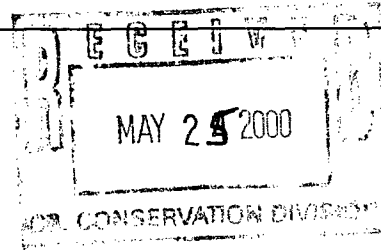


FASKEN OIL AND RANCH, LTD.

303 WEST WALL AVENUE, SUITE 1800
MIDLAND, TEXAS 79701-5116
(915) 687-1777

NSL 6/14/00

May 23, 2000



New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attn: Mr. Mike Stogner

Re: Unorthodox Location Exception
Fasken Oil and Ranch, Ltd.
El Paso Federal No. 10
Undesignated Delaware Field
2105' FSL & 1350' FEL
Sec. 2, T-21-S, R-26-E
Eddy County, New Mexico

Dear Mr. Stogner:

Fasken Oil and Ranch, Ltd. respectfully requests your approval for an unorthodox location for the El Paso Federal No. 10. The proposed location does not meet the 330' from the spacing unit boundary as required in Statewide Rule 104.B. El Paso Federal No. 10 is located 1350' from the East line of Section 2, which is the closest unit operating agreement boundary.

This well is a twin to the El Paso Federal No. 9, which is currently producing from the Morrow formation. Well No. 10 is situated 125' North of well No. 9. These wells are located in the Bureau of Reclamation - Carlsbad Project (Avalon Reservoir) where a minimum surface elevation is required for drilling and surface occupancy. The BLM and BOR has requested that Fasken Oil and Ranch, Ltd. position the No. 10 well at this particular location where it will minimize the amount of new location and reserve pits necessary for conducting drilling operations. These two wells are located at the highest ground elevation possible in the Southeast quarter of Section 2.

Attached is the APD, C-102, topographic map of the area for your review. Also enclosed is a copy of the Amendment to the Operating Agreement where Clayton W. Williams, Jr. committed his leased acreage in lots 33, 39 and 40 of Section 2, T-21-S, R-26-E with the remaining leases in this section. Fasken Oil and Ranch, Ltd. is the named operator for this unit.

Yours very truly,
FASKEN OIL AND RANCH, LTD.

Tommy E. Taylor
Drilling and Production Engineer

Attachments
cc: Well File

Form 3158-3
(December 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Fasken Oil and Ranch, Ltd.

3. ADDRESS AND TELEPHONE NO.

303 W. Wall, Suite 1800, Midland, TX 79701 (915) 687-1777

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface 1358'
4980' FSL and 1253' FEL
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

5 miles North of Carlsbad

15. DISTANCE FROM PROPOSED

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

1253'

18. DISTANCE FROM PROPOSED LOCATION
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

100'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3185' GR

22.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	H-40, 13-3/8"	48.00	400' 300'	440 sx, circulated to surface
12-1/2"	J-55, 8-5/8"	24.00	2275'	1000 sx circulated to surface
7 7/8"	K-55, 5-1/2"	15.50	4150'	400 sx TOC @ 2000'

CARLSBAD CONTROLLED WATER BASIN

The operator proposes to drill to a depth sufficient to test the Delaware group. If productive, 5-1/2" casing will be set at TD and cemented back to approximately 2000'. If non-commercial, the well will be plugged and abandoned in accordance with the Federal regulations.

Drilling Program

Surface Use and Operating Plan

Exhibit #1 - Area Map

Exhibit #2 - One-mile Radius Map

Exhibit #3 - Hydrogen Sulfide Drilling Operations Plan

Exhibit #4 - Well Site Layout

Exhibit #5 - Blowout Preventor Equipment

Notify OCD at SPUD & TIME
to witness cementing the
8 5/8" casing.

