHIPMENT  
AUTHORIZATION 5  
PRESORTED FIRST-CLASS

FIRST CLASS



MARJORIE T. CONNELL AND  
ELEANOR C. HARTMAN AS CO-TRUSTEES  
P.O. BOX 710  
LAS VEGAS, NV 89101

13041E1087



# DIVISION ORDER

RETURN ONE COPY TO: PHILLIPS 66 COMPANY  
P.O. BOX 5400  
BARTLESVILLE, OK 74005-5400

BWW:bb P  
DATE: 12-20-91  
LEASE: 57200

LEASE NAME: NORTH PEMBROOK SPRABERRY UNIT TRACT 27  
OPERATOR: PFCo.  
DESCRIPTION: SE/4, Sec. 42, Blk. 38, T-5S, T&P RR Co. Survey  
Upton County, Texas

Each signatory party certifies and warrants that he is the legal owner, in the proportion set out below, of all the oil (which hereunder includes distillate) produced from the above described property.

EFFECTIVE: 1-1-92

Phillips 66 Company, hereinafter referred to as Phillips, subject to the covenants and conditions set out below which are adopted by reference as though fully set out herein, is hereby authorized:

- (a) to purchase and receive oil produced from the above described property, or
- (b) where Phillips owns a working interest in said property or has the right to market all or a portion of the production therefrom, to sell and/or deliver oil produced from the above described property to any purchaser Phillips may designate; and until further notice Phillips shall give credit for said oil, as per directions below:

OWNER NUMBER	CREDIT TO	*TYPE OF INTEREST	DECIMAL
178503	MARJORIE T. CONNELL AND ELEANOR C. HARTMAN AS CO-TRUSTEES P.O. BOX 710 LAS VEGAS, NV 89101	R	.0137507

**FIRST:** Said oil shall become the property of Phillips upon the delivery thereof to it or to any common carrier pipe line, person, firm or corporation designated by Phillips to receive said oil for its account.

**SECOND:** Oil purchased and received under (a) above, shall be paid for to the signatory parties, according to their respective interests shown above, at the price paid by Phillips for oil of the same grade and gravity in the same field or pool on the date oil is received. Phillips is hereby authorized to receive payment for oil sold and/or delivered under (b) above, and shall pay to the signatory parties, according to their respective interests, the same net price received by Phillips therefor. When necessary for Phillips to transport said oil by truck or other means of transportation from the property above described for delivery to a common carrier pipe line or to any person, firm or corporation designated by Phillips to receive said oil for its account, then Phillips is authorized to arrange for the transportation of said oil. Where oil is purchased and received under (a) above, Phillips is authorized to deduct proportionately from its payment to the signatory parties the transportation charges agreed upon between Phillips and the operator of said lease. Where oil is sold and/or delivered under (b) above, Phillips is authorized to deduct proportionately from its payment to the signatory parties the charges for such transportation.

**THIRD:** Phillips may refuse any oil which Phillips considers is not in its natural state or is not merchantable. In making settlement for oil: (1) deductions may be made for dirt, sediment and other impurities; (2) where a well produces oil after liquid hydrocarbons have been injected into the same for completion or reworking purposes, deductions may be made for an amount of oil equivalent to the amount of liquid hydrocarbons so injected; (3) adjustments may be made in accordance with accepted practices and rules, regulations and/or customs prevailing at the time and place of delivery. Before making payment to owners hereunder, there shall be deducted therefrom any severance, gross production, occupation or other tax imposed on the production or the purchase or sale of said oil.

**FOURTH:** Satisfactory evidence of signatory party's title to said oil shall be furnished at any time upon demand. If, in the opinion of Phillips, such party does not have good title to the interest claimed, or in case of adverse claim of title to the land from which said oil may be produced, or to which such oil is allocated under any unit operation, or to any of said oil, Phillips may withhold, without interest, the purchase price or proceeds of said oil, until indemnity satisfactory to Phillips has been furnished, or until such title is made acceptable to Phillips or until such adverse claim is settled to its satisfaction.

**FIFTH:** Phillips is hereby relieved of any responsibility for determining if and when any of the interests attached 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 payment from said interests, and the signatory parties whose interests are affected by such money or other payments, agree to give Phillips notice in writing addressed to Phillips at Bartlesville, Oklahoma, when any such money or other payments have been completed or discharged or when any division of interest other than that attached, for any reason, become effective and to furnish transfer orders accordingly. Each signatory party agrees to notify Phillips immediately in writing at Bartlesville, Oklahoma, of any change in ownership affecting such owner's interest and to furnish satisfactory proof thereof. Each working interest owner agrees to notify Phillips immediately in writing at Bartlesville, Oklahoma, of any change in ownership affecting any owner's interest, notice of which has been given to such working interest owner, and to furnish to Phillips the proof of such change as given to such working interest owner. In the event notice or notices required in this paragraph are not received by Phillips, the party failing to give such notice agrees to hold Phillips harmless from any damage or loss which may arise by reason of Phillips making payments to owners hereunder whose interests have changed.

**SIXTH:** Subject to the Fourth condition, settlement shall be made monthly, by mailing or delivering to the owner a check or draft for the amount due on account of oil which has been run hereunder during the preceding calendar month. If at any settlement date the amount payable to any party hereunder shall be less than Twenty Five Dollars, settlement may be deferred until Twenty Five Dollars or more is payable. Subject to the Fourth condition, upon termination of this agreement, payment shall be made to the respective parties entitled thereto regardless of the amount or amounts due.

**SEVENTH:** All parties hereto who are connected with the operation of the above described lease guarantee and warrant that all oil hereunder has not been or 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 and will be produced in accordance with the applicable laws and official rules and regulations.

**EIGHTH:** Each of the signatory parties who owns a royalty interest in the lands above described recognizes as valid and subsisting and in full force and effect all oil and gas leases of record held by the herein named working interest owners, which cover or purport to cover his (her) interest in said lands as well as the above mentioned pooled unit (if this division order covers a unit) and the same are hereby adopted, ratified and confirmed.

**NINTH:** This Division Order shall become valid and binding on each and every owner above named as soon as signed, regardless of whether or not any of the other named owners shall have so signed, and shall be binding separately and not jointly upon the signatory parties their assigns and successors in interest, and shall insure to the benefit of Phillips, its assigns and successors. Authority of Phillips to purchase or sell oil hereunder is on a day-to-day basis only and, without prejudice to the rights of Phillips under other agreements, if any, this division order is terminable at will by either party.

Dated - 1-13-92

SIGNATURE OF WITNESS

SIGNATURE OF OWNER(S)

TAXPAYER NUMBER

*[Signature]*

*[Signature]*

7338

*[Signature]*

*[Signature]*

7338

- \* Types of Interest: R-Royalty, O-Overriding Royalty, W-Working, P-Production Payment
- \*\* In accordance with federal law, 20% tax will be withheld if you do not provide your social security or taxpayers identification number, and any tax withheld by Phillips will not be refunded by Phillips.

PHILLIPS 66 COMPANY



*Signed &  
Returned  
1-13-92*

INSTRUCTIONS TO ALL INTEREST OWNERS  
READ CAREFULLY BEFORE SIGNING THE INSTRUMENT(S)

We are preparing to account for production from the lease(s) described in the attached Division/Transfer Order(s). Further correspondence will be eliminated and payment expedited if you will follow the instructions outlined below:

The attached instrument(s) 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.

**CORPORATIONS:** 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 executing officer's authority must be submitted.

**PARTNERSHIP:** If signed for a partnership, all partners must sign unless signed by an authorized partner who has 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.

**TAXPAYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER:** Insert your number in the space provided. Failure to furnish number will result in 20% withholding tax in accordance with federal law, and any tax withheld will not be refundable by Phillips.

**MAILING ADDRESS:** Check your mailing address carefully. If it is not correct then make the necessary changes. If it is not shown insert the correct address below your name. Please print or type the address, do not abbreviate.

**LEASE NUMBER:** In the right, top portion of the instrument you will find the number assigned to this lease. This number will also 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 give your new address with zip code.

Return the executed instrument(s) without delay to the address below. Keep the indicated copy for your records.

PHILLIPS 66 COMPANY  
DIVISION ORDERS  
ATTN: F. W. BROWN  
BOX 5400  
BARTLESVILLE, OKLAHOMA 74005  
(918) 661- 5854



TO: PSIDE PIPELINE COMPANY  
P.O. BOX 2436  
ABILENE, TEXAS 79604

# DIVISION ORDER

DUPLICATE

No. 98-03056

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  
Lease,  
LOCATED IN THE COUNTY OF \_\_\_\_\_ STATE OF \_\_\_\_\_ and described as follows: to wit:

Unit further written notice, you are authorized to purchase oil therefrom and pay therefor, as follows:

OWNER NO.	CREDIT TO	NET REVENUE INTEREST
99190124	MARJORIE T CONNELL & ELEANOR MARGUERITE CONNELL HARTMAN TRUSTEES OF W N CONNELL & MARJORIE T CONNELL LIVING TR	.05859380 81

SEE EXHIBIT 'A', ATTACHED HERETO AND MADE A PART HEREOF.

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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 supercedes all former division orders given on the property described above.
- 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.
- Where the term "oil" is used herein, it is intended also to include distillate, condensate or other liquid hydrocarbons.

WITNESS:

MARJORIE T CONNELL & ELEANOR  
MARGUERITE CONNELL HARTMAN  
TRUSTEES OF W N CONNELL &  
MARJORIE T CONNELL LIVING TR  
TO: PSIDE PIPELINE COMPANY  
1005 VICTORY BLVD  
ABILENE, TEXAS 79604

MARJORIE T CONNELL  
ELEANOR MARGUERITE CONNELL HARTMAN  
Eleanor Marguerite Connell Hartman  
Co-Trustee

7338  
Lance J. [Signature]

## IMPORTANT:

TO AVOID DELAY IN PAYMENT - YOUR CORRECT ADDRESS AND YOUR SOCIAL SECURITY NUMBER OR TAX ACCOUNT NUMBER MUST BE SHOWN.

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/COWDEN '45'  
UPTON COUNTY  
PRIDE LEASE 030569

PAGE 1

CREDIT

DIVISION OF INTEREST

ROYALTY INTEREST

BENNETT E SMULLYAN	0.00015620
CAROLYN COWDEN CHANEY	0.03906250
CLINTON I SMULLYAN JR	0.00015620
CONSTANCE COWDEN FAUBER	0.03906250
CORINNE COWDEN LAW	0.03906250
EMIL MOSBACHER JR	0.00093750
MARJORIE T CONNELL & ELEANOR MARGUERITE CONNELL HARTMAN TRSTES OF W N CONNELL & MARJORIE T CONNELL LIVING TR	0.05859380
NORTH CENTRAL OIL CORPORATION	0.01093750
R BRUCE MOSBACHER ATTY-IN-FACT FOR EMIL MOSBACHER III	0.00010420
R BRUCE MOSBACHER	0.00010420
R BRUCE MOSBACHER ATTY IN FACT FOR JOHN DAVID MOSBACHER	0.00010420
ROBERT MOSBACHER BY ROBERT MOSBACHER JR AIF	0.00218750
ROBERT R MILLER OR FRANCES M MILLER TRUSTEES FBO ROBERT R MILLER & FRANCES M MILLER REV TRUST DTD 5 3 91	0.05859370

OVERRIDING ROYALTY INTEREST

KEYS PETROLEUM	0.00140625
PAT YOCHAM	0.00070312

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/COWDEN "45"  
UPTON COUNTY  
PRIDE LEASE 030569

PAGE 2

CREDIT

DIVISION OF INTEREST

WORKING INTEREST

ALTA STRAUB	0.00375460
BILL MATHIS	0.00375460
C R WALTERS JR	0.02346680
DONALD F SCHROEDER JR	0.01126420
DONNY D THOMPSON	0.00750940
EST OF KALE WEBSTER	0.03754690
GEORGE VENNER	0.01501880
HAWKINS CHEMICAL INC	0.00685185
HOMA L CLINE	0.00685185
HOWARD J HAWKINS	0.06851852
J D COBB	0.01370371
J MICHAEL MUCKLERDY	0.00375460
J WILLIS JOHNSON	0.01370370
JOHN G FARMER	0.00375460
KATHLEEN LEWIS	0.00375460
LAURENCE G CUMMINS III	0.00750930
LLOYD CHERNE	0.00685185
MARC BRIGGS	0.00750940
MICKEY R ALLEN	0.00750940
MR & MRS ALLAN D SCHERER	0.00685185
PRIMEENERGY CORP FAO CREA BROS CATTLE CO	0.01370371
PRIMEENERGY CORP FAO MONICA DERINCON	0.00685185

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/COWDEN '45'  
UPTON COUNTY  
PRIDE LEASE 030569

PAGE 3

CREDIT

DIVISION OF INTEREST

WORKING INTEREST

PRIMEENERGY CORP FAO NELSON LETHCO	0.01027778
PRIMEENERGY CORP FAO RICHARD NAYLOR	0.00685185
PRIMEENERGY CORP FAO STELLA LINDEMANN	0.01370370
PRIMEENERGY CORP FAO WILSON & SONS ENERGY INC	0.02409183
PRIMEENERGY CORPORATION	0.25016557
SONDRA M YADON	0.00750940
STANLEY R THOMAS	0.00685185
STERLING ASSET & INCOME FUND L P AA 3	0.14595413
TERESA MCWILLIAMS	0.00342593

TO: PRIDE PIPELINE COMPANY  
P.O. BOX 2436  
ABILENE, TEXAS 79604

DIVISION ORDER

05/27/92 RPA/SP DUPLICATE

No. 02-030569

MAY 1, 1992  
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  
LOCATED IN THE COUNTY OF [ ] STATE OF [ ] and described as follows: to wit:

SECTION 29, BLOCK 39, T-14S, R-10E, PRIDE COMPANY SURVEY, TARRANT 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
00100124	MARJORIE T CONNELL & ELEANOR MARGUERITE CONNELL HARTMAN TRUSTEES OF W M CONNELL & MARJORIE T CONNELL LIVING TR	.05879390 01

SEE EXHIBIT 'A', ATTACHED HERETO AND MADE A PART HEREOF.

- 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.
- 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.
- 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 impositions 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.
- 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.
- 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 purchases 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.
- 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.
- 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 supercedes all former division orders given on the property described above.
- 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.
- Where the term "oil" is used herein, it is intended also to include "distillate, condensate or other liquid hydrocarbons."

WITNESS: Lance J. [Signature]

MARJORIE T. CONNELL, TRUSTEE  
Marguerite T. Connell, Trustee  
ELEANOR MARGUERITE CONNELL  
HARTMAN

Eleanor Marguerite Connell Hartman  
7338 Co. Trustee

MARJORIE T CONNELL & ELEANOR  
MARGUERITE CONNELL HARTMAN  
TRUSTEES OF W M CONNELL &  
MARJORIE T CONNELL LIVING TR  
P.O. BOX 710  
LAS VEGAS, NV 89125

Lance J. [Signature]  
P.O. Box - 710  
LAS VEGAS, NV 89125

**IMPORTANT:** TO AVOID DELAY IN PAYMENT - YOUR CORRECT ADDRESS AND YOUR SOCIAL SECURITY NUMBER OR TAX ACCOUNT NUMBER MUST BE SHOWN.

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/COWDEN '45'  
UPTON COUNTY  
PRIDE LEASE 030569

PAGE 1

CREDIT

DIVISION OF INTEREST

ROYALTY INTEREST

BENNETT E SMULLYAN	0.00015620
CAROLYN COWDEN CHANEY	0.03906250
CLINTON I SMULLYAN JR	0.00015620
CONSTANCE COWDEN FAUBER	0.03906250
CORINNE COWDEN LAW	0.03906250
EMIL MOSBACHER JR	0.00093750
MARJORIE T CONNELL & ELEANOR MARGUERITE CONNELL HARTMAN TRSTEES OF W N CONNELL & MARJORIE T CONNELL LIVING TR	0.05859380
NORTH CENTRAL OIL CORPORATION	0.01093750
R BRUCE MOSBACHER ATTY-IN-FACT FOR EMIL MOSBACHER III	0.00010420
R BRUCE MOSBACHER	0.00010420
R BRUCE MOSBACHER ATTY IN FACT FOR JOHN DAVID MOSBACHER	0.00010420
ROBERT MOSBACHER BY ROBERT MOSBACHER JR AIF	0.00218750
ROBERT R MILLER OR FRANCES M MILLER TRUSTEES FBO ROBERT R MILLER & FRANCES M MILLER REV TRUST DTD 5 3 91	0.05859370

OVERRIDING ROYALTY INTEREST

KEYS PETROLEUM	0.00140625
PAT YOCHAM	0.00070312

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/COWDEN "45"  
UPTON COUNTY  
PRIDE LEASE 030569

PAGE 2

CREDIT

DIVISION OF INTEREST

WORKING INTEREST

ALTA STRAUB	0.00375460
BILL MATHIS	0.00375460
C R WALTERS JR	0.02346680
DONALD F SCHROEDER JR	0.01126420
DONNY D THOMPSON	0.00750940
EST OF KALE WEBSTER	0.03754690
GEORGE VENNER	0.01501880
HAWKINS CHEMICAL INC	0.00685185
HOMA L CLINE	0.00685185
HOWARD J HAWKINS	0.06851852
J D COBB	0.01370371
J MICHAEL MUCKLERoy	0.00375460
J WILLIS JOHNSON	0.01370370
JOHN G FARMER	0.00375460
KATHLEEN LEWIS	0.00375460
LAURENCE G CUMMINS III	0.00750930
LLOYD CHERNE	0.00685185
MARC BRIGGS	0.00750940
MICKEY R ALLEN	0.00750940
MR & MRS ALLAN D SCHERER	0.00685185
PRIMEENERGY CORP FAO CREA BROS CATTLE CO	0.01370371
PRIMEENERGY CORP FAO MONICA DERINCON	0.00685185

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/COWDEN '45'  
UPTON COUNTY  
PRIDE LEASE 030569

PAGE 3

CREDIT	DIVISION OF INTEREST
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WORKING INTEREST	
-----	
PRIMEENERGY CORP FAO NELSON LETHCO	0.01027778
PRIMEENERGY CORP FAO RICHARD NAYLOR	0.00685185
PRIMEENERGY CORP FAO STELLA LINDEMANN	0.01370370
PRIMEENERGY CORP FAO WILSON & SONS ENERGY INC	0.02409183
PRIMEENERGY CORPORATION	0.25016557
SONDRA M YADON	0.00750940
STANLEY R THOMAS	0.00685185
STERLING ASSET & INCOME FUND L P AA 3	0.14595413
TERESA MCWILLIAMS	0.00342593



TO: PRIDE PIPELINE COMPANY  
P.O. BOX 2436  
ABILENE, TEXAS 79604

DIVISION ORDER

06/01/92

DUPLICATE  
KB/BP

No. 08-030568

MAY 1, 1992  
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  
PRIME OPERATING COMPANY/COWDEN 44  
LOCATED IN THE COUNTY OF UPTON

STATE OF TEXAS

and described as follows: to wit:

SECTION 44, BLOCK 39, T-5-S, T & P RR CO. SURVEY, UPTON 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
00100124	MARJORIE T CONNELL & ELEANOR MARGUERITE CONNELL HARTMAN TRSTEES OF W N CONNELL & MARJORIE T CONNELL LIVING TR	.05859370 RI

SEE EXHIBIT 'A', ATTACHED HERETO AND MADE A PART HEREOF.

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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 supercedes all former division orders given on the property described above.
- 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.
- Where the term "oil" is used herein, it is intended also to include "distillate, condensate or other liquid hydrocarbons."

*Lance Sum*

MARJORIE T CONNELL & ELEANOR  
MARGUERITE CONNELL HARTMAN  
TRSTEES OF W N CONNELL &  
MARJORIE T CONNELL LIVING TR  
PO BOX 710  
LAS VEGAS NV 89125

ELEANOR MARGUERITE CONNELL  
HARTMAN

BY *Eleanor Marguerite Connell Hartman*

TITLE *Co-trustee*  
TAX ID. *7338*

WITNESS: *Lance Sum*

P.O. Box 710  
LAS VEGAS, NV 89125

**IMPORTANT:** TO AVOID DELAY IN PAYMENT - YOUR CORRECT ADDRESS AND YOUR SOCIAL SECURITY NUMBER OR TAX ACCOUNT NUMBER MUST BE SHOWN.

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING COMPANY/COWDEN 44  
UPTON COUNTY  
PRIDE LEASE 030568

PAGE 1

CREDIT

DIVISION OF INTEREST

ROYALTY INTEREST

BENNETT E SMULLYAN	0.00015630
CAROLYN COWDEN CHANEY	0.03906250
CLINTON I SMULLYAN JR	0.00015630
CONSTANCE COWDEN FAUBER	0.03906250
CORINNE COWDEN LAW	0.03906250
EMIL MOSBACHER JR	0.00093750
MARJORIE T CONNELL & ELEANOR MARGUERITE CONNELL HARTMAN TRSTES OF W N CONNELL & MARJORIE T CONNELL LIVING TR	0.05859370
NORTH CENTRAL OIL CORPORATION	0.01093750
R BRUCE MOSBACHER	0.00010420
R BRUCE MOSBACHER AIF FOR EMIL MOSBACHER III	0.00010420
R BRUCE MOSBACHER AIF FOR JOHN DAVID MOSBACHER	0.00010420
ROBERT MOSBACHER TRUSTEE FOR THE EMIL MOSBACHER 1978 TRUST	0.00218750
ROBERT R MILLER OR FRANCES M MILLER TRUSTEES FBO ROBERT R MILLER & FRANCES M MILLER REV TRUST DTD 5 3 91	0.05859370

OVERRIDING ROYALTY INTEREST

DOROTHY W MONTGOMERY	0.00050000
ZACHRY OIL & GAS PROPERTIES	0.00250000

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING COMPANY/COWDEN 44  
UPTON COUNTY  
PRIDE LEASE 030568

PAGE 2

CREDIT

DIVISION OF INTEREST

WORKING INTEREST

BLACKBIRD CO	0.06000000
CHALACO LTD	0.10500000
COMSTOCK OIL AND GAS INC A NEVADA CORPORATION	0.18500000
DALE W BEIKIRCH	0.01500000
DONALD F SCHROEDER JR	0.00375000
HYDROCARBON ENERGY INC	0.11250000
J MICHAEL MUCKLEROF	0.00450000
LAYTON HUMPHREY	0.03750000
MARC BRIGGS	0.00750000
PRIMEENERGY CORPORATION	0.05392185
R E GLASSCOCK	0.00500000
STERLING ASSET & INCOME FUND L P AA 3	0.13201555
TERRY S FIELDS	0.02250000
TOMMY E ZACHRY	0.00375000

AA 2043

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING COMPANY/COWDEN 44  
UPTON COUNTY  
PRIDE LEASE 030568

PAGE 1

CREDIT

DIVISION OF INTEREST

ROYALTY INTEREST

BENNETT E SMULLYAN	0.00015630
CAROLYN COWDEN CHANEY	0.03906250
CLINTON I SMULLYAN JR	0.00015630
CONSTANCE COWDEN FAUBER	0.03906250
CORINNE COWDEN LAW	0.03906250
EMIL MOSBACHER JR	0.00093750
MARJORIE T CONNELL & ELEANOR MARGUERITE CONNELL HARTMAN TRSTES OF W N CONNELL & MARJORIE T CONNELL LIVING TR	0.05859370
NORTH CENTRAL OIL CORPORATION	0.01093750
R BRUCE MOSBACHER	0.00010420
R BRUCE MOSBACHER AIF FOR EMIL MOSBACHER III	0.00010420
R BRUCE MOSBACHER AIF FOR JOHN DAVID MOSBACHER	0.00010420
ROBERT MOSBACHER TRUSTEE FOR THE EMIL MOSBACHER 1978 TRUST	0.00218750
ROBERT R MILLER OR FRANCES M MILLER TRUSTEES FBO ROBERT R MILLER & FRANCES M MILLER REV TRUST DTD 5 3 91	0.05859370

OVERRIDING ROYALTY INTEREST

DOROTHY W MONTGOMERY	0.00050000
ZACHRY OIL & GAS PROPERTIES	0.00250000

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING COMPANY/COWDEN 44  
UPTON COUNTY  
PRIDE LEASE 030568

PAGE 2

CREDIT

DIVISION OF INTEREST

WORKING INTEREST

BLACKBIRD CO	0.06000000
CHALACO LTD	0.10500000
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DALE W BEIKIRCH	0.01500000
DONALD F SCHROEDER JR	0.00375000
HYDROCARBON ENERGY INC	0.11250000
J MICHAEL MUCKLERDY	0.00450000
LAYTON HUMPHREY	0.03750000
MARC BRIGGS	0.00750000
PRIMEENERGY CORPORATION	0.05392185
R E GLASSCOCK	0.00500000
STERLING ASSET & INCOME FUND L F AA 3	0.13201555
TERRY S FIELDS	0.02250000
TOMMY E ZACHRY	0.00375000

TO: PRIDE PIPELINE COMPANY  
P.O. BOX 2436  
ABILENE, TEXAS 79604

DIVISION ORDER

05/27/72

DUPLICATE

No. 60-600000

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

LOCATED IN THE COUNTY OF

DEPT

STATE OF TEXAS

and described as follows to wit:

SECTION 40 BLOCK 70, T-5-N, R-4-W CO SURVEY, DUTON COUNTY, TEXAS

Until further written notice, you are authorized to purchase or therefrom and pay therefor, as follows:

OWNER NO.	CREDIT TO	NET REVENUE INTEREST
00150124	MARJORIE T CONNELL & ELEANOR MARQUERITE CONNELL HARTMAN TRUSTEES OF W N CONNELL & MARJORIE T CONNELL LIVING TR	00738000 ST

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART HEREOF.

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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 supercedes all former division orders given on the property described above.
- 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.
- Where the term "oil" is used herein, it is intended also to include "distillate, condensate or other liquid hydrocarbons."

WITNESS-

*Lance J. Jurn*

*Eleanor Margaret Connell Hartman Co-Trustee*  
*ELEANOR MARQUERITE CONNELL HARTMAN*  
CO-TRUSTEE

*Marjorie T. Connell Trustee*  
*Marjorie T. Connell*  
7325  
7338

*Lance Jurn*  
P.O. Box 710  
LAS VEGAS, NV 89125

IMPORTANT:

TO AVOID DELAY IN PAYMENT - YOUR CORRECT ADDRESS AND YOUR SOCIAL SECURITY NUMBER OR TAX ACCOUNT NUMBER MUST BE SHOWN.

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/CONNELL ESTATE A  
UPTON COUNTY  
PRIDE LEASE 030555

PAGE 1

CREDIT

DIVISION OF INTEREST

ROYALTY INTEREST

AMERITRUST TEXAS NA WILLIAM WOLF FAMILY TRUST ACCOUNT NO 4815151629	0.00130210
AMERITRUST TEXAS NA TRUSTEE FOR ANN ROSS WOLF ACCOUNT NO 4815151610	0.00130210
ANA GARDNER OSBORN	0.00032550
ANN MORRISSEY	0.00034180
BENNETT E SMULLYAN	0.00015630
CAROLYN COWDEN CHANEY	0.01822920
CLINTON I SMULLYAN JR	0.00015620
CONSTANCE COWDEN FAUBER	0.01822910
CORINNE COWDEN LAW	0.01822920
DR PATRICIA MORRISSEY	0.00034180
EARL R BRUNO JR	0.00195310
EMIL MOSBACHER JR	0.00093750
FIRST REPUBLICBANK MIDLAND N A TRUSTEE FOR GEORGE S HILLHOUSE TRUST NO 504-04	0.00097656
FIRST REPUBLICBANK MIDLAND N A TRUSTEE FOR PHILLIP HILLHOUSE TRUST NO 504-03	0.00097657
FIRST REPUBLICBANK MIDLAND N A TRSTEE FOR JAMES HILLHOUSE TRUST NO 504-02	0.00097657
GENE C REDFERN	0.00023600
GEORGE H SINGLETON & JEANETTE SINGLETON CLOYD INDP CO-EXEC O/E/O MARVIN E SINGLETON JR	0.00322270



ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/CONNELL ESTATE A  
UPTON COUNTY  
PRIDE LEASE 030555

PAGE 2

CREDIT

DIVISION OF INTEREST

ROYALTY INTEREST

GLADYS M VALPEY TRUSTEE OF VALPEY FAMILY TRUST UTA DTD 8 26 81	0.00097660
GREGORY MORRISSEY	0.00014650
HOUSTON OIL & MINERALS CORP	0.00161130
J H HERD	0.00047200
JOHN PERKINS III TRUSTEE	0.00195310
JOSEPHINE W HERBERT JOHN W HERBERT & TEXAS AM BANK FT WORTH NA TRSTES U/W/O J W HERBERT	0.00113930
LORETTA M MARSH	0.00047200
MARIAM L BROUDY	0.00195310
MARION M RUSSELL	0.00065100
MARJORIE T CONNELL & ELEANOR MARGUERITE CONNELL HARTMAN TRSTES OF W N CONNELL & MARJORIE T CONNELL LIVING TR	0.02734380
NORTH CENTRAL OIL CORPORATION	0.01093750
R BRUCE MOSBACHER ATTY-IN-FACT FOR EMIL MOSBACHER III	0.00010420
R BRUCE MOSBACHER	0.00010410
R BRUCE MOSBACHER ATTY IN FACT FOR JOHN DAVID MOSBACHER	0.00010420
RACHEL MORRISSEY MOYER	0.00014650
REPUBLICBANK 1ST NATL MIDLAND TRUSTEE OF WM E & EDNA D KREPS MEMORIAL TRUST #1124	0.00097660
ROBERT MOSBACHER JR BY ROBERT MOSBACHER JR AIF	0.00218750

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/CONNELL ESTATE A  
UPTON COUNTY  
PRIDE LEASE 030555

PAGE 3

CREDIT

DIVISION OF INTEREST

ROYALTY INTEREST

ROBERT R MILLER OR FRANCES M MILLER TRUSTEES FBO ROBERT R MILLER & FRANCES M MILLER REV TRUST DTD 5 3 91	0.02734380
RUTH V FERGUSON DREWERY TRSTEE HUGH W FERGUSON JR TRUST U W	0.00292970
RUTH VIRGINIA FERGUSON DREWERY	0.00292970
STEPHEN F PRESLAR	0.00065100
TEAM BANK & JOANNE H BILBY CO-TRUSTEES OF JOSEPHINE H CHOMAT FAMILY TRUST 6537	0.00146480
TEAM BANK NA TRUSTEE OF GMGF OIL ACCOUNT #3153	0.00032560
TERRY S FIELDS	0.00097660
TEXAS AM BANK/FT WORTH NA TRUSTEE UNDER TRUST AGREEMENT DTD 6/6/45 ACCT 441	0.00065100

OVERRIDING ROYALTY INTEREST

AMERADA HESS CORPORATION	0.01308590
AXROYALTY	0.00270000

WORKING INTEREST

A C ATKINS	0.01581980
AXEM RESOURES INCORPORATION	0.06159375
AXKO INC	0.01231875
BLACKBIRD CO	0.02463750
C R WALTERS & ELEANOR R WALTERS	0.01581980

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/CONNELL ESTATE A  
UPTON COUNTY  
PRIDE LEASE 030555

PAGE 4

CREDIT

DIVISION OF INTEREST

WORKING INTEREST

C R WALTERS JR	0.01581980
EXXON CORPORATION	0.32500000
HYDROCARBON ENERGY INC	0.07500000
J MICHAEL MUCKLERoy	0.01518750
JOHN J REDFERN JR ESTATE	0.00011800
JOHN J REDFERN III INDP EXEC	
KRISLAND CORPORATION	0.01581980
MARC BRIGGS	0.00746860
MARJORIE W IVERSON TRUSTEE	0.00790950
MARJORIE W IVERSON 1990	
MANAGEMENT TRUST	
PRIMEENERGY CORPORATION	0.13360014
ROSALIND REDFERN	0.00011800
SONDRA M YADON	0.00933580
STERLING ASSET & INCOME FUND	0.07353186
L P AA 3	
TERRY S FIELDS	0.01867170

TO: PRIDE PIPELINE COMPANY  
P.O. BOX-2436  
ABILENE, TEXAS 79604

DIVISION ORDER

DUPLICATE  
05/27/72 40, 38

No. 08-030555

MAY 1, 1972

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  
OPERATING/OWNERS' LEASE  
LOCATED IN THE COUNTY OF UPTON STATE OF TEXAS and described as follows: to wit:

SECTION 34, BLOCK 39 T-3-S-1 & P-R-C-1 SURVEY, UPTON 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
-----------	-----------	----------------------

00199124

MARJORIE T CONNELL & ELEANOR  
MARQUERITE CONNELL HARTMAN  
TRUSTEES OF W N CONNELL &  
MARJORIE T CONNELL LIVING TR

102734380 81

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 each 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 supercedes 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."

WITNESS: James Turner

MARJORIE T. CONNELL, TRUSTEE  
ELEANOR MARQUERITE CONNELL  
HARTMAN

Eleanor Margaret Connell Hartman

TITLE C-Trustee  
TAX ID. 7338

WITNESS: James Turner

P.O. Box-710  
LAS VEGAS, NV 89125

MARJORIE T CONNELL & ELEANOR  
MARQUERITE CONNELL HARTMAN  
TRUSTEES OF W N CONNELL &  
MARJORIE T CONNELL LIVING TR  
P.O. BOX 710  
LAS VEGAS NV 89125

**IMPORTANT:** TO AVOID DELAY IN PAYMENT - YOUR CORRECT ADDRESS AND YOUR SOCIAL SECURITY NUMBER OR TAX ACCOUNT NUMBER MUST BE SHOWN.

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/CONNELL ESTATE A  
UPTON COUNTY  
PRIDE LEASE 030555

PAGE 1

CREDIT

DIVISION OF INTEREST

ROYALTY INTEREST

AMERITRUST TEXAS NA WILLIAM WOLF FAMILY TRUST ACCOUNT NO 4815151629	0.00130210
AMERITRUST TEXAS NA TRUSTEE FOR ANN ROSS WOLF ACCOUNT NO 4815151610	0.00130210
ANA GARDNER OSBORN	0.00032550
ANN MORRISSEY	0.00034180
BENNETT E SMULLYAN	0.00015630
CAROLYN COWDEN CHANEY	0.01822920
CLINTON I SMULLYAN JR	0.00015620
CONSTANCE COWDEN FAUBER	0.01822910
CORINNE COWDEN LAW	0.01822920
DR PATRICIA MORRISSEY	0.00034180
EARL R BRUNO JR	0.00195310
EMIL MOSBACHER JR	0.00093750
FIRST REPUBLICBANK MIDLAND N A TRUSTEE FOR GEORGE S HILLHOUSE TRUST NO 504-04	0.00097656
FIRST REPUBLICBANK MIDLAND N A TRUSTEE FOR PHILLIP HILLHOUSE TRUST NO 504-03	0.00097657
FIRST REPUBLICBANK MIDLAND N A TRSTEE FOR JAMES HILLHOUSE TRUST NO 504-02	0.00097657
GENE C REDFERN	0.00023600
GEORGE H SINGLETON & JEANETTE SINGLETON CLOYD INDF CO-EXEC O/E/O HARVIN E SINGLETON JR	0.00322270

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/CONNELL ESTATE A  
UPTON COUNTY  
PRIDE LEASE 030555

PAGE 2

CREDIT

DIVISION OF INTEREST

ROYALTY INTEREST

GLADYS M VALPEY TRUSTEE OF VALPEY FAMILY TRUST UTA DTD 8 26 81	0.00097660
GREGORY MORRISSEY	0.00014650
HOUSTON OIL & MINERALS CORP	0.00161130
J H HERD	0.00047200
JOHN PERKINS III TRUSTEE	0.00195310
JOSEPHINE W HERBERT JOHN W HERBERT & TEXAS AM BANK FT WORTH NA TRSTEEES U/W/O J W HERBERT	0.00113930
LORETTA M MARSH	0.00047200
MARIAM L BROUDY	0.00195310
MARION M RUSSELL	0.00065100
MARJORIE T CONNELL & ELEANOR MARGUERITE CONNELL HARTMAN TRSTEEES OF W N CONNELL & MARJORIE T CONNELL LIVING TR	0.02734380
NORTH CENTRAL OIL CORPORATION	0.01093750
R BRUCE MOSBACHER ATTY-IN-FACT FOR EMIL MOSBACHER III	0.00010420
R BRUCE MOSBACHER	0.00010410
R BRUCE MOSBACHER ATTY IN FACT FOR JOHN DAVID MOSBACHER	0.00010420
RACHEL MORRISSEY MOYER	0.00014650
REPUBLICBANK 1ST NATL MIDLAND TRUSTEE OF WM E & EDNA D KREFS MEMORIAL TRUST #1124	0.00097660
ROBERT MOSBACHER JR BY ROBERT MOSBACHER JR AIF	0.00218750

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/CONNELL ESTATE A  
UPTON COUNTY  
PRIDE LEASE 030555

PAGE 3

CREDIT

DIVISION OF INTEREST

ROYALTY INTEREST

ROBERT R MILLER OR FRANCES M MILLER TRUSTEES FBO ROBERT R MILLER & FRANCES M MILLER REV TRUST DTD 5 3 91	0.02734380
RUTH V FERGUSON DREWERY TRSTEE HUGH W FERGUSON JR TRUST U W	0.00292970
RUTH VIRGINIA FERGUSON DREWERY	0.00292970
STEPHEN F PRESLAR	0.00065100
TEAM BANK & JOANNE H BILBY CO-TRUSTEES OF JOSEPHINE H CHOMAT FAMILY TRUST 6537	0.00146480
TEAM BANK NA TRUSTEE OF GMGF OIL ACCOUNT #3153	0.00032560
TERRY S FIELDS	0.00097660
TEXAS AM BANK/FT WORTH NA TRUSTEE UNDER TRUST AGREEMENT DTD 6/6/45 ACCT 441	0.00065100

OVERRIDING ROYALTY INTEREST

AMERADA HESS CORPORATION	0.01308590
AXROYALTY	0.00270000

WORKING INTEREST

A C ATKINS	0.01581980
AXEM RESOURES INCORPORATION	0.06159375
AXKO INC	0.01231875
BLACKBIRD CO	0.02463750
C R WALTERS & ELEANOR R WALTERS	0.01581980

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/CONNELL ESTATE A  
UPTON COUNTY  
PRIDE LEASE 030555

PAGE 4

CREDIT

DIVISION OF INTEREST

WORKING INTEREST

C R WALTERS JR	0.01581980
EXXON CORPORATION	0.32500000
HYDROCARBON ENERGY INC	0.07500000
J MICHAEL MUCKLERoy	0.01518750
JOHN J REDFERN JR ESTATE JOHN J REDFERN III INDP EXEC	0.00011800
KRISLAND CORPORATION	0.01581980
MARC BRIGGS	0.00746860
MARJORIE W IVERSON TRUSTEE MARJORIE W IVERSON 1990 MANAGEMENT TRUST	0.00790950
PRIMEENERGY CORPORATION	0.13360014
ROSALIND REDFERN	0.00011800
SONDRA M YADON	0.00933580
STERLING ASSET & INCOME FUND L P AA 3	0.07353186
TERRY S FIELDS	0.01867170



TO: PRIDE PIPELINE COMPANY  
P.O. BOX 2436  
ABILENE, TEXAS 79604

DIVISION ORDER

DUPLICATE

No. 01-070573

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

LEASE OPERATING CORNELL TRUST B  
LOCATED IN THE COUNTY OF UPTON

STATE OF TEXAS

and described as follows: to wit:

SECTION 40, BLOCK 12, T-22, T & P RR CO. SURVEY, UPTON 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
01-070573	MARJORIE T CORNELL & ELEANOR MARQUERITE CORNELL HARTMAN TRUSTEES OF U N CORNELL & MARJORIE T CORNELL LIVING TR	100%

ALL EXCEEDING ATTACHED HERE TO AND HAVE A PART HEREOF.

