

EXHIBIT "B" - SEVEN RIVERS HILLS UNIT - EDDY COUNTY, NEW MEXICO

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Tract No.	Description	No. of Acres	Serial No. and Lease Date	Land Owner Percentage of Royalty or Application	Record Owner of Lease	Overriding Royalty Owner and Percentage	Working Interest Owner Under Option Agreement, Operating Agreement or Assignment and Percentage of Interest
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FEDERAL LAND

T. 21 S., R. 25 E.

1	Sec. 5: SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$	240.00	LC 070396 7-1-49 5 years Ext. add'l 5 yrs.	U.S.A. 12 $\frac{1}{2}$ % All	Paul O. Sergeant	None	Paul O. Sergeant All
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T. 20 S., R. 26 E.

2	Sec. 33: NE $\frac{1}{4}$	240.00	LC 070498 8-1-49 5 years Ext. add'l 5 yrs.	U.S.A. 12 $\frac{1}{2}$ % All	Sinclair Oil & Gas Company	None	Sinclair Oil & Gas Company All
	<u>T. 21 S., R. 25 E.</u>						
	Sec. 3: Lots 12, 13						

T. 20 S., R. 26 E.

3	Sec. 20: SE $\frac{1}{4}$ Sec. 31: NE $\frac{1}{4}$	320.00	LC 071846 2-1-50 5 years Ext. add'l 5 years	U.S.A. 12 $\frac{1}{2}$ % All	Paul Childress	Paul Childress *Production Payment 5.00%	Wilshire Oil Company of Texas All
4	Sec. 22: NE $\frac{1}{4}$	160.00	LC 071847 2-1-50 5 years Ext. add'l 5 yrs.	U.S.A. 12 $\frac{1}{2}$ % All	Childress Royalty Company	Childress Royalty Company *Production Payment 5.00%	Wilshire Oil Company of Texas All

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FEDERAL LAND continued

T. 20 S., R. 26 E.

5	Sec. 28: SW $\frac{1}{4}$	160.00	LC 071848 2-1-50 5 years Ext. add'l 5 yrs.	U.S.A. 12 $\frac{1}{2}$ % All	Childress Royalty Company	Childress Royalty Company *Production Payment 5.00%	Wilshire Oil Company of Texas All
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T. 21 S., R. 25 E.

6	Sec. 8: NE $\frac{1}{4}$	160.00	LC 071849 2-1-50 5 years Ext. add'l 5 yrs.	U.S.A. 12 $\frac{1}{2}$ % All	Childress Royalty Company	Childress Royalty Company * Production Payment 5.00%	Wilshire Oil Company of Texas All
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7	Sec. 6: Lots 9, 10, 15, 16	160.00	LC 071997 2-1-50 Ext. add'l 5 yrs.	U.S.A. 12 $\frac{1}{2}$ % All	Childress Royalty Company	Childress Royalty Company * Production Payment 5.00%	Wilshire Oil Company of Texas All
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8	Sec. 5: Lots 1 through 16, incl. SW $\frac{1}{4}$	1,436.25	NM 03203 2-1-50 5 years Ext. add'l 5 yrs.	U.S.A. 12 $\frac{1}{2}$ % All	Childress Royalty Company	Childress Royalty Company * Production Payment 5.00%	Wilshire Oil Company of Texas All
	Sec. 6: Lots 1, 2, 3, 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$						

9	Sec. 3: NW $\frac{1}{4}$ SW $\frac{1}{4}$		NM 03207 2-1-50 5 years Ext. add'l 5 yrs.	U.S.A. 12 $\frac{1}{2}$ % All	Childress Royalty Company	Childress Royalty Company * Production Payment 5.00%	Wilshire Oil Company of Texas All
	Sec. 4: Lots 3, 4, 5, 6, 11, 12, 13, 14, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$	2,095.40					
	Sec. 7: Lots 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all)						
	Sec. 8: W $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$						
	Sec. 9: NW $\frac{1}{4}$						
	Sec. 18: Lots 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ NE $\frac{1}{4}$						

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FEDERAL LANDS continued

T. 20 S., R. 26 E.

10	Sec. 21: N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, 1,664.51 W $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 27: E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 28: NW $\frac{1}{4}$, SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 33: W $\frac{1}{2}$, SE $\frac{1}{4}$		NM 03215 2-1-50 5 years Ext. add'l 5 yrs.	U.S.A. 12 $\frac{1}{2}$ % All	Childress Royalty Company	Childress Royalty Company * Production Payment 5.00%	Wilshire Oil Company of Texas All
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T. 21 S., R. 25 E.

