

STATE OF NEVADA
 DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MINERALS
 400 W. King Street, Suite 106
 Carson City, Nevada 89710
 Phone: (702) 687-5050 • Fax (702) 687-3957

RECEIVED

FEB 08 1999

Div. of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

This report to be filed by the end of the month following the month herein reported.

Company: Trail Mountain, Inc. Address: 105 S. Fourth Street, Artesia NM 88210

Lease: Three Bar Unit Pool County: Eureka Month of: December, 19 98

LOCATION					OIL AND WATER (BBLs.)				GAS			No. Days Prod.	Status: Flowing, Pumping, Gas Lift, etc.
Well No.	Permit No.	Sec.	Twp.	Rge.	New Oil Prod.*	Net Oil Sold*	Grav.	Water Prod.†	Tot. Gas Prod. MCF	Gas-oil ratio	Date of Test		
25A		25	28N	51E									Shut in
5		25	28N	51E									Shut in

TOTALS

* Report distillate, condensate or other liquid hydrocabons (other than oil) in this column preceded by an asterisk (*).

† Method of determining water production:
 Shake out _____ Estimate _____ Draw off _____

OIL AND GAS PRODUCER'S MONTHLY REPORT
PAGE 2

(Following report is on lease basis)

No. Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. to pipeline	Bbls. To truck or R.R.	Name of Transporter		
2	299					299	

GAS

MCF used on lease _____ Used for Gas Lift _____
MCF sold _____ MCF used on lease. _____
MCF blown to air (difference) _____ MCF used on _____ lease.
Gas Purchaser _____ MCF used on _____ lease.

SUMMARY

Barrel oil produced and marketed during month
Tax at \$0.05 per barrel \$ _____
MCF gas produced and marketed during month
Tax at \$0.05 per 50,000 MCF \$ _____
Total tax monies remitted herewith to Division of Minerals \$ _____

REMARKS:

I hereby certify that the information given herewith is true, correct, and complete.

Name Pamela S. Harris *Pamela S. Harris*
Position Production Clerk
Telephone (505) 748-1471 Ext. 201
Date 2-1-1999

INSTRUCTIONS: Prepare in quadruplicate. First three copies to the Division of Minerals with remittance. Last copy for your file.

STATE OF NEVADA
 DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MINERALS
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DEC 28 1998

Div. of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

This report to be filed by the end of the month following the month herein reported.

Company: Trail Mountain, Inc. Address: 105 S. Fourth Street, Artesia, NM 88210

Lease: Three Bar Unit Pool: _____ County: Eureka Month of: November, 19 98

LOCATION					OIL AND WATER (BBLs.)				GAS				
Well No.	Permit No.	Sec.	Twp.	Rge.	New Oil Prod.*	Net Oil Sold*	Grav.	Water Prod._	Tot. Gas Prod. MCF	Gas-oil ratio	Date of Test	No. Days Prod.	Status: Flowing, Pumping, Gas Lift, etc.
25A 5		25 25	28N 28N	51E 51E									Shut in Shut in
TOTALS													

* Report distillate, condensate or other liquid hydrocabons (other than oil) in this column preceded by an asterisk (*).

_ Method of determining water production:
 Shake out _____ Estimate _____ Draw off _____

OIL AND GAS PRODUCER'S MONTHLY REPORT
PAGE 2

(Following report is on lease basis)

No. Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. to pipeline	Bbls. To truck or R.R.	Name of Transporter		
2	299					299	

GAS

MCF used on lease _____

Used for Gas Lift

MCF sold _____

MCF used on lease.

MCF blown to air (difference) _____

MCF used on _____ lease.

Gas Purchaser _____

MCF used on _____ lease.

SUMMARY

Barrel oil produced and marketed during month.....

Tax at \$0.05 per barrel..... \$ _____

MCF gas produced and marketed during month

Tax at \$0.05 per 50,000 MCF \$ _____

Total tax monies remitted herewith to Division of Minerals..... \$ _____

REMARKS:

I hereby certify that the information given herewith is true, correct, and complete.

Name Pamela S. Harris

Position Production Clerk

Telephone (505) 748-1471 Ext. 201

Date 12-23-98

STATE OF NEVADA
 DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MINERALS
 400 W. King Street, Suite 106
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NOV 20 1998

Div. of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

This report to be filed by the end of the month following the month herein reported.