- 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.
- 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 making 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.
- 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 test or steam any unmerchantable oil at the owners' expense, before acceptance hereunder.
- 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.
- 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 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.
- 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.
- 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 the division order supercedes all former division orders given on the property described above.
- 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.
- Where the term "oil" is used herein, it is intended also to include "distillate, condensate or other liquid hydrocarbons."

WITNESS James J. Jumper

Margaret J. Cornell Trust  
BY MARGARET T. CORNELL TRUSTE

ELEANOR MARQUERITE CORNELL  
HARTMAN

BY Eleanor Marguerite Cornell Hartman

TITLE Co-trustee  
TAG ID. 7328

WITNESS: James J. Jumper

MARJORIE T CORNELL & ELEANOR  
MARQUERITE CORNELL HARTMAN  
TRUSTEES OF U N CORNELL &  
MARJORIE T CORNELL LIVING TR  
PO BOX 710  
LAS VEGAS NV 89125

P.O. Box - 710  
LAS VEGAS, NV 89125

TO: TO AVOID DELAY IN PAYMENT - YOUR CORRECT ADDRESS AND YOUR SOCIAL  
SECURITY NUMBER OR TAX ACCOUNT NUMBER MUST BE SHOWN.

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/CONNELL ESTATE B  
UPTON COUNTY  
PRIDE LEASE 030556

PAGE 1

CREDIT

DIVISION OF INTEREST

ROYALTY INTEREST

AMERITRUST TEXAS NA WILLIAM WOLF FAMILY TRUST ACCOUNT NO 4815151629	0.00130210
AMERITRUST TEXAS NA TRUSTEE FOR ANN ROSS WOLF ACCOUNT NO 4815151610	0.00130210
ANA GARDNER OSBORN	0.00032550
ANN MORRISSEY	0.00034180
BENNETT E SMULLYAN	0.00015630
CAROLYN COWDEN CHANEY	0.01822920
CLINTON I SMULLYAN JR	0.00015620
CONSTANCE COWDEN FAUBER	0.01822910
CORINNE COWDEN LAW	0.01822920
DR PATRICIA MORRISSEY	0.00034180
EARL R BRUNO JR	0.00195310
EMIL MOSBACHER JR	0.00093750
FIRST REPUBLICBANK MIDLAND N A TRUSTEE FOR GEORGE S HILLHOUSE TRUST NO 504-04	0.00195313
FIRST REPUBLICBANK MIDLAND N A TRSTEE FOR JAMES HILLHOUSE TRUST NO 504-02	0.00195314
FIRST REPUBLICBANK MIDLAND N A TRUSTEE FOR PHILLIP HILLHOUSE TRUST NOT 504-03	0.00195313
GENE C REDFERN	0.00047200
GEORGE H SINGLETON & JEANETTE SINGLETON CLOYD INDP CO-EXEC O/E/O MARVIN E SINGLETON JR	0.00644530

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/CONNELL ESTATE &  
UPTON COUNTY  
PRIDE LEASE 030556

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CREDIT

DIVISION OF INTEREST

ROYALTY INTEREST

GLADYS M VALPEY TRUSTEE OF VALPEY FAMILY TRUST UTA DTD 8 26 81	0.00097660
GREGORY MORRISSEY	0.00014650
J H HERD	0.00094400
JOHN J REDFERN JR ESTATE JOHN J REDFERN III INDP EXEC	0.00023600
JOHN PERKINS III TRUSTEE	0.00390620
JOSEPHINE W HERBERT JOHN W HERBERT & TEXAS AM BANK FT WORTH NA TRSTES U/W/O J W HERBERT	0.00113930
LORETTA M MARSH	0.00094400
MARIAM L BROUDY	0.00195310
MARION M RUSSELL	0.00065100
MARJORIE T CONNELL & ELEANOR MARGUERITE CONNELL HARTMAN TRSTES OF W N CONNELL & MARJORIE T CONNELL LIVING TR	0.02734380
NORTH CENTRAL OIL CORPORATION	0.01093750
R BRUCE MOSBACHER ATTY-IN-FACT FOR EMIL MOSBACHER III	0.00010420
R BRUCE MOSBACHER	0.00010410
R BRUCE MOSBACHER ATTY IN FACT FOR JOHN DAVID MOSBACHER	0.00010420
RACHEL MORRISSEY MOYER	0.00014650
REPUBLICBANK 1ST NATL MIDLAND TRUSTEE OF WM E & EDNA D KREPS MEMORIAL TRUST #1124	0.00195310

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/CONNELL ESTATE B  
UPTON COUNTY  
PRIDE LEASE 030556

PAGE 3

CREDIT

DIVISION OF INTEREST

ROYALTY INTEREST

ROBERT MOSBACHER JR BY ROBERT MOSBACHER JR AIF	0.00218750
ROBERT R MILLER OR FRANCES M MILLER TRUSTEES FBO ROBERT R MILLER & FRANCES M MILLER REV TRUST DTD 5 3 91	0.02734380
ROSALIND REDFERN	0.00023600
RUTH V FERGUSON DREWERY TRSTEE HUGH W FERGUSON JR TRUST U W	0.00292970
RUTH VIRGINIA FERGUSON DREWERY	0.00292970
SEAGULL ENERGY	0.00322250
STEPHEN F PRESLAR	0.00065100
TEAM BANK & JOANNE H BILBY CO-TRUSTEES OF JOSEPHINE H CHOMAT FAMILY TRUST 6537	0.00146480
TEAM BANK NA TRUSTEE OF GMGF OIL ACCOUNT #3153	0.00032560
TERRY S FIELDS	0.00195310
TEXAS AM BANK/FT WORTH NA TRUSTEE UNDER TRUST AGREEMENT DTD 6/6/45 ACCT 441	0.00065100

WORKING INTEREST

A C ATKINS	0.01581980
AXEM RESOURES INCORPORATION	0.06159375
AXKO INC	0.01231875
AXROYALTY	0.00270000
BLACKBIRD CO	0.02463750

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/CONNELL ESTATE B  
UPTON COUNTY  
PRIDE LEASE 030556

PAGE 4

CREDIT

DIVISION OF INTEREST

WORKING INTEREST

C R WALTERS & ELEANOR R WALTERS	0.01581980
C R WALTERS JR	0.01581980
EXXON CORPORATION	0.32500000
HYDROCARBON ENERGY INC	0.07500000
J MICHAEL MUCKLERDY	0.01518750
KRISLAND CORPORATION	0.01581980
MARC BRIGGS	0.00717710
MARJORIE W IVERSON TRUSTEE MARJORIE W IVERSON 1990 MANAGEMENT TRUST	0.00790950
PRIMEENERGY CORPORATION	0.13449349
SONDRA M YADON	0.00897140
STERLING ASSET & INCOME FUND L P AA 3	0.07402361
TERRY S FIELDS	0.01794280

TO: PRIDE PIPELINE COMPANY  
P.O. BOX 2436  
ABILENE, TEXAS 79604

# DIVISION ORDER

05/27/92

DUPLICATE

No. 08-03056

MAY 1, 1992

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  
PRIDE OPERATING/CONNELL ESTATE 2  
LOCATED IN THE COUNTY OF UPTON

STATE OF TEXAS

Lease,

and described as follows: to wit:

SECTION 40, BLOCK 49, T-5-S, T & P RR CO. SURVEY UPTON 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
-----------	-----------	----------------------

00100126

MARJORIE T CONNELL & ELEANOR  
MARGUERITE CONNELL HARTMAN  
TRUSTEES OF W N CONNELL &  
MARJORIE T CONNELL LIVING TR

02734000 1.1

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART HEREOF.

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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 supercedes all former division orders given on the property described above.
- 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.
- Where the term "oil" is used herein, it is intended also to include "distillate, condensate or other liquid hydrocarbons."

WITNESS: Lance Turner

MARJORIE T CONNELL, Trustee

BY Margaret T. Connell

TITLE Trustee  
FAX TO 7338

WITNESS: Lance Turner

P.O. Box 710  
LAS VEGAS, NV 89125

MARJORIE T CONNELL & ELEANOR  
MARGUERITE CONNELL HARTMAN  
TRUSTEES OF W N CONNELL &  
MARJORIE T CONNELL LIVING TR  
PO BOX 710  
LAS VEGAS, NV 89125

TO AVOID DELAY IN PAYMENT - YOUR CORRECT ADDRESS AND YOUR SOCIAL SECURITY NUMBER OR TAX ACCOUNT NUMBER

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/CONNELL ESTATE B  
UPTON COUNTY  
PRIDE LEASE 030556

PAGE 1

CREDIT

DIVISION OF INTEREST

ROYALTY INTEREST

AMERITRUST TEXAS NA WILLIAM WOLF FAMILY TRUST ACCOUNT NO 4815151629	0.00130210
AMERITRUST TEXAS NA TRUSTEE FOR ANN ROSS WOLF ACCOUNT NO 4815151610	0.00130210
ANA GARDNER OSBORN	0.00032550
ANN MORRISSEY	0.00034180
BENNETT E SMULLYAN	0.00015630
CAROLYN COWDEN CHANEY	0.01822920
CLINTON I SMULLYAN JR	0.00015620
CONSTANCE COWDEN FAUBER	0.01822910
CORINNE COWDEN LAW	0.01822920
DR PATRICIA MORRISSEY	0.00034180
EARL R BRUND JR	0.00195310
EMIL MOSBACHER JR	0.00093750
FIRST REPUBLICBANK MIDLAND N A TRUSTEE FOR GEORGE S HILLHOUSE TRUST NO 504-04	0.00195313
FIRST REPUBLICBANK MIDLAND N A TRSTEE FOR JAMES HILLHOUSE TRUST NO 504-02	0.00195314
FIRST REPUBLICBANK MIDLAND N A TRUSTEE FOR PHILLIP HILLHOUSE TRUST NOT 504-03	0.00195313
GENE C REDFERN	0.00047200
GEORGE H SINGLETON & JEANETTE SINGLETON CLOYD INDP CO-EXEC O/E/O MARVIN E SINGLETON JR	0.00644530

ATTACHMENT-EXHIBIT 'A'  
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UPTON COUNTY  
PRIDE LEASE 030556

PAGE 2

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DIVISION OF INTEREST

ROYALTY INTEREST

GLADYS M VALPEY TRUSTEE OF VALPEY FAMILY TRUST UTA DTD 8 26 81	0.00097660
GREGORY MORRISSEY	0.00014650
J H HERD	0.00094400
JOHN J REDFERN JR ESTATE JOHN J REDFERN III INDP EXEC	0.00023600
JOHN PERKINS III TRUSTEE	0.00390620
JOSEPHINE W HERBERT JOHN W HERBERT & TEXAS AM BANK FT WORTH NA TRSTES U/W/O J W HERBERT	0.00113930
LORETTA M MARSH	0.00094400
MARIAM L BROUDY	0.00195310
MARION M RUSSELL	0.00065100
MARJORIE T CONNELL & ELEANOR MARGUERITE CONNELL HARTMAN TRSTES OF W N CONNELL & MARJORIE T CONNELL LIVING TR	0.02734380
NORTH CENTRAL OIL CORPORATION	0.01093750
R BRUCE MOSBACHER ATTY-IN-FACT FOR EMIL MOSBACHER III	0.00010420
R BRUCE MOSBACHER	0.00010410
R BRUCE MOSBACHER ATTY IN FACT FOR JOHN DAVID MOSBACHER	0.00010420
RACHEL MORRISSEY MOYER	0.00014650
REPUBLICBANK 1ST NATL MIDLAND TRUSTEE OF WM E & EDNA D KREPS MEMORIAL TRUST #1124	0.00195310



ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/CONNELL ESTATE B  
UPTON COUNTY  
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DIVISION OF INTEREST

ROYALTY INTEREST

ROBERT MOSBACHER JR BY ROBERT MOSBACHER JR AIF	0.00218750
ROBERT R MILLER OR FRANCES M MILLER TRUSTEES FBO ROBERT R MILLER & FRANCES M MILLER REV TRUST DTD 5 3 91	0.02734380
ROSALIND REDFERN	0.00023600
RUTH V FERGUSON DREWERY TRSTEE HUGH W FERGUSON JR TRUST U W	0.00292970
RUTH VIRGINIA FERGUSON DREWERY	0.00292970
SEAGULL ENERGY	0.00322250
STEPHEN F PRESLAR	0.00065100
TEAM BANK & JOANNE H BILBY CO-TRUSTEES OF JOSEPHINE H CHOMAT FAMILY TRUST 6537	0.00146480
TEAM BANK NA TRUSTEE OF GMGF OIL ACCOUNT #3153	0.00032560
TERRY S FIELDS	0.00195310
TEXAS AM BANK/FT WORTH NA TRUSTEE UNDER TRUST AGREEMENT DTD 6/6/45 ACCT 441	0.00065100

WORKING INTEREST

A C ATKINS	0.01581980
AXEM RESOURES INCORPORATION	0.06159375
AXKO INC	0.01231875
AXROYALTY	0.00270000
BLACKBIRD CO	0.02463750

ATTACHMENT-EXHIBIT 'A'  
PRIME OPERATING/CONNELL ESTATE B  
UPTON COUNTY  
PRIDE LEASE 030556

PAGE 4

CREDIT

DIVISION OF INTEREST

WORKING INTEREST

C R WALTERS & ELEANOR R WALTERS	0.01581980
C R WALTERS JR	0.01581980
EXXON CORPORATION	0.32500000
HYDROCARBON ENERGY INC	0.07500000
J MICHAEL MUCKLERDY	0.01518750
KRISLAND CORPORATION	0.01581980
MARC BRIGGS	0.00717710
MARJORIE W IVERSON TRUSTEE MARJORIE W IVERSON 1990 MANAGEMENT TRUST	0.00790950
PRIMEENERGY CORPORATION	0.13449349
SONDRA M YADON	0.00897140
STERLING ASSET & INCOME FUND L P AA 3	0.07402361
TERRY S FIELDS	0.01794280

Phibro Energy, Inc.  
Gathering Division  
2500 Allianz Financial Centre  
2323 Bryan  
Lock Box #185  
Dallas, Texas 75201  
  
214 953 0330  
214 953 1199/Fax



February 20, 1992

Re: 48083 - Connell  
Upton County, Texas

Dear Interest Owner:

Effective March 1, 1992, Phibro Energy, Inc., formerly JM Petroleum Corporation, will begin purchasing oil from the captioned lease again. Exxon has been purchasing this oil for the past year or so.

We have prepared the enclosed Division Order based on the information we had when Exxon replaced JM Petroleum Corporation as oil purchaser. If your address or interest has changed, please advise us as soon as possible.

Although we have reinstated the division order you formerly signed, we would appreciate your verifying your interest by signing the enclosed division order and returning it to us.

Thank you for your attention to this matter.

Yours truly,

PHIBRO ENERGY, INC.

*Marilyn O'Brien*  
Marilyn O'Brien

MO:mod

Enclosure

# DIVISION ORDER

To **PHIBRO ENERGY, INC.**  
2500 Allianz Financial Centre  
2323 Bryan, LB 185  
Dallas, Texas 75201

Lease No. 48083000

DATE FEBRUARY 19, 1992

Each of the undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil produced from the PARKER &

PARSLEY - CONNELL farm or lease, located in UPTON County/Parish, State of TEXAS

more particularly described as follows:

All of Seciton 36, Block 39, T-5-S, T&P RR Co. Survey, Upton County, Texas, containing 672 acres, more or less, Limited as to all depths down to but not below the base of the Spraberry formation.

Effective 7 a.m. MARCH 01, 1992 and until further written notice, subject to the conditions, covenants and directions hereof, Phibro Energy, Inc. (Payor), its successors and assigns, are authorized to receive and purchase such oil and to give credit to the following:

OWNER NO.	LEASE NO.	INTEREST	CREDIT TO NAME AND ADDRESS
	48083000		FOR DIVISION OF INTEREST SEE REVERSE SIDE HEREOF.

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.

The following provisions apply to each interest owner (Owner) who executes this agreement:

**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. Purchaser shall compute quantity and make corrections for gravity and temperature and make deduction 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 run 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 \$25.00 may be accrued before disbursement until the total amount equals \$25.00 or more, or until December 31 of each year, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

**INDEMNITY:** 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 fees or judgments in connection with any suit that affects owner's interest to which payor is made a party.

**DISPUTE: WITHHOLDING OF FUNDS:** If a suit is filed that affects the interest of 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 the 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:** Owner agrees to notify payor in writing of any change 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 a copy of the recorded instrument of change or documents satisfactorily evidencing such change are furnished to payor. 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 unless otherwise advised by either party.

**IMPORTANT: NO PAYMENT WILL BE MADE UNTIL PHIBRO ENERGY, INC. HAS YOUR SOCIAL SECURITY / TAX I.D. NUMBER.**

WITNESSES:

SIGNATURE OF OWNER: MARJORIE T CONNELL & EC HARTMAN=CO-TRUSTE OWNER'S SOCIAL SECURITY OR IRS TAX ACCOUNT NUMBER

X [Signature]  
X [Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

BY: Marjorie T. Connell & E.C. Hartman X 7338  
E.C. Hartman X 7338  
**FOR YOUR RECORD**  
**NOT TO BE RETURNED**  
66628 R

Is your signature witnessed? →

→ Is your correct address shown? →

→ Include Zip Code

EXHIBIT - A  
02/19/92

PAGE 1

LEASE NUMBER : 48083000  
LEASE NAME : CONNELL  
LOCATION : UPTON

OWNER NO.	INTEREST	CREDIT TO	TX	
** 11433	0.00043940 R	ROY D GOLSTON JR ET AL #441 TEAM BANK-TRUSTEE P O BOX 99084 FORT WORTH	TX	76199
11435	0.00021970 R	OMGF OIL ACCOUNT #3153 TEAM BANK-TRUSTEE P O BOX 99084 FORT WORTH	TX	76199
** 11439	0.00076900 R	JOHN W HERBERT EST #586-TEAM BK. JOHN W HERBERT & JOANNE S BILBY-TRUSTEES DRAWER 99084 FORT WORTH	TX	76199
11441	0.00021970 R	ANA GARDNER OSBORN P O BOX 4266 BRYAN	TX	77801
** 11451	0.00273440 R	ROBERT MOSBACHER P O BOX 201678 HOUSTON	TX	77216-1678
11548	0.00117190 R	EMIL MOSBACHER, JR. 170 MASON ST GREENWICH	CT	06830
11999	0.00043940 R	J. H. HERD P O BOX 130 MIDLAND	TX	79702
** 12003	0.00010985 R	JOHN J REDFERN JR ESTATE JOHN J REDFERN III-EXECUTOR P O BOX 50896 MIDLAND	TX	79710
12004	0.00010985 R	ROSALIND REDFERN P O BOX 2127 MIDLAND	TX	79702
12175	0.00820310 R	NORTH CENTRAL OIL CORP P O BOX 200201 HOUSTON	TX	77216-0201
13980	0.00138238 W	PARKER & PARSLEY DEVELOPMENT CO P O BOX 3178 MIDLAND	TX	79702-3178
** 15245	0.00131830 R	HOUSTON OIL & MINERALS CORP P O BOX 200771 HOUSTON	TX	77216
** 15526	0.06093750 R	EXXON CORPORATION P O BOX 1347 HOUSTON	TX	77252-1547
24815	0.00195310 R	W E KREPS TRUST #1124 MCNB TX NATL BANK-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
30900	0.00021970 R	GENE C REDFERN JOHN J REDFERN JR=ATTY-IN-FACT P O BOX 50430 MIDLAND	TX	79710
36335	0.26687325 W	HOWARD W PARKER P O BOX 201420 AUSTIN	TX	78720
37081	0.00153680 R	JOHN PERKINS III-TRUSTEE 7711 LOUIS PASTEUR #208 SAN ANTONIO	TX	78229
44892	0.00138237 W	A FRANK KURICA 2605 HODGES MIDLAND	TX	79705-7411
** 44901	0.00138237 W	SCOTT D SHEFFIELD P O BOX 8589 MIDLAND	TX	79708

EXHIBIT - A  
02/19/92

PAGE 2

LEASE NUMBER : 48083000  
LEASE NAME : CONNELL  
LOCATION : UPTON

OWNER NO.	INTEREST	TX	CREDIT TO	
44902	0.00138237 W		ROBERT J CASTOR P O BOX 50007 MIDLAND	TX 79710
45590	0.00195310 R		EARL R BRUND JR 5211 WHITMAN MIDLAND	TX 79705
51811	0.27378511 W		PARSLEY OIL PROPERTIES INC P O BOX 1771 MIDLAND	TX 79702
64291	0.00043940 R		LORETTA McDERMOTT MARSH %HARRELL & MCCART 901 W INDIANA HA MIDLAND	TX 79701
65078	0.00012020 R		EMIL MOSBACHER, III 1980 CANADA LN WOODSIDE	CA 94062
65375	0.00097653 R		MARYLANE MYERS ANDERSON 7618 SOUTHWESTERN BLVD DALLAS	TX 75225-7926
65377	0.00097654 R		MICHAEL GLENN ANDERSON P O BOX 4984 DALLAS	TX 75208-0384
65405	0.00138237 W		JAMES D. MORINO 2910 CULPEPER MIDLAND	TX 79705-6318
66061	0.00146483 R		PHILLIP HILLHOUSE TRUST #504-03 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX 75284-1549
66062	0.00146484 R		GEORGE S HILLHOUSE TRUST #504-04 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX 75284-1549
66063	0.00146483 R		JAMES HILLHOUSE TRUST #504-02 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX 75284-1549
66072	0.00069750 R		GERTRUDE O. F. TYSON 2104 WOODLAWN MIDLAND	TX 79705
66103	0.00195310 R		MIRIAM L. BROUDY 9 CLOVERLY CIRCLE EAST NORWALK	CT 06855-5358
66135	0.01367186 R		CAROLYN C. CHANEY 624 AMARILLO ABILENE	TX 79605-1014
66628	0.02050780 R		MARJORIE T CONNELL & EC HARTMAN=CO-TRST P O BOX 710 LAS VEGAS	NV 89125-0710
68458	0.05529462 W		A R CONNELLY 825 EIGHTH AVE NEW YORK	NY 10019-7415
68508	0.00097660 R		RUTH V. FERGUSON BREWERY 3908 EUCLID AVE DALLAS	TX 75205-3214
68523	0.00097650 R		VALPEY FAMILY TRUST GLADYS M VALPEY-TRUSTEE 1724 PLAZA DE SAN JOAQUIN MUESIO	CA 95350-3949
68525	0.01367187 R		CONSTANCE C. FAUBER 1721 BROOKS ARLINGTON	TX 76012

EXHIBIT - A  
02/19/92

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LEASE NUMBER : 48083000  
LEASE NAME : CONNELL  
LOCATION : UPTON

TX

OWNER NO.	INTEREST	CREDIT TO		
68526	0.00097660 R	HUGH W FERGUSON JR ESTATE RUTH F DREWERY-TRUSTEE 3508 EUCLID AVE DALLAS	TX	75205
68555	0.00098870 R	JOSEPHINE H. GRAF C/O TEAM BANK TRUSTEE DRAWER NO 99084 FORT WORTH	TX	76199-0084
68556	0.08703780 W	FLAVIA R. HACKETT 19 EAST 72ND STREET NEW YORK	NY	10021
68575	0.00390620 R	SOLOMON J. KARAM CONSOLIDATED PRODUCE 1220 BANDERA ROAD SAN ANTONIO	TX	78200-4030
68587	0.01367187 R	CORINNE C. LAW 6104 PARKTREE PL NE ALBUQUERQUE	NM	87111
68608	0.00073240 R	MISSIONARY SOCIETY OF OBLATE FATHERS TX 7711 MADONNA DR SAN ANTONIO	TX	78216-6620
68639	0.04607887 W	EDWARD S PINNEY MARITAL TRUST PO BOX 36010 LOUISVILLE	KY	40233
68642	0.00048820 R	STEPHEN F. PRESLAR 4847 VISTA DEL MONTE EL PASO	TX	79900
68650	0.00048820 R	MARION WHEELER RUSSELL-TRUSTEE 412 S ALBERTA ST PECOS	TX	79772-2715
68660	0.00263670 R	M E SINGLETON JR ESTATE GEORGE SINGLETON & JEANETTE CLOYD-EXEC % CITIZENS NATL BK WAXAHACHIE	TX	79165
** 68669	0.00069750 R	J CLEO THOMPSON & JAMES CLEO THOMPSON JR ROYALTY ACCOUNT 4500 NCNB CENTER TOWER II DALLAS	TX	75201-3993
68691	0.00097655 R	WM WOLF FAMILY TRUST #4815151629 AMERITRUST TEXAS NA-TRUSTEE P O BOX 951416 DALLAS	TX	75395-1416
68716	0.00767979 W	MONTAGUE H. HACKETT JR 550 PARK AVE NEW YORK	NY	10021
69013	0.00034180 R	ANN MORRISSEY 205 YOAKUM PKWY #286 ALEXANDRIA	VA	22304
69014	0.00014650 R	GREGORY E MORRISSEY 2201 BYTON CT FOREST HILL	MD	21090
69015	0.00034180 R	PATRICIA MORRISSEY 205 YOAKUM PARKWAY B26 ALEXANDRIA	VA	22304
69016	0.00014650 R	RACHEL MORRISSEY MOYER P O BOX 249 SHAWNEE ON DELA	PA	18356-0249
69075	0.02050780 R	E C HOPKINS TRUST FRANCES M MILLER-TRUSTEE 3621 CROMWELL PLANO	TX	75075
** 69250	0.00097655 R	ANNA R WOLF TRUST #4815151610 AMERITRUST TEXAS N A-TRUSTEE P O BOX 951416 DALLAS	TX	75395-1416

EXHIBIT - A  
02/19/92

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LEASE NUMBER : 48083000  
LEASE NAME : CONNELL  
LOCATION : UPTON

OWNER NO.	INTEREST		CREDIT TO		
71133	0.00097653	R	MELINDA ANDERSON CATES 4532 LORRAINE DALLAS	TX	75205
** 75782	0.00936250	W	PARKER & PARSLEY PETR CO A/C JOE MAC PARSLEY P O BOX 880245 DALLAS	TX	75388-0245
** 77712	0.00660780	W	P&P PETROLEUM A/C MONTAGUE H HACKETT JR P O BOX 880245 DALLAS	TX	75388-0245
** 77713	0.03964730	W	P&P PETROLEUM A/C FLAVIA HACKETT P O BOX 880245 DALLAS	TX	75388-0245
** 79298	0.00936250	W	HOWARD W PARKER %PARKER & PARSLEY P O BOX 3178 MIDLAND	TX	79702-3178
79369	0.00013020	R	JOHN DAVID MOSBACHER 1580 CANADA LANE WOODSIDE	CA	94062
79370	0.00013020	R	R BRUCE MOSBACHER 1580 CANADA LANE WOODSIDE	CA	94062
** 79374	0.00019530	R	BENNETT E SMULLYAN P O BOX 201678 HOUSTON	TX	77216
** 79375	0.00019530	R	CLINTON I SMULLYAN, JR P O BOX 201678 HOUSTON	TX	77216
	1.00000000				



**GRAHAM**

March 9, 1992

William & Marjorie Connell  
Living Trust  
Majorie Connell, Trustee, &  
Eleanor C. Hartman, Co-Trustee  
P. O. Box 710  
Las Vegas, NV 89125

RE: Amended Division Order - DAL  
Cowden #1 & #2 (5183-174)  
W/2 SE/4 Section 38  
Block 39, T5S T&P Ry. Co. Surv.  
Upton County, Texas

Gentlemen :

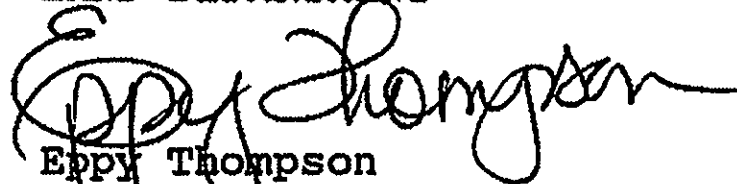
Enclosed are two (2) copies of the Amended Division Order covering the above referenced property.

Please execute in accordance with the attached instruction sheet and return one (1) copy to the attention of the undersigned.

Should you have any questions or require additional information on the above captioned property, please do not hesitate to call, my direct number is (504) 893-8435.

Sincerely,

GRAHAM ROYALTY, LTD.  
LAND DEPARTMENT



Eppy Thompson  
Land Analyst  
Division Order Unit  
Land Administration

EHT/kyl  
eht169.ado/p2

Enclosures: Amended Division Order  
Instructions

AMENDED OIL AND GAS DIVISION ORDER

TO: Graham Royalty, Ltd.  
P. O. BOX 3134  
COVINGTON, LA 70434-3134

Date Issued: 03-09-92 EHT/kyl P  
Property and No.: Cowden #1 & #2  
(5183-174) - DAL  
Effective Date: Next Settlement

Each of the undersigned guarantees and warrants that he is the legal owner of, and is entitled to, the interest hereinafter set forth opposite his name, in all of the oil, gas, casinghead gas, condensate and distillate, hereinafter inclusively called "production", produced from:

West Half (W/2) and Southeast Quarter (SE/4) Section 38, Block 39, Township 5 South, T&P Railway Company Survey, limited from 7,130 feet subsurface to a depth of 8,470 feet subsurface, Upton County, Texas

**SEE ATTACHED EXHIBIT "A"**

eht169.adn/p6

**RETAIN THIS COPY  
FOR YOUR FILE**

GRAHAM ("Graham") is hereby authorized, until further notice, to receive production or proceeds derived from the sale thereof ("proceeds"), from the aforesaid lease or unit in purchase from or for the account of the undersigned parties severally in the indicated proportions, subject to the following:

(1) The production sold by Graham hereunder shall become the property of the person or persons to whom Graham sells it when it is received for your account into the custody of the purchaser or purchaser thereof, or into the custody of the nominee of any such purchaser, and Graham shall be entitled to receive the proceeds for the interest of each of the undersigned therein. In making payments or settlement hereunder, Graham is authorized to use the market value at the well of the undersigned's production sold or used off the lease or unit and the net proceeds from the sale at the well of the undersigned's production. In no event will payments be made to the undersigned on a basis in excess of the maximum price allowed by law to be collected for such production. The proceeds due to be paid to each of the undersigned shall be reduced by an amount equal to the reasonable expense incurred in marketing and transporting the undersigned's share of the production to the purchaser, including standard pipeline deductions and transportation tax, if any, applicable thereto.

(2) Graham is hereby authorized to pay, when required or permitted by any law, each tax, fee or charge imposed thereby with respect to the share of each of the undersigned in production sold under the terms hereof, or the proceeds thereof, and to deduct the amount of such taxes, fees, or charges from the sum otherwise payable to the undersigned. If at any settlement date, the amount payable to any party hereunder shall be less than \$25.00, Graham may withhold payment until the amount payable to such party equals or exceeds the sum of \$25.00 in which event payment shall be made at the next regular settlement date.

(3) Each of the undersigned agrees that if any adverse claim of title is made to his interest in any of the production, he shall furnish Graham satisfactory evidence of his title, or failing to do so, Graham may retain, without obligation to pay interest thereon, the proceeds from his share of production with respect to which the adverse claim is made, until such adverse claim is fully settled or determined.

(4) Each of the undersigned agrees that if the Federal Energy Regulatory Commission or any other regulatory authority should enter a final order allowing an increase in the amount to be paid for production and the validity of such order is attacked by administrative or judicial proceedings, then Graham may retain from the undersigned's share of the proceeds, without obligation to pay interest thereon, the difference between the purchase price paid prior to such order and the new price allowed by such order until such administrative or judicial proceeding is completed with result that the new price is determined to be valid. Each of the undersigned agrees that if at any time the proceeds are subject to refund pending review by the Federal Energy Regulatory Commission or any other regulatory, statutory or judicial authority having jurisdiction thereof, then Graham may retain from the undersigned's proceeds, without obligation to pay interest thereon, any amount so subject to refund until such review is final with the result that the price is determined to be valid. Should such a governmental agency legally require refund from monies already paid by Graham, then Graham is entitled to collect same either directly from the undersigned or by offsets to future payments.

(5) The undersigned hereby release Graham from any and all claims for damages by reason of the purchase or handling of production from the above mentioned lease or unit or by reason of Graham's making payments in accordance with the division of interest as herein set forth. The undersigned severally agree to notify Graham of any change of ownership and no transfer of interest shall be binding upon Graham until transfer order and the recorded instrument evidencing such transfer, or a certified copy thereof, shall be furnished to Graham. Transfer of interest shall be made effective on the first day of the calendar month in which notice is received by Graham. Graham is hereby relieved 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 interest are affected by such money or other payments, if any, agree to give Graham notice in writing by registered letter 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 order accordingly, and that in the event such notice shall not be received, Graham shall be held harmless in the event of, and is hereby released from any and all damage or loss which might arise out of any over or under payment.

(6) The oil and gas lease or leases, together with any amendments thereto or modifications hereof, under which production is obtained, are hereby ratified, adopted and approved and each of the undersigned severally represents he owns and claims no interest greater than the interest above set out after his name, and hereby warrants the title thereto and further agrees to save harmless and indemnify Graham for and on account of any loss or damage it may sustain or suffer due to adverse claim to such interest. The unitization of interests resulting in the unit ownership (if applicable and set forth above) is hereby ratified and confirmed. In the event of a revision of said unit by the regulatory authority having jurisdiction thereof, you are authorized to make a corresponding revision in the division of interest set forth herein concerning unit participation, and continue payment under the terms hereof, as thus revised, without the necessity of issuing another division order.

(7) This division order shall become valid and binding upon each person executing it even though one or more other person or persons listed above as owning an interest in the production involved fails or fail to execute it, and shall bind, and inure to the benefit of, the successors in interest of the undersigned and Graham.

(There must be two witnesses to each signature)

WITNESSES:	OWNERS:	TAXPAYER NUMBER*
_____	_____	_____
_____	SEE ATTACHED SIGNATURE PAGE	_____
_____	_____	_____
_____	_____	_____
_____	SEE ATTACHED SIGNATURE PAGE	_____
_____	_____	_____
_____	_____	_____

\* This is your Social Security or other identification number as required by Federal Internal Revenue Code.

## EXHIBIT "A"

### From:

Connell-Cowden Interest  
Owner #43201

.00783640 R.I.

### To:

Carolyn Cowden Chaney  
624 Amarillo  
Abilene, TX 79605  
SS# 3444  
Owner #43198

.00130607 R.I.  
Total : .01367187 R.I.

William & Majorie Connell  
Living Trust  
Majorie Connell, Trustee, and  
Eleanor C. Hartman, Co-Trustee  
P. O. Box 710  
Las Vegas, NV 89125  
Tax I.D.# 7338  
Owner #43202

.00195910 R.I.  
Total : .02050780 R.I.

Corinne Cowden Law  
6104 Parktree Place, N.E.  
Albuquerque, NM 87111  
SS# 8642  
Owner #43370

.00130607 R.I.  
Total : .01367187 R.I.

Constance Cowden Fauber  
1721 Brooks  
Arlington, TX 76012  
SS# 8643  
Owner #43945

.00130606 R.I.  
Total : .01367186 R.I.

Robert Reece Miller and  
Frances Mozelle Miller  
Revocable Trust  
Robert Reece Miller and  
Frances Mozelle Miller, Trustees  
P.O. Box 867417  
Plano, TX 75086-7417  
SS# 2454  
Owner #64858

.00195910 R.I.  
Total : .02050780 R.I.

Transfer of previously suspended interest pursuant to copies of The Permian Corporation Amended Division Orders dated November 24, 1976 and March 15, 1982 furnished by Frances Mozelle Miller. Received by Graham on February 20, 1992.

eht169.ado/p7

**SIGNATURE PAGE**

COWDEN #1 & #2 (5183-174)  
UPTON COUNTY, TEXAS

**WITNESSES:**

**OWNERS:**

**\* SOCIAL SECURITY NO.  
OR TAX I.D. NUMBER**

\_\_\_\_\_  
\_\_\_\_\_

Carolyn Cowden Chaney

*Tom S. Canty*  
*Michael A. Bly*

William & ~~Major~~ Connell Living Trust  
*MAJORIE*

*Majorie Connell Trustee*  
Majorie Connell, Trustee  
P.O. Box 710  
Las Vegas, NV 89125

*7338*

*Tom S. Canty*  
*Michael A. Bly*

*Eleanor C. Hartman Co-Trustee*  
Eleanor C. Hartman, Co-Trustee

*7338*

\_\_\_\_\_  
\_\_\_\_\_

Corinne Cowden Law

\_\_\_\_\_  
\_\_\_\_\_

Constance Cowden Fauber

\_\_\_\_\_  
\_\_\_\_\_

Robert Reece Miller and  
Frances Mozelle Miller, Revocable Trust

\_\_\_\_\_  
\_\_\_\_\_

Robert Reece Miller, Trustee

\_\_\_\_\_  
\_\_\_\_\_

Frances Mozelle Miller, Trustee

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\* This is your Social Security or other identification number as required by  
Federal Internal Revenue Code.

**PLEASE READ CAREFULLY BEFORE SIGNING**

*Enclosed are division orders covering your interest in a producing oil or gas property. Please follow these instructions carefully in order that we can process your account for payment.*

**PLEASE VERIFY THAT YOUR NAME AND INTEREST ARE CORRECT**

**SIGNATURES**

**INDIVIDUALS**

Sign your name in the space provided, exactly as shown on the Division Order. Have your signature witnessed by two people not related to you.

**CORPORATIONS**

A duly authorized officer of the corporation must sign. Signature must be attested by an appropriate corporate officer, corporate seal affixed and titles of signing officers shown.

**SIGNATURE BY OTHER THAN NAMED OWNER**

If division order is signed by agents, attorney-in-fact, guardians or any party other than the named interest owner, we must have evidence of the authority of such party to sign. Have the signature witnessed by a disinterested party.

**PARTNERSHIP**

Division order must be signed by a general partner if evidence of his authority is furnished. Or, each partner may sign the division order if a statement is added below their signatures certifying that such parties constitute the entire partnership. The signature of each party should be witnessed by a disinterested party.

**MAILING ADDRESS**

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

**SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER**

Please indicate your Social Security or Tax Identification number in the space provided. This information is required by federal law on all payments.

**CHANGE OF ADDRESS**

Inform us promptly of any change in address. We cannot accept such instruction unless furnished in writing over your signature.

**PROPERTY NUMBER**

At the top right of your division order, you will find a property number. Our checks covering your payments will always show this property number and your owner number. When writing about this interest, please refer to these numbers.

**TRANSFER OF INTEREST**

Certified copies of all instruments evidencing such transfers of interest should be forwarded as soon as possible to allow for our preparation of new division orders.

