



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

July 27, 1994

Mobil Exploration & Producing U.S. Inc.
P.O. Box 633
Midland, Texas 79702-0633

Attention: Kaye Pollack-Lyon

11103

Dear Ms. Lyon:

With regards to the application you filed on June 2, 1994, to downhole commingle Abo and Penn/Wolfcamp production within the Bridges State Well No. 104, please be advised that the subject well does not qualify for administrative approval pursuant to Rule 303 (C)(1)(a)(i), as it is our understanding that the well is capable of producing 97 barrels of oil per day.

The subject application can be processed through a hearing before a Division examiner. If you wish to set the application for hearing, please let me know.

Sincerely,

David Catanach
David Catanach
Engineer

Memo

From
DAVID CATANACH
Petroleum Engineer

To

Please set so heavy

9/29/91

Oil Conservation Division Santa Fe, New Mexico 87504
(505) 827-5807

Mobil Exploration & Producing U.S. Inc.

August 9, 1994

State of New Mexico
Oil Conservation Division
State Land Office Building
P.O. Box 2088
Santa Fe, NM 87501
ATTN: David Catanach

P.O. BOX 633
MIDLAND, TEXAS 79702-0633

MIDLAND SOUTH ASSET TEAM
ENVIRONMENTAL, REGULATORY &
LOSS PREVENTION

FACSIMILE (915) 688-1514

Case 11103

**REF: Production Information on DHC Request
North Vacuum Abo Unit #104/
Bridges State #104
North Vacuum Abo & Wolfcamp/Penn
Lea County, New Mexico**

Dear David:

Mobil Exploration & Producing U.S. Inc. as agent for Mobil Producing TX & NM Inc., is requesting you review the attached production data on the subject wells for downhole commingle approval, as per our conversation yesterday, August 8, 1994. The daily well test submitted in the original package was better than just a day to day test.

Thank you for your consideration in this matter. Your assistance is greatly appreciated.

If there is any question, please contact me at 915-688-2584. Please let me know if this can be approved administratively so we can address the production testing on this well as soon as possible. Again, thank you for your help.

Sincerely,

Kaye Pollock-Lyon

Kaye Pollock-Lyon
Environmental & Regulatory Technician

Mobil Exploration & Producing US Inc.
as agent for
Mobil Producing TX & NM Inc.

KPL:s

Attachments



**Environmental
Awareness**

06200600 VACUUM UPPER PENN
5622201 BRIDGES STATE
104 - LT 300252136200

PRODUCTION - INJECTION REPORT
WELL REPORT

MIDLAND
EFF. DATE: JUN, 1994

DAILY DATA

YEAR	OIL (BBL/D)	GAS (MCF/D)	WTR (BBL/D)
02 1994	24	53	80
03 1994	28	52	73
04 1994	27	46	68
05 1994	39	75	100
06 1994	0	0	0

7
Away for
mom

** Well was shut in during workover in May, 1994

MIDLAND
EFF. DATE: JUN, 1994

PRODUCTION - INJECTION REPORT
WELL REPORT

06205400 VACUUM/ABO, NORTH
5616500 NORTH VACUUM ABO UNIT
104 300252136200

PAGE 1

DAILY DATA

YEAR	OIL (BBL/D)	GAS (MCF/D)	WTR (BBL/D)
02 1994	58	43	65
03 1994	53	42	64
04 1994	55	43	67
05 1994 **	20	19	24
06 1994	0	0	0

** Well was shut in during workover in May, 1994

Mobil Exploration & Producing U.S. Inc.

P.O. BOX 633
MIDLAND, TEXAS 79702-0633

June 2, 1994

MIDLAND SOUTH ASSET TEAM
ENVIRONMENTAL, REGULATORY &
LOSS PREVENTION

FACSIMILE (915) 688-1514

New Mexico Oil Division
P.O. Box 2088
Santa Fe, New Mexico 87501
ATTN: Mr. William LeMay

Case 11103

**REF: Exception to Rule 303 (A)
North Vacuum Abo Unit #104/
Bridges State #104
North Vacuum Abo &
Wolfcamp/Penn Pools
Lea County, New Mexico**

Dear Mr. LeMay:

Mobil Exploration & Producing U.S. Inc. as agent for Mobil Producing TX & NM Inc., is requesting administrative approval to downhole commingle oil production from the North Vacuum Abo and the Wolfcamp/Upper Penn Pools, in the subject well(s), located in Unit B, Section 25, T-17-S, R-34-E, Lea County, New Mexico.

