IN THE MATTER OF TIFFANY GAS COMPANY, L.L.C.

NMOGA 01-2

AFFIDAVIT OF JIMMY D HICKS

STATE OF NEW MEXICO)
) SS
COUNTY OF SAN JUAN)

Jimmy D Hicks, after being first sworn, upon his oath deposes and states:

(1) That he is a graduate mechanical engineer from Oklahoma State University and resides in Farmington, New Mexico.

(2) That he is an officer of Hicks Oil & Gas, Inc., a corporation involved in managing and pumping oil and gas wells for well owners in the San Juan Basin of New Mexico, Colorado, and Utah.

(3) That he has served in such capacity and operated this business for the past seventeen (17) years.

(4) That he has been under contract to Tiffany Gas Company, Respondant herein ("Tiffany") to pump the Navajo #18 well No. 3 in Unit B of Section 18, T29N, R16W, API No. 30-045-20299 since 1990.

(5) That part of his duties in "pumping" said well are to submit all reports required by the Oil Conservation Division (OCD) of the New Mexico Energy, Minerals and Natural Resources Department.

(6) That the subject well was drilled and completed by Tiffany's predecessor in interest in 1968 to a depth of 816 feet. See Diagram of casing program attached. (Exhibit "A".)

(7) No water bearing or hydrocarbon formations exist in this well until the production zone is reached at a total depth, i.e. 816 feet. See well Synopsis and Completion Report of John E. Bircher, Petroleum Geologist attached hereto as Exhibit "B". Accordingly, this well has no need for a bradenhead and one was not required by the Division when the well was drilled.

(8) This fact was made known to employees of the Division on numerous occasions in the past whenever the well was scheduled for a bradenhead test. In particular, in the decade of the 90's, Charles Gholson, an employee of the Division in charge of witnessing bradenhead tests was so advised. After consulation with Mr. Gholson, a decision was made by the undersigned to go ahead and file the test report showing "0" pressure on bradenhead. This practice was continued all through the 1990's. See previous Bradenhead Test Reports filed in 1991, 1994, and 1997 attached hereto as Exhibits "C" through "E".

(9) As recently as June 2000, Bruce Martin, currently employed by the Division was advised that the subject well did not have a bradenhead and that approximately 96' of conductor (surface pipe) was open to the atmosphere. The undersigned advised Martin of the previous practice of filing a Bradenhead Test Report showing "0" pressure. Pursuant to said conversation, the undersigned filed the report which is the subject of this proceeding. See Exhibit "F".

(10) Shortly thereafter Mr. Martin requested that the undersigned "dig out" from around the casing on the subject well so that he could observe that there was no bradenhead. This was promptly done. See pictures of the subject well and well head attached hereto as Exhibits "G" 1 through 4.

(11) Thereafter (many months later), the undersigned called Mr. Charles Perrin, Mr. Martin's supervisor, and tried to explain to him how the well was equipped and that it did not have a bradenhead. The call was made because the undersigned was advised by one of Tiffany's employees that Charles Perrin had advised her Tiffany was going to be fined for submitting an erroneous report.

(12) During the telephone conference with Mr. Perrin, the undersigned advised him that there were no water bearing zones or other hydrocarbon producing formations above the producing zone to protect in the area where the well was drilled, and thus no need for a bradenhead.

(13) Weeks later the undersigned was advised by Tiffany that it had been assessed a THOUSAND DOLLAR ($1,000.00) penalty for filing a false bradenhead test report.

(14) The undersigned has never intentionally tried to mislead the Division's employees concerning this well. From the beginning the undersigned has tried to explain to the Division's employees that there was no bradenhead on the well from which a test could be taken. (See pictures of well head, Exhibits G1 through 4). This entire incident is the result of miscommunication between the Division's employees and the undersigned. It should be obvious to anyone looking at the well head that it is not equipped with a bradenhead.