Please keep these instructions and one copy of the enclosed division orders for your records. You should allow approximately 60 days for receipt of proceeds to allow for processing. Please return one copy of your executed division order to:

GRAHAM  
ATTN: DIVISION ORDER UNIT  
P. O. BOX 3134  
COVINGTON, LOUISIANA 70434-3134

Phibro Energy, Inc.  
Gathering Division  
2500 Allianz Financial Centre  
2323 Bryan  
Lock Box #185  
Dallas, Texas 75201  
  
214 953 0330  
214 953 1199/Fax



April 21, 1992

Re: 50421 - North Pembroke Spraberry  
Unit Tract 27  
Upton County, Texas

Dear Interest Owner:

Phibro Energy, Inc. has been designated as the purchaser of oil sold from the North Pembroke Spraberry Unit effective April 1, 1992. There are numerous tracts in this unit and we will be paying on a tract basis. In other words a separate lease number will be assigned to each tract which means a separate division order will be issued on each tract. Enclosed is our division order covering Tract 27.

If your interest is shown correctly, please execute before two witnesses (Corporations must attest), enter your tax identification number or social security number in the space provided and return one copy to us.

Thank you for your attention to this matter.

Very truly yours,

PHIBRO ENERGY, INC.

Sue Clark  
Division Order Analyst

SC:llg

Enclosures

# DIVISION ORDER

To **PHIBRO ENERGY USA, INC.**  
2500 Allianz Financial Centre  
2323 Bryan, LB 185  
Dallas, Texas 75201

Lease No. **50421000**

DATE **APRIL 21, 1992**

Each of the undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil produced from the PARKER & PARSLEY - N PEMBROOK SPR farm or lease, located in UPTON County/Parish, State of TEXAS more particularly described as follows:

**NORTH PEMBROOK SPRABERRY UNIT - TRACT 27**  
Tract Name: Hopkins

**SE/4 Section 42, Block 38, T-5-S, T&P RRC Survey, Upton County, Texas**

Effective 7 a.m. APRIL 01, 1992 and until further written notice, subject to the conditions, covenants and directions hereof, Phibro Energy USA, Inc. (Payor), its successors and assigns, are authorized to receive and purchase such oil and to give credit to the following:

OWNER NO.	LEASE NO.	INTEREST	CREDIT TO NAME AND ADDRESS
50421000		FOR DIVISION OF INTEREST SEE REVERSE SIDE HEREOF.	

**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.**

The following provisions apply to each interest owner (Owner) who executes this agreement:

**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. Purchaser shall compute quantity and make corrections for gravity and temperature and make deduction 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 run 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 \$25.00 may be accrued before disbursement until the total amount equals \$25.00 or more, or until December 31 of each year, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

**INDEMNITY:** 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 fees or judgments in connection with any suit that affects owner's interest to which payor is made a party.

**DISPUTE: WITHHOLDING OF FUNDS:** If a suit is filed that affects the interest of 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 the 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:** Owner agrees to notify payor in writing of any change 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 a copy of the recorded instrument of change or documents satisfactorily evidencing such change are furnished to payor. 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 unless otherwise advised by either party.

**IMPORTANT: NO PAYMENT WILL BE MADE UNTIL PHIBRO ENERGY USA, INC. HAS YOUR SOCIAL SECURITY / TAX I.D. NUMBER.**

WITNESSES: Mike Dyrrich SIGNATURE OF OWNER: Margaret E. C. Hartman OWNER'S SOCIAL SECURITY OR IRS TAX ACCOUNT NUMBER 7338

24 DAY OF April 1992 Sue Lanoue E. C. Hartman  
NOTARY PUBLIC, CLARK COUNTY, NEVADA  
NOTARY PUBLIC  
STATE OF NEVADA  
County of Clark  
SUE LANOUE  
My Appointment Expires April 24, 1995

Is your signature witnessed? ☒ Is your correct address shown? ☒ Include Zip Code



LEASE NUMBER : 50421000  
LEASE NAME : N PEMBROOK SPRABERRY UNIT TR 27  
LOCATION : UPTON TX

OWNER NO.	INTEREST		CREDIT TO		
11435	0.00016340	R	QMGF OIL ACCOUNT #3153 TEAM BANK-TRUSTEE P O BOX 99084 FORT WORTH	TX	76199
** 11439	0.00057330	R	JOHN W HERBERT EST #586-TEAM BK, JOHN W HERBERT & JOANNE S BILBY-TSTEEES DRAWER 99084 FORT WORTH	TX	76199
11441	0.00016340	R	ANA GARDNER OSBORN P O BOX 4266 BRYAN	TX	77801
11548	0.00471400	R	EMIL MOSBACHER, JR. 170 MASON ST GREENWICH	CT	06830
11999	0.00047470	R	J. H. HERD P O BOX 130 MIDLAND	TX	79702
** 12003	0.00011840	R	JOHN J REDFERN JR ESTATE JOHN J REDFERN III-EXECUTOR P O BOX 50896 MIDLAND	TX	79710
12004	0.00011850	R	ROSALIND REDFERN P O BOX 2127 MIDLAND	TX	79702
12175	0.00733400	R	NORTH CENTRAL OIL CORP P O BOX 200201 HOUSTON	TX	77216-0201
13980	0.30172900	W	PARKER & PARSLEY DEVELOPMENT CO P O BOX 3178 MIDLAND	TX	79702-3178
** 15566	0.07150340	R	EXXON CORPORATION P O BOX 1547 HOUSTON	TX	77252-1547
24815	0.00098160	R	W E KREPS TRUST #1124 NCNB TX NATL BANK-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
30900	0.00023680	R	GENE C REDFERN JOHN J REDFERN JR=ATTY-IN-FACT P O BOX 50430 MIDLAND	TX	79710
33214	0.00073620	R	JOSEPHINE H CHOMAT FAMILY TR #6537 TEAM BANK & JOANNE H BILBY, CO-TRUSTEES P O DRAWER 99084 FT WORTH	TX	76199-0084
34810	0.00049080	R	DON STEPHEN BURKET 1301 WOODLAND HILLS TYLER	TX	75701
34812	0.00049080	R	JOHN M BURKET JR 1705 TIMBERCREEK TYLER	TX	75703
34830	0.00032680	R	SALLY M GOLDSTON TRUST TEAM BANK, SUCC TTEE P O BOX 2605 FORT WORTH	TX	76113

LEASE NUMBER : 50421000  
LEASE NAME : N-PEMBROOK SPRABERRY UNIT TR 27  
LOCATION : UPTON TX

OWNER NO.	INTEREST	CREDIT TO		
34834	0.02645220 R	ROBERT G HALL 3116 LAMP POST LN OKLAHOMA CITY	OK	73120
34839	0.37716130 W-	THELMA WHITSON HENSON 1204 SHIRLEY LN MIDLAND	TX	79701
34840	0.02542890 O	THE LAAHNZ CORP P O BOX 35992 HOUSTON	TX	77235-5992
34841	0.00007160 O 0.00032720 R	HENRY RUSSELL ESTATE MARION RUSSELL, INDP EXECUTRIX 412 S ALBERTA PECOS	TX	79772
34844	0.02594050 O	RALPH O SHEPLEY STAR RT A BOX 77C DRIPPING SPRINGS	TX	78620
34845	0.00162030 R	TEXSLYVANIA MINERALS CORP ADDR UNKNOWN		
37381	0.00196420 R	JOHN PERKINS III-TRUSTEE 7711 LOUIS PASTEUR #208 SAN ANTONIO	TX	78229
45590	0.00196430 R	EARL R BRUNO JR 5211 WHITMAN MIDLAND	TX	79705
61441	0.07543230 W	CASS RESOURCES INC 300 CRESCENT CRT #1800 DALLAS	TX	75201
64291	0.00047470 R	LORETTA MCDERMOTT MARSH %HARRELL & LUPARDUS 901 W INDIANA #A MIDLAND	TX	79701
66061	0.00098230 R	PHILLIP HILLHOUSE TRUST #504-03 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
66062	0.00098220 R	GEORGE S HILLHOUSE TRUST #504-04 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
66063	0.00098230 R	JAMES HILLHOUSE TRUST #504-02 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
66069	0.00324150 R	M E SINGLETON JR ESTATE G H SINGLETON & J S CLOYD, INDP CO-EXC P O BOX 717 WAXAHACHIE	TX	76165-0717
66103	0.00196430 R	MIRIAM L. BROUDY 9 CLOVERLY CIRCLE EAST NORWALK	CT	06855-5358
66135	0.00916720 R	CARDOLYN C. CHANEY 624 AMARILLO ABILENE	TX	79605-1014
66628	0.01375070 R	MARJORIE T CONNELL & EC HARTMAN=CO-TSTE P O BOX 710 LAS VEGAS	NV	89125-0710

LEASE NUMBER : 50421000  
LEASE NAME : N PEMBROOK SPRABERRY UNIT TR 27  
LOCATION : UPTON TX

OWNER NO.	INTEREST		CREDIT TO		
68508	0.00294640	D	RUTH V. FERGUSON DREWERY 3508 EUCLID AVE DALLAS	TX	75205-3214
68523	0.00098210	R	VALPEY FAMILY TRUST GLADYS M VALPEY-TRUSTEE 1724 PLAZA DE SAN JOAQUIN MODESTO	CA	95350-3549
68525	0.00916710	R	CONSTANCE C. FAUBER 1721 BROOKS ARLINGTON	TX	76012
68526	0.00294640	D	HUGH W FERGUSON JR ESTATE RUTH F DREWERY-TRUSTEE 3508 EUCLID AVE DALLAS	TX	75205
68587	0.00916720	R	CORINNE C. LAW 6104 PARKTREE PL NE ALBUQUERQUE	NM	87111
68642	0.00007160 0.00032730	D R	STEPHEN F. PRESLAR 4847 VISTA DEL MONTE EL PASO	TX	79922
** 68691	0.00014320 0.00065480	D R	WILLIAM WOLF FAMILY TRUST #4815151629 P O BOX 951416 DALLAS	TX	75395-1414
69013	0.00034380	R	ANN MORRISSEY 205 YOAKUM PKWY #286 ALEXANDRIA	VA	22304
69014	0.00014730	R	GREGORY E MORRISSEY 6913 S OWENS ST LITTLETON	CO	80127
69015	0.00034370	R	PATRICIA MORRISSEY 205 YOAKUM PARKWAY 826 ALEXANDRIA	VA	22304
69016	0.00014730	R	RACHEL MORRISSEY MOYER P O BOX 249 SHAWNEE ON DELA	PA	18356-0241
69075	0.01375070	R	ROBERT R OR FRANCES M MILLER REV TRUST P O BOX 867417 PLANO	TX	75086-7417
** 69250	0.00014320 0.00065480  1.00000000	D R  	ANNA ROSS WOLF TRUST #4815151610 P O BOX 951416 DALLAS	TX	75395-1414

Phibro Energy, Inc.  
Gathering Division  
2500 Allianz Financial Centre  
2323 Bryan  
Lock Box #185  
Dallas, Texas 75201  
214 953 0330  
214 953 1199/Fax



April 21, 1992

Re: 50421 - North Pembroke Spraberry  
Unit Tract 27  
Upton County, Texas

Dear Interest Owner:

Phibro Energy, Inc. has been designated as the purchaser of oil sold from the North Pembroke Spraberry Unit effective April 1, 1992. There are numerous tracts in this unit and we will be paying on a tract basis. In other words a separate lease number will be assigned to each tract which means a separate division order will be issued on each tract. Enclosed is our division order covering Tract 27.

If your interest is shown correctly, please execute before two witnesses (Corporations must attest), enter your tax identification number or social security number in the space provided and return one copy to us.

Thank you for your attention to this matter.

Very truly yours,

PHIBRO ENERGY, INC.

A handwritten signature in cursive script, appearing to read "Sue Clark".

Sue Clark  
Division Order Analyst

SC:llg

Enclosures

ECA201

# DIVISION ORDER

To PHIBRO ENERGY USA, INC.  
2500 Allianz Financial Centre  
2323 Bryan, LB 185  
Dallas, Texas 75201

Lease No. 50421000

DATE APRIL 21, 1992

Each of the undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil produced from the PARKER & PARSLEY - N PEMBROOK SPR farm or lease, located in UPTON County/Parish, State of TEXAS more particularly described as follows:

NORTH PEMBROOK SPRABERRY UNIT - TRACT 27  
Tract Name: Hopkins

SE/4 Section 42, Block 38, T-5-S, T&P RRC Survey, Upton County, Texas

Effective 7 a.m. APRIL 01 1992 and until further written notice, subject to the conditions, covenants and directions hereof, Phibro Energy USA, Inc. (Payor), its successors and assigns, are authorized to receive and purchase such oil and to give credit to the following:

OWNER NO.	LEASE NO.	INTEREST	CREDIT TO NAME AND ADDRESS
50421000			FOR DIVISION OF INTEREST SEE REVERSE SIDE HEREOF:

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.

The following provisions apply to each interest owner (Owner) who executes this agreement:

**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. Purchaser shall compute quantity and make corrections for gravity and temperature and make deduction 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 run 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 \$25.00 may be accrued before disbursement until the total amount equals \$25.00 or more, or until December 31 of each year, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

**INDEMNITY:** 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 fees or judgments in connection with any suit that affects owner's interest to which payor is made a party.

**DISPUTE: WITHHOLDING OF FUNDS:** If a suit is filed that affects the interest of 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 the 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:** Owner agrees to notify payor in writing of any change 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 a copy of the recorded instrument of change or documents satisfactorily evidencing such change are furnished to payor. 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 unless otherwise advised by either party.

**IMPORTANT: NO PAYMENT WILL BE MADE UNTIL PHIBRO ENERGY USA, INC. HAS YOUR SOCIAL SECURITY / TAX I.D. NUMBER.**

WITNESSES:	SIGNATURE OF OWNER:	OWNER'S SOCIAL SECURITY OR IRS TAX ACCOUNT NUMBER
<i>Mike Dyovich</i>	<i>Mike Dyovich</i>	7338
_____ OBSERVED AND SWORN TO BEFORE ME THIS	<b>FOR YOUR RECORDS NOT TO BE RETURNED</b>	7338
<i>24</i> DAY OF <i>April</i> 1992	<i>Sue Lanoue</i>	
NOTARY PUBLIC, CLARK COUNTY, NEVADA	NOTARY PUBLIC STATE OF NEVADA County of Clark SUE LANOUE My Appointment Expires April 24, 1995	EGA202

LEASE NUMBER : 50421000  
LEASE NAME : N PEMBROOK SPRABERRY UNIT TR 27  
LOCATION : UPTON TX

OWNER NO.	INTEREST	CREDIT TO	
11435	0.00016340 R	OMGF OIL ACCOUNT #3153 TEAM BANK-TRUSTEE P O BOX 99084 FORT WORTH	TX 76199
** 11439	0.00057330 R	JOHN W HERBERT EST #586-TEAM BK, JOHN W HERBERT & JOANNE S BILBY-TRUSTEES DRAWER 99084 FORT WORTH	TX 76199
11441	0.00016340 R	ANA GARDNER OSBORN P O BOX 4266 BRYAN	TX 77801
11548	0.00471400 R	EMIL MOSBACHER, JR. 170 MASON ST GREENWICH	CT 06830
11999	0.00047470 R	J. H. HERD P O BOX 130 MIDLAND	TX 79702
** 12003	0.00011840 R	JOHN J REDFERN JR ESTATE JOHN J REDFERN III-EXECUTOR P O BOX 30896 MIDLAND	TX 79710
12004	0.00011850 R	ROSALIND REDFERN P O BOX 2127 MIDLAND	TX 79702
12175	0.00733400 R	NORTH CENTRAL OIL CORP P O BOX 200201 HOUSTON	TX 77216-020
13980	0.30172900 W	PARKER & PARSLEY DEVELOPMENT CO P O BOX 3178 MIDLAND	TX 79702-3171
** 15566	0.07150340 R	EXXON CORPORATION P O BOX 1547 HOUSTON	TX 77252-154
24815	0.00098160 R	W E KREPS TRUST #1124 NCNB TX NATL BANK-TRUSTEE P O BOX 841549 DALLAS	TX 75284-154
30900	0.00023680 R	GENE C REDFERN JOHN J REDFERN JR-ATTY-IN-FACT P O BOX 50430 MIDLAND	TX 79710
33214	0.00073620 R	JOSEPHINE H CHOMAT FAMILY TR #6537 TEAM BANK & JOANNE H BILBY, CO-TRUSTEES P O DRAWER 99084 FT WORTH	TX 76199-008
34810	0.00049080 R	DDN STEPHEN BURKET 1301 WOODLAND HILLS TYLER	TX 75701
34812	0.00049080 R	JOHN M BURKET JR 1705 TIMBERCREEK TYLER	TX 75703
34830	0.00032680 R	SALLY M GOLDSTON TRUST TEAM BANK, SUCC TTEE P O BOX 2605 FORT WORTH	ECA203 TX 76113

LEASE NUMBER : 50421000  
LEASE NAME : N PEMBROOK SPRABERRY UNIT TR 27  
LOCATION : UPTON TX

OWNER NO.	INTEREST	CREDIT TO.		
34834	0.02645220 R	ROBERT Q HALL 3116 LAMP POST LN OKLAHOMA CITY	OK	73120
34839	0.37716130 W-	THELMA WHITSON HENSON 1204 SHIRLEY LN MIDLAND.	TX	79701
34840	0.02542890 O	THE LLAHNZ CORP P O BOX 35992 HOUSTON	TX	77235-5992
34841	0.00007160 O 0.00032720 R	HENRY RUSSELL ESTATE MARION RUSSELL, INDP EXECUTRIX 412 S ALBERTA PECOS	TX	79772
34844	0.02594050 O	RALPH O SHEPLEY STAR RT A BOX 770 DRIPPING SPRINGS	TX	78620
34845	0.00162030 R	TEXSLYVANIA MINERALS CORP ADDR UNKNOWN		
37381	0.00196420 R	JOHN PERKINS III-TRUSTEE 7711 LOUIS PASTEUR #208 SAN ANTONIO	TX	78229
45590	0.00196430 R	EARL R BRUNO JR 9211 WHITMAN MIDLAND.	TX	79705
61441	0.07543230 W	CASS RESOURCES INC 300 CRESCENT CRT #1800 DALLAS	TX	75201
64291	0.00047470 R	LORETTA MCDERMOTT MARSH %HARRELL & LUPARDUS 901 W INDIANA #A MIDLAND	TX	79701
66061	0.00098230 R	PHILLIP HILLHOUSE TRUST #504-03 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
66062	0.00098220 R	GEORGE S HILLHOUSE TRUST #504-04 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
66063	0.00098230 R	JAMES HILLHOUSE TRUST #504-02 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
66069	0.00324150 R	M E SINGLETON JR ESTATE Q M SINGLETON & J S CLOYD, INDP CO-EXC P O BOX 717 WAXAHACHIE	TX	76165-0717
66103	0.00196430 R	MIRIAM L BROUDY 9 CLOVERLY CIRCLE EAST NORWALK	CT	06855-3358
66135	0.00916720 R	CAROLYN C. CHANEY 624 AMARILLO ABILENE	TX	79605-1014
66628	0.01375070 R	MARJORIE T CONNELL & EC HARTMAN TRUSTE P O BOX 710 LAS VEGAS	NV	89125-0710

LEASE NUMBER : 50421000  
LEASE NAME : N PEMBROOK SPRABERRY UNIT TR 27  
LOCATION : UPTON TX

OWNER NO.	INTEREST	CREDIT TO	
68508	0.00294640 D	RUTH V. FERGUSON DREWERY 3508 EUCLID AVE DALLAS	TX 75205-3211
68523	0.00098210 R	VALPEY FAMILY TRUST GLADYS M VALPEY-TRUSTEE 1724 PLAZA DE SAN JOAQUIN MODESTO	CA 95350-3541
68525	0.00916710 R	CONSTANCE C. FAUBER 1721 BROOKS ARLINGTON	TX 76012
68526	0.00294640 D	HUGH W FERGUSON JR ESTATE RUTH F DREWERY-TRUSTEE 3508 EUCLID AVE DALLAS	TX 75205
68587	0.00916720 R	CORINNE C. LAW 6104 PARKTREE PL NE ALBUQUERQUE	NM 87111
68642	0.00007160 D 0.00032730 R	STEPHEN F. PRESLAR 4847 VISTA DEL MONTE EL PASO	TX 79922
** 68691	0.00014320 D 0.00065480 R	WILLIAM WOLF FAMILY TRUST #4815151629 P O BOX 951416 DALLAS	TX 75395-141
69013	0.00034380 R	ANN MORRISSEY 205 YOKUM PKWY #286 ALEXANDRIA	VA 22304
69014	0.00014730 R	GREGORY E MORRISSEY 4913 S OWENS ST LITTLETON	CO 80127
69015	0.00034370 R	PATRICIA MORRISSEY 205 YOKUM PARKWAY 826 ALEXANDRIA	VA 22304
69016	0.00014730 R	RACHEL MORRISSEY MOYER P.O BOX 249 SHAWNEE ON DELA	PA 18356-021
69075	0.01375070 R	ROBERT R OR FRANCES M MILLER REV TRUST P O BOX 867417 PLANO	TX 75086-741
** 69250	0.00014320 D 0.00065480 R  1.00000000	ANNA ROSS WOLF TRUST #4815151610 P O BOX 951416 DALLAS	TX 75395-141

ECA205





Phibro Energy USA, Inc.  
2500 Allianz Financial Centre  
2323 Bryan Street LB 185  
Dallas, TX 75201  
(214) 953-0330  
(214) 953-1132/fax

Gathering Division

*Mailed 5-29-92*

May 19, 1992

Re: 50339 - Cornell A  
Upton County, Texas

Dear Interest Owner:

Effective February 1, 1992, Phibro Energy, Inc. was designated purchaser of oil sold from the captioned lease.

We are enclosing two copies of a division order covering your interest in the subject lease. If your interest is shown correctly, please sign in the space provided, have your signature witnessed, enter your Social Security number or Federal Tax Identification number and return the signed copy to us to be placed in line for payment.

Thank you for your assistance in this matter.

Very truly yours,

PHIBRO ENERGY, INC.

*Marion Wheeler*

Marion Wheeler  
Division Order Analyst

MW:llg

Enclosures

ECA206



Phibro Energy USA, Inc.  
2500 Allianz Financial Centre  
2323 Bryan Street LB 185  
Dallas, TX 75201  
(214) 953-0330  
(214) 953-1132/fax

Gathering Division

*Mailed 5-29-92*

May 19, 1992

Re: 50339 - Connell A  
Upton County, Texas

Dear Interest Owner:

Effective February 1, 1992, Phibro Energy, Inc. was designated purchaser of oil sold from the captioned lease.

We are enclosing two copies of a division order covering your interest in the subject lease. If your interest is shown correctly, please sign in the space provided, have your signature witnessed, enter your Social Security number or Federal Tax Identification number and return the signed copy to us to be placed in line for payment.

Thank you for your assistance in this matter.

Very truly yours,

PHIBRO ENERGY, INC.

*Marion Wheeler*

Marion Wheeler  
Division Order Analyst

MW:llg

Enclosures

# DIVISION ORDER

Lease No. 50339000

To PHIBRO ENERGY USA, INC.  
2500 Allianz Financial Centre  
2323 Bryan, LB 185  
Dallas, Texas 75201

DATE MAY 18, 1992

Each of the undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil produced from the PARKER &

PARSLEV - CONNELL A farm or lease, located in UPTON County/Parish, State of TEXAS  
more particularly described as follows:

CONNELL A: E/2 NE/4 SECTION 36, BLOCK 39, T-5S, T&P RR CO SURVEY, BUT ONLY  
FROM THE SURFACE TO THE BASE OF THE SPRABERRY FORMATION,  
UPTON COUNTY, TEXAS.

Effective 7 a.m. FEBRUARY 01, 1992 and until further written notice, subject to the conditions, covenants  
and directions hereof, Phibro Energy USA, Inc. (Payor), its successors and assigns, are authorized to receive and purchase such oil and to give credit to the following:

OWNER NO.	LEASE NO.	INTEREST	CREDIT TO NAME AND ADDRESS
50339000			FOR DIVISION OF INTEREST SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

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.

The following provisions apply to each interest owner (Owner) who executes this agreement:

**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. Purchaser shall compute quantity and make corrections for gravity and temperature and make  
deduction 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 run 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 \$25.00 may be accrued  
before disbursement until the total amount equals \$25.00 or more, or until December 31 of each year, whichever occurs first. Payee agrees to refund to payor  
any amounts attributable to an interest or part of an interest that payee does not own.

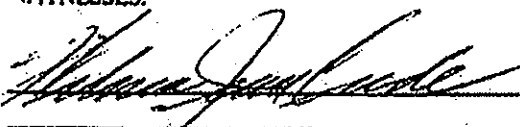
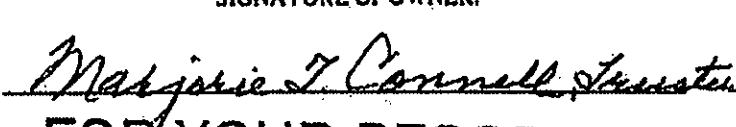
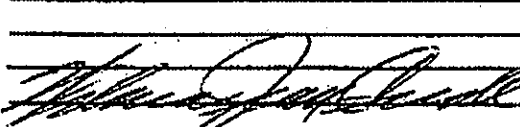

**INDEMNITY:** Owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division  
of interest, including but not limited to attorney fees or judgments in connection with any suit that affects owner's interest to which payor is made a party.

**DISPUTE: WITHHOLDING OF FUNDS:** If a suit is filed that affects the interest of 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 the 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:** Owner agrees to notify payor in writing of any change 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 a copy of the recorded instrument of change or documents satisfactorily evidencing such change  
are furnished to payor. 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 unless otherwise advised by either party.

**IMPORTANT: NO PAYMENT WILL BE MADE UNTIL PHIBRO ENERGY USA, INC. HAS YOUR SOCIAL SECURITY / TAX I.D. NUMBER.**

WITNESSES:	SIGNATURE OF OWNER:	OWNER'S SOCIAL SECURITY OR IRS TAX ACCOUNT NUMBER
		7338
		

FOR YOUR RECORDS  
NOT TO BE RETURNED

Is your signature witnessed? →

→ Is your correct address shown? →

→ Include Zip Code

LEASE NUMBER : 50339000  
LEASE NAME : CONNELL A  
LOCATION : UPTON

TX

OWNER NO.	INTEREST		CREDIT TO		
** 11433	0.00043940	R	ROY D GOLSTON JR ET AL #441 TEAM BANK-TRUSTEE P O BOX 99084 FORT WORTH	TX	76199
11435	0.00021970	R	OMGF OIL ACCOUNT #3153 TEAM BANK-TRUSTEE P O BOX 99084 FORT WORTH	TX	76199
** 11439	0.00076900	R	JOHN W HERBERT EST #586-TEAM BK, JOHN W HERBERT & JOANNE S BILBY-TSTEEES DRAWER 99084 FORT WORTH	TX	76199
11441	0.00021970	R	ANA GARDNER OSBORN P O BOX 4266 BRYAN	TX	77801
** 11451	0.00273440	R	ROBERT MOSBACHER P O BOX 201678 HOUSTON	TX	77216-167
11548	0.00117190	R	EMIL MOSBACHER, JR. 170 MASON ST GREENWICH	CT	06830
11999	0.00043940	R	J. H. HERD P O BOX 130 MIDLAND	TX	79702
** 12003	0.00010980	R	JOHN J REDFERN JR ESTATE JOHN J REDFERN III-EXECUTOR P O BOX 50896 MIDLAND	TX	79710
12004	0.00010980	R	ROSALIND REDFERN P O BOX 2127 MIDLAND	TX	79702
12175	0.00820310	R	NORTH CENTRAL OIL CORP P O BOX 200201 HOUSTON	TX	77216-02
13980	0.15486600	W	PARKER & PARSLEY DEVELOPMENT CO P O BOX 3178 MIDLAND	TX	79702-31
** 15245	0.00032960	R	HOUSTON OIL & MINERALS CORP P O BOX 200771 HOUSTON	TX	77216
** 15566	0.06093750	R	EXXON CORPORATION P O BOX 1547 HOUSTON	TX	77252-15
17668	0.00098870	R	SEAGULL MIDCON INC TEXAS COMMERCE BANK P O BOX 200293 HOUSTON	TX	77216-02
22129	0.00390620	R	AZIZI KARAM 1220 BANDERA SAN ANTONIO	TX	78228
24815	0.00195310	R	W E KREPS TRUST #1124 NCNB TX NATL BANK-TRUSTEE P O BOX 841549 DALLAS	TX	75284-15

LEASE NUMBER : 50337000  
LEASE NAME : CONNELL A  
LOCATION : UPTON

TX

OWNER NO.	INTEREST		CREDIT TO	
26287	0.32966420	W	PARKER & PARSLEY 91-A LP & GP P O BOX 3178 MIDLAND	TX 79702-3178
26288	0.01757350	W	P&P EMPLOYEES 91-A P O BOX 3178 MIDLAND	TX 79702-3178
30900	0.00021970	R	GENE C REDFERN P O BOX 50430 MIDLAND	TX 79710
33214	0.00098870	R	JOSEPHINE H CHOMAT FAMILY TR #6537 TEAM BANK & JOANNE H GILBY, CO-TRUSTEES P O DRAWER 99084 FT WORTH	TX 76199-0084
36332	0.30133930	W	JOE MAC PARSLEY P O BOX 1771 MIDLAND	TX 79702
37381	0.00153680	R	JOHN PERKINS III-TRUSTEE 7711 LOUIS PASTEUR #208 SAN ANTONIO	TX 78229
44892	0.00129960	W	A FRANK KUBICA 2605 HODGES MIDLAND	TX 79705-7411
** 44901	0.00129960	W	SCOTT D SHEFFIELD P O BOX 8585 MIDLAND	TX 79708
44902	0.00129960	W	ROBERT J CASTOR P O BOX 50007 MIDLAND	TX 79710
45590	0.00195310	R	EARL R BRUNO JR 5211 WHITMAN MIDLAND	TX 79705
64291	0.00043940	R	LORETTA MCDERMOTT MARSH %HARRELL & LUPARDUS 901 W INDIANA #A MIDLAND	TX 79701
65078	0.00013020	R	EMIL MOSBACHER, III 1580 CANADA LN WOODSIDE	CA 94062
65375	0.00097650	R	MARYLANE MYERS ANDERSON 7618 SOUTHWESTERN BLVD DALLAS	TX 75225-7926
65377	0.00097650	R	MICHAEL GLENN ANDERSON P O BOX 4584 DALLAS	TX 75208-0584
65405	0.00129960	W	JAMES D. MORING 2510 CULPEPER MIDLAND	TX 79705-6311
66061	0.00439450	R	PHILLIP HILLHOUSE TRUST #504-03 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX 75264-1549
66072	0.00069760	R	GERTRUDE O. F. TYSON 2104 WOODLAWN MIDLAND	TX 79705

EASE NUMBER : 50339000  
EASE NAME : CONNELL A  
LOCATION : UPTON

TX

WNER NO.	INTEREST		CREDIT TO		
66103	0.00195310	R	MIRIAM L. BROUDY 9 CLOVERLY CIRCLE EAST NORWALK	CT	06855-5358
66135	0.01367190	R	CAROLYN C. CHANEY 624 AMARILLO ABILENE	TX	79605-1014
66628	0.02050780	R	MARJORIE T CONNELL & EC HARTMAN=CO-TSTE P O BOX 710 LAS VEGAS	NV	89125-0710
68523	0.00097650	R	VALPEY FAMILY TRUST GLADYS M VALPEY-TRUSTEE 1724 PLAZA DE SAN JOAQUIN MODESTO	CA	95350-3549
68525	0.01367190	R	CONSTANCE C. FAUBER 1721 BROOKS ARLINGTON	TX	76012
68526	0.00195320	O	HUGH W FERGUSON JR ESTATE RUTH F DREWERY-TRUSTEE 3508 EUCLID AVE DALLAS	TX	75205
68587	0.01367190	R	CORINNE C. LAW 6104 PARKTREE PL NE ALBUQUERQUE	NM	87111
68608	0.00073240	R	MISSIONARY SOCIETY OF OBLATE FATHERS TX 7711 MADONNA DR SAN ANTONIO	TX	78216-6620
68641	0.00048820	R	WILLIAM C. PORTER 3205 HAYNES MIDLAND	TX	79705-4214
68650	0.00048820	R	MARION WHEELER RUSSELL-TRUSTEE 412 S ALBERTA ST PECOS	TX	79772-2715
68660	0.00263670	R	M E SINGLETON JR ESTATE GEORGE SINGLETON & JEANETTE CLOYD-EXEC P O BOX 717 WAXAHACHIE	TX	75165
** 68669	0.00069760	R	J CLED THOMPSON & JAMES CLED THOMPSON JR ROYALTY ACCOUNT 325 N ST PAUL #4500 DALLAS	TX	75201-3993
** 68691	0.00097650	R	WILLIAM WOLF FAMILY TRUST #4815151629 P O BOX 951416 DALLAS	TX	75395-1416
69013	0.00034180	R	ANN MORRISSEY 205 YOKUM PKWY #286 ALEXANDRIA	VA	22304
69014	0.00014650	R	GREGORY E MORRISSEY 6913 S OWENS ST LITTLETON	CO	80127
69015	0.00034180	R	PATRICIA MORRISSEY 205 YOKUM PARKWAY 826 ALEXANDRIA	VA	22304
69016	0.00014650	R	RACHEL MORRISSEY MOYER P O BOX 249 SHAWNEE ON DELA	PA	18356-0249

EASE NUMBER : 50339000  
EASE NAME : CONNELL A  
LOCATION : UPTON

TX

OWNER NO.	INTEREST		CREDIT TO		
69075	0.02050780	R	ROBERT R OR FRANCES M MILLER REV TRUST P O BOX 867417 PLANO	TX	75086-7417
* 69250	0.00097650	R	ANNA ROSS WOLF TRUST #4815151610 P O BOX 951416 DALLAS	TX	75395-1416
71133	0.00097650	R	MELINDA ANDERSON CATES 4532 LORRAINE DALLAS	TX	75205
79369	0.00013020	R	JOHN DAVID MOSBACHER 44 GRAHAMPTON LANE GREENWICH	CT	06830
79370	0.00013020	R	R BRUCE MOSBACHER 1580 CANADA LANE WOODSIDE	CA	94062
* 79374	0.00019530	R	BENNETT E SMULLYAN P O BOX 201678 HOUSTON	TX	77216
* 79375	0.00019530	R	CLINTON I SMULLYAN, JR P O BOX 201678 HOUSTON	TX	77216
	1.00000000				

IN THE SUPREME COURT OF THE STATE OF NEVADA

\* \* \*

IN THE MATTER OF: THE W.N.  
CONNELL AND MARJORIE T.  
CONNELL LIVING TRUST, DATED  
MAY 18, 1972,

ELEANOR C. AHERN A/K/A  
ELEANOR CONNELL HARTMAN  
AHERN,

Appellant,

vs.

JACQUELINE M. MONTOYA; AND  
KATHRYN A. BOUVIER,

Respondents.

Supreme Court No.: 66231  
Consolidated with: 6782, 68046  
Electronically Filed  
Nov 20 2015 04:15 p.m.  
Tracie K. Lindeman  
Clerk of Supreme Court

District Court Case No.:  
P-09-066425-T

Appeal from the Eighth Judicial  
District Court, The Honorable Gloria  
Sturman Presiding

**APPELLANT'S APPENDIX**

**(VOLUME 9 OF 17)**

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*ATTORNEYS FOR APPELLANT  
ELEANOR CONNELL HARTMAN AHERN*



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IN THE SUPREME COURT OF THE STATE OF NEVADA

\* \* \*

IN THE MATTER OF: THE W.N.  
CONNELL AND MARJORIE T.  
CONNELL LIVING TRUST, DATED  
MAY 18, 1972,

ELEANOR C. AHERN A/K/A  
ELEANOR CONNELL HARTMAN  
AHERN,

Appellant,

vs.

JACQUELINE M. MONTOYA; AND  
KATHRYN A. BOUVIER,

Respondents.

Supreme Court No.: 66231

Consolidated with: 67782, 68046

District Court Case No.:  
P-09-066425-T

Appeal from the Eighth Judicial  
District Court, The Honorable Gloria  
Sturman Presiding

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I am an employee of Brownstein Hyatt Farber Schreck, LLP, and pursuant to NRAP 25(c) and (d), I caused a true and correct copy of the foregoing **APPELLANT’S APPENDIX (Volume 9 of 17) (Pages AA 1850-2094)** by using the Court’s Electronic Filing System on November 20, 2015, upon the following:

WHITNEY B. WARNICK, ESQ.  
ALBRIGHT, STODDARD,  
WARNICK & ALBRIGHT  
801 South Rancho Drive, Suite D-4  
Las Vegas, NV 89106  
*Attorneys for Kathryn A. Bouvier*

JOSEPH J. POWELL, ESQ.  
THE RUSHFORTH FIRM, LTD.  
P.O. Box 371655  
Las Vegas, NV 89137-1655  
*Attorneys for Jacqueline M. Montoya  
and Kathryn A. Bouvier*

I hereby certify that on November 20, 2015, I served a copy of this document by mailing a true and correct copy, postage prepaid, via U.S. Mail, addressed to the following:

MICHAEL K. WALL, ESQ.  
HUTCHISON & STEFFEN, LLC  
10080 West Alta Drive, Suite 200  
Las Vegas, NV 89145  
*Attorneys for Fredrick P. Waid, Court-*  
*appointed Trustee*

/s/ Erin Parcels  
an employee of Brownstein Hyatt Farber Schreck, LLP

  
CLERK OF THE COURT

**Marquis Aurbach Coffing**  
Liane K. Wakayama, Esq.  
Nevada Bar No. 11313  
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Nevada Bar No. 11447  
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crenka@maclaw.com  
Attorneys for Eleanor Connell Hartman  
Ahern, as Trustee and Individually

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

In the Matter of

THE W.N. CONNELL AND MARJORIE T.  
CONNELL LIVING TRUST DATED May 18,  
1972, An Inter Vivos Irrevocable Trust.

Case No.: P-09-066425-T  
Dept. No.: 26

Date of Hearing: January 14, 2015  
Time of Hearing: 9:00 a.m.

**OMNIBUS OPPOSITION TO (1) PETITION FOR DETERMINATION OF  
CONSTRUCTION AND INTERPRETATION OF LANGUAGE  
RELATING TO TRUST NO 2, AND (2) PETITION FOR CONSTRUCTION  
AND EFFECT OF PROBATE COURT ORDER; AND COUNTERMOTION FOR  
SUMMARY JUDGMENT**

Eleanor Connell Hartman Ahern, as Trustee and Individually (hereinafter "Eleanor"), by and through her attorneys of record, the law firm of Marquis Aurbach Coffing, hereby files this Omnibus Opposition to (1) Petition for Determination of Construction and Interpretation of Language Relating to Trust No 2, and (2) Petition for Construction and Effect of Probate Court Order; and Countermotion for Summary Judgment ("Countermotion"). This Opposition and Countermotion is made and based upon the pleadings and papers on file herein, the following Memorandum of Points and Authorities, and any oral argument allowed at the time of hearing on this matter.

