

Levi Oil and Gas, LLC

September 10, 2010

Eddy County Clerk Office
Eddy County Administration Complex
325 S. Main St.
Carlsbad, NM 88220

Re: Conveyance of Oil and Gas Leases

Dear Sir or Ma'am:

Please find enclosed the executed Conveyance of Oil and Gas Leases, dates September 10, 2010, but effective August 25, 2010, from Yeso Energy, Inc. – H.E. Gene Lee, President to Levi Oil and Gas, LLC – James B. Campanella - Member/Manager.

Also, please find the enclosed Exhibit "A":

1. Dow "B" 28 Federal No. 1. United States Oil and Gas Lease LC 029420-B, underlying the following described lands: Township 17 South, Range 31 East, N.M.P.M.
Section 28: S/2
LIMITED IN DEPTH to depths below the base of the San Andres formation.
2. Dalton Federal No. 1. United States Oil and Gas Lease NM 14840, underlying the following described lands: Township 17 South, Range 29 East, N.M.P.M.
Section 29: SE/4 NE/4, NW/4 SE/4
3. Doc Slavin Federal Lease. United States Oil and Gas Lease LC 029395-B, located on the following described lands: Township 17 South, Range 31 East, N.M.P.M.
Section 29: S/2

and wellbores for Doc Slavin Nos. 1 and 2 wells, and all right, title and interests in any other wellbores located on said lands in which Sellers possess any legal and equitable interest.

I have enclosed our firm's check for \$30.00 for the filing fees. Please let me know if you need anything further. Thank you.

Sincerely,

Levi Oil and Gas, LLC
James B. Campanella
JBC:dk
Encl/as stated

P. O. Box 568
(575) 746-1280

Email: judahoil@yahoo.com

Artesia, New Mexico 88211-0568
Fax (575) 746-1290

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CONVEYANCE OF OIL AND GAS LEASES

THIS CONVEYANCE, between YESO ENERGY, INC., hereinafter referred to as "Assignor," whether one or more, and LEVI OIL AND GAS, LLC, a New Mexico limited liability company, 611 West Mahone, Suite D, Artesia, NM 88210, hereinafter referred to as "Assignee,"

WITNESSETH:

1. Assignor, for valuable consideration paid to Assignor by Assignee, the receipt and sufficiency of which are hereby acknowledged, does hereby grant, bargain, sell, convey and assign, set over and deliver unto Assignee, and Assignee's successors and assigns, the following:

a) The interests in the oil and gas leases and operating rights which are specifically described in Exhibit "A" attached hereto and made a part hereof; subject, however, to the restrictions, exceptions, reservations, conditions, limitations, existing royalties, overriding royalties, production payment interests, burdens on production and other matters, if any, heretofore created and validly shown of record;

b) All of Assignor's right, title and interest in, to and under, or derived from:

i) All of the presently existing and valid unitization agreements and unit operating agreements and the properties and interests credited thereby;

ii) All of the presently existing and valid oil, casinghead gas and gas sales purchase agreements; and

iii) All other contracts, agreements and instruments,

which relate to any of the properties and interests specifically described in Exhibit "A" (or properties unitized therewith), or to the production of oil, gas and other hydrocarbon substances from or attributable to said interests;

c) Without limiting the foregoing, all of Assignor's right, title and interest (whether now owned or hereafter acquired by operation of law or otherwise) in and to the lands specifically described in Exhibit "A," and in, to and under or derived from all interests in oil and gas leases, operating rights and other interests of whatsoever character, insofar as the same cover or relate to said lands, even though Assignor's interest in any specific portion of said lands, and said interests in oil and gas leases, operating rights and other interests which are specifically described in Exhibit "A," be incorrectly described or referred to in Exhibit "A."

d) All personal property, improvements, easements, permits, licenses, servitudes and rights-of-way situated upon or used or useful or held for future use in connection with the exploration, development or operation of the interests described in Exhibit "A" or the production, treating, storing or transportation of oil, gas and other hydrocarbon substances, including, but not by way of limitation, wells, casing, tubing, pumps, flow lines, gas lines, water lines, salt water disposal facilities, tanks, separators, buildings, machinery, equipment, roads and other appurtenances situated on the interests described in Exhibit "A" or lands unitized therewith or

Scp/Corp/Prairie/Yeso/Conveyance of Oil & Gas to Levi O&G LLC

Levi Oil & Gas LLC
P O Box 568
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Artesia NM 88211-0568

which are used in connection with hydrocarbon operations on the interests described in 1 a), b) and c) above, or lands unitized therewith.

