

CENTRAL RESOURCES #4 NAVAJO
NE SE 4-41N-28E (905)

STATE: ARIZONA
COUNTY: APACHE
API: 02-001-20317
FIELD: BOUNDARY BUTTE EAST
WELL CLASS: WO
OPR: CENTRAL RESOURCES

41N-28E 4
NE SE
2262 FSL 906 FEL SEC
STATUS: AB-LOC

PIN 905

4 NAVAJO

COMP: 12/17/1999 ELEV: 5364 GR
CONTR: NOT RPTD (HORIZONTAL)
PROJ DEPTH/FM: 6500 MISSISSIPPIAN PERMIT # 905 (ST APPD PMT: 10/08/1997) LEASE TYPE:
OTHER TARGET OBJ: GAS

COMP 12/17/1999 AB-LOC;

LOCATION DATA: 10 MI WNW TEEC NOS POS, AZ W/N FLD(PARADOX); ; PBHL: MD 6500 1200 FNL 1980
FEL SEC 4-41N-28E SE NW NE
OPER ADD: SUITE 2600, 1775 SHERMAN STREET, DENVER, CO 80203. ;



PERMIT TO DRILL

This constitutes the permission and authority from the
OIL AND GAS CONSERVATION COMMISSION,
STATE OF ARIZONA,

To: CENTRAL RESOURCES INC
(OPERATOR)

to drill a well to be known as

NAVAJO #4
(WELL NAME)

located SURF 906' FEL & 2262' FSL PBHL 1980' FEL & 1200' FNL

Section 4 Township 41N Range 28E, APACHE County, Arizona.

The W2 NE of said
Section, Township and Range is dedicated to this well.

Said well is to be drilled substantially as outlined in the attached Application and must be drilled
in full compliance with all applicable laws, statutes, rules and regulations of the State of Arizona.

Issued this 3 day of OCTOBER, 1997.

OIL AND GAS CONSERVATION COMMISSION

By Steven L. Rainz

EXECUTIVE DIRECTOR
OIL & GAS PROGRAM ADMINISTRATOR

PERMIT 00905

RECEIPT NO. 3103

A.P.I. NO. 02-001-20317

State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

FORM NO. 27

APPLICATION TO DRILL NEW WELL RE-ENTER OLD WELL

| | | |
|--|--|--|
| NAME OF COMPANY OR OPERATOR Central Resources, Inc. (505-326-3325) | | |
| Address P.O. Box 2810, Farmington, NM 87499 | | |
| Drilling Contractor Bid not yet awarded | | |
| Address Unknown at this time | | |
| DESCRIPTION OF WELL AND LEASE | | |
| Federal, State or Indian Lease Number, or if fee lease, name of lessor 14-20-603-413 | Well number Navajo #4 | Elevation (ground) 5,364' |
| Nearest distance from proposed location to property or lease line: 906 feet | Distance from proposed location to nearest drilling, completed or applied-for well on the same lease: 297' (surface to surface) feet | |
| Number of acres in lease: 792.4 | Number of wells on lease, including this well, completed in or drilling to this reservoir: Two | |
| If lease purchased with one or more wells drilled, from whom purchased: Merrion Oil & Gas Corporation, 610' Reilly Ave., Farmington, NM 87401-2634 | | |
| Well location (give footage from section lines) 2262' FS & 906' FE | Section-township-range or block and survey 4-41n-28e NPM | Dedication (Comply with Rule 105) W2NE4 |
| Field and reservoir (if wildcat, so state) East Boundary Butte | County Apache | |
| Distance in miles, and direction from nearest town or post office 14 air miles ENE of Mexican Water, Az. | | |
| Proposed depth: 6,500' (MD) | Rotary or cable tools Rotary | Approx. date work will start Upon Approval |
| Bond Status Approved 6-9-97 | Organization Report On file | Filing Fee of \$25.00 Attached |
| Amount Active \$25,000 | Yes Or attached | Attached |
| Remarks: | | |
| API# 02-001-20317 | | |
| CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the <u>District Superintendent/Engineer</u> of the <u>Central Resources, Inc.</u> (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge. | | |
| Signature <i>[Signature]</i> | | |
| Date June 2, 1997 | | |
| Permit Number: 905 | Approval Date: October 3, 1997 | |
| Approved By: <i>[Signature]</i> | | |
| Notice: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided. | | |
| Form No. 3 | | |

(Complete Reverse Side)

PERMIT #905

1. Operator shall outline the dedicated acreage for both oil and gas wells on the plat.
2. A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
3. ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
4. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES NO
5. If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES NO . If answer is "yes," Type of Consolidation _____
6. If the answer to question four is "no," list all the owners and their respective interests below:

| Owner | Land Description |
|-------|------------------|
| | |

CERTIFICATION

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Name: *David W. Young*

Position: Dist. Supt./Engr.

Company: Central Resources, Inc.

Date: June 2, 1997

I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date: *June 2, 1997*

David W. Young

Registered Professional Engineer and/or Land Surveyor

Certificate No. 14596 LS

| PROPOSED CASING PROGRAM | | | | | | | |
|-------------------------|--------|--------------|-----|--------|------------------|--------------|------|
| Size of Casing | Weight | Grade & Type | Top | Bottom | Cementing Depths | Sacks Cement | Type |
| 7 | 20 | J-55 ST&C | GL | 686' | 0' to 686' | 150 | See |
| 6.25 | 10.5 | J-55 LT&C | GL | 6,500' | 586' to 6,500' | 560 | APD |

APPLICATION TO DRILL

RE-ENTER WELL

NAME OF COMPANY OR OPERATOR

Central Resources, Inc. (505-326-3325)

Address

P.O. Box 2810, Farmington, NM 87499

Drilling Contractor

Bid not yet awarded

Address

Unknown at this time

DESCRIPTION OF WELL AND LEASE

| | | |
|--|--|-------------------------------------|
| Federal, State or Indian Lease Number, or if fee lease, name of lessor 14-20-603-413 | Well number Navajo #4 | Elevation (ground) 5,364' |
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| Number of acres in lease: 792.4 | Number of wells on lease, including this well, completed in or drilling to this reservoir: Two | |

If lease, purchased with one or more wells drilled, from whom purchased:

Merrion Oil & Gas Corporation, 610 Reilly Ave., Farmington, NM 87401-2634

Well location (give footages from section lines)
2262' FS & 906' FE

Section—township—range or block and survey
4-41n-28e NPM

Dedication (Comply with Rule 105)
W2NE4

Field and reservoir (if wildcat, so state)

East Boundary Butte

County

Apache

Distance in miles, and direction from nearest town or post office

14 air miles ENE of Mexican Water, Az.

Proposed depth:

6,500' (MD)

Rotary or cable tools

Rotary

Approx. date work will start

Upon Approval

Bond Status

Approved 6-2-97

Organization Report

Filing Fee of \$25.00

Amount

Active \$25,000

On file Yes Or attached

Attached

Attached

Remarks:

API # 02-001-20317

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the District Superintendent/Engineer of the Central Resources, Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Signature

June 2, 1997

Date

Permit Number:

905

Approval Date:

October 3, 1997

Approved By:

SC Rainey

Notice: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

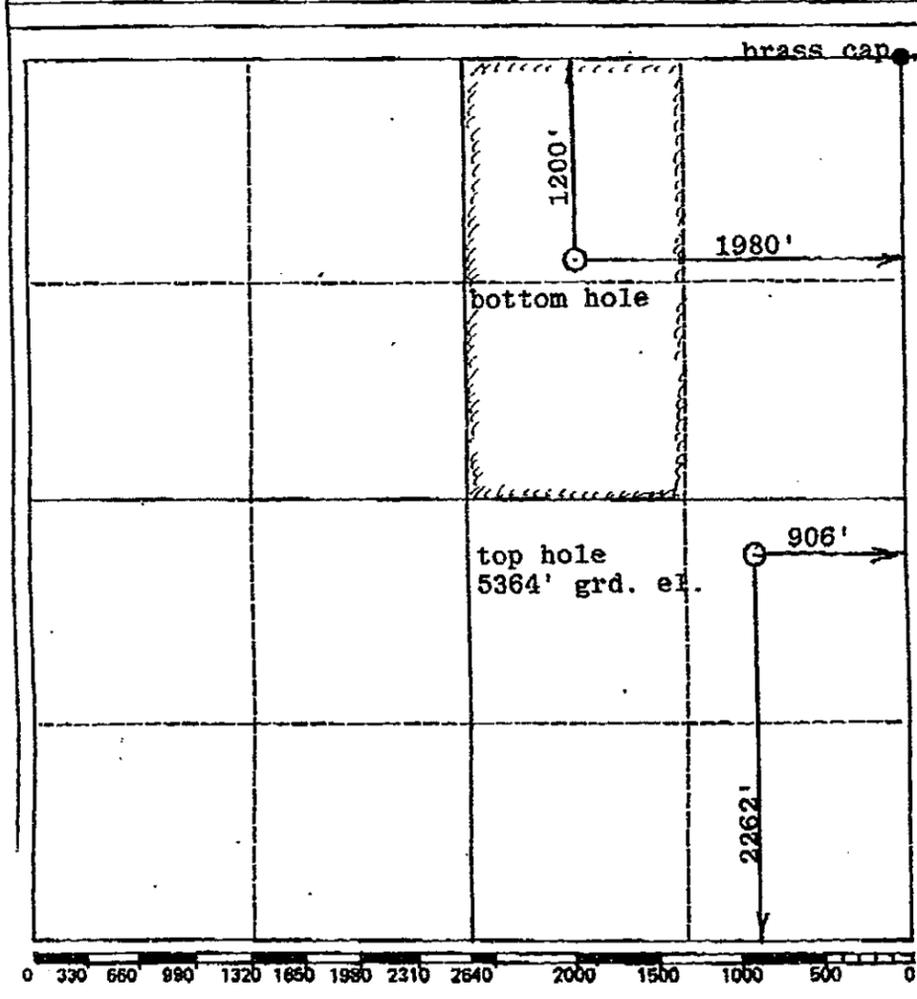
Form No. 3

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Application to Drill or Re-enter
File Two Copies

(Complete Reverse Side)

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- A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
- ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
- Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES NO
- If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES NO . If answer is "yes," Type of Consolidation _____
- If the answer to question four is "no," list all the owners and their respective interests below:

| Owner | Land Description |
|-------|------------------|
| | |



CERTIFICATION

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Name: Lawrence W. Long

Position: Dist. Supt./Engr.

Company: Central Resources, Inc.

Date: June 2, 1997

I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date: June 2, 1997

Registered Professional Engineer and/or Land Surveyor

Certificate No. 11526 LS

| PROPOSED CASING PROGRAM | | | | | | | |
|-------------------------|--------|--------------|-----|--------|------------------|--------------|------|
| Size of Casing | Weight | Grade & Type | Top | Bottom | Cementing Depths | Sacks Cement | Type |
| 7 | 20 | J-55 ST&C | GL | 686' | 0' to 686' | 150 | See |
| 6.25 | 10.5 | J-55 LT&C | GL | 6,500' | 586' to 6,500' | 560 | APD |

Form 3160-3
(July 1992)

SUBMIT IN TRIPPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK
 DRILL DEEPEN

2. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

3. NAME OF OPERATOR
 Central Resources, Inc. (505) 326-3325

4. ADDRESS AND TELEPHONE NO.
 P.O. Box 2810, Farmington, NM 87499

5. LEASE DESIGNATION AND SERIAL NO.
 14-20-603-413

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 Navajo

7. UNIT AGREEMENT NAME
 N/A

8. FARMOR/LEASE NAME, WELL NO.
 Navajo

9. AN WELL NO.
 #4

10. FIELD AND POOL, OR WILDCAT
 East Bound. Butte

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 4-41n-28e NPM

12. COUNTY OR PARISH
 Apache

13. STATE
 Az.

14. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 2262' FSL & 906' FEL
 At proposed prod. zone 1200' FNL & 1980' FEL

15. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 14 air miles ENE of Mexican Water, Az.

16. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest OFg. unit line, if any)
 906'

17. NO. OF ACRES IN LEASE
 792.4

18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 297'

19. PROPOSED DEPTH
 6,500'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5,364' ungraded ground

22. APPROX. DATE WORK WILL START*
 Upon Approval

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------------|-----------------|---------------|-------------------------|
| 8-3/4" | 7" | 24# (J-55) | 686' | ≈218 cu ft & to surface |
| 6-1/4" | 4-1/2" | 10.5# (J-55) | 6,500' | ≈827 cu ft & to 586' |

Navajo #4 surface location is 297' from Central's Navajo #1 oil well and 906' from closest lease line. Navajo #4 bottom hole location is 2,111' from Central's Navajo #1 and 2,457' from closest lease line. All surface facilities (well, road, pipeline) and all of wellbore are on same lease.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any. (BLM & BIA), Central, OGCC, Tribe

SIGNED [Signature] TITLE Dist. Supt./Engr. DATE 6-2-97

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:
 APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Central Resources, Inc.
Navajo #4
2262' FSL & 906' FEL (Surface)
1200' FNL & 1980' FEL (BHL)
Sec. 4, T. 41 N., R. 28 E., Apache County, Az.