Company: Trail Mountain, Inc. Address: 105 S. Fourth Street, Artesia, NM 88210

Lease: Three Bar Unit Pool: _____ County: Eureka Month of: October, 19 98

LOCATION					OIL AND WATER (BBLs.)				GAS				
Well No.	Permit No.	Sec.	Twp.	Rge.	New Oil Prod.*	Net Oil Sold*	Grav.	Water Prod._	Tot. Gas Prod. MCF	Gas-oil ratio	Date of Test	No. Days Prod.	Status: Flowing, Pumping, Gas Lift, etc.
25A 5		25 25	28N 28N	51E 51E									Shut in Shut in
TOTALS													

* Report distillate, condensate or other liquid hydrocabons (other than oil) in this column preceded by an asterisk (*).

Method of determining water production:

Shake out _____ Estimate _____ Draw off _____

OIL AND GAS PRODUCER'S MONTHLY REPORT
PAGE 2

(Following report is on lease basis)

No. Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. to pipeline	Bbls. To truck or R.R.	Name of Transporter		
2	299					299	

GAS

MCF used on lease _____
MCF sold _____
MCF blown to air (difference) _____
Gas Purchaser _____

Used for Gas Lift
MCF used on lease.
MCF used on _____ lease.
MCF used on _____ lease.

SUMMARY

Barrel oil produced and marketed during month.....
Tax at \$0.05 per barrel.....\$ _____
MCF gas produced and marketed during month.....
Tax at \$0.05 per 50,000 MCF.....\$ _____
Total tax monies remitted herewith to Division of Minerals.....\$ _____

REMARKS:

I hereby certify that the information given herewith is true, correct, and complete.

Name Pamela S. Harris *Pamela S. Harris*
Position Production Clerk
Telephone (505) 748-1471 Ext. 201
Date 11-18-98

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MINERALS
400 W. King Street, Suite 106
Carson City, Nevada 89710
Phone: (702) 687-5050 • Fax (702) 687-3957

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OCT 29 1998
Div. of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

This report to be filed by the end of the month following the month herein reported.

Company: Trail Mountain, Inc. Address: 105 S. Fourth Street, Artesia, NM 88210

Lease: Three Bar Unit Pool: _____ County: Eureka Month of: September, 19 98

LOCATION					OIL AND WATER (BBLs.)				GAS				
Well No.	Permit No.	Sec.	Twp.	Rge.	New Oil Prod.*	Net Oil Sold*	Grav.	Water Prod._	Tot. Gas Prod. MCF	Gas-oil ratio	Date of Test	No. Days Prod.	Status: Flowing, Pumping, Gas Lift, etc.
25A 5		25 25	28N 28N	51E 51E									Shut in Shut in
TOTALS													

* Report distillate, condensate or other liquid hydrocabons (other than oil) in this column preceded by an asterisk (*).

_ Method of determining water production:

Shake out _____ Estimate _____ Draw off _____

OIL AND GAS PRODUCER'S MONTHLY REPORT
PAGE 2

(Following report is on lease basis)

No. Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. to pipeline	Bbls. To truck or R.R.	Name of Transporter		
2	299					299	

GAS

MCF used on lease _____
MCF sold _____
MCF blown to air (difference) _____
Gas Purchaser _____

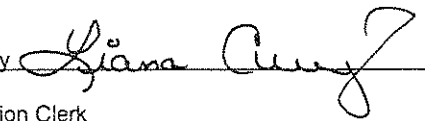
Used for Gas Lift
MCF used on lease.
MCF used on _____ lease.
MCF used on _____ lease.

SUMMARY

Barrel oil produced and marketed during month
Tax at \$0.05 per barrel \$ _____
MCF gas produced and marketed during month
Tax at \$0.05 per 50,000 MCF \$ _____
Total tax monies remitted herewith to Division of Minerals \$ _____

REMARKS:

I hereby certify that the information given herewith is true, correct, and complete.

Name Liana Curry 
Position Production Clerk
Telephone (505) 748-1471 Ext. 201
Date 10-27-98

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MINERALS
400 W. King Street, Suite 106
Carson City, Nevada 89710
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SEP 29 1998

Div. of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

This report to be filed by the end of the month following the month herein reported.

