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## EXXCEL energy corporation

September 26, 1977

Shareholders  
EXXCEL Energy Corporation

Dear Shareholders:

I am pleased to report that the name of your Company has been changed from Consolidated Eureka Mining Company to EXXCEL Energy Corporation, and that shareholders elected a new board of directors and approved all the proposals voted on at the special meeting of shareholders held September 6, 1977.

The agreement with Crystal Oil Company of Shreveport, Louisiana has been closed and Crystal Oil will contribute \$3.6 million through the end of 1979, to participate in oil and gas exploration programs to be managed by EXXCEL. Crystal Oil has also increased its stock interest in EXXCEL to 2,035,000 shares, or approximately 37% of the Company's outstanding stock. We are excited to have such a fine company participate with us in the aggressive programs that are planned in the Rocky Mountain area.

EXXCEL is scheduled to participate in the drilling of 15 wells in Colorado, Kansas, Nebraska and Wyoming by the end of the year. Six wildcat wells in Kansas and Nebraska are planned with Murfin Drilling of Wichita, Kansas. EXXCEL will initially own a 6.25% carried interest with respect to the drilling cost of each test and thereafter a 6.25% working interest in each well. EXXCEL will have a similar 16.67% carried and then a 25% working interest in a wildcat test operated by C. E. Brem in the Bighorn Basin of Wyoming. Other significant drilling includes five tests in the Denver Basin in northeast Colorado and southwest Nebraska, in which EXXCEL will own a 25% carried interest in four wells and a 12½% carried interest in the remaining well with respect to the drilling costs of each test, with a corresponding working interest in the completion of any of these wells.

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2450 First National Bank Building Denver, Colorado 80293 303 573-554

Your directors, in addition to myself, are James E. Hogle, Jr., vice president of Hogle Investment Company; R. Gordon Bader, president of Hogle Investment Company; Robert F. Roberts, president of Crystal Oil; Roger M. Slinkard, group vice president of Crystal Oil; James D. Asher, president of Sunflower Energy Corporation of Denver; and James A. Masek, president of The Crude Company, Admiral Construction Company and Powder River Pipeline Company, all of Wyoming.

EXXCEL has applied with the National Association of Securities Dealers for a NASDAQ listing with the symbol "EXXL". The shares of the Company, for the present, will continue to trade on the over-the-counter market and the Intermountain Stock Exchange in Salt Lake City. Broker-dealers and our new transfer agent, United Bank of Denver, will honor all valid stock certificates for both EXXCEL and Consolidated Eureka Mining. Should you desire to exchange your Consolidated Eureka Mining stock certificates for EXXCEL certificates, you may do so at your convenience with no transfer fee. Any subsequent transfers will involve a nominal fee.

We have some ambitious plans for EXXCEL Energy Corporation and welcome your enthusiasm and support.

Yours very truly,



James H. Petersen  
President

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Ernest C. Erickson  
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OFFICIAL RECORDS  
EUREKA COUNTY, NEVADA  
MIN. REC. & RECORDER  
FILE NO. 600  
FEE \$

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