Sec. 3: Lots 2,3,4,5
Sec. 4: Lots 1,2,7,8,9,
10,15,16

T. 20 S., R. 26 E.

11	Sec. 19: S $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 22: W $\frac{1}{2}$, SE $\frac{1}{4}$ Sec. 27: NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 29: NW $\frac{1}{4}$ Sec. 30: E $\frac{1}{2}$	1,080.00	NM 03217 2-1-50 5 years Ext. add'l 5 yrs.	U.S.A. 12 $\frac{1}{2}$ % All	Childress Royalty Company	Childress Royalty Company * Production Payment 5.00%	Wilshire Oil Company of Texas All
12	Sec. 19: Lots 3,4, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ Sec. 20: W $\frac{1}{2}$, NE $\frac{1}{4}$ Sec. 21: NE $\frac{1}{4}$ Sec. 29: S $\frac{1}{2}$, NE $\frac{1}{4}$ Sec. 30: Lots 1,2,3,4, E $\frac{1}{2}$ W $\frac{1}{2}$ Sec. 31: Lots 1,2,3,4, E $\frac{1}{2}$ W $\frac{1}{2}$, SE $\frac{1}{4}$	2,239.72	NM 03365 2-1-50 5 years Ext. add'l 5 yrs.	U.S.A. 12 $\frac{1}{2}$ % All	Paul Childress	Paul Childress * Production Payment 5.00%	Wilshire Oil Company of Texas All

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FEDERAL LAND continued

T. 20 S., R. 26 E.

13	Sec. 21: All that portion of NW $\frac{1}{4}$ and E $\frac{1}{2}$ SW $\frac{1}{4}$ lying left of east bank of Pecos River; SW $\frac{1}{4}$ SW $\frac{1}{4}$	378.90	HLM-A 026872 6-1-54 5 years	U.S.A. 12 $\frac{1}{2}$ % All	Carper Drilling Company	None	Carper Drilling Company All
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Sec. 27: SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$

Sec. 28: All that portion of NW $\frac{1}{4}$ NE $\frac{1}{4}$ lying left of east bank of Pecos River

14	Sec. 21: All that portion of NW $\frac{1}{4}$ and E $\frac{1}{2}$ SW $\frac{1}{4}$ lying right of east bank of Pecos River	21.10	**Unleased	U.S.A. 12 $\frac{1}{2}$ % All			
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Sec. 28: All that portion of NW $\frac{1}{4}$ NE $\frac{1}{4}$ lying right of east bank of Pecos River

TOTAL FEDERAL LANDS - 10,355.88 Acres

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STATE LAND

T. 20 S., R. 26 E.

15	Sec. 32: NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	200.00	E-2864-5 8-10-49 10 years	State of New Mexico 12 $\frac{1}{2}$ % All	Wilshire Oil Company of Texas	Eugene E. Nearburg 0.50% Tom L. Ingram 0.50% Ralph A. Shugart 3.00% 4.00%	Wilshire Oil Company of Texas All
16	Sec. 32: NW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$	440.00	OE-108-1 8-21-56 10 years	State of New Mexico 12 $\frac{1}{2}$ % All	Phillips Petroleum Company	None	Phillips Petroleum Company All

TOTAL STATE LANDS - 640.00 Acres

RECAPITULATION

Land	Acreage	Percentage
Federal	10,355.88	94.18%
State	640.00	5.82%
Totals	10,995.88	100.00%

NOTE:

* Production payment of \$750 per acre out of 5% of all oil or gas produced, saved and marketed.
** Application for lease filed.