

The Toles Company
P. O. Drawer 1300
Roswell, New Mexico 88201

Victor Mitchell and Cythia Mitchell,
joint tenants
Address Unknown

C. D. Mitchell, Trustee of the
Cecil D. Mitchell Trust
Address Unknown

4. PERCENTAGES OR FRACTIONAL INTERESTS OF THE PARTIES TO THIS AGREEMENT:

OWNER	Working Interest Before Payout	Working Interest After Payout
LCX ENERGY, LLC *	58.072215%	57.888442%
PARALLEL PETROLEUM CORPORATION *	6.452468%	6.432049%
CAPSTONE OIL & GAS COMPANY, L.P. *	9.488924%	9.458896%
CMW INTERESTS, INC. *	0.000000%	0.237223%
ELGER EXPLORATION, INC. *	0.948893%	0.945890%
TIMOTHY R. MACDONALD	0.037500%	0.037500%
YATES PETROLEUM CORPORATION	10.488320%	10.488320%
YATES DRILLING COMPANY	2.244613%	2.244613%
MYCO INDUSTRIES, INC.	2.244613%	2.244613%
ABO PETROLEUM CORP.	2.244613%	2.244613%
MARATHON OIL COMPANY	1.515151%	1.515151%
HOUSTON & EMMA HILL TR.	1.040410%	1.040410%
MARCELLA B. CHRISTENSEN	0.994950%	0.994950%
VIRGINIA HILL LATTIMORE	0.780300%	0.780300%
JAMES ROBERT HILL	0.780300%	0.780300%
HUNT OIL COMPANY	0.733330%	0.733330%
CHRISTENSEN PETRO., INC.	0.606060%	0.606060%
WESTWAY PETROLEUM	0.468750%	0.468750%
CHRISTINE TOLES ELLIOT FAMILY TRUST	0.202020%	0.202020%
THE TOLES COMPANY	0.202020%	0.202020%
A. L. MANGUM, INDIVIDUALLY	0.202020%	0.202020%
VICTOR & CYNTHIA MITCHELL	0.126265%	0.126265%
C. D. MITCHELL TRUST	0.126265%	0.126265%
TOTAL	100.000000%	100.000000%

Damon

* Parties to a farmout agreement providing for a 25% backin at payout. These parties will determine payout. Payout determination in this matter is not the responsibility of Operator.

5. OIL AND GAS LEASES AND/OR OIL AND GAS INTERESTS:

TRACT NO. 1: N/2 SE/4

Lease Serial Number: NM NM 96817
Lease Date: June 1, 1996
Lease Term: Ten (10) years
Lessor: United States of America
Original Lessee: Doug J. Schutz
Present Lessee: Capstone Oil & Gas Company, LP
Description of Land Committed: Insofar and only insofar as said lease covers The N/2 SE/4 of Section 21, T-16-S, R-25-E, Eddy County, New Mexico
No. of Acres: 80.00
Royalty Rate: 12.5%

Name and Percent ORRI Owners: C. Mark Wheeler, a married man 2.16666650%
Jerry B. Elger, a married man 2.16666650%
Nearburg Exploration Company, L.L.C. 1.19850000%
Dominion Oklahoma Texas Exploration & Production, Inc. 0.80000000%
Dale Douglas, a married man 0.33333350%

NMOCD CASE NO. 13757
AUGUST 17, 2006
LCX ENERGY, LLC
EXHIBIT NO. 2