(15) The absence of a bradenhead on wells in the San Juan Basin is not unusual. In the undersigned's experience, he has observed many wells in the area that have no bradenhead. These are mostly shallow wells where there are no water formations, sands or hydrocarbon formations to protect. Thus Rule 107 of the Division would not apply. In those instances the Division has not required the operator to set surface casing and unless surface casing is set in a well there is no need for a bradenhead. The subject well has 96' of conductor pipe open to the atmosphere, but no surface casing as such. Conductor pipe need not be tested (Rule 107(c)). The conductor pipe was set in the subject well to prevent "cave-ins" or sluffing of large boulders into the hole for the first hundred feet of the drilling of the hole. This soil condition is quite prevalent in the area where this well was drilled.

(16) The subject well has a shut-in pressure of approximately 110 p.s.i. The well head is in good mechanical condition equipped with a well head ball valve rated at 2000 p.s.i. The well averages one (1) barrel of oil production per day.

Jimmy D Hicks

SUBSCRIBED and sworn to before me this 29th day of June, 2001.

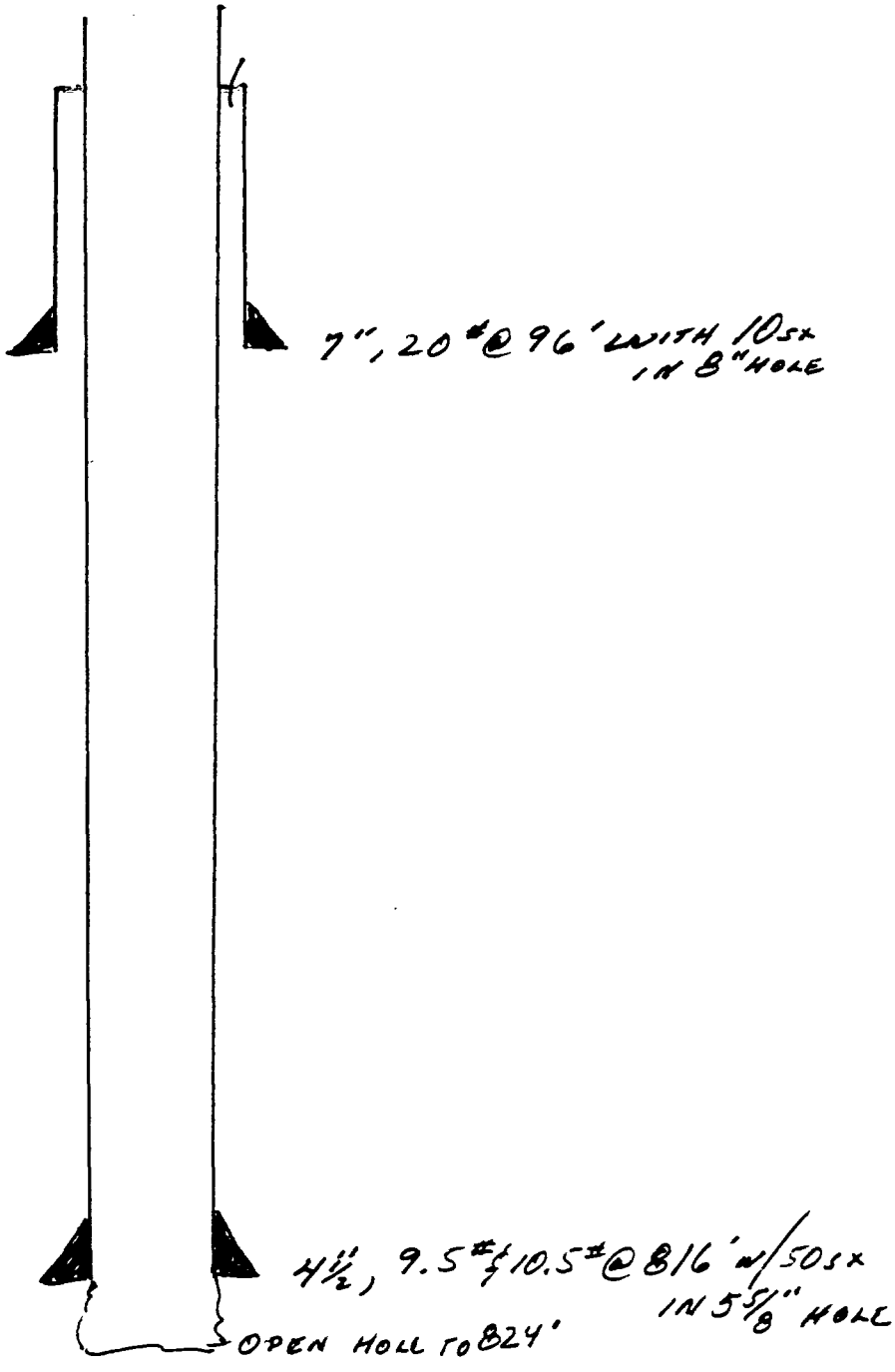
Notary Public

My commission expires:

5-6-02

A00 18-3

EXHIBIT "A"



Navajo #18 Well No. 3 in Unit B of Section 18, T29N, R16W

API No. 30-045-20299

WELL SYNOPSIS

Operator: Tiffany Gas Company

Well: USG Section 18 #52

Location: 1490'FSL-1520'FWL, (NESW) 07-T29N-R16W
San Juan County, New Mexico

Elevations: 5034' (Surveyed Ground Level)
5038' (Estimated Kelly Bushing)
