

Amended Plan of Operations

We expect to drill several new producers and injectors to expand the waterflood in the unit. An expansion of the waterflood injection capacity and distribution system will be required. Our specific plan of operation for the tract during 2001 is as follows.

U.S. Minerals (Proposed Unit Tract No. 14)

- Convert well No. 5 to water injection.
- Drill an offset producer to the new water injection well.

Any additional wells drilled during 2001 and beyond will be dependent upon the results of the initial waterflood expansion. Potentially the expanded tract in the Waterflood unit could contain an additional water injector and three oil producers.