

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF MYCO INDUSTRIES, INC.
FOR COMPULSORY POOLING, CHAVES
COUNTY, NEW MEXICO.**

Case No. 13,854

VERIFIED STATEMENT OF SHARI HODGES

Shari Hodges, being duly sworn upon her oath, deposes and states:

1. I am a landman for Myco Industries, Inc., and have personal knowledge of the matters stated herein.
2. Pursuant to Division Rule 1207.A(1)(b), the following information is submitted in support of the compulsory pooling application filed herein:
 - (a) No opposition to this application is expected because the mineral interest owners being pooled are (i) unlocatable, or (ii) have failed to respond to lease offers and well proposals.
 - (b) A plat outlining the spacing unit being pooled, and marking the location of the proposed well, is attached hereto as Exhibit A. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 32, Township 15 South, Range 25 East, NMPM, to form a 320-acre gas spacing unit (project area) in the Wolfcamp formation. The unit is to be dedicated to the Alfalfa 32 Fee Well No. 1, a horizontal well which will have an orthodox location within the producing area.
 - (c) The parties being pooled, their interests in the well unit, and their last known addresses, are listed on Exhibit B.
 - (d) Copies of the proposal letters and other correspondence sent to the uncommitted mineral interest owners are attached hereto as Exhibit C.
 - (e) Interest owners who were not locatable are identified on Exhibit B. To locate these interest owners, Myco Industries, Inc. examined the Chaves County records, telephone directories and county records in the counties of residence of the out-of-county or out-of-state owners, contracted with a private investigator and internet directories.

Oil Conservation Division
Case No. _____
Exhibit No. 1

Correspondence to the last known addresses of these interest owners was returned to sender.

(f) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against non-consenting interest owners.

(g) A copy of the Authority for Expenditure for the proposed well is attached hereto as Exhibit D. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other wells of this depth drilled in this area of Chaves County.

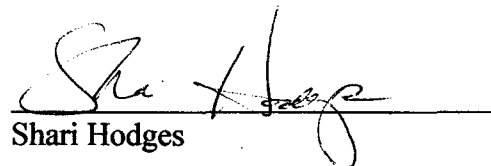
(h) Overhead charges of \$4729.50/month for a drilling well, and \$472.95/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for well of this depth.

(i) Applicant requests that it be designated operator of the well.

VERIFICATION

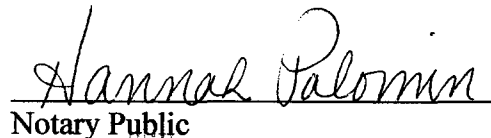
STATE OF NEW MEXICO)
) ss.
COUNTY OF EDDY)

Shari Hodges, being duly sworn upon his oath, deposes and states that: She is a landman for Myco Industries, Inc.; she is authorized to make this verification on its behalf; she has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of her knowledge, information, and belief.


Shari Hodges

SUBSCRIBED AND SWORN TO before me this 16th day of January, 2007 by Shari Hodges.

My Commission Expires: 6.14.07


Notary Public



OFFICIAL SEAL
Hannah Palomin
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 6.14.07

Sep 06 06 02:30p

J. West Surveying

5053933 0

p.3

DISTRICT I
SANTA FE, NEW MEXICODISTRICT II
SANTA FE, NEW MEXICODISTRICT III
SANTA FE, NEW MEXICODISTRICT IV
SANTA FE, NEW MEXICO

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS
Santa Fe, New Mexico 87505
OCD - ARTESIAForm C-102
Revised October 12, 2005
Subject to Appropriate Market Office
State Lease - 4 Copies
For Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

ADDITIONAL REPORT

API Number	Well Code	Well Name	Well Number
	96086	Wildcat, Wolfcamp	1
Property Code	Property Name		Elevation
	ALFALFA 32 FEE		3460'
OCRD No.	Operator Name		
	MYCO INDUSTRIES, INC.		

Surface Location

UL or Lot No.	Section	Township	Range	Lot No.	Feet from the	North/South Line	Feet from the	East/West Line	County
P	32	15-S	25-E		660	SOUTH	660	EAST	CHAVES

Bottom Hole Location if Different From Surface

UL or Lot No.	Section	Township	Range	Lot No.	Feet from the	North/South Line	Feet from the	East/West Line	County
M	32	15-S	25-E		660	SOUTH	660	WEST	CHAVES

Estimated Acres	Joint or Lease	Consolidation Code	Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>BOTTOM HOLE LOCATION Y=715170.5 N X=457829.2 E LAT.=32.963999° N LONG.=104.470632° W</p> <p>GEODETTIC COORDINATES NAD 27 NME SURFACE HOLE LOCATION Y=715176.0 N X=461786.6 E LAT.=32.966028° N LONG.=104.457928° W</p> <p>PROJECT AREA</p> <p>PRODUCING AREA</p> <p>GRID AZ = 269°55'11" HORZ. DIST. = 3958.4'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this information either was a working interest or otherwise entered in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such interest or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>A. N. Muncy</i>, <i>Per</i> 8-6-06 Signature Date <i>A. N. Muncy</i> Printed Name</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>AUGUST 24, 2006</p> <p>Date Surveyed LA REV: 9/6/06</p> <p>Signature of State of Professional Surveyor</p> <p><i>Gary H. H. H.</i> 9/6/06 08.11.1368</p> <p>Certification No. GARY H. H. H. 12041</p>

EXHIBIT

A

EXHIBIT "B"

Alfalfa 32 Fee #1
S/2 Sec. 32-T15S-R25E
Chaves County, NM

EXHIBIT "B"

ALFALFA 32 FEE #1
Force Pool Parties

<u>Name & Address</u>	<u>Working Interest</u>
L.J. Meers, deceased Heir: Joe Meers 2185 Regents Mohave Valley, AZ 86440	0.78125%
 NRLL, Inc. Attn: Todd Gladis 1 Mauchly Irvine, CA 92618	0.424405%
 Elaine B. Flint, deceased Western Commerce Bank, Trustee P.O. Box 1627 Lovington, NM 88260	0.150635%
 Margaret Old Carr, deceased Heirs: Rique Brister, Md. 2204 Oak Park Ave. Chico, CA 95928 Kerry Brister 260B East College St. Stephenville, TX 76401 Mitzi Brister 838 CR. 709 Stephenville, TX 76401 Robin Brister 6118 Avenue M Santa Fe, TX 77510	3.125000%

Dan Darden
3308 Ferguson Ln.
Austin, TX 78754

Keith Darden
2409 Ann Arbor #B1
Austin, TX 78704

Margaret L. Doyle & John S. Doyle Address Unknown	0.075338%
Albert Smith& Dorothy Smith Address Unknown	0.018835%
Emily K. Flint Boyd Address Unknown	0.097954%
Rosemary Flint Wayte Address Unknown	0.097954%
Cecil Albright & Hester Albright Address Unknown	0.468750%
Leroy J. Rooks Address Unknown	0.468750%
Frances E. Rooks Summers f/k/a Frances E. Rooks Blount Address Unknown	0.375000%
Billy Bob Webb Heirs Address Unknown	0.053051%
Helen Virginia Connally Dennis Address Unknown	0.117188%
Virginia Lee Allison Heirs Address Unknown	0.195313%

EXHIBIT "C"

Alfalfa 32 Fee #1
S/2 Sec. 32-T15S-R25E
Chaves County, NM



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

November 20, 2006

Via Federal Express 7915 8817 2924

Mr. Robert D. Friedman
27551 Boothhill Court
Laguna Hills, CA 92653

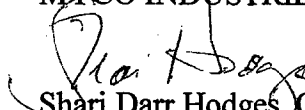
Dear Mr. Friedman:

MYCO Industries Inc. (MYCO) is a family owned oil and gas operator in the State of New Mexico. In a search of the public records, we ran across N.R.L.L., Inc., a California Corporation. Further search revealed that this company does not exist in the California Corporation directories but may have been absorbed by another company, Allbright Homes. This research leads us to you.

If you by chance have knowledge of N.R.L.L. or Allbright Homes, we would certainly appreciate receiving a call or e-mail from you. We can be reached at 505.748.4290 or sharihodges@mycoinc.com.

If it would be more convenient for you to fill in the blanks at the bottom of this letter and return a copy to us, please feel free to do that instead.

Best regards,
MYCO INDUSTRIES, INC.


Shari Darr Hodges, CPL
Land Manager

_____ I have no knowledge of N.R.L.L., Allbright Homes or their successors.

_____ I do have knowledge of N.R.L.L. and Allbright Homes and would be pleased to visit with you. I can be reached at _____.

By: _____

INVESTIGATION REPORT
48 HOURS, INCORPORATED
POST OFFICE BOX 2467
ROSWELL, NEW MEXICO 88202-2467
(505) 623-9671 or 800-658-2134
owensforty8hrs@yahoo.com

October 11, 2006

Hanna Palomin
505-748-4288
505-748-9764

Re: Locate Request for N.R.L.L. Inc.

Activities:

In efforts to locate N.R.L.L. Inc. a California Corporation we have discovered the following. This company does not exist in the California Corporate Directories. We believe that Albright Homes Incorporated may have absorbed this company. The last known address for Albright Homes Incorporated is 9 Goodyear Irvine, CA 92718. Albright Homes shares the same address that N.R.L.L. Inc. provides on the information you supplied to us.

A search of the California Corporation shows that this corporation was suspended in the middle 1990's. The registered agent at the corporation at that time was Robert D. Friedman. We did locate a Mr. Robert D. Friedman at the 9 Goodyear address.

Based upon that information we have researched Mr. Friedman forward and the most current address we have for him is 27551 Boothhill Ct, Laguna Hills CA 92653. That address has been reported at September 2006. A possible telephone number for Mr. Friedman is 949-916-0972. We have left a message for Mr. Friedman but we have not heard back from Mr. Friedman at this time. We will supply it to you at this time. Hopefully he will confirm that his former company was once N.R.L.L. Inc.

End of Report
Jeannette Lopez
48 HOURS, INC.

