

- (1) Belco's working interest as shown is subject to a 25% carried working interest after payout. (pages 34, 34A)
- (2) After conversion of 1/16 of 7/8ths overriding royalties to 50% net profits interest, the overriding royalties as indicated will be reduced to 5.23%. (page 34)

- (3) Out of the overriding royalties as indicated, Belco bears a proportionate part of only 6.25%. (page 34)

NOTE: Substantially all of the interests set forth herein and located in San Juan County, New Mexico, and in Grand, San Juan and Uintah Counties, Utah, and in Converse, Lincoln and Siblette Counties, Wyoming, are subject to the Deed of Trust, Mortgage and Assignment executed by Belco Petroleum Corporation on July 11, 1961, as supplemented by a Supplemental Deed of Trust, Mortgage and Assignment dated as of November 1, 1966, which have been recorded in the records of each of said counties.

X X denotes overriding royalties equal to 12.5% of 7/8 as to gas and 6.25% of 7/8 as to oil. (pages 43, 44, 45)

W W denotes overriding royalties equal to 6.25% of 7/8 as to oil and gas. (pages 44, 47)

T T denotes overriding royalties equal to 6.25% of 7/8 as to oil and gas but does not include the Burke #1 Well. (Page 46)