



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ROSWELL FIELD OFFICE
2909 West Second Street
Roswell, New Mexico 88201-2019

IN REPLY REFER
NMNM107712
3105.2 (06300)

JAN 15 2003

MYCO Industries, Inc.
Attention: Shari Darr Hodges
P. O. Box 840
Artesia, NM 88211-0840

Dear Ms. Hodges:

Enclosed is one approved copy of Communitization Agreement NMNM107712, involving 80.00 acres of land in Federal lease NM-14768-A and 240.00 acres of Fee land in Eddy County, New Mexico, comprising a 320.00 acre well spacing unit.

The agreement communitizes all rights as to natural gas and associated liquid hydrocarbons producible from the Wolfcamp, Strawn, Atoka, and Morrow formations in the W1/2 section 25, T. 21 S., R. 27 E., NMPM, and is effective August 1, 2002.

Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Any production royalties that are due must be reported and paid within 90 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (See 30 CFR 218.54). If you need assistance or clarification, please contact the Minerals Management Service at 1-800-525-9167 or 303-231-3504.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

Acting

Larry D. Bray
Assistant Field Manager,
Lands and Minerals

1 Enclosure:
1 - Communitization Agreement

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached communitization agreement covering the W1/2 section 25, T. 21 S., R. 27 E., NMPM, Eddy County, New Mexico, as to natural gas and associated liquid hydrocarbons producible from the Wolfcamp, Strawn, Atoka, and Morrow formations. This approval will become invalid if the public interest requirements under section 3105.2-3(e) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: January 15, 2003


Authorized Officer

Acting

Effective: August 1, 2002

Contract No.: Com. Agr. NMNM107712

COMMUNITIZATION AGREEMENT

Contract No. 1111111077/2

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorized communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portion thereof with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interest in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 21 South, Range 27 East, N.M.P.M.
Section 25: W/2
Eddy County, New Mexico

containing 320.00 acres, more or less, and this agreement shall include the Wolfcamp, Strawn, Atoka and Morrow formations underlying said lands and the natural gas and associated hydrocarbons (hereinafter referred to as "Communitized Substances") producible from such formations. This agreement shall apply separately to the Wolfcamp, Strawn, Atoka and Morrow formations in the same manner as though a separate agreement for each formation had been entered into.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the Communitized Area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and; provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statement of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The Communitized Area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on Communitized Substances allocated to the individual leases comprising the Communitized Area and the rentals provided for in said lease shall be determined and paid on the basis prescribed in each of the individual leases. Payment of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas lease subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed and however, as to lease where the rate of royalty for gas is based on total lease production pre day such rate shall be determined by the sum of all communitized production allocate to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the Communitized Area is now or may hereafter be divided, nor shall any lessee be required to measure separately Communitized Substances by reason of the diverse ownership thereof, but the lessees hereto shall not be release from their obligation to protect said communitized are from drainage of Communitized Substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continue operation or production on each and all of the lands

within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is August 1, 2002, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and shall remain in force and effect as to the Wolfcamp, Strawn, Atoka and Morrow formations individually for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from communitized formations or formation in paying quantities; provided, that the two year term of this agreement will not itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, with respect to any dry hole or abandoned, well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior.
12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas lease under which the United States of America is Lessor, and in the applicable oil and gas operating regulations of the Department of the Interior.

13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive of Executive Order 11246 (30 F.R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

MYCO INDUSTRIES, INC. ^{Sh}

By: Frank Yates, Jr.
Print: Frank Yates, Jr.
Title: Attorney-in-Fact
Date: SEPTEMBER 20, 2002

STATE OF NEW MEXICO)
 :SS
COUNTY OF EDDY)

The foregoing instrument was acknowledged before me on this 20 day of SEPTEMBER, 2002, by Frank Yates, Jr., Attorney-in-Fact for MYCO INDUSTRIES, INC.

