

Pat Woosley  
P.O. Box 215  
Cortez, CO 81321

November 10, 1998

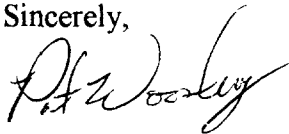
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

Dear Sir or Madam,

This letter is to inform you that I transferred the Presidency and the Ownership of A.P.A. Development, Inc. to Mr. William Power on March 14, 1997 and I am no longer responsible for their operations or actions.

Please find supporting documents attached.

Sincerely,

A handwritten signature in cursive script, appearing to read "Pat Woosley".

Pat Woosley

cc: file  
enclosures

Minutes of a Special Meeting of the  
SHAREHOLDERS AND DIRECTORS OF  
A.P.A. DEVELOPMENT, INC.

In accordance with Company Bylaw provisions, a special meeting of the stockholders and board of directors of A.P.A. Development, Inc., was held on March 14th 1997

President Patrick B. Woosley announced the meeting was convened for the purpose of entertaining the resignation of the present officers and directors of the corporation and electing new directors and officers.

The president disclosed to those present that all of the shares of the capital stock of A.P.A. Development, Inc., had been transferred effective March 13, 1997 to William C. Power. Therefore, the president suggested that the foregoing be elected to the Board of Directors of the Company. On motion made, seconded and carried, the following were elected to the board of directors of the corporation to serve until their successors have been elected and qualified:

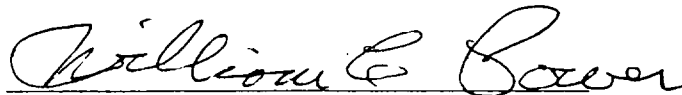
William C. Power  
James M. Power


Thereupon, Patrick B. Woosley, James D. Woosley, Patricia D. Woosley, and Amanda S. Woosley tendered their resignations as directors and officers of the corporation. Said resignations were duly accepted.

Next, Mr. William C. Power was elected as chairman of the meeting. Mr. Power called for the election of officers. On motion made, seconded and unanimously carried, the following were elected:

William C. Power - President  
James M. Power - V.P. and Secretary

There being no further business to come before the meeting, the meeting was declared adjourned.

  
William C. Power-President

  
James M. Power-V.P. and Secretary

## ASSIGNMENT, BILL OF SALE AND CONVEYANCE

This assignment, bill of sale and conveyance (this "Assignment"), dated effective as of March 14, 1997, at 7:00 a.m., M.D.T. (the "effective Time"), is from Patrick B. Woosley and James D. Woosley ( "Assignor"), P.O. Box 215, Cortez, Colorado 81321 and William C. Power("Assignee"), 4067 S.W. 97th Court, Miami, Florida 33165.

For \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Assignor, Assignor hereby transfers, grants, conveys, quitclaims and assigns to Assignee the following (all of which are herein called the "Interests"):

1. All of Assignor's right, title and interest in and to the entire estates created by the leases, licenses, permits and other agreements described in Exhibit A (herein called the "leases"), insofar as the Leases cover and relate to the land described in Exhibit A (herein called the "Land"), together with all Assignor's right, title and interest in and to all the property and rights incident thereto, including all rights in, to and under all agreements, product purchase and sale contracts, leases, permits, right-of-way, easements, licenses farmouts, options and orders in any way relating thereto; and
2. All of Assignor's right, title and interest in and to all of the personal property, fixtures and improvements now or as of the Effective Time thereon, appurtenant thereto or used or obtained in connection with the land or with the production, treatment, sale or disposal of hydrocarbons or water produced therefrom or attributable thereto and all other appurtenances thereto belonging.

To have and to hold the Interests unto Assignee and its successors and assigns forever.