Note: All measurements made from ground level

Spud Date: August 29, 1989

Date T.D. Reached: September 1, 1989

Status: Suspended operations, September 1, 1989
Note: The well produced oil with 0% water cut from the top of the Dakota Ss porosity. Operations are suspended waiting on a production test. The well is open-hole completed from 694.50' to 707.75'.

Formation Tops:

Formation	Depth	Sea Level Datum
Mancos Sh	Surface	+5034.0'
Juana Lopez mbr	206.0'	+4828.0'
Greenhorn Ls mbr	599.0'	+4435.0'
Graneros Sh mbr	660.0'	+4374.0'
Dakota Ss	701.0'	+4333.0'
Dakota Ss porosity	707.0'	+4327.0'

Total Depth: 707.75', Dakota Ss

Objective Reservoir: Dakota Ss

Other Possible Producing Zones: None

Casing: 7" surface casing at 45.00' GLM with 45 sacks; 4 1/2" intermediate casing at 694.50' GLM with 90 sacks

Drill Stem Tests: None

Cores: None

Mud Logging: None

Mechanical Logging: None

Samples: 10-foot samples were caught from 300' to total depth, and are described elsewhere in this report.
Note: No samples were saved.

Contractor: Ludwick Drilling & Exploration Corp.
James L. Ludwick, Driller

Engineer: Jim Hicks

Geologist: John E. Bircher

Narrative: The USG Section 18 #52 well was drilled from surface casing to intermediate casing with water. The remainder of the well (intermediate casing to total depth) was drilled with air. The hole dusted to 707.0', where oil was encountered. A slight petroliferous odor was first noticed at 700.0', becomming very strong at 707.0'. The well was bucket tested at 43 BOD from the top 0.75' of the Dakota Sandstone porosity. The USG Section 18 #52 well has been temporarily suspended pending a production test.