PAGE 1

Drilling Program

1. FORMATION TOPS

The estimated tops of important geologic markers are:

| <u>Formation Name</u> | <u>TVDKB</u> | <u>TVDGL</u> | <u>TVDDatum</u> | <u>MD KB</u> |
|-----------------------|--------------|--------------|-----------------|--------------|
| Wingate Ss | 11' | 0' | 5,364' | 11' |
| Chinle | 636' | 625' | 4,739' | 636' |
| Shinarump | 1,836' | 1,825' | 3,539' | 1,838' |
| Cutler | 1,922' | 1,911' | 3,453' | 1,926' |
| Hermosa | 3,826' | 3,815' | 1,549' | 4,047' |
| Upper Ismay | 4,498' | 4,487' | 877' | 4,806' |
| Lower Ismay | 4,565' | 4,554' | 810' | 4,881' |
| Desert Creek | 4,609' | 4,598' | 766' | 4,931' |
| Akah | 4,768' | 4,757' | 607' | 5,110' |
| Barker Creek | 4,975' | 4,964' | 400' | 5,344' |
| Molas | 5,366' | 5,355' | 9' | 5,786' |
| Leadville | 5,496' | 5,485' | -121' | 5,932' |
| Madison | 5,676' | 5,665' | -301' | 6,136' |
| Upper Elbert | 5,804' | 5,793' | -429' | 6,500' |
| Total Depth (TD)* | 6,000' | 5,989' | -625' | 6,500' |

* all elevations reflect the ungraded ground level of 5,364'

2. NOTABLE ZONES

Oil and gas are possible in the Hermosa, Ismay, Desert Creek, Akah, Barker Creek, and Leadville. Water may be found in the Wingate and Chinle. Oil and gas shows which appear to the well site geologist to be commercial may be tested. All fresh water and prospectively valuable minerals will be recorded by depth and protected with casing and cement.

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PAGE 2

3. PRESSURE CONTROL

BOP systems will follow Onshore Order 2 and API RP 53. The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. A diagram of a typical 3000 psi (maximum expected pressure is \approx 2,000 psi) BOP is on PAGE 3.

BOP controls will be installed before drilling the surface casing plug and remain in use until the well is completed or abandoned. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Ram preventers will be inspected and operated each trip (but no more than once a day). Annular preventers will be inspected and operated weekly to ensure good mechanical working order. All BOP mechanical tests, pressure tests, and inspections will be recorded on the driller's log or daily drilling report.

4. CASING & CEMENT

| <u>Hole Size</u> | <u>O.D.</u> | <u>Weight (lb/ft)</u> | <u>Grade</u> | <u>Type</u> | <u>Age</u> | <u>GL Setting Depth</u> |
|------------------|-------------|-----------------------|--------------|-------------|------------|-------------------------|
| 8-3/4" | 7" | 20 | J-55 | ST&C | New | 686' |
| 6-1/4" | 4-1/2" | 10.5 | J-55 | LT&C | New | 6,500' |

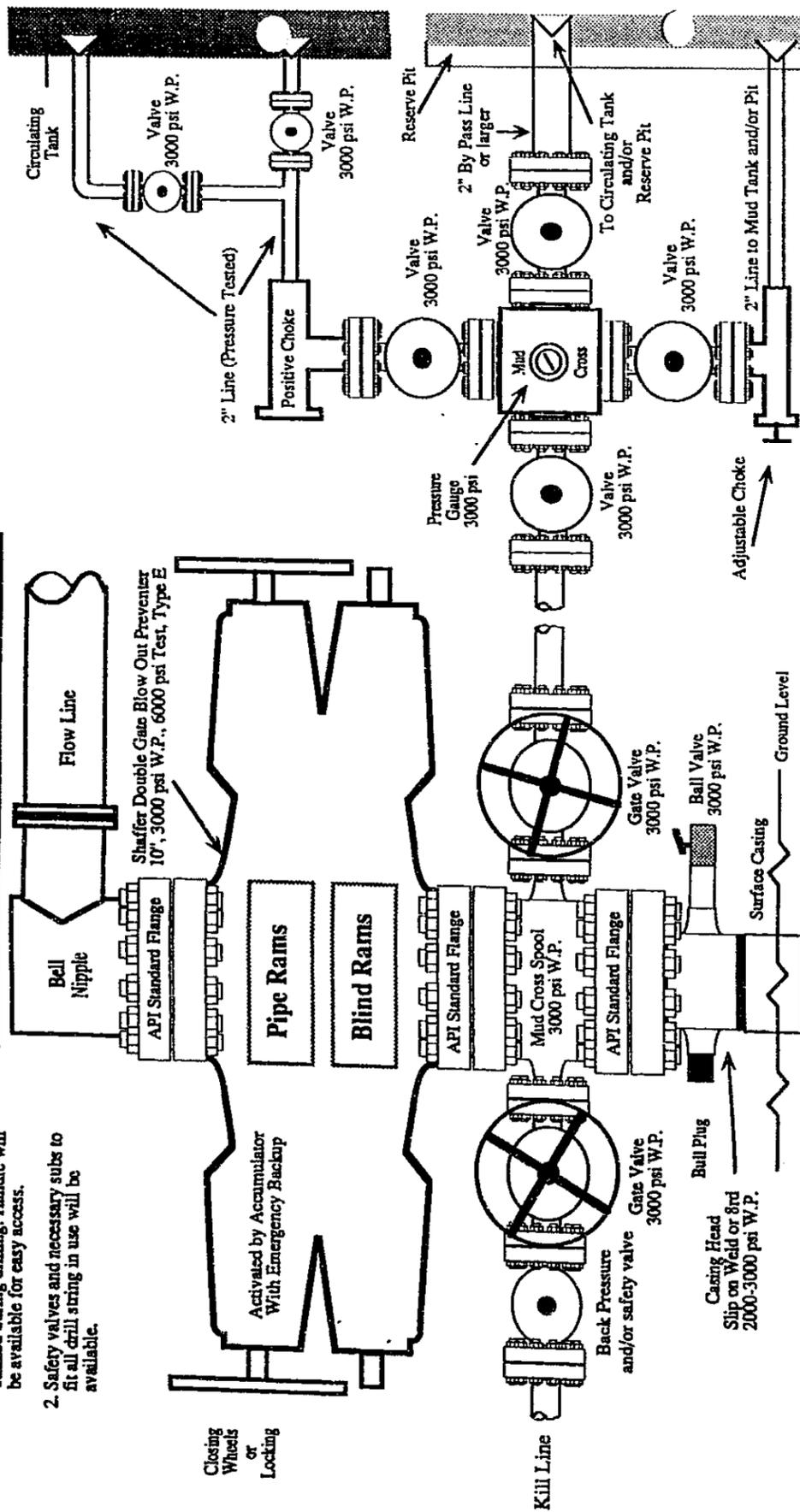
Surface casing (set at least 50' into the Chinle) will be cemented to the surface as follows:

- Break circulation with water
- Pump \approx 75 sx (128 cu ft) of 35:65 Pozmix with 6% gel + 2% CaCl₂ + 1/4 #/sk cellophane followed by \approx 75 sx (90 cu ft) Class B + 2% CaCl₂ + 1/4#/sk cellophane
- Drop cement wiper plug. Displace to 30' above guide shoe
- Centralizers will be run on the 1st, 3rd, and 5th joints
- WOC 12 hrs

Central Resources, Inc. Pressure Control Equipment

Navajo Well No. 4

- Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.
2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

Central Resources, Inc.
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2262' FSL & 906' FEL (Surface)
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Sec. 4, T. 41 N., R. 28 E., Apache County, Az.

PAGE 4

Production casing will be cemented as follows:

- Break circulation with water
- Pump ≈ 310 sx (≈ 524 cu ft) 35:65 Pozmix with 6% gel + 0.6% fluid loss additive + 1/4 #/sk cellophane followed by ≈ 250 sx (297 cu ft) Class B + 2% CaCl_2 + 1/4 #/sk cellophane to $\approx 100'$ above surface casing shoe. Actual cement volume will be determined by caliper log.
- Drop cement wiper plug and displace to float collar
- Centralizers will be run every other joint from TD to 4,000' MD
- WOC 12 hours

5. MUD PROGRAM

Surface casing will be drilled with fresh water treated with lime and polymer/gel. Sweeps of high viscosity mud will be used to clean the hole. Lost circulation will be controlled with LCM/gel sweeps.

Production hole will be drilled to 4,000' MD with fresh water treated with polymer and lime. Sweeps of high viscosity mud will be used to clean the hole. From 4,000' MD to TD, the hole will be drilled with fresh water treated with polymer and lime mudded up to 8.8 to 9.2 ppg with a 36 to 40 sec/qt viscosity. Mud will be treated with caustic, soda ash, and dispersant before cutting the Ismay. Barite will control pressure.

6. CORING, TESTING, & LOGGING

No cores or DSTs are planned at this time. However, DSTs may be done on any of the possible producing zones if deemed necessary while drilling. Resistivity, porosity, and caliper logs will be run for well evaluation. Cased hole logs may include cement bond, gamma ray, and collar locator. A one man logging unit will be on site from $\approx 4,000'$ to TD.

Central Resources, Inc.
Navajo #4
2262' FSL & 906' FEL (Surface)
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PAGE 4

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Central Resources, Inc.

PAGE 5

Navajo #4

2262' FSL & 906' FEL (Surface)

1200' FNL & 1980' FEL (BHL)

Sec. 4, T. 41 N., R. 28 E., Apache County, Az.

7. DOWNHOLE CONDITIONS

No abnormal temperatures, abnormal pressures, nor hydrogen sulfide are expected. Maximum pressure will be \approx 2,000 psi.

8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take \approx 12 days to drill and \approx 4 weeks to complete the well.

Well will be directionally drilled to a bottom hole location (BHL) under Red Mesa. Kick off point will be \approx 1,500' TVD. Will build to an angle of \approx 27°. Said angle will be held to TD, target location.

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PAGE 6

Surface Use Plan

1. DIRECTIONS & EXISTING ROADS (See Pages 10 & 11)

From Milepost 452.3 on US 160 (≈2 miles east of the Red Mesa Store) ...
Go Northwest 2.6 miles
Then turn left and go Southwest 0.9 miles
Then turn right and go Northwest 0.2 miles to the Navajo #1 well
From the Northeast side of Navajo #1, go North 100' to the Navajo #4

Existing roads need no upgrading. Roads will be maintained to a standard at least equal to their present condition.

2. ROAD TO BE BUILT

About 100' of new road will be built north from Central's Navajo #1. Road will be flat bladed 15' wide with the maximum disturbed width not to exceed 20'. No culverts or cattleguards are needed. Maximum cut or fill is 3'. Maximum grade is 5%.

3. EXISTING WELLS (See Page 11)

There are 3 oil wells, 1 water injection well, 1 water well (windmill), and no gas wells within a mile.

4. PROPOSED PRODUCTION FACILITIES

A wellhead and pump will be placed on the pad. All will be painted a flat earth tone color. Production will be transferred through a buried 100' long ≈3" OD steel pipeline into existing facilities on the Navajo #1 pad.

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PAGE 7

The pipeline will be buried beside the new road. Maximum operating pressure will be \approx 300 psi. It will be tested with air or fresh water to \approx 500 psi before being placed in operation. Water from the test will be piped into the reserve pit to evaporate. All of the pipeline is on lease.

5. WATER SUPPLY

Water will be trucked from a BLM water well west of Montezuma Creek. It is approved under state water permit 09-1834.

6. CONSTRUCTION MATERIALS & METHODS (See PAGES 12 & 13)

A diversion ditch will be cut around the north and west sides of the pad. There is no topsoil to save - the pad is all sandstone. If fill material is needed, it will be bought from a private source - most likely at Bluff.

7. WASTE DISPOSAL

The reserve pit will be lined with either 24 tons of commercial bentonite or a minimum 10 mil plastic liner. The reserve pit will be fenced sheep tight on 3 sides with woven wire fence topped with barbed wire. The 4th side will be fenced once the rig moves off. The fence will be kept in good repair while the pit dries. Once dry, contents of the reserve pit will be buried in place.

Human waste will be disposed of in chemical toilets, which will be hauled to state approved dump stations. All trash will be placed in a portable trash cage. It will be hauled to a state approved landfill off the reservation. There will be no trash burial or burning.

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PAGE 8

8. ANCILLARY FACILITIES

There will be no air strips or camps. Camper trailers may be on location for the company man, tool pusher, and mud loggers.

9. WELL SITE LAYOUT

See PAGES 12 & 13 for depictions of the well pad, cross section, cut and fill diagram, reserve pit, trash cage, access onto the location, parking, living facilities, and rig orientation.