///

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**MEMORANDUM OF POINTS AND AUTHORITIES****I. INTRODUCTION.**

As his sole and separate property, W.N. Connell ("William") created an heirloom asset (Texas oil rights) for his only child, Eleanor. Within his joint trust established with his second wife, Eleanor's stepmother, William crafted detailed language that would govern the ownership and the distribution of this heirloom asset upon his death. Specifically, William instructed his successor trustee to split the entire corpus of the main trust into two sub-trusts, a decedent's trust (Trust No. 2) and a survivor's trust (Trust No. 3). Under the umbrella of Trust No. 2, William memorialized his intent that Trust No. 2 would own 100% of this heirloom asset and Eleanor would be the sole income beneficiary during her lifetime. Nowhere in Trust No. 3 did William even mention this heirloom asset. Instead, by identifying this particular asset in Trust No. 2, William was protecting the Texas oil rights against the possibility of the consequences that would flow from Eleanor's stepmother, Marjorie Connell ("Marjorie"), remarrying, divorcing or completely disinheriting his only child after his death. In other words, William recognized the likelihood that, upon his death, Marjorie would obtain the lion's share of the community property assets as well as William's *other* separate property, but went to great lengths to ensure that all of the Texas oil rights were to remain intact for his direct descendants. This is legacy planning at its finest.

Eleanor's daughters, Jacqueline Montoya ("Jacqueline") and Kathryn Bouvier ("Kathryn"), are now asking this Court to punish their mother for the generosity she bestowed upon her stepmother for the remainder of the income from her life. Fulfilling her promise made to her father, Eleanor allowed Marjorie to receive 65% of her inheritance while Eleanor was content with only 35% given her blessed financial situation. Eleanor always understood, however, that she was the sole income beneficiary of the Texas oil rights as reflected in the family trust agreement. During her life and for 26 years, Marjorie herself confirmed this understanding by taking steps to carry out William's legacy planning. Soon after William's death, Marjorie notified a number of oil companies that Eleanor must be identified as the co-trustee authorized to approve the administration and distribution of the oil income. Notably,

1 William only appointed Eleanor as co-trustee with Marjorie over Trust No. 2. Moreover, from  
2 1989 to 2006 – almost two decades – Marjorie and Eleanor signed division orders directing the  
3 oil companies on how the oil proceeds should be distributed. Each time, Marjorie and Eleanor  
4 would sign as co-trustees and name Trust No. 2 as the 100% owner by using only Trust No. 2's  
5 tax identification number. Importantly, Marjorie and Eleanor, as the co-trustees, were  
6 warranting to the oil companies that Trust No. 2 was the lawful owner of the minerals, entitled to  
7 be paid all proceeds of production in the percentage interest specified in the division order. Not  
8 once did Marjorie inform any of the oil companies that the ownership was somehow split 65/35  
9 between two different trusts. Marjorie instead consistently used the tax identification number for  
10 Trust No. 2, never Trust No. 3 in dealing with the companies that disbursed the oil and gas  
11 revenues. Even Marjorie's own handwritten bookkeeping reflects the understanding that Trust  
12 No. 2 was the sole owner of the Texas oil rights.

13 Fast forward to Marjorie's death in 2009 where Jacqueline, as a signer on the gas and oil  
14 bank account, managed to pay the 65% of the Texas oil income to herself and her sister, Kathryn.  
15 For some time, Eleanor continued to extend her generosity to her own daughters. As a result,  
16 Jacqueline and Kathryn received over \$1.0 Million in Texas oil income in 2010 and 2011 as well  
17 as over \$1.1 Million in lease bonuses in 2012. This \$2.1 Million figure does not include the  
18 income received in 2012 and part of 2013 and the approximately \$3.5 Million inherited from  
19 Marjorie. In the span of four short years, Jacqueline and Kathryn thus became trust fund  
20 millionaires. Disheartening, sometime in 2012, Eleanor discovered that Jacqueline had managed  
21 to spend around \$80,000 in one month. Eleanor soon realized that her generosity could be  
22 creating more harm than good, especially since her daughters became almost non-existent in her  
23 life. Not to mention in July 2012, Jacqueline tried to initiate Texas probate proceedings for  
24 Marjorie as it related to the Texas oil rights – all behind Eleanor's back. To teach her daughters  
25 an important lesson, Eleanor cut off the 65% oil income that Jacqueline and Kathryn had lined  
26 their pockets with since Marjorie's death. In retaliation, Jacqueline contacted the Texas oil  
27 companies to suspend *all* payments and soon thereafter sued her own mother.

From the plain terms of William's legacy planning, neither Jacqueline nor Kathryn is a current beneficiary of the Texas oil income. Both must wait to get their inheritance when Eleanor passes away. This is a fact that Jacqueline and Kathryn acknowledged and consented to in 2009 with this very Court. Impatient to resume their free handouts, Jacqueline and Kathryn have tried to smear their own mother through litigation without giving any pause to the permanent damage resulting on their relationship. The law, however, does not support their greed and instead holds that the family trust agreement must be construed in a manner that effectuates William's intent. See Hannam v. Brown, 114 Nev. 350, 356, 956 P.2d 794, 798 (1998). Based on William's intent to create an heirloom asset for only his daughter's benefit during her lifetime coupled with the documented evidence reflecting Marjorie's understanding that Trust No. 2 always owned 100% of the Texas oil rights, this Court should enter summary judgment in favor of Eleanor finding that she is the sole income beneficiary. Provided that this Court does not enforce the trust's no-contest clause, Jacqueline and Kathryn must therefore wait for their inheritance until Eleanor's death.

## II. STATEMENT OF FACTS.<sup>1</sup>

On May 13, 1938, Eleanor was born to William and Marguerite Lavina Connell ("Marguerite") in Las Vegas, Nevada.<sup>2</sup> William was married to Eleanor's mother for approximately ten years before Eleanor was born.<sup>3</sup> William did have an affair and married his second wife, Marjorie Connell ("Marjorie"), one month after his divorce in 1942.<sup>4</sup> When William met Marjorie, Eleanor was two years old and, when the couple married, Eleanor was

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<sup>1</sup> All documents that are attached hereto as evidentiary support that contain social security numbers or EIN numbers have been redacted and therefore only the last four digits are visible. Upon the Court's request, Eleanor's counsel will provide all un-redacted documents *in camera*.

<sup>2</sup> See Declaration of Eleanor Ahern in Support of Omnibus Opposition to (1) Petition for Determination of Construction and Interpretation of Language Relating to Trust No 2 and (2) Petition for Construction and Effect of Probate Court Order and Countermotion for Summary Judgment ("Declaration of Eleanor"), attached hereto as **Exhibit 1**.

<sup>3</sup> Id.

<sup>4</sup> Id.

1 four years old.<sup>5</sup> Marjorie was 20 years younger than William and only 20 years older than  
2 Eleanor.<sup>6</sup> Approximately 13 years after her marriage to William, Marjorie stopped working in or  
3 around 1955.<sup>7</sup>

4 Eleanor is William's only child as he did not want any more children, even with his new  
5 wife, Marjorie.<sup>8</sup> Eleanor always maintained a close relationship with her father and her natural  
6 mother, Marguerite.<sup>9</sup> Marjorie, however, was not close to Marguerite, and Eleanor was forced to  
7 spend holidays with both set of parents separately.<sup>10</sup> As a child, Eleanor would live part of each  
8 week with her natural mother and the other part with her father and Marjorie.<sup>11</sup> Not only was  
9 this difficult for Eleanor growing up, but the difficulties were further compounded by the fact  
10 that Marjorie never had anything nice to say about Eleanor's natural mother and would not allow  
11 Eleanor to keep pictures of Marguerite in her own room.<sup>12</sup> Marguerite died in 1964 when  
12 Eleanor was 26 years old.<sup>13</sup>

13 **A. THE TRUST AND LEGACY PLANNING.**

14 In May 1972, Eleanor's father and Marjorie formed the W.N. Connell and Marjorie T.  
15 Connell Living Trust dated May 18, 1972 (the "Trust").<sup>14</sup> Within Article First of the Trust,  
16 William and Marjorie specified that the trusts were created to benefit the grantors as well as  
17 Eleanor, who is defined as the "Residual Beneficiary" as follows:

18 \_\_\_\_\_  
19 <sup>5</sup> Id.

20 <sup>6</sup> See Death Certificates for W.N. Connell and Marjorie Connell, attached hereto as **Exhibit 2**.

21 <sup>7</sup> See Declaration of Eleanor, Exhibit 1.

22 <sup>8</sup> Id.

23 <sup>9</sup> Id.

24 <sup>10</sup> See Declaration of Eleanor, Exhibit 1.

25 <sup>11</sup> Id.

26 <sup>12</sup> Id.

27 <sup>13</sup> Id.

28 <sup>14</sup> See Trust Agreement ("Trust Agreement"), attached as **Exhibit 3**.



1 The trusts created hereby shall be for the use and benefit of the Grantors and for  
2 ELEANOR MARGUERITE CONNELL HARTMAN, the daughter of W.N.  
3 CONNELL by a prior marriage, and for her issue as hereinafter provided.  
ELEANOR MARGUERITE CONNELL HARTMAN shall hereinafter be  
designated as the "Residual Beneficiary."<sup>15</sup>

4 At the time the Trust was formed, Eleanor's daughters, Jacqueline and Kathryn were both  
5 alive.<sup>16</sup> Jacqueline was 7 years of age, and Kathryn was 2 years of age.<sup>17</sup> There was no  
6 provision in the Trust that provided Jacqueline or Kathryn any beneficial rights while their  
7 mother, Eleanor, was alive.<sup>18</sup>

8 **1. The Oil Assets.**

9 Eleanor's father, William, owned oil, gas and mineral rights and leases on real property  
10 located in Upton County, Texas (the "Oil Rights").<sup>19</sup> The Oil Rights generated consistent  
11 monthly income (the "Oil Income").<sup>20</sup> On or about June 13, 1972, William transferred his right  
12 and title to all of the Oil Rights to the Trust by two Quitclaim Deeds.<sup>21</sup> Despite this transfer, the  
13 Trust specifically instructed that the Oil Rights shall remain as William's sole and separate  
14 property as follows:

15 The property comprising the original trust estate during the joint lives of the  
16 Grantors shall retain its character as their community property or separate  
property, as designated on the attached Schedule "A".<sup>22</sup>

17 As reflected on Schedule A, Marjorie did not transfer any separate property to the Trust, only  
18 William.<sup>23</sup> The Trust was therefore funded with the following assets: (1) real property interests

19 <sup>15</sup> Id. at Article First at p. 2.

20 <sup>16</sup> Jacqueline was born on July 19, 1965. Kathryn was born on January 29, 1970.

21 <sup>17</sup> Id.

22 <sup>18</sup> See Trust Agreement, Exhibit 3.

23 <sup>19</sup> See Declaration of Eleanor Connell Hartman Ahern dated December 11, 2014 at ¶ 4 ("Second  
24 Declaration of Eleanor"), attached hereto as **Exhibit 4**.

25 <sup>20</sup> Id.

26 <sup>21</sup> See Quitclaim Deeds dated June 5, 1972, attached hereto as **Exhibit 5**.

27 <sup>22</sup> Id.

28 <sup>23</sup> See Trust Agreement, Schedule A, pp. 1-3, Exhibit 3.

1 characterized as community property; (2) real property in Nevada and Texas characterized as  
2 William's separate property; and (3) 100% title and ownership to the Oil Rights and flowing Oil  
3 Income characterized as William's separate property.<sup>24</sup>

## 4                   2.       The Adoption.

5           On William's insistence, Marjorie adopted Eleanor in 1976.<sup>25</sup> At this time, Eleanor was  
6 38 years of age with two daughters of her own, Jacqueline and Kathryn.<sup>26</sup> According to Eleanor,  
7 Marjorie was not thrilled about the adoption, but did so to please William.<sup>27</sup> As a result of the  
8 adoption, Eleanor was to be treated in all respects as Marjorie's daughter and vested with all  
9 rights stemming from the relationship.<sup>28</sup> Prior to his death, William made Marjorie and Eleanor  
10 promise on the family Bible to always take care of each other and never do anything to hurt one  
11 another.<sup>29</sup>

## 12                   3.       The Detailed Legacy Planning.

13           On November 24, 1979, William died, and was survived by Marjorie who had been  
14 Eleanor's adoptive mother for approximately three years.<sup>30</sup> Upon the first grantor's death, the  
15 Trust provided that the trust estate and all property received shall be divided into two parts, with  
16 each part to be administered as a separate trust to be known respectively as "Trust No. 2" and  
17 "Trust No. 3."<sup>31</sup> Any reference to the "Decedent" would refer to either of the Grantors whose  
18 death shall first occur and "Survivor" shall refer to the other Grantor.<sup>32</sup> "Trust No. 3" would be

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19 <sup>24</sup> Id.

20 <sup>25</sup> See Decree of Adoption filed on November 24, 1976 ("Adoption Decree"), attached hereto as  
21 **Exhibit 6.**

22 <sup>26</sup> See Declaration of Eleanor, Exhibit 1

23 <sup>27</sup> Id.

24 <sup>28</sup> See Adoption Decree, Exhibit 6.

25 <sup>29</sup> See Declaration of Eleanor, Exhibit 1.

26 <sup>30</sup> See Death Certificate of William Connell, Exhibit 2.

27 <sup>31</sup> See Trust Agreement at Article Second, Section C.1., p. 3, Exhibit 3.

28 <sup>32</sup> Id.

1 in reference to the "Survivor's" trust while "Trust No. 2" would be in reference to the  
2 "Decedent's" trust.<sup>33</sup>

3 **a. Trust No. 3 ("Survivor's Trust").**

4 Upon William's death, the assets to be allocated to Trust No. 3 were: (1) Marjorie's  
5 separate property interest in the trust estate (non-existent); (2) Marjorie's one-half interest in the  
6 community property of the trust estate, less a proportionate part of all amounts properly  
7 chargeable against all community property; and (3) Marjorie's community property interest in  
8 any life insurance policy of William's made payable to Trust No. 1.<sup>34</sup> Trust No. 3 would also be  
9 allocated from the Decedent's separate property (William) an amount determined in Article  
10 Third, entitled Marital Deduction.<sup>35</sup>

11 Pursuant to Article Third, the Trustee was directed to allocate to Trust No. 3 from "the  
12 Decedent's separate property the fractional share of the said assets which is equal to the  
13 maximum marital deduction allowed for federal estate tax purposes, reduced by the total of any  
14 other amounts allowed under the Internal Revenue Code as a Marital Deduction which are not a  
15 part of this trust estate."<sup>36</sup> In making the allocations of property to Trust No. 3, "the  
16 determination of the character and ownership of the said property and the value thereof shall be  
17 finally established for federal estate tax purposes."<sup>37</sup>

18 **b. Trust No. 2 ("Decedent's Trust").**

19 Article Fourth of the Trust governed Trust No. 2 and the terms were far more detailed  
20 than those of Trust No. 3. Indeed, Trust No. 2, unlike Trust No. 3, contained specific  
21 instructions as to the sale of the Oil Rights and distribution of the Oil Income.<sup>38</sup> Nothing  
22

23 <sup>33</sup> Id. at Article Fourth, Section A.

24 <sup>34</sup> See Trust Agreement at Article Second, Section C.2, Exhibit 3.

25 <sup>35</sup> Id. at Article Second, Section C.3.

26 <sup>36</sup> Id. at Article Third.

27 <sup>37</sup> Id.

28 <sup>38</sup> Id. at Article Fourth.

1 contained in the controlling language of Trust No. 3 mentioned the Oil Rights or the Oil  
2 Income.<sup>39</sup> By identifying the Oil Rights as a specific asset under Trust No. 2, William desired to  
3 preserve this particular asset for Eleanor and her family and protect against the impact of a future  
4 re-marriage and/or divorce by Marjorie. In other words, the terms of Article Fourth would be  
5 William's control from the grave on the ownership and distribution of this heirloom asset. From  
6 the plain terms of the Trust Agreement, William therefore made his intent clear that Trust No. 2  
7 would own 100% of the Oil Rights, with all income being distributed to Eleanor and later her  
8 blood lines.

9 (1) **The Income.**

10 Pursuant to Article Fourth, Section B, William directed that Eleanor, as the Residual  
11 Beneficiary shall receive all income from any separate property received by Trust No. 2 as  
12 follows:

13 **All income** received by this Trust **from the separate property of the Decedent**  
14 **shall be paid to the Residual Beneficiary.**

15 To make his intentions known that Trust No. 2 would own 100% of the Oil Rights and Eleanor  
16 shall receive all Oil Income, William carefully earmarked and identified the Oil Rights as a  
17 specific asset that would be owned by Trust No. 2 and added a further layer of protection for his  
18 only daughter:

19 **In the event any of the real property located in Upton County, Texas,** as listed  
20 **on the original Schedule "A" attached hereto, forms a part of the corpus of this**  
21 **Trust, the Residual Beneficiary shall be paid an additional payment from the**  
**income received from the Decedent's half of the community property, which**  
**forms a part of the corpus of this Trust, equal to all of the income received by**  
**this Trust from the real property located in Upton County, Texas.**

22 As for the language that "[i]n the event any of the real property located in Upton County, Texas"  
23 formed a part of "this Trust," neither William nor Marjorie knew for certain which one would  
24 survive the other; hence, if William died first, the intent is clear that the Oil Rights as his  
25 separate property would be owned by Trust No. 2. The matching directive that followed ensured  
26 that Eleanor would be paid the lion's share of any and all income owned by Trust No. 2 up to an

27 <sup>39</sup> Id. at Article Fifth, Trust No. 3.  
28

1 amount that doubled the Oil Income. Stated another way, William made sure that Eleanor, not  
2 Marjorie, benefitted even from any income generated from his share of the community property.

3 After specifically identifying the Oil Rights and ensuring that all of the Oil Income would  
4 be distributed to his only daughter, William then instructed that “[a]ll other income” would go to  
5 Marjorie. Again, Marjorie was never previously mentioned as a beneficiary to any of the Oil  
6 Rights, only Eleanor. During Eleanor’s lifetime, no one else was thus entitled to receive Oil  
7 Income, not even her daughters, Jacqueline and Kathryn.

8 (2) **William Further Confirms that the Oil Rights are an**  
9 **Heirloom Asset.**

10 Marjorie was not identified anywhere in Trust No. 2 as directly receiving any of the Oil  
11 Income, only Eleanor as the Residual Beneficiary. As additional protection for Eleanor, William  
12 instructed that the Oil Rights and Oil Income were to flow through the blood lines prior to going  
13 to Marjorie as follows:

14 **In the event the Residual Beneficiary predeceases the Survivor, the Residual**  
15 **Beneficiary’s rights to receive income hereunder shall be paid to or for the**  
16 **benefit of her living children and the issue of any deceased child** by right of  
17 representation; or in the event *she* dies without living issue, her income rights  
18 hereunder shall become those of the Survivor.

19 Thus, when William formed the Trust, Eleanor had two daughters, who he had provided for as  
20 contingent income beneficiaries *if* Eleanor died before Marjorie. In other words, during  
21 Marjorie’s lifetime, Marjorie would never be entitled to the Oil Income even if Eleanor was no  
22 longer around. It was only if Eleanor’s daughters died without any children (which explains the  
23 reference to “she”) would Marjorie become a current income beneficiary.

24 This directive by William is important as it confirms that the Oil Rights as specifically  
25 referenced in the preceding paragraph in Section B were intended by William to be an heirloom  
26 asset for *his* blood line. When *his* blood line ended, then and only then would Marjorie be  
27 entitled to the Oil Rights.

28 (3) **Eleanor is Designated as Co-Trustee Over Trust No. 2.**

Pursuant to Article Second, Section C.6, upon the death of the first Grantor, William  
ensured that Eleanor would become the Co-Trustee of Trust No. 2 as follows:

1 It is the intention of the parties, that ELEANOR MARGUERITE  
2 CONNELL HARTMAN shall be a Co-trustee of the Decedent's separate  
3 property in trust in this Trust to the extent the term "Trustee", as hereinafter  
4 used, shall apply to her.<sup>40</sup>

5 By designating Eleanor as the Co-Trustee over Trust No. 2, William thus added yet  
6 another layer of protection for his only daughter to control and manage the Oil Rights that were  
7 specifically intended to be owned exclusively by Trust No. 2. On May 6, 1980, Marjorie  
8 executed a Substitution of Trustee appointing Eleanor as Co-Trustee of William's separate  
9 property.<sup>41</sup> Throughout this litigation, Jacqueline has confirmed that Eleanor was only appointed  
10 as Co-Trustee with Marjorie in accordance with the terms of Trust No. 2 as follows:

11 The purpose of the "Substitution of Trustee" was to add Ms. Ahern as a co-trustee  
12 with Mrs. Connell of the "separate property of W.N. Connell presently held in the  
13 above-entitled Trust" in accordance with the terms of Trust No. 2.<sup>42</sup>

14 Accordingly, Eleanor, as Co-Trustee, only had the authority to manage and administer those  
15 assets owned by Trust No. 2.

16 (4) **The Oil Rights Are Not to be Sold.**

17 As an heirloom asset, Article Fourth of the Trust gave the Trustee detailed instructions as  
18 to the sale of any of William's separate property, in particular, the Oil Rights. Section C.3  
19 entitled "Sale of real property from Decedent's separate property" directed that "in the event that  
20 the sale of Decedent's separate property is contemplated at any time [to satisfy any debts of the  
21 Decedent], ***only the separate property of the Decedent situated in Las Vegas, Clark County,  
22 Nevada shall be sold[.]***"<sup>43</sup> Section C.4 entitled "Sale of real property" further contemplated the  
23 sale of any of William's separate, real property in general as follows:

24 **In the event that any real property which is listed on Schedule "A" attached  
25 hereto as the Decedent's separate property, and, is a part of the corpus of  
26 Trust No. 2 is sold, the Grantors direct the Trustee to distribute the net**

27 <sup>40</sup> See Trust Agreement, Article Second, Section C.6, Exhibit 3.

28 <sup>41</sup> See Substitution of Trustee, attached hereto as Exhibit 7.

<sup>42</sup> See Petition for Declaratory Judgment Regarding Limited Interest of Trust Assets Pursuant to NRS 30.040, NRS 153.031(1)(E), and NRS 164.033(1)(1) at p. 5, C.15 filed on September 27, 2013 ("Declaratory Petition"), on file herein.

<sup>43</sup> See Trust at Article Fourth, C.3 (emphasis added), Exhibit 2.

1 proceeds from such sale, less any applicable income tax due because of such  
2 sale, to the Residual Beneficiary, free of trust.

3 It is significant that for the second time in Article Fourth, the Oil Rights are specifically  
4 identified and referenced in Section D *under* Trust No. 2 making it clear that the Oil Rights are  
5 to exist as an ongoing heirloom asset:

6 **The term “real property” as used in this Article FOURTH shall not include**  
7 **the mineral, oil and gas interests in Upton County, Texas, if the same are**  
8 **separately listed on Schedule “A” hereto.**

9 Since the ownership of the Oil Rights were and continue to be recognized as realty in Upton  
10 County, Texas, William stressed that this heirloom asset was not to be included in any sale of  
11 real property.. As legacy planning, William thus put measures in place where the ongoing  
12 stream of income generated from the Oil Rights would continue from generation to generation  
13 *after* Eleanor’s death.

14 **c. Marjorie’s Estate Plan.**

15 Despite Eleanor’s generosity to Marjorie, for some reason or another, Marjorie did not  
16 provide for Eleanor as a primary beneficiary under her own estate plan, specifically, the 1981  
17 version of her Trust.<sup>44</sup> On or about December 6, 1995, Marjorie created another trust where she  
18 intentionally disinherited Eleanor.<sup>45</sup>

19 **B. THE CREATIVE TAX MANEUVERING BY MARJORIE’S CPA.**

20 After William died, Eleanor honored her promise made to her father that she would take  
21 care of her adoptive mother, Marjorie.<sup>46</sup> Since Marjorie had not been employed since 1955,  
22 Eleanor financially supported Marjorie by letting her receive 65% of the Oil Income until her  
23 death in 2009.<sup>47</sup> Eleanor did so even though she always understood that Trust No. 2 owned

24 <sup>44</sup> See Declaration of Trust of Marjorie T. Connell dated September 16, 1981, attached hereto as  
25 **Exhibit 8**

26 <sup>45</sup> See The MTC Living Trust dated December 6, 1995 at Article Nine, relevant portions attached hereto  
27 as **Exhibit 9**.

28 <sup>46</sup> See Declaration of Eleanor, Exhibit 1

<sup>47</sup> Id.

1 100% of all of the Oil Rights and clearly designated Eleanor as the sole beneficiary.<sup>48</sup> Eleanor  
2 never agreed to allow Marjorie to own any part of her father's separate, real property in Upton  
3 County, Texas or the Oil Rights.<sup>49</sup> Equally as important, no evidence exists where Eleanor, in  
4 writing, officially assigned, waived or transferred any part of her 100% beneficial interest in the  
5 Oil Rights to Marjorie.

6 **1. The Undisclosed Texas Inheritance Tax Return.**

7 Unbeknownst to Eleanor, Marjorie hired Texas CPA Darrel Knight ("CPA Knight") to  
8 prepare the Inheritance Tax Return for William (the "Tax Return").<sup>50</sup> Despite William's legacy  
9 planning efforts and the terms of the Trust identifying Eleanor as the sole beneficiary of the Oil  
10 Rights, CPA Knight prepared the Tax Return reflecting the following distribution to Marjorie:

11 Marital bequest, 64.493% of 2,301 acres Upton Co., Texas land

12 Marital bequest, 64.493% of mineral rights, Upton Co., Texas

13 No matter how creative CPA Knight was from a tax perspective to report Eleanor's generosity to  
14 the IRS, the terms of the Trust remained in full force and effect and were never amended. There  
15 is not one provision in the Trust agreement where William makes a direct, specific "marital  
16 bequest" of 64.493% of the Texas land and Oil Rights to Marjorie. To the contrary, Article  
17 Fourth, Section B of the Trust instructs that Eleanor, as the Residual Beneficiary, is to receive  
18 "[a]ll income received by this Trust from the separate property of the Decedent." At the time it  
19 was prepared and purportedly sent to the IRS, Eleanor as Co-Trustee of Trust No. 2 never saw  
20 the Tax Return until around the time she had a falling out with her daughters.<sup>51</sup>

21 **2. Eleanor Never Approved Marjorie's Tax Planning.**

22 There is no documented evidence that Eleanor ever authorized, in her capacity as Co-  
23 Trustee or as a beneficiary, Marjorie to label Eleanor's willingness to share part of the Oil

24 \_\_\_\_\_  
25 <sup>48</sup> Id.

26 <sup>49</sup> Id.

27 <sup>50</sup> See Inheritance Tax Return – Non-Resident ("Tax Return"), attached hereto as **Exhibit 10**.

28 <sup>51</sup> See Declaration of Eleanor, Exhibit 1.



Income as a marital bequest. There is also no evidence that CPA Knight had a copy of the Trust agreement and actually reviewed it. In her capacity as the Executor over William's estate, Marjorie had the sole control over the preparation of all estate tax returns. Thus, Marjorie did not involve Eleanor at all in the preparation of the Tax Return or the Form 706.<sup>52</sup> To this day, the Form 706 has never been seen by or approved by Eleanor, as Co-Trustee, and its whereabouts are unknown.<sup>53</sup> In fact, Jacqueline confirmed that when she requested the Form 706 from the IRS, the IRS informed her that it could not be located.<sup>54</sup> Conveniently, the Form 706 relied upon by Jacqueline and Kathryn to support any transfer of the Oil Rights to Trust No. 3 is nowhere to be found. Even if it were found, however, the Tax Return fails to mention a transfer of the Oil Rights to Trust No. 3 at all, only an approximate 65% to Marjorie, personally, which never happened. Accordingly, the Form 706 that purports to mirror the Tax Return – even if found – may be just as inaccurate on its face as the Tax Return reflecting a personal transfer to Marjorie that never occurred.

**C. THE OIL RIGHTS WERE ALWAYS OWNED 100% BY TRUST NO. 2.**

As his separate property, William owned approximately three and a half sections of surface and varying undivided, fractional mineral interests in approximately 15 sections of land of real property in Upton County, Texas, which he transferred to the Trust.<sup>55</sup> Not only did William own the surface, but he also owned, as his sole and separate property, the Oil Rights, which he also transferred to the Trust.<sup>56</sup> Typically, each time an oil company would drill a new oil well on the land, a division order would be issued.<sup>57</sup> Within the division order, the oil

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<sup>52</sup> Id.

<sup>53</sup> Id.

<sup>54</sup> See Declaratory Petition at p. 5, C.18-21, on file herein.

<sup>55</sup> See Map, attached hereto as **Exhibit 11**.

<sup>56</sup> See Trust Agreement, Schedule A, Exhibit 3.

<sup>57</sup> See Declaration of Jeffrey M. Johnston, Esq. in Support of Omnibus Opposition to (1) Petition for Determination of Construction and Interpretation of Language Relating to Trust No 2 and (2) Petition for Construction and Effect of Probate Court Order and Countermotion for Summary Judgment ("Johnston Declaration"), attached hereto as **Exhibit 12**.

1 companies would identify the owners, with their respective ownership interests, who would  
2 receive the proceeds from the sale of oil and gas production attributable to the mineral and  
3 royalty interests.<sup>58</sup> In addition, the division orders would customarily also serve as warranties by  
4 the actual owners as to the correct and rightful ownership interests in the minerals being  
5 produced.<sup>59</sup> Typically, oil companies only issued a division order when: (1) a new well was  
6 drilled; or (2) a new company became responsible for the disbursement of the proceeds from the  
7 sale of oil and gas production.<sup>60</sup> Thus, a division order served to confirm with the oil companies  
8 how the proceeds should be disbursed to each respective owner.<sup>61</sup>

9                   1.       **Upon William's Death, Marjorie Identifies Trust No. 2 as 100%  
10                   Owner of the Oil Rights.**

11               In letters dated May 19, 1980 and June 25, 1980, Marjorie, in her capacity as Trustee,  
12 returned Division Orders to Tesoro Crude Oil Company and the Permian Corporation and  
13 instructed them to send an amended Division Order to show that Eleanor is Co-Trustee as  
14 follows:

15               I am returning the Division Order received April 16, 1980 that shows the Royalty  
16 Interest of William N. Connell and Marjorie T. Connell, Trustees of the W.N. and  
17 Marjorie T. Connell Living Trust dated – May 18, 1972, and **request that you  
18 send an Amended Division Order of Royalty Interest to the address below and  
19 show that Eleanor Marguerite Connell Hartman also known as Eleanor C.  
20 Hartman is Co-Trustee of the W.N. Connell and Marjorie T. Connell Living  
21 Trust.**<sup>62</sup>

22               Marjorie enclosed in each letter excerpts of the Trust and a copy of William's death certificate.<sup>63</sup>  
23 Eleanor was only appointed as Co-Trustee over Trust No. 2 and, as a result, would only have  
24 authority over assets actually owned by Trust No. 2.<sup>64</sup> By requesting amended division orders to

25 <sup>58</sup> Id.

26 <sup>59</sup> Id.

27 <sup>60</sup> Id.

28 <sup>61</sup> Id.

<sup>62</sup> See Letters dated May 19, 1980 and June 25, 1980 (emphasis added), attached hereto as **Exhibit 13.**

<sup>63</sup> Id.

<sup>64</sup> See Declaration of Eleanor, Exhibit 1.

1 be issued reflecting Eleanor as the authorized recipient of the Oil Income in her capacity as Co-  
2 Trustee, Marjorie therefore acknowledged that Trust No. 2 was the owner of the Oil Rights.  
3 Marjorie never instructed any oil company to issue a division order showing that only 35% of  
4 any sale proceeds would be distributed to Trust No. 2 and the other 65% to Trust No. 3, as the  
5 respective owners.<sup>65</sup> A split in ownership of the Oil Rights was never mentioned.<sup>66</sup>

6 **2. Trust No. 2's 100% Ownership of the Oil Rights is Confirmed by an**  
7 **Oil Company.**

8 On February 10, 1981, Roger Evans with Phillips Petroleum Company wrote to Marjorie  
9 regarding the future disbursement of proceeds.<sup>67</sup> According to Mr. Evans, the oil company's  
10 legal department had examined the Trust and, based on their review, determined that all proceeds  
11 should be paid to the co-trusteeship of Marjorie and Eleanor (i.e., Trust No. 2):

12 **Our Legal Department has examined the trust agreements** which were  
13 returned with my letter of November 12, 1980, and received in this office on  
December 2, 1980.

14 **It is their opinion the future disbursement of proceeds of this trust may be**  
15 **made as set out on the attached instruments** and if these instruments meet with  
your approval, **please secure the necessary execution by Marjorie T. Connell**  
**and Eleanor M. Connell Hartman, as trustees.**

16 **Instructions were issued, effective January 1, 1981, to our Accounting**  
17 **Department to make the direct transfer from the former trust into the**  
**Marjorie T. Connell and Eleanor M. Connell Hartman, trusteeship.**<sup>68</sup>

18 Nothing contained in this letter reflects that the oil company's legal department understood that  
19 the ownership of the Oil Rights was somehow split between Trust No. 2 and Trust No. 3. The  
20 legal department instead opined that all proceeds should be distributed to the co-trusteeship  
21 (Trust No. 2), which is consistent with William's intent as reflected in the Trust that Trust No. 2  
22 would remain as the 100% owner of this specific heirloom asset.

23  
24  
25 <sup>65</sup> See Exhibit 13.

26 <sup>66</sup> Id.

27 <sup>67</sup> See Letter dated February 10, 1981 ("2-10-1981 Letter"), attached as **Exhibit 14**.

28 <sup>68</sup> See 2-10-1981 Letter (emphasis added), Exhibit 14.

1                   3.       **For Almost Two Decades, Trust No. 2 is Identified as the Sole Owner**  
2                   **of the Oil Rights.**

3                   In a letter dated February 14, 1986, Hallco Petroleum, Inc. advised Marjorie and Eleanor  
4                   that since the Trust (and not Marjorie and Eleanor, individually) owned the royalty interest at  
5                   issue, a separate Tax Identification Number would be needed for the Trust:

6                   We received Social Security numbers for Marjorie T. Connell and Eleanor C.  
7                   Hartman but **because the interest in the Exxon-Cowden lease is a Trust, we**  
8                   **must have a Tax Identification Number.** Please obtain this information from  
9                   your tax accountant and send it to us as soon as possible.<sup>69</sup>

10                  On February 19, 1986, Marjorie responded to Hallco and informed the company that her auditor  
11                  had advised them to use their social security numbers as Tax Identification Numbers.<sup>70</sup>  
12                  Nonetheless, Marjorie obtained separate Tax Identification Numbers for Trust No. 2 and Trust  
13                  No. 3.<sup>71</sup> Recognizing Trust No. 2 and Trust No. 3 as separate entities, the IRS issued the  
14                  following separate Tax Identification Numbers: (1) **Trust No. 2: EIN #XX-XXX7338;** and (2)  
15                  Trust No. 3: EIN #XX-XXX3010.<sup>72</sup>

16                               a.       **Marjorie Identifies Trust No. 2 as the 100% Owner.**

17                  From 1985 until 1989, Marjorie instructed a number of oil companies to ensure that the  
18                  proper owner of the Oil Rights was the trust that Eleanor was appointed over as Co-Trustee  
19                  (Trust No. 2). Specifically, in a letter dated August 9, 1985, Marjorie alerted Marathon  
20                  Petroleum Company of the change in ownership as follows:

21                  My husband, W.N. Connell passed away November 24, 1979. **Due to change in**  
22                  **ownership, my daughter Eleanor Connell Hartman, also known as Eleanor**  
23                  **Marguerite Connell Hartman, has been appointed as Co-Trustee.**<sup>73</sup>

24                  <sup>69</sup> See Letter dated February 19, 1986 (emphasis added), attached as **Exhibit 15.**

25                  <sup>70</sup> Id.

26                  <sup>71</sup> See IRS Letters responding to Inquiry of April 23, 2013 and June 24, 2013 ("IRS Letters"), attached  
27                  hereto as **Exhibit 16.**

28                  <sup>72</sup> See IRS Letters, Exhibit 16.

<sup>73</sup> See Letter dated August 4, 1994, attached hereto as **Exhibit 17.**

Over four years later in a handwritten letter dated December 6, 1989, Marjorie instructed Graham Royalty, Ltd. to correct their records to reflect that Trust No. 2 is the sole owner of all Oil Rights as follows:

**Again I will remind you Royalty Checks + Correspondence should be to Marjorie T. Connell, Trustee + Eleanor C. Hartman Co-Trustee P.O. Box 710 Las Vegas, Nevada 89125. Our Trust Number for Tax ID purposes is XX-XXX7338.**<sup>74</sup>

Marjorie also returned two royalty checks to Graham to correct and stated “[w]here you show Eleanor M. Connell as a Royalty owner – it should be Eleanor C. Hartman.”<sup>75</sup>

Six years after the Tax Return was prepared reflecting a “marital bequest,” Marjorie never informed Graham that Trust No. 3 owned any ownership to the Oil Rights. Instead, by providing Graham Royalty with only Trust No. 2’s Tax ID number, Marjorie thus solidified that Trust No. 2 as the sole owner of the Oil Rights.<sup>76</sup> For approximately four years, Marjorie took great efforts to correct the records with the oil companies to reflect the change of ownership and control to the co-trusteeship, Trust No. 2. There is no evidence that Marjorie alerted any of the oil companies that Trust No. 3 ever held any ownership rights.

**b. All Division Orders Signed by Marjorie Confirm Trust No. 2 as the Sole Owner.**

From 1989 until 2006, every time a new well was drilled and a division order issued, Marjorie and Eleanor always identified Trust No. 2 as the 100% owner.<sup>77</sup> In front of witnesses, Marjorie and Eleanor would specifically sign as the “Interest Owner” in their capacities as Co-Trustees and list Trust No. 2’s Tax ID number as the owner. The Tax ID number for Trust No. 3 was never once used. In fact, in a handwritten letter dated November 7, 2006, Marjorie wrote to Eleanor and asked her to sign a division order for Prime Operating Oil and Gas, Company as follows:

<sup>74</sup> See Handwritten Letter dated December 6, 1989 (“12-06-89 Letter”), **Exhibit 18**.

<sup>75</sup> Id.

<sup>76</sup> Id.

<sup>77</sup> See Division Orders from May 1, 1989 to June 1, 2006, collectively attached hereto as **Exhibit 19**.

Dear Ellie

I am enclosing **Division Orders** from Prime Operating Oil + Gas Co **to be signed as you can see I signed and listed our Tax ID Number as directed**. I was not sure just how you signed your name on the original Division Order, so last night I looked up the leases + you signed it Eleanor C. Hartman Co-Trustee so sign the enclosed the same way + mail the two originals + send the signed copies back to me so I can file it with the other leases. Do this [] soon because we will not get paid until Prime receives the signed leases. Hope they drill a bunch +++ would be a nice Holiday gift!!<sup>78</sup>

Once again, almost 26 years after the Tax Return was prepared, Marjorie herself acknowledged that 100% of the Oil Rights were always owned by Trust No. 2 by continuing to only use the Tax ID number for Trust No. 2 to identify the ownership. For almost two decades, Trust No. 3 was never identified as having any ownership interest to any of the Oil Rights – none. Every single oil company therefore paid all proceeds stemming from the Oil Rights directly to the co-trusteeship and under the Tax ID number for Trust No. 2. Every lease or agreement that needed to be signed with the oil companies were always executed by Marjorie and Eleanor, as the Co-Trustees of Trust No. 2.<sup>79</sup>

c. **Marjorie's Bookkeeping for the Oil Rights Fall Under Trust No. 2.**

As part of her bookkeeping, Marjorie identified Trust No. 2 as the sole owner of the Oil Rights as reflected in her handwritten records from 1994, 1995, and 1999.<sup>80</sup> Specifically, in the 1994 records, Marjorie identified the entire Upton County, Texas Trust Estate using the Tax ID number for Trust No. 2 only as follows:

XX-XXX7338 – TRUST NUMBER

TRUST ESTATE  
TEXAS  
UPTON COUNTY

TRUST TAX NUMBER  
XX-XXX7338<sup>81</sup>

<sup>78</sup> See Handwritten Letter dated November 7, 2006 (emphasis added), attached hereto as **Exhibit 20**.

