I N E X C O O I L C O M P A N Y

GEOLOGY OF THE PROPOSED

MADE WELL ANTICLINE UNIT

CHAVES COUNTY, NEW MEXICO

M.L. Feldman
December 23, 1980

Prospect NM 165
Exploration Memo #95-80

ENCLOSURES AND ATTACHMENTS

EXHIBIT A ----------Glorieta Structure Map

EXHIBIT B ----------Cross Section A-A'

EXHIBIT C ----------Unit Well No. 1 Prognosis

EXHIBIT D ----------Unit Well No. 2 Prognosis

EXHIBIT E ----------Current Well Cost Estimate For Unit Well No. 1

EXHIBIT F ----------Current Well Cost Estimate For Unit Well No. 2

G E O L O G I C A L R E P O R T

PROPOSED MADE WELL ANTICLINE UNIT
CHAVES COUNTY, NEW MEXICO

PURPOSE

This report summarizes the geological reasons for the formation of a 39,238.15 acre Federal unit to be tested by two 5500 foot Precambrian wildcats (EXHIBIT A). First test will be located in the SW/4 of the NE/4 of Section 17, T13S, R22E, Chaves County, New Mexico. Second test will be located in the NW/4 of the NE/4 of Section 28, T12S, R22E, Chaves County, New Mexico.

LOCATION

Proposed unit is eight miles southwest of the city of Roswell, in southwestern Chaves County, New Mexico (EXHIBIT A). It is located on outcrops of the Upper and Middle San Andres Formation which are locally masked by Qauternary gravels of the Pecos River drainage system. The Pecos River is about 16 miles east of the proposed Made Well Anticline Unit.

GENERAL GEOLOGY

Proposed unit is located on the northwest flank of the Permian Basin and the southwest flank of the Pedernal Landmass. The Pedernal Landmass is a north-south trending cratonic element marked by Precambrian and younger igneous outcrops in central Lincoln and Torrance Counties, New Mexico. The southwest flank of the Pedernal Landmass is marked by three prominent northeast-southwest trending right latteral wrench faults (EXHIBIT A). These faults from west to east are termed the Border Buckle, Six Mile Buckle and YO Buckle. The Border, Six Mile, and YO Buckles and associated folds were mapped by Dr. V.C. Kelley of New Mexico University in 1965 and 1966 with support from

Humble Oil & Refining Company. Results of this primarily surface mapping study were published as Memoir 24, Geology of the Pecos County, Southeastern New Mexico, 1971. State Bureau of Mines and Mineral Resources New Mexico. Institute of Mining and Technology Campus Station Socorro, New Mexico.

We interpret the Border, Six Mile and YO Buckle surface faults to be the traces of down to the basin normal faults which were formed during the Strawnian thru Early Wolfcampian original subsidence of the Delaware Basin. Down to the east vertical displacement of 400 to 500 feet is suspected along these faults. No subsequent vertical movement is believed to have occurred along these faults.

During the Late Cretaceous - Early Tertiary Laramide Orogeny, the Permian Basin was tilted down to the north with a regional inclination of approximately one degree. This amount of northward tilt may be observed along the Capitan reef outcrop between Guadalupe Peak 8757 feet (Culberson Co., Texas) and White City, New Mexico 47 miles to northeast where it goes into the subsurface at an elevation of about 4050 feet. This Mesozoic-Tertiary tilt is thought to have caused the right latteral movement along the traces of the long dormant Paleozoic down to the basin fault traces. It is speculated that the Pedernal Landmass cratonic element was resistant to this tilting and that the old fault blocks (Eight Mile and Roswell) on its flanks moved differentially to the northeast (EXHIBIT B). The resultant wrench movement along the ancestral fault traces was transmitted to the surface by the shearing of the overlying Permian sediments. Surface outcrops ranging in age from Permian San Andres to Seven Rivers outcrop along these wrench faults in Chaves County. These sediments are contorted and "buckled" up along the fault traces by the compressional nature of these strike slip faults. However, post Lower Wolfcamp sediments appear to have little or no down to the east vertical displacement other than 50 to less than 200 feet mapped in the San Andres by Dr. V.C. Kelley. This apparent vertical displacement may be explained by

further northeastward down-tilt horizontal movement of the more eastern fault blocks. Due to the sparsity of control wells on the attached Glorieta Map (EXHIBIT A) no attempt was made to show this displacement.