10. RECLAMATION

Reclamation starts once the reserve pit is dry. It usually takes a year for a reserve pit to fully evaporate, at which point it will be backfilled. The pad and backfilled pit will be recontoured to a natural appearance. It is anticipated that the sandstone will crumble into sand. If there is sand present, it will be seeded with a mix to be approved at that time. If the well is a producer, then the reserve pit and any other areas not needed for workovers will be reclaimed as previously described.

11. SURFACE OWNER

The well, new road, and pipeline are all on the same lease and on Navajo Tribal Trust surface.

12. OTHER INFORMATION

The nearest hospital is a 50 minute drive away in northeast Shiprock.

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Sec. 4, T. 41 N., R. 28 E., Apache County, Az.

13. REPRESENTATION

Anyone having questions concerning the APD should call:

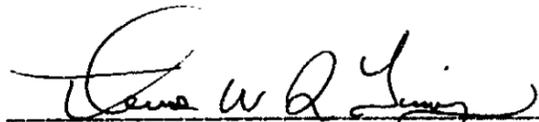
| | |
|------------------------|--------------------------|
| Brian Wood, Consultant | (505) 466-8120 |
| Permits West, Inc. | FAX: (505) 466-9682 |
| 37 Verano Loop | Cellular: (505) 699-2276 |
| Santa Fe, NM 87505 | |

The field representative will be:

| | |
|------------------------------------|----------------|
| Greg McIntosh, Production Engineer | (505) 326-3325 |
| Central Resources, Inc. | |
| P.O. Box 2810 | |
| Farmington, NM 87499 | |

Central Resources, Inc. has the necessary consents from the proper lease owners to conduct lease operations in conjunction with this well. Bond coverage pursuant to 43 CFR 3104 for lease activities and operations is being provided by Central Resources, Inc.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Central Resources, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

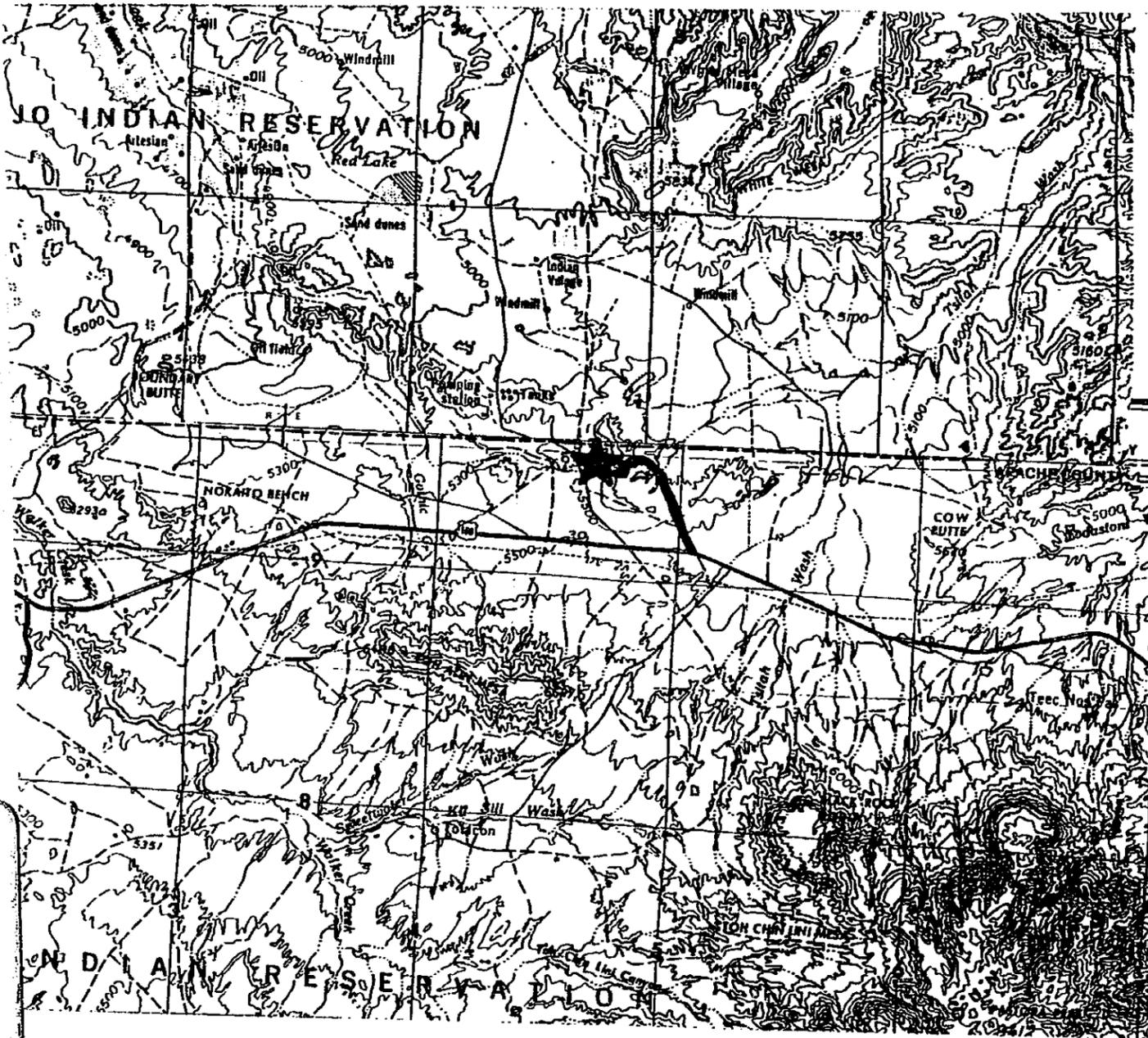


Thomas W. DeLong, District Superintendent/ Engineer

June 2, 1997

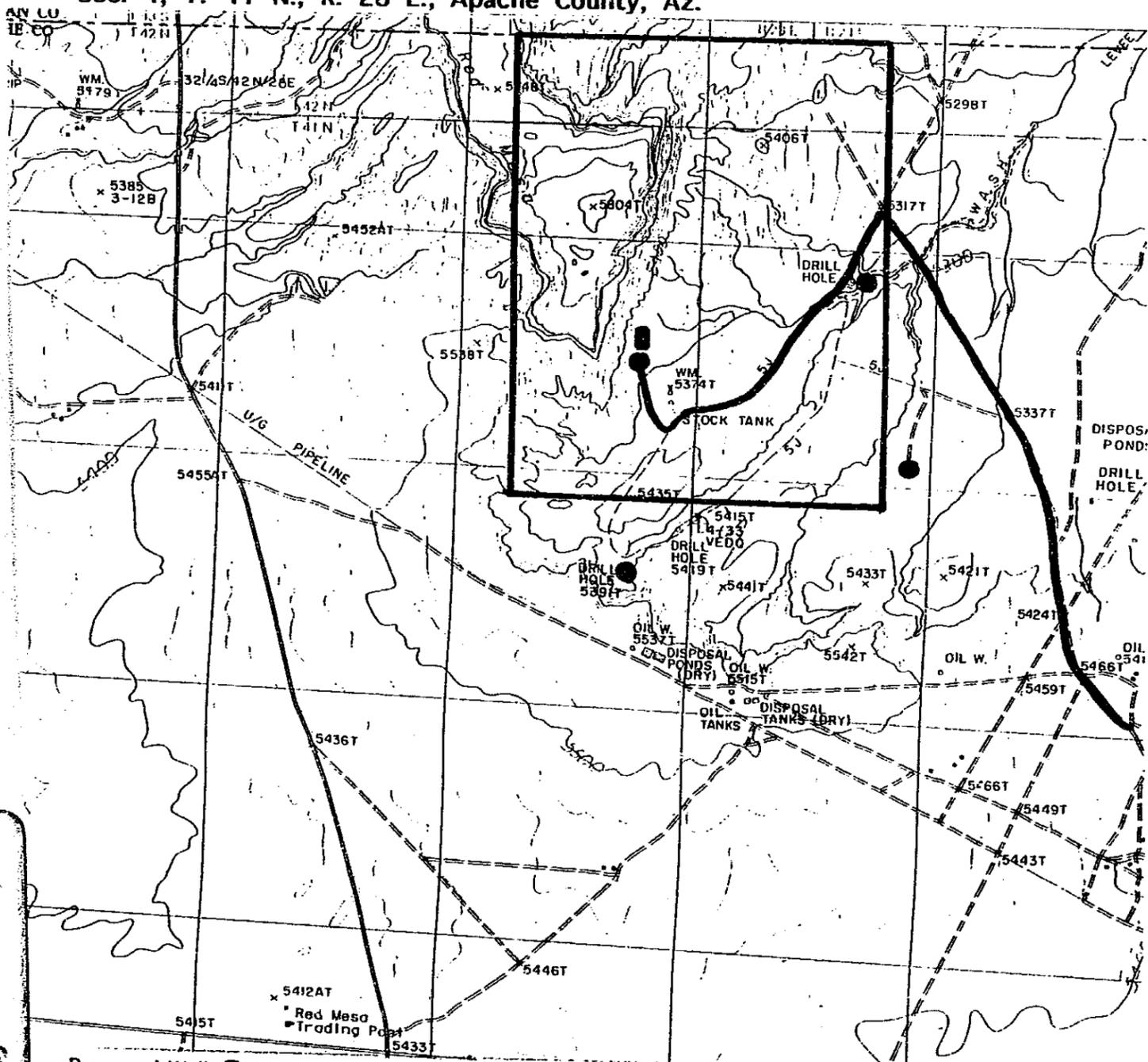
Date

Central Resources, Inc.
Navajo #4
2262' FSL & 906' FEL (Surface)
1200' FNL & 1980' FEL (BHL)
Sec. 4, T. 41 N., R. 28 E., Apache County, Az.



Wellsite: ★

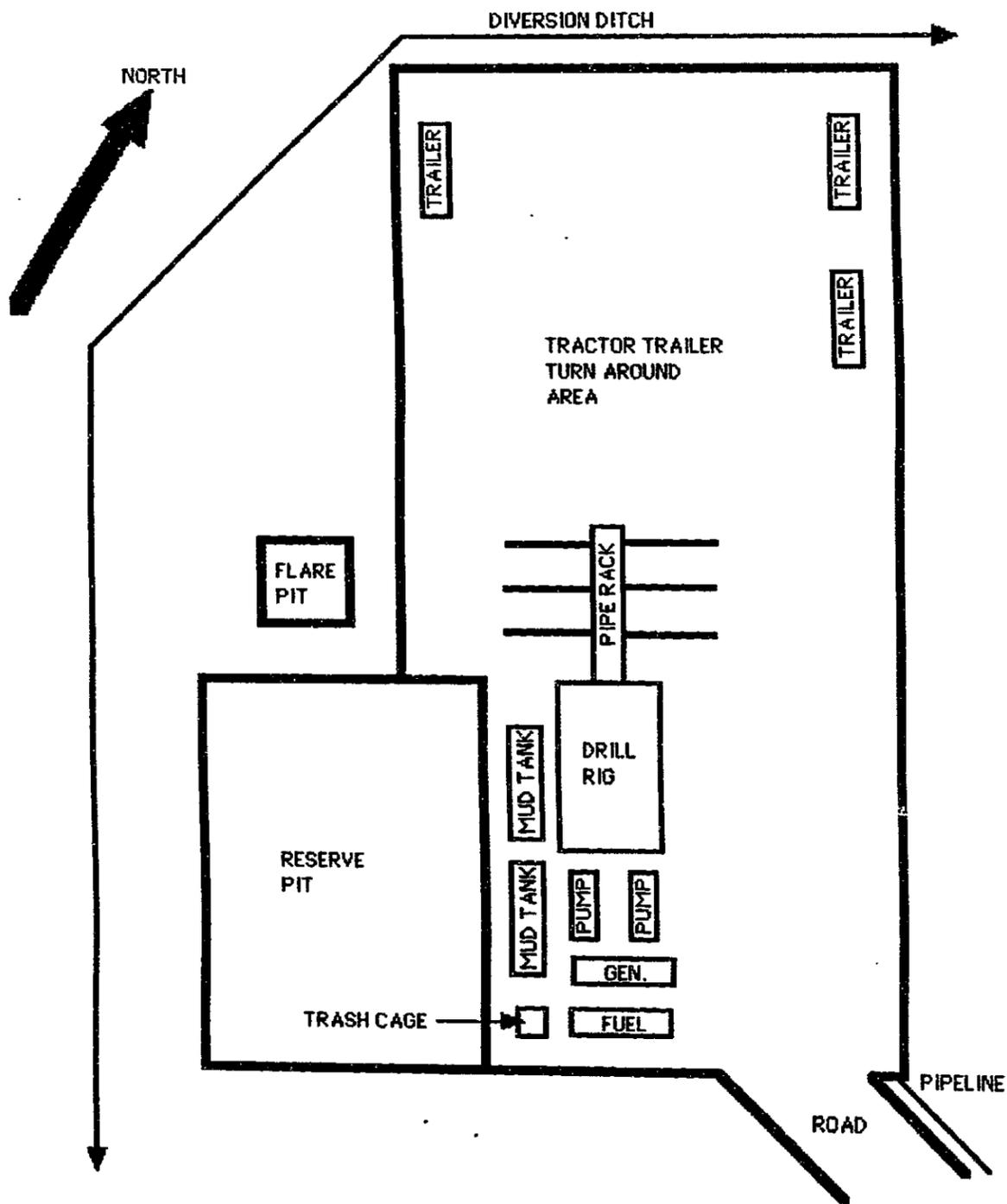
Central Resources, Inc.
 Navajo #4
 2262' FSL & 906' FEL (Surface)
 1200' FNL & 1980' FEL (BHL)
 Sec. 4, T. 41 N., R. 28 E., Apache County, Az.