<sup>79</sup> See Various Leases, attached hereto as **Exhibit 21**.

<sup>80</sup> See Handwritten Notes from 1994 through 1999, attached hereto as **Exhibit 22**.

<sup>81</sup> Id.

1 In fact, Marjorie wrote the same Tax ID number for Trust No. 2 three different times on the 1994  
2 record.<sup>82</sup> The same Tax ID number for Trust No. 2 was referenced in the 1995 and 1999  
3 records.<sup>83</sup> In her bookkeeping for the Oil Rights, Marjorie never once referenced the Tax ID  
4 number for Trust No. 3.

5 **D. JACQUELINE'S INVOLVEMENT WITH THE OIL RIGHTS.**

6 In or about 1999, Jacqueline began assisting Marjorie with her finances, in particular, the  
7 income generated from the Oil Rights.<sup>84</sup> During this time, Eleanor was living in Idaho, caring  
8 for her companion and attending to his medical needs.<sup>85</sup> On December 28, 1999, Jacqueline was  
9 added as a signer on two of Marjorie's Wells Fargo bank accounts.<sup>86</sup> Marjorie specifically  
10 requested Jacqueline to help her with the record keeping, deposits, and other aspects of managing  
11 the Texas oil and gas properties.<sup>87</sup> In respecting Marjorie's instructions, Jacqueline checked the  
12 mail, kept the records and deposited the run checks.<sup>88</sup> Although Marjorie and Eleanor handled  
13 all of the lease and division orders, Jacqueline soon learned the value of the Oil Rights and  
14 income flowing as a result.<sup>89</sup> Jacqueline specifically admits that each month she would gather  
15 the checks from the post office box to which they were mailed from the various lessees and  
16 deposit them into the joint Wells Fargo bank account, which was in the name of Marjorie and  
17

18  
19  
20 <sup>82</sup> Id.

21 <sup>83</sup> Id.

22 <sup>84</sup> See Jacqueline M. Montoya's Responses to Eleanor C. Ahern's First Set of Interrogatories signed on  
23 August 29, 2014 at Response to Interrogatory No. 23 ("Montoya's Responses to Interrogatories"), a copy  
of which is attached hereto as **Exhibit 23**.

24 <sup>85</sup> See Declaration of Eleanor, Exhibit 1.

25 <sup>86</sup> See Montoya's Responses to Interrogatories, Exhibit 23.

26 <sup>87</sup> Id.

27 <sup>88</sup> Id.

28 <sup>89</sup> Id.

1 Eleanor and referred to as the “oil and gas account.”<sup>90</sup> From there, Jacqueline would proceed to  
2 divide the money, with 35% going to Eleanor, and 65% going to Marjorie.<sup>91</sup>

3 **1. Marjorie’s Health Declines and Passes Away.**

4 A couple of years after Jacqueline started to handle Marjorie’s finances with respect to  
5 the Oil Rights and Oil Income, Marjorie’s health started to decline. In either 2001 or 2002,  
6 Marjorie was hospitalized at Sunrise Hospital and Medical Center for having bed sores that had  
7 become infected.<sup>92</sup> Subsequently, Marjorie was treated for Cellucitus, an infection on her legs.<sup>93</sup>  
8 In approximately late April to early May of 2008, Marjorie was hospitalized for what was  
9 believed to be congestive heart failure.<sup>94</sup> A few days after her admission, Marjorie contracted  
10 pneumonia and another event occurred, which resulted in Marjorie needed to have an emergency  
11 tracheotomy.<sup>95</sup> The tracheotomy hole then became infected; Marjorie began to have kidney  
12 failure and then eventually liver failure.<sup>96</sup> On May 1, 2009, Marjorie passed away.<sup>97</sup>

13 **2. Jacqueline Manages to Pay 65% of the Oil Income to Kathryn and**  
14 **Herself.**

15 After Marjorie’s death, Jacqueline – still a signer on the “oil and gas bank account” –  
16 managed to pay 65% of the Oil Income to Kathryn and herself. There is no evidence that exists  
17 where Eleanor, in writing, expressly transferred or assigned any part of her 100% beneficial  
18 interest in the Oil Rights to her daughters. Similar to Marjorie, Eleanor extended her generosity  
19 to her daughters, but always understood that she was the 100% current income beneficiary.<sup>98</sup>

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20 <sup>90</sup> Id.

21 <sup>91</sup> Id.

22 <sup>92</sup> Id. at Response to Interrogatory No. 5.

23 <sup>93</sup> Id.

24 <sup>94</sup> Id.

25 <sup>95</sup> Id.

26 <sup>96</sup> Id.

27 <sup>97</sup> See Death Certificate of Marjorie Connell, Exhibit 2.

28 <sup>98</sup> See Declaration of Eleanor, Exhibit 1.



1 Shortly after Marjorie's death, Jacqueline and Kathryn, as the primary beneficiaries, inherited  
2 approximately \$3.5 Million, of which assets did not include any of the Oil Rights.<sup>99</sup>

3 **3. Jacqueline Acknowledges that Trust No. 2 Maintained Ownership**  
4 **of All Oil Rights After Marjorie's Death.**

5 Title to the Upton County, Texas property and the Oil Rights never transferred to  
6 Marjorie's trust, the MTC Living Trust dated December 6, 1995 (the "MTC Trust") where  
7 Marjorie purportedly exercised her power of appointment under Trust No. 3.<sup>100</sup> Title remains  
8 vested in the Trust.<sup>101</sup> After Marjorie's death in 2009 and continuing for almost four years,  
9 Jacqueline and Kathryn confirmed that only Trust No. 2 owned all of the Oil Rights given: (a)  
10 the consents they signed and filed with the Probate Court; and (b) Jacqueline's recognition that  
11 only Eleanor, as Trustee of the Trust had authority to execute the oil and gas leases covering  
12 portions of the Oil Rights.

13 **a. The Consents Confirming Jacqueline and Kathryn as**  
14 **Contingent Income Beneficiaries.**

15 On August 17, 2009, Eleanor petitioned the Probate Court to assume jurisdiction over the  
16 Trust, confirm her as Trustee and construe and reform the Trust.<sup>102</sup> Previously, in an email dated  
17 July 28, 2009 to Attorney David Straus, Jacqueline acknowledged that Eleanor has only been a  
18 Co-Trustee over Trust No. 2 as follows:

19 Also, **page 16 seems to communicate that my mom [Eleanor] will oversee**  
20 ***both trusts which I know Nanna did not want.***<sup>103</sup>

21 Within the Petition, Eleanor set forth specific facts confirming the sole ownership of the  
22 Oil Rights in Trust No. 2 and her as the 100% current income beneficiary as follows:

23 As of the death of MARJORIE, **Trust No. 2** owned land and oil and gas shares in  
24 reserves and income located in Upton County, Texas (the "Oil Assets").<sup>104</sup>

25 <sup>99</sup> Id.

26 <sup>100</sup> Id.

27 <sup>101</sup> Id.

28 <sup>102</sup> See Petition to Assume Jurisdiction Over Trust; Confirm Trustee ("Petition to Assume Jurisdiction");  
and Construe and Reform Trust filed on August 17, 2009, on file herein.

<sup>103</sup> See Email dated July 28, 2009, attached hereto as **Exhibit 24**.

Pursuant to Article Fourth, which Article governs the administration of **Trust No. 2**, **all income from the Oil Assets is to be paid to the Petitioner as the “Residual Beneficiary” during her lifetime.**<sup>105</sup>

In a footnote, Eleanor further stated that “Section B of Article Fourth also states that **all income received by Trust No. 2, other than that received from the Oil Assets, is to be paid to MARJORIE.** However, as the **sole asset of Trust No. 2 consists of the Oil Assets**, this provision is *inapplicable*.”<sup>106</sup> These factual statements were consistent with Marjorie acknowledging for almost two decades that Trust No. 2 owned all of the Oil Assets as reflected in her letters to the oil companies, the division orders, her bookkeeping and her use of only Trust No. 2’s Tax ID number.

On August 8, 2009, Jacqueline signed a Consent stating that she is only a “**contingent income** beneficiary” and all facts contained in the Petition are “true and correct to the best of [her] knowledge.”<sup>107</sup> On August 9, 2009, Kathryn signed an identical Consent.<sup>108</sup> Both Consents were filed with this Court and after being fully advised of the possible tax consequences that may result in the future from their inheritance under Trust No. 2.<sup>109</sup>

**b. The Oil and Gas Leases Signed Only by Eleanor as Trustee.**

According to Jacqueline, she handled two pipeline leases in 2010, which totaled a combined approximate amount of \$30,000.<sup>110</sup> In 2012, the Apache Corporation leases expired

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<sup>104</sup> See Petition to Assume Jurisdiction at p. 4, ¶18, on file herein.

<sup>105</sup> *Id.* at pp. 4-5, ¶19.

<sup>106</sup> *Id.* at p. 5, n. 4 (emphasis added).

<sup>107</sup> See Consent to Petition signed by Jacqueline Montoya and Consent to Reformation, attached hereto as **Exhibit 25**.

<sup>108</sup> See Consent to Petition signed by Kathryn Bouvier and Consent to Reformation, attached hereto as **Exhibit 26**.

<sup>109</sup> See Exs. 25 and 26.

<sup>110</sup> See Jacqueline M. Montoya’s Responses to Eleanor C. Ahern’s First Set of Interrogatories signed by Jacqueline on May 5, 2014 at Response to Interrogatory No. 5 (“Montoya’s Responses to Interrogatories No. 2”), a copy of which is attached hereto as **Exhibit 27**.

1 and new negotiations began for new leases.<sup>111</sup> Jacqueline participated in these negotiations with  
2 the assistance of Jim Walton.<sup>112</sup> The negotiations resulted in securing the amount of \$3,000 per  
3 acre.<sup>113</sup>

4 Texas attorney, Jeff Johnston, handled the preparation of the lease agreements with  
5 Apache.<sup>114</sup> It was always understood that Trust No. 2 owned 100% of the Oil Rights; in fact, Jim  
6 Walton in a letter dated January 30, 2013 understood that Eleanor was the only authorized  
7 signatory on the oil and gas leases as the Trustee over Trust No. 2 as follows:

8 Dear Ellie,

9 **Please find enclosed a copy of the lease that Jacquie signed. When I pulled**  
10 **the file to get you a copy, I saw that was not correct. Obviously you need to**  
11 **execute the lease.** I have enclosed a new lease for you to sign and return a copy  
12 to me. Sorry for the oversight.<sup>115</sup>

13 On April 4, 2012, Mr. Johnston sent Jacqueline a letter enclosing the documentation to be  
14 executed for the closing with Apache.<sup>116</sup> Upon receipt of the signature ready versions of the  
15 leases provided by Mr. Johnston, Jacqueline printed out the PDF versions and delivered the  
16 leases to **Eleanor** for her review and signature.<sup>117</sup> Jacqueline also assisted Eleanor with  
17 scheduling a notary to appear at Eleanor's residence, as the leases required that **Eleanor's**  
18 signatures be notarized.<sup>118</sup> **Eleanor** signed each one of the leases in her capacity as Trustee of

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20 <sup>111</sup> Id.

21 <sup>112</sup> Id.

22 <sup>113</sup> Id.

23 <sup>114</sup> See Johnston Declaration, Exhibit 12.

24 <sup>115</sup> See Letter dated January 30, 2013 from James A. Walton to Eleanor (emphasis added), attached as  
25 **Exhibit 28.**

26 <sup>116</sup> See Letter dated April 4, 2012, attached as **Exhibit 29.**

27 <sup>117</sup> See Montoya's Responses to Interrogatories at Response to Interrogatory No. 5, Exhibit 27.

28 <sup>118</sup> Id.

1 Trust No. 2, the only trust still in existence as a result of Marjorie's death as Marjorie's own  
2 trust, the MTC Trust, still existed.<sup>119</sup>

3 On April 5, 2012, Jacqueline returned the leases and surface use agreements to Mr.  
4 Johnston.<sup>120</sup> When addendums to the Apache oil and gas leases needed to be signed, **Eleanor**  
5 again was the sole signer on September 9, 2013.<sup>121</sup> Having **Eleanor** sign all documents to close  
6 the Apache deal is consistent with Jacqueline and Kathryn's Consents recognizing that Trust No.  
7 2 is the sole owner of the Oil Rights and flowing income. As a result of the Apache deal,  
8 approximately \$1,727,493.60 was paid to the Trust as lease bonuses.<sup>122</sup> Sometime in the summer  
9 of 2012, Jacqueline and Kathryn received a large portion of the lease bonus proceeds, which  
10 totaled approximately \$1,122,870.84.<sup>123</sup>

#### 11 E. THE GREED.

12 From Eleanor's generosity, Jacqueline and Kathryn received approximately  
13 \$1,046,552.98 from the Oil Income in 2010 and 2011 alone.<sup>124</sup> This figure does not include the  
14 lease bonus (\$1,122,870.84) they received, the approximate \$3.5 Million inherited from  
15 Marjorie, or the Oil Income in 2009, 2012 or 2013. In or about September 2012, Eleanor  
16 discovered that Jacqueline had spent approximately \$80,000 in one month's time.<sup>125</sup> Eleanor  
17 was shocked and realized that perhaps her generosity towards her daughters in relation to the Oil  
18 Rights was doing more harm than good, since neither one had worked for some time.<sup>126</sup> Eleanor

19 <sup>119</sup> See Oil and Gas Leases dated April 4, 2012, attached as **Exhibit 30**.

20 <sup>120</sup> See Montoya's Responses to Interrogatories at Response to Interrogatory No. 5, Exhibit 27.

21 <sup>121</sup> See Addendums to: Oil and Gas Lease, attached hereto as **Exhibit 31**.

22 <sup>122</sup> See Letter dated April 6, 2012 from Jeffrey Johnston to Wells Fargo Bank instructing \$1,727,493.60  
23 representing the lease bonuses to be wired to the Trust bank account, attached hereto as **Exhibit 32**. It is  
24 believed that Jacqueline and Kathryn received 65% of this amount, which totals approximately  
\$1,122,870.84.

25 <sup>123</sup> Id.

26 <sup>124</sup> See Financial Records, attached hereto as **Exhibit 33**.

27 <sup>125</sup> See Declaration of Eleanor, Exhibit 1.

28 <sup>126</sup> Id.

1 further realized that by cutting off her daughters from receiving any more of the Oil Income,  
2 Eleanor could attempt to preserve this heirloom asset for her grandchildren.<sup>127</sup>

3 **1. The Texas Probate.**

4 Sometime in the summer of 2013, Eleanor learned that Jacqueline, without any notice to  
5 Eleanor, had filed in July 2012 an application in Upton County, Texas to probate Marjorie's will  
6 as a foreign will.<sup>128</sup> The application contained false statements, including that Marjorie had no  
7 children, when Marjorie had adopted Eleanor decades earlier.<sup>129</sup> Due to the Texas probate  
8 coupled with her daughters' lack of involvement in her life, Eleanor felt completely abandoned  
9 and taken advantage of.<sup>130</sup> As a result, Eleanor had a falling out with her daughters and decided  
10 to stop the payments of 65% of the Oil Income to Jacqueline and Kathryn.<sup>131</sup>

11 **2. Jacqueline and Kathryn Sue their Own Mother.**

12 Inheriting millions of dollars from Marjorie, receiving over \$1.1 Million in lease bonus  
13 proceeds as a result of the Apache deal and pocketing 65% of the Oil Income for almost four  
14 years, Jacqueline and Kathryn sued their own mother in September 2013.<sup>132</sup> In doing so,  
15 Jacqueline and Kathryn requested the Court to find that they are entitled to 65% of the Oil  
16 Income now even though Trust No. 2 expressly instructed that all income would be paid to  
17 Eleanor during her lifetime. Disgusted with her daughters' greed, Eleanor opposed their request  
18 and maintained that Trust No. 2 is the sole owner of the Oil Rights and she is entitled to 100% of  
19 the income from this heirloom asset.

20  
21  
22 

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<sup>127</sup> Id.

23 <sup>128</sup> Id.

24 <sup>129</sup> Id.

25 <sup>130</sup> Id.

26 <sup>131</sup> Id.

27 <sup>132</sup> See Petition for Declaratory Judgment on file herein.

1     **III.     LEGAL STANDARD.**

2             The main relief requested by Jacqueline and Kathryn in the pending petitions before this  
3     Court is to obtain a ruling where the Trust and subsequent administration allows for 65% of the  
4     Oil Rights to be owned by them and only 35% owned by Eleanor. The undisputed evidence,  
5     however, confirms that Trust No. 2 is the sole owner of all Oil Rights and Eleanor is the sole  
6     beneficiary during her lifetime. Summary judgment in favor of Eleanor must accordingly be  
7     awarded in favor of Eleanor and against her daughters. "A party against whom a claim,  
8     counterclaim, or cross-claim is asserted or a declaratory judgment is sought may, at any time,  
9     move with or without supporting affidavits for a summary judgment in the party's favor as to all  
10    or any part thereof." NRCP 56(b). "The judgment sought shall be rendered forthwith if the  
11    pleadings . . . show that there is no genuine issue as to any material fact that the moving party is  
12    entitled to judgment as a matter of law." NRCP 56(c). The burden for demonstrating the  
13    absence of a genuine issue of material fact lies with the moving party, and the material lodged by  
14    the moving party must be viewed in the light most favorable to the non-moving party. Hoopes v.  
15    Hammargren, 102 Nev. 425, 429, 725 P.2d 238, 241 (1986); Adickes v. S.H. Kress & Co., 398  
16    U.S. 144, 157 (1970). Moreover, the purpose of summary judgment proceedings is to pierce the  
17    pleadings and to test whether there are no issues of material fact, such that a party is entitled to a  
18    judgment as a matter of law. See Dredge Corp. v. Husite Co., 78 Nev. 69, 89, 369 P.2d 686, 687  
19    (1962).

20            Although the non-moving party is entitled to all reasonable inferences from the  
21    documents and supporting evidence in its favor, it is not entitled to "build a case on gossamer  
22    threads of whimsy, speculation and conjecture." Collins v. Union Fed. Savings & Loan Ass'n,  
23    99 Nev. 284, 302, 662 P.2d 610, 621 (1983). Moreover, the non-moving party can no longer rely  
24    upon the slightest doubt standard to avoid summary judgment. Woods v. Safeway, Inc., 121  
25    Nev. 724, 727, 121 P.3d 1026, 1028 (2005). As such, the non-moving party bears the burden to  
26    "do more than show that there is some metaphysical doubt" as to the operative facts to avoid  
27    summary judgment. Id. at 731, 121 P.3d at 1031. Consequently, the non-moving party "must,  
28    by affidavit or otherwise, set forth specific facts demonstrating the existence of a genuine issue

1 for trial or have summary judgment entered against him.” Bulbman, Inc. v. Nevada Bell, 108  
2 Nev. 105, 110, 825 P.2d 588, 591 (1992).

3 Jacqueline and Kathryn should be denied all relief as it relates to the rightful ownership  
4 of the Oil Rights. Instead, summary judgment in favor of Eleanor is appropriate here because no  
5 genuine issue of material fact exists that: (1) the Trust agreement reflects William’s intent to  
6 protect and preserve the Oil Rights for his only child’s benefit; (2) Trust No. 2 has always owned  
7 all of the Oil Rights as confirmed by all of the Division Orders signed by Marjorie, Marjorie’s  
8 own correspondence to the oil companies and Eleanor and Marjorie’s bookkeeping; (3) Marjorie  
9 and Eleanor, for almost two decades, only used the Tax ID number for Trust No. 2 to identify the  
10 owner of the Oil Rights; and (4) Eleanor is the sole, current income beneficiary of the Oil Rights  
11 during her lifetime. To honor the intent of William and to enforce Marjorie’s own  
12 acknowledgment that Trust No. 2 owns 100% of the Oil Rights, summary judgment should thus  
13 be entered finding that Jacqueline and Kathryn are contingent income beneficiaries of the Oil  
14 Income and will only be entitled to this heirloom asset upon their mother’s death.

15 **IV. LEGAL ARGUMENT.**

16 The Court should deny Jacqueline and Kathryn’s request that they are entitled to 65% of  
17 the Oil Income and, instead, enter summary judgment that Trust No. 2 has always owned 100%  
18 of the Oil Rights and Eleanor is the sole, current income beneficiary because: (A) the Trust must  
19 be construed in a manner that effectuates William’s legacy intent; and (B) Eleanor’s daughters  
20 should be equitably estopped from making such an argument in contradiction to almost three  
21 decades of conduct engaged in by Marjorie, the oil companies, Jacqueline, Kathryn and everyone  
22 involved in the administration of the Oil Rights.

23 **A. THE TRUST MUST BE CONSTRUED IN A MANNER THAT**  
24 **EFFECTUATES WILLIAM’S INTENT.**

25 The Nevada Supreme Court “has historically construed trusts in a manner effecting the  
26 apparent intent of the settlor.” Hannam v. Brown, 114 Nev. 350, 356, 956 P.2d 794, 798 (1998).  
27 “In construing a trust instrument, the intent of the trustor prevails and it must be ascertained from  
28

1 the whole of the trust instrument, not just separate parts of it.” Fazzi v. Klein, 190 Cal. App. 4th  
2 1280, 1285, 119 Cal. Rptr. 3d 224, 228 (2010) (internal quotations omitted).

3 Throughout the entire Trust agreement, William made his intent clear that Eleanor would  
4 be the sole income beneficiary under Trust No. 2 for her entire life – a fact that is not in dispute.  
5 Upon William’s death, the Trust was to be divided into Trust No. 2 and Trust No. 3. From the  
6 plain terms of the Trust, William went to great lengths to control the distribution of the Oil  
7 Rights *within* Trust No. 2. Spanning over two pages of the Trust, William specifically  
8 mentioned the distribution of the Oil Income under Trust No. 2 in Article Fourth, Section B:

9 All income received by this Trust from the separate property of the Decedent shall  
10 be paid to the Residual Beneficiary. In the event any of the **real property**  
11 **located in Upton County, Texas**, as listed on the original Schedule “A” attached  
12 hereto, forms a part of the corpus of this Trust, the Residual Beneficiary shall be  
13 paid an additional payment from the income received from the Decedent’s half of  
14 the community property, which forms a part of the corpus of this Trust, **equal to**  
15 **all of the income received by this Trust from the real property located in**  
16 **Upton County, Texas.**<sup>133</sup>

17 For the second time, William again gave specific instructions under Trust No. 2 regarding the Oil  
18 Rights as contained in Article Fourth, Section D:

19 The term “real property” as used in this Article FOURTH shall not include **the**  
20 **mineral, oil and gas interests in Upton County, Texas**, if the same are  
21 separately listed on Schedule “A” hereto.<sup>134</sup>

22 The Oil Rights are not mentioned anywhere else in the Trust agreement, especially under  
23 Trust No. 3.<sup>135</sup> By singling out this particular asset, William’s intent was to create an heirloom  
24 asset for his only child, Eleanor, to enjoy and eventually, upon her death, his grandchildren and  
25 great-grandchildren. Adding further protection, William designated Eleanor to be appointed as  
26 Co-Trustee over Trust No. 2 upon his death as set forth in Article Second, Section C.6:

27 **It is the intention of the parties, that ELEANOR MARGUERITE**  
28 **CONNELL HARTMAN shall be a Co-trustee of the Decedent’s separate**

<sup>133</sup> See Trust Agreement at Article Fourth, Section B, Exhibit 3.

<sup>134</sup> See Trust Agreement at Article Fourth, Section D, Exhibit 3.

<sup>135</sup> Id. at Article Fifth.



1           **property in trust in this Trust** to the extent the term “Trustee”, as hereinafter  
2           used, shall apply to her.<sup>136</sup>

3           In doing so, William was giving Eleanor the power to control the heirloom asset for her benefit  
4           and avoid a situation where Marjorie, not a current income beneficiary of the Oil Rights upon  
5           William’s death, would be dictating what happened to this heirloom asset. This is legacy  
6           planning at its best to address the blended family scenario. As recognized by Jacqueline’s own  
7           counsel, the “division of a trust is frequently tax motivated, but it can also be required because of  
8           **a desire to preserve assets for specific beneficiaries (such as children of the deceased**  
9           **settlor), and/or a desire to protect assets against** the claims of creditors and **the impact of**  
10          **divorce and re-marriage.”**<sup>137</sup> Twenty years senior to Marjorie, William thus contemplated the  
11          possibility of Marjorie remarrying in the future and, if that happened, the Oil Rights were to  
12          remain intact for Eleanor and William’s direct descendants. To therefore effectuate William’s  
13          intent, the Trust agreement must be construed in a manner that finds that Trust No. 2 was always  
14          the sole owner of the Oil Rights and Eleanor its sole, current income beneficiary.

15                   **1. Marjorie’s Adoption of Eleanor is Part of William’s Legacy Planning.**

16           When Eleanor was 38 years old with a family of her own, William insisted that Marjorie  
17           formally adopt Eleanor as her own child.<sup>138</sup> This adoption of an adult is significant as it  
18           demonstrates that William wanted to prevent any chance that Eleanor would be put at a  
19           disadvantage by Marjorie because she was adopted and not part of her bloodline. Historically,  
20           adoptive children were often treated as strangers to the bloodline of their adoptive parents and  
21           often were not entitled to take under intestacy or in class gifts to “children” or “issue” or  
22           descendants.” George Gleason Bogert, et al., The Law Of Trusts And Trustees § 182 (2014).

23  
24  
25                   <sup>136</sup> Id. at Article Second, Section C.6.

26                   <sup>137</sup> See *Dividing a Trust Into Subtrusts After a Settlor’s Death* by Layne T. Rushforth, a copy of which is  
27                   attached hereto as **Exhibit 34**.

28                   <sup>138</sup> See Declaration of Eleanor, Exhibit 1.

Throughout Eleanor's childhood, Marjorie expressed outright dislike for Eleanor's biological mother, and the two families never spent time together, only apart.<sup>139</sup> So, William had Eleanor and Marjorie swear on the family Bible that they would always take care of each other and never hurt each other.<sup>140</sup> And, William crafted a specific, specialized sub trust to make sure that Eleanor was cared for: Trust No. 2 where Eleanor would be the sole income beneficiary and would serve as co-trustee with Marjorie. Indeed, William had the necessary foresight as Marjorie failed to provide for Eleanor as a primary beneficiary in her 1981 estate plan and later completely disinherited her in 1995.<sup>141</sup> William thus carefully created a legacy plan that protected the Oil Rights, as an heirloom asset for *his* bloodline, and even went so far to insist that Marjorie adopt a 38 year old adult, Eleanor.

2. **The Extrinsic Evidence Confirms that Trust No. 2 has Always Been the Sole Owner of the Oil Rights.**

Where there is no ambiguity in a trust instrument, "[p]arol evidence to vary its plain terms [is] inadmissible." Gaylord v. C.I.R., 153 F.2d 408, 415 (9th Cir. 1946). In interpreting the settlor's words and conduct, the circumstances surrounding the transfer may be considered unless they are excluded by the parol evidence rule. Lonely Maiden Prods., LLC v. GoldenTree Asset Mgmt., LP, 201 Cal. App. 4th 368, 380, 135 Cal. Rptr. 3d 69, 78 (2011). The parol evidence rule holds that "[p]arol, or extrinsic, evidence is not admissible to add to, subtract from, vary, or contradict ... written instruments which ... are contractual in nature and which are valid, complete, unambiguous, and unaffected by accident or mistake." Crockett & Myers, Ltd. v. Napier, Fitzgerald & Kirby, LLP, 440 F. Supp. 2d 1184, 1191 (D. Nev. 2006) *aff'd*, 583 F.3d 1232 (9th Cir. 2009) (internal quotations omitted). Parol evidence, however, "is admissible to prove a separate oral agreement regarding any matter not included in the contract or to clarify ambiguous terms so long as the evidence does not contradict the terms of the written agreement." Id. "Where, as here, [t]here is no conflict or question of credibility in the relevant extrinsic

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<sup>139</sup> Id.

<sup>140</sup> Id.

<sup>141</sup> See Exhibits 8 and 9.

evidence [,] ... interpretation of the trust is a question of law for our independent review.” Fazzi, 119 Cal. Rptr. 3d at, 228 (2010).

Although the terms of the Trust agreement unambiguously reflect William’s intent that Trust No. 2 would be the sole owner of the Oil Rights and Eleanor the sole income beneficiary, Jacqueline and Kathryn have improperly introduced extrinsic evidence, namely the 1980 Tax Return.<sup>142</sup> Specifically, Jacqueline and Kathryn rely on the Tax Return to show that, upon William’s death, Trust No. 3 owned 65% of the Oil Rights and Trust No. 2 owned 35%.<sup>143</sup> On its face, the Tax Return does not reflect this split in ownership and; interestingly, the one document that would lend even the slightest credence to this argument is supposedly lost. Indeed, Jacqueline apparently requested a copy of the Form 706 from the IRS, but the IRS responded that it could not be located.<sup>144</sup> The only logical explanation for CPA Knight’s Tax Return was creative tax maneuvering on his part by taking the liberty to characterize Eleanor’s generosity to care for her adoptive mother as a “marital bequest.” As a professional accountant, this is how CPA Knight decided to present Eleanor’s generosity to the IRS. A decision that Eleanor had no knowledge of until she had a falling out with her daughters..<sup>145</sup> In no way, did CPA Knight’s tax reporting decisions serve to alter or amend the terms of the irrevocable Trust No. 2, including the ownership of the Oil Rights.

Plus, from the time of William’s death in 1979 until 1989, Marjorie instructed the oil companies to correct their records to show that Eleanor, as Co-Trustee over Trust No. 2, must approve anything going forward as it relates to the Oil Rights.<sup>146</sup> Significantly, when Halco instructed Marjorie and Eleanor to identify the proper ownership of the Oil Rights with the Trust’s Tax ID number in 1989, Marjorie started to use the Tax ID number for Trust No. 2 for

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<sup>142</sup> See Tax Return, Exhibit 10.

<sup>143</sup> See Petition for Declaratory Relief, 5:C.16-17, on file herein.

<sup>144</sup> Id. at 5:C.20.

<sup>145</sup> See Declaration of Eleanor, Exhibit 1.

<sup>146</sup> See, e.g., Exhibits 17 and 18.

1 almost two decades. Of paramount importance, any time a new division order issued, Marjorie  
2 and Eleanor identified the owner with Trust No. 2's Tax ID number, never with Trust No. 3's  
3 separate Tax ID number.<sup>147</sup> As reflected in her bookkeeping and handwritten letters, Marjorie  
4 consistently acknowledged that the sole owner of the Oil Rights was Trust No. 2 and requested  
5 Eleanor to always co-sign everything related to this heirloom asset.<sup>148</sup> During Marjorie's life,  
6 Eleanor was only the co-trustee over Trust No. 2. Ignoring all of the documented evidence, it  
7 appears that Jacqueline and Kathryn are merely trying to reverse engineer a result based on one  
8 document, the Tax Return, that conflicts with the plain terms of the Trust and Marjorie's own  
9 actions spanning from 1980 until 2006. Given the detailed legacy planning contained in Trust  
10 No. 2, William intended the Oil Rights to be an heirloom asset for his only daughter, Eleanor. If  
11 anything, the parol evidence confirms that Marjorie always understood that Trust No. 2 owned  
12 100% of the Oil Rights; in fact, title to the Oil Rights to this day remains in Trust No. 2, and no  
13 deed, conveyance or other recognizable transfer of title to any of the Oil Rights to either Trust  
14 No. 3 or the MTC Trust has ever occurred. Thus, Jacqueline and Kathryn are not entitled to a  
15 dime of the Oil Income until Eleanor's death.<sup>149</sup>

16 **B. JACQUELINE AND KATHRYN ARE EQUITABLY ESTOPPED FROM**  
17 **ASSERTING THAT TRUST NO. 3 EVER OWNED THE OIL RIGHTS.**

18 "[E]quitable estoppel operates to prevent the assertion of legal rights that in equity and  
19 good conscience should be unavailable because of a party's conduct. It requires justifiable  
20 reliance by the party invoking the doctrine." Pellegrini v. State, 117 Nev. 860, 877-78, 34 P.3d  
21 519, 531 (2001) (internal quotations omitted).

22 In the Trust agreement, Trust No. 2 plainly states that, "All income received by this Trust  
23 from the separate property of the Decedent [William] shall be paid to the Residual Beneficiary  
24

25 <sup>147</sup> See Division Orders, Exhibit 19.

26 <sup>148</sup> See Exhibits 20 and 22.

27 <sup>149</sup> Eleanor expressly reserves the right to enforce Article Tenth of the Trust entitled Non-Contest  
28 Provision against Jacqueline and Kathryn.

1 [Eleanor].”<sup>150</sup> William’s separate property is listed in Schedule A, and includes real property in  
2 Nevada; real property in Upton County, Texas; the oil, gas, and mineral rights; and the oil gas,  
3 and mineral leases.<sup>151</sup> Thus, the Oil Income was always owned 100% by Trust No. 2. When  
4 William died, however, Eleanor kept her promise made to her father to take care of Marjorie. At  
5 the time, Eleanor was financially secure and did not need all of the income generated from the  
6 Oil Rights.<sup>152</sup> Eleanor thus found great joy and pride in the fact that her adoptive mother,  
7 Marjorie, was well taken care of after William’s death, due in large part to Eleanor’s generosity.  
8 Eleanor always understood that although Marjorie was receiving 65% of the Oil Income, Eleanor  
9 as the sole income beneficiary had the right to revoke this allowance at any time.

10 Indeed, Marjorie’s own acts spanning over two decades confirm that Trust No. 2 always  
11 owned 100% of the Oil Rights for Eleanor’s benefit. For decades until this litigation ensued,  
12 100% of the Oil Income was always paid to Trust No. 2 by the oil companies, as evidenced by  
13 the years and years of Division Orders. The oil companies were following Marjorie’s written  
14 and signed instructions to ensure that Eleanor signed off as Co-Trustee over the only trust she  
15 was appointed over (Trust No. 2) and all income was paid under Trust No. 2’s Tax ID number.  
16 Upon Marjorie’s death, the oil companies continued to recognize that Eleanor was the sole  
17 authority needed to enter into any leases concerning the Oil Rights.

18 Even as recently as 2012 when Jacqueline negotiated the Apache deal, Mr. Johnston  
19 (Texas counsel handling the deal) and Jacqueline acknowledged that Eleanor was the only  
20 authorized signatory to close the deal on behalf of Trust No. 2. To this day, title to all of the Oil  
21 Rights remains vested in Trust No. 2. Based on Marjorie’s actions, confirmed in writing, and the  
22 oil companies’ actions spanning over three decades (1980-2012) coupled with Jacqueline and  
23 Kathryn’s own actions (the 2009 Consents filed with the Probate Court and the 2012 Apache  
24 deal), Jacqueline and Kathryn should be equitably estopped from now arguing that Trust No. 3

25 \_\_\_\_\_  
26 <sup>150</sup> See Trust Agreement, Article Fourth, Section B, Exhibit 3.

27 <sup>151</sup> Id. at Schedule A.

28 <sup>152</sup> See Declaration of Eleanor, Exhibit 1.

owned any part of the Oil Rights. Summary judgment must therefore be entered in favor of Eleanor finding that Trust No. 2 has always owned, since William's death, and continues to own 100% of the Oil Rights.

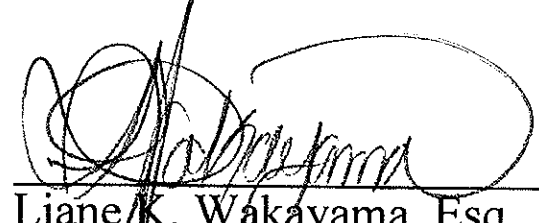
**V. CONCLUSION.**

As a result of William's careful legacy planning, Trust No. 2 always owned, since William's death, 100% of the Oil Rights and Eleanor its sole beneficiary. During her life, Marjorie recognized and repeatedly confirmed this fact as reflected in two decades worth of oil and gas leases and division orders identifying Trust No. 2 as the only owner through its tax identification number. Marjorie's own bookkeeping further reflects that Trust No. 2 is the true owner of the Oil Rights, not Trust No. 3. To construe the Trust in any other manner would be to render William's intentions meaningless. Moreover, Jacqueline and Kathryn, through their own actions, have also confirmed the fact that Trust No. 2 is the sole owner of the Oil Rights and their mother the 100% current income beneficiary. That, coupled with the documented evidence handwritten and signed by Marjorie herself, Jacqueline and Kathryn should be equitably estopped from now taking the opposite position. Therefore, Eleanor respectfully requests this Court to deny all of her daughters' relief and enter summary judgment against them, finding that Trust No. 2 has always been the sole owner of the Oil Rights in dispute.

Dated this 2<sup>nd</sup> day of January, 2015.

MARQUIS AURBACH COFFING

By

  
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**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing **OMNIBUS OPPOSITION TO (1) PETITION FOR DETERMINATION OF CONSTRUCTION AND INTERPRETATION OF LANGUAGE RELATING TO TRUST NO 2, AND (2) PETITION FOR CONSTRUCTION AND EFFECT OF PROBATE COURT ORDER; AND COUNTERMOTION FOR SUMMARY JUDGMENT** submitted electronically for filing and/or service with the Eighth Judicial District Court on the 2<sup>nd</sup> day of January 2, 2015. Electronic service of the foregoing document shall be made in accordance with the E-Service List as follows:<sup>153</sup>

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\_\_\_\_\_  
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<sup>153</sup> Pursuant to EDCR 8.05(a), each party who submits an E-Filed document through the E-Filing System consents to electronic service in accordance with NRCP 5(b)(2)(D).