This wellbore is currently producing 60 BOPD in the Abo and 37 BOPD in the Wolfcamp/Penn. This wellbore is commingled under DHC-725, dated May 8, 1989, in the Wolfcamp/Penn zones.

The subject well(s) meets all prerequisites for commingling, as set out in Rule 303 (C). The ownership of these zones has joint interest. Approval by sufficient owners has been received to proceed with commingling. A copy of the letter and ballot are attached.

In support of this application, the following is submitted:

1. Location plat
2. Data sheet for both zones (Exhibit A)
3. Computation of relative values for hydrocarbons (Exhibit B)
4. Present and proposed wellbore sketches
5. Well test curve, plats and C-116 for the zones
6. History of the wellbore



**Environmental
Awareness**

North Vacuum Abo/Wolfcamp/Upper Penn Well #104
NMOCD, Santa Fe

7. List of offset operators
8. Notice of application for Downhole Commingle

Although bottom hole pressure data is not available for these two zones, no crossflow is anticipated, since the common pump will keep fluid levels low. Potential test will be submitted with allocation of production shown as soon as approval is received.

All offset operators have been notified of this request by copy of this application.

In conclusion, MEPUS believes that approval of this request will result in a more efficient recovery of hydrocarbons and will extend the productive life of both zones, therefore preventing waste. If any further information is needed, please call me at 915- 688-2584.

Sincerely,



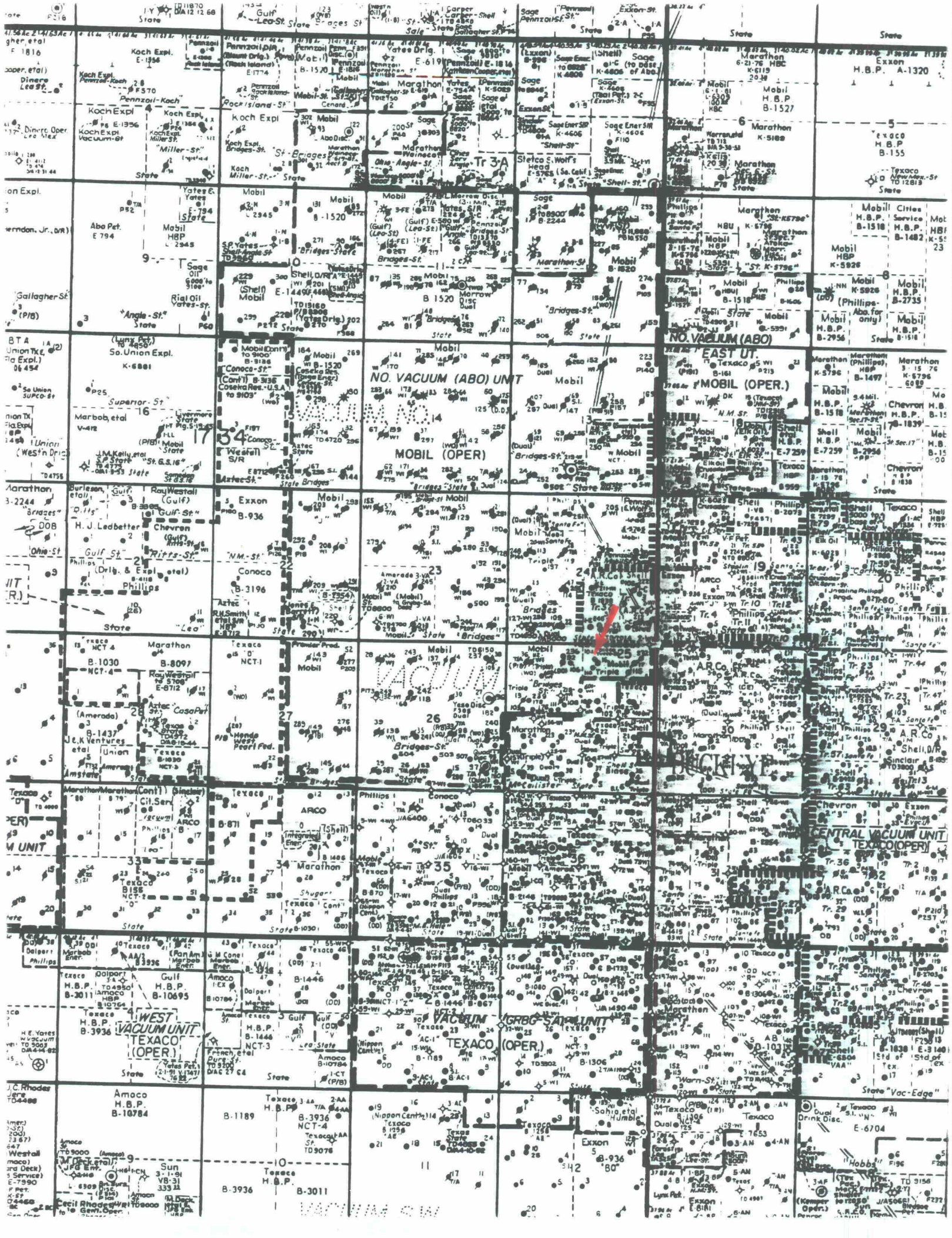
Kaye Pollock-Lyon
Environmental & Regulatory Technician