Proposed Well: ■ Existing Well: ●
 Lease Boundary: ┌

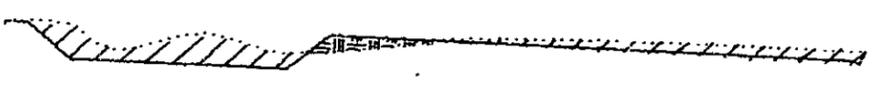
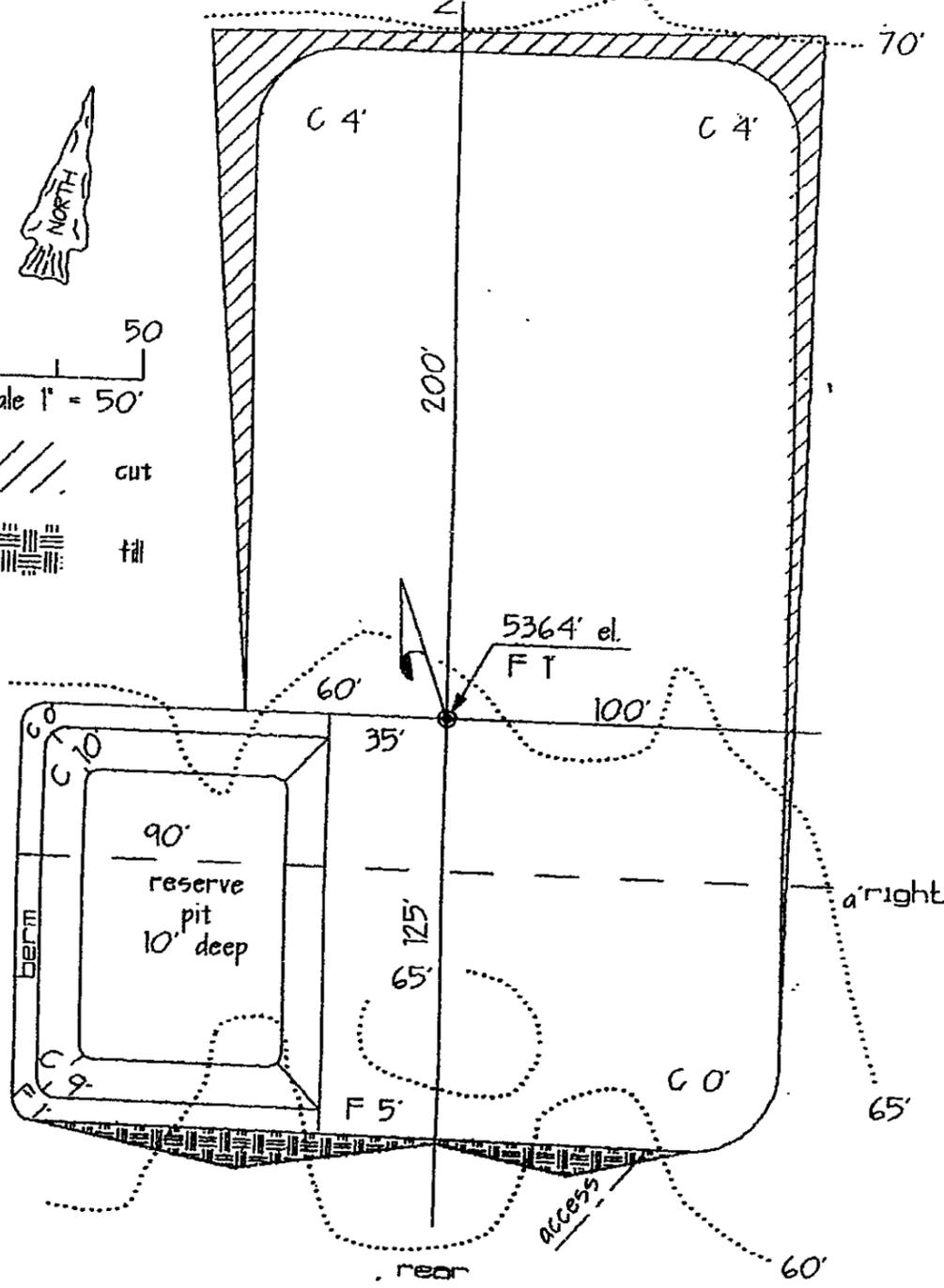
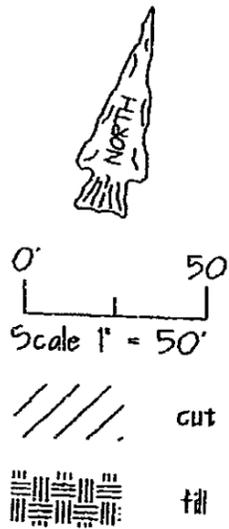
Central Resources, Inc.
Navajo #4
2262' FSL & 906' FEL (Surface)
1200' FNL & 1980' FEL (BHL)
Sec. 4, T. 41 N., R. 28 E., Apache County, Az.

PAGE 12



Navajo # 4
well pad & section

Front
N 12° W
laydown



Cross section

CENTRAL RESOURCES, INC.

VENDOR:

CHECK DATE:

NAVAJO
CHECK NO. 27492

| INVOICE NO. | DATE | DESCRIPTION | GROSS | DISCOUNT | NET |
|-------------|-------|------------------------|-------|----------|-------|
| 3-31-97 | 03/31 | NAVAJO #4 APD 03093140 | 25.00 | 0.00 | 25.00 |
| TOTAL | | | 25.00 | 0.00 | 25.00 |

CENTRAL RESOURCES, INC.

2600 MELON CENTER
1775 SHERMAN ST., SUITE 2600
DENVER, CO 80203
PH. 303-830-0100

COLORADO NATIONAL BANK ASPEN
420 EAST MAIN STREET
ASPEN, CO 81611
82-164/1021

27492
NO.

| DATE |
|----------|
| 04/03/97 |

EXACTLY

DOLLARS AND

CENTS

| AMOUNT |
|---------|
| \$25.00 |

TWENTY FIVE DOLLARS and NO CENTS

PAY TO THE ORDER OF

OIL & GAS CONSERV COMM.-AZ
416 W CONGRESS
SUITE 100
TUSCON AZ 85701

Ray Hunsley

⑈027492⑈ ⑆102101645⑆ 126400001502⑈

| | | | |
|---|--|-------------------------------|-----------------|
| RECEIPT | | Date <u>10-3</u> 19 <u>97</u> | No. <u>3103</u> |
| Received From <u>Central Resources Inc</u> | | | |
| Address <u>1775 Sherman St # 2600 Denver CO 80203</u> | | | |
| <u>Twenty five and 00/100</u> Dollars \$ <u>25.00</u> | | | |
| For <u>Filing fee Navajo #4 Permit # 905</u> | | | |
| ACCOUNT | | HOW PAID | |
| AMT. OF ACCOUNT | | CASH | |
| AMT. PAID | | CHECK | <u>25.00</u> |
| BALANCE DUE | | MONEY ORDER | |
| | | check # <u>27492</u> | |
| | | By <u>Steve Loring</u> | |

| OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL OR GAS FROM LEASE | | |
|---|------------------------------|------------------------------|
| Federal, State, or Indian Lease Number, or lessor's name if fee lease Navajo N00C-14-20-603-413 | Field East Boundary Butte | Reservoir Paradox |
| Survey or Sec-Twp-Rge Sec 4-T41N-R28E | County Apache | State AZ |
| Operator Central Resources, Inc. | | |
| ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO: | | |
| Street 1775 Sherman St., #2600 | City Denver | State CO 80203 |
| Above named operator authorizes (name of transporter) Giant Refining Company | | |
| Transporter's street address P.O. Box 12999 | City Scottsdale | State AZ 85267 |
| Field Address Red Mesa, Arizona | | |
| Oil, condensate, gas well gas, casinghead gas | | |
| To transport | 100 | % of the Oil from said lease |
| OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS: | | |
| Name of gatherer | % transported | Product transported |
| Western Gas Resources | 100 | Gas |
| | | |
| | | |
| Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change. Change of Owner/Operator | | |

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Engineering Technician of the Central Resources, Inc. (company), and that I am authorized by said company to make this report; that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

February 14, 1997

Date

Signature

Date approved: 2-18-97

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

By: Stewart R. Rainey

Permit No. 28,515,905

Mail two copies of completed form to:
Oil & Gas Program Administrator
Arizona Geological Survey
416 W. Congress #100
Tucson AZ 85701-1315

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Operator's Certificate of Compliance & Authorization to
Transport Oil or Gas from Lease
File Two Copies

Form No. 8

2/98

ORGANIZATION REPORT

Full Name of the Company, Organization, or Individual

CENTRAL RESOURCES, INC.

Mailing Address and Phone Number

1775 Sherman Street, Suite 2600, Denver, Colorado 80203-4313

Plan of Organization (State whether organization is a corporation, joint stock association, firm or partnership, or individual)

Corporation

Purpose of Organization (State type of business in which engaged)

Oil and Gas

If a reorganization, give name and address of previous organization

| If a foreign corporation, give (1) State where incorporated | (2) Name and mailing address of state agent | (3) Date of permit to do business in state |
|---|--|--|
| Colorado | CT Corporation 3225 N. Central Avenue Phoenix, Arizona 85012 | Applied for <u>1/31/97</u> |
| Principal Officers or Partners (if partnership) NAME | TITLE | MAILING ADDRESS |
| Paul J. Zecchi | President & CEO | 1775 Sherman Street #2600 Denver, Colorado 80203-4313 |
| Scotty A. Smith | Sr. Vice President | 1775 Sherman Street #2600 Denver, Colorado 80203-4313 |
| Catherine I. Eakle | Vice President & Secretary | 1775 Sherman Street Denver, Colorado 80203-4313 |
| Ray Hornsby | Vice President & Treasurer | 1775 Sherman Street Denver, Colorado 80203-4313 |
| Gary Davis | Vice President | 1775 Sherman Street Denver, Colorado 80203-4313 |

CANCELLED

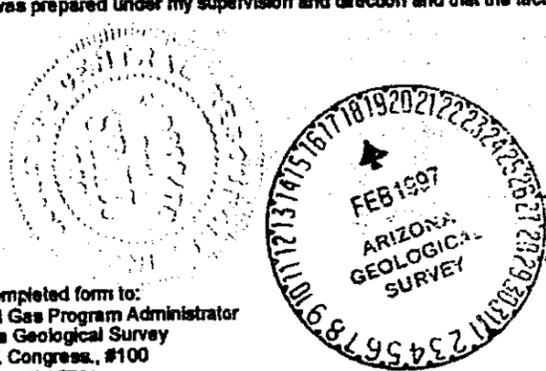
| DIRECTORS NAME | MAILING ADDRESS |
|----------------|---|
| Paul J. Zecchi | 1775 Sherman Street, #2600, Denver, CO 80203-4313 |
| | |
| | |
| | |
| | |

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Assistant Secretary of the CENTRAL RESOURCES, INC. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Jeannette H. Feigt
Signature Jeannette H. Feigt

February 14, 1997

Date



Mail completed form to:
Oil and Gas Program Administrator
Arizona Geological Survey
416 W. Congress, #100
Tucson, AZ 85701

STATE OF ARIZONA

OIL & GAS CONSERVATION COMMISSION

Organization Report
File One Copy

Form No. 1

file #1N 22 (905)

PERFORMANCE BOND
KNOW ALL MEN BY THESE PRESENTS

Annual Premium \$500

Bond Serial No. 91372

That we: CENTRAL RESOURCES, INC.

of the County of _____ in the State of Colorado

as principal, and FRONTIER INSURANCE COMPANY

of Rock Hill, New York

AUTHORIZED TO DO BUSINESS WITHIN THE STATE OF ARIZONA.

as surety, are held and firmly bound unto the State of Arizona and the Oil and Gas Conservation Commission, hereinafter referred to as the "Commission", in the penal sum of Twenty Five Thousand and no/100 (\$25,000.00)

lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents,

The conditions of this obligation are that, whereas the above bounden principal proposes to drill a well or wells for oil, gas or stratigraphic purposes in and upon the following described land situated within the State, to-wit:

Blanket Bond

(May be used as blanket bond or for single well)

NOW, THEREFORE, if the above bounden principal shall comply with all the provisions of the Laws of this State and the rules, regulations and orders of the Commission, especially with reference to the requirements of A.R.S. § 27-818, providing for the proper drilling, casing and plugging of said well or wells, and filing with the Oil and Gas Conservation Commission all notices and records required by said Commission, then in the event said well or wells do not produce oil or gas in commercial quantities, or cease to produce oil or gas in commercial quantities, this obligation is void; otherwise it shall remain in full force and effect.