My commission expires:

APRIL 6, 2005

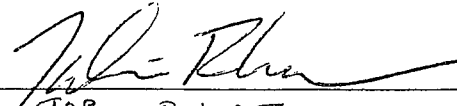
Shari D. Hodges
Notary Public



OFFICIAL SEAL
Shari D. Hodges
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: APRIL 6, 2005

YATES DRILLING COMPANY

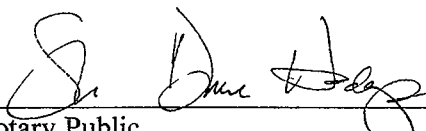
By: 
Print: TOBIN RHODES
Title: VICE PRESIDENT
Date: SEPTEMBER 20, 2002

STATE OF NEW MEXICO)
 :SS
COUNTY OF EDDY)

The foregoing instrument was acknowledged before me on this 20th day of SEPTEMBER, 2002, by Tobin Rhodes, Vice President of Yates Drilling Company, a New Mexico corporation.

My commission expires:

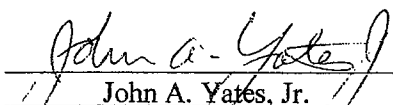
APRIL 6, 2005


Notary Public



OFFICIAL SEAL
Shari D. Hodges
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: APRIL 6, 2005

ABO PETROLEUM CORPORATION

By: 
Print: John A. Yates, Jr.
Title: Attorney-in-Fact
Date: SEPTEMBER 20, 2002

STATE OF NEW MEXICO)
 :SS
COUNTY OF EDDY)

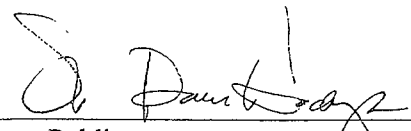
The foregoing instrument was acknowledged before me on this 20th day of SEPTEMBER, 2002, by John A. Yates, Jr., Attorney-in-Fact for ABO PETROLEUM CORPORATION.

My commission expires:

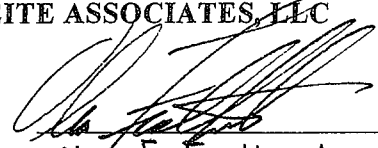
APRIL 6, 2005



OFFICIAL SEAL
Shari D. Hodges
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: APRIL 6, 2005


Notary Public

ACEITE ASSOCIATES, LLC

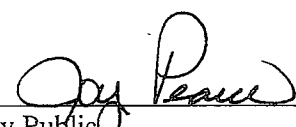
By: 
Print: Olen F Featherstone II
Title: Managing Member
Date: 9-30-02

STATE OF NEW MEXICO)
 :SS
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me on this 30th day of SEPTEMBER, 2002,
by OLEN F. FEATHERSTONE II as MANAGING MEMBER for ACEITE ASSOCIATES, LLC.,
a Limited Liability Company.

My commission expires:

5/20/2003


Notary Public

ANGELA NARANJO

By: _____
Print: _____
Date: _____

STATE OF NEW MEXICO)
 :SS
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me on this ____ day of _____, 2002,
by Angela Naranjo, dealing in her sole and separate property.

My commission expires:

Notary Public

ACEITE ASSOCIATES, LLC

By: _____
Print: _____
Title: _____
Date: _____


STATE OF NEW MEXICO)
 :ss
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2002,
by _____ as _____ for ACEITE ASSOCIATES, LLC.,
_____.

My commission expires:

Notary Public

ANGELA NARANJO

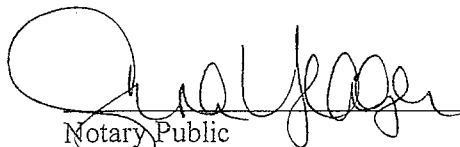
By: 
Print: ANGELA NARANJO
Date: 9/25/02

STATE OF NEW MEXICO)
 :ss
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me on this 25th day of September, 2002,
by Angela Naranjo, dealing in her sole and separate property.

My commission expires:

5-31-2006


Notary Public

BRIAN C. REID

KATHERINE A. REID

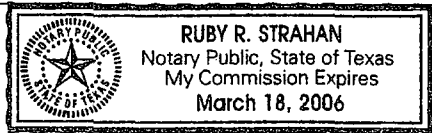
By: *B. C. Reid*
Print: BRIAN C REID
Date: SEPT 26 / 2002

By: *Katherine A. Reid*
Print: Katherine A. Reid
Date: 9/26/02

STATE OF TEXAS)
)
) :ss
COUNTY OF Midland)

The foregoing instrument was acknowledged before me on this 26th day of September, 2002,
by Brian C. Reid and Katherine A. Reid, husband and wife.