1,358060 ac.

Alfalfa

2.716151 ac.

Milo

Bonnie - name search

Shari Hodges

From: Shari Hodges [sharihodges@mycoinc.com]
Sent: Monday, November 27, 2006 1:20 PM
To: 'Todd Gladis'
Cc: 'Rob Friedman'; 'Hannah Palomin'
Subject: RE: Oil & Gas

Todd: Thank you for your follow up on this. I would like to visit with you on the phone regarding these minerals. You can reach me at 505.748.4290 (o) or 505.308.3040 (c). If you would prefer that I phone you, that would be fine. Best, Shari

From: Todd Gladis [mailto:ToddG@landstaff.com]
Sent: Friday, November 24, 2006 8:17 AM
To: sharihodges@mycoinc.com
Cc: Rob Friedman
Subject: FW: Oil & Gas

Greetings Sahri:

Please feel free to contact me at your earliest convenience.

Thank you.

Todd Gladis

From: Rob Friedman
Sent: Thu 11/23/2006 8:39 PM
To: sharihodges@mycoinc.com
Cc: toddg@landstff.com
Subject: Oil & Gas

Hi Sahri

I have just received your package and am one of the principals of NRLL, I will be out of the office for the next ten days. However please feel free to contact Todd Gladis at the above email address to help you with your endeavor.

Regards

Rob Friedman



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

November 29, 2006

Via Federal Express 7901 2540 6757

NRLL, Inc.
Attn: Todd Gladis
1 Mauchly
Irvine, CA 92618

Re: Leasing Request
Chaves County, New Mexico

Dear Mr. Gladis:

Thank you for your time on the phone yesterday. A check of the public records shows that NRLL, Inc. owns a mineral interest in the following lands:

T15S, R25E, N.M.P.M.

Section 32: SE4

(0.8488% mineral interest in 160.00 acres – 1.35806 acres)

Section 33: S2, NE4

(0.8488% mineral interest in 480.00 acres – 4.07430 acres)

Section 34: SE4

(0.8488% mineral interest in 160.00 acres – 1.35806 acres)

TOTAL ACRES: 800.00 gross / 6.79042 net, more or less

MYCO Industries, Inc. (MYCO) respectfully requests that you consider granting it a 1/5th, 3 year oil and gas lease for a bonus consideration of \$250 per net acre.

If this offer is acceptable to you, we ask that you review the enclosed oil and gas lease, have it executed where indicated before a Notary Public and return one original to our office in the enclosed self-addressed stamped envelope. Upon receipt of the properly executed and notarized lease, we will forward a check to you in the amount of \$1,697.61 as full bonus consideration for your 6.79042 net mineral acres. I believe I told you NRLL had 1.35 acres, my apologies for the wrong information.

This offer will remain open until the close of business on December 8, 2006. If you wish to discuss anything, please feel free to call me at 505.748.4290. We will be glad to help in any way possible.

Best regards,
MYCO INDUSTRIES, INC.


Shari Darr Hodges
Land Manager

SDH/hp

Shari Hodges

From: Shari Hodges [sharihodges@mycoinc.com]
Sent: Tuesday, December 19, 2006 10:24 AM
To: 'Todd Gladis'
Subject: RE: MYCO/Dung: Alfalfa.NRLL

Todd: could you please give me a call – 505.748.4290. We are proceeding on our well and need to wrap this up one way or another before the state steps in to do it for us. You gain more by leasing that letting the state step in and I'd like to discuss that with you. Thanks!! Shari

From: Todd Gladis [mailto:ToddG@landstaff.com]
Sent: Tuesday, December 19, 2006 9:22 AM
To: Shari Hodges
Subject: RE: MYCO/Dung: Alfalfa.NRLL

Sorry Shari. APN. An Assessor's Parcel Number of some kind to ID it to the county. We are having trouble locating in our system on just the legal description. Just thought I would ask. It can be located.

Todd C. Gladis
Vice President of Compliance
NRP Holding Co., Inc.
LandAuction.com
One Mauchly
Irvine, California 92618
Phone/Fax: (949)672-3687
Email: toddg@landstaff.com
www.nationalrecreationalproperties.com
www.landauction.com

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From: Shari Hodges [mailto:sharihodges@mycoinc.com]
Sent: Tuesday, December 19, 2006 7:56 AM
To: Todd Gladis
Subject: RE: MYCO/Dung: Alfalfa.NRLL

Good morning Todd: I am not sure what you mean by APN? I'll give you a call. S.

From: Todd Gladis [mailto:ToddG@landstaff.com]
Sent: Monday, December 18, 2006 6:29 PM
To: Shari Hodges
Subject: RE: MYCO/Dung: Alfalfa.NRLL

Shari:

Do you have any APN numbers or other identifiers for this property?

Todd C. Gladis
Vice President of Compliance
NRP Holding Co., Inc.
LandAuction.com
One Mauchly
Irvine, California 92618
Phone/Fax: (949)672-3687
Email: toddg@landstaff.com
www.nationalrecreationalproperties.com
www.landauction.com

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From: Shari Hodges [mailto:sharihodges@mycoinc.com]
Sent: Tuesday, December 12, 2006 9:54 AM
To: Todd Gladis
Cc: 'Hannah Palomin'
Subject: MYCO/Dung: Alfalfa.NRLL

Todd: just thought I'd touch base on this. Do you have any questions? Thanks, Shari

From: Todd Gladis [mailto:ToddG@landstaff.com]
Sent: Friday, November 24, 2006 8:17 AM
To: sharihodges@mycoinc.com
Cc: Rob Friedman
Subject: FW: Oil & Gas

Greetings Sahri:

Please feel free to contact me at your earliest convenience.

Thank you.

Todd Gladis

From: Rob Friedman
Sent: Thu 11/23/2006 8:39 PM
To: sharihodges@mycoinc.com
Cc: toddg@landstff.com
Subject: Oil & Gas

Hi Sahri

12/19/2006

I have just received your package and am one of the principals of NRLL, I will be out of the office for the next ten days. However please feel free to contact Todd Gladis at the above email address to help you with your endeavor.

Regards

Rob Friedman

Shari Hodges

From: Shari Hodges [sharihodges@mycoinc.com]
Sent: Thursday, December 21, 2006 7:10 AM
To: 'Todd Gladis'
Cc: 'Hannah Palomin'
Subject: MYCO/Alfalfa: NRLL Interest
Attachments: 243-918 MD.tif

Todd: I am forwarding to you the information we received from Bonnie, our contract landman on this project. This along with the other e-mail being forward will hopefully answer your questions about what and how NRLL owns under this property? Thanks, S.

From: LimpusJones, LLC [mailto:bljones@plateautel.net]
Sent: Wednesday, December 20, 2006 11:01 AM
To: Shari Hodges
Cc: Hannah Palomin
Subject: NRLL Interest

Shari,

N.R.L.L. acquired its interests from Leah B. Waltrip, who acquired her interest from 2 sources:

0.3264%

Don Angle

to Flint Production Company, Inc.

to Leah B. Waltrip

to N.R.L.L., Inc.

and

0.5224%

Don Angle

to Flint Production Company, Inc.

to Anna M. Flint, a/k/a Mrs. T. H. Flint

to Leah B. Waltrip

to N.R.L.L., Inc.

Here is the Mineral Deed into Leah B. Waltrip and Anna M. Flint from Flint Production Company, Inc. (Deed Book 243-918).

Bonnie

State of New Mexico, } ss.
County of Chaves }

FILED FOR RECORD

Rec #34194

Fee \$2.75

NOV 22 1966

at 9:05 o'clock A.M. and recorded in
book 243 page 918

Dorothy Herring, County Clerk

Jayne Herring Deputy

MINERAL DEED

FLINT PRODUCTION COMPANY, INC., a New Mexico corporation, hereinafter called "Grantor", in consideration of the sum of Ten and No/100 Dollars, cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, convey and assign an undivided 333/2631 interest in and to all of the oil, gas and other minerals in and under and that may be produced from the following described lands in Eddy and Chaves Counties, New Mexico:

Lots 1 to 12 inclusive of Section 1, Lot 1, except a five-acre tract in the Northeast Corner thereof, described as follows: Beginning at the Northeast Corner of Lot 1, thence West 46 rods, thence South 18 rods, thence East 46 rods, thence North 18 rods to place of beginning; Lots 2, 7, 8 of Section 2, Lots 1, 2, 3, 6, 7, 8, 9, 10, 11 of Section 3, Township 16 South, Range 25 East, SE/4 SE/4 of Section 7, S/2 SW/4 and SW/4 SE/4 of Section 8, Township 16 South, Range 26 East, N.M.P.M., Eddy County, New Mexico; and E/2 E/2 of Section 22, NE/4, E/2 NW/4, SW/4 NW/4, Section 23, W/2 NW/4, NW/4 SW/4 Section 24, NW/4 NW/4, W/2 NE/4 NW/4 Section 26, E/2 SE/4, W/2 SE/4, E/2 SW/4 Section 27, SE/4 Section 32, E/2, SW/4 Section 33, SE/4 Section 34, Township 15 South, Range 25 East, N.M.P.M., Chaves County, New Mexico, and containing 2631 acres, more or less.

