

## Correspondence with Leasehold interest owners regarding the proposed well, Tecumseh #1, San Juan Resources, Inc. 1-21-03

TECUMSEH PROSPECT  
T30N-R11W, NMPM  
Section 18: S/2  
San Juan County, New Mexico  
Leasehold Owners List  
February 6, 2003 Force Pooling Hearing

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AFE's were sent certified letter, return receipt, to all leasehold interests in the subject wells on November 6, 2002. Of particular group, the "Driscoll Group", most owning their leasehold from the Arthur Scott, et al lease. (Items 1-8)

**1)** Joseph P. Driscoll, deceased. Interest calculated at 39.46% of well, MV/DK formations. Attached is a write up from landwoman, Gail Bowline, from Dallas, who helped us track down Mr. Driscoll and his heirs. Mr. Steven McManus appears to be the closest living relative to where Mr. Driscoll died. Mr. McManus is a nephew. On November 6, 2002, San Juan Resources, Inc. (SJR), operator of subject well, submitted an AFE via certified mail (RR) to Mr. McManus to see if they were interested in joining in the drilling of said well. (SJB received the certified letter back after three delivery tries on December 9, 2002.) A certified letter (RR) with announcement of the hearing on February 6, 2003 was sent to Mr. McManus on January 14, 2003. No further discussions were heard from Mr. McManus.

**2)** St. Xavier Church, Wilmette, IL. Interest calculated at 0.79614%. On November 6, 2002, San Juan Resources, Inc. (SJR), operator of subject well, submitted an AFE via certified mail (RR) to St. Xavier to see if they were interested in joining in the drilling of said well. (SJB received green card on November 26, 2002.) Church called and wanted to know their options. In letter of December 5, SJB offered to buy out their interest, re-offered the option of joining the well, or let them know they could sit out and go non-consent. We have yet to hear back from them. A certified letter (RR) with announcement of the hearing on February 6, 2003 was sent to Mr. McManus on January 14, 2003.

**3)** Church of the Redeemer, Pittsburgh, PA. Interest calculated at 0.79614%. On November 6, 2002, San Juan Resources, Inc. (SJR), operator of subject well, submitted an AFE via certified mail (RR) to Church to see if they were interested in joining in the drilling of said well. (SJB received green card on November 25, 2002.) Church called and wanted to know their options. In letter of December 5, SJB offered to buy out their

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 12992 Exhibit# 10  
Submitted By:  
*San Juan Resources*  
Hearing Date: February 20, 2003

interest, re-offered the option of joining the well, or let them know they could sit out and go non-consent. We have yet to hear back from them. A certified letter (RR) with announcement of the hearing on February 6, 2003 was sent to Mr. McManus on January 14, 2003.

**4)** St. John's Church in the Town of Lewisboro, NY. Interest calculated at 0.79614%. On November 6, 2002, San Juan Resources, Inc. (SJR), operator of subject well, submitted an AFE via certified mail (RR) to Church to see if they were interested in joining in the drilling of said well. (SJB received green card on November 18, 2002.) Church called and wanted to know their options. In letter of December 16, SJB offered to buy out their interest, re-offered the option of joining the well, or let them know they could sit out and go non-consent. We heard back from them and they want to go non-consent. They will write a letter to this effect. A certified letter (RR) with announcement of the hearing on February 6, 2003 was sent to Mr. McManus on January 14, 2003.

**5)** William Neidringhaus, c/o Paul Neidringhaus. Interest calculated at 0.19897%. On November 6, 2002, San Juan Resources, Inc. (SJR), operator of subject well, submitted an AFE via certified mail (RR) to Neidringhaus to see if they were interested in joining in the drilling of said well. (SJB received green card on December 2, 2002.) Neidringhaus called and wanted to know their options. In letter of December 5, SJB offered to buy out their interest, re-offered the option of joining the well, or let them know they could sit out and go non-consent. We have yet to hear back from them. A certified letter (RR) with announcement of the hearing on February 6, 2003 was sent to Mr. McManus on January 14, 2003.

**6)** After sending out AFE via Certified Letter, we received green cards back from the following parties in the Driscoll Group: (interests noted on Interest Owner spreadsheet) J. Simpson, 12-3-02; Peter B. Ruffin, 11-23-02. We have yet to hear from either of these parties. We plan to make calls to them.