Whenever the principal shall be, and declared by the Oil and Gas Conservation Commission in violation of the Laws of this State and the rules, regulations and orders of the Commission, the surety shall promptly:

1. Remedy the violation by its own efforts; or
2. Obtain a bid or bids for submission to the Commission to remedy the violation, and upon determination by the Commission and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Commission, and make available as work progresses sufficient funds to pay the cost of remedying the violation; but not exceeding, including other costs and damages for which the surety may be liable hereunder, the amount set forth in the first paragraph hereof.

Liability under this bond may not be terminated without written permission of this Commission.

WITNESS our hands and seals, this 9th day of May, 1997.

CENTRAL RESOURCES, INC.

[Signature]
Principal

WITNESS our hands and seals, this 9th day of May, 1997.

FRONTIER INSURANCE COMPANY

[Signature]
Tina E. Switzer, Attorney-in-Fact

(Surety, Resident Arizona Agent
if issued in a state other than Arizona)

(If the principal is a corporation, the bond should be executed by its duly authorized officers, with the seal of the corporation affixed, when principal or surety executes this bond by agent, power of attorney or other evidence of authority must accompany this bond.)

Approved 6-9-97
Date
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: [Signature]

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Bond
File Two Copies
Form No. 2

Parent No. 905



POWER OF ATTORNEY

Know All Men By These Presents: That FRONTIER INSURANCE COMPANY, a New York Corporation, having its principal office in Rock Hill, New York, pursuant to the following resolution, adopted by the Board of Directors of the Corporation on the 4th day of November, 1985:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

This Power of Attorney is signed and sealed in facsimile under and by the authority of the above Resolution.
DOES HEREBY MAKE, CONSTITUTE AND APPOINT: **ALTUS E. WILDER, III** **TINA E. SWITZER**

of **OKLAHOMA CITY**, in the State of **OKLAHOMA**
its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred in its name, place and stead to sign, execute, acknowledge and deliver in its behalf, and as its act and deed, without power of redelegation, as follows:

Bonds guaranteeing the fidelity of persons holding places of public or private trust; guaranteeing the performance of contracts other than insurance policies; and executing or guaranteeing bonds and undertakings required or permitted in all actions or proceedings or by law allowed; IN AN AMOUNT NOT TO EXCEED THREE MILLION FIVE HUNDRED THOUSAND (\$3,500,000.00) DOLLARS; and to bind FRONTIER INSURANCE COMPANY thereby as fully and to the same extent as if such bond or undertaking was signed by the duly authorized officers of FRONTIER INSURANCE COMPANY, and all the acts of said Attorney(s)-in-Fact pursuant to the authority herein given are hereby ratified and confirmed.

In Witness Whereof, FRONTIER INSURANCE COMPANY of Rock Hill, New York, has caused this Power of Attorney to be signed by its President and its Corporate seal to be affixed this **16th** day of **February**, 19 **96**

FRONTIER INSURANCE COMPANY

State of New York
County of Sullivan ss:



BY: 
WALTER A. RHULEN, President

On this **16th** day of **February**, 19 **96**, before the subscriber, a Notary Public of the State of New York in and for the County of Sullivan, duly commissioned and qualified, came WALTER A. RHULEN of FRONTIER INSURANCE COMPANY to me personally known to be the individual and officer described herein, and who executed the preceding instrument, and acknowledged the execution of the same, and being by me duly sworn, deposed and said, that he is the officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of the Company, and the Corporate Seal and signature as an officer were duly affixed and subscribed to the said instrument by the authority and direction of the Corporation, and that the resolution of the Company, referred to in the preceding instrument, is now in force.

In Testimony Whereof, I have hereunto set my hand, and affixed my official seal at Rock Hill, New York, the day and year above written.



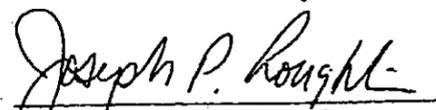

CHRISTINE I. LANE
Notary Public State of New York
Sullivan County Clerk's No. 1996
Commission Expires May 2, 1998

CERTIFICATION

I, JOSEPH P. LOUGHLIN, Secretary of FRONTIER INSURANCE COMPANY of Rock Hill, New York, do hereby certify that the foregoing Resolution adopted by the Board of Directors of this Corporation and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolution and the Powers of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the facsimile seal of the corporation this **an** day of **May**, 19 **97**.




JOSEPH P. LOUGHLIN, Secretary.

**OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION
TO TRANSPORT OIL OR GAS FROM LEASE**

| | | |
|---|----------------------|------------------------------|
| Federal, State, or Indian Lease Number, or lessor's name if fee lease | Field San Juan | Reservoir San Juan |
| Survey or Sec-Twp-Rge 2, 3 & 4 T41N R28E | County Apache | State Arizona |
| Operator Elm Ridge Resources, Inc. | | |
| ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO: | | |
| Street 12225 Greenville Ave #950 | City Dallas | State Texas 75243-9362 |
| Above named operator authorizes (name of transporter) Giant Industries Attn: Wanda | | |
| Transporter's street address P. O. Box 12999 | City Scottsdale | State AZ 85267 |
| Field Address | | |
| Oil, condensate, gas well gas, casinghead gas | | |
| To transport | 100 | % of the Oil from said lease |
| OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS: | | |
| Name of gatherer Western Gas Resources | % transported 100 | Product transported |
| 12200 North Pecos Street #230 | | |
| Denver, CO. 80234-3439 | | |
| Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change. | | |
| Change of Operator: From Central Resources, Inc. to Elm Ridge Resources, Inc. | | |

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I the undersigned, under the penalty of perjury, state that I am the President of the Elm Ridge Resources, Inc. (company), and that I am authorized by said company to make this report; that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Date 1-08-01 Signature [Signature]

Date approved: 2-5-01

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: Steven L. Rainz

Permit No. 22, 28, 515, 490

Mail two copies of completed form to:
Oil & Gas Program Administrator
Arizona Geological Survey
416 W. Congress #100
Tucson, AZ 85701-1315

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Operator's Certificate of Compliance & Authorization to
Transport Oil or Gas from Lease
File Two Copies
Form No. 8

Form 2-166
5-5438

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

BOND NO. B05973

NATIONWIDE OIL AND GAS LEASE BOND

KNOW ALL MEN BY THESE PRESENTS, That we, Elm Ridge Resources, Inc., Elm Ridge
Exploration Company of 4925 Greenville Ave., #1305, Dallas, TX 75206-4021

as principal, and Underwriters Indemnity Company
of 8 Greenway Plaza, #400, Houston, TX 77046 as suret... are held and firmly bound unto the
United States of America in the sum of one hundred fifty thousand dollars (\$150,000), lawful money of the
United States, for the payment of which, well and truly to be made, we bind ourselves and each of us, our
and each of our heirs, successors, executors, administrators, and assigns, jointly and severally, firmly by
these presents.

Sealed with our seals and dated this 10th day of June, 19 96.

The condition of this obligation is such that whereas the said principal... has, heretofore or may
hereafter enter into or otherwise acquire an interest in oil and gas mining leases and oil and gas prospect-
ing permits of various dates and periods of duration covering lands or interests in lands held by the United
States in trust for individual Indians, or tribes or bands of Indians, or subject to restrictions against
alienation without the consent of the Secretary of the Interior or his authorized representative, which
leases and permits have been or may hereafter be granted or approved by the Secretary of the Interior
or his authorized representative, and the identification of which herein is expressly waived by both prin-
cipal... and suret... hereto.

WHEREAS the principal... and suret... agree that the coverage of this bond shall extend to and
include all extensions and renewals of leases and permits covered by this bond, such coverage to continue
without any interruption due to the expiration of the term set forth therein.

WHEREAS the suret... hereby waives... any right to notice of any modification of any such lease
or permit, or obligation thereunder whether effected by extension of time for performance, by commit-
ment of such lease to unit, cooperative, or communitization agreement, by waiver, suspension, or change
in rental, except an increase thereof, by minimum royalty payment, except an increase thereof, by com-
pensatory royalty payment, or otherwise, this bond to remain in full force and effect notwithstanding.

WHEREAS the principal... and suret... agree that the neglect or forbearance of the obligee of
any such lease or permit in enforcing the payment of any rental or royalty or the performance of any
other covenant, condition, or agreement of any such lease or permit shall not in any way release the prin-
cipal... and suret... or either of them, from any liability under this bond; and

WHEREAS the principal... and suret... agree that in the event of any default under any such lease
or permit, the obligee may prosecute any claim, suit, action, or other proceeding against the principal...
and suret..., or either of them, without the necessity of joining the other.

Now, if the said principal... herein shall faithfully carry out and observe all the obligations assumed
in said leases and permits to which Elm Ridge Resources, Inc., Elm Ridge Exploration Company
is now or may hereafter become a party, and shall observe all the laws of the United States and regula-

tions made, or which shall be made, thereunder, for the government of trade and intercourse with Indian tribes, and all rules and regulations that have been or shall hereafter be lawfully prescribed by the Secretary of the Interior relative to said oil and gas mining leases and permits, and shall in all particulars comply with the provisions of said leases, permits, rules and regulations, then this obligation shall become null and void; otherwise, to remain in full force and effect.

The rate of premium charged on this bond is \$.....; the total premium paid is \$.....

Signed and sealed in the presence of—

WITNESSES*

BY: Kay Buchanan
4925 Greenville Ave., #1305
P.O. Dallas, Texas 75206

BY: Boni Morik
4925 Greenville Ave., #1305
P.O. Dallas, Texas 75206

BY: Nancy Cox
8 Greenway Plaza, Suite 400
P.O. Houston, TX 77046

BY: Sue Mason
8 Greenway Plaza, Suite 400
P.O. Houston, TX 77046

P.O.
.....
.....

P.O.

P.O.

P.O.

Elm Ridge Resources, Inc.
Elm Ridge Exploration Company

as to BY: [Signature] [SEAL]

Underwriters Indemnity Company

as to BY: [Signature] [SEAL]
Roy C. Die, Attorney-in-Fact

as to [SEAL]

as to [SEAL]

*Two witnesses to each signature.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
Washington 25, D. C.

AUG 1 1996, 19.....

Approved:
Approved pursuant to authority delegated
at 250 D.M. 2.6(C), dated 11-4-83.

[Signature]
ACTING Director, Office of Trust Responsibilities, 200...

ORGANIZATION REPORT

Full Name of the Company, Organization, or Individual
Elm Ridge Resources, Inc.

Mailing Address and Phone Number
12225 Greenville Avenue #950, Dallas, Texas 75243-9362 (971) 889-2100

Plan of Organization (State whether organization is a corporation joint stock association, firm or partnership, or individual
Corporation

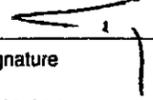
Purpose of Organization (State type of business in which engaged)
Oil and Gas Industry

If a reorganization, give name and address of previous organization

| If a foreign corporation give (1) State where incorporated | (2) Name and mailing address of state agent | (3) Date of permit to do business in state |
|---|--|--|
| Texas | C T Corporation System 3225 North Central Avenue Phoenix, AZ 85012 | 11/15/00 |
| Principal Officers or Partners (if partnership) NAME | TITLE | MAILING ADDRESS |
| James M. Clark, Jr. | President | 12225 Greenville Ave #950 Dallas, TX 75243-9362 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

| DIRECTORS NAME | MAILING ADDRESS |
|--------------------------------|---|
| James M. Clark, Jr., President | 12225 Greenville Ave #950, Dallas, Tx 75243 |
| | |
| | |
| | |
| | |

CERTIFICATE I, the undersigned, under the penalty of perjury state that I am the President of the Elm Ridge Resources, Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.


 Signature
1/8/01
 Date

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION

Organization Report
 File One Copy

Form No. 1

Mail completed form to
 Oil and Gas Program Administrator
 Arizona Geological Survey
 416 W Congress., #100
 Tucson, AZ 85701

EAST BOUNDARY BUTTE FIELD

Operator: Elm Ridge Resources, Inc.

Bond Company*: Indian lands, evidence of bond posted with BIA

Underwriters Indemnity Co. \$150,000 BIA Nationwide Bond No. B05973

Date approved: 8/01/96

*** Pursuant to commission motion of October 31, 1997, no bond required with State of Arizona upon evidence of bond posted with the BIA.**

Permits covered by this bond posted with the BIA:

022 ✓
028 ✓
490 ✓
515 ✓
905 - Expired

1-21-98 Call Brian Woods, Permits West Inc (505-466-8120) to ask status of well.

1-23-98 Brian Hrus call. Central Resources has put themselves up for sale & will hold off drs because new owner would call the shots. If no sale Central (ie. bid not high enough) plan to drill sometime in 2nd qtr. Plan to extend permit if necessary.