SUBJECT TO Agreement dated March 23, 1950, between Den Angle, et al, and Flint Production Company, Inc., recorded in Book 94 at Page 344 of the Oil and Gas Records of Eddy County, New Mexico; and

SUBJECT TO an Oil and Gas Lease dated March 31, 1959, between Carper Drilling Company, Inc., et al, and Edward E. Kinney, recorded in Book 100 at Page 291 of the Oil and Gas Records of Eddy County, New Mexico,

together with the right of ingress and egress at all times for the purpose of mining, drilling, exploring, operating and developing said lands for oil, gas and other minerals, and storing, handling, transporting and marketing the same therefrom, unto the Grantees hereinafter named, their heirs and assigns, in the proportions set opposite their names, to-wit:

UNDIVIDED INTEREST

BETTY MAE BAYER	1702/66000 of 333/2631
J. W. BERRY	22000/66000 of 333/2631
C. J. DEXTER	22000/66000 of 333/2631
MRS. T. H. FLINT	13621/66000 of 333/2631
W. E. FLINT	1571/66000 of 333/2631
NEVA SUE FLOORE	1702/66000 of 333/2631
KITTY GALE LIVINGSTON	1702/66000 of 333/2631
LEAH B. WALTRIP	1702/66000 of 333/2631

This sale is made subject to any rights now existing to any lessee or assigns under any valid and subsisting oil and gas lease of record heretofore executed, it being understood and agreed that said Grantees shall have, receive and enjoy the herein granted undivided interests in and to all bonuses, rents, royalties and other benefits which may accrue under the terms of said lease insofar as it covers the above described land from and after the date hereof, precisely as if the Grantees herein had been at the date of the making of said lease the owners of a similar undivided interest in and to the lands described and Grantees one of the lessors therein.

Grantor agrees to execute such further assurances as may be requisite for the full and complete enjoyment of the rights herein granted and likewise agrees that Grantees herein shall have the right at any time to redeem for said Grantor by payment, any mortgage, taxes, or other liens on the above described land upon default in payment by Grantor, and be subrogated to the rights of the holder thereof.

TO HAVE AND TO HOLD said undivided interest in the oil, gas and other minerals in and under said land unto said Grantees, their heirs and assigns, forever. This Mineral Deed is made without warranty of title either express or implied.

EXECUTED this 1st day of December, 1959.

ATTEST:

FLINT PRODUCTION COMPANY, INC.

Leah B. Waltrip
Assistant Secretary

By J. W. Berry
Vice President

STATE OF NEW MEXICO)

COUNTY OF EDDY) ss.

The foregoing instrument was acknowledged before me this 1st day of December, 1959, by J. W. BERRY, Vice President of FLINT PRODUCTION, INC., a New Mexico corporation, on behalf of said corporation.

My commission expires:

Notary Public

BOOK 243 PAGE 919

Shari Hodges

From: Shari Hodges [sharihodges@mycoinc.com]
Sent: Thursday, December 21, 2006 7:12 AM
To: 'Todd Gladis'
Cc: 'Hannah Palomin'
Subject: MYCO/Alfalfa: N.R.L.L.
Attachments: 259-975 AORI-NRLL.pdf



259-975

259-975 AORI-NRLL.pdf (126 KB)

Todd: here is the assignment into NRLL. This along with the document in the other e-mail will hopefully answer your questions. Let me know if you need something else. Best, S.

ASSIGNMENT OF OVERRIDING ROYALTY INTEREST

KNOW ALL MEN BY THESE PRESENTS: THAT, WHEREAS, the undersigned is the owner of an interest in valid and subsisting oil and gas leases in and under the following described property situated in Chaves COUNTY, New Mexico, to wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF
It is understood that any monies found or currently held in suspense and attributable to these interests shall become the property of
THAT IN CONSIDERATION of the sum of Ten and no/100 (\$10.00) and other valuable consideration, receipt of which is hereby acknowledged, Leah B. Waltrip, a widow, whose address is 88 Scott Swamp Rd. No. 110N, Farmington, CT 06032 referred to as "Assignor" does hereby assign, transfer, sell and convey unto N.R.L.L., Inc, A California Corporation, whose address is Nine Goodyear, Irvine, Ca. 92718, his heirs and assigns, hereinafter referred to as "Assignee". All right, title and interest in the oil, gas and casinghead gas, and other hydrocarbon substances produced, saved and sold from the leases upon above land during the term thereof, same to be delivered the pipeline free of cost to assignee, except gross production and other taxes properly assessable thereof.

TO HAVE AND TO HOLD, the above described property and easement with all and singular the rights, privileges, and appurtenances thereunto or in any way belonging to the said Grantee herein, their heirs, successors, personal representatives, administrators, executors, and assigns forever, and Grantor does hereby warrant said title to Grantee their heirs, executors, administrators, personal representatives, successors and assigns forever and does hereby agree to defend all and singular the said property unto the said Grantee herein, their heirs, successors executors, personal representatives, and assigns against every person whomsoever claiming or to claim the same or any part thereof.

SIGNED, EXECUTED AND DELIVERED this 22 day of November, 1993 95

T. Travers Waltrip
T. Travers Waltrip
Attorney in Fact

STATE OF Connecticut)

) SS. Avon

COUNTY OF HARTFORD)

I, Florence P. Stahl, a Notary Public in and for the County of HARTFORD and residing therein in the State aforesaid, do hereby certify that T. Travers Waltrip personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered the said instrument as his/her free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal the 22nd day of NOVEMBER

My Commission Expires

Florence P. Stahl
Notary Public

Certification Please

The notary public has signed the record on this file. This entry is noted in the Record of Intent and Purpose on file at this office. These records are routinely recorded as a necessary operation in the production of an inviolate document file.

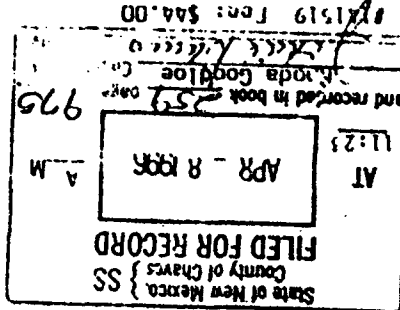
4/9/91

EXHIBIT "A"

Attached hereto and made a part of that certain overriding royalty assignment dated November 22, 1995, by and between Leah B. Waltrip, Grantor, and N.R.L.L., Inc., Grantee.

DESCRIPTION	COUNTY	STATE
E/2 E/2 Sec. 22, Twp. 15S, Rge 25E	Chaves	New Mexico
NE/4; E/2 NW/4; SW/4 NW/4 Sec. 23 Twp. 15S, Rge 25E	Chaves	New Mexico
W/2 NW/4; NW/4 SW/4 Sec. 24, Twp. 15S, Rge. 25E	Chaves	New Mexico
NW/4 NW/4; W/2 NE/4 NW/4, Sec. 26, Twp. 15S, Rge. 25E	Chaves	New Mexico
E/2 SE/4; W/2 SE/4; E/2 SW/4, Sec. 27, Twp. 15S, Rge. 25E	Chaves	New Mexico
SE/4 Sec. 32, Twp. 15S, Rge 25E	Chaves	New Mexico
E/2 SW/4, Sec. 33, Twp. 15S, Rge 25E	Chaves	New Mexico
SE/4 Sec. 34, Twp. 15S, Rge 25E	Chaves	New Mexico

NRL Inc., 9 Goodyear
Irvin, Ca 92718





MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

January 3, 2007

VIA Federal Express #7980.7763.2229

Mr. Todd C. Gladis
NRP Holding Co., Inc.
One Mauchly
Irvine, California 92618

Re: Oil and Gas Lease

Dear Todd:

So, this is where MYCO Industries, Inc. (MYCO) stands on this mystery. As you know, MYCO first became aware of NRLL's mineral position after our very competent contract landman, Bonnie, researched the county records. After several conversations with you and others at NRLL it became clear to us that you had nothing in your records so we began to wonder ourselves.

We asked Bonnie to consult with the number one oil and gas title attorney in Roswell, NM. Bonnie's analysis was confirmed. In Bonnie's words, and in the attorney's words, although the 1995 document is titled "Assignment of Overriding Royalty", it was clear that Leah Waltrip's intent was to convey all her right, title and interest in the oil gas and casinghead gas, and other hydrocarbons substances produced.

We recently received a Drilling Title Opinion prepared by a very well respected oil and gas attorney in Midland, Texas and he has confirmed Bonnie's interpretation and the Roswell attorney's interpretation.

When we prepare to drill a well, we rely heavily on a Drilling Title Opinion- it is considered the true and correct ownership breakdown. There is a title requirement as to the NRLL interest and that is to "Submit for examination a corrected deed in which Leah B. Waltrip clearly describes the interest conveyed thereby". Since Ms. Waltrip passed away in June 1997 that would be difficult because it would involve tracking down whomever has the right to execute that sort of document.

In spite of the mystery, MYCO is still willing to lease the 6.790460 acres shown to belong to NRLL for \$250/acre with a 1/5th royalty and a 3 year primary term. We will prepare the lease paperwork for your review. We are more than willing to discuss all of this with you. You can reach me during normal business hours at 505.748.4290 or after hours at 505.308.3040.

Best regards,
MYCO INDUSTRIES, INC.


Shari Darr Hodges, CPL
Land Manager

SDH/me
Enclosures

INVESTIGATION REPORT
48 HOURS, INCORPORATED
POST OFFICE BOX 2467
ROSWELL, NEW MEXICO 88202-2467
(505) 623-9671 or 800-658-2134
owensforty8hrs@yahoo.com

October 11, 2006

Hanna Palomin
505-748-4288
505-748-9764

Re: Locate Request for L.J. Meers

Activities:

We have located an individual by the name of Jack Fischer who has identified him self as a surviving relative of L.J. Meers. His home telephone number is 951-928-3968. Mr. Fischer also advised us that he is related to a Joe Meers. He stated to us that he would contact Joe Meers and provide him with our contact information and instruct Mr. Meers to call us. When Mr. Meers contacts us we will put him in touch with you.

End of Report
Jeannette Lopez
48 HOURS, INC.

INVESTIGATION REPORT
 48 HOURS, INCORPORATED
 POST OFFICE BOX 2467
 ROSWELL, NEW MEXICO 88202-2467
 (505) 623-9671 or 800-658-2134
owensforty8hrs@yahoo.com

October 11, 2006

Hanna Palomin
 505-748-4288
 505-748-9764

Re: Locate Request for L.J. Meers

Activities:

Hanna in our search of survivors to L.J. Meers we initially located a Jack Fischer. Since then we have been contacted by Joe Meers. Mr. Meers advised us that he is the nephew of L.J. Meers known to him as Leonard James Meers. He advises that he could be contacted at 928-542-3308. He furthered advised us his e-mail address is dadsgirl@ctaz.com. I have indicated to him that you or Sherry may be contacting him in the near future.

