

Attn:
Area Watch:

February 12, 2008

This letter shall represent the agreement which has been made between the following:

Paloma Barnett, LLC, and

Area Watch

It is agreed that and Oil & Gas lease shall be executed between the parties and Paloma Barnett, LLC shall extend the following offer for such execution:

Bonus Consideration: \$18,950 per acre

Royalty Interest: 25%

Term: Three (3) year lease, with a two (2) year option



Chris O'Sullivan, President, Paloma Resources

for: Paloma Barnett, LLC.