3" choke lines
Reg. on 3m

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Tommy C. Taylor

TITLE

Drilling & Production Engineer

DATE

1/20/00

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

CARL J. JOHNSON

TITLE

Acting Assistant Field Manager,
Lands And Minerals

DATE

MAY 09 2000

*See Instructions On Reverse Side

APPROVED FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

NISC L-

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		Undesignated
Property Code	Property Name	Well Number
	EL PASO FEDERAL	10
OGRID No.	Operator Name	Elevation
151416	FASKEN OIL & RANCH LTD.	3184'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 34	2	21 S	26 E		2105	SOUTH	1350	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
41.12			

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

LOT 28 - 38.50 AC.	LOT 27 - 38.49 AC.	LOT 26 - 39.26 AC.	LOT 25 - 39.29 AC.
LOT 29 - 38.26 AC.	LOT 30 - 38.25 AC.	LOT 31 - 39.35 AC.	LOT 32 - 39.38 AC.
LOT 36 - 40.44 AC.	LOT 35 - 40.29 AC.	LOT 34 - 41.12 AC.	LOT 33 - 40.96 AC.
LOT 37 - 40.86 AC.	LOT 38 - 40.71 AC.	LOT 39 - 40.89 AC.	LOT 40 - 40.77 AC.

1/4 COR.

3184.1'

3176.6'

1350'

3181.4'

3186.0'

2105'

1/4 COR.