Mobil Exploration & Producing US Inc.
as agent for
Mobil Producing TX & NM Inc.

KPL:s

Attachments

cc: NMOCD-Hobbs
Offset Operators



DATA SHEET

EXHIBIT A

Application for exception to Rule 303 (a) New Mexico Oil Conservation Commission's Rules & Regulations allowing downhole commingling of dually completed oil wells by administrative procedure (Order No. R-3845)

1. Lease Name North Vacuum Abo Unit/Bridges State
2. Well Number 104/104
3. Well Location Unit B, 520 FNL & 2120 FWL
Sec. 25, Township 17S, Range 34E
Lea County, New Mexico
4. Upper Zone North Vacuum Abo
5. Completion Interval: 8444 to 9300
6. Lower Zone Wolfcamp/Upper Penn
7. Completion Interval: 9552 to 10116
8. Current Productivity Test Summary:

	Upper Zone <u>Abo</u>	Lower Zone <u>W/C//Penn</u>
Production Method	Pump	Pump
BOPD	60	37
MCFPD	30	50
BWPD	68	73
GOR	500	1351
GOR Limit	2000/1	2000/1
9. Botom-hole pressure of Upper Zone	Not Available	
10. Bottom-hole pressure of Lower Zone	Not Available	
11. Fluid characteristics of Each Zone:	Both zones produce intermediate crude and we expect no problems in producing the commingled waters	