End of Report
 Jeannette Lopez
 48 HOURS, INC.

Grandfather's brother

Half brother

→ Grandfather's

* Cite PHONE IN BURNHEAD CITY, AZ -

* 10.23.2006 -

* No kids

* Died in Burslow, CA

* Great uncle -

• Dad's uncle

• Dad's, mother brother -

• Jack - Dad's brother - kids, 5 kids

• Dad = Dillard → passed away

Aunt Alta - no kids

Robert Meers = John's brother

Joseph - Jr

WIFE → Helen
 never - girl -
 06@hotmail.com

Payroll -
 2185 Rights
 Mohave Valley

AZ
 86440

Shari Hodges

From: Shari Hodges [sharihodges@mycoinc.com]
Sent: Tuesday, December 19, 2006 9:52 AM
To: 'river_girl_06@hotmail.com'
Cc: 'Shari Hodges'; 'Hannah Palomin'
Subject: RE: L.J. Meers

Good morning Joe: I just thought I'd touch base with you on this. Have you had a chance to think about this? We will be drilling a well probably in the next few months. MYCO would like to have your minerals under lease but we would first need to visit to make sure we get the title straight which takes some time. If you want to call, feel free to call me at 505.748.4290. Thanks Joe. Shari

From: Shari Hodges [mailto:sharihodges@mycoinc.com]
Sent: Monday, November 06, 2006 11:24 AM
To: 'river_girl_06@hotmail.com'
Subject: L.J. Meers

Dear Joe: I'm sorry that I am just now getting back with you. I need to make sure that I recall our conversation b/c I am a little cold on it. If you would please let me know if we are correct on this, I would appreciate it.

1. You are Joe Meers, actually Joseph is your first name but you go by Joe.
2. You are the great nephew to L.J. Meers, know to you as Leonard James Meers.
3. L.J. Meers did not have any children
4. L.J. Meers died in Barstow, CA
5. L.J. Meers is your Dad's uncle
6. Your dad's name is Dillard but he has passed away
7. Your dad had only one brother, Jack. Jack has 5 kids
8. Your dad had only one sister, Alta. Alta did not have any children
9. You have 2 brothers, Robert and John but no sisters

If you could let us know if my memory is right on this we can proceed somehow. Also, I may have asked you this already but do you know if L.J. had a Will? Do you by chance have it? Do you know if it was ever probated? Sorry for all the questions but this is confusing and I'm just trying to sort things out. The title attorney is going to need all of this information to make sure we handle things correctly. If you want to call, you can reach me at 505.748.4290. Thanks, S.



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

September 26, 2006

Via Certified Mail/Return Receipt Requested

Elaine B. Flint
P.O. Box 1627
Lovington, NM 88260

Re: **Leasing Request**
Chaves County, New Mexico

Dear Ms. Flint:

A check of the public records shows that you own mineral interest in the following lands:

T15S, R25E, N.M.P.M.
Section 32: SE4
(0.3013% mineral interest in 160.00 acres – 0.48203 acres)
Section 33: S2, NE4
(0.3013% mineral interest in 480.00 acres – 1.44620 acres)
TOTAL ACRES: 640.00 gross / 1.92823 net, more or less

MYCO Industries, Inc. (MYCO) respectfully request that you consider granting it a 1/5th, 5 year oil and gas lease for a bonus consideration of \$135 per net acre. If these terms are not agreeable to you, we invite you to present a counter offer.

If this offer is acceptable to you, please sign where indicated below and return to our office by the close of business on October 9, 2006. Upon receipt of your acceptance, we will prepare the oil and gas lease and forward for your signature. Should you have a preference as to the oil and gas lease form, we would be more than willing to review it.

If you wish to discuss this offer, please feel free to call Shari Hodges at 505.748.4290. We will be glad to help in any way possible.

Best regards,
MYCO INDUSTRIES, INC.


Shari Darr Hodges
Land Manager

SDH/me

Agreed to and accepted the above oil and gas lease terms this _____ day of _____, 2006.

Elaine B. Flint, a widow

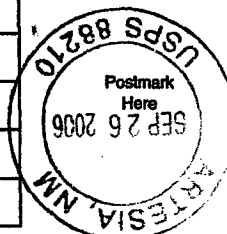
0502 0000 0600 5007

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To Elaine B. Flint
 Street, Apt. No., or PO Box No. P.O. Box 1627
 City, State, ZIP+4 Lovington, NM 88260

PS Form 3800, June 2002

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Elaine B. Flint
P.O. Box 1627
Lovington, NM 88260

2. Article Number

(Transfer from service label)

7005 0390 0004 3833 2050

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature [Signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) [Signature] C. Date of Delivery 9/27/06

D. Is delivery address different from item 1? ☐ Yes ☒ No
 If YES, enter delivery address below:

3. Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Melo's
Alfalfa

Flint

Date/Time	Contact Person/Company/Phone	Notes on Conversation
11.28.2006	Notes:	1) Decided to do about Elaine?
		2) other "Flint" folks
11.29.2006	SDH to Rita @ Western Comm 505.396.2831	She was out to lunch - left a message - calling about Elaine Flint
1.5.2007 10:00am	SDH to Rita @ Western Commence	1) Know Mattie? 2) Rosemary Flint Waite 3) Emily Katherine Flint Boyer
	Rita called back -	→ Kitty Phil Livingston 505.838.0831 - ↓ Kitty older than Ann - → James David Griswold works for Del - son of Ann, grandson of Elaine 505.923.8706 (w) 505.235.0180 (c)
		Ann Pick 883-0679 a Lynn Slone
1.5.2007	SDH to Lynn Lloyd 505.883.0679	Lloyd & Laflen on Fax 505.883.5834

Elaine



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

January 16, 2007

Via Certified Mail

Western Commerce Bank
P.O. Box 1627
Lovington, NM 88260
Attn: Rita

Re: Elaine B. Flint Estate

Dear Rita:

As a follow through to our conversation on January 5, 2007, enclosed is an oil and gas lease covering the minerals shown to belong to Elaine B. Flint. It is MYCO Industries, Inc.'s understanding that Western Commerce Bank is the Trustee of the Elaine B. Flint Estate which holds any and all interests owned by Elaine B. Flint at the time of her death.

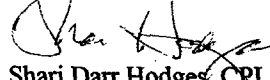
At your request, MYCO has furnished title information to Lynda Lloyd at the Laffin, Pick & Heer, P.A. law firm who is the firm handling the probate for the Estate of Elaine B. Flint.

During our January 5, 2007 conversation, you agreed, as Trustee of the Elaine B. Flint Estate, to execute an oil and gas lease for these minerals. MYCO requests that you also execute this letter agreement acknowledging that in the event other documents need to be signed to effectuate this oil and gas lease, the bank will deliver such documents.

Please notice that we have left the Lessor blank on the enclosed oil and gas lease. We ask that you complete the blank prior to executing the oil and gas lease. We were unsure exactly how you wanted it drafted. When you return the lease and this letter agreement, please include a copy of the document that gives you the authority to sign on behalf of the Western Commerce Bank and the Estate of Elaine B. Flint.

Upon receipt of the documents, we will forward to you the bonus consideration of \$250.00/acre for the 2.41033 net acres. In the meantime, should you have any questions, please feel free to call at 505.748.4290.

Best regards,
MYCO INDUSTRIES, INC.


Shari Darr Hodges, CPL
Land Manager

On this the ____ day of January, 2007, on behalf of Western Commerce Bank, I acknowledge the understanding and acceptance of this letter.

By: _____
Print: _____
Title: _____



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

December 21, 2006

Via Federal Express #7929 0465 8344

Rique Brister, Md.
2204 Oak Park Ave.
Chico, CA 95928

Re: Mineral Interest
Township 15 South, Range 25 East, NMPM
Section 32: E2SW4SW4
Chaves County, New Mexico
20.00 gross / 2.00 net acres, more or less

Dear Ms. Brister:

Myco Industries, Inc. (Myco) has been in contact with your uncle, Rafor Augustus Brister. It is our understanding that you are a beneficiary to the will of Margaret A. Brister. Myco respectfully requests that you grant it a 1/5th, 3 year oil and gas lease for a bonus consideration of \$250.00 per net acre.

We are preparing to drill our Alfalfa 32 Fee #1 well in the S/2 of Section 32, which will include your minerals. Should you not wish to lease, we invite you to participate in the drilling of the well and pay your proportionate share of the costs. We have included an Authority for Expenditure (AFE) for your review.

We request that you mark your choice below, sign and date this letter and return one copy to our office. If you elect to lease your minerals, we will prepare the proper oil and gas lease and forward it for your signature. Upon receipt of the properly executed and notarized lease, we will forward your bonus consideration of \$500.00. If you elect to participate in the drilling of the well, we request that you sign the enclosed AFE and return it to our office.

Should you have any questions or if you would like to discuss this further, please call Shari Hodges at 505.748.4290. Time is of the essence in this matter because we are preparing to drill the well and because this matter will come before the Oil Conservation Division on January 4, 2007. If we could hear from you well before that time, it would be greatly appreciated.

Very truly yours,
MYCO INDUSTRIES, INC.

Hannah Palomin
Land Tech

HP:me
Enclosure: AFE

_____ I hereby agree to and accept the terms of the oil and gas lease above and wish to lease my minerals to Myco Industries, Inc.

_____ I hereby wish to participate in the drilling of the Alfalfa 32 Fee #1 well and agree to pay my proportionate share of the drilling costs.

Ricque Brister

Date

Hannah Palomin

From: TrackingUpdates@fedex.com
Sent: Friday, December 22, 2006 2:06 PM
To: hannah@mycoinc.com
Subject: FedEx Shipment 792904658344 Delivered

This tracking update has been requested by:

Company Name: Myco Industries, Inc.

