

TRACT 1 – SW/4 of Section 4
(Federal Lease NM-19142)

<u>Operating Rights</u>	<u>Ownership Percentage</u>
Robert E. Landreth	50.00%
Hunt Oil Company	50.00% ⁽¹⁾

- (1) Subject to Farmout Agreement dated August 19, 1998 to Santa Fe Energy Resources, Inc. and Southwestern Energy Production Company. Failure to commence drilling operations for the Rio Blanco "4" Fed COM # 2 well on or before May 22, 1999 will result in termination of the Farmout Agreement.

TRACT 2 – SE/4 of Section 4
(Federal Lease NM-19143)

<u>Operating Rights</u>	<u>Ownership Percentage</u>
Santa Fe Energy Resources, Inc.	50.00% ⁽²⁾
Southwestern Energy Production Co.	50.00% ⁽²⁾

- (2) Subject to Exploration Agreement dated November 18, 1988, between Amoco Production Company (Altura) and Santa Fe Energy Resources, Inc. Failure to commence drilling operations for the Rio Blanco "4" Fed COM # 2 well on or before July 2, 1999 will result in the reversion of an undivided 50% interest in this lease to Altura Energy, Ltd.