**EXHIBITS TO OMNIBUS OPPOSITION TO (1) PETITION FOR DETERMINATION OF CONSTRUCTION AND INTERPRETATION OF LANGUAGE RELATING TO TRUST NO 2, AND (2) PETITION FOR CONSTRUCTION AND EFFECT OF PROBATE COURT ORDER; AND COUNTERMOTION FOR SUMMARY JUDGMENT**

<b>Exhibit No.</b>	<b>Description</b>
1	Declaration of Eleanor Ahern in Support of Omnibus Opposition
2	Death Certificates of W.N. Connell and Marjorie Connell
3	Trust Agreement
4	Declaration of Eleanor Connell Hartman Ahern dated December 11, 2014
5	Quitclaim Deed dated June 5, 1972
6	Decree of Adoption filed on November 24, 1976
7	Substitution of Trustee
8	Declaration of Trust of Marjorie T. Connell dated September 16, 1981
9	The MTC Living Trust dated December 6, 1995
10	Inheritance Tax Return – Non-Resident
11	Map
12	Declaration of Jeffrey M. Johnston, Esq. in Support of Omnibus Opposition
13	Letters dated May 19, 1980 and June 25, 1980
14	Letter dated February 10, 1981
15	Letter dated February 19, 1986
16	IRS Letters responding to Inquiry of April 23, 2013 and June 24, 2013
17	Letter dated August 4, 1994
18	Handwritten Letter dated December 6, 1989



<b>Exhibit No.</b>	<b>Description</b>
19	Division Orders from May 1, 1989 to June 1, 2006
20	Handwritten Letter dated November 7, 2006
21	Various Leases
22	Handwritten Notes from 1994 through 1999
23	Jacqueline M. Montoya's Responses to Eleanor C. Ahern's First Set of Interrogatories signed on August 29, 2014 at Response to Interrogatory No. 23
24	Email dated July 28, 2009
25	Consent to Petition signed by Jacqueline Montoya
26	Consent to Petition signed by Kathryn Bouvier
27	Jacqueline M. Montoya's Responses to Eleanor C. Ahern's First Set of Interrogatories signed by Jacqueline on May 5, 2014 at Response to Interrogatory No. 5
28	Letter dated January 30, 2013 from James A. Walton to Eleanor
29	Letter dated April 4, 2012
30	Oil and Gas Leases dated April 4, 2012
31	Addendums to: Oil and Gas Lease
32	Letter dated April 6, 2012 from Jeffrey Johnston to Wells Fargo Bank instructing \$1,727,493.60 representing the lease bonuses to be wired to the Trust bank account
33	Financial Records
34	Dividing a Trust Into Subtrusts After a Settlor's Death by Layne T. Rushforth

# Exhibit 1

**DECLARATION OF ELEANOR CONNELL HARTMAN AHERN**

ELEANOR CONNELL HARTMAN AHERN, declares as follows:

1. I am over the age of 18 years and have personal knowledge of the facts stated herein, except for those stated upon information and belief, and as to those, I believe them to be true. I am competent to testify as to the facts stated herein in a court of law and will so testify if called upon.

2. I am submitting this Declaration in Support of my Omnibus Opposition Omnibus Opposition to (1) Petition for Determination of Construction and Interpretation of Language Relating to Trust No. 2 and (2) Petition for Construction and Effect of Probate Court Order and Countermotion for Summary Judgment ("Opposition") and Countermotion for Summary Judgment ("Countermotion") in the In the Matter of The W.N. Connell and Marjorie T. Connell Living Trust Dated May 18, 1972, An Inter Vivos Irrevocable Trust, Case No. P-09-066425-T (The "Trust Dispute") pending in the Eighth Judicial District Court, Clark County, Nevada, Department 26.

**FAMILY BACKGROUND**

3. On May 13, 1938, I was born to W.N. Connell and Marguerite Lavina Connell in Las Vegas, Nevada. My father was married to my mother for approximately ten years before I was born. I am my father's only child.

4. My father did have an affair and married his second wife, Marjorie Connell ("Marjorie"), one month after his divorce in 1942. When my father met Marjorie, I was two years old and, when they married, I was four years old. It is my understanding that my father did not want any more children after me, even with his new wife, Marjorie.

5. Approximately 13 years after her marriage to my father, Marjorie stopped working in or around 1955.

6. After my father's marriage to Marjorie, I always maintained a close relationship with my father and my natural mother, Marguerite. Marjorie, however, was not close to my natural mother, and I was forced to spend holidays with both set of parents separately. As a child, I would live part of each week with my natural mother and the other part with my father

1 and Marjorie. Not only was this difficult for me growing up, but the difficulties were further  
2 compounded by the fact that Marjorie never had anything nice to say about my natural mother  
3 and would not allow me to keep pictures of my natural mother in my own room. My natural  
4 mother died in 1964 when I was 26 years old.

### 5 THE ADOPTION

6 7. On my father's insistence, Marjorie adopted my in 1976. At this time, I was 38  
7 years of age with two daughters of my own, Jacqueline Montoya and Kathryn Bouvier.

8 8. Marjorie was not thrilled about the adoption, but did so to please my father. As a  
9 result of the adoption, I was to be treated in all respects as Marjorie's own daughter and vested  
10 with all rights stemming from the relationship.

11 9. Prior to his death, my father made Marjorie and I promise on the family Bible to  
12 always take care of each other and never do anything to hurt one another.

### 13 THE OIL RIGHTS AND INCOME<sup>1</sup>

14 10. After my father died, I honored the promise I made to him that I would take care  
15 of my adoptive mother, Marjorie. Since Marjorie had not been employed since 1955, I  
16 financially supported Marjorie by letting her receive 65% of the Oil Income until her death in  
17 2009. I did so even though I always understood that Trust No. 2 owned 100% of all of the Oil  
18 Rights and clearly designated me as the sole beneficiary.

19 11. I never agreed to allow Marjorie to own any part of my father's separate, real  
20 property in Upton County, Texas or the Oil Rights.

21 12. I never, in writing, expressly transferred or assigned any part of my 100%  
22 beneficial interest in the Oil Rights to Marjorie.

### 23 THE TAX DOCUMENTATION

24 13. Unbeknownst to me, Marjorie hired Texas CPA Darrel Knight ("CPA Knight") to  
25 prepare the Inheritance Tax Return for my father (the "Tax Return").

26 14. I was never involved with the preparation of the Tax Return.

27  
28 <sup>1</sup> "Oil Rights" and "Oil Income" are used herein as defined in the Opposition and Countermotion.

15. At the time it was prepared and purportedly sent to the IRS, I never saw the Tax Return. The first time I saw the Tax Return was around the time I had a falling out with my daughters.

16. It is my understanding that my daughters, Jacqueline and Kathryn, claim that a Form 706 was prepared and filed after my father's death (the "Form 706").

17. I was never involved with the preparation of the Form 706.

18. I have never approved the Form 706.

19. I have never seen the Form 706.

### MARJORIE'S HANDWRITING AND SIGNATURE

20. For years, I witnessed firsthand Marjorie signing documents in my presence. Many times, I would also observe Marjorie writing letters to the various oil companies and filling out division orders. On occasion, Marjorie would also send me handwritten letters. Accordingly, I am familiar with Marjorie's handwriting as well as her signature.

21. To the best of my knowledge, all of the Letters, Correspondence, Bookkeeping Records and Division Orders attached as Exhibits to the Opposition and Countermotion are true and correct copies that reflect Marjorie's handwriting and/or signature.

### THE DIVISION ORDERS

22. From 1989 until 2006, every time a new well was drilled and a division order issued, Marjorie and I always identified Trust No. 2 as the 100% owner. Since my father's death, I was only appointed as Co-Trustee over Trust No. 2. True and correct copies of all division orders signed by Marjorie and I are attached as Exhibit 19 to the Opposition and Countermotion.

23. In front of witnesses, Marjorie and I would specifically sign as the "Interest Owner" in our capacities as Co-Trustees and list Trust No. 2's Tax ID number as the owner. The Tax ID number for Trust No. 3 was never once used.

### JACQUELINE'S ASSISTANCE TO MARJORIE

24. In approximately 2000, the health of my adoptive mother, Marjorie, began to fail. Marjorie resided in Clark County, Nevada. It was around this time that my daughter, Jacqueline,

1 who also resided in Clark County, Nevada, began providing assistance to Marjorie. During this  
2 time, I was living in Idaho, caring for my companion and attending to his medical needs.

3 25. It is my understanding that during the time Jacqueline was assisting Marjorie with  
4 her finances, Jacqueline learned the value of the Oil Rights and income flowing as a result.

### 5 TITLE TO THE OIL RIGHTS

6 26. Since my father's death, Trust No. 2 has always owned 100% of the Oil Rights.

7 27. After Marjorie's death, title to the Upton County, Texas property and the Oil  
8 Rights never transferred to Marjorie's trust, the MTC Living Trust dated December 6, 1995 (the  
9 "MTC Trust").

10 28. To this day, title to the Oil Rights remains vested in Trust No. 2.

### 11 THE GREED

12 29. It is my understanding that shortly after my adoptive mother's death, my  
13 daughters, as the primary beneficiaries, inherited approximately \$3.5 Million gross, of which  
14 assets did not include any of the Oil Rights.

15 30. After my adoptive mother, Marjorie, died, I extended my generosity to my  
16 daughters in relation to the Oil Income; however, I always understood that I was the 100%  
17 current income beneficiary. As a result, Jacqueline took it upon herself to pay 65% of the Oil  
18 Income to herself and Kathryn for approximately three years.

19 31. I never, in writing, expressly transferred or assigned any part of my 100%  
20 beneficial interest in the Oil Rights to Jacqueline or Kathryn.

21 32. Due to my generosity, Jacqueline and Kathryn received approximately  
22 \$1,046,552.98 from the Oil Income in 2010 and 2011 alone. In or about 2012, Jacqueline and  
23 Kathryn also received a large part of the lease bonus paid as a result of the Apache deal, totaling  
24 approximately \$1,122,870.84. My generosity also resulted in Jacqueline and Kathryn receiving  
25 part of the Oil Income in 2012 and 2013.

26 33. In or about September 2012, I discovered that Jacqueline had spent approximately  
27 \$80,000 in one month's time. I was shocked and realized that perhaps my generosity towards  
28 my daughters in relation to the Oil Rights was doing more harm than good, since neither one had

1 worked for some time. I further realized that by cutting off my daughters from receiving any  
2 more of the Oil Income, I could attempt to preserve this heirloom asset for my grandchildren.

### 3 THE TEXAS PROBATE

4 34. Sometime in the summer of 2013, I learned that Jacqueline, without any notice to  
5 me, had filed in July 2012 an application in Upton County, Texas to probate Marjorie's will as a  
6 foreign will. The application contained false statements, including that Marjorie had no children,  
7 when Marjorie had adopted me decades earlier.

8 35. Due to the Texas probate coupled with her daughters' lack of involvement in my  
9 life, I felt completely abandoned and taken advantage of. As a result, I had a falling out with my  
10 daughters and decided to stop the payments of 65% of the Oil Income to Jacqueline and Kathryn.

### 11 THE LESSON

12 36. Neither Jacqueline nor Kathryn has been involved in my life for quite some time  
13 and both seem only interested in my money. Both of my daughters have betrayed my trust and  
14 have engaged in deceitful acts, such as causing to suspend the Oil Income for a period of time in  
15 pursuit of lining their own pockets. Through their litigious acts, Jacqueline and Kathryn have  
16 caused me to lose a significant amount of my personal savings in hopes that they can continue to  
17 enjoy a luxurious life built on my father's legacy.

18 37. My daughters are ungrateful of the generosity I have bestowed upon them through  
19 the years. It is disheartening that they both exemplify entitlement to wealth and take for granted  
20 the privileged life they have lived for so long. By continuing to defend against the instant  
21 litigation, I hope to teach my daughters an important lesson: to value family over money.

22 Pursuant to NRS § 53.045, I declare under penalty of perjury under the laws of the State  
23 of Nevada that the foregoing is true and correct.

24 Dated this 2 day of January, 2015.

26   
27 ELEANOR CONNELL HARTMAN AHERN  
28

# Exhibit 2



## CLARK COUNTY HEALTH DISTRICT

625 Shadow Lane, R.D. Box 4426

Las Vegas, Nevada 89106

STATE OF NEVADA - DEPARTMENT OF HUMAN RESOURCES

DIVISION OF HEALTH - SECTION OF VITAL STATISTICS

CERTIFICATE OF DEATH

2673

STATE FILE NUMBER

LOCAL FILE NUMBER		DATE OF DEATH		COUNTY OF DEATH	
2673		November 24, 1979		Clark	
NAME OF DECEASED		DATE OF BIRTH		PLACE OF BIRTH	
William R. CONNELL JR.		March 15, 1898		Texas	
CITY, TOWN, OR LOCATION OF DEATH		HOSPITAL OR OTHER INSTITUTION		PLACE OF DEATH	
Las Vegas		Sunrise Hospital		Inpatient	
RACE		ETHNIC ORIGIN		DATE OF DEATH	
White		Irish-Scotch		November 24, 1979	
STATE OF BIRTH		COUNTRY OF BIRTH		MARRIAGE STATUS	
Texas		USA		Married	
SOCIAL SECURITY NUMBER		USUAL OCCUPATION		MARRIAGE STATUS	
REDACTED 6631		Owner Operator		Marjorie Thrash	
RESIDENCE - STATE		CITY		STREET AND NUMBER	
Nevada		Clark		1505 Cindy Ave.	
FATHER'S NAME		MOTHER'S NAME		MOTHER'S MIDDLE NAME	
William R. Connell		Dora		Anders	
MARRIAGE - NAME OF SPOUSE		MARRIAGE ADDRESS		MARRIAGE CITY AND STATE	
Marjorie Connell - Wife		1505 Cindy Ave.		Boulder City Nevada 89005	
BURIAL, CREMATION, OR OTHER DISPOSITION		CITY AND STATE OF BURIAL		CITY AND STATE OF BURIAL	
Burial		Palm Memorial Park		Las Vegas Nevada	
FUNERAL CREATOR - NAME		FUNERAL CREATOR - ADDRESS		FUNERAL CREATOR - CITY AND STATE	
Palm Mortuary		3325 N. Main		Las Vegas Nevada 89101	
DATE OF DEATH		HOUR OF DEATH		PLACE OF DEATH	
11-26-79		12:42 A.M.		Inpatient	
NAME AND ADDRESS OF CERTIFYING PHYSICIAN		NAME AND ADDRESS OF MEDICAL EXAMINER		NAME AND ADDRESS OF MEDICAL EXAMINER	
Louis Friedman, M.D. 3196 S. Maryland Pkwy. Las Vegas, NV 89109					
REGISTRAR		DATE RECEIVED BY REGISTRAR		DATE RECEIVED BY REGISTRAR	
Wanda Turner, Registrar		NOV 26 1979			
CAUSE OF DEATH		MANNER OF DEATH		MANNER OF DEATH	
Atherosclerosis, Heart disease		Natural		Natural	
OTHER CAUSE OF DEATH		OTHER CAUSE OF DEATH		OTHER CAUSE OF DEATH	
Emphysema					
AGE, SEX, RACE, HEIGHT, WEIGHT, BLOOD PRESSURE, TEMPERATURE, PULSE, RESPIRATORY RATE, BLOOD SUGAR, URINE, STOMACH CONTENTS, X-RAY, ECG, OTHER TESTS		AGE, SEX, RACE, HEIGHT, WEIGHT, BLOOD PRESSURE, TEMPERATURE, PULSE, RESPIRATORY RATE, BLOOD SUGAR, URINE, STOMACH CONTENTS, X-RAY, ECG, OTHER TESTS		AGE, SEX, RACE, HEIGHT, WEIGHT, BLOOD PRESSURE, TEMPERATURE, PULSE, RESPIRATORY RATE, BLOOD SUGAR, URINE, STOMACH CONTENTS, X-RAY, ECG, OTHER TESTS	
AGE, SEX, RACE, HEIGHT, WEIGHT, BLOOD PRESSURE, TEMPERATURE, PULSE, RESPIRATORY RATE, BLOOD SUGAR, URINE, STOMACH CONTENTS, X-RAY, ECG, OTHER TESTS		AGE, SEX, RACE, HEIGHT, WEIGHT, BLOOD PRESSURE, TEMPERATURE, PULSE, RESPIRATORY RATE, BLOOD SUGAR, URINE, STOMACH CONTENTS, X-RAY, ECG, OTHER TESTS		AGE, SEX, RACE, HEIGHT, WEIGHT, BLOOD PRESSURE, TEMPERATURE, PULSE, RESPIRATORY RATE, BLOOD SUGAR, URINE, STOMACH CONTENTS, X-RAY, ECG, OTHER TESTS	

Nº 142

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Date Issued:

APR 29 1980

**STATE OF NEVADA — DEPARTMENT OF HUMAN RESOURCES  
DIVISION OF HEALTH — VITAL STATISTICS**

**CERTIFICATE OF DEATH**

**2009006369**

STATE FILE NUMBER

TYPE OR  
PRINT IN  
PERMANENT  
BLACK INK

**DECEDENT**

IF DEATH  
OCCURRED IN  
INSTITUTION  
SEE HANDBOOK  
REGARDING  
COMPLETION OF  
RESIDENCE  
ITEMS

**PARENTS**

**DISPOSITION**

**TRADE CALL**

**CERTIFIER**

**REGISTRAR**

**CAUSE OF  
DEATH**

CONDITIONS IF  
ANY WHICH  
GAVE RISE TO  
IMMEDIATE  
CAUSE ->  
STATING THE  
UNDERLYING  
CAUSE LAST

1a. DECEASED-NAME (FIRST,MIDDLE, LAST,SUFFIX) <b>Marjorie T CONNELL</b>		2. DATE OF DEATH (Mo/Day/Year) <b>May 01, 2009</b>		3a. COUNTY OF DEATH <b>Clark</b>	
3b. CITY, TOWN, OR LOCATION OF DEATH <b>Las Vegas</b>		3c. HOSPITAL OR OTHER INSTITUTION -Name(If not either, give street and number) <b>Valley Hospital Medical Center</b>		3e. If Hosp or Inst indicate DOA,OP/Emer Rm. Inpatient(Specify) <b>Inpatient</b>	
4. SEX <b>Female</b>		5 RACE White (Specify)		6 Hispanic Origin? Specify No - Non-Hispanic	
7a. AGE-Last birthday (Years) <b>91</b>		7b. UNDER 1 YEAR MOS DAYS		7c. UNDER 1 DAY HOURS MINS	
8. DATE OF BIRTH (Mo/Day/Yr) <b>March 02, 1918</b>		9a. STATE OF BIRTH (If not U.S.A., name country) <b>Alabama</b>		9b. CITIZEN OF WHAT COUNTRY <b>United States</b>	
10. EDUCATION <b>14</b>		11. MARRIED, NEVER MARRIED, WIDOWED, DIVORCED (Specify) <b>Widowed</b>		12. SURVIVING SPOUSE (if wife, give maiden name)	
13. SOCIAL SECURITY NUMBER <b>REDACTED1212</b>		14a. USUAL OCCUPATION (Give Kind of Work Done During Most of Working Life. Even if Retired) <b>Businesswoman</b>		14b. KIND OF BUSINESS OR INDUSTRY <b>Investments</b>	
15a. RESIDENCE - STATE <b>Nevada</b>		15b. COUNTY <b>Clark</b>		15c. CITY, TOWN OR LOCATION <b>Las Vegas</b>	
15d. STREET AND NUMBER <b>1325 Strong Drive</b>		15e. INSIDE CITY LIMITS (Specify Yes or No) <b>Yes</b>		16 FATHER - NAME (First Middle Last Suffix) <b>Oscar THRASH</b>	
17 MOTHER - NAME (First Middle Last Suffix) <b>Cora BLAKE</b>		18a. INFORMANT- NAME (Type or Print) <b>Jacqueline MONTOYA</b>		18b. MAILING ADDRESS (Street or R F D No, City or Town, State, Zip) <b>3385 Maverick Street Las Vegas, Nevada 89108</b>	
19a. BURIAL, CREMATION, REMOVAL, OTHER (Specify) <b>Burial</b>		19b. CEMETERY OR CREMATORY - NAME <b>Palm Downtown Cemetery</b>		19c. LOCATION City or Town State <b>Las Vegas Nevada 89101</b>	
20a. FUNERAL DIRECTOR - SIGNATURE (Or Person Acting as Such) <b>BART BURTON</b> <b>SIGNATURE AUTHENTICATED</b>		20b. FUNERAL DIRECTOR LICENSE <b>50</b>		20c. NAME AND ADDRESS OF FACILITY <b>Palm Mortuary-Downtown</b> <b>1325 North Main Street Las Vegas NV 89101</b>	
TRADE CALL - NAME AND ADDRESS					
21a. To the best of my knowledge, death occurred at the time, date and place and due to the cause(s) stated (Signature & Title) <b>SIGNATURE AUTHENTICATED</b> <b>CHRISTOPHER CRUZ MD</b>			22a. On the basis of examination and/or investigation, in my opinion, death occurred at the time, date and place and due to the cause(s) stated (Signature & Title)		
21b. DATE SIGNED (Mo/Day/Yr) <b>May 04, 2009</b>			21c. HOUR OF DEATH <b>08:47</b>		
21d. NAME OF ATTENDING PHYSICIAN IF OTHER THAN CERTIFIER (Type or Print)			22b. DATE SIGNED (Mo/Day/Yr)		
			22c. HOUR OF DEATH		
			22d. PRONOUNCED DEAD (Mo/Day/Yr)		
			22e. PRONOUNCED DEAD AT (Hour or No)		
23a. NAME AND ADDRESS OF CERTIFIER (PHYSICIAN, ATTENDING PHYSICIAN, MEDICAL EXAMINER, OR CORONER) (Type or Print) <b>CHRISTOPHER CRUZ MD 3650 S Decatur Las Vegas, NV 89103</b>					23b. LICENSE NUMBER <b>10545</b>
24a. REGISTRAR (Signature) <b>NINETTE HARRINGTON</b> <b>SIGNATURE AUTHENTICATED</b>			24b. DATE RECEIVED BY REGISTRAR (Mo/Day/Yr) <b>May 05, 2009</b>		24c. DEATH DUE TO COMMUNICABLE DISEASE <b>YES</b> <input type="checkbox"/> <b>NO</b> <input checked="" type="checkbox"/>
25. IMMEDIATE CAUSE (ENTER ONLY ONE CAUSE PER LINE FOR (a), (b), AND (c))					
PART I					
(a) <b>Pneumonia</b>					Interval between onset and death
(b) <b>Sepsis</b>					Interval between onset and death
(c) <b>Renal failure</b>					Interval between onset and death
(d) <b>Respiratory failure</b>					Interval between onset and death
PART II					
26. ACC, SUICIDE, HOM, UNDET OR PENDING INVEST (Specify)		26b. DATE OF INJURY (Mo/Day/Yr)		26c. HOUR OF INJURY	
26d. DESCRIBE HOW INJURY OCCURRED		27. WAS CASE REFERRED TO CORONER (Specify Yes or No) <b>No</b>			
28a. INJURY AT WORK (Specify Yes or No)		28b. PLACE OF INJURY- At home, farm, street, factory, office building, etc. (Specify)		28c. LOCATION STREET OR R F D No CITY OR TOWN STATE	

**STATE REGISTRAR**

"CERTIFIED TO BE A TRUE AND CORRECT COPY OF THE DOCUMENT ON FILE WITH THE REGISTRAR OF VITAL STATISTICS, STATE OF NEVADA." This copy was issued by the Southern Nevada Health District from State certified documents as authorized by the State Board of Health pursuant to NRS 440.175.

NOT VALID WITHOUT THE RAISED  
SEAL OF THE SOUTHERN NEVADA  
HEALTH DISTRICT

Lawrence K. Sands, D.O., M.P.H.  
Registrar of Vital Statistics

By:

Date Issued: **MAY 06 2009**

# Exhibit 3

1972

TRUST AGREEMENT

("The W. N. Connell and Marjorie T. Connell Living Trust")

THIS TRUST AGREEMENT, made this 18<sup>th</sup> day of May, 1972, by W. N. CONNELL and MARJORIE T. CONNELL, husband and wife, (hereinafter sometimes referred to as the "Grantors", when reference is made to them in their capacity as creators of this Trust and the transferrors of the principal properties thereof), and W. N. CONNELL and MARJORIE T. CONNELL, of Las Vegas, Nevada, (hereinafter sometimes referred to as the "Trustee" when reference is made to them in their capacity as the Trustee or fiduciary hereunder), and by this instrument revoke the previous revocable living trust made by us on the 1st day of Dec., 1971:

W I T N E S S E T H :

WHEREAS, the Grantors desire by this Trust Agreement to establish a revocable trust for the uses and purposes hereinafter set forth, to make provision for the care and management of certain of their present properties and for the ultimate disposition of the trust properties;

NOW, THEREFORE, the Grantors hereby give, grant, transfer, set over and deliver as the original trust estate, IN TRUST, unto the Trustee, who hereby declare that they have received from the Grantors all of the property listed on Schedule "A" (which schedule is attached hereto and made a part of this Trust Agreement), TO HAVE AND TO HOLD THE SAME IN TRUST, and to manage, invest and reinvest the same and any additions that may from time to time be made thereto, subject to the hereinafter provided trusts and the terms and conditions, powers and agreements, relating thereto.

Additional property may be added to the trust estate, at any time and from time to time, by the Grantors, or either of them, or by any person or persons, by inter vivos act or testamentary transfer, or by insurance contract or trust designation.

The property comprising the original trust estate during the joint lives of the Grantors shall retain its character as their community property or separate property, as designated on the attached Schedule "A". Property subsequently received by the Trustee during the joint lives of the Grantors shall be listed on an appropriate schedule annexed hereto and shall have the separate or community character ascribed thereto on such schedule.

FIRST: NAME AND BENEFICIARIES OF TRUST. The trusts created hereby shall be for the use and benefit of the Grantors and for ELEANOR MARGUERITE CONNELL HARTMAN, the daughter of W. N. CONNELL by a prior marriage, and for her issue as hereinafter provided. ELEANOR MARGUERITE CONNELL HARTMAN shall hereinafter be designated as the "Residual Beneficiary".

This trust shall be known and identified as the "W. N. Connell and Marjorie T. Connell Living Trust", and, for purposes of convenience, shall hereinafter be referred to as Trust No. 1.

SECOND: TRUST NO. 1. The Trustee shall hold, manage, invest and reinvest the trust estate and shall collect the income thereof and dispose of the net income and principal as follows:-

A. Income. The Trustee shall pay equally to the Grantors, during their joint lives, all community net income of the trust estate and shall pay to each Grantor all separate net income from his or her respective share of the trust estate. Such income shall be paid to the Grantors unless the Trustee receives written notice from the Grantors that all income shall not be distributed but shall be accumulated by the Trustee and invested and reinvested as herein provided.

B. Principal. During the joint lives of the Grantors, the Trustee shall pay over and distribute to a Grantor such part or all of the principal of his or her separate property and his or her share of the community property placed in this initial trust by that Grantor as he or she shall demand in a writing directed to the Trustee.

C. Death of Either Grantor. Upon the death of the Grantor whose death shall first occur, the Trustee shall divide the trust estate, including all property received as a result of the decedent's death, as follows:

1. The trust estate and all property received as a result of the decedent's death shall be divided into two parts, each part to be administered as a separate trust to be known respectively as "Trust No. 2" and "Trust No. 3". Reference hereafter to the "Decedent" shall refer to either of the Grantors whose death shall first occur and reference to the "Survivor" shall refer to the other Grantor.

2. The Trustee shall allocate to Trust No. 3 (a) the Survivor's separate property interest in the trust estate; (b) the Survivor's one-half (1/2) interest in the community property of the trust estate, less a proportionate part of all amounts properly chargeable against all community property; and (c) the Survivor's community property interest in any policy of insurance on the life of the Decedent owned by the Grantors as community property and made payable to Trust No. 1.

3. The Trustee shall allocate to Trust No. 3 from the Decedent's separate property an amount as determined in Article THIRD hereof.

4. The Trustee shall allocate to Trust No. 2, all the remaining portion of the trust estate not allocated to Trust No. 3, including, but not limited to, the Decedent's community property interest, if any, in any life insurance policy on the life of the Decedent payable to Trust No. 1.

5. In the event that property is received by the Trustee, by inter vivos or testamentary transfer and directions are contained in the instrument of transfer for allocation to or between Trust No. 2 or Trust No. 3, then the Trustee shall make allocation in accordance with such directions, anything to the contrary herein, notwithstanding.

6. It is the intention of the parties, that ELEANOR MARGUERITE CONNELL HARTMAN shall be a Co-trustee of the Decedent's separate property in trust in this Trust to the extent the term "Trustee", as hereinafter used, shall apply to her.

THIRD: MARITAL DEDUCTION. The Trustee shall allocate to Trust No. 3 from the Decedent's separate property the fractional share of the said assets which is equal to the maximum marital deduction allowed for federal estate tax purposes, reduced by the total of any other amounts allowed under the Internal Revenue Code as a Marital Deduction which are not a part of this trust estate. In making the computations and allocations of the said property to Trust No. 3 as herein required, the determination of the character and ownership of the said property and the value thereof shall be as finally established for federal estate tax

purposes. This distribution is being made without regard to death taxes payable by reason of the Decedent's death, which taxes shall be paid from Trust No. 2 only.

FOURTH: TRUST NO. 2. The Trustee shall hold, manage, invest and reinvest the estate of Trust No. 2 and shall collect the income thereof and dispose of the net income and principal as follows:

A. Death of Decedent. Upon the death of the Decedent, the Trustee shall pay from the income or principal of this trust, the death taxes, probate and legal expenses, and the expenses of the last illness and funeral of the Decedent, provided, however, that no funds received by the Trustee as proceeds from a retirement plan qualified under the Internal Revenue Code shall be available for these purposes unless there are no other assets in the Survivor's estate, in which event funds from a qualified plan can be used, but only to the extent of these actual expenses.

B. Income. All income received by this Trust from the separate property of the Decedent shall be paid to the Residual Beneficiary. In the event any of the real property located in Upton County, Texas, as listed on the original Schedule "A" attached hereto, forms a part of the corpus of this Trust, the Residual Beneficiary shall be paid an additional payment from the income received from the Decedent's half of the community property, which forms a part of the corpus of this Trust, equal to all of the income received by this Trust from the real property located in Upton County, Texas. However, the provisions relating to the additional payment, shall be noncumulative, and in any calendar year in which the income received from the said community property is not sufficient to make full payment hereunder, the Trustee is directed to pay only the income which has been received by this Trust during that year, and not to carry forward any deficiency in payment to the next calendar year's income.

In the event the Residual Beneficiary predeceases the Survivor, the Residual Beneficiary's rights to receive income hereunder shall be paid to or for the benefit of her living children and the issue of any deceased child by right of representation; or in the event she dies without living issue, her income rights hereunder shall become those of the Survivor.

All other income received by this Trust shall be distributed to the Survivor.

All payments as provided in this Section shall be made at frequent intervals, but at least semi-annually.

C. Principal. The Trustee shall pay over and distribute the principal of the estate of Trust No. 2 as follows:

1. Power to make gifts. The Survivor shall have the discretionary power during his or her lifetime to direct the Trustee to pay over and distribute trust principal of the separate property in trust from the Decedent's Trust to or for the benefit of the Residual Beneficiary or any of her living issue; such power may be exercised by delivering to the Trustee a writing duly executed and acknowledged, wherein he or she specifies the amount of principal that should be paid over and distributed to the particular issue and in what proportions such principal shall be paid over and distributed. It is the Grantors' intent hereby to convey upon the Survivor a sprinkling power; said power is limited, however, to appointments made to and among the Residual Beneficiary or her living issue.

2. Power of invasion. If, in the opinion of the Trustee, the income from all sources of which the Trustee has knowledge shall not be sufficient to support, maintain, educate and provide for the Survivor or Residual Beneficiary or any issue of the Residual Beneficiary in their accustomed manner of living, or in the event of any emergency befalling these said parties, such as illness, accident or other distress, the Trustee is authorized to use and expend such part of the trust principal of Decedent's separate property in trust, as the Trustee may deem necessary or desirable to meet such needs or emergencies. The decision of the Trustee as to what shall constitute an emergency or the necessity or desirability of encroachment upon principal shall be conclusive upon all parties and the Trustee shall be relieved and exonerated hereunder if the Trustee acts in good faith in making such determination.

3. Sale of real property from Decedent's separate property. The Survivor is directed that in the event any additional money is needed for payment of funeral, last illness or other costs to settle any claims made against Decedent's estate, or in the event that the sale of Decedent's separate property is contemplated at any time, only the separate property of Decedent situated in Las Vegas, Clark County, Nevada, shall be sold to satisfy this obligation.

4. Sale of real property. In the event that any real property which is listed on Schedule "A" attached hereto as the Decedent's separate property, and, is a part of the corpus of Trust No. 2 is sold, the Grantors direct the Trustee to distribute the net proceeds from such sale, less any applicable income tax due because of such sale, to the Residual Beneficiary, free of trust. In the event the Residual Beneficiary is not living at the time of the said sale, the proceeds therefrom shall remain in this Trust, and shall be subject to all of the provisions as herein contained.



D. Definition of real property. The term "real property" as used in this Article FOURTH shall not include the mineral, oil and gas interests in Upton County, Texas, if the same are separately listed on Schedule "A" hereto.

FIFTH: TRUST NO. 3. The Trustee shall hold, manage, invest and reinvest the estate of Trust No. 3 and shall collect the income thereof and dispose of the net income and principal as follows:

A. Income. The Trustee shall pay to the Survivor during his or her lifetime all of the net income of the Survivor's trust estate in convenient, regular installments, but not less frequently than quarter-annually.

B. Powers of appointment over income and principal.

1. During his or her lifetime, the Survivor shall have the power to appoint all or any part of the principal and undistributed income, if any, of the estate of Trust No. 3 to himself or herself, or to any person or persons. Such power of appointment shall be exercisable in all events, but only by the Survivor's submitting to the Trustee written instructions expressly exercising such power.

2. Upon the death of the Survivor, he or she shall have the absolute power to appoint the entire principal and the undistributed income, if any, of the estate of Trust No. 3, or any part thereof, to his or her estate or to any person or persons. Such power of appointment shall be exercised only by a provision in the Last Will of the Survivor expressly exercising such power. Unless within ninety (90) days after the death of the Survivor the Trustee has actual notice of the existence of a Will exercising such power, it shall be deemed for all purposes hereunder that such power was not exercised.

C. Revocation and Amendments. The Survivor shall have the power to revoke, amend or terminate Trust No. 3 herein provided by delivering such amendments or revocation in writing to the Trustee provided that the Trustee's duties and liabilities cannot be increased without the Trustee's consent.

D. Death of Survivor. Upon the death of the Survivor, the Trustee shall distribute the trust estate in accordance with and to the extent provided by the Survivor's exercise of his or her power of appointment.

If and to the extent that the Survivor shall fail to effectively exercise the foregoing power of appointment, the principal and undistributed income of Trust No. 3 shall, upon his or her death, be distributed to the Residual Beneficiary, or to the heirs of her body if she is not then living.

SIXTH: SPENDTHRIFT PROVISION. Each and every beneficiary under the Living Trust and the various estates created hereunder is hereby restrained from and shall be without right, power or authority to sell, transfer, assign, pledge, mortgage, hypothecate, alienate, anticipate, bequeath or devise, or in any manner affect or impair his, her or their beneficial right, title, interest, claim and estate in and to either the income or principal of any claim created hereunder, or to any part thereof, during the entire term of said trusts; nor shall the right, title, interest, or estate of any beneficiary be subject to any right, claim, demand, lien or judgment of any creditor of any such beneficiary, nor be subject nor liable to any process of law or equity, but all of the income and principal, except as otherwise provided in this Trust Agreement shall by the Trustee be payable and deliverable to or for the benefit of only the before named and designated beneficiaries, at the times hereinbefore set out, and receipt by such beneficiaries shall relieve the Trustee from responsibility for such good faith distributions.

SEVENTH: POWERS OF TRUSTEE. To carry out the purposes of any trust created under this instrument and subject to any limitations stated elsewhere in this Trust Agreement, the Trustee is vested with the following powers with respect to the trust estate and any part of it, in addition to those powers now or hereafter conferred by law:

A. To continue to hold any property, including any shares of the Trustee's own stock and to operate at the risk of the trust estate any business that the Trustee receives or acquires under the trust as long as the Trustee deems advisable.

B. To manage, control, grant options on, sell, (for cash or on deferred payments), convey, exchange, partition, divide, improve and repair trust property.

C. To lease trust property for terms within or beyond the term of the trust and for any purpose, including

exploration for and removal of gas, oil and other minerals; and to enter into community oil leases, pooling and unitization agreements.

D. To borrow money and to encumber or hypothecate trust property by mortgage, deed of trust, pledge, or otherwise; to borrow money on behalf of one trust from any other trust created hereunder to guarantee any loan made during the lifetime of the Grantors.

E. To carry, at the expense of the trust, insurance of such kinds and in such amounts as the Trustee deems advisable to protect the trust estate and the Trustee against any hazard.

F. To commence or defend such litigation with respect to the trust or any property of the trust estate as the Trustee may deem advisable at the expense of the trust.

G. To compromise or otherwise adjust any claims or litigation against or in favor of the trust.

H. To invest and reinvest the trust estate in every kind of property, real, personal or mixed, and every kind of investment, specifically including, but not by way of limitation, corporate obligations of every kind, stocks, preferred or common, shares of investment trusts, investment companies, and mutual funds and mortgage participations, which men of prudence, discretion and intelligence acquire for their own account, and to invest in any common trust fund administered by the Trustee and to lend money of one trust to any other trust created hereunder.

I. With respect to securities held in the trust, to have all the rights, powers and privileges of an owner, including, but not by way of limitation, the power to vote, give proxies and pay assessments; to participate in voting trusts, pooling agreements, foreclosures, reorganizations, consolidations, mergers, liquidations, sales and leases and incident to such participation to deposit securities with and transfer title to any protective or other committee on such terms as the Trustee may deem advisable; and to exercise or sell stock subscriptions or conversion rights.

J. Except as otherwise specifically provided in this instrument, the determination of all matters with respect to what is principal and income of the trust estate and the apportionment and allocation of receipts and expenses thereon shall be governed by the provisions of the Nevada Principal and Income Law and shall be determined by the Trustee in the Trustee's discretion; provided, however, that all capital gain distributions from mutual funds should be allocated to principal.

K. All of the trust powers set forth in Nevada Revised Statutes 163.265 to 163.410 inclusive, are hereby incorporated into this Trust Agreement.

EIGHTH: SPECIAL PROVISIONS.

A. Use of Home. The Trustee shall allow the Survivor to occupy and use until his or her death the home (or any interest therein) used by either or both Grantors as a principal residence at the time of the Decedent's death. The Trustee shall, at the discretion of the Survivor, sell such home, and if the Survivor so directs, purchase and/or build another comparable residence to be used as a home for the Survivor, and so on from time to time. The Survivor shall not be required to pay any rent for the use of such home.

B. Revocation and Amendment.

1. (Except as provided in paragraph 2 of this clause):

(a) This Trust Agreement, and the trusts evidenced thereby, may be revoked at any time during the joint lives of the Grantors by either of the Grantors delivering written notice of revocation to the Trustee and to the other Grantor.

(b) This Trust Agreement, and the trusts evidenced thereby, may be amended at any time and from time to time during the joint lives of the Grantors by the joint action of both Grantors delivering such amendment or amendments in writing to the Trustee provided that the Trustee's duties and liabilities cannot be increased without the Trustee's consent.

(c) From and after the death of the Decedent, this Trust Agreement may not be revoked, altered or amended, except as provided in relation to Trust No. 3.

(d) Upon any revocation of this Trust Agreement, during the Grantors' joint lives, the Trustee shall return to each Grantor his or her half of the community assets and to each Grantor his or her separate property, as indicated on Schedule "A".

2. In the event that any insurance on the life of either Grantor, owned by the other Grantor as his or her separate property, is payable to the Trustee or Trustees of any trust hereunder, then this Trust Agreement and the trusts evidenced thereby may be amended or revoked, insofar as they relate to such insurance, only by the Grantor who is owner of such insurance. The insured Grantor shall have no right to revoke or amend to that extent. This paragraph shall be construed as limiting the rights of the insured-Grantor and not as expanding the rights of the owner-Grantor.