**7)** We received the certified letters back from the following in the Driscoll Group: James Reedy; HA Arnold; Roy R. Coffin; Fred H. Gowan; Muriel Hyland; Arthur Levey; Stanley de J. Osborne; Raymond Page, Jr.; Murray Shields; Gustave Simons; Raymond Townley; W. B. & L.; Charles T. Zaoral.

**8)** We have spent time on the internet looking for the parties (above, item 7) on the Internet. In most cases we tried to find a person's heirs with the same name in the same ZIP code. We telephoned some of these trying to find the whereabouts of these parties. We copied information and materials from the web and have them in our files. We did find Mr. Stanley de J. Osborne with another address from the one listed. We sent this address an AFE and a copy of the force pooling hearing announcement.

**9)** ConocoPhillips, Inc. Interest calculated at 9.54179%. Conoco has received an AFE and a hearing notice via certified mail. They are still determining what they want to do with their interest on this proposal.

**10)** Maralex Resources, Inc. Interest calculated at 6.95961%. Maralex has received an AFE and a hearing notice via certified mail. We have telephoned them, but have yet to hear from them.

**SAN JUAN RESOURCES, INC.**

**JERRY McHUGH, Jr.**

November 6, 2002

Joseph P Driscoll  
 c/o Steven McManus  
 3605 Rosedale Avenue  
 Dallas, TX 75205

*AFE Cover sent to  
 All WI owners call  
 MIN OWNERS on list*

Re: San Juan Resources, Inc. No. 1 Tecumseh Well  
Township 30 North, Range 11 West, N.M.P.M.  
 Section 18: Lots 3, 4, E/2SW/4, SE/4  
 San Juan County, New Mexico

Dear Ladies and Gentlemen:

San Juan Resources, Inc., (hereinafter referred to as "SJR"), as a working interest owner under the captioned lands, hereby proposes the drilling a well to be drilled in Township 30 North, Range 11 West, N.M.P.M., Section 18: SE/4 to a depth sufficient to test the Dakota formation or to a depth of 6576 feet whichever is lesser. SJR plans to complete the Mesaverde formation and commingle production in the Dakota and Mesaverde. Enclosed herewith is a photocopy of a summary of the estimated costs that will be incurred in drilling, testing and completing said well, ("AFE").

Please advise us as soon as it is convenient as to whether or not you would be willing to participate in the drilling of this well or if you would rather farmout or lease your interest on mutually acceptable terms. A review of the San Juan County, New Mexico records indicates that you own the interest indicated on the AFE in and to the captioned lands that will comprise the drillsite spacing unit for this well.

Upon receipt of the elections of all interest owners, we will prepare the appropriate joint operating agreement or determine who will prepare any farmout agreement(s).

If you have any questions, please feel free to contact me.

Very truly yours,  
 SAN JUAN RESOURCES, INC.

Jerry McHugh, Jr.

Enclosure as indicated

BEFORE THE  
 OIL CONSERVATION DIVISION  
 Case No. 12992 Exhibit # 44  
 Submitted By:  
 San Juan Resources  
 Hearing Date: February 20, 2003

1499 Blake Street, #7K  
 Denver, CO 80202 U.S.A.

Tel: 303.573.6333  
 Fax: 303.573.6444  
 email: [jmchugh@sanjuanbasin.com](mailto:jmchugh@sanjuanbasin.com)

TECUMSEH NO 1  
 BASIN DAKOTA  
 T30N-11W SEC 18 SE/4  
 DAKOTA TEST TD 70' BELOW BASAL ED SAND  
 DUOL COMPLETION DAKOTA-MRS/VERDE

APR #: COUNTY: SAN JUAN

DATE: November 6, 2002  
 STATE: NEW MEXICO

\*\*\* DRILLING INTANGIBLES \*\*\*

### STAKE LOCATION, PERMITS, DAMAGES	\$3,250
### LOCATION ROADS, LEASE RESTORATION	\$5,000
### RIG MOBILIZATION/DEMobilIZATION	\$4,000
### FOOTAGE DRILLER 6576 FT @ \$19.90 /FT AND 1 DAYS @ \$6,720 PER DAY	\$130,349
### FUEL, LUBRICANTS, POWER	
### BITS	
### WATER AND/OR WATER WELL	\$8,000
### DRILLING MUD / ADDITIVES	\$6,000
### CEMENT AND CEMENTING SERVICES	\$5,000
### TRANSPORTATION - DRILLING	
### CONTRACT SERVICES & CONTRACT LABOR, WELDING & CASING CREW	
### CORING	
### DRILL STEM TESTING	
### OPEN HOLE LOGGING	
### MUD LOGGING \$4,000	\$4,000
### ENGINEERING SUPERVISION AND THIRD PARTY SERVICES	\$4,500
### P&A & ENVIRONMENTAL CONCERNS	\$1,500
### MISC. EQUIPMENT & SUPPLIES - DRILLING	
### DRILL PIPE & COLLAR INSPECTO	
### CONTINGENCIES & TAXES 10%	\$18,560
### OVERHEAD	\$1,280
*** SUBTOTAL DRILLING INTANGIBLES ***	\$206,539

