

Township 17 South, Range 27 East, N.M.P.M.

Section 24: NE/4 SE/4, E/2 NW/4

containing 120 acres, more or less;

together with an undivided one-half record title interest in State of New Mexico Oil and Gas Lease B-8318 covering the above described lands.

Latch Working Interest: 90%

Latch Net Revenue Interest (expressed as a percentage of 8/8ths): Oil: 67.5%.
Gas: 61.25%.

11. TE & K State. The entire interest in the operating rights under Contract and Operating Agreement dated June 8, 1961, recorded Book 36, Page 157, Miscellaneous Instruments of the Commissioner of Public Lands of the State of New Mexico, between Southern Union Production Company and Southern Union Gas Company, assigned to Leonard Latch by Assignments of Contract and Operating Agreement dated August 2, 1972, effective July 1, 1972, recorded Book 88, Pages 320 and 324, Miscellaneous Records of Eddy County, respectively, insofar as the operating agreement and the following State of New Mexico oil and gas leases cover all formations lying between the surface of the earth and 1,100 feet above sea level, underlying the following lands in Eddy County, New Mexico:

Township 17 South, Range 28 East, N.M.P.M.

Section 4: SE/4 SE/4 - State Lease 2029-21
SW/4 SE/4 - State Lease 2029-23

containing 80 acres, more or less.

Latch Working Interest: 100%

Latch Net Revenue Interest (expressed as a percentage of 8/8ths): 75%