

TRACT OWNERSHIP

As of July 15, 2008

Paloma "21" Fed COM #1 Well

All Section 21, T-20-S, R-36-E

Lea County, New Mexico

1. Federal Oil and Gas Lease NMNM-18264 dated November 1, 1991 insofar only as said lease covers the N/2N/2 and SW/4NW/4 of Section 21, T20S, R36E, Lea County, New Mexico, limited to depths from 7,000 feet down to the base of the Morrow formation, and containing 200 acres, more or less.

| <u>Leasehold Ownership</u> | <u>Interest</u> |
|---|-----------------|
| Mewbourne Oil Company ⁽¹⁾ | 53.3333% |
| McCombs Energy, Ltd. ⁽²⁾ | 26.6667% |
| Chesapeake Exploration, LLC ✓ - <i>Will agree to join</i> | 10.0000% |
| Scott Wilson, et ux. | 5.0000% |
| Richard Barr, et ux. | 5.0000% |

⁽¹⁾ Subject to that certain Term Assignment dated November 8, 2007 from OXY USA WTP, Limited Partnership, as Assignor, to Mewbourne Oil Company, as Assignee, expiring November 8, 2008.

⁽²⁾ Subject to that certain unrecorded Farmout Agreement dated November 8, 2007 between OXY USA WTP, Limited Partnership, as Farmor, and McCombs Energy, Ltd., as Farmee, expiring December 31, 2008.

2. Federal Oil and Gas Lease NMNM-89873 dated June 1, 1957 insofar only as said lease covers the SE/4NW/4, S/2NE/4 and S/2 of Section 21, T20S, R36E, Lea County, New Mexico from the base of the Glorieta formation down to the base of the Morrow formation and containing 440 acres, more or less.

| <u>Leasehold Ownership</u> | <u>Interest</u> |
|---|-----------------|
| Mewbourne Oil Company ⁽³⁾ | 25.00% |
| Chevron USA Inc. ✓ <i>seeking to get approval</i> | 25.00% |
| ConocoPhillips Company ✓ | 25.00% |
| Apache Corporation | 25.00% |

⁽³⁾ Subject to that certain unrecorded Farmout Agreement dated July 15, 2008, from BP America Production Company, as Farmor, to Mewbourne Oil Company, as Farmee, expiring December 31, 2008.