

PERTINENT INFORMATION

For

GP II ENERGY, INC.
No. 180 North Square Lake Unit
1050' FNL & 2510' FEL Sec. 33, T16S, R31E
Eddy County, New Mexico
Federal Lease No. LC-063368

LOCATED: 6.75 air miles northeast of Loco Hills, New Mexico

FEDERAL LEASE NUMBER: LC-063368

DATE ISSUED: November 1, 1991

ACRES IN LEASE: 320 acres in Tract 5 of 6125 Unit acres

RECORD LESSEE: R. L. Taylor Estate

BOND COVERAGE: Federal State Wide Blanket Bond
Federal Bond No. B03128

AUTHORITY TO OPERATE: Transfer of Operating Rights to GP II Energy, Inc.

SURFACE OWNERSHIP: Federal

GRAZING PERMITTEE: E. B. & C. E. Holman Irrevocable Trust
P. O. Box 84
Maljamar, New Mexico 88264

POOL RULES: Square Lake Grayburg-San Andres

EXHIBITS: A. Road and Contour Map
B. Lease and Well Map
C. Drill Pad Layout
D. BOP Diagram
E. Flow Line/Power Map