Name: Hannah Palomin

E-mail: hannah@mycoinc.com

Our records indicate that the following shipment has been delivered:

Tracking number:	792904658344
Ship (P/U) date:	Dec 21, 2006
Delivery date:	Dec 22, 2006 12:35 PM
Sign for by:	Signature Release on file
Delivered to:	Residence
Service type:	FedEx Priority Overnight
Packaging type:	FedEx Envelope
Number of pieces:	1
Weight:	0.5 LB

Shipper Information
Hannah Palomin
Myco Industries, Inc.
423 W. Main Street
Artesia
NM
US
88210

Recipient Information
Ricque Brister
2204 Oak Park Ave.
Chico
CA
US
95928

Special handling/Services:
Deliver Weekday
Residential Delivery

Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 3:04 PM CST on 12/22/2006.

To learn more about FedEx Express, please visit our website at fedex.com.

All weights are estimated.

To track the latest status of your shipment, click on the tracking number above, or visit us at fedex.com.

This tracking update has been sent to you by FedEx on the behalf of the Requestor noted above. FedEx does not validate the authenticity of the requestor and does not validate, guarantee or warrant the authenticity of the request, the requestor's message, or the accuracy of this tracking update. For tracking results and fedex.com's terms of use, go to fedex.com.

Thank you for your business.

12/27/2006



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

January 12, 2007

Via Federal Express 7901 5790 0276

Ms. Rique Brister, Md
2204 Oak Park Ave.
Chico, CA 95928

Re: Township 15 South, Range 25 East, NMPM
Section 32: E2SW4SW4
Chaves County, New Mexico
20.00 gross / 2.00 net acres, more or less

Dear Ms. Brister:

On December 21, 2006, Myco Industries, Inc. mailed an offer to you to lease your interest as a beneficiary to the will of Margaret Brister in the captioned lands. As you may be aware, your uncle, Raford Brister, was appointed Personal Representative of the Estate of Margaret Brister. In order to expedite this matter he has executed an oil and gas lease on behalf of the Estate for the entire interest. We have enclosed a copy of the executed lease for your files. However, it is his wish that each beneficiary be paid directly for their proportionate share of the bonus consideration.

We have prepared and enclosed for your execution two copies of a Ratification of Oil and Gas Lease. We request that you sign the Ratification before a Notary Public and return one original to us together with the enclosed completed W-9. We have included a Federal Express envelope for your convenience. Upon receipt of the properly executed and notarized Ratification and completed W-9, we will forward your bonus consideration in the amount of \$500.00 for your 2.00 net mineral acres. If you have any questions, please do not hesitate to call.

Very truly yours,

MYCO INDUSTRIES, INC.

Hannah Palomin
Hannah Palomin
Land Tech

HP:me
Enclosures

RATIFICATION OF OIL AND GAS LEASE

This Ratification of Oil and Gas Lease is entered into this _____ day of _____, 2007, by and between Rique Brister ("Ratifier"), and MYCO INDUSTRIES, INC. ("Myco"), P. O. Box 840, Artesia, New Mexico 88211-0840.

WITNESSETH:

On January 9, 2007, Rafor Augustus Brister, Personal Representatives of the Estate of Margaret A. Brister ("Lessor") executed an oil and gas lease ("Lease") in favor of Myco. Said Lease is recorded in Book _____, Page _____, Chaves County Records, covering the following described lands ("Lands"):

Township 15 South, Range 25 East, N.M.P.M.
Section 32: E2SW4SW4
Containing 20.00 acres, more or less

Ratifier desires to consent, ratify, lease and grant the Lands unto Myco pursuant to the terms, conditions and provisions of the Lease.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Ratifier does hereby consent, adopt, ratify and grant to Myco the Lease pursuant to all of its terms and conditions and does hereby lease, demise and let the Lands to Myco in accordance with the terms and provisions of the Lease.
2. This Ratification of Oil and Gas Lease shall be binding upon the successors and assigns of the parties hereto.

EXECUTED this _____ day of _____, 2007, but effective as of the date of the Lease (January 9, 2007).

Rique Brister

STATE OF CALIFORNIA)
 : ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2007, by Rique Brister.

My commission expires:

Notary Public

Hannah Palomin

From: TrackingUpdates@fedex.com
Sent: Saturday, January 13, 2007 11:20 AM
To: hannah@mycoinc.com
Subject: FedEx Shipment 790157900276 Delivered

This tracking update has been requested by:

Company Name: Myco Industries, Inc.

Name: Hannah Palomin

E-mail: hannah@mycoinc.com

Our records indicate that the following shipment has been delivered:

Tracking number:	790157900276
Ship (P/U) date:	Jan 12, 2007
Delivery date:	Jan 13, 2007 11:16 AM
Sign for by:	Signature Release on file
Delivered to:	Residence
Service type:	FedEx Priority Overnight
Packaging type:	FedEx Envelope
Number of pieces:	1
Weight:	0.5 LB

Shipper Information
Hannah Palomin
Myco Industries, Inc.
423 W. Main Street
Artesia
NM
US
88210

Recipient Information
Rique Brister
2204 Oak Park Ave.
Chico
CA
US
95928

Special handling/Services:
For Saturday Delivery
Residential Delivery

Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 1:20 PM CST on 01/13/2007.

To learn more about FedEx Express, please visit our website at fedex.com.

All weights are estimated.

To track the latest status of your shipment, click on the tracking number above, or visit us at fedex.com.

This tracking update has been sent to you by FedEx on the behalf of the Requestor noted above. FedEx does not validate the authenticity of the requestor and does not validate, guarantee or warrant the authenticity of the request, the requestor's message, or the accuracy of this tracking update. For tracking results and fedex.com's terms of use, go to fedex.com.

Thank you for your business.

1/15/2007



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

December 21, 2006

Via Federal Express #7911 9544 0181

Ms. Kerry Brister

~~260B East College St.~~ 260 E. College St.
Stephenville, TX 76401

Re: Mineral Interest
Township 15 South, Range 25 East, NMPM
Section 32: E2SW4SW4
Chaves County, New Mexico
20.00 gross / 2.00 net acres, more or less

Dear Ms. Brister:

Myco Industries, Inc. (Myco) has been in contact with your uncle, Rafor Augustus Brister. It is our understanding that you are a beneficiary to the will of Margaret A. Brister. Myco respectfully requests that you grant it a 1/5th, 3 year oil and gas lease for a bonus consideration of \$250.00 per net acre.

We are preparing to drill our Alfalfa 32 Fee #1 well in the S/2 of Section 32, which will include your minerals. Should you not wish to lease, we invite you to participate in the drilling of the well and pay your proportionate share of the costs. We have included an Authority for Expenditure (AFE) for your review.

We request that you mark your choice below, sign and date this letter and return one copy to our office. If you elect to lease your minerals, we will prepare the proper oil and gas lease and forward it for your signature. Upon receipt of the properly executed and notarized lease, we will forward your bonus consideration of \$500.00. If you elect to participate in the drilling of the well, we request that you sign the enclosed AFE and return it to our office.

Should you have any questions or if you would like to discuss this further, please call Shari Hodges at 505.748.4290. Time is of the essence in this matter because we are preparing to drill the well and because this matter will come before the Oil Conservation Division on January 4, 2007. If we could hear from you well before that time, it would be greatly appreciated.

Very truly yours,
MYCO INDUSTRIES, INC.

Hannah Palomin
Hannah Palomin
Land Tech

HP:me
Enclosure: AFE

_____ I hereby agree to and accept the terms of the oil and gas lease above and wish to lease my minerals to Myco Industries, Inc.

_____ I hereby wish to participate in the drilling of the Alfalfa 32 Fee #1 well and agree to pay my proportionate share of the drilling costs.

Kerry Brister

Date



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

January 12, 2007

Via Federal Express 7990 6912 9606

Ms. Kerry Brister
260E E. College Street
Stephenville, TX 76401

Re: Township 15 South, Range 25 East, NMPM
Section 32: E2SW4SW4
Chaves County, New Mexico
20.00 gross / 2.00 net acres, more or less

Dear Ms. Brister:

On December 21, 2006, Myco Industries, Inc. mailed an offer to you to lease your interest as a beneficiary to the will of Margaret Brister in the captioned lands. You accepted this offer on December 27, 2006. As you may be aware, your uncle, Rafor Brister, was appointed Personal Representative of the Estate of Margaret Brister. In order to expedite this matter he has executed an oil and gas lease on behalf of the Estate for the entire interest. We have enclosed a copy of the executed lease for your files. However, it is his wish that each beneficiary be paid directly for their proportionate share of the bonus consideration.

We have prepared and enclosed for your execution two copies of a Ratification of Oil and Gas Lease. We request that you sign the Ratification before a Notary Public and return one original to us together with the enclosed completed W-9. We have included a Federal Express envelope for your convenience. Upon receipt of the properly executed and notarized Ratification and completed W-9, we will forward your bonus consideration in the amount of \$500.00 for your 2.00 net mineral acres. If you have any questions, please do not hesitate to call.

Very truly yours,

MYCO INDUSTRIES, INC.

Hannah Palomin
Land Tech

HP:me
Enclosures

RATIFICATION OF OIL AND GAS LEASE

This Ratification of Oil and Gas Lease is entered into this _____ day of _____, 2007, by and between Kerry Brister ("Ratifier"), and MYCO INDUSTRIES, INC. ("Myco"), P. O. Box 840, Artesia, New Mexico 88211-0840.

WITNESSETH:

On January 9, 2007, Raford Augustus Brister, Personal Representatives of the Estate of Margaret A. Brister ("Lessor") executed an oil and gas lease ("Lease") in favor of Myco. Said Lease is recorded in Book _____, Page _____, Chaves County Records, covering the following described lands ("Lands"):

Township 15 South, Range 25 East, N.M.P.M.
Section 32: E2SW4SW4
Containing 20.00 acres, more or less

Ratifier desires to consent, ratify, lease and grant the Lands unto Myco pursuant to the terms, conditions and provisions of the Lease.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Ratifier does hereby consent, adopt, ratify and grant to Myco the Lease pursuant to all of its terms and conditions and does hereby lease, demise and let the Lands to Myco in accordance with the terms and provisions of the Lease.