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Tommy E. Taylor
Signature

Tommy E. Taylor
Printed Name

Drilling & Production Engineer
Title

3/20/00
Date

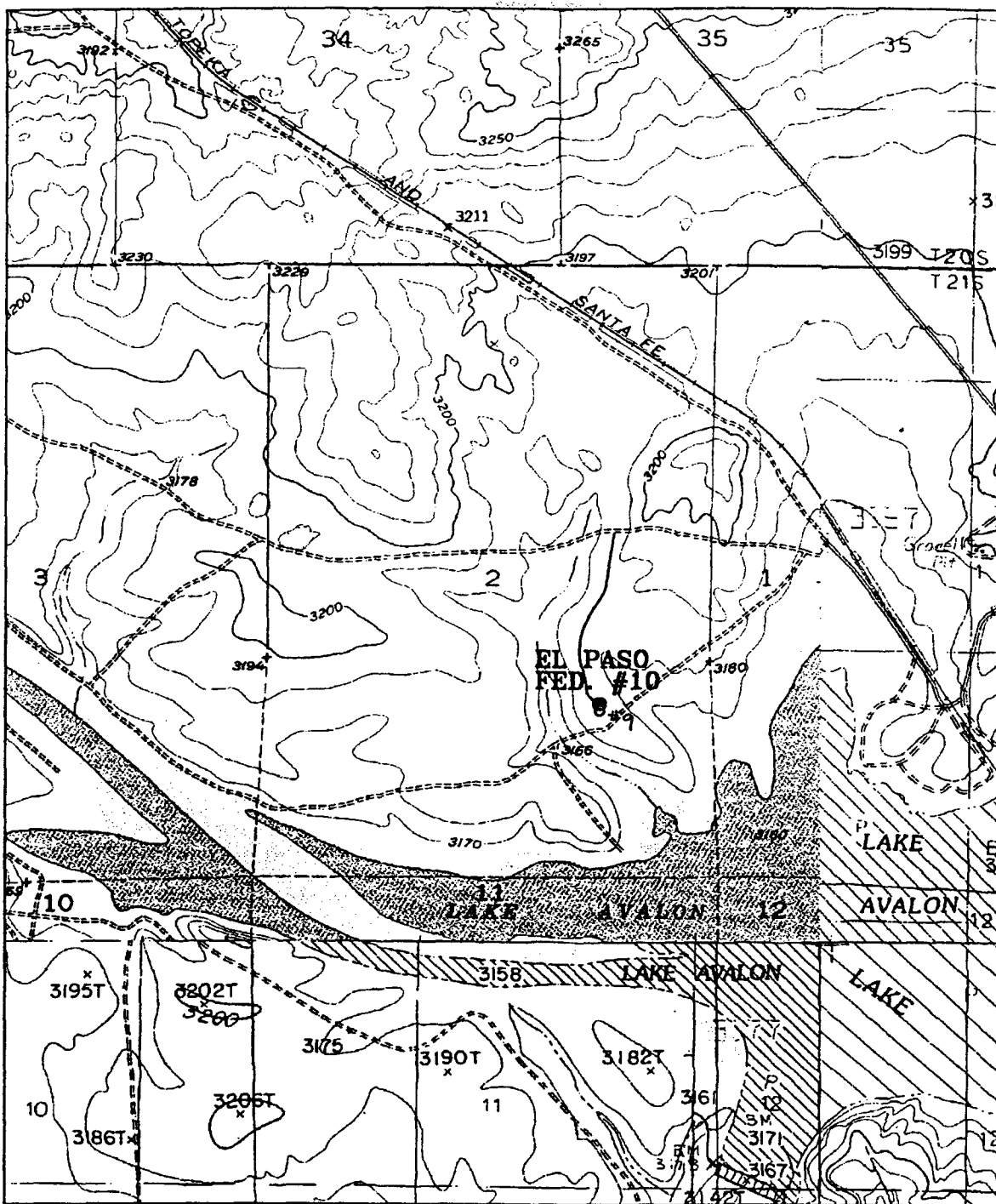
SURVEYOR CERTIFICATION

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.

March 14, 2000
Date Surveyed

GARY L JONES
Signature & Seal of Professional Surveyor

W.O. No. 8135A
Certificate No. 7977



EL PASO FEDERAL #10

2105' FNL & 1350' FEL

Section 2, Township 21 South, Range 26 East,
N.M.P.M., Eddy County, New Mexico.

basin
surveys

focused on excellence
in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number: 0135AA - KJG #122

Survey Date: 03-14-2000

Scale: 1" = 2000'

Date: 03-15-2000

FASKEN OIL & RANCH, LTD.

AMENDMENT OF OPERATING AGREEMENT

STATE OF NEW MEXICO X
 X
COUNTY OF EDDY X

KNOW ALL MEN BY THESE PRESENTS:

THAT this Amendment of Operating Agreement entered into this 22nd day of December, 1980, by and between David Fasken, Operator, and Maralo, Inc., Erma Lowe, El Paso Natural Gas Company, Western Reserves Oil Company, Gulf Oil Exploration and Production Company, Mobil Production Texas and New Mexico Inc., Inexco Oil Company, The Pecos Irrigation Company, and Clayton W. Williams, Jr.,

W I T N E S S E T H:

1.

The parties hereto, other than Clayton W. Williams, Jr., heretofore entered into an Operating Agreement, March 12, 1973, as amended April 4, 1974, and February 7, 1980, affecting the following described land and United States Oil and Gas Leases situated in Eddy County, New Mexico; to-wit:

LC-072015C: Township 20 South, Range 27 East, Section 35: All;

NM-911: Township 21 South, Range 26 East, Section 1: Lots 5, 6, 7, 8, 9, 10, 11, 12, 15, 16, Section 2: Lots 6, 7, 9, 10, 11, 13, 14, 15, 16, N/2 SW/4, NW/4 SE/4, Section 3: Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 15, 16;

NM-A-15461: Township 21 South, Range 26 East, Section 3: Lots 13, 14, NE/4 SW/4, NW/4 SE/4, S/2 SE/4, insofar as said parcels of land are situated on the left or east bank of the Pecos River;

NM-19667: Township 21 South, Range 26 East, Section 2: Lots 3, 4, Section 3: Lot 1;

NM-017097: Township 21 South, Range 26 East, Section 1: Lots 1, 2, 3, 4;

NM-0555283: Township 21 South, Range 26 East, Section 2: Lots 1, 2, 5, 8, Section 3: Lot 2;

NM-0558274-B: Township 21 South, Range 26 East, Section 2: S/2 SW/4, Section 3: Lot 12, NE/4 SE/4;

NM-3606: Township 21 South, Range 26 East, Section 2: Lot 12, Section 3: W/2 SW/4, SE/4 SW/4; and

Unleased mineral interest in Township 21 South, Range 26 East, Section 3: Lot 13, NE/4 SW/4, S/2 SE/4, insofar as said parcels lie on the right or west bank of the Pecos River.