The parties agree that to the extent required to be operative, the disclaimers of certain warranties contained in this section are "conspicuous" disclaimers for the purposes of any applicable law, rule or order. The interests are assigned to Assignee without recourse, covenant or warranty of any kind, express, implied or statutory. WITHOUT LIMITATION OF THE GENERALITY OF THE IMMEDIATELY PRECEDING SENTENCE, ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES AS TO PERSONAL PROPERTY AND FIXTURES (a) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (b) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND (c) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS. Assignor also expressly disclaims and negates any implied or express warranty as to the accuracy of any of the information furnished with respect to the existence or extent of reserves or the value of the Interests based thereon or the condition or state of repair of any of the Interests (it being understood that all reserve estimates on which Assignee has relied or is relying have been derived by the individual evaluation of Assignee) and as to the prices that Assignor or Assignee is or will be entitled to receive from production of oil, gas or other substances from the Interests.

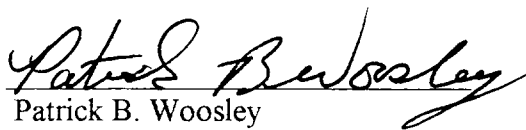
Assignor also hereby grants and transfers to Assignee its successors and assigns, to the extent so transferable, the benefit of the right to enforce the covenants and warranties, if any which Assignor is entitled to enforce with respect to the Interests against Assignor's predecessors in title to the Interests.

Unless provided otherwise, all recording references in Exhibit A are to the official real property records of the counties in which the interest are located.

This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns. This Assignment may be executed in counterparts each of which shall be deemed an original instrument and both of which collectively shall be deemed one and the same instrument.

Executed to be effective for all purposes as of the Effective Time.

ASSIGNOR:

  
Patrick B. Woosley

## PURCHASE AND SALE AGREEMENT

Made and entered into effective March 14, 1997, by and between Patrick B. Woosley and James D. Woosley, hereinafter called "Seller," and William C. Power, hereinafter called "Purchaser."

1. In accordance with the terms and conditions hereinafter set forth, Seller agrees to assign and set over to Purchaser and Purchaser agrees to purchase the following:

a. All of Seller's right, title and interest in and to the entire estates created by the leases, licenses, permits and other agreements described in Exhibit A (herein called the "Leases"), insofar as the Leases cover and relate to the land described in Exhibit A (herein called the "Land"), together with all of the Seller's right, title and interest in and to all the property and rights incident thereto, including all rights in, to and under all agreements, product purchase and sale contracts, leases, permits, rights-of-way, easements, licenses, farm outs, options and orders in any way relating thereto; and

b. All of Seller's right, title and interest in and to all of the personal property, fixtures and improvements now or as of the time thereon, appurtenant thereto, or used or obtained in connection with the Land or with the production, treatment, sale or disposal of hydrocarbons or waters produced therefrom or attributable thereto and all other appurtenances thereunto belonging;

all of which are herein called the "Interests"; and

c. 1,000 shares of the no par value common stock of A.P.A. Development, Inc., a Colorado corporation (the "corporation"), represented by Certificates No. 1 and 2, being all of the issued and outstanding shares of said corporation (the "shares").

2. The books of the corporation shall be closed effective March 31, 1997, and the allocation of profit and loss applied as if the taxable year consisted of two taxable years, the first of which ends March 31, 1997, pursuant to the provisions of Sec. 1377(a)(1) and (2) of the Internal Revenue Code. All persons who are or may be shareholders, including Seller, Purchaser, and anyone holding by or under Purchaser, during the taxable year 1997, shall and do hereby consent to such election and shall execute any consent required by the Internal Revenue Code and/or the regulations applicable thereto. For accounting purposes all cash, cash in bank and accounts receivable and all income earned and expense accrued or incurred at or before March 31, 1997, shall be allocated to Seller, and similarly, all income earned and expenses accrued or incurred after March 31, 1997, shall be allocated to Purchaser. Purchaser agrees to prepare and file the federal and state income tax returns for A.P.A. Development, Inc. for the entire calendar year 1997.

3. Purchaser shall pay all taxes, assessments and other charges, fines and impositions attributable that may attain priority over this contract, and leasehold payments or ground

rents, if any. Purchaser shall pay those obligations by Purchaser making payment when due, directly to the payee thereof.