2. This Ratification of Oil and Gas Lease shall be binding upon the successors and assigns of the parties hereto.

EXECUTED this _____ day of _____, 2007, but effective as of the date of the Lease (January 9, 2007).

Kerry Brister

STATE OF TEXAS)
 : ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2007, by Kerry Brister.

My commission expires:

Notary Public



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

December 21, 2006

Via Federal Express #7916 0598 9230

Ms. Mitzi Brister
838 CR 709
Stephenville, TX 76401

Re: Mineral Interest
Township 15 South, Range 25 East, NMPM
Section 32: E2SW4SW4
Chaves County, New Mexico
20.00 gross / 2.00 net acres, more or less

Dear Ms. Brister:

Myco Industries, Inc. (Myco) has been in contact with your uncle, Rafor Augustus Brister. It is our understanding that you are a beneficiary to the will of Margaret A. Brister. Myco respectfully requests that you grant it a 1/5th, 3 year oil and gas lease for a bonus consideration of \$250.00 per net acre.

We are preparing to drill our Alfalfa 32 Fee #1 well in the S/2 of Section 32, which will include your minerals. Should you not wish to lease, we invite you to participate in the drilling of the well and pay your proportionate share of the costs. We have included an Authority for Expenditure (AFE) for your review.

We request that you mark your choice below, sign and date this letter and return one copy to our office. If you elect to lease your minerals, we will prepare the proper oil and gas lease and forward it for your signature. Upon receipt of the properly executed and notarized lease, we will forward your bonus consideration of \$500.00. If you elect to participate in the drilling of the well, we request that you sign the enclosed AFE and return it to our office.

Should you have any questions or if you would like to discuss this further, please call Shari Hodges at 505.748.4290. Time is of the essence in this matter because we are preparing to drill the well and because this matter will come before the Oil Conservation Division on January 4, 2007. If we could hear from you well before that time, it would be greatly appreciated.

Very truly yours,
MYCO INDUSTRIES, INC.

Hannah Palomin
Land Tech

HP:me
Enclosure: AFE

_____ I hereby agree to and accept the terms of the oil and gas lease above and wish to lease my minerals to Myco Industries, Inc.

_____ I hereby wish to participate in the drilling of the Alfalfa 32 Fee #1 well and agree to pay my proportionate share of the drilling costs.

Mitzi Brister

Date



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

January 12, 2007

Via Federal Express 7929 1528 2746

Ms. Mitzi Brister
838 CR 709
Stephenville, TX 76401

Re: Township 15 South, Range 25 East, NMPM
Section 32: E2SW4SW4
Chaves County, New Mexico
20.00 gross / 2.00 net acres, more or less

Dear Ms. Brister:

On December 21, 2006, Myco Industries, Inc. mailed an offer to you to lease your interest as a beneficiary to the will of Margaret Brister in the captioned lands. You accepted this offer on December 22, 2006. As you may be aware, your uncle, Rafor Brister, was appointed Personal Representative of the Estate of Margaret Brister. In order to expedite this matter he has executed an oil and gas lease on behalf of the Estate for the entire interest. We have enclosed a copy of the executed lease for your files. However, it is his wish that each beneficiary be paid directly for their proportionate share of the bonus consideration.

We have prepared and enclosed for your execution two copies of a Ratification of Oil and Gas Lease. We request that you sign the Ratification before a Notary Public and return one original to us together with the enclosed completed W-9. We have included a Federal Express envelope for your convenience. Upon receipt of the properly executed and notarized Ratification and completed W-9, we will forward your bonus consideration in the amount of \$500.00 for your 2.00 net mineral acres. If you have any questions, please do not hesitate to call.

Very truly yours,

MYCO INDUSTRIES, INC.

Hannah Palomin
Hannah Palomin
Land Tech

HP:me
Enclosures

RATIFICATION OF OIL AND GAS LEASE

This Ratification of Oil and Gas Lease is entered into this _____ day of _____, 2007, by and between Mitzi Brister ("Ratifier"), and MYCO INDUSTRIES, INC. ("Myco"), P. O. Box 840, Artesia, New Mexico 88211-0840.

WITNESSETH:

On January 9, 2007, Raford Augustus Brister, Personal Representatives of the Estate of Margaret A. Brister ("Lessor") executed an oil and gas lease ("Lease") in favor of Myco. Said Lease is recorded in Book _____, Page _____, Chaves County Records, covering the following described lands ("Lands"):

Township 15 South, Range 25 East, N.M.P.M.
Section 32: E2SW4SW4
Containing 20.00 acres, more or less

Ratifier desires to consent, ratify, lease and grant the Lands unto Myco pursuant to the terms, conditions and provisions of the Lease.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Ratifier does hereby consent, adopt, ratify and grant to Myco the Lease pursuant to all of its terms and conditions and does hereby lease, demise and let the Lands to Myco in accordance with the terms and provisions of the Lease.
2. This Ratification of Oil and Gas Lease shall be binding upon the successors and assigns of the parties hereto.

EXECUTED this _____ day of _____, 2007, but effective as of the date of the Lease (January 9, 2007).

Mitzi Brister

STATE OF TEXAS)
 : ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2007, by Mitzi Brister.

My commission expires:

Notary Public



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

December 21, 2006

Via Federal Express #7906 3547 6655

Ms. Robin Brister
6118 Avenue M
Santa Fe, TX 77510

Re: Mineral Interest
Township 15 South, Range 25 East, NMPM
Section 32: E2SW4SW4
Chaves County, New Mexico
20.00 gross / 2.00 net acres, more or less

Dear Ms. Brister:

Myco Industries, Inc. (Myco) has been in contact with your uncle, Rafor Augustus Brister. It is our understanding that you are a beneficiary to the will of Margaret A. Brister. Myco respectfully requests that you grant it a 1/5th, 3 year oil and gas lease for a bonus consideration of \$250.00 per net acre.

We are preparing to drill our Alfalfa 32 Fee #1 well in the S/2 of Section 32, which will include your minerals. Should you not wish to lease, we invite you to participate in the drilling of the well and pay your proportionate share of the costs. We have included an Authority for Expenditure (AFE) for your review.

We request that you mark your choice below, sign and date this letter and return one copy to our office. If you elect to lease your minerals, we will prepare the proper oil and gas lease and forward it for your signature. Upon receipt of the properly executed and notarized lease, we will forward your bonus consideration of \$500.00. If you elect to participate in the drilling of the well, we request that you sign the enclosed AFE and return it to our office.

Should you have any questions or if you would like to discuss this further, please call Shari Hodges at 505.748.4290. Time is of the essence in this matter because we are preparing to drill the well and because this matter will come before the Oil Conservation Division on January 4, 2007. If we could hear from you well before that time, it would be greatly appreciated.

Very truly yours,
MYCO INDUSTRIES, INC.

Hannah Palomin

Hannah Palomin
Land Tech

HP:me
Enclosure: AFE

_____ I hereby agree to and accept the terms of the oil and gas lease above and wish to lease my minerals to Myco Industries, Inc.

_____ I hereby wish to participate in the drilling of the Alfalfa 32 Fee #1 well and agree to pay my proportionate share of the drilling costs.

Robin Brister

Date



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

January 12, 2007

Via Federal Express 7916 1654 5774

Ms. Robin Brister
6118 Avenue M
Santa Fe, TX 77510

Re: Township 15 South, Range 25 East, NMPM
Section 32: E2SW4SW4
Chaves County, New Mexico
20.00 gross / 2.00 net acres, more or less

Dear Ms. Brister:

On December 21, 2006, Myco Industries, Inc. mailed an offer to you to lease your interest as a beneficiary to the will of Margaret Brister in the captioned lands. You accepted this offer on December 22, 2006. As you may be aware, your uncle, Rford Brister, was appointed Personal Representative of the Estate of Margaret Brister. In order to expedite this matter he has executed an oil and gas lease on behalf of the Estate for the entire interest. We have enclosed a copy of the executed lease for your files. However, it is his wish that each beneficiary be paid directly for their proportionate share of the bonus consideration.

We have prepared and enclosed for your execution two copies of a Ratification of Oil and Gas Lease. We request that you sign the Ratification before a Notary Public and return one original to us together with the enclosed completed W-9. We have included a Federal Express envelope for your convenience. Upon receipt of the properly executed and notarized Ratification and completed W-9, we will forward your bonus consideration in the amount of \$500.00 for your 2.00 net mineral acres. If you have any questions, please do not hesitate to call.

Very truly yours,

MYCO INDUSTRIES, INC.

Hannah Palomin
Land Tech

HP:me
Enclosures

RATIFICATION OF OIL AND GAS LEASE

This Ratification of Oil and Gas Lease is entered into this _____ day of _____, 2007, by and between Robin Brister ("Ratifier"), and MYCO INDUSTRIES, INC. ("Myco"), P. O. Box 840, Artesia, New Mexico 88211-0840.

WITNESSETH:

On January 9, 2007, Rford Augustus Brister, Personal Representatives of the Estate of Margaret A. Brister ("Lessor") executed an oil and gas lease ("Lease") in favor of Myco. Said Lease is recorded in Book ____, Page ____, Chaves County Records, covering the following described lands ("Lands"):

Township 15 South, Range 25 East, N.M.P.M.
Section 32: E2SW4SW4
Containing 20.00 acres, more or less

Ratifier desires to consent, ratify, lease and grant the Lands unto Myco pursuant to the terms, conditions and provisions of the Lease.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Ratifier does hereby consent, adopt, ratify and grant to Myco the Lease pursuant to all of its terms and conditions and does hereby lease, demise and let the Lands to Myco in accordance with the terms and provisions of the Lease.
2. This Ratification of Oil and Gas Lease shall be binding upon the successors and assigns of the parties hereto.