2. THE INTERESTS ARE CONVEYED AND ASSIGNED WITHOUT REPRESENTATION, COVENANT OR WARRANTY OF ANY KIND OR NATURE, EXPRESS, IMPLIED OR STATUTORY, AND THAT ALL INTERESTS, PERSONAL PROPERTY AND EQUIPMENT CONVEYED HEREBY ARE SOLD AND ASSIGNED AND ACCEPTED BY ASSIGNEE, IN THEIR "WHERE IS, AS IS" CONDITION WITHOUT ANY WARRANTIES WHATSOEVER, EXPRESS, IMPLIED OR STATUTORY, OF MARKETABILITY, QUALITY, CONDITION, MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE OR USE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED. IN ADDITION, ASSIGNOR MAKES NO REPRESENTATION, COVENANT OR WARRANTY, EXPRESS, IMPLIED OR STATUTORY, CONCERNING THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES ATTRIBUTABLE TO THE INTERESTS, OR THE ABILITY OF THE INTERESTS TO PRODUCE HYDROCARBONS OR THE PRICES WHICH ASSIGNEE IS OR WILL BE ENTITLED TO RECEIVE FOR ANY SUCH HYDROCARBONS.

3. Assignor shall execute and deliver all such other instruments, notices, division or transfer orders, releases, acquittances and documents, and will do all such other acts and things as may be necessary to more fully assure Assignee, its successors and assigns, all of the respective rights, titles, interests, estates, remedies, powers and privileges herein and hereby granted, bargained, sold, conveyed, assigned and delivered or intended so to be.

4. Assignee shall observe and comply with all covenants, terms and provisions, express or implied, contained in the agreements, leases, easements and all other contracts pertaining to Assignor's interest in the Assets which appear of record in the records of Eddy County as of the Effective Date of closing of this purchase and sale, or are found in the files of Assignor, or have otherwise been provided to Assignee.

5. Assignor makes no warranties of title, either express or implied, but this conveyance is made with full substitution and subrogation of the Assignee in and to all covenants and warranties heretofore given or made by others in respect to the interests conveyed herein or any part thereof.

6. All of the covenants and agreements of Assignor shall be deemed to be covenants running with the land and shall inure to the benefit of and be binding upon the respective heirs, successors and assigns of Assignor and Assignee.

7. This conveyance is subject to that certain Purchase and Sale Agreement, dated August 25, 2010, between Yeso Energy, Inc. and Chica Energy, LLC and Judah Oil, LLC.

IN WITNESS WHEREOF, Assignor has caused this conveyance to be duly executed on this _____ day of September, 2010, but effective August 25, 2010.

(Signatures on following page)

"Assignor"

YESO ENERGY, INC.

By: *Gene Lee*
Its: *PRESIDENT*

"Assignee"

LEVI OIL AND GAS, LLC

By: *James B. Compagnella*
Its: *Member/Manager*

STATE OF NEW MEXICO)
 : ss.
COUNTY OF EDDY)

This instrument was acknowledged before me on *September 10*, 2010, by *Gene Lee*, *President* of Yeso Energy, Inc.

My commission expires:
10/28/10

Caroline Asher
Notary Public

STATE OF NEW MEXICO)
 : ss.
COUNTY OF EDDY)



This instrument was acknowledged before me on *September 9*, 2010, by *James B. Compagnella*, *member/manager* of Levi Oil and Gas, LLC, a New Mexico limited liability company.

My commission expires:
10/28/10

Caroline Asher
Notary Public



EXHIBIT "A"

Attached to that certain Conveyance of Oil and Gas Leases dated _____, 2010 but effective August 25, 2010 between Yeso Energy, Inc. and Levis Oil and Gas, LLC.

The following lands are located in Eddy County, New Mexico:

1. Dow "B" 28 Federal No. 1. United States Oil and Gas Lease LC 029420-B, underlying the following described lands:
Township 17 South, Range 31 East, N.M.P.M.
 Section 28: S/2
 LIMITED IN DEPTH to depths below the base of the San Andres formation.
2. Dalton Federal No. 1. United States Oil and Gas Lease NM 14840, underlying the following described lands:
Township 17 South, Range 29 East, N.M.P.M.
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3. Doc Slavin Federal Lease. United States Oil and Gas Lease LC 029395-B, located on the following described lands:
Township 17 South, Range 31 East, N.M.P.M.
 Section 29: S/2
 and wellbores for Doc Slavin Nos. 1 and 2 wells, and all right, title and interests in any other wellbores located on said lands in which Sellers possess any legal and equitable interest.

RECEPTION NO: 1009286 STATE OF
 NEW MEXICO, COUNTY OF EDDY
 RECORDED 09/14/2010 2:38 PM
 BOOK 0826 PAGE 0372 *C. Cook*
 DARLENE ROSPRIM, COUNTY CLERK



Scp/Corp/Prairie/Yeso/Conveyance of Oil & Gas to Levi O&G LLC

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