Company: Trail Mountain, Inc. Address: 105 S. Fourth Street, Artesia, NM 88210

Lease: Three Bar Unit Pool: _____ County: Eureka Month of: August, 19 98

LOCATION					OIL AND WATER (BBLs.)				GAS				
Well No.	Permit No.	Sec.	Twp.	Rge.	New Oil Prod.*	Net Oil Sold*	Grav.	Water Prod._	Tot. Gas Prod. MCF	Gas-oil ratio	Date of Test	No. Days Prod.	Status: Flowing, Pumping, Gas Lift, etc.
25A 5		25 25	28N 28N	51E 51E									Shut in Shut in
TOTALS													

* Report distillate, condensate or other liquid hydrocabons (other than oil) in this column preceded by an asterisk (*).

_ Method of determining water production:

Shake out _____ Estimate _____ Draw off _____

OIL AND GAS PRODUCER'S MONTHLY REPORT
PAGE 2

(Following report is on lease basis)

No. Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. to pipeline	Bbls. To truck or R.R.	Name of Transporter		
2	299					299	

GAS

MCF used on lease _____
MCF sold _____
MCF blown to air (difference) _____
Gas Purchaser _____


Used for Gas Lift
MCF used on lease.
MCF used on _____ lease.
MCF used on _____ lease.

SUMMARY

Barrel oil produced and marketed during month.....
Tax at \$0.05 per barrel.....\$ _____
MCF gas produced and marketed during month
Tax at \$0.05 per 50,000 MCF\$ _____
Total tax monies remitted herewith to Division of Minerals.....\$ _____

REMARKS:

I hereby certify that the information given herewith is true, correct, and complete.

Name Liana Curry 
Position Production Clerk
Telephone (505) 748-1471 Ext. 201
Date 9-22-98

STATE OF NEVADA
 DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MINERALS
 400 W. King Street, Suite 106
 Carson City, Nevada 89710
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AUG 27 1998

Div. of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

This report to be filed by the end of the month following the month herein reported.

Company: Trail Mountain, Inc. Address: 105 S. Fourth Street, Artesia, NM 88210

Lease: Three Bar Unit Pool: _____ County: Eureka Month of: July, 19 98

LOCATION					OIL AND WATER (BBLs.)				GAS				
Well No.	Permit No.	Sec.	Twp.	Rge.	New Oil Prod.*	Net Oil Sold*	Grav.	Water Prod._	Tot. Gas Prod. MCF	Gas-oil ratio	Date of Test	No. Days Prod.	Status: Flowing, Pumping, Gas Lift, etc.
25A 5		25 25	28N 28N	51E 51E									Shut in Shut in
TOTALS													

* Report distillate, condensate or other liquid hydrocarbons (other than oil) in this column preceded by an asterisk (*).

_ Method of determining water production:

Shake out _____ Estimate _____ Draw off _____

OIL AND GAS PRODUCER'S MONTHLY REPORT
PAGE 2

(Following report is on lease basis)

No. Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. to pipeline	Bbls. To truck or R.R.	Name of Transporter		
2	299					299	

GAS

MCF used on lease _____
 MCF sold _____
 MCF blown to air (difference) _____
 Gas Purchaser _____

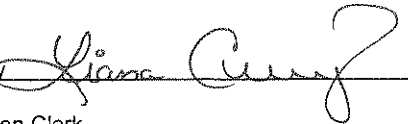
Used for Gas Lift
 MCF used on lease.
 MCF used on _____ lease.
 MCF used on _____ lease.

SUMMARY

Barrel oil produced and marketed during month.....
 Tax at \$0.05 per barrel.....\$ _____
 MCF gas produced and marketed during month.....
 Tax at \$0.05 per 50,000 MCF.....\$ _____
 Total tax monies remitted herewith to Division of Minerals.....\$ _____

REMARKS:

I hereby certify that the information given herewith is true, correct, and complete.

Name Liana Curry 
 Position Production Clerk
 Telephone (505) 748-1471 Ext. 201
 Date 8-24-98

STATE OF NEVADA
 DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MINERALS
 400 W. King Street, Suite 106
 Carson City, Nevada 89710
 Phone: (702) 687-5050 • Fax (702) 687-3957

RECEIVED

JUL 27 1998

Div. of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

This report to be filed by the end of the month following the month herein reported.