My commission expires:



Ruby R. Strahan
Notary Public

BWAB LIMITED LIABILITY COMPANY

By: _____
Print: _____
Title: _____
Date: _____

STATE OF _____)
)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this the _____ day of _____, 2002,
by _____, _____ of BWAB Limited Liability
Company a _____.

My commission expires:

Notary Public

BRIAN C. REID

KATHERINE A. REID

By: _____
Print: _____
Date: _____

By: _____
Print: _____
Date: _____

STATE OF TEXAS)
 :SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this ____ day of _____, 2002,
by Brian C. Reid and Katherine A. Reid, husband and wife.

My commission expires:

Notary Public

BWAB LIMITED LIABILITY COMPANY

By: Steven A. Roitman
Print: _____
Title: **BWAB Limited Liability Company**
Date: **By: Steven A. Roitman** *JSR*
 Manager

STATE OF Colorado)
)
COUNTY OF Denver)

The foregoing instrument was acknowledged before me on this the 23rd day of Sept., 2002,
by Steven A. Roitman, Manager of BWAB Limited Liability
Company a Colorado limited liability company.

My commission expires:

WILLIAM G. MILLS II
NOTARY PUBLIC
STATE OF COLORADO

My Commission Expires Dec. 10, 2005

William G. Mills II
Notary Public **William G. Mills II**
7946 E. Mexico Ave.
Denver CO 80231

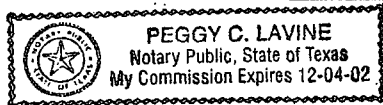
By: David A. Good
Print: David A. Good 581
Date: 11-13-02

By: Nancy S. Godsey
Print: Nancy S. Godsey
Date: 11/13/10

STATE OF TEXAS)
COUNTY OF Mudlapet)

The foregoing instrument was acknowledged before me on this 13th day of November, 2002, by David A. Godsey and Nancy F. Godsey, husband and wife.

My commission expires:



Notary Public

DELTA PETROLEUM CORPORATION

By: _____
 Print: _____
 Title: _____
 Date: _____

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me on this the ____ day of _____, 2002,
by _____, _____ of Delta Petroleum
Corporation, a _____.

My commission expires:

Notary Public

DAVID A. GODSEY

NANCY F. GODSEY

By: _____
Print: _____
Date: _____

By: _____
Print: _____
Date: _____


STATE OF TEXAS)
 :SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this ____ day of _____, 2002,
by David A. Godsey and Nancy F. Godsey, husband and wife.

My commission expires:

Notary Public

DELTA PETROLEUM CORPORATION

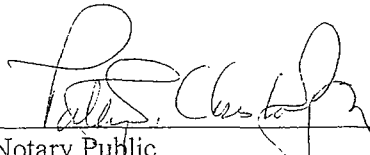
By: 
Print: Roger A. Parker
Title: President/CEO
Date: 9-23-02

STATE OF Colorado)
COUNTY OF Denver)

The foregoing instrument was acknowledged before me on this the 24th day of September, 2002,
by Roger A. Parker, President of Delta Petroleum
Corporation, a Colorado Corporation.

My commission expires:

05-30-2003


Notary Public

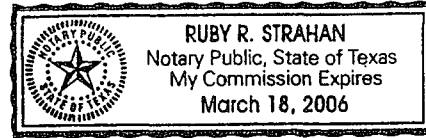
JASHA CULTRERI

By: Jasha Cultreri
Print: J. Cultreri
Date: 11/14/02

SUSAN CULTRERI

By: Susan Cultreri
Print: SUSAN CULTRERI
Date: 11/14/02
Susan

STATE OF TEXAS)
:SS
COUNTY OF Midland)



The foregoing instrument was acknowledged before me on this 14 day of November, 2002, Jasha Cultreri and Susan Cultreri, husband and wife.