\*\*\* DRILLING TANGIBLES \*\*\*

### SURFACE CASING	\$4,000
### INTERMEDIATE CASING	
### CASING ACCESSORIES - DRILLING	\$2,500
### CASING HEAD	
### MISCELLANEOUS	
*** SUBTOTAL DRILLING TANGIBLES ***	\$6,500

\*\*\* TOTAL DRY HOLE COST \*\*\*  
 \$213,039

TECUMSEH NO 1  
 BASIN DAKOTA  
 T10N-11W SEC 10 SE/4  
 DAKOTA TEST TD 70' BELOW BASAL RD SAND  
 DUOL COMPLETION DAKOTA-MESAVERDE

DATE: November 6, 2002  
 STATE: NEW MEXICO

APB #: COUNTY: SAN JUAN

\*\*\* COMPLETION INTANGIBLES \*\*\*

### DIRT WORK - ROAD & LOCATION			\$5,000
### PERMANENT DAMAGES, PERMITS			
### COMPLETION UNIT	12	DAYS @ \$1,500	\$19,200
### EQUIPMENT RENTAL - COMPLETION			\$4,500
### CASED HOLE LOGGING & PERFORATING			\$14,000
### STIMULATION & TREATMENT			\$150,000
### COMPLETION - TESTING			\$45,000
### CEMENT & CEMENTING SERVICES			\$7,000
### WATER - COMPLETION FLUIDS			\$5,000
### CONTRACT COMPLETION SERVICES - LABOR/WELDING/CASING CREW			\$6,000
### MISC EQUIPMENT & SUPPLIES - COMPLETION			\$12,000
### ENGINEERING SUPERVISION & THIRD PARTY SERVICES			\$36,770
### CONTINGENCIES & TAXES			\$2,091
### OVERHEAD			
*** SUBTOTAL COMPLETION INTANGIBLES ***			\$296,561

\*\*\* COMPLETION TANGIBLES \*\*\*

### PRODUCTION CASING & LINER	\$44,188	
### PRODUCTION TUBING & HANGER	\$16,537	
### WELHEAD EQUIPMENT	\$9,500	
### SURFACE EQUIPMENT, BOTTOM HOLE PUMP		
### PUMPING UNIT/PRIME MOVER & PA		
### RODS - SUCKER/POLISHED/SCRAPE	\$8,400	
### TANKS	\$16,000	
### SEPARATORS - TREATERS - DEHYDRATORS		
### LINES - FLOW/FUHL/SWD		
### INSTALLATION		
### VALVES, FITTINGS, MISC BATTERY & PRODUCTION EQUIPMENT		
### METERS - OIL/GAS/LACT		
### ELECTRICAL EQUIPMENT		
### COMPRESSORS		
### BUILDINGS		
*** SUB TOTAL COMPLETION TANGIBLES ***		\$94,825

\*\*\* TOTAL COMPLETION COST \*\*\*  
 \$391,386

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 RECOURSE NO 1  
 BASIN DAKOTA  
 T3CN-14N SEC 18 SE/4  
 DAKOTA TRST TD 70' BILLOW BASAL RD SAND  
 DUOL COMPLETION DANATA MESAVERDE  
 \*\*\*\*\*