DATA SHEET

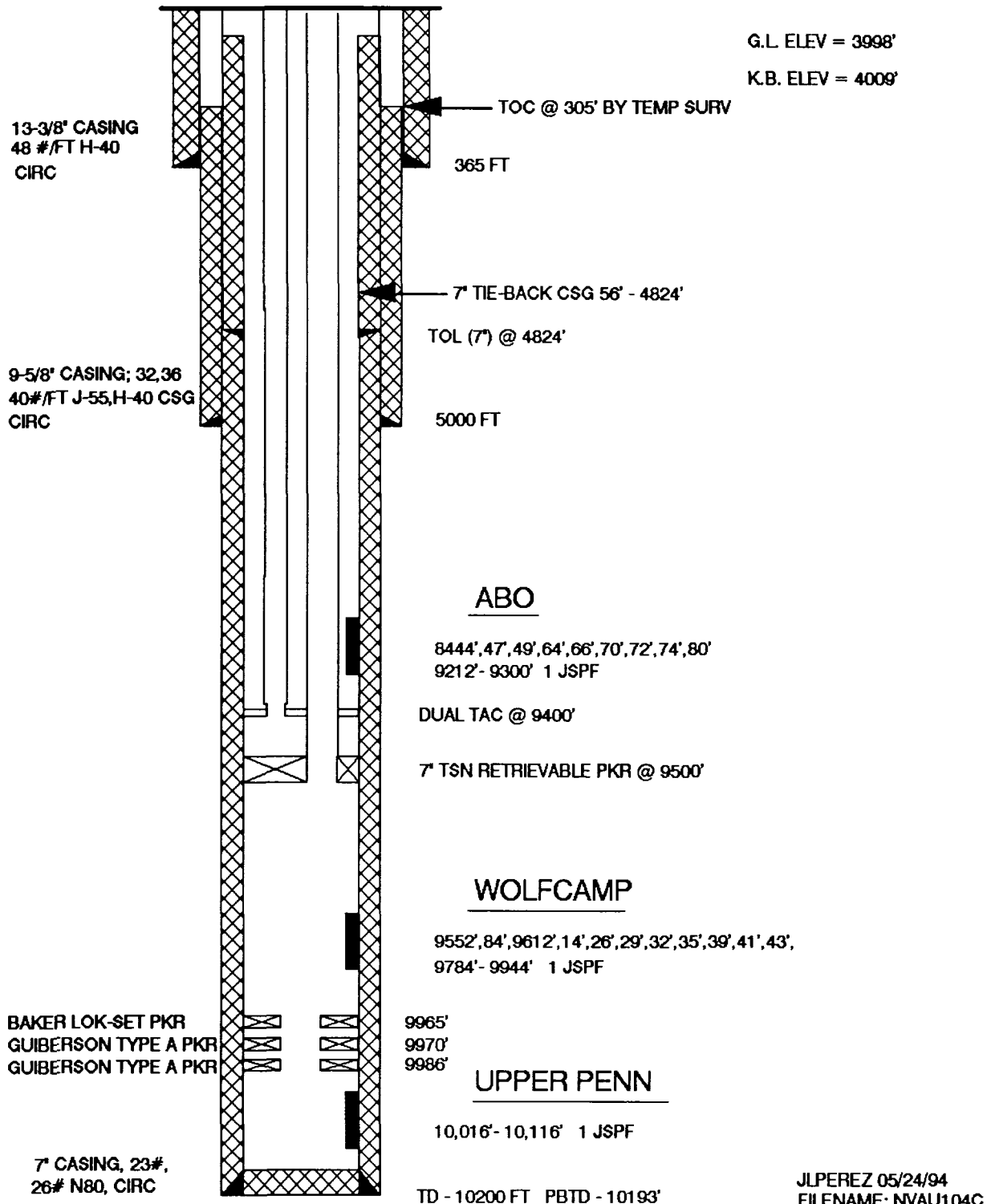
EXHIBIT B

**COMPUTATION OF RELATIVE VALUES
OF THE HYDROCARBON PRODUCTION
BEFORE & AFTER DOWNHOLE COMMINGLING
(STATEWIDE RULE 303-C-2-H)**