My commission expires:

March 18, 2006

Ruby R. Strahan
Notary Public

Magnum Hunter Production Company

By: _____
Print: _____
Title: _____
Date: _____

STATE OF _____)
:SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this ____ day of _____, 2002, by _____ as _____, for Magnum Hunter Production Company, _____.

My commission expires:

Notary Public

JASHA CULTRERI

By: _____
Print: _____
Date: _____

SUSAN CULTRERI

By: _____
Print: _____
Date: _____
Susan

STATE OF TEXAS)
 :SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2002,
Jasha Cultreri and Susan Cultreri, husband and wife.

My commission expires:

Notary Public

Magnum Hunter Production Company

By: *Richard S. Farrell*
Print: Richard S. Farrell
Title: Vice President - Land (Onshore)
Date: December 13, 2002

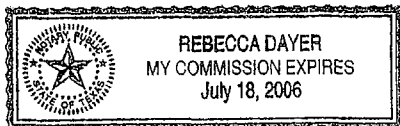
STATE OF TEXAS)
 :SS
COUNTY OF TARRANT)

The foregoing instrument was acknowledged before me on this 13th day of December, 2002,
by Richard S. Farrell as Vice President - Land (Onshore), for Magnum Hunter
Production Company, a Texas Corporation.

My commission expires:

July 18, 2006

Rebecca Dayer
Notary Public



UPSIDE, LLC

By: 

Print: Olen F. Featherstone III

Title: Manager/Member

Date: 9/23/02

STATE OF NEW MEXICO)

:ss

COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me on this 23rd day of September, 2002,
by Olen F. Featherstone III as managing member, for UPSIDE, LLC a
New Mexico Limited Liability Company.

My commission expires:

5-31-2006

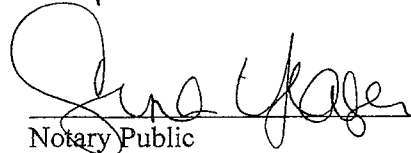
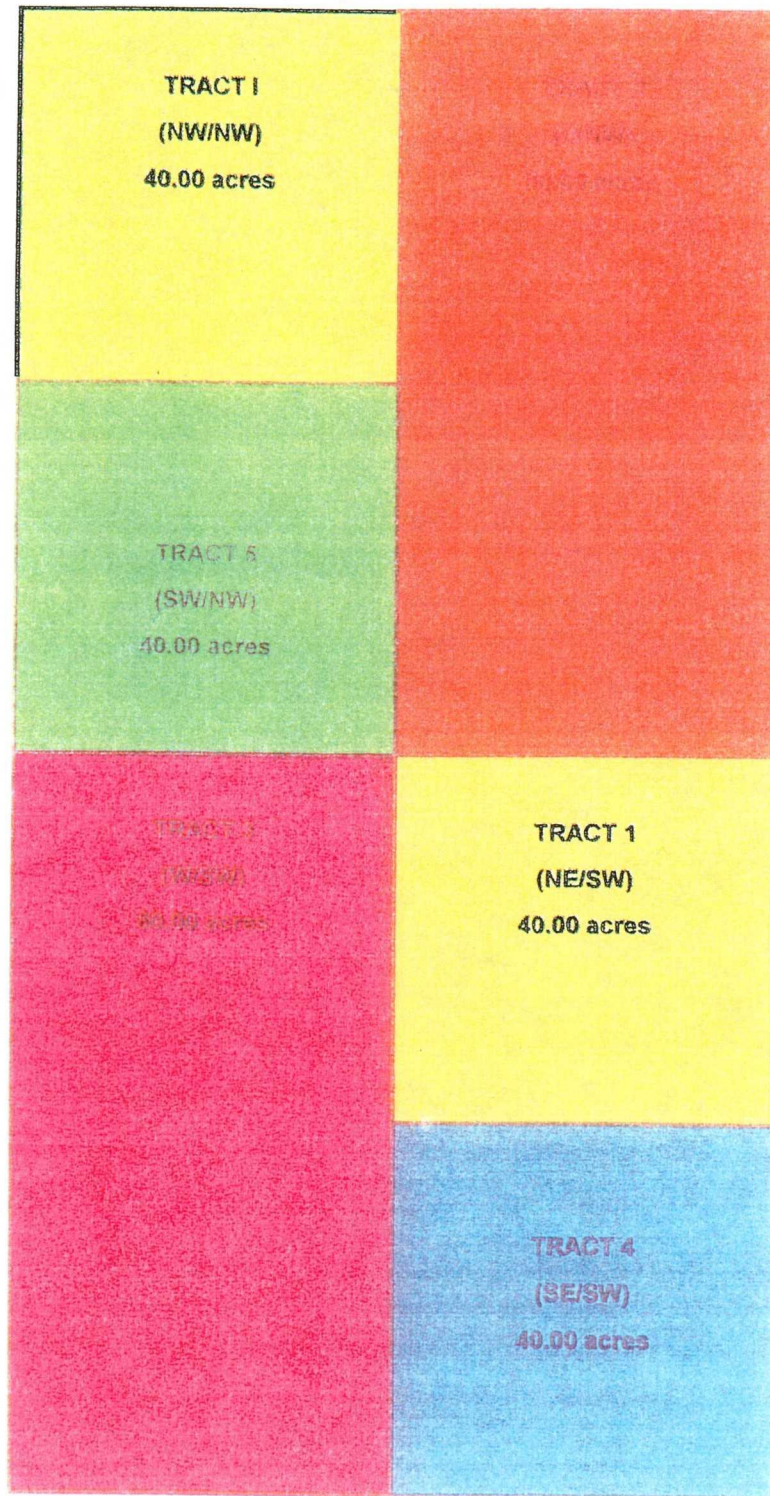