4. Purchaser shall indemnify and hold Seller harmless against and from liability and claims of any kind for loss or damage or for any injury to or death of any person, arising out of the actions of Purchaser as Operator of the Interest at any time subsequent to March 14, 1997. Purchaser shall at Purchaser's expense, defend Seller in any action or proceeding arising from any such claim and shall indemnify Seller against all costs, attorneys' fees, and any other expenses incurred in such action or proceeding. As a material part of the consideration for Seller's execution of this agreement, Purchaser hereby assumes all risks of damage or injury to any person or property in, on or about the premises and Interest from any cause from and after March 14, 1997.

5. Purchaser has undertaken the duties and obligations of the operator of the Interests and will continue to perform and observe all of the covenants, obligations and agreements which are to be performed and observed by Seller and A.P.A. Development, Inc., as operator of the Interests.

6. Purchaser shall operate the Interests to comply in all respects, and will remain in compliance with all applicable federal, state, regional, county or local laws, statutes, rules, regulations or ordinances, concerning public health, safety or the environment including without limitation, (i) laws or regulations relating to releases, discharges, emissions or disposals to air, water, land or ground water, (ii) to withdrawal or uses of ground water, (iii) to the use, handling or disposal of polychlorinated biphenyls (pob's), (iv) to the treatment, storage, disposal or management of hazardous substances, and any other solid, liquid or gaseous substance, exposure to which is prohibited, limited or regulated, or may or could pose a hazard to the health and safety of the occupants of the site and facility or the property adjacent to or surrounding the site, (v) to the exposure of persons to toxic, hazardous, or other controlled, prohibited or regulated substances, (vi) to the transportation, storage, disposal, management or release of gaseous or liquid substances, and any regulation, order, injunction, judgement, declaration, notice or demand issued thereunder.

7. Seller does hereby acknowledge and agree that the personal property which is included in the Interests and which is to be transferred to Purchaser under and pursuant to the terms hereof, including but not limited to all improvements lying situate in, upon, under or across said Interests is to be conveyed or transferred to Purchaser pursuant to this Contract only and shall be deemed conclusively to have been conveyed, transferred and set over to Purchaser and Purchaser does hereby agree to accept said personal property in a "USED, AS IS CONDITION," AND "WITH ALL FAULTS" AND "WITH ALL DEFECTS" AS OF THE DATE HEREOF AND AS OF THE DATE OF THE ASSIGNMENT, BILL OF SALE AND CONVEYANCE OF THE INTERESTS.

8. Purchaser hereby accepts and agrees to assume the liabilities of the bonding instruments described in Exhibit B, and shall hold Seller harmless of any action taken against said bonding instruments and shall take the appropriate action to fully assume these liabilities within 30 days of the effective date of this purchase and sale agreement. Purchaser hereby agrees to take the necessary action to take full responsibility of the bonding requirements.

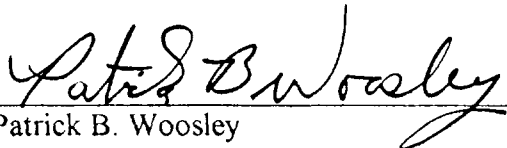
9. In all cases where the context and construction so require, all words used in the singular shall be deemed to have been used in the plural and all words used in the plural shall have been deemed to be used in the singular, and words phrased in one gender shall include all gender.

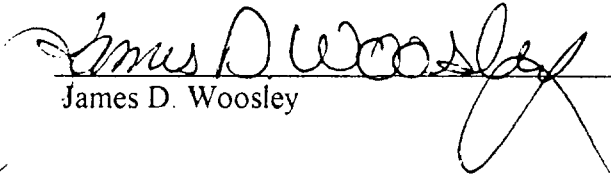
10. This Contract shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, representatives, successors and assigns.

11. The laws of the State of Colorado shall govern this Contract and all rights and obligations hereunder, including matters of construction, validity and performance.