The correlative interests of the parties hereto, other than Clayton W. Williams, Jr., pursuant to said Operating Agreement of March 12, 1973, as heretofore amended are as set forth in Exhibit A-1 to the Amendment of February 7, 1980, a copy of which is exhibited herewith for context and confirmation.

2.

The purpose of this Amendment of Operating Agreement is to provide for a Communitized Unit composed of Lease No. NM-911 insofar as same covers Township 21 South, Range 26 East, Section 2: Lots 9, 10, 15, 16, NW/4 SE/4, subject to the Operating Agreement of March 12, 1973, as heretofore amended by agreement of April 4, 1974, and United States Oil and Gas Lease NM-18964 insofar as same covers Township 21 South, Range 26 East, Section 2: NE/4 SE/4, S/2 SE/4, which is held and contributed by Clayton W. Williams, Jr., the additional non-operator joining herein.

3.


Participation in the Communitized Area defined in Section 2 hereof above shall be as shown in Exhibit A-3 hereto; that is, as to parties to the Operating Agreement of March 12, 1973, as amended April 4, 1974, participation in the aggregate shall be 62.5% of the Communitized Unit distributed proportionately according to Exhibit A-1 hereto and 37.5% participation by Clayton W. Williams, Jr.

4.

Except as amended hereby the Operating Agreement of March 12, 1973, as amended April 4, 1974, is continued in effect and this Agreement is limited to the Communitized Unit defined in Section 2 hereof. The Amendment of February 7, 1980, is not relavent to this Agreement, having been a prior amendment to create a Communitized Unit composed in part of Working Interest Unit land and leases and in part of additional contributed land and leases.

WITNESS OUR HANDS this 22nd day of December, 1980.


David Fasken


Barbara Fasken

STATE OF CALIFORNIA

X

CITY & COUNTY OF SAN FRANCISCO

X

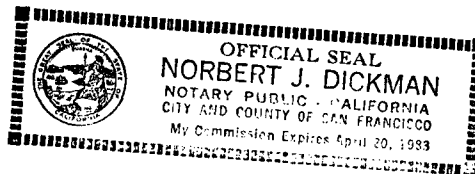
X

The foregoing instrument was acknowledged before me this
6th day of January, 1981, by David Fasken and
Barbara Fasken, wife of David Fasken.

My Commission Expires:

April 20, 1983

Norbert J. Dickman
Notary Public in and for City and
County of San Francisco,
California



ATTEST:

[Signature]
ASSISTANT SECRETARY

MARALO, INC.

By *[Signature]*

STATE OF TEXAS X
 X
COUNTY OF BLANCO X

The foregoing instrument was acknowledged before me this
19th day of January, 1981, by Morris Cannan,
President of Maralo, Inc., a
Texas corporation, on behalf of said corporation.

My Commission Expires:

October 15, 1984

[Signature]
Notary Public, Blanco County, Texas

Erma Lowe
Erma Lowe

STATE OF TEXAS X
 X
COUNTY OF BLANCO X

The foregoing instrument was acknowledged before me this
19th day of January, 1981, by Erma Lowe.

My Commission Expires:

October 15, 1984

Cathy M. Brown
Notary Public, Blanco County, Texas

WESTERN RESERVES OIL COMPANY,
a Texas Limited Partnership

By *R. C. Beveridge*
R. C. Beveridge, Sole General
Partner

STATE OF TEXAS X
 X
COUNTY OF MIDLAND X

The foregoing instrument was acknowledged before me this
24th day of December, 1980, by R. C. Beveridge,
Sole General Partner of Western Reserves Oil Company, a Texas
Limited Partnership, on behalf of said partnership.

