

Official RecordRecording requested By
BRACEWELL & GUILIANI**Lincoln County - NV****Leslie Boucher - Recorder**

Fee: \$17.00

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RPTT:

Recorded By: AE

Book- 243 Page- 0140

After recording, return to:

Toquop Energy, LLC
Three Riverway, Suite 1100
Houston, TX 77056



The party executing this document hereby affirms that this document submitted for recording does not contain the social security number of a person or persons as required by NRS 239B.030.

MEMORANDUM OF AGREEMENT

This is a Memorandum of Replacement Water Rights Purchase Agreement ("Memorandum") entered into as of the 30th day of June, 2008 by and between The Pougot Water and Power Company, LLC, a Nevada limited liability company and Toquop Energy, LLC, a Delaware limited liability company.

For good and adequate consideration, the parties have entered into an Replacement Water Rights Purchase Agreement dated June 30, 2008 ("Agreement") affecting and related to the parties' rights with regard to certain real property located in Lincoln County, Nevada and more particularly described on Exhibit A hereto.

The term of the Agreement commenced on June 30, 2008, and, unless earlier terminated or extended pursuant to the terms of the Agreement shall expire on March 31, 2010.

This Memorandum is not a complete summary of the Agreement. Provisions in this Memorandum shall not be used in interpreting the provisions of the Agreement. In the event of a conflict between this Memorandum and the Agreement, the Agreement shall control.

The parties agree that this Memorandum may be recorded in the official records of Lincoln County, Nevada for the purpose of documenting the existence of the Agreement affecting the Exhibit A real property.



IN WITNESS WHEREOF, the parties have hereunto set their hands on the date first written above.

THE POUQOT WATER AND POWER COMPANY, LLC

BY:
Name:
Title:

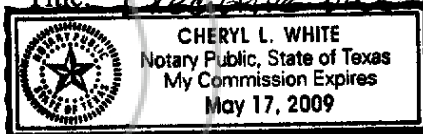
STATE OF _____)
: ss.
COUNTY OF _____)

On the ___ day of June, 2008, _____ personally appeared before me, a notary public, personally known to me to be the person whose name is subscribed to the foregoing instrument and known to me to be the _____ of THE POUQOT WATER AND POWER COMPANY, LLC.

NOTARY PUBLIC

TOQUOP ENERGY, LLC

By: *[Signature]*
Name: Dirk Straussfeld
Title: Executive Vice President



STATE OF Texas)
: ss.
COUNTY OF Harris)

On the 30 day of June, 2008, Dirk Straussfeld personally appeared before me, a notary public, personally known to me to be the person whose name is subscribed to the foregoing instrument and known to me to be the Executive V.P. of TOQUOP ENERGY, LLC

[Signature: Cheryl L. White]

NOTARY PUBLIC



EXHIBIT A

State Engineer Permit No. 66932 for the appropriation of the public waters of the State of Nevada.

Application No. 64692 submitted to the State Engineer for the appropriation of the public waters of the State of Nevada.