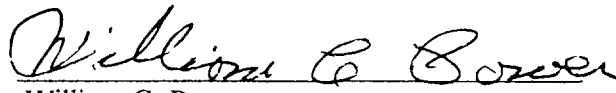
12. This Contract contains the complete agreement concerning the subject matter hereof and shall, as of the effective date hereof, supersede all other agreements between the parties, whether oral or written. The parties acknowledge that neither of them has made any representations with respect to the subject matter of this contract, including the execution and delivery hereof, except such representations as are specifically set forth herein and each of the parties hereby acknowledge that he or it has relied on his or its own judgement in entering into this contract. The parties hereto further acknowledge that any statement or representations that may be made by either of them to the other are of no effect and that neither of them has relied thereon in connection with him or his dealings with the other.

SELLER:

  
Patrick B. Woosley

  
James D. Woosley

PURCHASER:

  
William C. Power

  
James M. Power

Address of Patrick B. Woosley:

P.O. Box 215  
Cortez, CO 81321

Address of James D. Woosley:

16485 C. R. Road 23  
Dolores, CO 81323

Address of William C. Power

4067 S.W. 97th Court  
Miami, Florida 33165





## BILL OF SALE

THIS BILL OF SALE IS FOR THE CONVEYANCE OF ALL STOCK, INTEREST AND ASSETS OF A.P.A. DEVELOPMENT INCORPORATED, A COLORADO CORPORATION. TO ONSHORE ENERGY CORPORATION, A WYOMING CORPORATION. THE PRICE FOR THE PURCHASE OF THE LISTED ABOVE IS FIFTEEN THOUSAND DOLLARS (\$15,000.00).

NOTIFICATION WILL BE MADE BY THE SELLER TO ALL NECESSARY PARTIES INVOLVED.

BY AND BETWEEN:

  
JEFF EHARDT - PRESIDENT  
ONSHORE ENERGY CORPORATION  
1250 E. MISSOURI AVE. #201  
PHOENIX, AZ 85014

  
WILLIAM C. POWER - PRESIDENT  
A.P.A. DEVELOPMENT, INC.  
4067 SW 97 CT.  
MIAMI, FL 33165

## PURCHASE AND STOCK TRANSFER AGREEMENT

FOR: **A.P.A. DEVELOPMENT INCORPORATED**  
(a Colorado corporation)

BUYER: **ONSHORE ENERGY CORPORATION**  
(a Wyoming corporation)

THIS PURCHASE AND STOCK TRANSFER IS FOR ALL STOCK AND ASSETS OF A.P.A. DEVELOPMENT INC.

STOCK: 50,000 SHARES UNISSUED

THIS PURCHASE INCLUDES ALL WORKING INTEREST AND NET REVENUE OWNED IN OIL AND GAS LEASES, ALL PRODUCTION EQUIPMENT AND ASSOCIATED OIL FIELD SERVICE EQUIPMENT.

TO THE BEST OF THE SELLERS KNOWLEDGE A.P.A. DEVELOPMENT IS FREE OF ANY LEGAL CIRCUMSTANCES OR DEBT OTHER THAN DUE TO CURRENT DEVELOPMENT.

THE SELLER IS TO RECEIVE AT CLOSING \$15,000.00 IN CERTIFIED FUNDS FOR THE SALE OF A.P.A. DEVELOPMENT INC.


THE BUYER WILL BE RESPONSIBLE TO REPLACE CURRENT BONDS HELD BY A.P.A. DEVELOPMENT IN REGARDS TO THE NAVAJO M & P LEASES.

UPON CLOSING SELLER WILL FORWARD TO BUYER ALL LEGAL, LEASE AND WELL FILES REGARDING THIS TRANSACTION.

SELLER WILL ASSIST IN NOTIFYING GOVERNING BODIES OF THIS CHANGE OF OWNERSHIP.

THE TERMS OF THIS TRANSACTION ARE MUTUALLY AGREED UPON AS EVIDENCED BY THEIR SIGNATURES BELOW:

ON THIS THE 3<sup>rd</sup> DAY OF DECEMBER, 1997.

  
JEFF EWARDT - PRESIDENT  
ONSHORE ENERGY CORPORATION

  
WILLIAM C. POWER - PRESIDENT  
A.P.A. DEVELOPMENT INCORPORATED