Notary Public

EXHIBIT "A"

To Communitization Agreement dated August 1, 2002
Plat of communitized area covering the W/2 of Section 25,
Township 21 South, Range 27 East
Eddy County, New Mexico
Operator: MYCO Industries, Inc.

HELENA 25 Fee Com #1
T21S, T27E, Sec 25: W/2
Eddy County, NM



- TRACT 1: NW/4 NW/4, NE/4 SW/4
TRACT 2: E/2 NW/4
TRACT 3: W/2 SW/4
TRACT 4: SE/4 SW/4
TRACT 5: SW/4 NW/4

EXHIBIT "B"

To Communitization Agreement dated August 1, 2002
Embracing the W/2 of Section 25, T 21 S, R 27 E, N.M.P.M.,
In Eddy County, New Mexico

Operator of Communitized Area: MYCO Industries, Inc,
Post Office Box 840
Artesia, New Mexico 88211

DESCRIPTION OF LEASES COMMITTED

TRACT 1 (NW/4 NW/4, NE/4 SW/4)

Lease #1

Lease Serial No: NM-14768-A (MYCO's 801-61)

Lease Date: February 1, 1972

Lease Term: 10 years and so long thereafter as oil or gas is produced in paying quantities.

Lessor: United States of America

Original Lessee: Margaret Mary Cerf

Present Lessee: Delta Petroleum Corporation.....75%
BWAB Limited Liability Company.....25%

Description of Land Committed: Township 21 South, Range 27 East, N.M.P.M.
Section 25: NW/4 NW/4, NE/4 SW/4

Number of Acres: 80 acres

Royalty Rate: 1/8th (12.5%)

Name and Percent of ORRI Owners (Tract 1):

J. Travis Reeves, whose wife is Mabel C. Reeves	.75% of 8/8*
B. L. House, whose wife is Patricia House	.75% of 8/8*
Clifton Wilderspin, whose wife is Terry Wilderspin	.75% of 8/8*
Elizabeth Jane Kaderli, Trustee of the Elizabeth Jane Kaderli Trust dated 7/14/88	.75% of 8/8*

BWAB Limited Liability Company	3.5% of 8/8*
BWAB Limited Liability Company	.75% of 3%**
Roger A. Parker	.75% of 1%**
Aleron H. Larson, Jr.	.75% of 1%**
Jasha Cultreri, et ux Susan J. Cultreri	38.88889% of 25% of 3%***
Upside, L.L.C.	19.44445% of 25% of 3%***
Angela Naranjo, a married woman dealing in her sole and separate property	19.44444% of 25% of 3%***
Brian C. Reid, et ux Katherine A. Reid	11.11111% of 25% of 3%***
David A. Godsey, et ux Nancy S. Godsey	11.11111% of 25% of 3%***

* Burdening the entire leasehold estate.

