

### Legal Description of Leases

All leases described below are in T24S, R31E, Eddy County,  
New Mexico.

1. Lotos "11-F" Federal Lease - Federal Lease Number NM 64504

NE/4, S/2 NE/4 of Section 11.

2. Sotol "A" Federal - Federal Lease Number NM 67106

NW/4 of Section 12