

Legal Description of Leases

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

1. Lotos Federal Lease - Federal Lease Number 29234

West 1/2 of Section 8 except the SW1/4 SW1/4.
South 1/2 of Section 9.
West 1/2 of Section 10.
Southeast 1/4 of Section 11.
Northwest 1/4 of Section 11.
NW1/4 of the NE1/4 of Section 11.

2. Lotos "C" Federal Lease - Federal Lease Number 63757

North 1/2 of Section 9.