

Affidavit
of
Jack J. Grynberg

In March of 1984, after consultation with Mr. Morris Ettinger, Executive Vice President of Grynberg Petroleum Company and graduate of the Colorado School of Mines with two degrees, one in geophysical engineering and one in geology, we ascertained that the subject well #1-20, located in the NWSW Sec. 20, T9S-R27E, Eddy County, New Mexico, has a potentially productive zone in the San Andres formation from a 1915 foot depth to 1945 feet. I telephoned Randy Patterson of Yates Petroleum Company in Artesia, New Mexico and offered to turn the well over to Yates Petroleum Company, because 100% of the San Andres rights belonged to Yates based on the prior ruling of the Commission that the San Andres has a 40 acre spacing, and the NW/4 of SW/4 of Sec 20, T9S - R27E, which is the location of the well on Yates lease and they own 100% of the San Andres rights.

Yates Petroleum promised to respond to us, and subsequent to March 1984, I had reminded Mr. Patterson that they had not responded to our request, and to this date, we still do not have a response from Yates Petroleum Company.

Dated:

~~Denver, Colorado~~

~~Jack J. Grynberg
President~~

Grynberg Petroleum Company
5000 South Quebec, Suite 500
Denver, Colorado 80237
Telephone: 303-850-7490

Acknowledgment

State of Colorado
County of Arapahoe ss

On this 18th day of June in the year of 1986, the foregoing instrument was acknowledged before me, the undersigned, a Notary Public, by Jack J. Grynberg who personally appeared before me and is known to me to be the person described in and who executed the within and foregoing instrument and acknowledged to me that he executed same as his free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereto set my official signature and affixed my notarial seal the day and year first above written.

Notary Public

Residing at:

5000 30. QUEBEC ST. #500
DENVER, COLORADO 80237

My commission expires: MAR 13 1990