= Company sold to Elm Ridge Resources



Jane Dee Hull
Governor

State of Arizona
Arizona Geological Survey
416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

February 6, 2001

Ms. Kay Buchanan
Elm Ridge Resources, Inc.
12225 Greenville Ave, Suite 950
Dallas TX 75243-9362

Dear Ms. Buchanan:

This will acknowledge receipt of evidence of Elm Ridge Resources' bonding with the U.S. Department of the Interior, Bureau of Indian Affairs, completed Organization Report (Form 1), and updated Operator's Certificate of Compliance and Authorization to Transport Oil or Gas from Lease (Form 8).

I have enclosed copies of the approved Form 8 for your files.

Sincerely,

Steven L. Rauzi
Oil & Gas Administrator

Enclosures



February 2, 2001

State of Arizona
Attn: Steve Rauzi
416 West Congress Suite 100
Tucson, Arizona 85701

Dear Mr. Rauzi:

Pursuant to our recent telephone conversation, enclosed please find the Organization Report with the address of state agent changed. Also, the principal officer has been added. As far as the Operator's Certificate of Compliance and Authorization, we have completed the form for the transport percentage, added the gas gatherer and indicated that this certificate was for a change of operator.

We apologize for any inconvenience and should you have any questions, please feel free to call.

Sincerely,

Kay Buchanan
Kay Buchanan

CDB/kb

Enclosures



February 2, 2001

State of Arizona
Attn: Steve Rauzi
416 West Congress Suite 100
Tucson, Arizona 85701

Dear Mr. Rauzi:

Pursuant to our recent telephone conversation, enclosed please find the Organization Report with the address of state agent changed. Also, the principal officer has been added. As far as the Operator's Certificate of Compliance and Authorization, we have completed the form for the transport percentage, added the gas gatherer and indicated that this certificate was for a change of operator.

We apologize for any inconvenience and should you have any questions, please feel free to call.

Sincerely,

Kay Buchanan
Kay Buchanan

CDB/kb

Enclosures



January 25, 2001

State of Arizona
Oil & Gas Conservation Commission
Attn: Steve Rauzi
416 West Congress, Suite 100
Tucson, Arizona 85701

Dear Mr. Rauzi:

Enclosed please find the Organization Report, Operator's Certificate of Compliance and Authorization to Transport Oil and Gas, and a copy of the Nationwide Oil and Gas Lease Bond.

Should you desire further information, please advise me.

Sincerely,

Kay Buchanan
Kay Buchanan

ext. 103

CDB/kb

Enclosures



Jane Dee Hull
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

September 17, 1998

Mr. Thomas W. DeLong
Central Resources
P O Box 2810
Farmington, NM 87499

Re: Central Resources Navajo #4; State Permit #905

Dear Mr. DeLong:

Your request of September 14, 1998, to extend the referenced permit through April 3, 1999, is approved.

Sincerely,

Steven L. Rauzi
Oil & Gas Administrator

c Brian Wood

CENTRAL
RESOURCES, INC.

September 14, 1998

Arizona Geological Survey
Oil & Gas Program
416 W. Congress, Suite 100
Tucson, Arizona 85701

Attn: Mr. Steven L. Rauzi

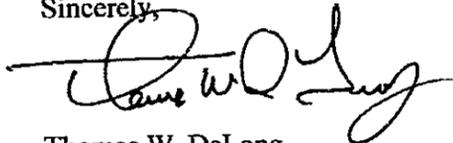
RE: Navajo #4, Section 4, T41N, R28E, Apache County, Arizona
Drilling Permit No. 00905

Dear Mr. Rauzi:

Central Resources, Inc. requests an additional 180 days in which to complete the drilling of the subject well. The low oil prices have slowed our plans for drilling. We hope to be drilling by springtime.

If you have any questions regarding this matter, please call me at (505) 326-3325.

Sincerely,



Thomas W. DeLong
District Manager

GEM/ncs

cc: Brian Wood



**PETROLEUM INFORMATION/DWIGHTS
DAILY ACTIVITY REPORT
SECTION II - 08/21/98**

PAGE 8

DRILLING ACTIVITY

INITIAL CLASS: WF=NEW FIELD WILDCAT; WD=DEEPER POOL WILDCAT; WS=SHALLOWER POOL WILDCAT; WP=NEW POOL WILDCAT; WO=WILDCAT OUTPOST; D=DEVELOPMENT.

■ DENOTES NEW INFORMATION ADDED THIS WEEK. LDIR - LAST DATE INFORMATION REPORTED OR CONFIRMED.

● DENOTES A FINAL STATUS HAS BEEN ADDED TO THE WELL.

P/N 905

ARIZONA

APACHE COUNTY

CENTRAL RESOURCES 4-41N-28E
4 NAVAJO NE SE
API 02-001-20317 2262 FSL 906 FEL

BOUNDARY BUTTE EAST; PERMIT #905: 6500 MISSISSIPPIAN, (FR 10/08/97FM) OPER ADD: BOX 2810, FARMINGTON, NM, 87499-2810 PHONE (505) 326-3325; EL: 5364 GR; LOCATION DATA: 10 MI WNW TEEC NOS POS. AZ W/IN FLD(PARADOX); TO BE HORIZONTALLY DRILLED. PBHL: 1200 FNL 1980 FEL SE NW NE 4-41N-28E;

WO

■ LOC (PLANS TO EXTEND APD 10/1/98); (LDIR 08/20/98)

COLORADO

ADAMS COUNTY

BLUE CREEK INC 12-2S-63W
42-12 BRETT THOMAS C SE NE
API 05-001-09380 1980 FNL 660 FEL

TOTEM; PERMIT #98-707; 7500 J SAND, (FR 08/06/98DN) OPER ADD: 1801 BROADWAY STE 760, DENVER, CO, 80202 PHONE (303) 292-4051; EL: 5186 GR; LOCATION DATA: 9 1/2 MI NNE BENNETT, CO 1 MI WNW OF FLD(D SAND/J SAND);

WO

■ CONTR: ASHBY DRLG, RIG #1; SPUD: 08/10/98, 7500 TD, (TD REACHED: 08/14/98); ... 7500 TD(APPROX), TITE (LDIR 08/20/98)

JACKSON COUNTY

SAMEDAN OIL 18-10N-79W
41-18 JONES NE NE
API 05-057-06377 660 FNL 660 FEL

WILDCAT; PERMIT #97-721; 5500 LAKOTA, (FR 09/26/97DN) OPER ADD: 1050 17TH ST STE 1100, DENVER, CO, 80265 PHONE (303) 534-1533; EL: 7897 GR; LOCATION DATA: 3 MI WNW BATTLESHIP FLD(DAKOTA/FRONTIER/LAKOTA) 8 MI N WALDEN, CO;

WF

■ CONTR: ASHBY DRLG, RIG #3; SPUD: 07/30/98, 5500 TD, (TD REACHED: 08/17/98); ... 5500 TD(APPROX), TITE (LDIR 08/20/98)

MOFFAT COUNTY

WESTTECH ENERGY 14-5N-96W
1-4 BINGMAN SW NE NE
API 05-081-06954 745 FNL 742 FEL

DANFORTH HILLS NORTH; PERMIT #98-337; 8250 MINTURN, (FR 04/03/98DN) OPER ADD: 4643 S ULSTER ST STE 1190, DENVER, CO, 80237 PHONE (303) 694-6530; EL: 6361 GR; LOCATION DATA: 17 MI E ELK SPRINGS, CO FLD PRODUCES FROM(MORRISON/SHINARUMP/MOENKOPI);

WD

■ CONTR: CAZA DRLG, RIG #7; SPUD: 07/15/98, 8250 TD, (TD REACHED: 08/19/98); ... 8250 TD(APPROX), TSTG (LDIR 08/20/98)

MCELVAIN T H O&G PROP 5-11N-91W
5-9 SAND HILLS FEDERAL E2 NE SE
API 05-081-06959 1906 FSL 660 FEL

WEST SIDE CANAL; PERMIT #98-588; 6257 ALMOND, (FR 06/23/98FM) OPER ADD: 1050 17TH ST STE 710, DENVER, CO, 80265 PHONE (303) 893-0933; EL: 6420 GR; LOCATION DATA: 7 1/4 MI SSE BAGGS, WY;

D

■ CONTR: ELENBURG EXPL, RIG #14; SPUD: 08/08/98, CSG: 4 1/2 @ 6355; 6355 TD, (TD REACHED: 08/18/98); ... 6355 TD, WOCT (LDIR 08/20/98)

MONTANA

FALLON COUNTY

BURLINGTON RES O&G 3-6N-61E
12-33SH ELOB UNIT FEDERAL NW SW NW
API 25-025-21780 1913 FNL 330 FWL

LOOKOUT BUTTE EAST; PERMIT #15277; 15425 RED RIVER B ZONE, PROJ TVD: 8875, (FR 07/21/98DN) OPER ADD: 3300 N "A" ST BLDG 6, BOX 51810, MIDLAND, TX, 79710-1810 PHONE (915) 688-6979; EL: 2961 GR; LOCATION DATA: 7 MI W MARMARTH, ND; TO BE HORIZONTALLY DRILLED. PBHL: 6181 FT S 45 DEG 0 MIN 0 SEC W; 1270 FNL 930 FWL SE NW NW 9-6N-61E;

D

■ CONTR: NABORS DRLG USA, RIG #455; SPUD: 08/18/98 (EST), PROPOSED HORIZONTAL PROGRAM: KOP: 3601 MD, ... DRLG-TITE (LDIR 08/20/98)

BURLINGTON RES O&G 53-7N-61E
34-33SH ELOB UNIT FEDERAL SW SW SE
API 25-025-21779 75 FSL 2400 FEL

LOOKOUT BUTTE EAST; PERMIT #15201; 14982 RED RIVER B ZONE, PROJ TVD: 8928, (FR 06/22/98DN) OPER ADD: 3300 N A ST BLDG 6, BOX 51810, MIDLAND, TX, 79710-1810 PHONE (915) 688-6979; EL: 2964 GR; LOCATION DATA: 7 1/2 MI W MARMARTH, ND; TO BE HORIZONTALLY DRILLED. PBHL: 1085 FSL 1555 FEL NE SW SE 5-6N-61E;

D

■ CONTR: NABORS DRLG USA, RIG #455; SPUD: 07/17/98, ... 14000 TD(APPROX), DATA NOT RELEASED BY OPR (LDIR 08/20/98)

HILL COUNTY

KLABZUBA O&G 29-33N-17E
29-33-17 BALTRUSCH NE NW NE
API 25-041-22649 650 FNL 1400 FEL

WILDCAT; PERMIT #15252; 2300 EAGLE, (FR 07/02/98DN) OPER ADD: BOX 40, HAVRE, MT, 59501 PHONE (406) 262-8900; EL: 2551 GR; LOCATION DATA: 2 3/4 MI S COAL COULEE FLD(EAGLE) 4 MI WSW UNNAMED FLD DISC(EAGLE)SI 13-33N-17E 7 MI ENE HAVRE, MT;

WF

■ CONTR: KB DRLG INC, RIG #3; SPUD: 08/19/98, ... DRLG 1080 (LDIR 08/20/98)

**PETROLEUM INFORMATION/DWIGHTS
DAILY ACTIVITY REPORT
SECTION II - 07/23/98**

PAGE 6

DRILLING ACTIVITY

INITIAL CLASS: WF=NEW FIELD WILDCAT; WD=DEEPER POOL WILDCAT; WS=SHALLOWER POOL WILDCAT; WP=NEW POOL WILDCAT; WO=WILDCAT OUTPOST; D=DEVELOPMENT.

- DENOTES NEW INFORMATION ADDED THIS WEEK. LDIR - LAST DATE INFORMATION REPORTED OR CONFIRMED.
- DENOTES A FINAL STATUS HAS BEEN ADDED TO THE WELL.

