

**ELK COM #1A (MV)
JIB DIVISION OF INTEREST**

**Township 25 North, Range 2 West, N.M.P.M.
Section 3: Lots 3 & 4, S/2NW/4, SW/4 (W/2)
containing 320.97 acres, more or less
Rio Arriba County, New Mexico**

ADDRESSES AND PERCENTAGES OF WORKING INTERESTS

McElvain Oil & Gas Properties, Inc. P.O. Box 2148 Santa Fe, New Mexico 87504-2148	OPERATOR	
	<u>BPO</u>	<u>APO</u>
T.H. McElvain Oil & Gas Limited Partnership P.O. Box 2841 Santa Fe, New Mexico 87501-2148	30.090662%	30.090662%
Noseco Corporation, a Nevada corporation 7400 Lakeside Drive Reno, NV 89511	16.867455%	15.286131%
Neumann Family Trust c/o Peter C. Neumann P.O. Box 1170 Reno, Nevada 89504	13.356653%	12.104467%
Gavilan Dome Properties, a California Limited Partnership c/o Skredynski & Company, General Partner 1180 Cedarwood Drive Moraga, CA 94556	10.785990%	9.774803%
James M. Raymond, a married man dealing in his separate property P.O. Box 1445 Kerrville, Texas 78028	10.030221%	10.030221%
John S. Brown, Jr., a single man P.O. Box 31639 El Paso, Texas 79931	6.018132%	6.018132%
Mesa Grande Resources, Inc., an Oklahoma corporation 1200 Philtower Bldg. Tulsa, Oklahoma 74103	4.554888%	4.127368%
NM & O Operating Company 6 E. 5th Street, Suite 200 Tulsa, OK 74103	3.505021%	3.176425%
George A. Lippman, a married man dealing in his separate property 5862 Cromo Drive, Suite 199 El Paso, Texas 79912	1.003022%	1.003022%
J. Roger Friedman c/o Lebhar-Friedman 425 Park Avenue New York, New York 10022	1.003022%	1.003022%

Patricia M. Friedman c/o Lebhar-Friedman 425 Park Avenue New York, New York 10022	1.003022%	1.003022%
Joe Elledge, a married man dealing in his separate property P.O. Box 111 Farmington, New Mexico 87499	1.003023%	1.003023%
Johansen Energy Partnership P.O. Box 1773 Whitefish, MT 59937	0.778889%	0.705868%
Williams Production Company ² P.O. Box 3102 Tulsa, Oklahoma 74101	0.000000%	4.673334%
Dugan Production Corporation ³ P.O. Box 420 Farmington, NM 87499-0420	0.000000%	0.000000%
Totals:	100.000000%	100.000000%

¹ Payout is defined in that certain Agreement for Purchase and Sale dated August 1, 1986, between Northwest Pipeline Corporation and Mesa Grande Resources, Inc..

² Under that certain Assignment, Conveyance and Bill of Sale, from Northwest Pipeline Corporation to Mesa Grande Resources, Inc., effective as of September 11, 1986, recorded BK 114, PG 1041, Northwest Pipeline Corporation reserved a 3% ORRI (proportionately reduced to 2.25% of 8/8ths), and a 1/8th reversionary WI (proportionately reduced to 9.375% of 8/8ths), all in the SW/4 of Section 3. In that same instrument, Northwest Pipeline reserved and retained a 3/16th WI (proportionally reduced to 14.0625%); however a subsequent record title assignment filed with the BLM dated December 2, 1986, appears to have included said retained WI in the grant to Mesa Grande Resources. The interests of Northwest Pipeline (Williams Production Company), Mesa Grande, et al, are subject to an unrecorded Agreement for Purchase and Sale dated August 1, 1986, between Northwest Pipeline Corporation and Mesa Grande Resources, Inc., and a First Amendment to Purchase and Sale Agreement dated September 11, 1986, between the same parties.

³ Under Assignment of Oil and Gas Lease from Dugan Production Corporation to Mesa Grande Resources, Inc., dated March 3, 1988, recorded BK 122, PG 5, Dugan reserved a 2.125% of 8/8ths ORRI, 0.5% of which may be converted to a 12.5% WI upon payout as defined in that certain Farmout Agreement dated December 31, 1987, all in the SW/4 of Section 3. Dugan may claim other interests in and to the leasehold below the base of the Pictured Cliffs formation in the SW/4 by virtue of the aforementioned assignment or under the 1987 Farmout Agreement.