EXECUTED this _____ day of _____, 2007, but effective as of the date of the Lease (January 9, 2007).

Robin Brister

STATE OF TEXAS)
 : ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2007, by Robin Brister.

My commission expires:

Notary Public



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

December 21, 2006

Via Federal Express #7995 5849 1525

Mr. Dan Darden
3308 Ferguson Lane
Austin, TX 78754

Re: Mineral Interest
Township 15 South, Range 25 East, NMPM
Section 32: E2SW4SW4
Chaves County, New Mexico
20.00 gross / 1.00 net acre, more or less

Dear Mr. Darden:

Myco Industries, Inc. (Myco) has been in contact with your great-uncle, Rafor Augustus Brister. It is our understanding that your mother, Mellisa Brister, was a beneficiary to the will of Margaret A. Brister and you are one of her surviving heirs. Myco respectfully requests that you grant it a 1/5th, 3 year oil and gas lease for a bonus consideration of \$250.00 per net acre.

We are preparing to drill our Alfalfa 32 Fee #1 well in the S/2 of Section 32, which will include your minerals. Should you not wish to lease, we invite you to participate in the drilling of the well and pay your proportionate share of the costs. We have included an Authority for Expenditure (AFE) for your review.

We request that you mark your choice below, sign and date this letter and return one copy to our office. If you elect to lease your minerals, we will prepare the proper oil and gas lease and forward it for your signature. Upon receipt of the properly executed and notarized lease, we will forward your bonus consideration of \$250.00. If you elect to participate in the drilling of the well, we request that you sign the enclosed AFE and return it to our office.

Should you have any questions or if you would like to discuss this further, please call Shari Hodges at 505.748.4290. Time is of the essence in this matter because we are preparing to drill the well and because this matter will come before the Oil Conservation Division on January 4, 2007. If we could hear from you well before that time, it would be greatly appreciated.

Very truly yours,

MYCO INDUSTRIES, INC.

Hannah Palomin
Land Tech

HP:me

Enclosure: AFE

_____ I hereby agree to and accept the terms of the oil and gas lease above and wish to lease my minerals to Myco Industries, Inc.

_____ I hereby wish to participate in the drilling of the Alfalfa 32 Fee #1 well and agree to pay my proportionate share of the drilling costs.

Dan Darden

Date

Hannah Palomin

From: TrackingUpdates@fedex.com
Sent: Friday, December 22, 2006 9:21 AM
To: hannah@mycoinc.com
Subject: FedEx Shipment 799558491525 Delivered

This tracking update has been requested by:

Company Name: Myco Industries, Inc.

Name: Hannah Palomin

E-mail: hannah@mycoinc.com

Our records indicate that the following shipment has been delivered:

Tracking number:	799558491525
Ship (P/U) date:	Dec 21, 2006
Delivery date:	Dec 22, 2006 10:50 AM
Sign for by:	Signature Release on file
Delivered to:	Residence
Service type:	FedEx Priority Overnight
Packaging type:	FedEx Envelope
Number of pieces:	1
Weight:	0.5 LB

Shipper Information
Hannah Palomin
Myco Industries, Inc.
423 W. Main Street
Artesia
NM
US
88210

Recipient Information
Dan Darden
3308 Ferguson Ln.
Austin
TX
US
78754

Special handling/Services:
Deliver Weekday
Residential Delivery

Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 10:56 AM CST on 12/22/2006.

To learn more about FedEx Express, please visit our website at fedex.com.

All weights are estimated.

To track the latest status of your shipment, click on the tracking number above, or visit us at fedex.com.

This tracking update has been sent to you by FedEx on the behalf of the Requestor noted above. FedEx does not validate the authenticity of the requestor and does not validate, guarantee or warrant the authenticity of the request, the requestor's message, or the accuracy of this tracking update. For tracking results and fedex.com's terms of use, go to fedex.com.

Thank you for your business.

12/22/2006



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

January 12, 2007

Via Federal Express 7906 4941 5097

Mr. Dan Darden
2208 Ferguson Lane
Austin, TX 78754

Re: Township 15 South, Range 25 East, NMPM
Section 32: E2SW4SW4
Chaves County, New Mexico
20.00 gross / 1.00 net acre, more or less


Dear Mr. Darden:

On December 21, 2006, Myco Industries, Inc. mailed an offer to you to lease your interest as a beneficiary to the will of Margaret Brister in the captioned lands. As you may be aware, your uncle, Rafor Brister, was appointed Personal Representative of the Estate of Margaret Brister. In order to expedite this matter he has executed an oil and gas lease on behalf of the Estate for the entire interest. We have enclosed a copy of the executed lease for your files. However, it is his wish that each beneficiary be paid directly for their proportionate share of the bonus consideration.

We have prepared and enclosed for your execution two copies of a Ratification of Oil and Gas Lease. We request that you sign the Ratification before a Notary Public and return one original to us together with the enclosed completed W-9. We have included a Federal Express envelope for your convenience. Upon receipt of the properly executed and notarized Ratification and completed W-9, we will forward your bonus consideration in the amount of \$250.00 for your 1.00 net mineral acre. If you have any questions, please do not hesitate to call.

Very truly yours,

MYCO INDUSTRIES, INC.


Hannah Palomin
Land Tech

HP:me
Enclosures

RATIFICATION OF OIL AND GAS LEASE

This Ratification of Oil and Gas Lease is entered into this _____ day of _____, 2007, by and between Dan Darden ("Ratifier"), and MYCO INDUSTRIES, INC. ("Myco"), P. O. Box 840, Artesia, New Mexico 88211-0840.

WITNESSETH:

On January 9, 2007, Rford Augustus Brister, Personal Representatives of the Estate of Margaret A. Brister ("Lessor") executed an oil and gas lease ("Lease") in favor of Myco. Said Lease is recorded in Book ____, Page ____, Chaves County Records, covering the following described lands ("Lands"):

Township 15 South, Range 25 East, N.M.P.M.
Section 32: E2SW4SW4
Containing 20.00 acres, more or less

Ratifier desires to consent, ratify, lease and grant the Lands unto Myco pursuant to the terms, conditions and provisions of the Lease.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Ratifier does hereby consent, adopt, ratify and grant to Myco the Lease pursuant to all of its terms and conditions and does hereby lease, demise and let the Lands to Myco in accordance with the terms and provisions of the Lease.

2. This Ratification of Oil and Gas Lease shall be binding upon the successors and assigns of the parties hereto.

EXECUTED this _____ day of _____, 2007, but effective as of the date of the Lease (January 9, 2007).

Dan Darden

STATE OF TEXAS)
 : ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2007, by Dan Darden.

My commission expires:

Notary Public

Hannah Palomin

From: TrackingUpdates@fedex.com
Sent: Saturday, January 13, 2007 7:20 AM
To: hannah@mycoinc.com
Subject: FedEx Shipment 790649415097 Delivered

This tracking update has been requested by:

Company Name: Myco Industries, Inc.

Name: Hannah Palomin

E-mail: hannah@mycoinc.com

Our records indicate that the following shipment has been delivered:

Tracking number:	790649415097
Ship (P/U) date:	Jan 12, 2007
Delivery date:	Jan 13, 2007 09:13 AM
Sign for by:	Signature Release on file
Delivered to:	Residence
Service type:	FedEx Priority Overnight
Packaging type:	FedEx Envelope
Number of pieces:	1
Weight:	0.5 LB

Shipper Information
Hannah Palomin
Myco Industries, Inc.
423 W. Main Street
Artesia
NM
US
88210

Recipient Information
Dan Darden
2208 Ferguson Lane
Austin
TX
US
78754

Special handling/Services:
For Saturday Delivery
Residential Delivery

Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 9:19 AM CST on 01/13/2007.

To learn more about FedEx Express, please visit our website at fedex.com.

All weights are estimated.

To track the latest status of your shipment, click on the tracking number above, or visit us at fedex.com.

This tracking update has been sent to you by FedEx on the behalf of the Requestor noted above. FedEx does not validate the authenticity of the requestor and does not validate, guarantee or warrant the authenticity of the request, the requestor's message, or the accuracy of this tracking update. For tracking results and fedex.com's terms of use, go to fedex.com.

Thank you for your business.

1/15/2007



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

December 21, 2006

Via Federal Express #7911 9550 2345

Mr. Keith Darden
2409 Ann Arbor #B1
Austin, TX 78704

Re: Mineral Interest
Township 15 South, Range 25 East, NMPM
Section 32: E2SW4SW4
Chaves County, New Mexico
20.00 gross / 1.00 net acre, more or less

Dear Mr. Darden:

Myco Industries, Inc. (Myco) has been in contact with your great-uncle, Raford Augustus Brister. It is our understanding that your mother, Mellisa Brister, was a beneficiary to the will of Margaret A. Brister and you are one of her surviving heirs. Myco respectfully requests that you grant it a $1/5^{\text{th}}$, 3 year oil and gas lease for a bonus consideration of \$250.00 per net acre.

We are preparing to drill our Alfalfa 32 Fee #1 well in the S/2 of Section 32, which will include your minerals. Should you not wish to lease, we invite you to participate in the drilling of the well and pay your proportionate share of the costs. We have included an Authority for Expenditure (AFE) for your review.

We request that you mark your choice below, sign and date this letter and return one copy to our office. If you elect to lease your minerals, we will prepare the proper oil and gas lease and forward it for your signature. Upon receipt of the properly executed and notarized lease, we will forward your bonus consideration of \$250.00. If you elect to participate in the drilling of the well, we request that you sign the enclosed AFE and return it to our office.

Should you have any questions or if you would like to discuss this further, please call Shari Hodges at 505.748.4290. Time is of the essence in this matter because we are preparing to drill the well and because this matter will come before the Oil Conservation Division on January 4, 2007. If we could hear from you well before that time, it would be greatly appreciated.

Very truly yours,

MYCO INDUSTRIES, INC.

Hannah Palomin
Land Tech

HP:me
Enclosure: AFE

_____ I hereby agree to and accept the terms of the oil and gas lease above and wish to lease my minerals to Myco Industries, Inc.

