

CONSOLIDATED OIL & GAS, INC.
410 17TH STREET, SUITE 2300
DENVER, CO 80202

AUTHORIZATION FOR EXPENDITURE

Lease Carnes 32-6-11 #1 AFE No. 0394002
County San Juan Field Basin Fruitland Coal
State New Mexico
Date Work to Start 03/08/94 Time to Complete 4 Days Work to Be Done By 03/11/94

Nature of Proposed Work: Clean-out wellbore to total depth at $\pm 2,830'$. Run GR/CCL and perforate the Fruitland Coal Formation from 2,672'-94'. Flow test well and obtain gas sample.

It is estimated that the following labor, material, etc., will be required:

| Quantity | Description | Estimated Cost |
|----------|-------------------------------|----------------|
| | Completion Rig | \$ 12,000 |
| | Road Work | 3,000 |
| | Wireline Unit (GR/CCL, Perf.) | 2,250 |
| | Test Unit | 1,000 |
| | Wellhead Equipment | 1,500 |
| | Misc. (Rentals, water, etc.) | 1,500 |
| | Contingencies @ 10% | 2,100 |
| | Supervision | 1,500 |

TOTAL \$ 24,850

Recommended by Alan C. Harrison, District Operations Manager Date: 03/02/94
Name and Title

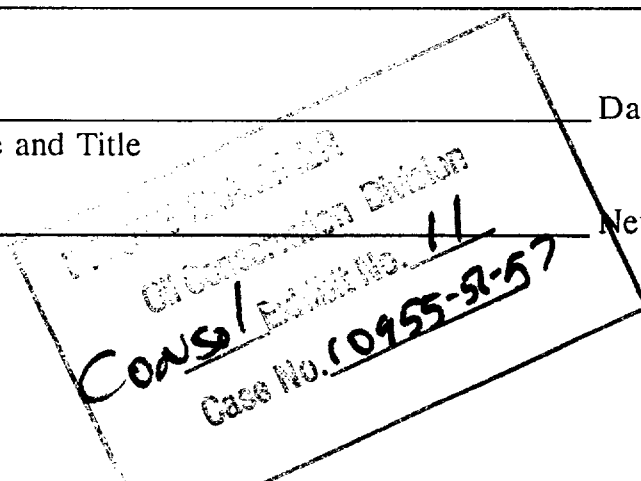
Approved by _____ Date: _____

COMPANY NAME: _____

Approved by _____ Date: _____
Name and Title

Company W. I. _____ Net Cost: \$ _____

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CONSOLIDATED OIL & GAS, INC.
410 17TH STREET, SUITE 2300
DENVER, CO 80202

AUTHORIZATION FOR EXPENDITURE

AFE No. 0394001
Lease Federal 32-6-9 #1 Field Basin Fruitland Coal
County San Juan State New Mexico
Date Work to Start 03/14/94 Time to Complete 5 Days Work to Be Done By 03/18/94

Nature of Proposed Work: Re-enter and deepen well from its current depth of 2,430' to approximately 3,000'. Run openhole logs from T.D. up through the Fruitland Coal formation. Flow test well and obtain gas sample.

It is estimated that the following labor, material, etc., will be required:

| Quantity | Description | Estimated Cost |
|----------|--------------------------------|----------------|
| | Completion Rig | \$ 25,000 |
| | Logging | 6,400 |
| | Mudlogger | 2,000 |
| | Rentals | 2,500 |
| | Misc. (chemicals, water, etc.) | 1,500 |
| | Wellhead Equipment | 1,500 |
| | Test Unit | 1,000 |
| | Contingencies @ 10% | 4,000 |
| | Supervision | 2,500 |

TOTAL \$46,400

Recommended by Alan C. Harrison, District Operations Manager Date: 03/02/94
Name and Title

Approved by _____ Date: _____

COMPANY NAME: _____

Approved by _____ Date: _____
Name and Title

Company W. I. _____ Net Cost: \$ _____