LOCAL GEOLOGY

A typical result of compressional wrench faults such as the Border, Six Mile and YO Buckles is the formation of sub-parallel anticlinal folds in the intervening blocks. One of the largest folds of this probable genesis mapped by Dr. V.C. Kelley of New Mexico University was the Made Well Anticline in Townships 12 and 13S, Range 22 E, on the Roswell Block. No petroleum test has been drilled on or within 6 miles of this ten mile long feature. The objective of the Made Well Anticline Unit will be to test this anticline with two 5500 foot Pre-Cambrian wildcats.

POSSIBLE PAY ZONES

Primary objectives of the two Made Well Anticline Unit tests will be Fluvial-deltaic sandstones of the Permian Abo at 3200 feet and Cambro-Ordovician granite wash at 5175 feet.

Secondary possible pay zones are Yeso shelf dolomite at 1245 feet, Pennsylvanian Cisco Fluvial-deltaic sandstones at 4345 feet and Ordovician Montoya shelf dolomite at 4975 feet.

All of the above listed objectives are productive in southeast New Mexico. General stratigraphy of these objectives is illustrated on Cross Section A-A' (EXHIBIT B).

UNIT OUTLINE

The unit outline was designed to include all acreage above the subsurface datum of 3200 feet above sea level as mapped on top of the Permian Glorieta sandstone horizon (EXHIBIT A).

It is felt that the exploration of the large Made Well anticline can best be

accomplished by a single operator. The presence of a single operator should offer the most efficient, economical and environmentally desirable means of exploration and development of the Made Well Anticline.

M.L. Feldman

MLF/bd 12-23-80

EXHIBIT

INEXCO OIL COMPANY

WELL PROGNOSIS

XXX Exploratory ☐ Development

Prospect/Field: XXX MADE WELL Lease # 32202
Well Name & No. INEXCO - #1 MADE WELL UNIT
State or ~~Province~~: NEW MEXICO
County or ~~Parish~~: CHAVES
Location 1980' FNL & FEL Sec. 17 Twp. 13S Rge. 22E
Proposed T.D & Objective Formation 5500' Precambrian granite
Date 12/22/80 Elevation Gr. 4205' est. - 4215'est. Kb 4216' est.

GEOLOGICAL REQUIREMENTS

SAMPLE PROGRAM

30' samples 0' to 1065'
10' samples 1065' to TD
' samples ' to '
' samples ' to '
Samples to MIDLAND SAMPLES LIBRARY
Samples to other partners

LOGGING PROGRAM (1 run only at TD)

IES ' to '
Dual Induction ' to '
BHC Acoustic ' to '
BHC Density - NEUTRON 0' to TD'
Dual Laterolog XX w/MSFL 1065' to TD'
Microlaterolog ' to '
SNP 0' to TD'
Gamma Ray Neutron ' to '
Dipmeter ' to '
Other ' to '
' to '

CORING PROGRAM One 50' core based on shows 4800'-TD

DST PROGRAM 2 based on shows 4200-TD

SIDE WALL SAMPLING PROGRAM 60 sidewall cores in ABO-WOLFCAMP between 3215' & 4100' after logging at TD.

Mud Logger Required: Yes XXX No
Type 2 man 0-TD
Geologist: From Surface' to TD'

Prepared by M. L. Feldman Date 12/22/80
(Geological)

Formation Tops		Depth
GLORIETA	1005'	(+3210)
YESO	1245'	(+2970)
TUBB	2515'	(+1700)
ABO	3215'	(+1000)
WOLFCAMP	3836'	(+370)
CISCO	4115'	(+100)
MISSISSIPPIAN	4945'	(-730)
MONTOYA	4975'	(-760)
ELLENBURGER	5155'	(-940)
GRANITE WASH.	5175'	(-960)
PRECAMBRIAN GRANITE	5515'	(-1300)

Co-owners and Participants

DRILLING PROGRAM

HOLE SIZE	CASING PROGRAM			
	Size	Weight	Depth	Cement
17 ½" to 200'	13 3/8"	48 #	200'	w/ To surface sax
12 ¼" to 1,065'	8 5/8"	24 #	1,065'	w/ To surface sax
" to '	"	#	'	w/ sax
" to '	"	#	'	w/ sax
" to '	"	#	'	w/ sax
" to '	"	#	'	w/ sax
" to '	"	#	'	w/ sax
" to '	"	#	'	w/ sax
" to '	"	#	'	w/ sax
" to '	"	#	'	w/ sax

MUD PROGRAM

Type	Depth		Characteristics				
	From	To	Wt.	Vis.	% Oil	W.L.	
Brine	0'	3200'					
Salt Gel	3200'	5500'	9.0 - 9.6	33-34	3-4	10 cc	

Engr. Portion Prepared by Date

Approved: Land Date Exploration Date

Prod: ...

