

MINERAL DEED

This deed dated July 7th, 1987 from Baca Petroleum Corp. ("Grantor"), an Arizona corporation, formerly known as AZL Petroleum Corp., to The Baca Corporation ("Grantee"), a Delaware corporation.

For \$100.00, and other good and valuable consideration, the receipt and adequacy of which are acknowledged, Grantor has granted, bargained, sold and conveyed, and hereby does grant, bargain, sell and convey unto Grantee, its successors and assigns forever, all of Grantor's right, title and interest in and to all oil, gas (gas for all purposes being defined without limitation to include dry gas, casinghead gas, distillate, condensate, carbon dioxide, helium and all other gaseous substances), coal, oil shale, and all other solid, liquid and gaseous hydrocarbons located upon, beneath the surface of, or within the lands identified in Exhibit A attached hereto, together with the right of ingress and egress and use of the said lands as reasonably necessary for the exploration, development, production, treatment, storage and transportation of such substances to be produced from the said lands, including the conduct of seismic operations, the drilling and operation of wells, mining by underground or surface methods, and installation and operation of storage facilities, roads, pipelines, utilities and other reasonable facilities.

This deed includes the rights of Grantor in and to all leases, farmout agreements, and other contracts or agreements for exploration, development, operation, unitization or communitization relating to the exploration, development, production and sale of such substances.

✓/C
by telephone
4:15 p.m.

This deed executed the date first set forth above.

Baca Petroleum Corp.

Attest:

Louis S. Lubring
Secretary

By:

Paul J. Bonsky, II
President

STATE OF COLORADO)
CITY AND) ss.
COUNTY OF DENVER)

On July 7, 1987, personally appeared before me, a notary public, Paul J. Bonsky, II and Louis G. Leeburg, the President and Secretary, respectively, of Baca Petroleum Corp., known to me and who, upon their oaths, acknowledged that they executed the above instrument on behalf of said corporation.

Witness my hand and official seal.

My commission expires: 1-31-90

Carylyn H. Walker
Notary Public

Address

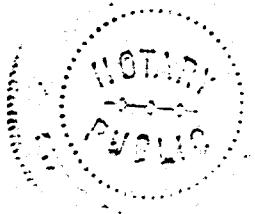


EXHIBIT A

Pueblo County, Colorado

All lands within the aforesaid county in which Grantor may have any interests in oil, gas and hydrocarbons produced in association therewith, including without limitation the following:

TOWNSHIP 18 SOUTH. RANGE 61 WEST

Section 4	All
Section 5	All
Section 5	S ₄ S ₄ ; NW ₂ SW ₂ ; NE ₂ NW ₂ ; W ₄ NW ₂
Section 7	N ₄ ; N ₄ S ₄ ; SW ₂ SW ₂
Section 8	N ₄ ; N ₄ S ₄
Section 9	N ₄ NE ₂ ; SE ₂ NE ₂ ; NE ₂ SE ₂
Section 10	N ₄ W ₂ ; N ₄ SW ₂
Section 17	W ₄ E ₂ ; SW ₂ ; S ₄ NW ₂
Section 18	S ₄ ; S ₄ N ₄ ; NW ₂ SW ₂
Section 19	Lot 1 and 2; E ₄ NW ₂ ; NE ₂

TOWNSHIP 18 SOUTH. RANGE 62 WEST

Section 30	E ₄ W ₄
------------	-------------------------------

TOWNSHIP 18 SOUTH. RANGE 63 WEST

Section 3	E ₄ ; W ₄ SW ₂ ; E ₄ NW ₂
Section 4	E ₄ SE ₂ ; SW ₂ SE ₂ ; SE ₂ SW ₂
Section 5	Lots 2, 3, and 4; SW ₂ ; S ₄ NW ₂
Section 6	All
Section 8	N ₄ W ₂ ; N ₄ SW ₂ ; SE ₂ SW ₂ ; SE ₂ ; NW ₂ ; SE ₂ NE ₂ ; SW ₂ NE ₂
Section 9	S ₄ ; NE ₂ ; S ₄ NW ₂ ; NW ₂ SW ₂
Section 10	S ₄ ; NE ₂ ; S ₄ NW ₂ ; NW ₂ SW ₂
Section 15	All
Section 16	S ₄ SE ₂ ; NW ₂ SE ₂ ; SW ₂ NE ₂
Section 17	E ₄ ; SW ₂
Section 19	Lots 3 & 4; E ₄ SW ₂ ; W ₄ E ₂ ; E ₄ SE ₂

TOWNSHIP 13 SOUTH, RANGE 63 WEST, continued

Section 19	All
Section 20	E $\frac{1}{4}$
Section 21	NE $\frac{1}{4}$; E $\frac{1}{4}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$; SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 22	W $\frac{1}{4}$; NW $\frac{1}{4}$; S $\frac{1}{4}$ SE $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 23	W $\frac{1}{4}$ W $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$; NE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 25	W $\frac{1}{4}$ E $\frac{1}{4}$
Section 26	W $\frac{1}{4}$; W $\frac{1}{4}$ SE $\frac{1}{4}$
Section 27	All
Section 28	All
Section 29	E $\frac{1}{4}$; NW $\frac{1}{4}$
Section 30	W $\frac{1}{4}$; NE $\frac{1}{4}$
Section 31	All
Section 32	W $\frac{1}{4}$
Section 35	NE $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$; NE $\frac{1}{4}$ WW $\frac{1}{4}$
Section 36	All