DATE: November 6, 2002  
 STATE: NEW MEXICO

COUNTY: SAN JUAN

WORKING INTEREST OWNER

INTEREST

OWNER  
 SAN JUAN RESOURCES

BY \_\_\_\_\_ DATE \_\_\_\_\_

INTEREST

OWNER

BY \_\_\_\_\_ DATE \_\_\_\_\_

TOTAL DRILLING INTANGIBLES \$206,539  
 TOTAL DRILLING TANGIBLES \$6,500  
 TOTAL DRY HOLE COST \$213,039

TOTAL COMPLETION INTANGIBLES \$256,561  
 TOTAL COMPLETION TANGIBLES \$94,825

TOTAL COMPLETION COST \$391,385

BY \_\_\_\_\_ DATE \_\_\_\_\_

\*\*\*\*\*  
 TOTAL WELL COST \$604,425  
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**Gail Bowline, CPL**  
**4067 Beltway Drive #106**  
**Addison, TX 75001**  
**972/701-0507**  
**Cell: 214/675-2355**  
**Fax: 509/694-0063**

November 10, 2002

To Whom It May Concern:

Upon request of Jerry McHugh, Jr. of San Juan Basin Properties, LLC, a Colorado Limited Liability Company, of Denver, Colorado, I was employed to try to locate Joseph P. Driscoll, successor in interest to Southwest Production Company, a co-partnership, last known to reside in the Dallas, Texas area. Mr. Driscoll has been identified as owning leasehold in the S/2 of Section 18-T30N-11W, N.M.P.M., San Juan County, New Mexico.

Mr. McHugh advised that he had not been able to locate Mr. Driscoll through normal means and provided some leads for me to follow locally. I was not able to locate any current phone numbers or addresses for Mr. Driscoll. Through the property tax rolls, there appeared to be some commercial property in Coppell, Texas that was shown as being owned by a Joseph P. Driscoll but the mailing address was shown as 4636 Preemption Road, Dundee, NY 14837-9710.

I checked the Social Security Death Index and found that a Joseph Driscoll was listed with a Dallas zip code. I searched the Dallas Morning News Obituaries for information on Mr. Driscoll and found that he died on March 28, 2001. Mr. Driscoll's address shown in the obituary did not show up on the residential tax rolls. There was a lengthy obituary and I tried to locate phone numbers for the heirs listed in the Dallas area, but only was successful in reaching the wife of Michael Silverman at (214) 361-6001. The wife was not too helpful and advised that she did not believe her husband knew anything concerning the Estate of Joseph Driscoll. Apparently, Michael Silverman's mother was married to Mr. Driscoll at one time. Mr. Silverman was to call me if he had any information and I never received a call.

I forwarded my information to Mr. McHugh and he also followed leads from his office. He contacted Cadco, Inc. a former company supposedly owned by Mr. Driscoll, but no information was available. Mr. McHugh attempted to contact the brothers and sisters listed. He only reached one sister and she was not responsive, stating "Why should I know anything about his estate?" Mr. McHugh cross-referenced the address shown on the obituary and found that Mr. Driscoll last lived at Brighton Gardens an assisted living home. He was able to obtain a phone number for a nephew of Mr. Driscoll, Steven McManus (214) 696-6609 at 3605 Rosedale Avenue, Dallas, TX 75205.

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BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 12992 Exhibit # *12*  
Submitted By:  
*San Juan Resources*  
Hearing Date: February 20, 2003

Estate of Joseph P. Driscoll (con't)  
November 10, 2002

I drove by the assisted living home but was told that any information was private and confidential and same would not be given out.

I phoned and spoke with Mr. McManus' wife. She explained he was a stockbroker and I should phone him after 3:00 pm at his office (214) 720-9460.

When I phoned Mr. McManus, he explained that he was not handling the estate but that all information had been turned over to the probate court. Joseph Driscoll died intestate with approximately 30 heirs and apparently numerous liabilities. Mr. McManus advised that he had carefully reviewed the assets and liabilities and determined that it would not be a worthwhile project to probate the estate due to possible financial ramifications and that no other heirs were interested.

I was unable to obtain a copy of the death certificate through the probate court or city records as a qualified individual may only obtain them (i.e. relative). The probate court advised unless administration is commenced that they would have no information available for the estate. I checked all records and there is no probate information filed. I checked the bankruptcy records and found no evidence that any proceedings had been filed.

Mr. McHugh contacted Steven McManus on October 22, 2002 and Mr. McManus advised he does not want to go any further with the estate and stated that basically he has washed his hands of Mr. Driscoll and his matters.

Mr. McHugh and I discussed all possibilities and determined that due to the lack of cooperation from the heirs that we were able to contact and due to the lack of information, that a determination of heirship would not be possible or probable.

Mr. McHugh requested that I prepare a summary of events and close down the job.

Please contact me at the above number should any additional information be desired.

Sincerely,



Gail Bowline, CPL