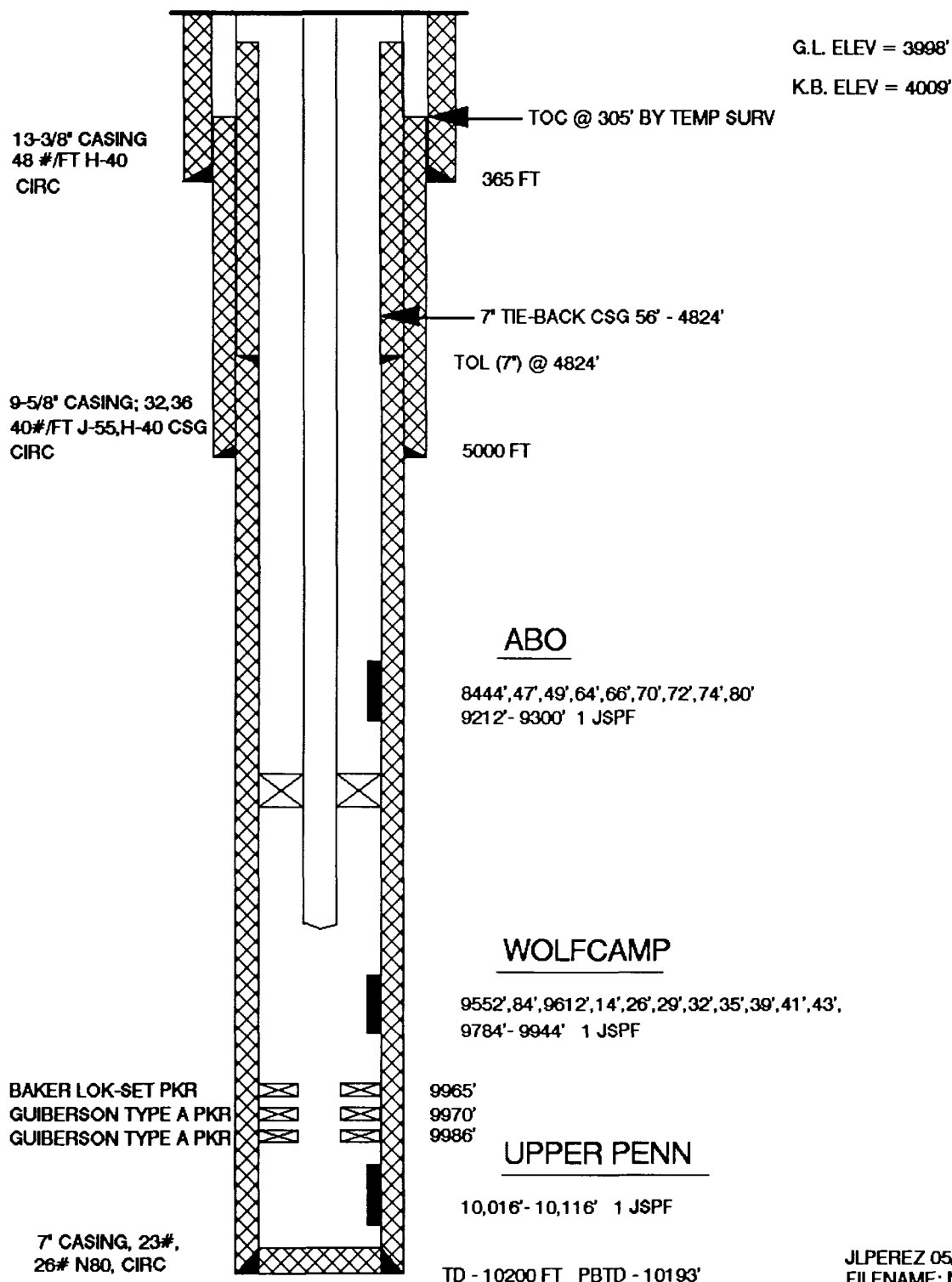
Lease & Well Number	North Vacuum Abo Unit 104/Bridges State 104		
	<u>UPPER POOL</u> <u>ABO</u>	<u>LOWER POOL</u> <u>W/C//PENN</u>	<u>COMMINGLED</u>
Pool Name	North Vacuum	Bridges State	
Gravity, API 37.07	35.2	40.1	
Selling Price/BO	16.75	16.75	16.75
Daily Production/BO	60	37	97
Daily Income	\$1,005.00	\$619.74	\$1,624.75
TOTAL DAILY INCOME (POOLS SEPARATED)	\$1,624.75		

Net difference from downhole commingling based upon current well tests = \$-0- /day gain

