

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT-" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	7. If Unit or CA, Agreement Designation
2. Name of Operator GREYSTONE ENERGY, INC.	8. Well Name and No. ARNSTEIN #1
3. Address and Telephone No. 5802 HIGHWAY 64, FARMINGTON, NM 87401 Phone: (505) 632-8056	9. API Well No. 3004510722
4. LOCATION OF WELL (Footage, Sec., T., R., M., or Survey Description) 1750' FSL, 1750' FWL, T31N, R12W Section 18 K	10. Field and Pool, Or Exploratory Area BLANCO MESA VERDE
	11. County or Parish, State SAN JUAN, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

This well bore represents a legal Mesa Verde infill location. It is our intention to perforate and fracture stimulate the Mesa Verde and place into production. Once a stabilized rate is established we will commingle the Mesa Verde with the Dakota formation, which is currently producing from the well bore. We expect this work to commence on or about September 20, 1999

14. I hereby certify that the foregoing is true and correct

Signed Chester L. Deal Title SUPERINTENDENT Date September 2, 1999

(This space for Federal or State office use)

Approved by WAYNE TOWNSEND Title A.T.C. Date 9-28-99

Conditions of Approval, if any:

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

*See Instruction on Reverse Side