** Burdening the entire leasehold estate, except the 25% interest in operating rights of BWAB Limited Liability Company, but borne disproportionately by Delta Petroleum as a result of its net revenue warranty in that certain Partial Assignment of Oil and Gas Leases dated October 11, 2000, in favor of Olen F. Featherstone, Jr.

*** Burdening only the 25% working interest of Aceite Associates, LLC, Yates Drilling Company, Abo Petroleum Corporation and MYCO Industries, Inc.

Name and Percent to the Operating Rights (Tract 1):

Delta Petroleum Corporation	50.0000%(1)
BWAB Limited Liability Company	25.0000%(1)
Aceite Associates, L.L.C.	1.5625%
Yates Drilling Company	7.8125%
Abo Petroleum Corporation	7.8125%
MYCO Industries, Inc.	7.8125%
Total	100.0000%

(1) Subject to the Farmout Agreement to MYCO Industries, Inc.

Leases described below in Tract 2, Tract 3, Tract 4 and Tract 5 contain a provision authorizing pooling in accordance with the acreage requirements of the Agreement

TRACT 2 (E/2 NW/4)

Lease #2

Lease Serial No.: MYCO's 803-44A

Lease Date: April 12, 1971

Lease Term: Five (5) year primary term with thereafter clause

Lessor: Marie T. Neal, a widow

Original Lessee: D.L. Hannifin

Present Lessee: MYCO Industries, Inc.,

Description of Land Committed: Township 21 South, Range 27 East, N.M.P.M.
Section 25: E/2 NW/4

Number of Acres: 40.00 acres

Royalty Rate: 1/8th (12.5%)

Lease #3

Lease Serial No.: N/A

Lease Date: April 5, 1971

Lease Term: Five (5) year primary term with thereafter clause

Lessor: Frank S. Jump individually and joined pro forma by his wife Rosa M. Jump; Frank S. Jump as attorney in fact for Emma Winters, James D. Jump and Harold D. Coley

Original Lessee: D.L. Hannifin

Present Lessee: MYCO Industries, Inc.,

Description of Land Committed: Township 21 South, Range 27 East, N.M.P.M.
Section 25: E/2 NW/4

Number of Acres: 40.00 acres

Royalty Rate: 1/8th

Name and Percent ORRI Owners (Tract 2):

James A. Davidson	1.041667%*
R.L. Hannifin, et ux Maxine Hannifin	1.041667%*
Nuevo Seis Limited Partnership	1.041666%*
Wallace H. Scott, Jr.	.316406%**
BWAB Limited Liability Company	1.750000%***
BWAB Limited Liability Company	37.5% x 3%****
Roger A. Parker	37.5% x 1%****
Aleron H. Larson, Jr.	37.5% of 1%****
Jasha Cultreri, et ux Susan J. Cultreri	38.88889% of 12.5% of 3%*****
Upside, L.L.C.	19.44445% of 12.5% of 3%*****
Angela Naranjo, a married woman dealing in her sole and separate property	19.44444% of 12.5% of 3%*****
Brian C. Reid, et ux Katherine A. Reid	11.11111% of 12.5% of 3%*****
David A. Godsey, et ux Nancy S. Godsey	11.11111% of 12.5% of 3%*****

* Burdening the entire leasehold estate.

** Burdening only the leasehold estate of Mallon Oil Company, and being 75% of the net revenue interest of Mallon.

*** Burdening only the 50% leasehold estate of Delta, BWAB, Aceite Associates, LLC, Yates Drilling Company, Abo Petroleum Corporation, and MYCO Industries, Inc.

**** Burdening the 37.5% leasehold estate of Delta Petroleum Corporation and its assignees, but borne disproportionately by Delta as a result of its net revenue warranty in that certain Partial Assignment of Oil and Gas Lease dated October 11, 2000 in favor of Olen F. Featherstone, Jr.