Company: Trail Mountain, Inc. Address: 105 S. Fourth Street, Artesia, NM 88210

Lease: Three Bar Unit Pool: _____ County: Eureka Month of: June, 19 98

LOCATION					OIL AND WATER (BBLs.)				GAS				
Well No.	Permit No.	Sec.	Twp.	Rge.	New Oil Prod.*	Net Oil Sold*	Grav.	Water Prod._	Tot. Gas Prod. MCF	Gas-oil ratio	Date of Test	No. Days Prod.	Status: Flowing, Pumping, Gas Lift, etc.
25A 5		25 25	28N 28N	51E 51E									Shut in Shut in
TOTALS													

* Report distillate, condensate or other liquid hydrocabons (other than oil) in this column preceded by an asterisk (*).

_ Method of determining water production:
 Shake out _____ Estimate _____ Draw off _____

OIL AND GAS PRODUCER'S MONTHLY REPORT
PAGE 2

(Following report is on lease basis)

No. Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. to pipeline	Bbls. To truck or R.R.	Name of Transporter		
2	299					299	

GAS

MCF used on lease _____
MCF sold _____
MCF blown to air (difference) _____
Gas Purchaser _____

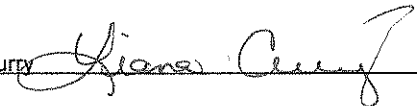
Used for Gas Lift
MCF used on lease.
MCF used on _____ lease.
MCF used on _____ lease.

SUMMARY

Barrel oil produced and marketed during month.....
Tax at \$0.05 per barrel..... \$ _____
MCF gas produced and marketed during month
Tax at \$0.05 per 50,000 MCF \$ _____
Total tax monies remitted herewith to Division of Minerals..... \$ _____

REMARKS:

I hereby certify that the information given herewith is true, correct, and complete.

Name Liana Curry 
Position Production Clerk
Telephone (505) 748-1471 Ext. 201
Date 7-23-98

STATE OF NEVADA
 DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MINERALS
 400 W. King Street, Suite 106
 Carson City, Nevada 89710
 Phone: (702) 687-5050 • Fax (702) 687-3957

RECEIVED

JUN 26 1998

Div. of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

This report to be filed by the end of the month following the month herein reported.

Company: Trail Mountain, Inc. Address: 105 S. Fourth Street, Artesia, NM 88210

Lease: Three Bar Unit Pool: _____ County: Eureka Month of: May, 19 98

LOCATION					OIL AND WATER (BBLs.)				GAS				
Well No.	Permit No.	Sec.	Twp.	Rge.	New Oil Prod.*	Net Oil Sold*	Grav.	Water Prod._	Tot. Gas Prod. MCF	Gas-oil ratio	Date of Test	No. Days Prod.	Status: Flowing, Pumping, Gas Lift, etc.
25A 5		25 25	28N 28N	51E 51E									Shut in Shut in
TOTALS													

* Report distillate, condensate or other liquid hydrocabons (other than oil) in this column preceded by an asterisk (*).

_ Method of determining water production:
 Shake out _____ Estimate _____ Draw off _____

OIL AND GAS PRODUCER'S MONTHLY REPORT
PAGE 2

(Following report is on lease basis)

No. Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. to pipeline	Bbls. To truck or R.R.	Name of Transporter		
2	299					299	

GAS

MCF used on lease _____
MCF sold _____
MCF blown to air (difference) _____
Gas Purchaser _____

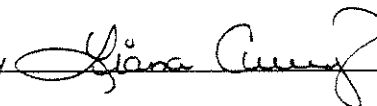
Used for Gas Lift
MCF used on lease.
MCF used on _____ lease.
MCF used on _____ lease.

SUMMARY

Barrel oil produced and marketed during month.....
Tax at \$0.05 per barrel.....\$ _____
MCF gas produced and marketed during month
Tax at \$0.05 per 50,000 MCF\$ _____
Total tax monies remitted herewith to Division of Minerals.....\$ _____

REMARKS:

I hereby certify that the information given herewith is true, correct, and complete.

Name Liana Curry 
Position Production Clerk
Telephone (505) 748-1471 Ext. 201
Date 6-23-98

STATE OF NEVADA
 DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MINERALS
 400 W. King Street, Suite 106
 Carson City, Nevada 89710
 Phone: (702) 687-5050 • Fax (702) 687-3957

RECEIVED

MAY 26 1998

Div. of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

This report to be filed by the end of the month following the month herein reported.