INEXCO OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

AFE No. (Inexco Property No.) _____
Prospect Made Well
Well Name and Number Made Well Unit #1

Estimated Days to Drill 18
Estimated Days to Complete 10

Location: 1980' FNL & 1980'FEL
Sec.17,T13S,R22E
Chaves Co., New Mexico

OBJECTIVES	SANDS	AND DEPTH
	Montoya	4975
	Ellenburger	5155
	Granite Wash	5175
	Precambrian Granite	5515

Est. T.D. 5500'
Est. Spud _____
A F E Prepared 12/23/80
By: K. C. Madden

( ) Drill ( ) Workover Same Zone ( ) Recomplete in New Zone

	DESCRIPTION	ESTIMATED COSTS DRILLING	ESTIMATED COSTS COMPLETION	ACTUAL COST
	INTANGIBLE COSTS (343):			
01	Access and Location Costs	10,000	10,000	
02	Move-in, Rig-up, Rig-down, Move-out	30,000		
	Contract Drilling			
03	Footage _____ ft. at $_____ ft.			
04	Daywork 18 days at $ 4000 day	72,000		
05	Completion Unit 10 days at $ 1700 day		17,000	
06	Fuel, Power, Water and Water Lines	11,000	4,000	
07	Bits, Reamers and Stabilizers	21,700	1,000	
08	Equipment Rental	12,500	2,000	
09	Cementing and Squeezing -			
	Conductor Casing	3,200		
	Surface Casing	7,500		
	Intermediate Casing			
	Production Casing		6,000	
	Liner			
	Other			
10	Drilling Mud and Chemicals	25,000	1,000	
10	Mud Logger	7,200		
11	Logging, Coring and Testing -			
	Cores 50' core plus 60 SWC	10,400		
	DST's	6,000		
	Logs FDC/CNL/GR, SNP 0-TD			
	DILL/MSF 800-TD	17,300		
	CBL/PDL		5,000	
12	Perforating		4,000	
12	Acidizing and Fracturing		40,000	
13	Labor and Supervision	2,000	1,000	
13	Contract Labor	16,800	18,000	
14	Drilling Overhead	1,300		
15	Transportation	1,000	3,400	
16	Sales Tax	500	2,300	
17	Other Miscellaneous Intangible Costs	10,000	10,000	
18	Losses, Damages and Abandonment	22,000	(6,000)	
19	Fishing Tool Expense and/or Directional Drilling			
20	Dry Hole Contributions			
22	Well Control Insurance	3,800		
	TOTAL INTANGIBLE	$ 409,900	$291,200	$118,700	$

	DESCRIPTION	ESTIMATED COSTS DRILLING	ESTIMATED COSTS COMPLETION	ACTUAL COST
	TANGIBLE COSTS (342):			
01	Conductor Csg. 200 ft. of 13-3/8 at 18.98 /ft	3,800		
02	Surface Csg. 1,065 ft. of 8-5/8 at 9.56 /ft	10,200		
03	Intermediate Csg. ft. of at /ft			
04	Liner ft. of at /ft			
05	Liner ft. of at /ft			
06	Tieback ft. of at /ft			
07	Production Csg. 5500 ft. of 5-1/2 at 6.39 /ft		35,200	
08	Tubing 5500 ft. of 2-3/8 at 4.05 /ft		22,300	
07	Casing Head Assembly	3,000		
07	Tubing Head Assembly		6,000	
08	Pumping Unit			
09	Prime Mover			
12	Installation Costs and Non-Controllable Well Equipment		9,000	
15	Storage Tanks		6,000	
16	Separator			
17	Dehydrator			
18	Heater - Treater			
19	LACT Unit			
20	LTX or Production Unit		12,000	
21	Line Pipe		2,000	
22	Gas Recorders		4,000	
23	Installation Costs and Non-Controllable Lease Equipment		12,000	
	TOTAL TANGIBLE $ 125,500	$ 17,000	$ 108,500	$
	TOTAL WELL $ 535,400	$303,200	$ 227,200	$

It is recognized that the amounts herein are estimates only and approval of this authorization shall extend to the actual costs incurred in conducting the operation specified, whether more or les than that herein set out.

