

ATTACHED AND MADE A PART OF THAT CERTAIN OPERATING AGREEMENT BETWEEN YATES PETROLEUM CORPORATION AS OPERATOR, AND STRATA PRODUCTION COMPANY, SCOTT EXPLORATION, INC., DEVON SFS OPERATING, INC., CHEVRON USA, INC., TEXAS INDEPENDENT EXPLORATION, INC. AND OXY USA WTP LIMITED PARTNERSHIP AS NON-OPERATORS, COVERING TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M. SECTION 19: E½, E½SW¼, SECTION 21: W½, SECTION 28: NW¼, SECTION 29: E½SW¼, SECTION 30: E½, LEA COUNTY, NEW MEXICO

# EXHIBIT "A"

## I. Lands Subject to Agreement:

Township 22 South, Range 32 East, N.M.P.M.

Section 19: E½, E½SW¼  
 Section 21: W½  
 Section 28: NW¼  
 Section 29: E½, SW¼  
 Section 30: E½

## II. Depth Restriction:

Surface of the Earth down to the base of the Morrow formation

## III. Percentage Interests of Parties Under the Agreement:

Tract 1 – E½, E½SW¼ of Sec. 19  
 NW¼ of Sec. 28  
 E½, SW¼ of Sec. 29  
 E½ of Sec. 30 –

Yates Petroleum Corporation  
 OXY USA WTP Limited Partnership  
 Devon SFS Operating, Inc.  
 Chevron USA, Inc.  
 Texas Independent Exploration, Inc.  
**Total**

## Interest in Operating Rights

0.25000000  
 0.29166667  
 0.12500000  
 0.16666666  
0.16666667  
**1.00000000**

Tract 2 – W½ of Section 21 –

Yates Petroleum Corporation  
 Strata Production Company  
 Scott Exploration, Inc.  
 Devon SFS Operating, Inc.  
 Chevron USA, Inc.  
 Texas Independent Exploration, Inc.  
**Total**

## Interest in Operating Rights

0.25000000  
 0.01437500  
 0.29166667  
 0.11062500  
 0.16666666  
0.16666667  
**1.00000000**

## IV. Lease Subject to Agreement:

Lessor: USA  
 Original Lessee: William F. Brainerd  
 Effective Date: August 1, 1996  
 Term: 10 Years  
 Serial Number: NMNM90  
 Description: Subject Lands among others

## V. Addresses:

Yates Petroleum Corporation  
 105 South Fourth Street  
 Artesia, New Mexico 88210-218

Strata Production Company  
 P.O. Box 1030  
 Roswell, New Mexico 88202-1030

Devon SFS Operating, Inc.  
 Attn: Ken Gray  
 20 North Broadway  
 Oklahoma City, Oklahoma 73102-8260

Texas Independent Exploration, Inc.  
 Attn: Dave Waters  
 1600 Smith, Suite 3800  
 Houston, Texas 77002

Chevron USA, Inc.  
 Attn: Terri Nunnery  
 11111 S. Wilcrest  
 Houston, Texas 77099

OXY USA WTP Limited Partnership  
 Attn: David Evans  
 6 Desta Drive, Suite 600  
 P.O. Box 50250  
 Midland, Texas 79705

Scott Exploration, Inc.  
 215 West 3<sup>rd</sup> Street  
 Roswell, New Mexico 88202