My Commission Expires:

January 25, 1981

Iris L. Mobley
Notary Public in and for Midland
County, Texas

GULF OIL CORPORATION

By *[Signature]*
Attorney-in-Fact

[Handwritten initials and marks]

STATE OF TEXAS X
 X
COUNTY OF MIDLAND X

The foregoing instrument was acknowledged before me this
10th day of February, 1981, by J. M. THACKER
Attorney-in-Fact for Gulf Oil Corporation, a Pennsylvania
corporation, on behalf of said corporation.

My Commission Expires:
July 30, 1984

Carolyn D. Larson
Notary Public in and for Midland
County, Texas
CAROLYN D. LARSON, Notary Public

MOBIL PRODUCING TEXAS & NEW
MEXICO INC.

By P E Harrison

Attorney-in-Fact

WEP
TLM
STK

STATE OF TEXAS X
 X
COUNTY OF HARRIS X

The foregoing instrument was acknowledged before me this
10th day of January, 1981, by
P E Harrison of Mobil Producing Texas & New Mexico Inc.,
a Delaware corporation on behalf of said corporation.

My Commission Expires:

August 23, 1981

Garbair J. Dumbell
Notary Public in and for Harris
County, Texas

INEXCO OIL COMPANY

ATTEST:

Robert M. Jones
Assistant Secretary

By *William G. Goodwin*
William G. Goodwin, Vice President *WJ*

STATE OF TEXAS X
 X
COUNTY OF HARRIS X

The foregoing instrument was acknowledged before me this
31st day of December, 1980, by William G. Goodwin,
Vice President _____ of Inexco Oil Company, a
Delaware corporation, on behalf of said corporation.

My Commission Expires:

5-8-81

Laurann Van Cleve
Notary Public in and for Harris
County, Texas

Signature page to the Amendment of Operating Agreement
only as to lands to be communitized for the drilling of
the Fasken El Paso Federal No. 6 Well.

ATTEST:

THE PECOS IRRIGATION COMPANY

By *Corina Zugalla*
Assistant Secretary

By *Don G. McCormick*
Don G. McCormick, President

STATE OF NEW MEXICO X
 X
COUNTY OF EDDY X

The foregoing instrument was acknowledged before me this
29th day of December, 1980, by Don G. McCormick,
President of The Pecos Irrigation Company, a New Mexico corporation,
on behalf of said corporation.

My Commission Expires:

6-25-83

Deborah A. Whiteside
Notary Public in and for Eddy
County, New Mexico



OFFICIAL SEAL

Signature *Deborah A. Whiteside*
DEBORAH A. WHITESIDE

NOTARY PUBLIC-NEW MEXICO

NOTARY BOND FILED WITH SECRETARY OF STATE

My Commission Expires 6-25-83

~~Clayton Williams, Jr.~~
Clayton W. Williams, Jr.

STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this

12th day of January, 1981, by ~~Clayton Williams,~~
Clayton W. Williams, Jr.

My Commission Expires:

2/2/84

~~Notary Public in and for Midland~~
County, Texas

EXHIBIT "A-1"

TO

Amendment of Operating Agreement dated February 7, 1980, for David Fasken-Avalon Working Interest Unit, March 12, 1973, T-20-S, R-27-E, Section 35; T-21-S, R-26-E, Sections 1, 2, 3, Eddy County, New Mexico. The lands, leases, and unleased interests subject to this Operating Agreement are described below in connection with the names and addresses of the Working Interest Owners contributing same to this Unit. This Unit is restricted to formations and depths from the surface to the base of the Barnett Shale Formation. The net acreages contributed by each Working Interest Owner are specified following the name of the owner and the description of the land and leases or unleased interests contributed. The decimal fractional interests of each party are extended in the right hand column following the names and descriptions of land and leases.

NAMES AND ADDRESSES OF
WORKING INTEREST OWNERS
AND DESCRIPTION OF LAND
AND LEASES CONTRIBUTED
TO THE UNIT

DECIMAL
INTERESTS

Maralo, Inc.