P/N 905

ARIZONA

APACHE COUNTY

CENTRAL RESOURCES 4-41N-28E
4 NAVAJO NE SE
API 02-001-20317 2262 FSL 906 FEL

BOUNDARY BUTTE EAST; PERMIT #905; 6500 MISSISSIPPIAN, (FR 10/08/97FM) OPER ADD: BOX 2810, FARMINGTON, NM, 87499-2810 PHONE (505) 328-3325; EL: 5364 GR; LOCATION DATA: 10 MI WNW TEEC NOS POS, AZ W/IN FLD(PARADOX); TO BE HORIZONTALLY DRILLED. PBHL: 1200 FNL 1980 FEL SE NW NE 4-41N-28E;

WO

- LOC (MAY SPUD JULY-AUG '98); (LDIR 07/22/98)

COLORADO

BENT COUNTY

JIM SNYDER & BENT O&G 27-23S-50W
1 ELSTON SW NW
API 05-011-06001-0001 1980 FNL 660 FWL

WILDCAT; PERMIT #95-118; 5000 ATOKA, (FR 02/10/95DN) OPER ADD: BOX 41, LAS ANIMAS, CO, 81054 PHONE (316) 486-3000; EL: 3966 GR; LOCATION DATA: 10 MI W-SW WAGON TRAIL FLD(MORROW) 11 1/2 MI E-SE LAS ANIMAS, CO; TO BE VERTICALLY DRILLED. CWWO: OLD INFO: FORMERLY WARD EDINGER 1 ELSTON- FEDERAL. SPUD 9/27/67. 8 5/8 @ 290 W/225 SX. LOG TOPS: MARMATON 3789, CHEROKEE 4236, ATOKA 4698. MORROW 4812. TD 4990. COMP 9/27/67. D&A;

WFX

- CONTR: GIBSON J W WL SRVC; SPUD: 04/04/95 (EST), CSG: RAN PROD CSG; DRLG COMMENTS: FINAL COMPLETION PENDING CO&G HEARING/RULING. 4990 TD, (TD REACHED: 04/08/95) 4810 PBTD; PROD TEST(S): (ATOKA) APPROX 135 FT OPENHOLE INTERVAL(PB HOLE TO MORROW TOP), OPENHOLE, FLW 300 MCFD, WTR NOT RPTD(FLARED). . . . 4990 TD, PB 4810, SI-WOO/EVAL (LDIR 07/22/98)

CHEYENNE COUNTY

UNION PACIFIC RESOURCES 33-12S-44W
1 TEAGUE 11-33 SE NW NW
API 05-017-07584 900 FNL 800 FWL

ARCHER; PERMIT #98-360; 5600 MORROW, (FR 04/14/98DN) OPER ADD: BOX 7 MS 3006, FORT WORTH, TX, 76101 PHONE (817) 877-7809; EL: 4320 GR; LOCATION DATA: 10 1/2 MI N CHEYENNE WELLS, CO 1/2 MI ENE OF FLD(OSAGE/SHAWNEE/MORROW/MISSISSIPPIAN/ TOPEKA/MARMATON/FORT SCOTT/LANSING);

WO

- CONTR: MURFIN DRLG, RIG #14; SPUD: 04/30/98, 5600 TD, (TD REACHED: 05/07/98); . . . 5600 TD(APPROX), SI-TIGHT HOLE (LDIR 07/22/98)

GARFIELD COUNTY

OXY USA 10-6S-97W
610-1 CASCADE CREEK NW NW
API 05-045-06896 527 FNL 789 FWL

GRAND VALLEY; PERMIT #97-640; 9000 MESAVERDE, (FR 08/13/97DN) OPER ADD: BOX 50250, MIDLAND, TX, 79710 PHONE (915) 685-5828; EL: 8229 GR; LOCATION DATA: 10 1/2 MI NW PARACHUTE, CO;

D

- CONTR: NABORS DRLG USA, RIG #903; MIRT; (LDIR 07/22/98)

LOGAN COUNTY

MIDWEST ENTERPRISES 33-11N-52W
6 DONAVAN B C NE NE
API 05-075-09320 660 FNL 660 FEL

WAHOO; PERMIT #98-240; 7100 MARMATON, (FR 03/06/98DN) OPER ADD: 1508 SUNSET PL, LAMAR, CO, 81052 PHONE (719) 336-3538; EL: 4229 GR; LOCATION DATA: FLD PRODUCES FROM(J SAND) 11 MI NNW ILIFF, CO;

WD

- CONTR: ASHBY DRLG, RIG #1; MIRT; (LDIR 07/22/98)

MOFFAT COUNTY

TRUE OIL 22-12N-101W
14-22 MULL STATE C SW SW
API 05-081-06957 660 FSL 660 FWL

HIAWATHA WEST; PERMIT #98-520; 5500 MESAVERDE, (FR 06/08/98DN) OPER ADD: BOX 2360, CASPER, WY, 82602 PHONE (307) 266-0234; EL: 6934 GR; LOCATION DATA: 6 MI W HIAWATHA, CO 1 3/4 MI W OF FLD(WASATCH/FORT UNION/LANCE/LEWIS/ MESAVERDE);

WO

- CONTR: TRUE DRLG, RIG #4; SPUD: 07/13/98, . . . DRLG 5650 (LDIR 07/22/98)

WELD COUNTY

PATINA O&G 14-2N-66W
14-13JI RATTLESNAKE W SW SW SW
API 05-123-19640 472 FSL 475 FWL

WATTENBERG; PERMIT #98-538; 8125 J SAND, (FR 06/09/98DN) OPER ADD: 1625 BROADWAY STE 2000, DENVER, CO, 80202 PHONE (303) 389-3645; EL: 5092 GR; LOCATION DATA: 4 1/2 MI NE FORT LUPTON, CO; WELL ID CHANGES: FTG CHGD FROM 662 FSL 665 FWL SPOT CHGD FROM NE SW SW FIRST REPORT REISSUE: REISSUED TO CORRECT FTG, SPOT;

D

- CONTR: CAZA DRLG, RIG #5; SPUD: 07/15/98 (EST), 8170 TD, (J SAND) (TD REACHED: 07/20/98), RIG REL: 07/21/98; . . . 8170 TD, WOCT (LDIR 07/22/98)

DIVERSIFIED OPERATING 29-8N-60W
29-10-1 FEDERAL ROADRUNNER NE NW SE
API 05-123-19667 2269 FSL 1518 FEL

CROW; PERMIT #98-659; 7100 D SAND, (FR 07/13/98DN) OPER ADD: 15000 W 6TH AVE STE 102, GOLDEN, CO, 80401 PHONE (303) 384-9611; EL: 4945 GR; LOCATION DATA: 14 MI W NEW RAYMER, CO 1/2 MI SW OF FLD(D SAND);

WO



Jane Dee Hull
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

April 6, 1998

Mr. Gregory E. McIntosh, P.E.
Central Resources, Inc.
P.O. Box 2810
Farmington, NM 87499

Re: Navajo #4, sec 4-41n-28e, Apache County, Arizona
State Drilling Permit # 00905

Dear Mr. McIntosh:

This will serve as approval of your written request for a six-month extension to State Drilling Permit 905. The new expiration date will be October 3, 1998.

Please advise if we may be of further service.

Sincerely,


Steven L. Rauzi
Oil & Gas Program Administrator

c Brian Wood

CENTRAL
RESOURCES, INC.

March 30, 1998

Arizona Geological Survey
Oil & Gas Program
416 W. Congress, Suite 100
Tucson, Arizona 85701

Attn: Mr. Steven L. Rauzi

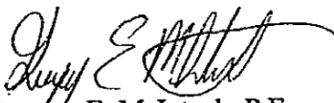
RE: Navajo #4, Section 4, T41N, R28E, Apache County, Arizona
Drilling Permit No. 00905

Dear Mr. Rauzi:

Central Resources, Inc. requests an additional 180 days in which to complete the drilling of the subject well. We hope to be drilling by late summer.

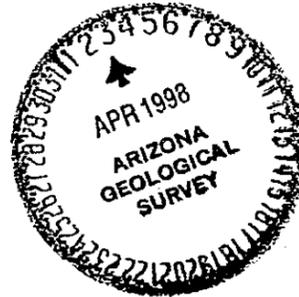
If you have any questions regarding this matter, please call me at (505) 326-3325.

Sincerely,


Gregory E. McIntosh P.E.
Production Engineer

GEM/ncs

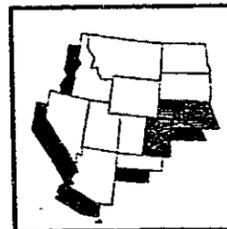
cc: Brian Wood





ROCKY MOUNTAIN

REGION REPORT



SOUTHEASTERN EDITION

Vol. 70, No. 196
10-9-97

905

Arizona's First Horizontal Test Slated for East Boundary Butte Field

FARMINGTON INDEPENDENT Central Resources Inc has plans to drill Arizona's first horizontal test at a site on the southwestern edge of the Paradox Basin approximately 14 miles west-northwest of Teec Nos Pos.

Pending Navajo tribal approval, the 4 Navajo is to be drilled from a surface location 2262 ft from the south line and 906 ft from the east line (ne se) of section 4-41n-28e, Apache County, northwestward to a proposed bottom-hole location 1200 ft from the north line and 1980 ft from the east line (nw ne) of the same section. It's projected to a measured total depth of 6500 ft in Mississippian. Objectives include Paradox (Pennsyl-

vanian) and Mississippian zones.

At its surface location, the Boundary Butte East field well offsets the field's confirmation well—the Humble Oil Co (Exxon) 1 Navajo Tribal, also in ne se 4-41n-28e. That well was completed in 1955 producing oil and gas from Paradox at 4806-16 ft. Humble recompleted the 6382-ft well in 1969 producing gas from a shallower Paradox interval between 4596 and 4808 ft.

In 1993, Merrion Oil & Gas re-entered the 1 Navajo Tribal and recompleted it as a deeper pay discovery in Mississippian at 5570-82 ft. Initial flowing potential was 1.66 million cu ft of gas daily. Through May 1997, it had produced 103 mil-

lion cu ft of gas, 6,831 bbls of oil/condensate and 13,538 bbls of water from Mississippian, and at that time was producing an average of 98,000 cu ft of gas, 11 bbls of oil/condensate and 30 bbls of water per day.

Boundary Butte East field, discovered by Shell Oil in 1954, has produced more than 9.9 billion cu ft of gas, 898,700 bbls of oil/condensate and 1.8 million bbls of water, primarily from four Paradox pays above 5000 ft—Honaker Trail, Lower Ismay, Desert Creek and Akah. In May, the field's two remaining active wells (both operated by Central) combined to produce an average of 176,000 cu ft of gas, 13 bbls of oil/condensate and 32 bbls of water per day.

NEWSLETTER
DAILY ACTIVITY REPORT
EASTERN COLORADO
WESTERN NEBRASKA

SECTION I
SECTION II
SECTION III
SECTION IV



Petroleum Information/
Dwights LLC

P.O. Box 2612, Denver, CO 80201-2612, 303/595-7500
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**PETROLEUM INFORMATION/DWIGHTS
DAILY ACTIVITY REPORT
SECTION II - 10/09/97**

PAGE 2

FIRST REPORT SUMMARY

INITIAL CLASS: WF = NEW FIELD WILDCAT; WD = DEEPER POOL WILDCAT; WS = SHALLOWER POOL WILDCAT; WP = NEW POOL WILDCAT; WO = WILDCAT OUTPOST; D = DEVELOPMENT.

■ DENOTES NEW INFORMATION ADDED THIS WEEK. LDIR - LAST DATE INFORMATION REPORTED OR CONFIRMED.

● DENOTES A FINAL STATUS HAS BEEN ADDED TO THE WELL.

ARIZONA

APACHE COUNTY

902
CENTRAL RESOURCES
4 NAVAJO
API 02-001-20317

4-41N-28E
NE SE
2282 FSL 906 FEL

BOUNDARY BUTTE EAST; PERMIT #905; 6500 MISSISSIPPIAN, (FR 10/08/97FM) OPER ADD: BOX 2810, FARMINGTON, NM, 87499-2810 PHONE (505) 326-3325; EL: 5364 GR; LOCATION DATA: 10 MI WNW TEEC NOS POS, NM W/IN FLD(PARADOX); TO BE HORIZONTALLY DRILLED. PBHL: 1200 FNL 1980 FEL NW NE 4-41N-28E;

WO

LOC;

COLORADO

CHEYENNE COUNTY

UNION PACIFIC RESOURCES
1 J & M DECHANT 13-27
API 05-017-06915-0001

27-13S-47W
SW NW SW
1977 FSL 655 FWL

MOUNT PEARL; PERMIT #97-772; 5460 MORROW, (FR 10/08/97DN) OPER ADD: BOX 7 MS 3006, FORT WORTH, TX, 76101-0000 PHONE (817) 877-7958; EL: 4337 GR; LOCATION DATA: 10 1/2 MI NE KIT CARSON, CO; OWWO: OLD INFO: FORMERLY UNION PACIFIC RESOURCES 1 J & M DECHANT 13-27. SPUD 10/1/88. 8 5/8 @ 336 W/250 SX. LOG TOPS: MORROW 5200, KEYES 5391, SPERGEN 5440. OTD 5510. COMP 10/11/88. D&A;

D X

LOC;

GARFIELD COUNTY

BARRETT RESOURCES
GM 24-34 UNOCAL
API 05-045-07222

34-6S-96W
SE SW
457 FSL 1902 FWL

GRAND VALLEY; PERMIT #97-774; 6350 WILLIAMS FORK, (FR 10/08/97FM) OPER ADD: 1515 ARAPHOE ST, TWR 3 STE 1000, DENVER, CO, 80202 PHONE (303) 572-3900; EL: 5310 GR; LOCATION DATA: 2 3/4 MI NW PARACHUTE, CO;

D

LOC;

VENOCO INC
11-15 GASAWAY FEDERAL
API 05-045-07223

11-6S-99W
SW SE
600 FSL 2178 FEL

GASAWAY; PERMIT #97-775; 6100 MANCOS, (FR 10/08/97DN) OPER ADD: 217 STATE ST STE 300, SANTA BARBARA, CA, 93101 PHONE (805) 966-6596; EL: 5963 GR; LOCATION DATA: 20 MI WNW PARACHUTE, CO;