Completion Report Prepared By: John E. Bircher
Petroleum Geologist

Tiffany Gas Company

USG Section 18 #52
NESW Section 07-29N-16W
San Juan County, New Mexico
Surveyed Ground Elevation: 5034'

SAMPLE DESCRIPTION

DEPTH	LITHOLOGY
300'-310'	95% **SHALE**, dark gray to black, firm, blocky to fissile, sub-waxy, non-calcareous, 5% **SILTSTONE**, medium gray to dark gray, hard, slightly calcareous, trace **BENTONITE**, white, soft
310'-320'	95% **SHALE**, as above, very slightly **SILTY**, 5% **SANDSTONE**, white to light gray, very fine grained, sub-angular to sub-rounded, fair sorting, hard, slightly calcareous
320'-330'	95% **SHALE**, as above, 5% **SANDSTONE**, as above
330'-340'	100% **SHALE**, as above, trace **SANDSTONE**, as above, trace **SILTSTONE**, dark gray, hard, non-calcareous
340'-350'	100% **SHALE**, dark gray to black, firm, blocky to fissile, sub-waxy, very slightly calcareous
350'-360'	95% **SHALE**, as above, 5% **BENTONITE**, white to light gray, soft, trace **SILTSTONE**, dark gray, soft to firm, very slightly calcareous, trace **SANDSTONE**, medium gray-brown, very fine grained, sub-angular to sub-rounded, poor sorting to fair sorting, hard, calcareous
360'-370'	100% **SHALE**, as above, trace **BENTONITE**, medium blue-gray to dark blue-gray
370'-380'	100% **SHALE**, as above, 10% **BENTONITIC**, medium blue-gray to dark-blue gray
380'-390'	100% **SHALE**, as above, 30% **BENTONITIC**, as above
390'-400'	100% **SHALE**, as above, 10% **BENTONITIC**, as above
400'-410'	100% **SHALE**, as above, very slightly **SILTY**, non-calcareous, trace **BENTONITE**, white, soft
410'-420'	100% **SHALE**, as above, 20% **BENTONITIC**, dark gray

420'-430'	100% **SHALE**, as above, 10% **BENTONITIC**, as above
430'-440'	100% **SHALE**, as above, very slightly **SILTY**, 5% **BENTONITIC**, as above, trace **BENTONITE**, white, soft
440'-450'	100% **SHALE**, as above, very slightly calcareous to non-calcareous, 10% **BENTONITIC**, as above
450'-460'	100% **SHALE**, as above, 5% **BENTONITIC**, as above, trace **SANDSTONE**, light gray and medium gray-brown, very fine grained, sub-angular to sub-rounded, poor sorting to fair sorting, very slightly calcareous, trace **INOCERAMUS** prisms
460'-470'	100% **SHALE**, as above, trace **SANDSTONE**, as above
470'-480'	95% **SHALE**, as above, 5% **SILTSTONE**, dark gray, firm to hard, argillaceous, very slightly calcareous to non-calcareous, trace **INOCERAMUS** prisms
480'-490'	95% **SHALE**, as above, very slightly **SILTY**, slightly calcareous, 5% **SILTSTONE**, as above, slightly calcareous, trace **BENTONITE**, white soft
490'-500'	100% **SHALE**, dark gray to black, firm to hard, blocky to fissile, very slightly **SILTY**, very slightly calcareous, trace **BENTONITE**, white and medium blue-gray
500'-510'	100% **SHALE**, as above, slightly calcareous
510'-520'	100% **SHALE**, as above, calcareous, trace **SILTSTONE**, medium gray to dark gray, firm to hard, argillaceous, calcareous
520'-530'	100% **SHALE**, as above, 10% **BENTONITIC**, dark gray, soft, trace **INOCERAMUS** casts, trace **SILTSTONE**, as above
530'-540'	100% **SHALE**, as above, 10% **BENTONITIC**, as above, trace **INOCERAMUS** casts, trace **SILTSTONE**, medium gray-brown, firm to hard, calcareous, trace **BENTONITE**, white to light gray, soft
540'-550'	100% **SHALE**, dark gray to black, firm to hard, fissile, very slightly **SILTY**, calcareous, 5% **BENTONITIC**, dark gray, soft