Company: Trail Mountain, Inc. Address: 105 S. Fourth Street, Artesia, NM 88210

Lease: Three Bar Unit Pool: _____ County: Eureka Month of: April, 19 98

LOCATION					OIL AND WATER (BBLs.)				GAS				
Well No.	Permit No.	Sec.	Twp.	Rge.	New Oil Prod.*	Net Oil Sold*	Grav.	Water Prod._	Tot. Gas Prod. MCF	Gas-oil ratio	Date of Test	No. Days Prod.	Status: Flowing, Pumping, Gas Lift, etc.
25A 5		25 25	28N 28N	51E 51E									Shut in Shut in
TOTALS													

* Report distillate, condensate or other liquid hydrocabons (other than oil) in this column preceded by an asterisk (*).

_ Method of determining water production:
 Shake out _____ Estimate _____ Draw off _____

**OIL AND GAS PRODUCER'S MONTHLY REPORT
PAGE 2**

(Following report is on lease basis)

No. Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. to pipeline	Bbls. To truck or R.R.	Name of Transporter		
2	299					299	

GAS

MCF used on lease _____
 MCF sold _____
 MCF blown to air (difference) _____
 Gas Purchaser _____

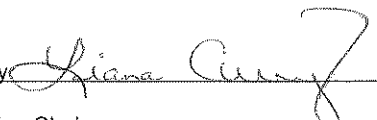
Used for Gas Lift
 MCF used on lease.
 MCF used on _____ lease.
 MCF used on _____ lease.

SUMMARY

Barrel oil produced and marketed during month.....
 Tax at \$0.05 per barrel.....\$ _____
 MCF gas produced and marketed during month
 Tax at \$0.05 per 50,000 MCF\$ _____
 Total tax monies remitted herewith to Division of Minerals.....\$ _____

REMARKS:

I hereby certify that the information given herewith is true, correct, and complete.

Name Liana Curry 
 Position Production Clerk
 Telephone (505) 748-1471 Ext. 201
 Date 5-20-98

STATE OF NEVADA
 DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MINERALS
 400 W. King Street, Suite 106
 Carson City, Nevada 89710
 Phone: (702) 687-5050 • Fax (702) 687-3957

RECEIVED

MAY 01 1998

Div. of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

This report to be filed by the end of the month following the month herein reported.

Company: Trail Mountain, Inc. Address: 105 S. Fourth Street, Artesia, NM 88210

Lease: Three Bar Unit Pool: _____ County: Eureka Month of: March, 19 98

LOCATION					OIL AND WATER (BBLs.)				GAS				
Well No.	Permit No.	Sec.	Twp.	Rge.	New Oil Prod.*	Net Oil Sold*	Grav.	Water Prod._	Tot. Gas Prod. MCF	Gas-oil ratio	Date of Test	No. Days Prod.	Status: Flowing, Pumping, Gas Lift, etc.
25A 5		25 25	28N 28N	51E 51E									Shut in Shut in
TOTALS													

* Report distillate, condensate or other liquid hydrocabons (other than oil) in this column preceded by an asterisk (*).

Method of determining water production:

Shake out _____ Estimate _____ Draw off _____

OIL AND GAS PRODUCER'S MONTHLY REPORT
PAGE 2

(Following report is on lease basis)

No. Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. to pipeline	Bbls. To truck or R.R.	Name of Transporter		
2	299					299	

GAS

MCF used on lease _____
MCF sold _____
MCF blown to air (difference) _____
Gas Purchaser _____

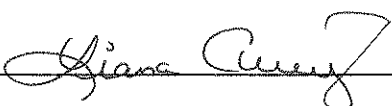
Used for Gas Lift
MCF used on lease.
MCF used on _____ lease.
MCF used on _____ lease.

SUMMARY

Barrel oil produced and marketed during month.....
Tax at \$0.05 per barrel..... \$ _____
MCF gas produced and marketed during month
Tax at \$0.05 per 50,000 MCF \$ _____
Total tax monies remitted herewith to Division of Minerals..... \$ _____

REMARKS:

I hereby certify that the information given herewith is true, correct, and complete.