_____ I hereby wish to participate in the drilling of the Alfalfa 32 Fee #1 well and agree to pay my proportionate share of the drilling costs.

Keith Darden

Date



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

January 12, 2007

Via Federal Express 7912 0941 7643

Mr. Keith Darden
2208 Ferguson Lane
Austin, TX 78754

Re: Township 15 South, Range 25 East, NMPM
Section 32: E2SW4SW4
Chaves County, New Mexico
20.00 gross / 1.00 net acre, more or less

Dear Mr. Darden:

On December 21, 2006, Myco Industries, Inc. mailed an offer to you to lease your interest as a beneficiary to the will of Margaret Brister in the captioned lands. As you may be aware, your uncle, Rafor Brister, was appointed Personal Representative of the Estate of Margaret Brister. In order to expedite this matter he has executed an oil and gas lease on behalf of the Estate for the entire interest. We have enclosed a copy of the executed lease for your files. However, it is his wish that each beneficiary be paid directly for their proportionate share of the bonus consideration.

We have prepared and enclosed for your execution two copies of a Ratification of Oil and Gas Lease. We request that you sign the Ratification before a Notary Public and return one original to us together with the enclosed completed W-9. We have included a Federal Express envelope for your convenience. Upon receipt of the properly executed and notarized Ratification and completed W-9, we will forward your bonus consideration in the amount of \$250.00 for your 1.00 net mineral acre. If you have any questions, please do not hesitate to call.

Very truly yours,

MYCO INDUSTRIES, INC.

Hannah Palomin
Land Tech

HP:me
Enclosures

RATIFICATION OF OIL AND GAS LEASE

This Ratification of Oil and Gas Lease is entered into this _____ day of _____, 2007, by and between Keith Darden ("Ratifier"), and MYCO INDUSTRIES, INC. ("Myco"), P. O. Box 840, Artesia, New Mexico 88211-0840.

WITNESSETH:

On January 9, 2007, Rford Augustus Brister, Personal Representatives of the Estate of Margaret A. Brister ("Lessor") executed an oil and gas lease ("Lease") in favor of Myco. Said Lease is recorded in Book _____, Page _____, Chaves County Records, covering the following described lands ("Lands"):

Township 15 South, Range 25 East, N.M.P.M.
Section 32: E2SW4SW4
Containing 20.00 acres, more or less

Ratifier desires to consent, ratify, lease and grant the Lands unto Myco pursuant to the terms, conditions and provisions of the Lease.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Ratifier does hereby consent, adopt, ratify and grant to Myco the Lease pursuant to all of its terms and conditions and does hereby lease, demise and let the Lands to Myco in accordance with the terms and provisions of the Lease.

2. This Ratification of Oil and Gas Lease shall be binding upon the successors and assigns of the parties hereto.

EXECUTED this _____ day of _____, 2007, but effective as of the date of the Lease (January 9, 2007).

Keith Darden

STATE OF TEXAS)
 : ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2007, by Keith Darden.

My commission expires:

Notary Public

From: Origin ID: (505)748-4288
Hannah Palomin
Myco Industries, Inc.
423 W. Main Street

Artesia, NM 88210



CLS100306/10/23

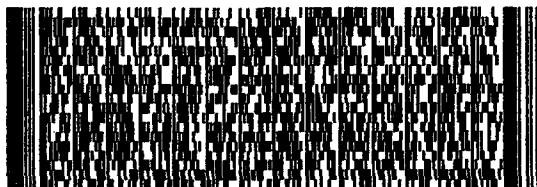
SHIP TO: (281)635-2115

BILL SENDER

Keith Darden

3308 Ferguson Lane

Austin, TX 78754



Ship Date: 12JAN07
Act/Wgt: 1 LB
System#: 1382727/INET2500
Account#: S *****

REF

Delivery Address Bar Code

PRIORITY SATURDAY

TRK# 7912 0941 7643

FORM
0201

Deliver By:
13JAN07

AUS A1

78754 -TX-US
RES

X0 BSMA

Shipping Label: Your shipment is complete

1. Use the 'Print' feature from your browser to send this page to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

Hannah Palomin

From: TrackingUpdates@fedex.com
Sent: Saturday, January 13, 2007 7:20 AM
To: hannah@mycoinc.com
Subject: FedEx Shipment 791209417643 Delivered

This tracking update has been requested by:

Company Name: Myco Industries, Inc.

Name: Hannah Palomin

E-mail: hannah@mycoinc.com

Our records indicate that the following shipment has been delivered:

Tracking number:	791209417643
Ship (P/U) date:	Jan 12, 2007
Delivery date:	Jan 13, 2007 09:13 AM
Sign for by:	Signature Release on file
Delivered to:	Residence
Service type:	FedEx Priority Overnight
Packaging type:	FedEx Envelope
Number of pieces:	1
Weight:	0.5 LB

Shipper Information
Hannah Palomin
Myco Industries, Inc.
423 W. Main Street
Artesia
NM
US
88210

Recipient Information
Keith Darden
3308 Ferguson Lane
Austin
TX
US
78754

Special handling/Services:
For Saturday Delivery
Residential Delivery

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1/15/2007

EXHIBIT "D"

Alfalfa 32 Fee #1
S/2 Sec. 32-T15S-R25E
Chaves County, NM



MYCO INDUSTRIES, INC.

P.O. Box 840 / 331 West Main, Suite C

Artesia, New Mexico 88210-0840

Phone (505) 748-1471

AUTHORITY FOR EXPENDITURE
 NEW DRILLING, RECOMPLETION & RE-ENTRY

AFE Type:

<input checked="" type="checkbox"/> New Drilling
<input type="checkbox"/> Recompletion
<input type="checkbox"/> Re-entry

Well Objective:

<input type="checkbox"/> Oil
<input checked="" type="checkbox"/> Gas
<input type="checkbox"/> Injector

Well Type:

<input type="checkbox"/> Development
<input checked="" type="checkbox"/> Exploratory

AFE NO.
AFE DATE

AFE #1

9.5.2006

MAFEND (rev 8/00)

AFE STATUS:

<input checked="" type="checkbox"/> Original
<input type="checkbox"/> Revised
<input type="checkbox"/> Final
<input type="checkbox"/> Supplemental

LEASE NAME
COUNTY
FIELD
LOCATION

ALFALFA 32 FEE #1

CHAVES

PROJ'D DEPTH

5200' (W/ 3400' LATERAL)

STATE

NEW MEXICO

HORIZON

WOLFCAMP

S32-T15S-R25E (800' FEE 3-400' L - SURFACE) (600' FEE 3-400' L - BOTTOM HOLE) *

DIVISION CODE
DISTRICT CODE
BRANCH CODE

100

DIVISION NAME

Oil & Gas Division

DISTRICT NAME

*(SL-710' S & 206' E) (BH- 710' S & 660' W)

BRANCH NAME

 PROGNOSIS: NEW WELL - VERTICAL PILOT HOLE TO 5200'. PLUG BACK AND DRILL 3400' LATERAL IN THE WOLFCAMP,
 PER NMOC RULE #111.

INTANGIBLE DRILLING COSTS:

		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees	5,000	5,000
920-110	Location, Right-of-Way	34,000	34,000
920-120	Drilling, Footage		
920-130	Drilling, Daywork	32-DAYS @ \$18500/DAY	592,000
920-140	Drilling Water, Fasline Rental	27,000	27,000
920-150	Drilling Mud & Additives	45,000	45,000
920-160	Mud Logging Unit, Sample Bags	24,000	24,000
920-170	Cementing - Surface Casing	33,000	33,000
920-180	Drill Stem Testing, OHT		
920-190	Electric Logs & Tape Copies	35,000	35,000
920-200	Tools & Equip. Rntg, Trkg. & Welding	225,000	225,000
920-205	Control of Well-Insurance	4,500	4,500
920-210	Supervision & Overhead	35,000	35,000
920-220	Contingency	10,000	20,000
920-230	Coring, Tools & Service		
920-240	Bits, Tool & Supplies Purchase	46,000	46,000
920-350	Cementing - Production Casing	68,000	68,000
920-410	Completion Unit - Swabbing		48,000
920-420	Water for Completion		20,000
920-430	Mud & Additives for Completion		2,000
920-440	Cementing - Completion		
920-450	Elec. Logs, Testing, Etc. - Completion		25,000
920-460	Tools & Equip. Rental, Etc. - Completion		30,000
920-470	Stimulation for Completion		305,000
920-480	Supervision & O/H - Completion		15,000
920-490	Additional LOC Charges - Completion		65,000
920-495	Control of Well-Insurance - Completion		
920-510	Bits, Tools & Supplies - Completion		2,000
920-500	Contingency for Completion		50,000
TOTAL INTANGIBLE DRILLING COSTS		1,183,500	1,755,500

TANGIBLE EQUIPMENT COSTS:

930-010	Christmas Tree & Wellhead	8,000	15,000
930-020	Casing	22,000	22,000
	8-5/8" @ 950'		
	5-1/2" @ 9200'		168,000
930-030	Tubing		54,000
930-040	Packer & Special Equipment		15,000
940-010	Pumping Equipment		
940-020	Storage Facilities		55,000
940-030	Separation Equip., Flowlines, Misc.		50,000
940-040	Trucking & Construction Costs		28,000
TOTAL TANGIBLE EQUIPMENT COSTS		30,000	407,000

TOTAL COSTS

1,213,500 2,162,500

 IT IS RECOGNIZED THAT THE AMOUNTS PROVIDED FOR HEREIN ARE ESTIMATED ONLY AND APPROVAL OF THIS AFE SHALL EXTEND
 TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATIONS SPECIFIED WHETHER MORE OR LESS THAN HEREIN SET OUT.

Prepared By	H. P.	Operations Approval	A.N. Muncy <i>A.N. Muncy</i>
BY	DATE		
BY	DATE		
BY	DATE		
BY	DATE		