OPERATORS AND WORKING INTEREST OWNERS ON OFFSETTING LEASES TO THE N/2 OF SECTION 12, T23S, R26E EDDY COUNTY, NEW MEXICO

Mobil 12-1 Federal
Morrow & Atoka Formations

Acreage dedicated to the well:

N/2 of Section 12, T-23-S, R-26-E

N/2 of Section 12, T-23-S, R-26E (NM-040547 & NM-027994)

Operator:

Mallon Cil Company 999 18th Street

Suite 1700

Denver, Colorado 80202

Working Interest Owners:

Mallon Oil Company 58.4803% Wainoco Oil & Gas 17.7497% Redstone Oil & Gas 11.8850% W. Wesley Perry 5.9425% Olwick Corporation 5.9425%

<u>S/2 of Section 12, T-23-S, R-26E</u> (NM-040547 & Fee)

Operator:

Mallon Oil Company

999 18th Street Suite 1700

Denver, Colorado 80202

Working Interest Owners:

Mallon Oil Company 23.3200% Marathon Oil Co. 24.6100% 6.2589% Marshall & Winston 3.0428% Cal-Mon Oil Co. Centurion Energy 3.1206% 12.3050% Cody Energy Inc. 9.1200% Diverse GP III 12.3050% TEX-OK Energy LP Redstone Oil & Gas 2.9200% Monaghan Living Trst 0.0777% 1.4600% W. Wesley Perry 1.4600% Olwick Corporation