Attn: Don Looney, General Manager

2200 West Loop South, Suite 130

Houston, Texas 77027

One-fourth (1/4) undivided interest in and to United States Oil & Gas Lease No. NM 072015-C insofar as same covers T-20-S, R-27-E, Section 35: All, 160 net acres

.0555930

Erma Lowe

c/o Judge A. W. Moursund

P. O. Box 1

Round Mountain, Texas 78663

One-fourth (1/4) undivided interest in and to United States Oil & Gas Lease No. NM 072015-C insofar as same covers T-20-S, R-27-E, Section 35: All, 160 net acres

.0555930

El Paso Natural Gas Company

Attn: T. W. Bittick

P. O. Box 1492

El Paso, Texas 79978

One-half (1/2) undivided interest in and to United States Oil & Gas Lease No. NM 911 insofar as same covers T-21-S, R-26-E, Section 1: Lots 5, 6, 7, 8, 9, 10, 11, 12, 15, 16; Section 2: Lots 6, 7, 9, 10, 11, 13, 14, 15, 16, N/2 SW/4, NW/4 SE/4; Section 3:

Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 15, 16, 649.145 net acres .2255495

Western Reserves Oil Company

Attn: R. C. Beveridge

Building of the Southwest

Midland, Texas 79701

One-half (1/2) undivided interest in and to United States Oil & Gas Lease No. NM-A-15461 insofar as same covers T-21-S, R-26-E, Section 3: Lots 13, 14, NE/4 SW/4, NW/4 SE/4, S/2 SE/4, insofar as said parcels of land are situated on the left or east bank of the Pecos River, 115 net acres;

United States Oil & Gas Lease No. NM 19667 insofar as same covers T-21-S, R-26-E, Section 2: Lots 3, 4; Section 3: Lot 1, 89.01 net acres;

Total net acres covered by Western Reserves Oil Company contributions 204.01

.0708845

Gulf Oil Exploration & Production Co.

Attn: R. L. Borgan

P. O. Box 1150

Midland, Texas 79702

United States Oil & Gas Lease No. NM 017097 insofar
as same covers T-21-S, R-26-E, Section 1: Lots 1,
2, 3, 4, 121.3 net acres

.0421460

Mobil Producing Texas & New Mexico Inc.

Attn: H. C. Patton

Three Greenway Plaza East

Houston, Texas 77046

One-half undivided interest in and to United States
Oil & Gas Lease No. NM 0555283 insofar as same covers
T-21-S, R-26-E, Section 2: Lots 1, 2, 5, 8;
Section 3: Lot 2, 84.73 net acres

.0294400

David Fasken

Attn: Richard S. Brooks

608 First National Bank Bldg.

Midland, Texas 79701

One-half (1/2) undivided interest in and to
United States Oil & Gas Lease No. NM 072015-C insofar
as same covers T-20-S, R-27-E, Section 35: All, 320 net acres;

One-half (1/2) undivided interest in and to United States

Oil & Gas Lease No. NM 911 insofar as same covers T-21-S,

R-26-E, Section 1: Lots 5²¹, 6²², 7²³, 8²⁴, 9²⁵, 10²⁶, 11²⁷, 12²⁸, 15³¹, 16³²

Section 2: Lots 6²², 7²³, 9²⁵, 10²⁶, 11²⁷, 13²⁹, 14³⁰, 15³¹, 16³², N/2 SW/4³⁵ & 36³⁶
34 NW/4 SE/4; Section 3: Lots 3, 4, 5, 6, 7, 8, 9, 10, 11,
15, 16, 649.145 net acres;

One-half (1/2) undivided interest in and to United States

Oil & Gas Lease No. NM-A-15461 insofar as same covers

T-21-S, R-26-E, Section 3: Lots 13, 14, NE/4 SW/4,

NW/4 SE/4, S/2 SE/4, insofar as said parcels of land
are situated on the left or east bank of the Pecos River,
115 net acres;

One-half (1/2) undivided interest in and to United States

Oil & Gas Lease No. NM 0555283 insofar as same covers

T-21-S, R-26-E, Section 2: Lots 1, 2, 5, 8;

Section 3: Lot 2, 84.73 net acres;

