

Red Lake Prospect

Sent out proposal letters 2-27-90 with AFE. 3D

CASE # 9926

2-28-90

- 1) Cindy Bennett w/ J. Hiram Moore bunch called, wanted to know what their interest was. Advised her as to the ownership set out in our T/O.
- 2) Roger Elliott w/ Rio Pecos & M. Wilson. - Said they got our letter & would respond. He thinks Oxy well in Sec. 16 spudded.

3-2-90

- 1) Randall Fort w/ Read & Stevens - acknowledged receiving our proposal & inquired about their interest. Advised him as to our T/O. He says they have some other investors which would be involved in their interest. He also advised Pacific Enterprises is drilling Monnow test well in SE 1/4 Sec. 28 - which is south of our ~~Sec.~~ Section. They have to force pool, their hearing is scheduled March 21, 1990.

3-5-90

- 1) Richard Moore w/ J. Hiram Moore, et al - Says they would F/O on the same terms every body else will. Send representative F/O agreement.
His # 682-1681.

3-8-90 - Joe Featherstone - acknowledges receiving our letter & will probably join. Call him next week. (505) 623-2432

- 2) Robt. Bullock w/ Yates - called to give me 1/2 ownership of Yates Co. is

3-21-90 - Tim Derigo w/ ARCO CALLED WHILE I WAS OUT.

RETURNED HIS CALL, HE WAS OUT, LEFT MESSAGE @ 2:30 PM.

3-22-90 - Jim Owens w/ Inreco - advised they sold their interest to Bonnaville Fuels Corp., Denver, he will send our request to Larry Lillo w/ Bonnaville overnight express mail - Ph. # 303-863-1555.

(OVER)

will join

Red Lake Lompa

3-22-90 - Tim Denigo w/ Arco - Said they would deliver us a 70% NRI BPO & APO or they would entertain an offer to sell their interest to us on a sublease basis (term assignment of 90 days). ~~Then~~ At first he said they would go on basis of 65% NRI no back-in.

3-22-90 - Larry Lillo w/ Bonnaville Fuels said Jim Owens w/ Inceco faxed him a copy of our proposal letter. They will give us answer soon.

3-29-90 - Joe Featherstone called, I returned his call, not there, left message for him to call.

Rio Pecos - Roger Elliott called, I returned call, left message.

Great Western Drilling - Mike Heathington, said they ~~do~~ would go on participate.

4-2-90 - Joe Featherstone - wants to see our geology to make his decision. Will call this week to set up appointment. We aren't showing our geology.

4-2-90 - Roger Elliott w/ Rio Pecos - they want to sell their acreage in the N1/2 Sec. 21 & 1/2 interest in their acreage in the N1/2 Sec. 33 except NW1/4NW1/4.

4-4-90 - Rio Pecos - said they would sell 100%

4-16-90 - Rio Pecos - they want us to hold up on drilling until Pacific Enterprises well is down in Sec. 28 to the South. I advised them this is a separate prospect.

4-17-90 - Bonnaville Fuels - Larry Lillo - They wanted to know if we were going to wait on Pacific Enterprises well. Told him no - these are 2 separate trends.

4-17-90 - Tim Denigo - would deliver 75% NRI BPO & 65% NRI APO.

4-18-90 - Int. Western Drilling - Mike - They wanted to see our geology to make their decision - told him no, we have other ideas in the area, advised him to join or forgo out.

4-18-90 - ~~Arco~~ called Arco - left message -
Arco (Tim) called back, advised him we were
offering the following options until 5:00 P.M. April 7, 1990 -

- 1) buyout on basis of 250⁰⁰/ac. (40 net acres)
- 2) Deliver us a 75% NRE w/option to convert to 25% BDA
- 3) join in well.

Rio Pecos - Offered them the same options as above.

4-18-90 - Bonnerville Fuel - wanted to know their %
ownership, so advised according to our T/O. Larry said
they were inclined to farmout, advised him of the
options I gave Rio Pecos & Arco.

4-19-90 - Arco - proposed ~~the~~ delivering us a
6 month sublease, delivering 75% NRE w/ bonus
money.

4-19-90 - Rio Pecos - countered, would sell Mark Wilson's
interest in E 1/2 NE 1/4, Rio Pecos's interest in SW 1/4 NE 1/4 &
Rio Pecos would trade their SE 1/4 NW 1/4 for our SW 1/4 SW 1/4. Told
him no.

4-19-90 - James L. Alford, Jr - says they will join

4-20-90 - Joe Featherstone will join & will sign AFE

4-23-90 - Rio Pecos - would sell only their SW 1/4 NE 1/4
and maybe Mark Wilson's

4-25-90 - Offered Arco \$50⁰⁰/ac for 6 mo. A/S for 75% NRE;
or deliver 75% NRE w/option to convert to 27.5% WDAP

4-26-90 - Arco - agreed to sell their record title
interest to us for 250⁰⁰/ac. delivering 80% NRE
surface to the back of the Morrow.

5-3-90 - Called Richard Moore - out till Monday, left message
for him to call.

5-10-90 - Int. West. Digs - said they would get us formal 7%
agreement.

5-14-90 - Moore interest - said they would probably 7%,
I'm to prepare 7% & send to him.

5-14-90 - Dekalb - K. G. Ramon - left message for him to call. Keith Ramon said they would do.

5-21-90 - Rio Pecos - Will trade w/us prior to HERRING. THEY ARE CURRENTLY DRUG. NEAR MORROW.

5-21-90 - Amoco agreed to give us 70 on basis of delivering us a 70% NRE for their 1/2 int. from surface to base of Alp.

5-21-90 Yates, et al - JOA in process of being signed

5-21-90 - ALFORD - in process of signing JOA.

5-22-90 - Houston Kaufman w/Amoco - Says they'd prefer to be force pooled so that wouldn't have to prepare contract - they would deliver us 70% NRE - too steep terms of trade for us. I'm to call him back Friday the 25th to let him know what we're doing.

5-22-90 - Randall Fort w/ head & Stevens had some problems w/ JOA, wanted to wait & see how Yates agreed to the JOA.