C. Simultaneous Death. If there be no sufficient evidence that the Grantors died otherwise than simultaneously, then for purposes of this Trust Agreement, it shall be conclusively presumed for all purposes of administration and tax effect of this Trust Agreement that the Decedent shall be the Husband and the Survivor shall be the Wife.

D. Limitation of Trust Powers. Administrative control and all other powers relating to the various trust estates created hereunder, shall be exercised by the Trustee in a fiduciary capacity and solely for the benefit of the Survivor and the other beneficiaries as herein provided. Neither the Trustee, the Grantors, nor any other person, shall be permitted to purchase, exchange, reacquire or otherwise deal with or dispose of the principal of any of the various trust estates or the income therefrom, for less than an adequate and full consideration in money or money's worth; nor shall any person borrow the principal or income of the trust estates, directly or indirectly, without adequate interest in any case or without adequate security therefor.

E. Compensation of Trustee. The Trustee or successor Trustee, as herein provided, shall receive reasonable compensation for ordinary services performed hereunder. Reasonable compensation shall be based upon the then prevailing rates charged for similar services in the locality where the same are performed by other fiduciaries engaged in the trust business or acting as trustees.

F. Applicable Law. This Trust Agreement is executed under the laws of the State of Nevada and shall in all respects be governed by the laws of the State of Nevada; provided, however, the Trustee shall have the discretion, exercisable at any later time and from time to time, to administer Trust No. 1 pursuant to the laws of any jurisdiction in which the Trustee may be domiciled, by executing and acknowledging a written instrument to that effect and attaching the same to this Trust Agreement, and, if the Trustee so exercises the Trustee's discretion, as above provided, the various trust estates shall be governed by the laws of the other state or jurisdiction in which Trust No. 1 is then being administered.

G. Invalid Provisions. In the event any clause, provision or provisions of this Trust Agreement and the Living Trust created hereunder prove to be or be adjudged invalid or void for any reason, then such invalid or void clause, provision or provisions, shall not affect the whole of this instrument, but the balance of the provisions hereof shall remain operative and shall be carried into effect insofar as legally possible. If any provision contained in this Trust Agreement shall otherwise violate the rules against perpetuities now or hereafter in effect in the State of Nevada or in any state by which this Living Trust may subsequently be governed, that portion of the Trust so effected shall be administered as herein provided until the termination of the maximum period authorized by law, at which time and forthwith, such part of the said trust estate so

affected shall be distributed in fee simple to the beneficiary or beneficiaries in the proportions in which they are then entitled to enjoy the benefits so terminated.

H. Incompetency of Beneficiary. During any period in which any beneficiary under this Trust Agreement is judicially declared incompetent, or in the opinion of the Trustee is unable to care for himself, the Trustee shall pay over or use for the benefit of said incompetent beneficiary any part or all of the net income or principal from his or her share of the trust estate, in such manner as the Trustee shall deem necessary or desirable for said beneficiary's support, maintenance and medical care.

I. Claimants. The Grantors have, except as otherwise expressly provided in this Trust Agreement, intentionally and with full knowledge declined to provide for any and all of their heirs or other persons who may claim an interest in their respective estates or in these trusts.

J. Headings. The various clause headings used herein are for convenience of reference only and constitute no part of this Trust Agreement.

K. Copies. This Trust Agreement may be executed in any number of copies and each shall constitute an original of one and the same instrument.

L. Construction. Whenever it shall be necessary to interpret this trust, the masculine, feminine and neuter personal pronouns may be construed interchangeably, and the singular shall include the plural and the plural the singular.

NINTH: LIFE INSURANCE POLICIES. With respect to any policies of life insurance under which the Trustee is designated as beneficiary, the Trustee shall deal with such policies as required by the following trust provisions, in addition to the general trust provisions hereinbefore and hereinafter set forth:

A. Custody of Insurance Policies. The Trustee shall have the custody of any policy of life insurance under which the Trustee is designated as beneficiary. However, the owner shall have the right to possession of said policy or policies upon written request to the Trustee.

B. Payment of Premiums. The Trustee shall be under no obligation to pay the premium of any policy or policies of insurance, nor to make certain that such premiums are paid by the Grantors or others, nor to notify any persons of the non-payment of such premiums; and, the Trustee shall be under no responsibility or liability of any kind in case such premiums are not paid.

C. Collection of Policy Proceeds. Upon the death of the insured under such policy or policies, the Trustee shall collect all proceeds due thereon and the Trustee shall make all reasonable efforts to carry out the provisions of this Trust Agreement, including the maintenance of or defense of any action or suit; provided, however, the Trustee shall be under no duty to maintain or enter into any litigation unless the expenses thereof, including counsel fees and costs, have been advanced or guaranteed in an amount and in a manner which is reasonably satisfactory. The Trustee may repay any advances made by the Trustee or reimburse itself for any such fees and costs expended in reasonable attempts for collection of such proceeds out of the principal or income of the trust.

D. Purchase of Assets. The Trustee is hereby authorized and empowered to apply any part or the whole amount of any insurance proceeds collected hereunder to purchase assets from the insured's estate which may be offered for sale by the legal representative of the insured's estate at a price equal to the value of such assets as fixed by competent authority for purposes of determining the liability of the insured's estate for death taxes or at such other price as may be agreed upon by the personal representative of the insured's estate.

TENTH: NON-CONTEST PROVISION. The Grantors specifically desire that these trusts created herein be administered and distributed without litigation or dispute of any kind. If any beneficiary of these trusts or any other person, whether stranger, relatives or heirs, or any legatees or devisees under the Last Will and Testament of the Grantors or the successors in interest of any such persons, including any person who may be entitled to receive any portion of the Grantors' estates under the intestate laws of the State of Nevada, seek or establish to assert any claim to the assets of these trusts established herein, or attack, oppose or seek to set aside the administration and distribution of the said trusts, or to have the same declared null and void or diminished, or to defeat or change any part of the provisions of the trust established herein, then in any and all of the above mentioned cases and events, such person or persons shall receive One Dollar (\$1.00) and no more in lieu

of any interest in the assets of the trusts.

ELEVENTH: DEATH OF ALL BENEFICIARIES. In the event the Residual Beneficiary shall predecease the Grantors without living issue or children of any deceased child, then the Grantors direct that all of the income and principal of any trusts created hereunder shall be distributed to the Shriners Hospitals for Crippled Children upon the death of the Survivor.

TWELFTH: SUCCESSOR TRUSTEE. In the event of the death or incapacity of either Grantor, the Survivor shall continue to serve as the sole Trustee of all of the trusts created hereunder. Upon the death or incapacity of the Survivor, the Grantors then nominate and appoint ELEANOR MARGUERITE CONNELL HARTMAN as the Trustee of all of the trusts created hereunder, or in the event that she is unable or unwilling to serve in the said capacity, then the Grantors nominate and appoint the FIRST NATIONAL BANK OF NEVADA to serve in the said capacity. No successor trustee shall have any responsibility for the acts or omissions of any prior trustee and no duty to audit or investigate the accounts or administration of any such trustee, nor, unless in writing requested so to do by a person having a present or future beneficial interest under a trust created hereunder, any duty to take action or obtain redress for breach of trust.

THIRTEENTH: ACKNOWLEDGEMENT, REPORTS, INSPECTION OF RECORDS. The Trustee hereby acknowledges receipt of and accepts the property and the estate of Trust No. 1 created hereunder on the terms and conditions stated and agrees to care for, manage and control the same in accordance with the directions herein specified, and to furnish to each beneficiary having income paid, distributed, credited or accumulated for his or her benefit, annually and more often if requested so to do, a statement showing



THIS TRUST AGREEMENT is accepted and executed by the Grantors and Trustee in the State of Nevada on the day and year first above written.

W. N. CONNELL

Marjorie T Connell  
MARJORIE T. CONNELL

W. N. CONNELL

Marjorie T. Connell  
MARJORIE T. CONNELL

On May 18<sup>th</sup>, 1972, personally appeared before me,  
a Notary Public, W. N. CONNELL and MARJORIE T. CONNELL, who  
declared to me that they executed the foregoing Trust Agreement.

June A. Davis  
Notary Public in and for said  
County and State



Exhibit “B”

SCHEDULE "A"

("The W. N. Connell and Marjorie T. Connell Living Trust")

All of the Grantors' rights, title and interest in the following assets are hereby transferred to the Trustee as part of this trust estate and will be administered and distributed in accordance with the terms of the foregoing Trust Agreement.

The following real property interests constitute the community property of the Grantors:

1. Lots One (1) and Two (2) in Block Sixteen (16) of South Addition to the City of Las Vegas, as shown by map thereof on file in Book 1 of Plats, page 51, in the Office of the County Recorder of Clark County, Nevada.
2. Lot Three (3), Block Six (6), Biltmore Addition to the City of Las Vegas, as shown by map thereof on file in Book 2 of Plats, Page 33, in the Office of the County Recorder of Clark County, Nevada.
3. Lots Fifteen (15) and Sixteen (16) in Block Fifteen (15) in the South Addition to the City of Las Vegas as shown by map thereof on file in Book 1 of Plats, Page 14, in the Office of the County Recorder of Clark County, Nevada.
4. Lots Twenty-Two (22) and Twenty-Three (23) in Block Eleven (11) of South Addition to the City of Las Vegas as shown by map thereof on file in Book 1 of Plats, Page 51, in the Office of the County Recorder of Clark County, Nevada.
5. Lots Twenty-four (24) and Twenty-five (25) in Block Eleven (11) of South Addition to the City of Las Vegas, as shown by map thereof on file in Book 1 of Plats, page 51, in the Office of the County Recorder of Clark County, Nevada.

The following assets constitute the separate property of

W. N. CONNELL:

1. Real Property:

(a) That portion of the North Half (N 1/2) of the South Half (S 1/2) of the Southwest Quarter (SW 1/4) of Section 28, Township 20 South, Range 61 East, M.D.B.&M., described as follows:

Beginning at the point of intersection of the East Line of the Northwest Quarter (NW 1/4) of

the Southeast Quarter (SE 1/4) of the Southwest Quarter (SW 1/4) of said Section 28, said Township and Range, (hereinafter called Line 1) with the South boundary of Clark Avenue produced Westerly as the same is now established (hereinafter called Line 2); thence South along said Line 1 a distance of 378 feet; thence North 89° 36' West and parallel to said Line 2 a distance of 100 feet; thence North along a line parallel to said Line 1 a distance of 378 feet to said Line 2; thence East along said Line 2, 100 feet to the point of beginning-

Together with an undivided 1/30th interest of, in and to all water flowing or otherwise produced from that certain artesian well located in the North Half of the South Half of the Southeast Quarter of Section 29, Township 20 South, Range 61 East, M.D.B.&M, known as the New Russell Well. Together with an undivided 1/30th interest in and to that certain pipe line connected to and running from said well Easterly to a point 100 feet West from said Line 1 above described; together with an easement for said pipe line in common with all the other owners of said pipe line along a strip of ground three feet in width, the center line of which is located approximately 150 feet South of and running parallel with said Line 2, and which strip extends from said well to a point 100 feet West from said Line 1; together with the right to enter thereon for the purpose of repairing, replacing and renewing said pipe line.

Reference: Deed # 180405, Book 35, pages 159 and 160.

(b) The West 1/2 of Section 37, all of Sections 38, 47 and 48 in Block 39, Township 5 South, T. & P. R.R. Co. Survey in Upton County, Texas.

2. Oil, gas and mineral rights on and under the following described real property in Upton County, Texas.

(a) Sections 31 and 42 of Block 38, Township 5 South, T. & P. R.R. Co. Survey.

(b) Sections 32, 33, 36, 37, 38, 40, 41, 44, 45, 47 and 48 of Block 39, Township 5 South, T. & P. R.R. Co. Survey.

(c) Sections 36 and 37 of Block 40, Township 5 South, T. & P. R.R. Co. Survey.

3. The oil, gas and mineral leases on the following described real property in Upton County, Texas.

(a) Sections 31 and 42 of Block 38, Township 5 South, T. & P. R.R. Co. Survey.

(b) Sections 32, 33, 36, 37, 38, 40, 41, 44, 45, 47 and 48 of Block 39, Township 5 South, T. & P. R. R. Co. Survey.

(c) Sections 36 and 37 of Block 40, Township 5  
South, T. & P. R.R. Co. Survey.

The undersigned Grantors named in the foregoing Trust Agreement hereby certify that they have read said Trust Agreement and that it fully and accurately sets out the terms, trusts and conditions under which the trust estate therein described is to be held, managed and disposed of by the Trustee therein named; and, that they hereby approve, ratify and confirm the said Trust Agreement.

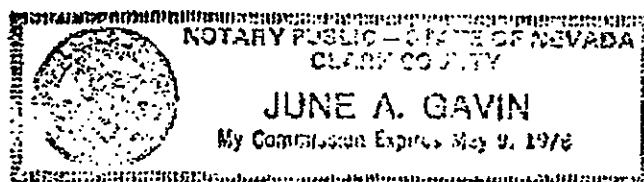
W. N. Connell  
W. N. CONNELL

Marjorie T. Connell  
MARJORIE T. CONNELL

STATE OF NEVADA)  
                          ) SS  
COUNTY OF CLARK)

On May 18<sup>th</sup>, 1972, personally appeared before me, a Notary Public, W. N. CONNELL and MARJORIE T. CONNELL, who acknowledged to me that they executed the foregoing Trust Agreement.

June A. Gavin  
Notary Public in and for said  
County and State



# Exhibit 4

**DECLARATION OF ELEANOR CONNELL HARTMAN AHERN**

ELEANOR CONNELL HARTMAN AHERN, declares as follows:

1. I am over the age of 18 years and have personal knowledge of the facts stated herein, except for those stated upon information and belief, and as to those, I believe them to be true. I am competent to testify as to the facts stated herein in a court of law and will so testify if called upon.

2. I am submitting this Declaration in Support of my Opposition to Motion to Enforce Settlement ("Opposition") in two cases: In the Matter of The W.N. Connell and Marjorie T. Connell Living Trust Dated May 18, 1972, An Inter Vivos Irrevocable Trust, Case No. P-09-066425-T (The "Trust Dispute"); and In the Matter or Marjorie T. Connell, Deceased, Case No. P-14-080595-E (the "Will Contest"), both in the Eighth Judicial District Court, Clark County, Nevada, Department 26.

3. I understand that settlement negotiations are confidential and not usually considered by the Court. I am not waiving the confidentiality of any settlement negotiations. I also understand that my communications with my attorneys are privileged, and I am not waiving my attorney-client privilege with any of my attorneys, prior or current. I am only relaying the facts—not attorney-client communications—to this Court, which I think are necessary for the Court to rule on the Motion to Enforce Settlement.

**THE UNDERLYING OIL INCOME DISPUTE**

4. The underlying basis of the dispute in both the Trust Dispute and the Will Contest involves the income produced from Texas property from gas and minerals, including oil rights. My biological father, the late W.N. Connell, owned minerals, including oil rights, in Upton County, Texas generating consistent monthly income (the "Oil Income"). In May 1972, my father formed The W.N. Connell and Marjorie T. Connell Living Trust Dated May 18, 1972, An Inter Vivos Irrevocable Trust (the "Trust") with his wife, Marjorie Connell. Although my father transferred his ownership in the Oil Income to the Trust in 1972, the Trust specifically instructed that the Oil Income shall remain his sole and separate property.

1           5.       When my father passed away in 1979, the Trust split into two different trusts, the  
2 Decedent's Trust (Trust No. 2) and the Survivor's Trust (Trust No. 3). I am the sole income  
3 beneficiary and the trustee of Trust No. 2. Only Trust No. 2 owns the minerals, including the Oil  
4 Income rights and it states that I am entitled to 100% of the Oil Income generated during my  
5 lifetime. Despite my being the sole income beneficiary of the Oil Income, I supported my  
6 adoptive mother, Marjorie, by letting her receive 65% of the Oil Income until her death in 2009.

7           6.       I have two daughters, Jacqueline Montoya ("Jacqueline") and Kathryn Bouvier  
8 ("Kathryn"). After my mother passed away, Jacqueline took it upon herself to pay 65% of the  
9 Oil Income to herself and Kathryn for approximately three years.

10          7.       In or about 2012 and 2013, I had a falling out with my daughters. Specifically, I  
11 discovered that Jacqueline, without any notice to me, filed an application in Upton County,  
12 Texas to probate my mother's will as a foreign will. The application contained false statements,  
13 including that my mother had no children, when she had adopted me decades earlier.

14          8.       As a result of this falling out, I decided to stop the 65% in payments in or about  
15 the summer of 2013, mainly due to the fact that I felt completely abandoned and taken advantage  
16 of by my daughters.

17          9.       In or about 2013, my daughters had their attorneys draft letters to the various oil  
18 companies that lease the Texas land, stating that there was a dispute about the Oil Income. This  
19 caused all of the oil companies to suspend all Oil Income payments to the Trust.

20          10.       Since in or about 2012, Mr. Jeffrey Johnston, Esq., a Texas attorney, has been my  
21 attorney regarding the Texas property and the Oil Income. In or about the summer of 2013, I  
22 also retained him to assist with the dispute with my daughters. Mr. Johnston began negotiating  
23 with the oil companies to unwind the suspended payments. Although Mr. Johnston was able to  
24 negotiate an end to the suspensions with some of the oil companies, some are still withholding  
25 Oil Income payments.

26          11.       My daughters have never assisted me in unwinding the suspension of the Oil  
27 Income payments.  
28



12. My daughters are now litigating against me in the Trust Dispute and the Will Contest, arguing that they are entitled to 65% of the Oil Income, despite the language of the Trust to the contrary.

#### MY ADVISORY TEAM

13. I am 76 years old and have diabetes, and as a result, I get fatigued easily. Also, I have only 10% hearing in one ear. Additionally, due to a physical disability, I have trouble walking unassisted. For this reason, I have a German Shepard service dog, Captain, who assists me with walking. Although I am intelligent and organized, I am not a business professional. And, when it comes to the Oil Income, I am not an expert in the legalities or business aspects of the Texas Property or the generation and management of the Oil Income. To assist with the fatigue and hearing issues, as well as the legal and business aspects of my affairs, I rely on a team of advisors.

14. My advisory team consists of:

a. My Texas attorneys, Jeffrey M. Johnston, Esq. and Mr. Stanley E. Crawford, Jr., Esq., who assist with legal matters related to the Texas property and the Oil Income;

b. My Texas CPAs;

c. My Nevada CPAs; and

d. My limited agent and best friend, Suzanne Nounna.

15. I regularly consult some or all of my advisory team regarding business and legal matters, and have their assistance in meetings and business settings to assist with my fatigue and hearing issues. They also assist me with caring for Captain (feeding him, walking him, etc.).

#### THE NEVADA SUPREME COURT SETTLEMENT CONFERENCE

16. In an order entered July 7, 2014, the district court ordered that Trust No. 2 was to pay to Jacqueline and Kathryn 65% of the Oil Income for the time period of May 2014 through January 2015, contingent upon Jacqueline and Kathryn posting a bond with the Court. To date, they have not posted the bond.

1           17. I appealed the order to the Nevada Supreme Court, and the Supreme Court  
2 ordered a settlement conference with Settlement Judge Robert F. Saint-Aubin on October 15,  
3 2014.

4           18. I attended the Supreme Court Settlement Conference with my prior Nevada  
5 counsel, Mr. Michael D. Lum, Esq. and Mr. John R. Mugan, Esq., and my Texas counsel, Mr.  
6 Johnston and Mr. Crawford. No settlement was reached.

7                           **IMPROMPTU SETTLEMENT DISCUSSIONS**

8           19. On October 21, 2014, I was deposed for approximately five and a half hours. I  
9 had not seen either of my daughters in two and a half years because of our dispute, and I was  
10 experiencing stress about seeing Jacqueline and Kathryn. This was a very exhausting experience  
11 for me, and I was fatigued.

12           20. October 22, 2014 at 10:00 a.m. was slated for Jacqueline's deposition at Mr. Lum  
13 and Mr. Mugan's office. I was still fatigued from my deposition the prior day.

14           21. I arrived at Mr. Lum and Mr. Mugan's office at approximately 9:30 a.m. Mr.  
15 Lum immediately whisked me away to a small conference room and left me by myself. I am not  
16 accustomed to being by myself because of the assistance that I require, and am used to having  
17 some or all of my advisory team with me.

18           22. Mr. Lum then came in and moved me to Mr. Mugan's office. Again, I was left  
19 alone. At approximately 10:30, Mr. Mugan entered, and I wanted to call Suzanne, which I was  
20 not allowed to do. Mr. Mugan showed me documents he planned to use in Jacqueline's  
21 deposition. It was my understanding the deposition was going forward, and the delay was being  
22 caused by Jacqueline's meeting with her attorneys. I was alone most of the morning.

23           23. After lunch, Mr. Lum bounded into Mr. Mugan's office, and it is my impression  
24 that Mr. Lum and Mr. Mugan were excited about a settlement offer my daughters had made. I  
25 was very confused at this point, because I thought we were waiting to start Jacqueline's  
26 deposition. It seemed to me that the deposition had been converted into some sort of a mediation  
27 or settlement conference, but I knew there was no mediator or settlement judge present.  
28

1           24.     I never approved canceling the deposition and, instead, holding a settlement  
2 conference. I would have preferred to proceed with Jacqueline's deposition.

3           25.     I repeatedly wanted to call my advisory team, which I was repeatedly not allowed  
4 to do.

5           26.     Finally, at one point, I was allowed to speak with Suzanne, who connected my  
6 Texas attorney, Mr. Johnston. I was seated in a chair, and the phone was to my left. I only have  
7 10% hearing in my left ear. I observed Mr. Mugan lying across his desk so that his body was  
8 between me and the phone, with his hand hovering over the phone ready to hang up. I could not  
9 hear Suzanne or Mr. Johnston. All I heard was muffled noise. It appeared to me that Mr. Mugan  
10 abruptly hung up before the conversation was finished.

11           27.     As the day wore on, I became more and more fatigued and overwhelmed not  
12 knowing if the deposition was going forward of my daughter. I wanted very badly to speak with  
13 my advisory team, but was constantly denied this opportunity. I was isolated and stressed.

14           28.     Throughout the day, my attorneys would periodically bring to me different  
15 proposals being made by my daughters. I needed to speak with Mr. Johnston about what the  
16 offers would mean in dollars, because the Oil Income is directly related to the price of oil. Also,  
17 I needed to speak with my Nevada and Texas CPAs because I did not know what the tax and  
18 other financial consequences of the offers would be.

19           29.     Also, no one was advising me of any possible downside or negative consequences  
20 to my daughter's proposal.

21           30.     My daughters made proposals regarding a corporate trustee. I never wanted a  
22 corporate trustee. Since my mother's passing, I have been and have wanted to be the sole trustee  
23 of Trust No. 2, which my father established for me.

24           31.     My daughters made a proposal about attorney fees. I thought if I demanded that  
25 my daughters pay me \$500,000 for attorney fees, they would reject the proposal, and the whole  
26 day would be over. I am unaware if my proposal that my daughters pay me \$500,000 in attorney  
27 fees was ever presented to my daughters for consideration.

28

1           32. Throughout the day, I wanted to discuss things in detail, point by point, with my  
2 Nevada attorneys, as well as with Mr. Johnston, my Texas CPAs, my Nevada CPAs, and  
3 Suzanne. I was never given this opportunity.

4           33. Towards the end of the day, between approximately 5:30 and 6:00 p.m., Mr. Lum  
5 and Mr. Mugan re-entered Mr. Mugan's office, and we all left. It was my impression that they  
6 were very happy, but I was confused about their apparent joy as I had not agreed to any  
7 settlement.

8           34. Immediately after leaving Mr. Mugan and Mr. Lum's offices, I called and spoke  
9 with Mr. Johnston and Suzanne.

10          35. At approximately 9:00 p.m. that evening, I left a voicemail on Mr. Lum's cell  
11 phone.

12          36. At approximately 9:06 p.m. that evening, I left a voicemail with Mr. Burr's  
13 secretary.

14          37. At approximately 10:05 p.m. that evening, I faxed a handwritten letter to Mr.  
15 Burr's office confirming my voicemails. A true and correct copy of that letter and the fax  
16 confirmation is referenced in the Opposition as **Exhibit \_\_\_\_**, and will be submitted to the court  
17 for in camera review to preserve my attorney-client privilege.

18          38. In the days following the meeting at Mr. Mugan and Mr. Lum's office, I began  
19 looking for new counsel.

20          39. On or about October 24, 2014, I retained Mr. David Mann, Esq. (who no longer  
21 represents me).

22          40. On or about October 29, 2014, the Nevada Supreme Court Settlement Conference  
23 Judge filed a report with the Nevada Supreme Court, stating that the parties had settled.

24          41. Mr. Mann contacted the Nevada Supreme Court Settlement Judge, and thereafter  
25 the Settlement Judge filed a revised settlement program report, indicating that the case was not  
26 settled.

27 ///

28 ///

**NO SETTLEMENT**

42. I never agreed to cancel Jacqueline's deposition.

43. I never agreed to participate in settlement negotiations.

44. I never understood what the specific terms of any proposal were, and I was not able to consult my advisory team to obtain clarification.

45. I never agreed to the terms of any settlement.

46. I never authorized my attorneys to agree to any settlement on my behalf. It was my understanding that when I left my attorneys' office on October 22, 2014 that any negotiations with my daughters were ongoing and nothing was finalized.

47. I have read my daughters' Motion to Enforce Settlement and the transcript attached thereto. I never agreed to the terms stated in the transcript.

48. I never saw a court reporter, and I was not present when the terms in the transcript were put on the record with the court reporter.

49. I never signed any documents on October 22, 2014 or thereafter related to the discussions that occurred on October 22, 2014.

Pursuant to NRS § 53.045, I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

Dated this 11 day of December, 2014.

  
ELEANOR CONNELL HARTMAN AHERN

# Exhibit 5

Name W. N. Connell  
Street Address 727 So. 3rd Street  
City & State Las Vegas, Nev. 89101

EXHIBIT

"B"

409/329

SPACE ABOVE THIS LINE FOR RECORDER'S USE

61969

## QUITCLAIM DEED

DOCUMENTARY TRANSFER TAX none  
COMPUTED ON FULL VALUE OF PROPERTY CONVEYED,  
OR COMPUTED ON FULL VALUE LESS LIENS AND  
ENCUMBRANCES REMAINING AT TIME OF SALE.  
W. N. Connell  
Signature of Declarant or Agent determining tax. Firm Name

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged

WILLIAM N. CONNELL, also known as W. N. CONNELL

do hereby

REMISE, RELEASE AND FOREVER QUITCLAIM to W. N. CONNELL and MARJORIE T. CONNELL, as TRUSTEE  
All of his rights and title to the Oil, Gas and Minerals interest on and  
under the following described property

the property in the State of TEXAS

County of UPTON

SUBJECT TO: "The W. N. CONNELL and MARJORIE T. CONNELL LIVING TRUST"  
dated May 18, 1972.

(a) Sections 31 and 42 of Block 38, Township 5 South,  
T. P. RR. Co. Survey

(b) Sections 32, 33, 36, 37, 38, 40, 41, 44, 45, 47 and 48 of  
Block 39, Township 5 South, T. & P. R.R. Co. Survey.

(c) Sections 36 and 37 of Block 40, Township 5 South,  
T. & P. RR. Co. Survey.

Dated: June 5, 1972

William N. Connell  
William N. Connell

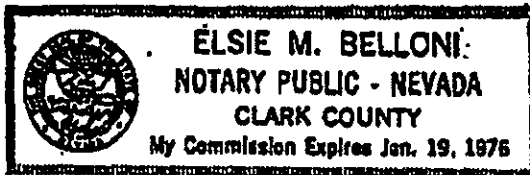
State of Nevada

County of Clark

On June 5, 1972, before me, the undersigned, a Notary Public in and for said State,  
personally appeared WILLIAM N. CONNELL

known to me to be the person whose name subscribed to the within instrument and acknowledged that  
executed the same.

Witness my hand and official seal.



(Seal)

Elsie M. Belloni  
Notary Public in and for said State.

Title Order No. \_\_\_\_\_

Escrow or Loan No. \_\_\_\_\_

MAIL TAX

STATEMENTS TO

NAME

ADDRESS

ZIP

DEED-QUITCLAIM-WOLCOTT'S FORM 790  
REV 3-70

This standard form covers most usual problems in the field indicated. Before you sign, read it all in all details,  
and make changes proper to your transaction. Consult a lawyer if you doubt the form's fitness for your purpose.

FILED FOR RECORD ON THE 13 DAY OF JUNE A.D., 19 72 AT 10:04 O'CLOCK A. M  
DULY RECORDED THIS THE 13 DAY OF JUNE A.D., 19 72 AT 1:00 O'CLOCK P. M  
INSTRUMENT NO. 61969  
VOL. 409 PAGE 329 OGI RECORDS

BUENA R. COFFEE, COUNTY CLERK  
UTAH COUNTY

Name W. N. Connell  
Street Address 727 So. 3rd Street  
City & State Las Vegas, Nevada 89101

414/9

SPACE ABOVE THIS LINE FOR RECORDER'S USE

61970

# QUITCLAIM DEED

DOCUMENTARY TRANSFER TAX none  
COMPUTED ON FULL VALUE OF PROPERTY CONVEYED,  
OR COMPUTED ON FULL VALUE LESS LIENS AND  
ENCUMBRANCES REMAINING AT TIME OF SALE.  
W. N. Connell  
Signature of Declarant or Agent determining tax. Firm Name

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged

WILLIAM N. CONNELL, also known as W. N. CONNELL

does hereby

REMISE, RELEASE AND FOREVER QUITCLAIM to W. N. CONNELL and MARJORIE T. CONNELL, as TRUSTEE,  
SUBJECT TO: "The W. N. Connell and Marjorie T. Connell Living Trust" dated  
May 18, 1972 with complete powers of disposition of the real estate herein  
described  
the real property is in the State of Texas County of Upton  
X State of California described as:

The West 1/2 of Section 37, all of Sections 38, 47, and  
48 in Block 39, Township 5 South, T. & P. R.R. Co. Survey  
in Upton County, Texas.

Dated June 5, 1972

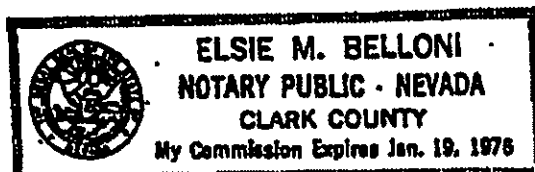
William N. Connell  
William N. Connell

State of California  
County of Clark

On June 5, 1972 before me, the undersigned, a Notary Public in and for said State,  
personally appeared: WILLIAM N. CONNELL

known to me to be the person whose name subscribed to the within instrument and acknowledged that he  
executed the same.

Witness my hand and official seal.



(Seal) Elsie M. Belloni  
Notary Public in and for said State.

Title Order No.

Escrow or Loan No.

MAIL TAX

STATEMENTS TO

NAME

ADDRESS

ZIP

DEED-QUITCLAIM-W/COFFEE Form 780 This standard form covers most quitclaim deeds to the field indicated. Before you sign, read it all in all plain.  
FILED FOR RECORD ON THE 13th DAY OF June A.D., 1972 AT 10:06 O'CLOCK A.  
DULY RECORDED THIS THE 13th DAY OF June A.D., 1972 AT 1:00 O'CLOCK P.  
INSTRUMENT NO. 61970  
VOL. 414 PAGE 9 DEED RECORDS  
BUENA R. COFFEE, COUNTY CLERK  
UPTON COUNTY, TEXAS A.R.



# Exhibit 6

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CASE NO. 8044

FILED  
Nov 24 9 13 AM '76  
COURT CLERK  
THOMASINE MOORE

EXHIBIT  
"A"

IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA  
IN AND FOR THE COUNTY OF CLARK  
In the Matter of the Adoption of  
ELEANOR C. HARTMAN,  
an Adult

DECREE OF ADOPTION

MARJORIE T. CONNELL and ELEANOR C. HARTMAN having presented their petition for approval of their adoption declaring that ELEANOR C. HARTMAN, an adult, is the child of Petitioner MARJORIE T. CONNELL; and said matter coming on regularly to be heard before the above-entitled Court, there appeared before the Court the Petitioners who were examined by the Court, from which examination it is found that MARJORIE T. CONNELL is the stepmother and is more than twenty years older than ELEANOR C. HARTMAN; that both Petitioners are residents of the County of Clark, State of Nevada; that both Petitioners are married; that the respective spouses of Petitioners have given their consents to the adoption of ELEANOR C. HARTMAN by MARJORIE T. CONNELL;

The Court being satisfied that the best interests of the Petitioners will be promoted by the proposed adoption, hereby grants the Petition and it is therefore

ORDERED, ADJUDGED AND DECREED that the said adoption agreement is approved and that said ELEANOR C. HARTMAN, an adult, do, and she hereby is, declared adopted by Petitioner MARJORIE T. CONNELL, and shall henceforth be regarded and treated in all respects as her child and have all the rights and be

LAW OFFICES  
TOD R. GREGORY, JR.  
Nevada State Bar Association  
1451 N. CARLETON BLVD.  
LAS VEGAS, NV 89101

ECA153

1 subject to all the duties of that relation.

2 DATED this 24 day of November, 1970.

3

4

JOSEPH S. PAVLIKOWSKI  
DISTRICT JUDGE

5

6 TOY B. GREGORY, JR.,  
7 A Professional Corporation

8

9 By TOY B. GREGORY, JR.  
10 Attorney for Plaintiff  
11 1820 East Charleston Boulevard  
12 Las Vegas, Nevada

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LAW OFFICES  
TOY B. GREGORY, JR.  
ATTORNEY FOR PLAINTIFF  
1820 E. CHARLESTON BLVD.  
LAS VEGAS, NV 89101

ECA154

# Exhibit 7

1980

SUBSTITUTION OF TRUSTEE

1 MARJORIE T. CONNELL, surviving Trustee of the W. N.  
2 CONNELL AND MARJORIE T. CONNELL LIVING TRUST, made and en-  
3 tered into on May 18, 1972, by and between W. N. CONNELL  
4 and MARJORIE T. CONNELL, as Grantors, and W. N. CONNELL and  
5 MARJORIE T. CONNELL, as Trustees, hereby substitutes and  
6 appoints ELEANOR MARGUERITE CONNELL HARTMAN, daughter of  
7 W. N. CONNELL, as Co-Trustee of the separate property of  
8 W. N. CONNELL presently held in the above-entitled Trust.  
9 This substitution is made pursuant to the terms of said Trust,  
10 due to the decease of W. N. CONNELL, who passed away Novem-  
11 ber 24, 1979.

12  
13 Marjorie T. Connell  
14 MARJORIE T. CONNELL

15 The undersigned, ELEANOR MARGUERITE CONNELL HARTMAN, also  
16 known as ELEANOR C. HARTMAN, hereby consents to serve as Co-  
17 Trustee of the separate property of W. N. CONNELL in the above-  
18 entitled Trust.

19 Dated this 6<sup>th</sup> day of May, 1980.

20  
21 Eleanor Marguerite Connell Hartman  
22 ELEANOR MARGUERITE CONNELL HARTMAN  
23 Eleanor C. Hartman

23 STATE OF NEVADA )  
24 ) ss  
24 COUNTY OF CLARK )

25 On this 6<sup>th</sup> day of May, 1980, before me, the  
26 undersigned, a Notary Public in and for said County and State,  
27 duly commissioned and sworn, personally appeared MARJORIE T.  
28

1 STATE OF NEVADA )  
2 : \*\*  
3 COUNTY OF CLARK )

4 On this 6th day of May, 1980, before me, the  
5 undersigned, a Notary Public in and for said County and State,  
6 duly commissioned and sworn, personally appeared ELEANOR MAR-  
7 GUERITE CONNELL HARTMAN, known to me to be the person whose  
8 name is subscribed to the within instrument, and who acknowledged  
9 to me that she executed the same freely and voluntarily and for  
10 the uses and purposes therein mentioned.

11 Gina Di Marco  
12 NOTARY PUBLIC



13 Notary Public - State of Nevada  
14 CLARK COUNTY  
15 Gina Di Marco  
16 My Appointment Expires Mar. 2, 1982

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TO WHOM IT MAY CONCERN:

The Trust Agreement was recorded in Upton County Texas, on July 18, 1980 in Volume 459, Page 100, in the Deed of Records. The Substitution Trustee document was also recorded in Upton County, Texas on July 18, 1980, Deed of Records, Volume 459, Page 117, and a Certified Copy of the Assignment of Leases recorded in Clark County, Nevada, on July 7, 1980, Book 1249 as Document No. 1208708. Deeds of the Mineral Interest were recorded June 13, 1972, Volume 409, Page 329, of OGL Records and also Deed of Records, Volume 414, Page 9.

## CLARK COUNTY HEALTH DISTRICT

625 Shadow Lane, R.O. Box 4426

Las Vegas, Nevada 89106

STATE OF NEVADA - DEPARTMENT OF HUMAN RESOURCES

DIVISION OF HEALTH - SECTION OF VITAL STATISTICS

CERTIFICATE OF DEATH - 11700

LOCAL FILE NUMBER 2673

STATE FILE NUMBER

DECEASED - NAME William H. CONNELL JR.		DATE OF BIRTH November 24, 1979		COUNTY OF DEATH Clark	
CITY, TOWN, OR LOCATION OF DEATH Las Vegas		HOSPITAL OR OTHER PLACE OF DEATH Sunrise Hospital		PLACE OF DEATH Inpatient	
RACE - (See Rev. Stat. Ann. Sec. 200.010) White		ETHNIC ORIGIN Irish-Scottish		DATE OF BIRTH March 15, 1898	
SEX Male		MARRIAGE STATUS Married		NAME OF SPOUSE Marjorie Thrash	
SOCIAL SECURITY NUMBER 530-05-6631		OCCUPATION Owner Operator (N.C.C.)		INDUSTRY Automobile Dealership	
RESIDENCE - STATE Nevada		COUNTY Clark		CITY, TOWN, OR LOCATION Boulder City	
FATHER - NAME William H. Connell		MOTHER - NAME Dora Anders		PLACE OF BIRTH Nevada	
INFORMANT - NAME (Type or Print) Marjorie Connell - Wife		ADDRESS 1505 Cindy Ave. Boulder City Nevada 89005		CITY, TOWN, OR LOCATION Boulder City Nevada	
BURIAL, CREMATION, REINTERMENT, OTHER Burial		CITY, TOWN, OR LOCATION Palm Memorial Park		CITY, TOWN, OR LOCATION Las Vegas Nevada	
FURNERAL HOME - NAME (Type or Print) Palm Mortuary		ADDRESS 1325 N. Main - Las Vegas Nevada 89101		CITY, TOWN, OR LOCATION Las Vegas Nevada	
DATE OF DEATH 11-26-79		HOUR OF DEATH 12:42 A.M.		PLACE OF DEATH Inpatient	
NAME AND ADDRESS OF PHYSICIAN (Physician's Signature) Louis Friedman, M.D. 3196 S. Maryland Pkwy. Las Vegas, NV 89109		DATE RECEIVED BY REGISTRAR NOV 26 1979		SIGNATURE OF REGISTRAR Wanda Turpin, Registrar	
IMMEDIATE CAUSE Atherosclerotic Heart Disease		MANNER OF DEATH Natural		OTHER CAUSE Emphysema	
ACCOMMODATION N/A		PLACE OF BIRTH N/A		CITY OR TOWN N/A	
PLACE OF DEATH N/A		CITY OR TOWN N/A		STATE N/A	

Nº 142

"CERTIFIED TO BE A TRUE AND CORRECT COPY OF THE DOCUMENT ON FILE WITH THE REGISTRAR OF VITAL STATISTICS, STATE OF NEVADA." This copy was issued by the Clark County Health District from State certified documents as authorized by the State Board of Health pursuant to NRS 440.175.