United States Oil & Gas Lease No. NM 0558274-B insofar

as same covers T-21-S, R-26-E, Section 2: S/2 SW/4;

Section 3: Lot 12, NE/4 SE/4, 160 net acres;

Total net acres contributed by David Fasken: 1,328.875

.4617260

Inexco Oil Company

Attn: Sam S. Reeves, Jr., Area Landman

1100 Milam Building, Suite 1900

Houston, Texas 77002

United States Oil & Gas Lease No. NM 3606 insofar as same
covers T-21-S, R-26-E, Section 2: Lot 12; Section 3:

W/2 SW/4, SE/4 SW/4, 160 net acres

.0555930

The Pecos Irrigation Company

Attn: Don G. McCormick, President

P. O. Box 1718

Carlsbad, New Mexico 88220

The full unleased mineral interest in and to T-21-S,
R-26-E, Section 3: Lot 13, NE/4 SW/4, S/2 SE/4 insofar
as said parcels lie on the right or west bank of the
Pecos River, 10 net acres

.0034750

1.0000000

EXHIBIT "A-3"

TO

Amendment of Operating Agreement dated December 22, 1980, for David Fasken-Avalon Working Interest Unit, March 12, 1973, T-20-S, R-27-E, Section 35; T-21-S, R-26-E, Sections 1, 2, 3, Eddy County, New Mexico. The lands, leases, and unleased interests subject to this Operating Agreement are described below in connection with the names and addresses of the Working Interest Owners contributing same to this Unit. This Unit is restricted to formations and depths from the surface to the base of the Barnett Shale Formation. The net acreages contributed by each Working Interest Owner are specified following the name of the owner and the description of the land and leases or unleased interests contributed. The decimal fractional interests of each party are extended in the right hand column following the names and descriptions of land and leases. The decimal interests set out as to the names of the several Working Interest Owners in this Exhibit have application only to a segregated sub-unit consisting of T-21-S, R-26-E, Section 2: Lots ~~2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16~~, ^{3, 34, A 440} SE/4, this Exhibit being intended to provide for the participation of the parties in such sub-unit only. Clayton W. Williams, Jr. contributes to this Working Interest Unit for 37.5% participation in such sub-unit only United States Oil and Gas Lease NM-18964 insofar as same covers T-21-S, R-26-E, Section 2: NE/4 SE/4, S/2 SE/4, containing 120 acres more or less.

NAMES AND ADDRESSES OF
WORKING INTEREST OWNERS
AND DESCRIPTION OF LAND
AND LEASES CONTRIBUTED
TO THE UNIT

DECIMAL
INTERESTS

Maralo, Inc.

ATTN: Don Looney, General Manager

2200 West Loop South, Suite 130

Houston, Texas 77027

One-fourth (1/4) undivided interest in and to United States Oil & Gas Lease No. NM-072015-C insofar as same covers T-20-S, R-27-E, Section 35: All, 160 net acres;

.0347456

Erma Lowe

c/o Judge A. W. Moursund

P. O. Box 1

Round Mountain, Texas 78663

One-fourth (1/4) undivided interest in and to United States Oil & Gas Lease No. NM-072015-C insofar as same covers T-20-S, R-27-E, Section 35: All, 160 net acres

.0347456

El Paso Natural Gas Company

ATTN: T. W. Bittick

P. O. Box 1492

El Paso, Texas 79978

One-half (1/2) undivided interest in and to United States Oil & Gas Lease No. NM-911 insofar as same covers T-21-S, R-26-E, Section 1: Lots 5, 6, 7, 8, 9, 10, 11, 12, 15, 16; Section 2: Lots 6, 7, 9, 10, 11, 13, 14, 15, 16; N/2 SW/4, NW/4 SE/4; Section 3: Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 15, 16, 649.145 net acres

.1409684

Western Reserves Oil Company

ATTN: R. C. Beveridge

Building of the Southwest

Midland, Texas 79701

One-half (1/2) undivided interest in and to United States Oil & Gas Lease No. NM-A-15461 insofar as same covers T-21-S, R-26-E, Section 3: Lots 13, 14, NE/4 SW/4, NW/4 SE/4, S/2 SE/4, insofar as said parcels of land are situated on the left or east bank of the Pecos River, 115 net acres;

United States Oil & Gas Lease No. NM-19667 insofar as same covers T-21-S, R-26-E, Section 2: Lots 3, 4; Section 3: Lot 1, 89.01 net acres; Total net acres covered by Western Reserves Oil Company contributions 204.01;

.0438142
.0443028

Gulf Oil Exploration & Production Co.