550'-560'	100% **SHALE**, as above, 5% **BENTONITIC**, as above
560'-570'	100% **SHALE**, as above, 10% **BENTONITIC**, as above
570'-580'	100% **SHALE**, dark gray to black, firm, fissile, very slightly **SILTY**, slightly calcareous, 5% **BENTONITIC**, dark gray, soft, trace **PYRITE**
580'-590'	100% **SHALE**, as above, 20% **BENTONITIC**, as above, trace **BENTONITE**, white, soft
590'-600'	100% **SHALE**, dark gray to black, firm, fissile, calcareous, trace **SHALE**, dark gray to black, firm to hard, blocky to fissile, very calcareous, **CALCITE** specks
600'-610'	100% **SHALE**, dark gray to black, firm to hard, blocky to fissile, very calcareous, **CALCITE** specks, trace **PYRITE**
610'-620'	80% **SHALE**, as above, trace **INOCERAMUS** casts, 20% **LIMESTONE**, dark gray, microcrystalline to very fine crystalline, hard, argillaceous
620'-630'	100% **SHALE**, dark gray to black, firm, fissile, sub-waxy, calcareous, minor **CALCITE** specks, trace **LIMESTONE**, as above, trace **BENTONITE**, tan, soft
630'-640'	95% **SHALE**, as above, 5% **LIMESTONE**, as above, trace **BENTONITE**, white, soft
640'-650'	60% **LIMESTONE**, light gray-brown and dark gray, microcrystalline to very fine crystalline, hard, argillaceous, 30% **SHALE**, as above, very calcareous, **CALCITE** specks, 10% **BENTONITE**, light gray to white, soft
650'-660'	70% **LIMESTONE**, as above, 20% **SHALE**, as above, 10% **BENTONITE**, as above
660'-670'	80% **SHALE**, medium gray to dark gray, firm, blocky to fissile, calcareous, 20% **BENTONITE** white to light gray, soft
670'-680'	100% **SHALE**, dark gray to black, firm to hard, blocky to fissile, sub-waxy, calcareous, **CALCITE** specks, trace **BENTONITIC**, dark gray, soft
680'-690'	100% **SHALE**, as above, 10% **BENTONITIC**, as above, trace **BENTONITE**, white to light gray, soft

690'-695'	100% **SHALE**, dark gray to black, firm to hard, blocky to fissile, slightly **SILTY**, very slightly calcareous, 30% **BENTONITIC**, dark gray, soft, trace **QUARTZ** grains, clear, fine grained to medium grained, well rounded, fair sorting, trace **PYRITE**
695'-696'	100% **BENTONITE**, white, soft, trace **SHALE**, dark gray to black, firm to hard, slightly **SILTY**, very slightly calcareous, trace **QUARTZ** grains, as above
696'-700'	100% **SHALE**, as above, slight petroliferous odor, trace **BENTONITE**, as above, trace **PYRITE**
700'-705'	100% **SANDSTONE**, medium gray, very fine grained to medium grained, sub-angular to sub-rounded, poor sorting, unconsolidated, clay cement, slightly calcareous, no show, dry, trace **SHALE**, as above
705'-707'	100% **SANDSTONE**, as above, trace **SANDSTONE**, medium gray, very fine grained to coarse grained, argillaceous, firmly consolidated, calcareous, no show, dry, trace **SHALE**, as above
707.00'-707.75'	100% **SANDSTONE**, light gray-brown, very fine grained to fine grained, sub-angular to sub-rounded, moderately well sorted, unconsolidated, clay cement, oil staining, tan to light brown, strong petroliferous odor

EXHIBIT "C"
STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS
AZTEC, NEW MEXICO 87410
(505) 334-6178

BRADENHEAD TEST REPORT
(Submit 3 copies to above address)

Date of Test 6/19/91 Operator TIFFANY GAS CO.

Lease Name NAVAJO 18 Well No. 3 Location U B Sec 18 Twp 29N Rge 16W

Pressure (Shut-in or (Flowing)) Dwt Tubing 16 Intermediate NA Casing 16 Bradenhead 0

OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH.

TIME:	PRESSURES: INTERMEDIATE	CASING
5 Min.		
10 Min.		
15 Min.		
20 Min.		
25 Min.		
30 Min.		