***** Burdening only the 12.5% interest of Aceite Associates, LLC, Yates Drilling Company, Abo Petroleum Corporation and MYCO Industries, Inc.

Name and Percent to the Leasehold Rights (Tract 2):

Aceite Associates, L.L.C.	.78125%(2)
Mallon Oil Company (Magnum Hunter)	50.00000%
Delta Petroleum Corporation	25.00000% (1)(2)
BWAB Limited Liability Company	12.50000% (1)(2)
Yates Drilling Company	3.90625% (2)
Abo Petroleum Corporation	3.90625% (2)
MYCO Industries, Inc.	3.90625% (2)
Total	100.0000%

(1) Subject to Farmout Agreement to MYCO Industries, Inc.

(2) Limited in depth to 12, 100' subsurface. Below that depth, Mallon Oil 100%

TRACT 3 (W/2 SW/4)

Lease #4

Lease Serial No.: MYCO's 803-42A

Lease Date: August 22, 1970

Lease Term: Five (5) year primary term with thereafter clause

Lessor: O.J. Dowling and wife, Frances Virginia Dowling

Original Lessee: J. Travis Reeves

Present Lessee: MYCO Industries, Inc.

Description of Land Committed: Township 21 South, Range 27 East, N.M.P.M.
Section 25: W/2 SW/4

Number of Acres: 40.00 acres

Royalty Rate: 1/8th (12.5%)

Lease #5

Lease Serial No.: MYCO #803-42

Lease Date: August 11, 1970

Lease Term: Five (5) year primary term with thereafter clause

Lessor: O.V. Toothman and wife, Ada Toothman

Original Lessee: J. Travis Reeves

Present Lessee: MYCO Industries, Inc.,

Description of Land Committed: Township 21 South, Range 27 East, N.M.P.M.
Section 25: W/2 SW/4

Number of Acres: 20 acres

Royalty Rate: 1/8th (12.5%)

Lease #6

Lease Serial No.: MYCO #803-43

Lease Date: August 24, 1970

Lease Term: Five (5) year primary term with thereafter clause

Lessor: Paul Bond and wife, Joyce Bond

Original Lessee: J. Travis Reeves

Present Lessee: MYCO Industries, Inc.,

Description of Land Committed: Township 21 South, Range 27 East, N.M.P.M.
Section 25: W/2 SW/4

Number of Acres: 20 acres

Royalty Rate: $1/8^{\text{th}}$ (12.5%)

Name and Percent ORRI Owners (Tract 3):

BWAB Limited Liability Company	3.5%*
BWAB Limited Liability Company	.75 x 3%**
Roger A. Parker	.75 x 1%**
Aleron H. Larson, Jr.	.75 x 1%**
Delta Petroleum Corporation	.25 x 1%***
Jasha Cultreri, et ux Susan J. Cultreri	38.88889% of 25% of 3%***
Upside, L.L.C.	19.44445% of 25% of 3%***
Angela Naranjo, a married woman dealing in her sole and separate property	19.44444% of 25% of 3%***
Brian C. Reid, et ux Katherine A. Reid	11.11111% of 25% of 3%***
David A. Godsey, et ux Nancy S. Godsey	11.11111% of 25% of 3%***

* Burdening the entire leasehold estate.

** Burdening the entire leasehold estate, except for the 25% leasehold interest of BWAB.

*** Burdening only the 25% working interest of Aceite Associates, LLC, Yates Drilling Company, Abo Petroleum Corporation and MYCO Industries, Inc.

Name and Percent to the Leasehold Rights (Tract 3):

Delta Petroleum Corporation	50.00000% (1)
BWAB Limited Liability Company	25.00000% (1)

Abo Petroleum Corporation	7.81250%
MYCO Industries, Inc.	7.81250%
Yates Drilling Company	7.81250%
Aceite Associates, LLC	<u>1.56250%</u>
Total	100.00000%

(1) Subject to a Farmout Agreement to MYCO Industries, Inc.