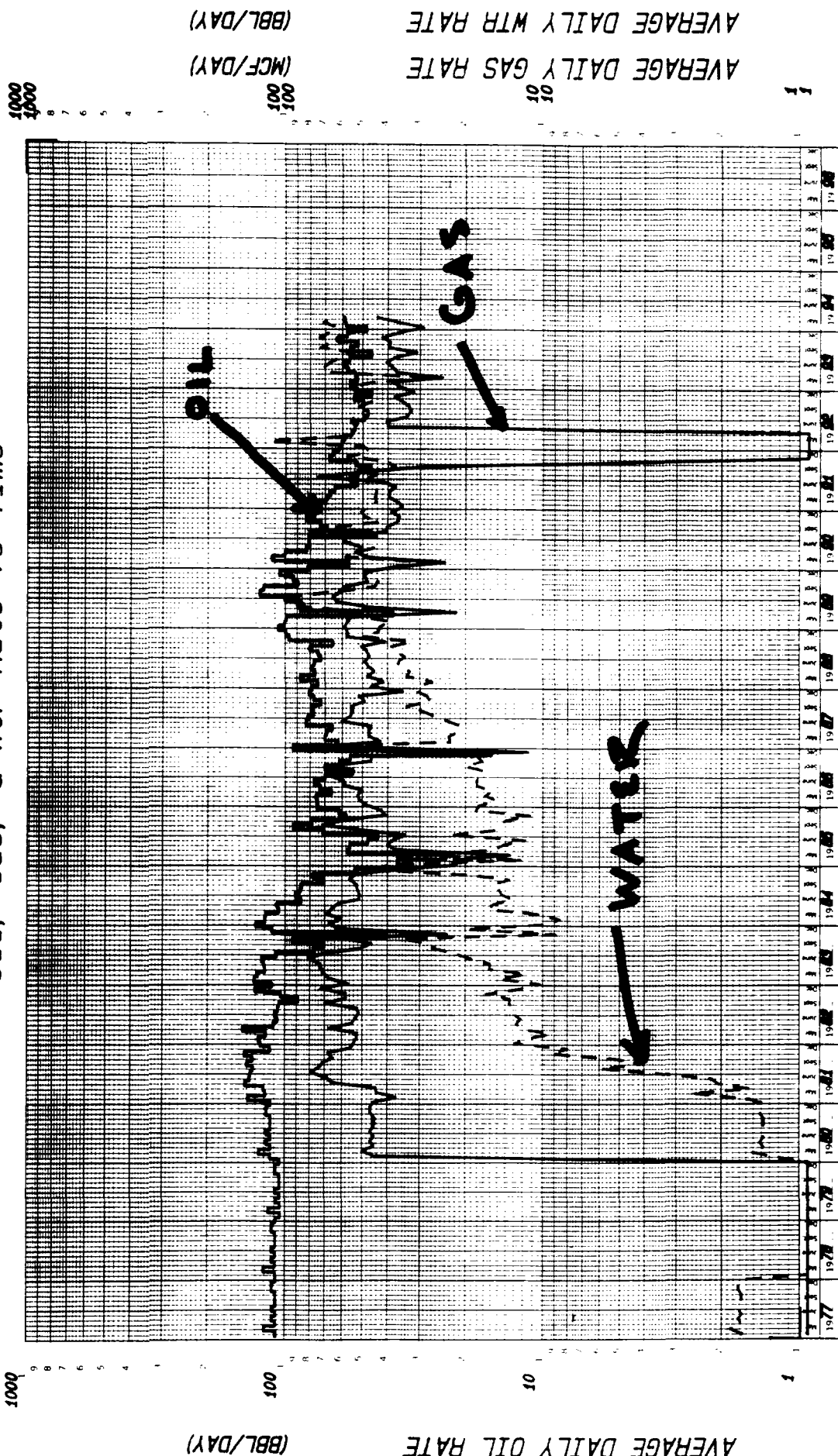
BRIDGES STATE/NORTH VACUUM ABO UNIT #104
 VACUUM (ABO, WOLFCAMP, PENN) FIELDS
 LEA COUNTY, NEW MEXICO
 CURRENT COMPLETION



BRIDGES STATE/NORTH VACUUM ABO UNIT #104
 VACUUM (ABO, WOLFCAMP, PENN) FIELDS
 LEA COUNTY, NEW MEXICO
 PROPOSED COMPLETION



