

Tract #1 - N/2 SW/4, SE/4 SW/4, and SE/4 Sec 2, T-22-S, R-30-E. Eddy County

100% Working Interest: Phillips Petroleum Company

100% Royalty Interest: State of New Mexico, State Lease K-3271
(Common School Land)

Tract #2 - SW/4 SW/4 Section 2, T-22-S, R-30-E, Eddy County

100% Working Interest: Phillips Petroleum Company

Royalty Interest:

75% = Mark Smith, Kenneth Smith and
William Smith,
Box 1296
Lovington, NM 88260

25% = Green London
903 Pate
Carlsbad, NM 88220