30-015-21638 F-23-19-28 I.T. PROPERTIES DRY STATE #1

THE DRY STATE #1 WAS PERMITTED AND DRILLED IN 1975.

5.5" CASING WAS CEMENTED IN THE WELL AT 11,549'.

THE WELL WAS COMPLETED WITH PERFORATIONS AT 8895'-8902' IN THE WOLFCAMP FORMATION AND AT 11,065'-11,090 IN THE MORROW FORMATION.

THE WELL SHOWS LAST PRODUCTION ON ONGARD STATE DATA BASE SYSTEM TO HAVE BEEN FEBUARY OF 1993.

THE WELL FAILED A PACKER LEAKAGE TEST CONDUCTED IN OCTOBER OF 1996.

A LETTER WAS SENT TO I.T. PROPERTIES REQUESTING THE WELL BE REPAIRED ON OCTOBER 30 1996 BY RAY SMITH OCD FIELD REP 2

ON DECEMBER 4,1998 A SECOND LETTER WAS SENT CERTIFIED TO I.T PROPERTIES BY MIKE STUBBLEFIELD FIELD REP 2. THIS LETTER REQUESTED THE DUAL COMPLETION WELL BE EITHER REPAIRED, TA OR BE PROPERLY PLUGGED AND ABANDONED IN ACCORDANCE TO RULE 202 B.. THIS CERTIFIED LETTER WAS RETURNED UNCLAIMED.

JANUARY 14, 1999 MIKE STUBBLEFIELD CALLED K.W. CHEN AND REQUESTED THE WELL BE REPAIRED, TEMPORARY ABANDONED OR PLUGGED.
AFTER THE PHONE CONVERSATION A FAX COPY OF THE PHONE CONVERSATION WAS FAXED TO K.W. CHEN'S FAX MACHINE NUMBER.

MARCH 3, 1999 A E-MAIL LETTER WAS SENT TO RAND CARROLL REQUESTING THE DHY STATE #1 BE PROPERLY PLUGGED TO PROTECT THE ENVIRONMENT AND CORRELATIVE RIGHTS IN THE AREA.

A SHOWCAUSE HEARING WAS SCHUDLED ON JULY 13, 2000 AND WAS CONTINUED TO OCTOBER 5TH 2000.