ATTN: R. L. Borgan

P. O. Box 1150

Midland, Texas 79702

United States Oil & Gas Lease No. NM-017097 insofar as same covers T-21-S, R-26-E, Section 1: Lots 1, 2, 3, 4, 121.3 net acres;

.0263413

Mobil Producing Texas & New Mexico Inc.

ATTN: H. C. Patton

Nine Greenway Plaza, Suite 2700

Houston, Texas 77046

One-half (1/2) undivided interest in and to United States Oil & Gas Lease No. NM-0555283 insofar as same covers T-21-S, R-26-E, Section 2: Lots 1, 2, 5, 8; Section 3: Lot 2, 84.73 net acres;

.0184000

David Fasken

ATTN: Richard S. Brooks

608 First National Bank Bldg.

Midland, Texas 79701

One-half (1/2) undivided interest in and to United States Oil & Gas Lease No. NM-072015-C insofar as same covers T-20-S, R-27-E, Section 35: All, 320 net acres;

One-half (1/2) undivided interest in and to United States Oil & Gas Lease No. NM 911 insofar as same covers T-21-S, R-26-E, Section 1: Lots 5, 6, 7, 8, 9, 10, 11, 12, 15, 16; Section 2: Lots 6, 7, 9, 10, 11, 13, 14, 15, 16, N/2 SW/4, NW/4 SE/4; Section 3: Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 15, 16, 694.145 net acres;

One-half (1/2) undivided interest in and to United States Oil & Gas Lease No. NM-A-15461 insofar as same covers T-21-S, R-26-E, Section 3: Lots 13, 14, NE/4 SW/4, NW/4 SE/4, S/2 SE/4, insofar as said parcels of land are situated on the left or east bank of the Pecos River, 115 net acres;

One-half (1/2) undivided interest in and to United States Oil & Gas Lease No. NM-0555283 insofar as same covers T-21-S, R-26-E, Section 2: Lots 1, 2, 5, 8; Section 3: Lot 2, 84.73 net acres;

United States Oil & Gas Lease No. NM-0558274-B insofar as same covers T-21-S, R-26-E, Section 2: S/2 SW/4; Section 3: Lot 12, NE/4 SE/4, 160 net acres;

Total net acres contributed by David Fasken: 1,327.875;

.2885788

Inexco Oil Company

ATTN: Sam S. Reeves, Jr., Area Landman

1100 Milam Building, Suite 1900

Houston, Texas 77002

United States Oil & Gas Lease No. NM-3606 insofar as same covers T-21-S, R-26-E, Section 2: Lot 12; Section 3: W/2 SW/4, SE/4 SW/4, 160 net acres;

.0343624
.0347456

The Pecos Irrigation Company

ATTN: Don G. McCormick, President

P. O. Box 1718

Carlsbad, New Mexico 88220

The full unleased mineral interest in and to T-21-S, R-26-E, Section 3: Lot 13, NE/4 SW/4, S/2 SE/4 insofar as said parcels lie on the right or west bank of the Pecos River, 10 net acres;

.0021719

.6250000

.612107

Clayton W. Williams, Jr.
ATTN: Bernie Scott, Land Manager
Second Floor Gulf Building
Midland, Texas 79701

United States Oil & Gas Lease No. NM-18964 insofar as
same covers T-21-S, R-26-E, Section 2: NE/4 SE/4, S/2 SE/4, *33* *39 & 40* 3750000
120 acres;
1.0000000