

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED September 4, 2003, BY AND BETWEEN YATES PETROLEUM CORPORATION, AS "OPERATOR" AND CALTO COMPANY, ET AL, AS NON-OPERATORS".

1. Lands Subject to this Agreement:

Township 7 South, Range 25 East, N.M.P.M.
 Section 1: Lots 1, 2, 3, 4, S2N2, (N2)
 Containing 320.48 acres, more or less
 Chaves County, New Mexico

2. Depth Restriction: Below the base of the Abo Formation

3. Drilling Unit for First Well:
 Proration Unit as established by the New Mexico Oil Conservation Division

4. Percentage Interest or Parties Under this Agreement.

Name	N2 below the Base of the Abo Formation	NW/4 above the Base of the Abo Formation	NE/4 above the base of the Abo Formation
Yates Petroleum Corporation	65.495600%	40.486000%	90.6179740%
Yates Drilling Company	3.117930%	3.108526%	3.1273420%
Myco Industries, Inc.	3.117930%	3.108526%	3.1273420%
Abo Petroleum Corporation	3.117930%	3.108526%	3.1273420%
Calto Oil Company	2.110600%	4.218053%	
GRUY, LLC	0.703540%	1.406017%	
Big Horn Investments, Inc.	1.515310%	3.028340%	
Thomas Brewer Godfrey, Jr.	3.042310%	6.080070%	
James H. Godfrey	3.042310%	6.080070%	
Max L. Riley, Jr. and Mignon S. Riley, his wife, dba Rampart Petroleum, Inc.	6.084620%	12.160140%	
Campbell Investment Company	6.169460%	12.329676%	
John D. Cadigan	0.162350%	0.648934%	
Heirs and Devisees of Linda I. Cadigan, Deceased	0.162350%		
Pecos Production Company	0.721580%	1.442070%	
Jimmie & Elaine McIlroy	0.624060%	1.247190%	
Jim L. & Kathryn Sharp	0.624060%	1.247190%	
George L. & Sharon Winn Scott	0.188060%		
Grover Brothers, LTD		0.150336%	
Ninety-Six Corporation (The)		0.150336%	
Total	100.00%	100.00%	100.00%

* Provided for information purposes for calculation in Article XV.H Shallow/Deep Unit. The Shallow Unit is defined as being above the base of the Abo formation separately in the NW4 and NE4 Section 1, Township 7 South, Range 25 East. The Deep Unit is defined as being below the base of the Abo formation in the N2 of Section 1.

5. Oil and Gas leases subject to this agreement:

A) LESSOR: United States of America

PRESENT LESSEE: Yates Petroleum Corporation 81.25%
 Yates Drilling Company 6.25%
 Myco Industries, Inc. 6.25%
 Abo Petroleum Corporation 6.25%

SERIAL NO. OF LEASE: NM-28304

EXPIRATION DATE: September 30, 1986 (HBP)

DESCRIPTION: Township 7 South, Range 25 East, N.M.P.M.
 Section 1: Lots 1, 2, 3, 4
 Containing 160.48 acres, more or less
 Chaves County, New Mexico