Name Liana Curry 
Position Production Clerk
Telephone (505) 748-1471 Ext. 201
Date 4-28-98

STATE OF NEVADA
 DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MINERALS
 400 W. King Street, Suite 106
 Carson City, Nevada 89710
 Phone: (702) 687-5050 • Fax (702) 687-3957

RECEIVED
MAR 30 1998
 Div. of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

This report to be filed by the end of the month following the month herein reported.

Company: Trail Mountain, Inc. Address: 105 S. Fourth Street, Artesia, NM 88210

Lease: Three Bar Unit Pool: _____ County: Eureka Month of: February, 19 98

LOCATION					OIL AND WATER (BBLs.)				GAS				
Well No.	Permit No.	Sec.	Twp.	Rge.	New Oil Prod.*	Net Oil Sold*	Grav.	Water Prod._	Tot. Gas Prod. MCF	Gas-oil ratio	Date of Test	No. Days Prod.	Status: Flowing, Pumping, Gas Lift, etc.
25A 5		25 25	28N 28N	51E 51E									Shut in Shut in
TOTALS													

* Report distillate, condensate or other liquid hydrocabons (other than oil) in this column preceded by an asterisk (*).

Method of determining water production:

Shake out _____ Estimate _____ Draw off _____

**OIL AND GAS PRODUCER'S MONTHLY REPORT
PAGE 2**

(Following report is on lease basis)

No. Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. to pipeline	Bbls. To truck or R.R.	Name of Transporter		
2	299					299	

GAS

MCF used on lease _____
 MCF sold _____
 MCF blown to air (difference) _____
 Gas Purchaser _____

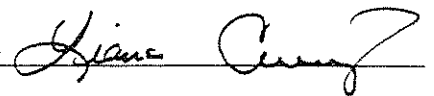
Used for Gas Lift
 MCF used on lease.
 MCF used on _____ lease.
 MCF used on _____ lease.

SUMMARY

Barrel oil produced and marketed during month.....
 Tax at \$0.05 per barrel.....\$ _____
 MCF gas produced and marketed during month.....
 Tax at \$0.05 per 50,000 MCF.....\$ _____
 Total tax monies remitted herewith to Division of Minerals.....\$ _____

REMARKS:

I hereby certify that the information given herewith is true, correct, and complete.

Name Liana Curry 
 Position Production Clerk
 Telephone (505) 748-1471 Ext. 201
 Date 3-27-98

STATE OF NEVADA
 DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MINERALS
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RECEIVED
FEB 27 1998
 Div. of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

This report to be filed by the end of the month following the month herein reported.

Company: Trail Mountain, Inc. Address: 105 S. Fourth Street, Artesia, NM 88210

Lease: Three Bar Unit Pool: _____ County: Eureka Month of: January, 19 98

LOCATION					OIL AND WATER (BBLs.)				GAS				
Well No.	Permit No.	Sec.	Twp.	Rge.	New Oil Prod.*	Net Oil Sold*	Grav.	Water Prod._	Tot. Gas Prod. MCF	Gas-oil ratio	Date of Test	No. Days Prod.	Status: Flowing, Pumping, Gas Lift, etc.
25A 5		25 25	28N 28N	51E 51E									Shut in Shut in
TOTALS _____													

* Report distillate, condensate or other liquid hydrocabons (other than oil) in this column preceded by an asterisk (*).

_ Method of determining water production:
 Shake out _____ Estimate _____ Draw off _____

OIL AND GAS PRODUCER'S MONTHLY REPORT
PAGE 2

(Following report is on lease basis)

No. Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. to pipeline	Bbls. To truck or R.R.	Name of Transporter		
2	299					299	

GAS

MCF used on lease _____
MCF sold _____
MCF blown to air (difference) _____
Gas Purchaser _____

Used for Gas Lift
MCF used on lease.
MCF used on _____ lease.
MCF used on _____ lease.

SUMMARY

Barrel oil produced and marketed during month.....
Tax at \$0.05 per barrel..... \$ _____
MCF gas produced and marketed during month
Tax at \$0.05 per 50,000 MCF \$ _____
Total tax monies remitted herewith to Division of Minerals..... \$ _____

REMARKS:

I hereby certify that the information given herewith is true, correct, and complete.

Name Liana Curry *Liana Curry*
Position Production Clerk
Telephone (505) 748-1471 Ext. 201
Date 2-24-98