



MINERAL INTEREST

The mineral interest offered for sale is best described by mapped outlines indicated on Figure 2. Mineral interest differences and a brief description of the offering and auction is explained by attached exhibits A and B from United Country / Northern New Mexico Real Estate, Inc.

REGIONAL GEOLOGY

The Chama Basin, previously mentioned, dominates the TA Grant and is superimposed on a larger structural terrace, which is part of the larger Archuleta anticlinorium. Northwest-trending folds and faults dominate the structural features. The western edge of Chama Basin is controlled by these faults, forming a structural uplift that separates the Chama Basin from the San Juan Basin to the

west. This basin plunges north into Colorado, becoming buried by San Juan Mountain Tertiary rocks. A major west-trending transverse structure called the Brazos fault zone runs 50 miles from the Brazos Box westward into the San Juan Basin. South of this zone the basin becomes a shallow, broad, north-trending syncline. The central part of the Chama Basin has low structural relief dipping up to near vertical, nearby faults and Proterozoic rocks of the Tusas Mountains. Structural relief from the Chama syncline to the Tusas Mountains can be up to 5000 feet.

The Tusas Mountains are a northwest trending portion of the Brazos Uplift. Proterozoic crystalline and supracrustal rocks make up the uplift, which is flanked and mantled by Tertiary and Quaternary volcanics as well as the clastic sedimentary section. Northwest-trending faults again dominate the structure in these layered