OWNERSHIP APPROVALS:

INEXCO OIL COMPANY	Interest:	$	*Authorized Signature	Date:

WELL CONTROL INSURANCE

This AFE includes in Item 22, Page 1, Well Control Insurance, during drilling and completion only, covering: 1) the cost of control of a well in the event of a blowout; 2) bodily injury or property damage liability caused by pollution, seepage or contamination; 3) pollution cleanup; 4) extinguishing of an oil or gas well fire; and 5) redrilling of the well. You MUST INDICATE your acceptance or declination of your prorata share of the subject insurance by signing below. NO INDICATION WILL BE A CONCLUSIVE PRESUMPTION OF ACCEPTANCE.

If you decline the coverage offered, you must satisfy Inexco that you already have insurance or that you can bear the out of pocket cost of well control.

*INSURANCE COVERAGE ONLY

Accept _____

Decline _____

☐ Will Self Insure ☐ Have Alternate Insurance

*PLEASE BE SURE YOU HAVE SIGNED IN BOTH REQUIRED PLACES

INSURANCE

Operator shall at all times during the term of this Agreement carry insurance to protect the parties hereto as follows:

(1) Workers' Compensation, U.S. Longshoremen's Act and Harbor Workers' coverage as required by the laws of the state where the operations are to be conducted and Employer's Liability Insurance with a limit of not less than $100,000.

(2) Comprehensive General Public Liability Insurance, including completed operations insurance, with limits of not less than:

—$250,000 — each occurrence
—$500,000 — each accident
—$100,000 — for loss of or damage to property in any one accident

The policy is extended to cover as additional insureds all co-owners, joint ventures, mining partners with the name insured in the oil and gas properties.

(3) Automobile Public Liability Insurance covering all automotive equipment used in performance of work under this agreement with limits of not less than:

—$250,000 — each occurrence
—$500,000 — each accident
—$100,000 — for loss of or damage to property in any one accident

If automotive equipment used is owned exclusively by Operator, no charge will be made to the Joint Account for premiums for this coverage except as provided in Section 111, Paragraph 5 of the Accounting Procedure.

Operator shall require all contractors performing work under this Agreement to carry the following insurance:

(1) Workers' Compensation, U.S. Longshoremen's Act and Harbor Workers' coverage as required by the laws of the state where the operations are to be conducted and Employer's Liability Insurance with a limit of not less than $100,000.

(2) Comprehensive General Public Liability Insurance with limits of not less than:

—$250,000 — each occurrence
—$500,000 — each accident
—$100,000 — for loss of or damage to property in any one accident

(3) Automobile Public Liability Insurance covering all automotive equipment used in performance of work under this agreement with limits of not less than:

—$250,000 — each occurrence
—$500,000 — each accident
—$100,000 — for loss of or damage to property in any one accident

(4) Contractual Insurance covering indemnity agreement and Contractor's other obligations under this contract with limits of not less than:

—$250,000 — each occurrence
—$500,000 — each accident
—$100,000 — for loss of or damage to property in any one accident

Excess liability insurance may be carried to meet the above requirements.

EXHIBIT 13

INEXCO

INEXCO OIL COMPANY

WELL PROGNOSIS

Prospect/ ~~Field~~ MADE WELL Lease # 32194
Well Name & No. INEXCO -#2- MADE WELL UNIT
State ~~or Province~~ NEW MEXICO
County ~~or Parish~~ CHAVES

☒ Exploratory ☐ Development

Location 660' FNL&1980' FEL Sec. 28 Twp. 12S Rge. 22E

Proposed T.D & Objective Formation
Date 12/22/80
Elevation Gr. 4095' est DF-4105' est. Kb 4106' est.

GEOLOGICAL REQUIREMENTS

SAMPLE PROGRAM

30' samples 0' to 945'
10' samples 945' to TD'
' samples ' to '
' samples ' to '

Samples to MIDLAND SAMPLE LIBRARY
Samples to other partners

LOGGING PROGRAM (1 run only at TD)

Log	From	To
IES	'	'
Dual Induction	'	'
BHC Acoustic	'	'
BHC Density - NEUTRON	0'	TD'
Dual Laterolog ~~XXX~~ w/RXO	945'	TD'
Microlaterolog	'	'
SNP	0'	TD'
Gamma Ray Neutron	'	'
Dipmeter	'	'
Other	'	'
	'	'

CORING PROGRAM One 50' core based on shows 4800' to TD

DST PROGRAM 2 based on shows 4000' to TD

SIDE WALL SAMPLING PROGRAM 60 sidewall cores in ABO-WOLFCAMP between 3100' & 4000' after logging at TD

