

The lessee in each of the leases set forth below is Belco Petroleum Corporation, and the recording references are to the Miscellaneous Records of Eddy County, New Mexico.

- (1) Dated January 9, 1973, from City of Carlsbad, lessor, recorded Book 106, page 328, covering:

Tract 1.

The N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ and that part of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ lying East of the railroad right of way, all in Section 7, Township 22 South, Range 27 East, N.M.P.M. situated in Eddy County, New Mexico.

Tract 2.

Commencing at the SW corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 7, Township 22 South, Range 27 East, N.M.P.M.; thence north along the west line of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 7, a distance of 431.1 feet; thence East at an angle of 90 degrees to the center of the Pecos River; thence Southeasterly and Northeasterly along the center of the Pecos River to a point on the East line of said Section 7; thence South along the East line of said Section 7 to the Southeast corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 7; thence West along the South line of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 7 a distance of 1334 feet to the point of beginning.

Tract 3.

All that part of Lots 1, 2, 3, 4, 20 and 21 in Block "B" of East San Jose lying south of the south line of that certain easement acquired by the County of Eddy by condemnation Suit No. 5027 in the District Court of Eddy County, New Mexico and lying east of the east line of that certain highway easement granted to the County of Eddy, State of New Mexico by instrument dated April 19, 1938 and appearing in Book 69, Page 151, of records of deeds of Eddy County; all of Lots 22, 23 and 24 except the south 75 feet of Lot 24.

Tract 4.

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An undivided one-half mineral interest in the following description:
Beginning at the Southeast corner of Riverview Terrace Addition No. 5 to the City of Carlsbad, New Mexico, as shown by the last amended plat thereof filed for record; thence Westerly along the South line of said Addition a distance of 609.5 feet; thence at a 90 degree angle right to a point on the South line of Juanita Street; thence West along the South line of Juanita Street to the West line of South James Street; thence North along James Street; a distance of 60 feet; thence at an angle of 92 degrees 4 minutes left a distance of 113.3 feet; thence at an angle of 67 degrees 18 minutes right a distance of 383.5 feet; thence at an angle of 11 degrees 58 minutes right a distance of 267.4 feet; thence at an angle of 5 degrees 4 minutes right a distance of 501.5 feet; thence at an angle of 2 degrees 14 minutes right a distance of 107.7 feet; thence at an angle of 13 degrees 35 minutes right a distance of 201.8 feet; thence Easterly parallel to and 100 feet South of the South line of Greene Street a distance of 95 feet; thence at an angle of 90 degrees left a distance of 100 feet or to a point on the South line of Greene Street; thence West along the South line of Greene Street to the East bank of the Pecos River; thence Southerly and Easterly along said East bank to a point on the East line of Section 7, Township 22 South, Range 27 East, N.M.P.M., thence North to the point of beginning.

Tract 5 A.

Beginning at a point on the South line of the NW $\frac{1}{4}$ Section 7, Township 22 South, Range 27 East, N.M.P.M. Said point being 30' east of the SW corner of said NW $\frac{1}{4}$; thence North 0 degrees 01' West a distance of 190.4 feet; thence N. 89 degrees 00' East a distance of 990.4 feet; thence South 2 degrees 02' West a distance of 104.4 feet; thence South 87 degrees 58' East a distance of 55.6 feet; thence South 0 degrees 09' West a distance of 40.0 feet; thence Westerly to the point of beginning.