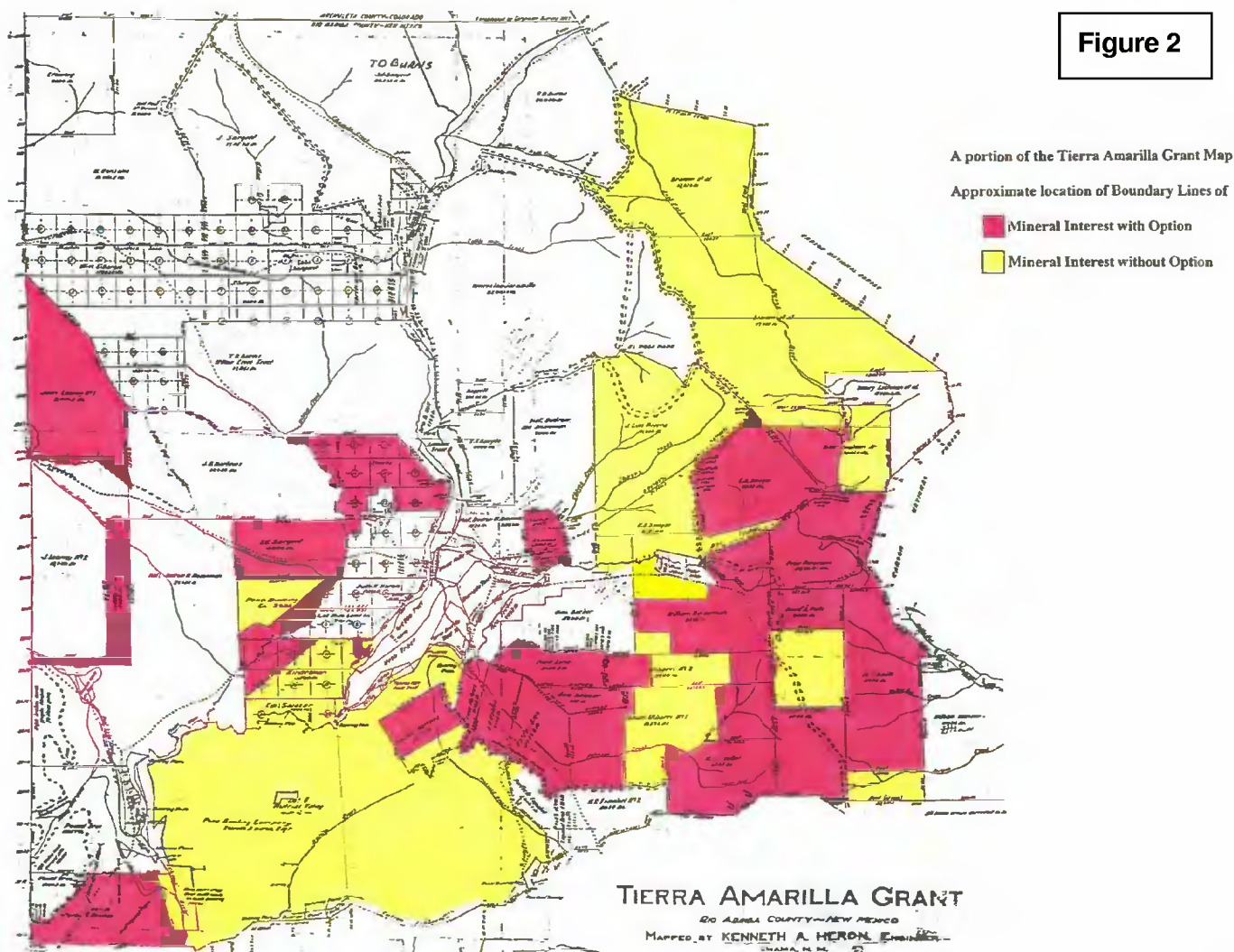


Figure 2



metamorphic rocks and igneous intrusions. For reference, Figure 3 is a portion of the Aztec Quadrangle Geologic Map prepared in 1987 by Manley, Scott and Wobus.

POTENTIAL EXPLORATION INTEREST

OIL AND GAS

New Mexico has been a major oil and natural gas producing state since oil and natural gas were first discovered in the state during the early 1920's.

Drilling and production information, pulled together from various state agencies, indicates that no wells have been drilled in the TA Grant for oil and gas. The nearest production,

however is only 15 miles northwest of Chama, located in the northwest portion of the Chama Basin in Colorado. The "Gramps" Field was discovered in 1936 and has produced in excess of 15 million barrels from the Niobrara shale and Dakota sandstones at about 1,100 feet. The reservoir is developed in fractured shale and sandstone associated with a faulted anticline. Another old field in the Chama Basin, the "Chromo" Field, lies 18 miles northwest of Chama and produces from fractured reservoirs in the Basal Carlile silty zone, gradational zone into the underlying Tocito siltstone, and Cretaceous Greenhorn limestone. Cumulative production reported in 1960 was 120,000 barrels; in the year 2000, production was reported at 463 barrels. Additional producing fields are located on the