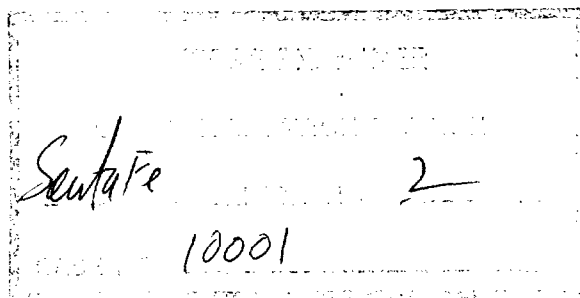


MUSKEGON STATE COM #1

- May 9, 1990: Letters to working interest owners asking them to join, farmout or sell their respective interests.
- May 9, 1990: Wrote letter to Marbob requesting a farmout on shallow rights in E/2.
- NE/4, SW/4 SE/4 - Conoco
NE/4 SE/4 - Marbob et al to 5,000'
NW/4 SE/4,
SE/4 SE/4 - Santa Fe below 5,000'
- May 25, 1990: Spoke with Ray Miller in Marbob's office. Typo on township and range as to NW/4 SE/4, SE/4 SE/4. Ray Miller wanted information on Santa Fe/Fina Farmout. Miller is taking offer to management for recommendation.
- May 29, 1990: Called Jim Bruce to initiate Force Pooling.
- May 30, 1990: Spoke with Mike Boney in Conoco's Hobbs, New Mexico office. Mike advised that Warren Richardson in Conoco's Midland office would be handling the Muskegon Prospect due to Conoco closing the Hobbs office. Mike Boney requested more time to elect due to Conoco having to transfer files from Hobbs to Midland.
- May 30, 1990: Mailed copy of the May 9, 1990 letter to Conoco to Warren Richardson in Conoco's Midland office and a copy of the AFE.
- May 30, 1990: Called Warren Richardson with Conoco. I told him that Mike Boney had called and that Mike was sending Santa Fe's letter of May 9, 1990 to him for further handling and that the files should be, or would be coming shortly, on the Muskegon Prospect. I briefed him on what was in the letter and informed him that Santa Fe had mailed a copy of the May 9, 1990 letter along with a copy of the AFE (this day) and told him if he had any questions to contact Santa Fe.
- June 6, 1990: Called Warren Richardson with Conoco to verify that he had received Santa Fe's letter and AFE. He said that he had received the letter and AFE, but had not had a chance to pull the files. He told me he would get to the proposal as soon as possible.
- June 15, 1990: Returned Ray Miller's phone call (Marbob Energy). He wanted to know if Marbob could have the same farmout that Santa Fe gave Fina. I told him that if Marbob had other four or five other drilling locations that Santa Fe was interested in that Santa Fe might possibly consider the same farmout, but not on one location. He said, "but our interest is under the best location." I told him that I would take Marbob's request to Vernon, but that I did not think that he would approve a farmout under the same terms as the Fina farmout on one location.



- June 16, 1990: Ray Miller phoned Vernon Dyer and advised that Marbob would join as to their interest in the proposed test well.
- June 25, 1990: Called Warren Richardson with Conoco. He advised that they had not made a decision.
- July 2, 1990: Called Warren Richardson with Conoco. He said that Conoco had not made a decision, but that he would check with management and for me to call him back Friday. He said that he felt that Conoco's management might feel 62.5% working interest was too heavy. I ask that if Conoco did not want to take the 62.5% working interest for him to see if they would consider selling their interest or farming out. He said that he would and said that if Conoco did farmout their interest we would need to get together on the terms. I told him I would call him back Friday.
- July 6, 1990: Called Warren Richardson with Conoco. He said that SF's letter was on Jim Ballard's desk and that he would be out of the office until Monday. I told him that I would call back Monday afternoon or Tuesday morning for a decision.
- July 9, 1990: Called Warren Richardson with Conoco. He said that they still had not made a decision. We discussed Conoco possibly selling their working interest and Warren advised that he did not think Conoco would be interested in selling their interest. He said that they might possibly farmout, but terms would need to be discussed. Warren said that he would call when a decision was made. At 5:00 p.m., July 9, 1990, I have not received a call from Conoco.