

Gary W. Stoltz*Oil and Gas**P. O. Box 1731**Midland, Texas 79702**Bus: (432) 683-4854*

September 8, 2005

Pitch Energy Corporation
P. O. Box 304
Artesia, NM 88211

RE: Oil and Gas Lease Offer
SE/4 Section 12, T-17-S, R-24-E
Eddy County, NM

Ladies and Gentlemen:

According to the records of Eddy County, New Mexico, Pitch Energy owns a 1/16 mineral interest in the above described lands. On behalf of LCX Energy, LLC, I am offering the following terms for an oil and gas lease covering the 10 net mineral acre interest owned by Pitch Energy:

Primary Term:	Three Years
Royalty:	1/4th
Bonus:	\$75.00/ acre

Please let me know how you wish to proceed after you have had a chance to review this matter.

Very truly yours,

Gary W. Stoltz

NMOCD CASE NO. 13628

FEBRUARY 16, 2006

LCX ENERGY, LLC

EXHIBIT NO. *A*

LCX Energy, LLC

September 14, 2005

Pitch Energy Corporation
Attn: Mr. Ross Duncan
P. O. Box 304
Artesia, NM 88211

RE: 1724 Ross #121
1880 FEL & 660FSL
Section 12, 17S-24E
Eddy County, NM

Dear Ms. Hodges,

Pursuant to our conversation, LCX Energy proposes the drilling of a horizontal Abo/Wolfcamp Test, the surface location of which will be located 1880 FEL and 660 FSL of Section 12, Township 17-S, Range 24-E, Eddy County, New Mexico.


Enclosed for your review is a copy of LCX Energy's AFE which sets out dry hole costs of \$1,003,700.00 and completed well costs of \$1,872,700.00. According to Eddy County Records, Pitch Energy owns a 1/16 mineral interest in the SE/4 of said Section 12, or 10 net acres in the unit which is the E/2 of Section 12.

Should you wish to participate in the drilling of this well, please execute and return one copy of the enclosed AFE at your earliest convenience. Alternatively, we are offering \$75.00/ acre and a 1/4 royalty for a one year lease covering your interest.

Please call me at (432) 684-5821, if you have any questions.

Very truly yours.

LCX Energy, LLC



Gary W. Stoltz
Consulting Landman

LCX Energy, LLC

September 27, 2005

Pitch Energy Corporation
Attn: Mr. Ross Duncan
P. O. Box 304
Artesia, NM 88210

RE: LCX Energy, LLC - 1724 Ross #121
Section 12, 17-S, 24-E
Eddy County, NM

Dear Mr. Duncan,

Enclosed for your review and further handling, please find enclosed LCX Energy's joint operating agreement furnished in connection with the proposed 1724 Ross # 121 well. This is the operating agreement that LCX has in place with several other entities with which they have an exploration agreement in the area.

Thank you for your attention to this matter. Please let me know if you have any questions.

Very truly yours,

LCX Energy, LLC

Gary W. Stoltz
Consulting Landman

Gary W. Stoltz
Encl.

Pitch Energy Corporation

Post Office Box 304 • Artesia, NM 88211-0304
Office (505) 748-3303 • Fax (505) 746-2523

31 October 2005

Gary W. Stoltz
LCX Energy, LLC
P.O. Box 1731
Midland, TX 79702

RE: Township 17 South, Range 24 East
Section 12: SE/4

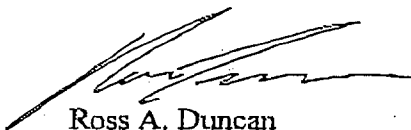
Dear Gary:

Enclosed please find an executed Oil and Gas Lease covering the captioned lands in Eddy County, New Mexico. The terms of the lease included a 6 month term, no lease bonus, and a $\frac{1}{4}$ Royalty.

Please send me a recorded copy of the lease after receiving it back from the Eddy County Clerks Office.

If you have any questions or comments please contact me at 505-748-3303.

Sincerely,



Ross A. Duncan
Landman

Enclosures

OIL & GAS LEASE

THIS AGREEMENT made this 1st day of October 2005, between Pitch Energy Corporation, P.O. Box 304, Artesia, New Mexico 88211-0304 herein called Lessor, and LCX Energy, LLC, 110 North Marienfeld, Suite 200, Midland, Texas 79701 as Lessee, WITNESSETH:

1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata laying pipelines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals, the following described land in Eddy County, New Mexico, to-wit:

Township 17 South, Range 24 East, N.M.P.M.
Section 12: SE/4

Said land is estimated to comprise 160.00 gross acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of six (6) months from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or from land with which said land is pooled.

3. The royalties to be paid by Lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, 1/4th of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipeline to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of 1/4th of the gas used, provided that on gas sold on or off the premises, the royalties shall be 1/4th of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, Lessee may pay or tender an advance shut-in royalty equal to \$35.00 per net acre of Lessor's gas acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered, this lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made if Lessee shall correct such error within 30 days after Lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable Lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by Lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by Lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event Lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, Lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

4. Lessee's right to continue this Lease beyond the primary term by payment of "shut-in gas royalty" as referenced in Paragraph 3 of the Lease shall be limited to a maximum period of two (2) years.

5. This is a paid-up lease and Lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this lease in force during the primary term; however, this provision is not intended to relieve Lessee of the obligation to pay royalties on actual production pursuant to the provisions or Paragraph 3 hereof.

6. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico or by any other lawful authority for the pool or area in which said land is situated, plus a tolerance of ten percent. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in

Attn: Deborah McCurdy
LCX Energy LLC

110 N Marienfeld Ste 200
Midland TX 79701

lease or unit operations, which the net oil or gas acreage in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by Lessee, as provided herein, may be dissolved by Lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit.

7. If at the expiration of the primary term there is no well upon said land capable of producing oil or gas, but Lessee has commenced operations for drilling or reworking thereon, this lease shall remain in force so long as operations are prosecuted with no cessation of more than sixty (60) consecutive days, whether such operations be on the same well or on a different or additional well or wells, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this lease shall not terminate if Lessee commences operations for additional drilling or for reworking within 60 days thereafter. If any drilling, additional drilling or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

8. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or within 180 days after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipelines on cultivated lands below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without Lessor's consent. Lessor shall have the privilege, at his risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder. Lessee agrees to properly plug and abandon, at its sole risk, expense and liability, any well drilled or re-entered on the above described land under the terms of this lease and further agrees to hold the Lessor completely harmless from any plugging liability with respect to any such well or wells drilled and/or re-entered.

9. The rights of either party may be assigned in whole or in part and the provisions of this lease shall extend to the heirs, executors, administrators, successors, and assigns, but no change or division in Lessorship of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No such change of division in the Lessorship of the land, rentals or royalties shall be binding upon lessee for any purpose until such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

10. Upon the expiration of the primary term or the termination of any drilling operations occurring over the expiration of the primary term, whichever is the later date, this Lease shall terminate and automatically revert to Lessor as to all lands not included within a producing proration unit established by the governmental authority having such jurisdiction with reference to the spacing of wells or the size of producing proration units.

11. Should Lessee be prevented from complying with any express or implied covenant of this lease, or from conducting drilling or reworking operations hereunder, or from producing oil or gas hereunder by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's duty shall be suspended, and Lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations or from producing oil or gas hereunder; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

12. Lessee, its or his successors, heirs and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs, successors and assigns by delivering or mailing a release thereof to the Lessor; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases. If all or any part of this lease is assigned, Lessee, its successors or assigns, agrees to furnish Lessor the parties and division of Lessorship resulting from such assignment or transfer. No assignment by Lessee shall relieve Lessee of any obligations or liabilities resulting from the actions or omissions of Lessee prior to the date of said assignment.

13. Lessee shall provide to Lessor notice of commencement of actual drilling and, until well is completed, furnish daily drilling and geologic reports. Additionally, Lessor shall be furnished copies of hydrocarbon logging unit charts, two copies of electrical log surveys, geophysical surveys, cores and core data, fluid sample analyses and completion information on all drillstem tests made, including pressure charts, within twenty (20) days following the date received by Lessee.

14. Lessee shall give notification to Lessor 48 hours prior to testing, coring, logging and intent to complete or plug a well which has not previously produced oil or gas in commercial quantities.

15. Lessee shall furnish Lessor with copies of all notices and reports filed with the State of New Mexico and/or other governmental regulatory agencies having jurisdiction within five business days of same being filed with the appropriate agency.

16. Lessee shall notify Lessor in writing of Lessee's intention to abandon any well on the lands subject to this lease and Lessor shall have 30 days after receipt of such notice of intention to abandon in which to elect to take over the well Lessee proposes to abandon. In the event Lessor elects to take over the well, Lessor shall pay to Lessee the reasonable market value of the salvable materials in the well, less the cost of salvage, and Lessee shall reconvey to Lessor the spacing and proration unit upon which the well is located. In the event Lessor does not elect to take over the well within the time here provided, Lessee shall plug and abandon the well in accordance with the applicable rules and regulations and this lease.

17. The obligations contained in §§ 3, 13, 14, 15 and 16 shall be deemed conditions and not merely covenants, and failure by Lessee to comply therewith shall result in termination of this lease, at the option of Lessor. In the event Lessor considers that Lessee has not complied with the conditions contained in said paragraphs, Lessor shall notify Lessee of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have 30 days after receipt of such notice in which to comply with the obligations imposed by said paragraph or paragraphs.

18. This lease is granted without warranty of title, either express or implied, and covers only Lessor's present interest in said land. It is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, the royalties, compensatory royalties and rentals to be paid Lessor shall be reduced proportionately.

This Lease is executed by the Lessor as of the date of the acknowledgment below, but shall be deemed effective as of the Effective Date stated above.

PITCH ENERGY CORPORATION

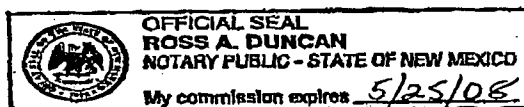
RD

Johnny C. Gray, President

STATE OF NEW MEXICO §

COUNTY OF EDDY §
§

This instrument was acknowledged before me on this 31st day of October, 2005 by Johnny C. Gray, President of Pitch Energy Corporation, a New Mexico corporation, on behalf of said corporation.



Notary Public

RECEPTION NO: 0513653 STATE OF
NEW MEXICO, COUNTY OF EDDY
RECORDED 11/10/2005 8:38 AM
BOOK 0618 PAGE 1215 *Preeson*
JEAN BLENDEN, COUNTY CLERK