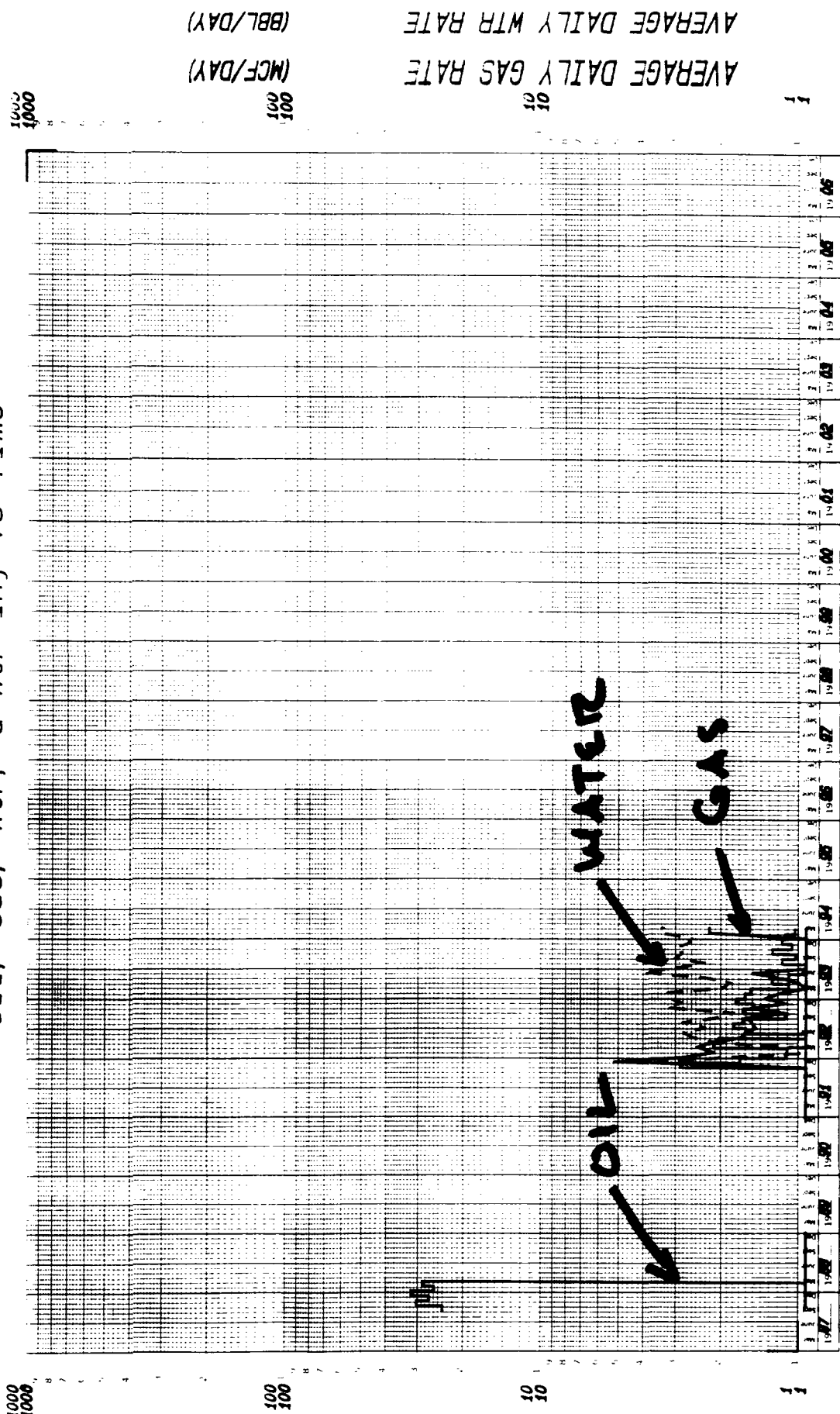
Oil, Gas, & Wtr Rate vs Time



LEGEND	
OIL	—
GAS	- - -
WTR	...