TRACT 4 (SE/4 SW/4)

Lease #7

Lease Serial No.: MYCO's 803-45

Lease Date: August 12, 1970

Lease Term: Five (5) year primary term with thereafter clause

Lessor: McCord Enterprises, Inc., a Tennessee corporation

Original Lessee: J. Travis Reeves

Present Lessee: MYCO Industries, Inc.,

Description of Land Committed: Township 21 South, Range 27 East, N.M.P.M.
Section 25: SE/4 SW/4

Number of Acres: 40.00 acres

Royalty Rate: 1/8th (12.5%)

Name and Percent ORRI Owners (Tract 4):

BWAB Limited Liability Company	3.5%*
BWAB Limited Liability Company	.75 x 3%**
Roger A. Parker	.75 x 1%**
Aleron H. Larson, Jr.	.75 x 1%**
Delta Petroleum Corporation	.25 x 1%***
Jasha Cultreri, et ux Susan J. Cultreri	38.88889% of 25% of 3%***
Upside, L.L.C.	19.44445% of 25% of 3%***
Angela Naranjo, a married woman dealing in her sole and separate property	19.44444% of 25% of 3%***
Brian C. Reid, et ux Katherine A. Reid	11.11111% of 25% of 3%***
David A. Godsey, et ux Nancy S. Godsey	11.11111% of 25% of 3%***

* Burdening the entire leasehold estate.

** Burdening the entire leasehold estate, except for the 25% leasehold interest of BWAB.

*** Burdening only the 25% working interest of Aceite Associates, LLC, Yates Drilling Company, Abo Petroleum Corporation and MYCO Industries, Inc.

Name and Percent to the Leasehold Rights (Tract 4):

Delta Petroleum Corporation	50.00000% (1)
BWAB Limited Liability Company	25.00000% (1)

Abo Petroleum Corporation	7.81250%
MYCO Industries, Inc.	7.81250%
Yates Drilling Company	7.81250%
Aceite Associates, LLC	<u>1.56250%</u>
Total	100.00000%

(1) Subject to a Farmout Agreement to MYCO Industries, Inc.

TRACT 5 (SW/4 NW/4)

Lease #8

Lease Serial No.: MYCO's 804-14

Lease Date: January 25, 1972

Lease Term: Five (5) year primary term with thereafter clause

Lessor: E. C. Wilson and wife, Alice B. Wilson

Original Lessee: Champlin Petroleum Company

Present Lessee: MYCO Industries, Inc.

Description of Land Committed: Township 21 South, Range 27 East, N.M.P.M.
Section 25: SW/4 NW/4

Number of Acres: 40 acres

Royalty Rate: $1/8^{\text{th}}$ (12.5%)

Name and Percent ORRI Owners (Tract 5):

BWAB Limited Liability Company	3.5%*
BWAB Limited Liability Company	.75 x 3%**
Roger A. Parker	.75 x 1%**
Aleron H. Larson, Jr.	.75 x 1%**
Delta Petroleum Corporation	.25 x 1%***
Jasha Cultreri, et ux Susan J. Cultreri	38.88889% of 25% of 3%***
Upside, L.L.C.	19.44445% of 25% of 3%***
Angela Naranjo, a married woman dealing in her sole and separate property	19.44444% of 25% of 3%***
Brian C. Reid, et ux Katherine A. Reid	11.11111% of 25% of 3%***
David A. Godsey, et ux Nancy S. Godsey	11.11111% of 25% of 3%***

* Burdening the entire leasehold estate.

** Burdening the entire leasehold estate, except for the 25% leasehold interest of BWAB.

*** Burdening only the 25% working interest of Aceite Associates, LLC, Yates Drilling Company, Abo Petroleum Corporation and MYCO Industries, Inc.

Name and Percent to the Leasehold Rights (Tract 5):

Delta Petroleum Corporation	50.00000% (1)
BWAB Limited Liability Company	25.00000% (1)
Abo Petroleum Corporation	7.81250%
MYCO Industries, Inc.	7.81250%
Yates Drilling Company	7.81250%
Aceite Associates, LLC	<u>1.56250%</u>
Total	100.00000%

(1) Subject to a Farmout Agreement

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	80.00	25.0%
2	80.00	25.0%
3	80.00	25.0%
4	40.00	12.5%
5	40.00	12.5%
Totals	320.00	100.0%