D

LOC;

BROWN TOM INC
16-14 FEDERAL
API 05-045-07224

16-7S-94W
NE NE
694 FNL 1219 FEL

RULISON; PERMIT #97-776; 9125 CAMEO, (FR 10/08/97DN) OPER ADD: 555 17TH ST STE 1850, DENVER, CO, 80202 PHONE (303) 285-5000; EL: 7471 GR; LOCATION DATA: 8 MI SW RIFLE, CO;

D

LOC;

BROWN TOM INC
10-11 SOUTH CANYON FED
API 05-045-07225

10-7S-104W
NW NW
684 FNL 398 FWL

SOUTH CANYON; PERMIT #97-777; 8450 DAKOTA, (FR 10/08/97DN) OPER ADD: 555 17TH ST STE 1850, DENVER, CO, 80202 PHONE (303) 285-5000; EL: 6927 GR; LOCATION DATA: 26 MI NW FRUITA, CO;

D

LOC;

J-W OPERATING
2-25 WEEKS TRUST
API 05-125-08039

25-2N-47W
SE SW
600 FSL 2040 FWL

SCHRAMM; PERMIT #97-773; 2750 NIOBRARA, (FR 10/08/97FM) OPER ADD: BOX 305, WRAY, CO, 80758 PHONE (970) 332-3151; EL: 3995 GR; LOCATION DATA: 5 MI W ECKLEY, CO;

D

LOC;

YUMA COUNTY

NEBRASKA

DUNDY COUNTY

HEWIT FAMILY PARTNERSHIP
13-36 STATE
API 26-057-21369

36-2N-39W
NW SW
1900 FSL 650 FWL

WILDCAT; 4650 LANSING-KANSAS CITY, (FR 10/07/97DN) OPER ADD: 621 17TH ST STE 2555, DENVER, CO, 80293 PHONE (303) 292-0697; EL: 3275 GR; LOCATION DATA: 3 MI SSW PLEASANT VALLEY FLD(LANSING-KANSAS CITY) 8 MI WNW BENKELMAN, NE;

WF

■ CONTR: MURFIN DRILG, RIG #3; SPUD: 10/08/97, . . . DPLG SURF (LDIR 10/08/97)

October 9, 1997

NIAKUK

**BP Expl (Alaska) Inc. "Niakuk" NK-41A Directional
 36-12N-15E UM, Fr SE cor 1474'N 717'W(Surface)
 21-12N-16E UM, Fr SE cor 4591'N 3167'W(est.BHL)
 22-12N-16E UM, Fr SE cor 1171'N 4970'W(est.BHL-RD)
 50-029-22778-01 S-06/26/97(Pool Arctic #7)
 ????? Redrilling, no details. Map:AL-5

905

**OTHER WESTERN STATES
 EAST BOUNDARY BUTTE**

**STATE OF ARIZONA
 APACHE COUNTY**
 Central Resources, Inc. "Navajo" 4 02-001-20317
 4-41N-28E, Fr SE cor 2262'N 906'W(Surface)
 4-41N-28E, Fr NE cor 1200'S 1980'W(est.BHL) Map:AZ
 Lease #14-20-603-413 6500'Paradox-est.td
 elev:5364'GR Directional
 Issued permit #905 on 10/3/97.

POINT MCINTYRE

ARCO Alaska Inc. "Point McIntyre" P2-33 Directional
 14-12N-14E UM, Fr NW cor 231'S 1365'E(Surface)
 6-12N-15E UM, Fr NE cor 4073'S 1652'W(est.BHL)
 50-029-22812 S-10/04/97(Doyon Drlg #14) Map:AL-4
 6718 Drilling.

HURRICANE CLIFF

MOHAVE COUNTY
 *Premco Western, Inc. "Mohave County" 1-10 Map:AZ
 10-41N-11W, Fr SE cor 2353'N 510'W 02-015-20029
 18c.75 10-3/4c.240 8-5/8c.1050aprx elev:3090'GR
 (Federal Lease #A-21068) 8500'-est.td S-11/30/95
 420+ Redrilling with cable tool rig below 420'.

PRUDHOE BAY

ARCO Alaska Inc. "Prudhoe Bay Unit" 04-16A Map:AL-5
 26-11N-15E UM, Fr SW cor 747'N 295'E(Surface)
 25-11N-15E UM, Fr SW cor 1494'N 1436'E(BHL)
 36-11N-15E UM, Fr SE cor 5102'N 5142'W(est.BHL-RD)
 13-3/8c.2665 9-5/8c.11226 7c.11611 50-029-20977-01
 (Rowan Drlg #41) S-9/9/83 Rig rel-10/2/83
 Rsm-10/07/97(Doyon Drlg #16) Directional
 11611 Pgl1555 Resumed 10/7/97 for redrill #1.
 Pulled tubing.

**STATE OF NEVADA
 CHURCHILL COUNTY**

BRADY HOT SPRINGS

Brady Power Partners "1" BCH-1 27-001-90256 Map:NV
 36-23N-26E, SE-1/4 SE-1/4 5000'-est.td
 (Tonto Drlg)
 2000 Drilled. Released rig. Will finish drilling
 with a continuous core rig.

Brady Power Partners "1" BCH-2 27-001-90258 Map:NV
 1-22N-26E, SE-1/4 NW-1/4 S-09/20/97(Tonto Drlg)
 5000'-est.td
 2000+ Moved in a continuous core rig to finish
 well.

Brady Power Partners "1" BCH-3 27-001-90259 Map:NV
 12-22N-26E, NW-1/4 SW-1/4 5000'-est.td
 (Tonto Drlg)
 ??? Drilling.

ARCO Alaska Inc. "Prudhoe Bay Unit" 05-04A Map:AL-5
 32-11N-15E UM, Fr NE cor 2262'S 1182'W(Surface)
 31-11N-15E UM, Fr SE cor 795'N 1630'W(BHL)
 6-10N-15E UM, Fr SE cor 5153'N 507'W(est.BHL-RD)
 13-3/8c.2700-9-5/8c.9908-50-029-20152-01
 (Rowan Drlg Co #35) S-12/17/74 Comp-1/24/75
 Directional
 9945 TVD9177 Revised proposed bottom hole
 location.

DIXIE VALLEY

Oxbow Geothermal Corp. "32" 27-32 27-001-90253
 32-25N-37E, SW-1/4 SW-1/4 (Wotec) Map:NV
 500aprx. Drilled. Evaluating. May deepen.

ARCO Alaska Inc. "Prudhoe Bay Unit" 07-36 Map:AL-4
 34-11N-14E UM, Fr SE cor 3507'N 4610'W(Surface)
 27-11N-14E UM, Fr SE cor 2106'N 4456'E(est.BHL)
 7c.???? 4-1/2c.13380 50-029-21806 Directional
 S-09/14/97(Doyon Drlg #141)
 13380 TD. Drilled. Cmtd 4-1/2" csg at 13380'.

STILLWATER

AMOR IV "6" 12A-6 27-001-90255 (VECO Drlg Co #10)
 6-19N-31E, NW-1/4 NW-1/4 5000'-est.td Map:NV
 Moving rig to location.

ARCO Alaska Inc. "West Beach" WB-05 50-029-22817
 25-12N-14E UM, Fr SE cor 109'N 3220'W(Surface)
 20-12N-15E UM, Fr SE cor 503'N 1524'W(est.BHL)
 Directional Map:AL-4
 Issued permit #97-185 on 10/2/97.

BIG SMOKY VALLEY

ESMERALDA COUNTY
 *Marshall Oil Co. "Federal Jake" 1 27-009-05203
 7-2N-39E, Fr NE cor 1213'S 1406'W (Transwestern #1)
 10,000'-est.td elev:4730'GR Map:NV (NFW)
 Preparing to move in equipment later this week.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" R-11A
 6-11N-14E UM, Fr NE cor 463'S 500'W(Surface)
 32-12N-14E UM, Fr SE cor 1564'N 1237'W(BHL)
 32-12N-14E UM, Fr NE cor 1590'S 1375'W(est.BHL-RD)
 13-3/8c.2729 9-5/8W.???? 50-029-20475-01 Map:AL-4
 (Nabors Drlg #22B) S-8/20/81 Rig rel-9/6/81
 Rsm-09/18/97(Doyon Drlg #9) Directional
 10819 Pgl10776 Redrilling at 10457'.

BLACKBURN

EUREKA COUNTY
 Petroleum Corp of Nevada "Blackburn" 21 Map:NV
 7-27N-52E, Fr SE cor 1540'N 700'W 27-011-05292
 7c.???? S-08/08/97(Transwestern Drlg #1)
 elev:5296'GR 7700'-est.td
 ??? Drilled, "no dope" hole. Ran production
 string to an undisclosed depth. Released rig
 9/15/97.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" H-34
 21-11N-13E UM, Fr SE cor 3224'N 1265'W(Surface)
 21-11N-13E UM, Fr SE cor 3507'N 4097'W(est.BHL)
 50-029-22803 S-6am-09/17/97(Nabors Drlg #2ES)
 Directional Map:AL-4
 ??? Drilling, no details.

BLACKBURN-SW

*Trail Mountain, Inc. "Lucky Seven Unit" 1 Map:NV
 13-27N-51E, Fr SW cor 100'N 2530'E 7000'-est.td
 (Federal Lease #N-46988) (NFW)
 Location.

**BP Expl (Alaska) Inc. "Prudhoe Bay Unit" SB-1 (EXT)
 35-12N-12E UM, Fr SE cor 4301'N 4500'W(Surface)
 27-12N-12E UM, Fr SE cor 177'N 531'W(est.BHL)
 Directional Map:AL-4
 Applied for permit 9/5/97.

HYDE WASH

LINCOLN COUNTY
 *Falcon Energy LLC/Kriac Energy "Hamlin Wash" 18-1R
 18-8N-70E, Fr SE cor 1050'N 475'W 27-017-05226
 S-08/18/97(Sierra Drlg #3) elev:5712'GR Map:NV
 3100'-est.td (NFW)
 ??? Evaluating. Plan to resume.

**BP Expl (Alaska) Inc. "Prudhoe Bay Unit" SB-2 (EXT)
 21-11N-12E UM, Fr SE cor 4758'N 1143'W(Surface)
 21-11N-12E UM, Fr SE cor 4761'N 520'W(est.BHL)
 Directional Map:AL-4
 Applied for permit 9/5/97.

GHOST RANCH

NYE COUNTY
 **Makoil, Inc. "Ghost Ranch" 2-21X 27-023-05553
 2-8N-57E, Fr NW cor 430'S 2310'E elev:4742'GR
 9-5/8c.500 7c.4600aprx S-07/25/97(Makoil rig #286)
 (Federal Lease N-42341) 5000'-est.td Map:NV
 4600+ Testing with production rig. (EXT)

**BP Expl (Alaska) Inc. "Sam" 1 Directional Map:AL-4
 6-11N-14E UM, Fr SE cor 5000'N 500'W(Surface)
 30-12N-14E UM, Fr SE cor 2837'N 1557'W(est.BHL)
 Applied for permit 9/15/97. (EXPLORATORY)



Jane Dee Hull
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

October 3, 1997

Mr. Brian Wood
Permits West, Inc.
37 Verano Loop
Santa Fe, NM 87505

505-466-8120

Re: Central Resources Navajo #4; State Permit #905

Dear Mr. Wood:

An approved duplicate original application to drill the referenced well; Permit #905, and filing fee receipt #3103 are enclosed for your file.

This permit is issued on the condition that you (1) conduct operations in compliance with applicable rules and substantially as outlined in your drilling prognosis, (2) copy this office with all Sundry Notices submitted to the BLM, and (3) *notify this office at least 48 hours* before you commence drilling operations and run and cement surface casing.

Sincerely,

Steven L. Rauzi

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosures



Jane Dee Hull
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

October 3, 1997

Mr. Clarence Bigelow
Manager, Apache County
P.O. Box 428
St. Johns, AZ 85936

Re: Central Resources Navajo #4; State Permit #905

Dear Mr. Bigelow:

A copy of the approved drilling application for the referenced well is enclosed for your information in accordance with the **Arizona Oil and Gas Conservation Commission's** policy to keep County Governments informed about proposed drilling for oil or gas drilling in their counties.

The Commission issues its Permit to Drill pursuant to A.R.S. § 27-516. Applications are approved after it is determined that the well is in compliance with applicable law and rules and that public health and safety, correlative rights, and subsurface resources are not compromised.

Please advise if we may be of further assistance.

Sincerely,

Steven L. Rauzi
Oil and Gas Program Administrator

Enclosure

c Oil & Gas Commissioners

June 1997 - Call Brian Wood.
Tribal Council could take 4-5 months to approve.
I advise I will sit on it until then

10-3-97 Call Brian Wood

Tribal Council unanimously approved permit 9/29/97
Could be couple of weeks for BLM approval.
I advise I will issue today.