Mud Logger Required: Yes XXXX No
Type 2 Man 0'-TD
Geologist: From surface ' to TD '

Prepared by M. L. FELDMAN Date 12/22/80
(Geological)

Formation Tops		Depth
GLORIETA	885'	(+3220)
YESO	1135'	(+2970)
TUBB	2405'	(+1700)
ABO	3105'	(+1000)
WOLFCAMP	3720'	(+385)
CISCO	3980'	(+125)
CISCO SAND	4230'	(-125)
MONTOYA	4830'	(-725)
GRANITE WASH.	4965'	(-860)
PRECAMBRIAN	5505'	(-1400)

Co-owners and Participants

DRILLING PROGRAM

HOLE SIZE		CASING PROGRAM			
From	To	Size	Weight	Depth	Cement
0"	200'	13 3/8"	48 #	200'	W/ To surface sax
12 1/4"	945'	8 5/8"	24 #	945'	W/ To surface sax
7 7/8"	5500'	5 1/2"	15.5 #	5500'	W/ As required sax
"	'	"	#	'	W/ sax
"	'	"	#	'	W/ sax
"	'	"	#	'	W/ sax
"	'	"	#	'	W/ sax
"	'	"	#	'	W/ sax
"	'	"	#	'	W/ sax
"	'	"	#	'	W/ sax

MUD PROGRAM

Type	Depth From	Depth To	Wt.	Vis.	% Oil	W.L.		
Brine	0'	3105'						
Salt Gel	3105'	5500'	9.0-9.6	33-34	3-4	10 cc		

Engr. Portion Prepared by Date

Approved: Land Date Exploration Date

Producing

INEXCO OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

AFE No. (Inexco Property No.) _____
Prospect Made Well
Well Name and Number Made Well Unit #2

Estimated Days to Drill _____
Estimated Days to Complete _____

Location: 660'FNL & 1980'FEL Sec.28,T12S,R22E

OBJECTIVES	SANDS	AND DEPTH
	Cisco Sand	4230
	Montoya	4830
	Granite Wash	4965
	Precambrian	5505

Est. T.D. 5500
Est. Spud _____
A F E Prepared 12/23/80
By: V. C. Maddox

( ) Drill ( ) Workover Same Zone ( ) Recomplete in New Zone

	DESCRIPTION	ESTIMATED COSTS DRILLING	ESTIMATED COSTS COMPLETION	ACTUAL COST
	INTANGIBLE COSTS (343):			
01	Access and Location Costs	10,000	10,000	
02	Move-in, Rig-up, Rig-down, Move-out	30,000		
	Contract Drilling			
03	Footage 18 ft. at $4000 ft.			
04	Daywork 10 days at $1700 day	72,000		
05	Completion Unit _____ days at $_____ day		17,000	
06	Fuel, Power, Water and Water Lines	11,000	4,000	
07	Bits, Reamers and Stabilizers	21,700	1,000	
08	Equipment Rental	12,500	2,000	
09	Cementing and Squeezing -			
	Conductor Casing			
	Surface Casing	3,200		
	Intermediate Casing	7,500		
	Production Casing		6,000	
	Liner			
	Other			
10	Drilling Mud and Chemicals	25,000	1,000	
10	Mud Logger	7,200		
11	Logging, Coring and Testing -			
	Cores .50'. core plus 6.0 SWC	10,400		
	DST's .2	6,000		
	Logs. FDC/CNL/GR, SNP 0-TD			
	DILL/MSF 7.00-TD	17,300		
	CBL/PDC		5,000	
			4,000	
12	Perforating		40,000	
12	Acidizing and Fracturing	2,000	1,000	
13	Labor and Supervision	16,800	18,000	
13	Contract Labor	1,300		
14	Drilling Overhead	1,000	3,400	
15	Transportation	500	2,300	
16	Sales Tax	10,000	10,000	
17	Other Miscellaneous Intangible Costs	22,000	(6,000)	
18	Losses, Damages and Abandonment			
19	Fishing Tool Expense and/or Directional Drilling			
20	Dry Hole Contributions			
22	Well Control Insurance	3,800		
	TOTAL INTANGIBLE	$ 409,900	$ 291,200	$ 118,700	$