Date Issued:

APR 29 1980



# Exhibit 8

*original*

DECLARATION OF TRUST  
OF  
MARJORIE T. CONNELL

MARJORIE T. CONNELL of Las Vegas, Nevada (hereafter called the "Trustor"), and MARJORIE T. CONNELL of Las Vegas, Nevada, hereinafter, the "Trustee", agree that on this 16<sup>th</sup> day of September, 1981, the parties have agreed that the Trustor, has delivered to the Trustee, the property described in Schedule A (attached hereto and incorporated herein). Additional property acceptable to the Trustee may be transferred to this Trust.

The property transferred to this Trust is the separate property of Trustor and shall retain its character as such during her lifetime, despite any subsequent marriage of the Trustor.

FIRST:     NAME AND BENEFICIARIES OF TRUST. The trust estate created hereby shall be for the use and benefit of MARJORIE T. CONNELL and other named beneficiaries. This Trust shall be known as the "MARJORIE T. CONNELL 1981 TRUST."

SECOND:   USE OF TRUST ESTATE BY MARJORIE T CONNELL DURING HER LIFETIME.

A. Income. During the lifetime of MARJORIE T. CONNELL the Trustee shall pay to MARJORIE T. CONNELL or shall apply for her benefit, the net income of the trust estate in monthly installments.

The Trustee shall also pay to MARJORIE T. CONNELL or apply for the benefit of MARJORIE T. CONNELL as much of the principal of the Trust as is necessary for her proper health, education, support, maintenance, comfort and welfare, in accordance with her highest accustomed manner of living.

*M.T.C*

The Trustee shall be liberal in invading principal for MARJORIE T. CONNELL and the rights of other beneficiaries shall be considered of secondary importance.

B. Incapacity. If at any time, as certified in writing by two licensed physicians, MARJORIE T. CONNELL has become physically or mentally incapacitated, whether or not a court of competent jurisdiction has declared her incompetent, mentally ill, or in need of a guardian or conservator, the successor Trustee named herein shall pay to or apply for the benefit of MARJORIE T. CONNELL the amounts of net income and principal necessary in the Trustee's discretion for the proper health, support and maintenance of the Trustor, in accordance with her accustomed manner of living at the date of this instrument, until MARJORIE T. CONNELL either in the Trustee's discretion or as certified by two licensed physicians, is again able to manage the affairs of this Trust.

C. Payments to Others. MARJORIE T. CONNELL may at any time direct the Trustee in writing to pay single sums or periodic payments out of the trust estate to herself or to any other person or organization.

THIRD: DEATH OF MARJORIE T. CONNELL. Within twelve (12) months of the death of MARJORIE T. CONNELL, the Trustee shall do the following:

A. The Trustee may pay, in its discretion, the legally enforceable debts of MARJORIE T. CONNELL.

B. Pay from the Trust the death and estate taxes (including penalties and interest), probate fees, and attorney's fees and other expenses of the Trustor's estate, and the expenses of the last illness and funeral of the Trustor, but only if the W.N. CONNELL AND MARJORIE T. CONNELL LIVING TRUST DATED MAY 18, 1972 is exhausted or has otherwise expended in payment of the foregoing.

C. The balance of the property and assets remaining in this Trust after payment of the above items denominated under paragraphs A and B shall be distributed to the following persons according to the percentages set opposite their names:

Virginia T. Hathorn	~ 33-1/3%
Miriam T. Turner	- 33-1/3%
Sarah T. Newton	- 33-1/3%

If any of the foregoing persons predeceases the Trustor, the property to be given to that person shall be given to her children living at the time of the passing of MARJORIE T. CONNELL, share and share alike. If any of the foregoing persons predeceases MARJORIE T. CONNELL and leaves no surviving issue, their portion of the gifts provided above shall lapse and be divided among the remaining according to the ratio that the then remaining takers bear to 100%, and then this Trust shall end, unless it is the recipient of assets to administer for the benefit of JACQUELINE M. HARTMAN and KATHRYN ANN HARTMAN, in which case it shall continue until distribution as provided below.

FOURTH: DISTRIBUTION OF PROPERTY. If the foregoing recipients of gifts provided herein are willing to agree as to the division of property according to the above percentages based on a fair market value which may be given to them in lieu of cash, distribution may be made in that manner. If all of the persons receiving under the foregoing paragraph C are unable to agree, then, the Successor Trustee, in her sole absolute discretion may liquidate all assets and distribute the net proceeds of sale to the beneficiaries according to the percentages and formula given.

FIFTH: SPENDTHRIFT PROVISION. No beneficiary under this Trust shall have the power to pledge, assign, mortgage, sell or in any other manner transfer or hypothecate any interest which such beneficiary may have or expect to have in the principal of this Trust, nor shall such principal or income of this Trust be liable or subject in any manner while in the possession of the Trustee for the debts, obligations, contracts, liabilities, engagements or torts of such beneficiary. This section shall not apply to the Trustor.

SIXTH:     DISCLAIMER. Any beneficiary under this Trust may disclaim, in whole or in part, any gift, interest, right or power hereunder, in accordance with the Nevada Revised Statutes. In the event of any disclaimer of any interest in this Trust, the property as to which such disclaimer is made shall be disposed of in the manner provided in this Trust as through the person disclaiming had not survived the Trustor. The use of a disclaimer shall not be construed as a contest of the provisions of this Trust.

SEVENTH:   DEFINITION OF INCOME. The term "income" as used shall mean the income and earnings from the Trust created hereunder to which such term shall refer, exclusive of the profits realized from the sale of any of the Trust's principal, exclusive of all dividends, cash or in kind, paid by corporations in cases of liquidation, and exclusive of stock dividends bearing similar preferences and voting rights (such profits, liquidation dividends and stock dividends being considered a part of the Trust principal and to be added thereto), less any necessary charges and expenses paid or incurred in connection with the management or protection of that trust estate and the Trustee's proper compensation for services rendered hereunder. Profits and losses from the sale of real properties, securities or other assets of the Trust shall be considered principal and not income, and accounted for accordingly.

EIGHTH:    POWERS OF TRUSTEE. The Trustee has the following powers with respect to the trust property in addition to those powers now or hereafter provided by law:

*M.T.C.*

A. To continue to hold any property, either in the Trustee's name or its nominee's name.

B. To manage, control, grant options on, sell (for cash or on deferred payments), convey, exchange partition, divide, improve and repair trust property.

C. To borrow money and to encumber or hypothecate trust property by mortgage, deed of trust, pledge or otherwise; to borrow money on behalf of the Trust from any other trust created hereunder, and to guarantee loans made by MARJORIE T. CONNELL during her lifetime.

D. To compromise or otherwise adjust any claims of litigation against or in favor of the Trust.

E. To invest and reinvest the trust estate in every kind of property, real, personal or mixed, and every kind of prudent investment, specifically including, but not by way of limitation, corporate obligations of every kind, stocks, preferred or common, shares of common trust funds and savings accounts of the Trustee, and to invest in any common trust fund administered by the Trustee.

F. All of the Trust powers set forth in Nevada Revised Statutes 163.265 to 163.410, inclusive, are hereby incorporated into this Trust Agreement, regardless of the state of the Trustor's residence.

G. To seek the assistance of the courts in all matters affecting the administration of this Trust for its properties, including advice on the interpretation of the Trust or for settlement of any account by invoking the jurisdiction of any District Court with jurisdiction (including quasi-in-rem jurisdiction) over the Trust, the Trustee, or the trust res, in a non-adversary ex parte proceeding. The decision of the Court shall be binding upon all interested parties who were given written mailing notice of the proceedings to their last known address.

H. To purchase property at its fair market value as determined by the Trustee, in the Trustee's discretion from the probate estate of MARJORIE T. CONNELL.

I. To engage in any business; to become a member of any partnership or venture of any kind; to form corporations and transfer property to them, and elect herself officer or director thereof and accept salaries therefrom; and to vote securities and consent to voting trusts, exchanges, mergers, dissolutions and reorganizations of all kinds.

J. To make distributions in cash or in specific property, real or personal, or in undivided interests therein, or partly in cash and partly in such property or interests therein, even if shares be composed differently.

NINTH: SPECIAL PROVISIONS.

A. Amendment. MARJORIE T. CONNELL, if competent, may at any time amend any of the terms of this instrument or revoke it entirely by an instrument in writing signed by MARJORIE T. CONNELL and delivered to the Trustee. No amendment shall substantially increase the duties or liabilities of the Trustee or change the Trustee's compensation without the Trustee's consent, nor shall the Trustee be obligated to act under such an amendment unless the Trustee accepts it. Upon revocation, all property then in the Trust shall be returned to Trustor.

B. Revocation and Amendment. After the death of MARJORIE T. CONNELL, this instrument may not be revoked, altered, amended or terminated. Powers of appointment may be exercised, however.

C. Choice of Law Clause. The validity of this Trust and the construction of its beneficial provisions shall be governed by the laws of the State of Nevada in force from time to time. This paragraph shall apply regardless of any change of residence or substitution of a Trustee residing or doing business in another state.

D. Invalid Provisions. In the event any provisions of this Trust Agreement and the Trust created hereunder prove to be invalid or void for any reason, then such clause shall not affect the whole of this instrument, but the balance of the provisions hereof shall remain operative and shall be carried into effect insofar as legally possible.

E. Claimants. MARJORIE T. CONNELL has, except as otherwise expressly provided in this Trust, intentionally and with full knowledge declined to provide for any and all of her heirs or other persons who may claim an interest in her respective estate or in this Trust.

TENTH: NON-CONTEST PROVISION. The Trustor specifically desires that this Trust created herein be administered and distributed without litigation or dispute of any kind. If any beneficiary of this Trust or any other person, whether stranger, relative or heir, or any legatee or devisee under the Last Will and Testament of the Trustor or the successors-in-interest of any such persons, or any other person who may be entitled to receive any portion of the Trustor's estate under the intestate laws of the State of Nevada, seeks to establish or assert any claim to the assets of this Trust established herein, or attach or oppose or seek to set aside the administration and distribution of the said Trust, or to have the same declared null and void or diminished, or to defeat or change any part of the provisions of the Trust established herein, then in any and all of the above mentioned cases and events, such person or persons shall receive One Dollar (\$1.00) and no more in lieu of any interest in the assets of the Trust.

ELEVENTH: SPECIAL TRUSTEE PROVISIONS.

A. Discharge or Resignation of Trustee. MARJORIE T. CONNELL shall have the right, from time to time to discharge any Trustee or successor Trustee of any Trust hereunder, and to appoint a different successor Trustee in its place. Discharge of a Trustee shall be by delivering to such Trustee a thirty (30) days' written notice of resignation to all of the then beneficiaries of such Trust and a successor shall be chosen by MARJORIE T. CONNELL, or if MARJORIE T. CONNELL shall fail to act then by the Nevada District Court.

B. Compensation of Trustee. A Trustee may receive reasonable compensation for services rendered hereunder. Compensation shall be based upon the then prevailing rates charged by the Trustee in accordance with its fee schedule then in effect.



TWELFTH: SUCCESSOR TRUSTEE. Upon the death, resignation or failure to serve of MARJORIE T. CONNELL, then Miriam T. Turner, of Alabama, shall serve, and upon her failure to serve, then Farrell Allen Turner, of Heflin, Alabama, shall serve as sole Trustee. If none of the foregoing is willing or able to serve as Trustee, then FIRST INTERSTATE BANK OF NEVADA, N.A., shall serve, or appoint another to serve. Regardless of the foregoing, for purposes of the Trust provisions of the following Section THIRTEENTH, FIRST INTERSTATE BANK OF NEVADA, N.A. shall serve as sole Trustee. No Successor Trustee shall have any responsibility for the acts or omissions of any prior Trustee and no duty to audit or investigate the accounts or administration of any such Trustee, nor any duty to take action or obtain redress.

THIRTEENTH: The Last Will and Testament of MARJORIE T. CONNELL executed September 16<sup>th</sup> 1981<sup>more</sup>, provides for a distribution of various assets to JACQUELINE M. HARTMAN and KATHRYN ANN HARTMAN, granddaughters of MARJORIE T. CONNELL. Pursuant to the terms of said Will, if said granddaughters are under the age of thirty (30), the Last Will and Testament provides that said assets shall be distributed to this Trust to be held and administered on behalf of the said beneficiaries until they reach the age of thirty (30). If assets are received by this Trust to be administered for and on behalf of the said JACQUELINE M. HARTMAN and KATHRYN ANN HARTMAN, the assets shall be administered as follows:

A. Income shall be distributed for the benefit of the beneficiaries at least semi-annually.

B. Principal shall be distributed in one-lump sum to each respective beneficiary on her thirtieth (30) birthday. The Trustee is not authorized to make any premature distribution of principal for the benefit of any beneficiary, either as a partial distribution or as an invasion of principal for the benefit of a beneficiary.

C. If either of the said beneficiaries should die before receiving the assets distributable hereunder, said assets shall be distributable according to the Last Will and Testament of the deceased beneficiary, and if deceased beneficiary left no Last Will and Testament, the gift to the deceased beneficiary shall lapse and the entire gift shall be distributed to the surviving beneficiary on her thirtieth (30) birthday. If the surviving beneficiary should die before receiving the assets to be distributed as provided herein, the assets to be distributed as provided herein shall be distributed according to the terms of the Last Will and Testament of the survivor, and if the surviving beneficiary leaves no Will, then to ELEANOR C. HARTMAN, if living, and if ELEANOR C. HARTMAN is not living, then to the then-living heirs of MARJORIE T. CONNELL, after which this Trust will end. After distribution as provided herein, this Trust shall end.

FOURTEENTH: ACKNOWLEDGEMENT, REPORTS, INSPECTION OF RECORDS.

The Trustee hereby acknowledges receipt of and accepts the property shown on Schedule A and agrees to the terms and conditions of this Trust. The Trustee agrees to furnish an accounting to MARJORIE T. CONNELL and each income beneficiary annually if requested so to do.

THIS TRUST has been executed in the State of Nevada on the day and year first above written.

TRUSTEE:

TRUSTOR:

Marjorie T. Connell  
MARJORIE T. CONNELL

Marjorie T. Connell  
MARJORIE T. CONNELL

STATE OF NEVADA )  
                          ) ss:  
COUNTY OF CLARK )

On this 16<sup>th</sup> day of September, 1981, personally appeared before me, a Notary Public, MARJORIE T. CONNELL who acknowledged to me that she executed the foregoing Trust Agreement.



Notary Public-State of Nevada  
CLARK COUNTY  
**Steven Scow**  
My Commission Expires Mar. 31, 1982

Steven Scow  
NOTARY PUBLIC

# Exhibit 9

This  
**LIVING TRUST**

prepared for

**MARJORIE T. CONNELL**

by

David A. Straus, Esq.

Law Offices of David A. Straus, Esq.

900 Rancho Lane  
Las Vegas, NV 89106

Telephone: (702) 474-4500

Copyright© 1995 David A. Straus, Esq.

# **The MTC Living Trust**

## **Article One**

### **Creation of My Trust**

#### **Section 1. My Trust**

This is my Living Trust, dated December 6, 1995, by MARJORIE T. CONNELL, the Trustmaker, also known as MARJORIE THRASH CONNELL, and MARJORIE T. CONNELL, my initial Trustee.

My trust is a revocable living trust that contains my instructions for my own well-being and that of my loved ones. All references to "my trust" or "trust," unless otherwise stated, shall refer to this Living Trust and the trusts created in it. All references to "Trustee" shall refer to my initial Trustee or Trustees, or their successor or successors in trust.

When the term "Trustmaker" is used in my trust, it shall have the same legal meaning as "Grantor," "Settlor," "Trustor," or any other term referring to the maker of a trust.

Notwithstanding anything in my trust to the contrary, when I am serving as a Trustee under my trust, I may act for and conduct business on behalf of my trust as a Trustee without the consent of any other Trustee.

#### **Section 2. The Name of My Trust**

For convenience, my trust shall be known as the:

MTC LIVING TRUST, dated December 6, 1995

For purposes of beneficiary designations and transfers directly to my trust, my trust shall be referred to as:

MARJORIE T. CONNELL, sole Trustee, or her successors in trust,  
under the MTC LIVING TRUST, dated December 6, 1995, and any  
amendments thereto.

## **Article Two**

### **My Family**

The name and birth date of my child is:

ELEANOR C. HARTMAN AHERN, born May 13, 1938

All references to my children in this agreement are to this child, as well as any children subsequently born to me, or legally adopted by me.



## **Article Nine**

### **Distribution of My Trust Property**

#### **Section 1. Division into Separate Shares**

All trust property not previously distributed under the terms of my trust shall be divided as follows:

<b>Beneficiary</b>	<b>Relationship</b>	<b>Share</b>
ELEANOR C. HARTMAN AHERN	Daughter	NONE
KATHERINE HARTMAN BOUVIER	Granddaughter	½
JACQUELINE HARTMAN MONTOYA	Granddaughter	½

#### **Section 2. Distribution of Trust Shares for My Beneficiaries**

The share of each beneficiary who survives me shall be distributed as follows:

**a. Distribution of Trust Share for ELEANOR C. HARTMAN AHERN**

I acknowledge the existence of my child, ELEANOR C. HARTMAN AHERN, and have intentionally, and with full knowledge, chosen not to provide for ELEANOR C. HARTMAN AHERN.

**b. Distribution of Trust Share for KATHERINE ANN HARTMAN BOUVIER**

The trust share for KATHERINE ANN HARTMAN BOUVIER shall be held in trust and administered and distributed as follows:

**1. Distributions of Net Income**

My Trustee shall apply to, or for the benefit of, KATHERINE ANN HARTMAN BOUVIER, at least semiannually, all of the net income from her trust share.

**2. Distributions of Principal**

My Trustee, in its sole and absolute discretion, shall apply to, or for the benefit of, KATHERINE ANN HARTMAN BOUVIER as much of the principal from her trust as my Trustee deems advisable for the education, health, maintenance, and support of KATHERINE ANN HARTMAN BOUVIER.

Immediately upon my death, my Trustee shall distribute 1/3 of the trust principal, as it is then constituted, to KATHERINE ANN HARTMAN BOUVIER, free of the trust.

Five years from the date of the first distribution, my Trustee shall distribute 1/2 of the trust accumulated net income and principal, as it is then constituted, to KATHERINE ANN HARTMAN BOUVIER, free of the trust.

Ten years from the date of the first distribution, my Trustee shall distribute the balance of the trust accumulated net income and principal, as it is then constituted, to KATHERINE ANN HARTMAN BOUVIER, free of the trust.

**3. Guidelines for Discretionary Distributions**

To the extent that I have given my Trustee any discretionary authority over the distribution of income or principal to KATHERINE ANN HARTMAN BOUVIER my Trustee shall be mindful of, and take into consideration to the extent it deems necessary, any additional sources of income and principal available to KATHERINE ANN HARTMAN BOUVIER which arise outside of this agreement and are known to my Trustee.

It is my desire that the preservation of principal be a priority

for purposes of this trust share and that genuine need must be shown by KATHERINE ANN HARTMAN BOUVIER before my Trustee shall make a discretionary distribution.

**4. Distribution on the Death of KATHERINE ANN HARTMAN BOUVIER**

If KATHERINE ANN HARTMAN BOUVIER should die before the complete distribution of her trust share, her trust shall terminate and my Trustee shall distribute the balance of the trust property to JACQUELINE HARTMAN MONTOYA.

If JACQUELINE HARTMAN MONTOYA shall be deceased then my Trustee shall distribute the balance of the trust property to my then living descendants, per stirpes.

If I have no then living descendants, my Trustee shall distribute the balance of the trust property as provided in Article Ten of this agreement.

**c. Distribution of Trust Share for JACQUELINE HARTMAN MONTOYA**

The trust share for JACQUELINE HARTMAN MONTOYA shall be held in trust and administered and distributed as follows:

**1. Distributions of Net Income**

My Trustee shall apply to, or for the benefit of, JACQUELINE HARTMAN MONTOYA, at least semiannually, all of the net income from her trust share.

**2. Distributions of Principal**

My Trustee, in its sole and absolute discretion, shall apply to, or for the benefit of, JACQUELINE HARTMAN MONTOYA as much of the principal from her trust as my Trustee deems advisable for the education, health, maintenance, and support of JACQUELINE HARTMAN MONTOYA.

Immediately upon my death, my Trustee shall distribute 1/3 of the trust principal, as it is then constituted, to JACQUELINE HARTMAN MONTOYA, free of the trust.

Five years from the date of the first distribution, my Trustee shall distribute 1/2 of the trust accumulated net income and principal, as it is then constituted, to JACQUELINE HARTMAN MONTOYA, free of the trust.

Ten years from the date of the first distribution, my Trustee shall distribute the balance of the trust accumulated net income and principal, as it is then constituted, to JACQUELINE HARTMAN MONTOYA, free of the trust.

### **3. Guidelines for Discretionary Distributions**

To the extent that I have given my Trustee any discretionary authority over the distribution of income or principal to JACQUELINE HARTMAN MONTOYA my Trustee shall be mindful of, and take into consideration to the extent it deems necessary, any additional sources of income and principal available to JACQUELINE HARTMAN MONTOYA which arise outside of this agreement and are known to my Trustee.

It is my desire that the preservation of principal be a priority for purposes of this trust share and that genuine need must be shown by JACQUELINE HARTMAN MONTOYA before my Trustee shall make a discretionary distribution.

### **4. Distribution on the Death of JACQUELINE HARTMAN MONTOYA**

If JACQUELINE HARTMAN MONTOYA should die before the complete distribution of her trust share, her trust shall terminate and my Trustee shall distribute the balance of the trust property to her then living descendants, per stirpes.

If JACQUELINE HARTMAN MONTTOYA has no then living descendants, my Trustee shall distribute the balance of the trust property to KATHERINE ANN HARTMAN BOUVIER.

If KATHERINE ANN HARTMAN BOUVIER is deceased then my Trustee shall distribute the balance of the trust property as provided in Article Ten of this agreement.

### **Section 3. Share of a Descendant of a Deceased Beneficiary**

Each share set aside for a deceased beneficiary, if any, who has then living descendants shall be divided, administered, and distributed as follows:

#### **a. Division into Separate Shares**

Each share set aside for a deceased beneficiary who has then living descendants shall be divided into as many equal shares as shall be necessary to create one equal share for the deceased beneficiary's descendants, per stirpes.

#### **b. Outright Distribution**

If any descendant of a deceased beneficiary is over 21 years of age and is not legally incapacitated, my Trustee shall distribute that descendant's share outright to that descendant.

#### **c. Retention of a Minor's or Disabled Descendant's Share in Trust**

If any descendant of a deceased beneficiary is under 21 years of age, or if any descendant of a deceased beneficiary is disabled or incapacitated as defined in Article Fifteen of this agreement, then my Trustee shall retain such share in trust under the provisions of Article Eleven.

#### **Section 4. Retention of Distributions in Trust**

Whenever a distribution is authorized or required to be made by a provision of this Article to any beneficiary, then that beneficiary may direct my Trustee in writing to retain such distribution in trust as follows:

**a. A Beneficiary's Right to Income**

My Trustee, during the lifetime of the beneficiary, shall pay to or apply for the benefit of the beneficiary from time to time and at the beneficiary's written direction all of the net income from this trust.

**b. A Beneficiary's Right to Withdraw Principal**

My Trustee shall pay to or apply for the benefit of the beneficiary such amounts from the principal as the beneficiary may at any time request in writing.

No limitation shall be placed on the beneficiary as to either the amount of or reason for such invasion of principal.

**c. Principal Distributions in My Trustee's Discretion**

My Trustee may also distribute to or for the benefit of the beneficiary as much of the principal of the trust as my Trustee, in its sole and absolute discretion, shall consider necessary or advisable for the education, health, maintenance, and support of the beneficiary.

**d. A Beneficiary's General Power of Appointment**

The beneficiary shall have the unlimited and unrestricted general power to appoint, by a valid last will and testament or trust agreement, the entire principal and any accrued and undistributed net income of the trust as it exists at the beneficiary's death. In exercising this general power of appointment, the beneficiary shall specifically refer to this power.

The beneficiary shall have the sole and exclusive right to exercise the general power of appointment.

This general power of appointment specifically grants to the beneficiary the right to appoint property to the beneficiary's own estate. It also specifically grants to the beneficiary the right to appoint the property among persons, corporations, or other entities in equal or unequal proportions, and on such terms and conditions, whether outright or in trust, as the beneficiary may elect.

Any property in the trust which is not distributed pursuant to the exercise of the general power of appointment shall be distributed to the beneficiary's then living descendants, per stirpes.

If the beneficiary has no then living descendants, my Trustee shall distribute the remaining trust property as provided in Article Ten of this agreement.

various trusts contained in this agreement shall be determined by reference to the laws of the state in which the trust is then currently being administered.

**f. Duplicate Originals**

This agreement may be executed in several counterparts; each counterpart shall be considered a duplicate original agreement.

**g. Severability**

If any provision of this agreement is declared by a court of competent jurisdiction to be invalid for any reason, such invalidity shall not affect the remaining provisions of this agreement. The remaining provisions shall be fully severable, and this agreement shall be construed and enforced as if the invalid provision had never been included in this agreement.

I have executed this agreement the day and year first written above.

I certify that I have read my foregoing revocable living trust agreement, and that it correctly states the terms and conditions under which my trust property is to be held, managed, and disposed of by my Trustee. I approve this revocable living trust in all particulars, and request my Trustee to execute it.

Marjorie T. Connell  
MARJORIE T. CONNELL, Trustmaker

Marjorie T. Connell  
MARJORIE T. CONNELL, Trustee



STATE OF NEVADA

COUNTY OF CLARK

)  
) ss.  
)

The foregoing living trust agreement was acknowledged before me on December 6, 1995, by MARJORIE T. CONNELL, as Trustmaker and sole Trustee.

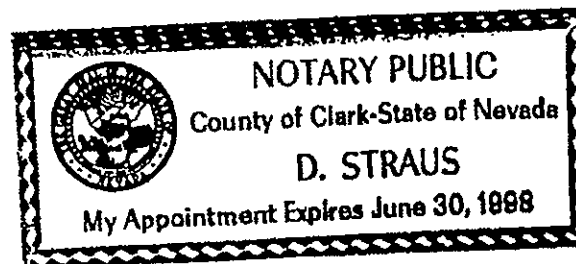
Witness my hand and official seal.

My commission expires:

6/30/98



Notary Public



# Exhibit 10

BOB BULLOCK  
COMPTROLLER OF PUBLIC ACCOUNTS  
STATE OF TEXAS

Do not write in above space

Copy

INHERITANCE TAX RETURN - NON-RESIDENT

Date Received (Do not write in this space)

Decedent's Name (First, Middle, Maiden, Last) <b>William M. Connell</b>		Date of Death <b>November 24, 1979</b>	T CODE <input checked="" type="checkbox"/> 90100 DEPOSIT CODE <input checked="" type="checkbox"/> 110 AMOUNT
Residence (Domicile) at Time of Death (City and State) <b>Boulder City, Nevada</b>		Year in which domicile was established. <b>1936</b>	
Marital Status: <input checked="" type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Single <input type="checkbox"/> Legally Separated <input type="checkbox"/> Widow/Widower			
If Married, Date of Marriage: <b>June 2, 1942</b>		Number of Children: <b>one</b>	Number of Children Surviving: <b>one</b>
Did the decedent, at any time during life, make any transfer of property within Texas in which any beneficial interest was retained? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		Did the decedent, within three years immediately prior to death, make any transfer of property within Texas without an adequate and full consideration? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
Did the decedent die testate? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO If "YES" attach copy of will. If "NO" attach an affidavit of heirship.		Were letters testamentary or of administration granted for this estate? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
To whom granted? (Designate "Executor," "Executrix," "Administrator," or "Administratrix")			
NAME	DESIGNATION	ADDRESS (Street & No., City, State, Zip Code)	
Name of Court		Location of Court	
Have ancillary probate proceedings been applied for and granted? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		County in Texas	
Name of ancillary administrator or executor			
Address			

INHERITANCE TAX DUE

<b>PART I</b> Basic inheritance tax (From Schedule B)	<b>PART II</b> Federal credit for state death tax (From Schedule C)
\$ -00-	\$ 515.00
<b>TAX DUE (PART I OR PART II, WHICHEVER IS GREATER)</b>	
\$ 515.00	

I declare that this return and any accompanying statements are true, correct and complete to the best of my knowledge. I understand that this return is subject to the fraudulent report provisions of TEX. TAX-GEN. ANN. art. 1.12 (1969).

Name of Preparer <b>Darrel Knight Assoc., Inc.-PC</b>	Phone (Area Code & No.) <b>915 695-2370</b>	Name of Executor, Administrator, Heir at Law <b>Marjorie Connell, Executrix</b>	Phone (Area Code & No.) <b>702 293-5391</b>
Address (Street & No., City, State, Zip Code) <b>301 S. Pioneer, #102, Abilene, TX 79605</b>		Address (Street & No., City, State, Zip Code) <b>P O Box 710, Las Vegas, Nevada 89101</b>	
sign here <i>Darrel Knight</i>	Date <b>12-16-80</b>	sign here <i>Marjorie Connell</i>	Date <b>12-16-80</b>

PLEASE NOTE: RETURN MUST BE SIGNED BY PERSONAL REPRESENTATIVE OF ESTATE AND PERSON PREPARING RETURN. A COPY OF DECEDENT'S WILL OR AFFIDAVIT OF HEIRSHIP MUST BE ATTACHED.

For assistance call Area Code 512 475-3603 or TOLL FREE from anywhere in Texas 1-800-252-5555, Ext. 119, 120 or 121	MAIL TO: BOB BULLOCK COMPTROLLER OF PUBLIC ACCOUNTS INHERITANCE TAX DIVISION CAPITOL STATION AUSTIN, TEXAS 78774 TRF_000001
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## SCHEDULE A

C. J.

## PROPERTY SUBJECT TO TEXAS INHERITANCE TAX

Did the decedent at the time of death own an interest in real estate or minerals located within the State of Texas?  
☒ Yes    ☐ No    If "Yes," list below.

Did the decedent at the time of death own an interest in any tangible personal property such as livestock, farm and ranching equipment, grain in storage, growing crops, all equipment used in connection with the drilling and producing of subsurface crude oil, gas or other minerals and any other tangible property having an actual situs in the State of Texas?    ☐ Yes    ☒ No    If "Yes," list below.

All assets listed below must be clearly described and identified. If valuations are based upon appraisals, copies of such appraisals should accompany the return. If a formal appraisal of oil and gas leases and royalties is not made, a five-year payout based on the last twelve months prior to death will be used in determining the value of such mineral interest.

## ALTERNATE VALUATION

An election to have the gross estate of the decedent valued as of the alternate date or dates is made by entering a check mark in the box set forth below:

- ☐ The executor elects to have the gross estate of the decedent valued in accordance with values as of a date or dates subsequent to the decedent's death as authorized under TEX. TAX, GEN. ANN. art. 14.11 (Supp. 1976).

ITEM NO.	DESCRIPTION	SUBSEQUENT VALUATION DATE	ALTERNATE VALUE	VALUE AT DATE OF DEATH
1	2,301 acres, pasture land, out of Block 39, T-5-S, Sections 38,47,48, W $\frac{1}{2}$ 37, Upton County, Texas. Separate property of decedent.		\$	\$ 80,535.
2	Mineral rights, Upton County, Texas, $\frac{1}{2}$ interest in Dora Connell Estate. Separate property of decedent. Valued on a 5-year payout based on payments received 12 months prior to date of death.			32,677.
TOTAL (Also enter under Schedule C, Page 4)			\$	\$ 113,212.

## SCHEDULE B

## COMPUTATION OF BASIC INHERITANCE TAX

• List all beneficiaries under the will of the decedent (including charitable bequests) • If beneficiaries do not share the estate equally, attach a copy of the distribution or under the laws of intestacy who take any share of the estate.

• Attach a copy of the last will and testament or an affidavit of heirship if the • If beneficiaries listed on the distribution schedule are not as specified in decedent's will, please explain (predeceased, disclaimed, etc.).

(1) Name and Address of Beneficiary	(2) Relationship of Beneficiary to Decedent	(3) Age of Beneficiary at date of Death of Decedent	(4) Value of share of entire net estate wherever located (See Sch. B-3)	(5) Value of share of net Texas estate (See Sch. B-3)	(6) Tax at Texas rates on share of entire net estate (4). (See Tax Rate Schedule)	(7) Ratio of share of Texas net estate to share of entire net estate. (5)divided by (4)	(8) Texas Inheritance Tax (6) multiplied by (7)
Marjorie Connell P. O. Box 710 Boulder City, Nevada 89101	wife	60	69,704	-0-	197.04	-0-	\$ -0-
Eleanor M. Connell Hartman P. O. Box 710 Las Vegas, Nevada 89101	daughter	41	12,528	-0-	125.28	-0-	\$ -0-
Robert Hartman P. O. Box 710 Las Vegas, Nevada 89101	son-in-law	43	-0-	-0-	-0-	-0-	\$ -0-
TOTAL TEXAS INHERITANCE TAX-Col. 8 (TO BE CARRIED FORWARD TO PAGE 1, PART I)							\$ -0-

(If more space is needed, insert additional sheets of same size)

**SCHEDULE C**

*Copy*

**COMPUTATION OF PROPORTIONATE SHARE OF  
FEDERAL CREDIT FOR STATE DEATH TAX**

HAS A FORM 706, U.S. ESTATE TAX RETURN BEEN FILED WITH THE INTERNAL REVENUE SERVICE? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		
The following information should be furnished from Form 706, U.S. Estate Tax Return, filed or to be filed on behalf of this estate with the Internal Revenue Service. IF FORM 706 WAS NOT FILED, COMPLETE LINES 1 THROUGH 5 AND LINE 12		
1. Value of property subject to Texas Inheritance Tax.	1. \$ 113,212	
2. Total value of all other property:	2. 180,023	
3. Total gross estate (lines 1 plus 2)-(Same as recapitulation p. 3, U.S. Estate Tax Return)		3. 293,235
4. Funeral, administration expenses, debts of decedent, mortgage and liens (Schedules J & K, U.S. Estate Tax Return)	4. 10,936	
5. Total value of net estate wherever located.		5. 282,299
6. Other deductions (Total of Schedules L, M, N and O, U.S. Estate Tax Return)	6. 76,688	
7. Total allowable deductions (Line 4 plus line 6) (Same as Recapitulation, page 3, U.S. Estate Tax Return)		7. 87,624
8. Taxable estate for Federal Estate Tax purposes. (Line 3 minus line 7) (Same as page one U.S. Estate Tax Return, line 3)		8. 205,611
9. Adjustment to compute State Death Tax.	9. 60,000.00	
10. Federal adjusted taxable estate (line 8 minus line 9).		10. 145,611
11. a) Excess of gross estate tax over unified credit. (from line 12, page 1, form 706)	11a 18,596	
b) Maximum Federal Credit for State Death Tax. (Computed on Table C, Form 706)	11b 1,335	
c) Allowable Federal Credit for State Death Tax. (line 11a or 11b, whichever is smaller)		11c 1,335
12. Percentage of Texas gross estate to total gross estate. (line 1 divided by line 3)	12. 38.61%	
13. Portion of Federal Credit for State Death Tax allocated to the State of Texas. (line 11c multiplied by line 12). TO BE CARRIED FORWARD TO PAGE 1, PART II		13. 515 \$

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SCHEDULE B-1

William M. Connell Estate  
Distribution of Net Estate Wherever Located  
Supporting Schedule B-3

Net Taxable Estate Wherever Located \$282,299

Distribution to Marjorie Connell:

Las Vegas rental property (Sch. A, Item 3, Form 706)	\$37,500	
Stock and bonds (Sch. B, Form 706)	52,218	
Cash and First Trust Deeds (Sch. C, Form 706)	74,660	
Insurance proceeds (Sch. D, Form 706)	1,358	
Mobil home, furniture and automobiles (Sch. F, Items 3, 4, 5 and 6, Form 706)	11,250	
Marital bequest, 64.493% of 2,301 acres Upton Co., Texas land (Sch. A, Item 1, Form 706)	51,940	
Marital bequest, 64.493% of mineral rights, Upton Co., Texas (Sch. A, Item 2, Form 706)	21,074	
Distributive share of allowable deductions	(10,936)	(239,064)

Distribution to Eleanor M. Connell Hartman:

Diamond Shrine Riva (Sch. F, Item 1, Form 706)	2,750	
35.507% of 2,301 acres, Upton Co., Texas land (Sch. A, Item 1, Form 706)	28,595	
35.507% of mineral rights, Upton Co., Texas (Sch. A, Item 2, Form 706)	<u>11,603</u>	(42,948)

Distribution to Robert Hartman:

Gold Diamond Glycene wristwatch	<u>(287)</u>
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\$ -0-

Copy

SCHEDULE B-2

William M. Connell Estate  
Distribution of Texas Estate  
Supporting Schedule B-3

Net Texas Estate \$113,212

Distribution to Marjorie Connell:

Marital bequest, 64.493% of 2,301 acres Upton County land (Sch. A, Item 1)	\$51,940	
Marital bequest, 64.493% of mineral rights, Upton County, Texas (Sch. A, Item 2)	<u>21,074</u>	(73,014)

Distribution to Eleanor M. Connell Hartman:

35.507% of 2,301 acres, Upton County land (Sch. A, Item 1)	28,595	
35.507% of mineral rights, Upton County, Texas (Sch. A, Item 2)	<u>11,603</u>	<u>(40,198)</u>

\$ -0-



**SCHEDULE B-3**

**William M. Connell Estate  
Determination of Value of Taxable Share  
Supporting Schedule B, Columns 4 & 5**

<u>Beneficiary</u>	<u>(a) Value of share of entire net estate wherever located</u>	<u>(b) % of share received to total of all Class A shares</u>	<u>(c) Exemption</u>	<u>(d) Pro rata share of exemption (b) x (c)</u>	<u>(e) Value of taxable share (a) - (d)</u>
Marjorie Connell	\$239,064	84.68%	\$200,000	\$169,360	\$ 69,704
Eleanor C. Hartman	42,948	15.21%	200,000	30,420	12,528
Robert Hartman	<u>287</u>	<u>.11%</u>	<u>200,000</u>	<u>25,000</u>	<u>-0-</u>
Totals	<u>\$282,299</u>	<u>100.00%</u>	<u>-</u>	<u>-</u>	<u>\$ 82,232</u>

<u>Beneficiary</u>	<u>(a) Value of share of Texas net estate</u>	<u>(b) % of share received to total of all Class A shares</u>	<u>(c) Exemption</u>	<u>(d) Pro rata share of exemption (b) x (c)</u>	<u>(e) Value of taxable share (a) - (d)</u>
Marjorie Connell	\$ 73,014	64.49%	\$200,000	\$128,980	-0-
Eleanor C. Hartman	40,198	35.51%	200,000	71,020	-0-
Robert Hartman	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Totals	<u>\$113,212</u>	<u>100.00%</u>	<u>-</u>	<u>\$200,000</u>	<u>-0-</u>