TOWNSHIP 13 SOUTH, RANGE 64 WEST

Section 1	SE $\frac{1}{4}$; SE $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 5	W $\frac{1}{4}$
Section 10	All
Section 11	All
Section 12	All
Section 13	All
Section 14	All
Section 15	All
Section 16	All
Section 22	All
Section 23	All
Section 24	All
Section 25	All
Section 26	All
Section 27	All
Section 29	All
Section 31	E $\frac{1}{4}$ SE $\frac{1}{4}$, less 10 Acres railroad right of way
Section 32	NW $\frac{1}{4}$ WW $\frac{1}{4}$; SW $\frac{1}{4}$ NN $\frac{1}{4}$; NW $\frac{1}{4}$ SL $\frac{1}{4}$
Section 34	All
Section 35	All

TOWNSHIP 19 SOUTH, RANGE 62 WEST

Section 6	NW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$; NW $\frac{1}{4}$ NE $\frac{1}{4}$
Section 7	NW $\frac{1}{4}$ NE $\frac{1}{4}$
Section 13	SW $\frac{1}{4}$ SW $\frac{1}{4}$; NE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 29	SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 30	NW $\frac{1}{4}$ NE $\frac{1}{4}$; SW $\frac{1}{4}$ NE $\frac{1}{4}$; E $\frac{1}{4}$ SE $\frac{1}{4}$

TOWNSHIP 19 SOUTH... RANGE 63 WEST

Section 1	E $\frac{1}{4}$ E $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 2	W $\frac{1}{4}$ E $\frac{1}{4}$; SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 4	S $\frac{1}{4}$
Section 5	S $\frac{1}{4}$
Section 6	All
Section 7	All
Section 8	All
Section 9	NW $\frac{1}{4}$
Section 11	E $\frac{1}{4}$ E $\frac{1}{4}$
Section 12	W $\frac{1}{4}$; NW $\frac{1}{4}$ NE $\frac{1}{4}$
Section 13	NW $\frac{1}{4}$ NE $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 14	E $\frac{1}{4}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 17	N $\frac{1}{4}$; SW $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$; SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 18	All
Section 19	E $\frac{1}{4}$ E $\frac{1}{4}$; NW $\frac{1}{4}$ NE $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$; Lots 1 and 2
Section 20	All
Section 21	S $\frac{1}{4}$; NW $\frac{1}{4}$
Section 24	E $\frac{1}{4}$ NN $\frac{1}{4}$; NW $\frac{1}{4}$ NN $\frac{1}{4}$; NE $\frac{1}{4}$ SW $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$; SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 25	SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 27	SE $\frac{1}{4}$
Section 31	W $\frac{1}{4}$

TOWNSHIP 19 SOUTH, RANGE 64 WEST

Section 1 "All

Section 2 All

Section 3 All

Section 5 NW, NELSW

Section 10 All

Section 11 All

Section 12 All

Section 13 All

Section 14 All

Section 15 All

Section 20 S $\frac{1}{4}$; E $\frac{1}{4}$ NE $\frac{1}{4}$

Section 21 All

Section 22 All

Section 23 All

Section 24 All

Section 25 All

Section 26 All

Section 27 All

Section 28 All

Section 29 E $\frac{1}{4}$ SE $\frac{1}{4}$; SE $\frac{1}{4}$; NW $\frac{1}{4}$ Section 32 NE $\frac{1}{4}$ NE $\frac{1}{4}$

Section 34 All

Section 35 N $\frac{1}{4}$ TOWNSHIP 20 SOUTH, RANGE 64 WESTSection 3 S $\frac{1}{4}$ SE $\frac{1}{4}$ TOWNSHIP 19 SOUTH, RANGE 63 WESTSection 33 E $\frac{1}{4}$

33528

TOWNSHIP 18 SOUTH, RANGE 61 WEST

Section 6 NE $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$; N $\frac{1}{4}$ SE $\frac{1}{4}$
 Section 17 E $\frac{1}{4}$ E $\frac{1}{4}$

TOWNSHIP 18 SOUTH, RANGE 63 WEST

Section 7 Lots 2, 3, 4, E $\frac{1}{4}$ SW $\frac{1}{4}$; W $\frac{1}{4}$ SE $\frac{1}{4}$
 Section 20 W $\frac{1}{4}$
 Section 32 E $\frac{1}{4}$
 Section 33 W $\frac{1}{4}$

TOWNSHIP 18 SOUTH, RANGE 63 WEST

Section 4 N $\frac{1}{4}$

TOWNSHIP 18 SOUTH, RANGE 64 WEST

Section 5 W $\frac{1}{4}$
 Section 6 E $\frac{1}{4}$; S $\frac{1}{4}$ SW $\frac{1}{4}$, less Railroad right of way
 Section 7 SE $\frac{1}{4}$ NE $\frac{1}{4}$
 Section 8 SE $\frac{1}{4}$

TOWNSHIP 18 SOUTH, RANGE 64 WEST

Section 5 E $\frac{1}{4}$

TOWNSHIP 18 SOUTH, RANGE 64 WEST

Section 8 N $\frac{1}{4}$
 Section 9 A11
 Section 17 S $\frac{1}{4}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$

TOWNSHIP 19 SOUTH, RANGE 64 WEST

Section 33 A11
 Section 34 NW $\frac{1}{4}$ W $\frac{1}{4}$ W $\frac{1}{4}$ NW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$

TOWNSHIP 20 SOUTH, RANGE 64 WEST

Section 3 NW $\frac{1}{4}$
 Section 4 N $\frac{1}{4}$ SE $\frac{1}{4}$; NE $\frac{1}{4}$; N $\frac{1}{4}$ NW $\frac{1}{4}$

TOWNSHIP 19 SOUTH, RANGE 64 WEST

Section 34 NE $\frac{1}{4}$ SW $\frac{1}{4}$