Form 0-5

	DESCRIPTION	ESTIMATED COSTS DRILLING	ESTIMATED COSTS COMPLETION	ACTI CO
	TANGIBLE COSTS (342):			
01	Conductor Csg. 200 ft. of 13-3/8 at 18.98 /ft	3,800		
02	Surface Csg. 945 ft. of 8-5/8 at 9.56 /ft	9,100		
03	Intermediate Csg. ft. of at /ft			
04	Liner ft. of at /ft			
05	Liner ft. of at /ft			
06	Tieback ft. of at /ft			
07	Production Csg. 5500 ft. of 5-1/2 at 6.39 /ft		35,200	
08	Tubing 5500 ft. of 2-3/8 at 4.05 /ft		22,300	
07	Casing Head Assembly	3,000		
07	Tubing Head Assembly		6,000	
08	Pumping Unit			
09	Prime Mover			
12	Installation Costs and Non-Controllable Well Equipment		9,000	
15	Storage Tanks		6,000	
16	Separator			
17	Dehydrator			
18	Heater - Treater			
19	LACT Unit			
20	LTX or Production Unit		12,000	
21	Line Pipe		2,000	
22	Gas Recorders		4,000	
23	Installation Costs and Non-Controllable Lease Equipment		12,000	
	TOTAL TANGIBLE $124,400	$ 15,900	$108,500	$
	TOTAL WELL $534,3000	$ 307,100	$227,200	$

It is recognized that the amounts herein are estimates only and approval of this authorization shall extend to the actual costs incurred in conducting the operation specified, whether more or les than that herein set out.

OWNERSHIP APPROVALS:

INEXCO OIL COMPANY	Interest:	$	*Authorized Signature	Date:

WELL CONTROL INSURANCE

This AFE includes in Item 22, Page 1, Well Control Insurance, during drilling and completion only, covering: 1) the cost of control of a well in the event of a blowout; 2) bodily injury or property damage liability caused by pollution, seepage or contamination; 3) pollution cleanup; 4) extinguishing of an oil or gas well fire; and 5) redrilling of the well. You MUST INDICATE your acceptance or declination of your prorata share of the subject insurance by signing below. NO INDICATION WILL BE A CONCLUSIVE PRESUMPTION OF ACCEPTANCE.

If you decline the coverage offered, you must satisfy Inexco that you already have insurance or that you can bear the out of pocket cost of well control.

*INSURANCE COVERAGE ONLY

Accept _____

Decline _____

☐ Will Self Insure ☐ Have Alternate Insurance

*PLEASE BE SURE YOU HAVE SIGNED IN BOTH REQUIRED PLACES

INSURANCE

Operator shall at all times during the term of this Agreement carry insurance to protect the parties hereto as follows:

(1) Workers' Compensation, U.S. Longshoremen's Act and Harbor Workers' coverage as required by the laws of the state where the operations are to be conducted and Employer's Liability Insurance with a limit of not less than $100,000.

(2) Comprehensive General Public Liability Insurance, including completed operations insurance, with limits of not less than:

—$250,000 — each occurrence
—$500,000 — each accident
—$100,000 — for loss of or damage to property in any one accident

The policy is extended to cover as additional insureds all co-owners, joint ventures, mining partners with the name insured in the oil and gas properties.

(3) Automobile Public Liability Insurance covering all automotive equipment used in performance of work under this agreement with limits of not less than:

—$250,000 — each occurrence
—$500,000 — each accident
—$100,000 — for loss of or damage to property in any one accident

If automotive equipment used is owned exclusively by Operator, no charge will be made to the Joint Account for premiums for this coverage except as provided in Section 111, Paragraph 5 of the Accounting Procedure.

Operator shall require all contractors performing work under this Agreement to carry the following insurance:

(1) Workers' Compensation, U.S. Longshoremen's Act and Harbor Workers' coverage as required by the laws of the state where the operations are to be conducted and Employer's Liability Insurance with a limit of not less than $100,000.

(2) Comprehensive General Public Liability Insurance with limits of not less than:

—$250,000 — each occurrence
—$500,000 — each accident
—$100,000 — for loss of or damage to property in any one accident

(3) Automobile Public Liability Insurance covering all automotive equipment used in performance of work under this agreement with limits of not less than:

—$250,000 — each occurrence
—$500,000 — each accident
—$100,000 — for loss of or damage to property in any one accident

(4) Contractual Insurance covering indemnity agreement and Contractor's other obligations under this contract with limits of not less than:

—$250,000 — each occurrence
—$500,000 — each accident
—$100,000 — for loss of or damage to property in any one accident

Excess liability insurance may be carried to meet the above requirements.