	BRADENHEAD FLOWED:	INTERMEDIATE FLOWED:
Steady Flow		
Surges		
Down to Nothing		
Nothing	X	NA
Gas		
Gas & Water		
Water		

If Bradenhead flowed water check description below:

Clear _____

Fresh _____

Salty _____

Sulfur _____

Black _____

Remarks: _____

By Jim Hall
Agent, Tiffany Gas Co.

EXHIBIT "D"

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 Rio Brazos
AZTEC, NEW MEXICO
(505) 334-6178

BRADENHEAD TEST REPORT
(Submit 3 copies to above address)

ate of Test 6/13/94 Operator TIFFANY GAS Co.

ease Name NAVAJO 18 Well No. 3 Location U B Sec 18 Twp 29N Range 16W

ressure (Shut-in or (Flowing)) Dwt Tubing 13 Intermediate NA Casing 13 Bradenhead 0

EST BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH.

IME:	PRESSURES: INTERMEDIATE	CASING
Min.		
Min.		
Min.		
Min.		
Min.		
Min.		

	BRADENHEAD FLOWED:	INTERMEDIATE FLOWED:
Steady Flow		
Surges		
Down to Nothing		
Nothing	X	NA
Gas		
Gas & Water		
Water		

Bradenhead flowed water check description below:

ear

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Remarks:

By Jim Hill

EXHIBIT "E"
STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

BRADENHEAD TEST REPORT
(Submit 3 copies to above address)

Date of Test JUNE 13, 1997 Operator TIFFANY GAS CO.

Lease Name NAVAJO 18 Well No. 3 Location U B Sec 18 Twp 29N Range 16W

Pressure (Shut-in or (Flowing)) Dwt Tubing 14 Intermediate NA Casing 14 Bradenhead 0

OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH.

TIME:	PRESSURES: INTERMEDIATE	CASING
5 Min.		
10 Min.		
15 Min.		
20 Min.		
25 Min.		
30 Min.		

	BRADENHEAD FLOWED:	INTERMEDIATE FLOWED:
Steady Flow		
Surges		
Down to Nothing		
Nothing	X	NA
Gas		
Gas & Water		
Water		

If Bradenhead flowed water check description below:

Clear

Fresh

Salty

Sulfur

Black

Remarks:

By JIM HICKS

AGENT, TIFFANY GAS CO.
(Position)

Witness

EXHIBIT "F"

NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-6178 FAX: (505) 334-6170
http://emnrd.state.nm.us/ocd/District III/3district.htm

BRADENHEAD TEST REPORT

(Submit 2 copies to above address)

Date of Test 6-13-00 Operator TIFFANY GAS CO. API #30-0 45-202990

Property Name NAVAJO 18 Well No. 3 Location:Unit B Section 18 Township 29N Range 16W

Pressure(Shut-In or Producing) Tubing 20 Intermediate NA Casing 45 Bradenhead 0

OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH

TIME	PRESSURES: INTERMEDIATE	CASING
5 minutes		
10 minutes		
15 minutes		
20 minutes		
25 minutes		
30 minutes		

	BRADENHEAD FLOWED	INTERMEDIATE FLOWED
Steady Flow		
Surges		
Down to Nothing		
Nothing	X	NA
Gas		
Gas & Water		
Water		

If bradenhead flowed water, check all of the descriptions that apply below:

CLEAR_____ FRESH_____ SALTY_____ SULFUR_____ BLACK_____

REMARKS:

By Jim Thomas Witness

AGENT
(Position)

EXHIBIT "G" - 1


TIFFANY GAS CO.
NAVAJO 18 NO. 3
I - 89 - IND. - 58
1155' FNL 2475' FEL
SEC. 18, T29N., R16W
SAN JUAN CO., N.M.

EXHIBIT "G" - 2

EXHIBIT "G" - 3

EXHIBIT "G" - 4