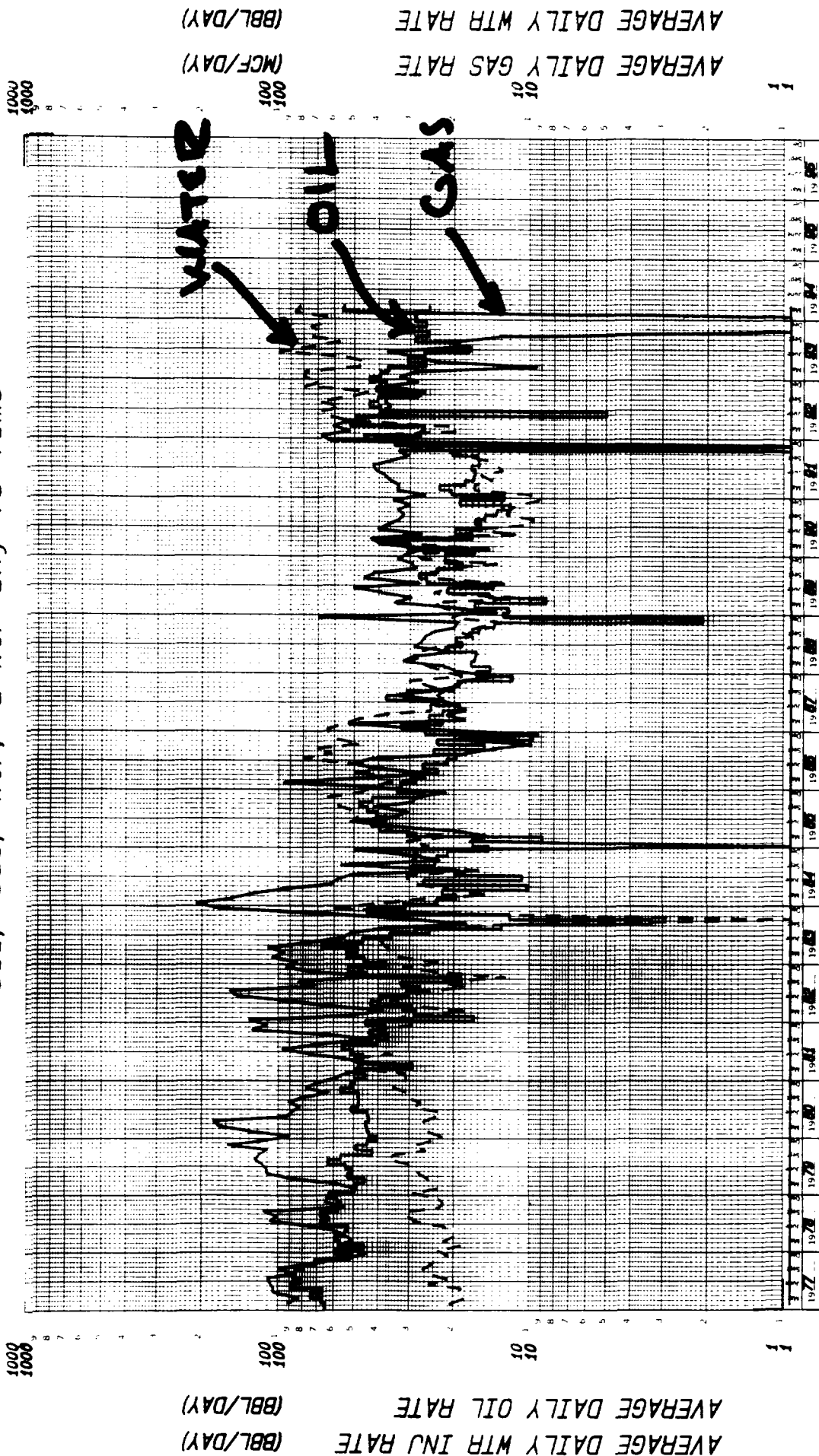
Mobil Exploration & Producing U.S.	
Midland Division	
Field: VACUUM/ABO, NORTH	104
Lease: NORTH VACUUM ABO UNIT	State:
Operator: MOBIL OPERATED	
Current Date: 03-30-84	Code: 06205-40056163

Oil, Gas, Wtr, & Wtr Inj vs Time



Mobil Exploration & Producing U.S.	
Midland Division	
Field: VACUUM WELFCAMP	104 MT
Lease: BRIDGES STATE	State:
Operator: MOBIL OPERATED	
County:	
Current Date: 05-30-94	Code: 06200000006222

Oil, Gas, Wtr, & Wtr Inj vs Time



Mobil Exploration & Producing U.S.	
Midland Division	
Field: VACUUM UPPER FBN	104 - L7
Lease: BRIDGES STATE	State:
Operator: MOBIL OPERATED	County:
Current Date: 09-30-94	Code: 062006005222

LEGEND	
OIL	—
GAS	---
WTR	...
WTR INJ	-.-

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION

Form C-116
Revised 1/1/89

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

GAS - OIL RATIO TEST

Submit 2 copies to Appropriate District Office.
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

Operator MOBIL PRODUCING TX & NM INC.*		Pool VACUUM WOLFCAMP		County LEA	
Address *MOBIL EXPLORATION & PRODUCING US INC as agent for MPTM					
P.O. Box 633, Midland, TX 79702		DATE OF TEST		TYPE OF TEST - (X)	
LEASE NAME		LOCATION		SCHEDULED	
WELL NO.		U S T R		DAILY ALLOWABLE	
104		25 17 34		TBG. PRESS.	
BRIDGES STATE		DATE OF TEST		CHOKE SIZE	
		04-12-94		P	
Downhole Commingling Permit #725:		Zones Included:		96% Upper Penn = 4% Wolfcamp = 100% Total	
				LENGTH OF TEST HOURS	
				24	
				WATER BBLs.	
				73	
				OIL GRAV. OIL	
				37	
				OIL BBLs.	
				35.5	
				1.5	
				37.0	
				GAS M.C.F.	
				48	
				2	
				50	
				GAS - OIL RATIO CU.FT/BBL.	
				1351	

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.
Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60 F.
Specific gravity base will be 0.60.
Report casing pressure in lieu of tubing pressure for any well producing through casing.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Kaye Pollock-Lyon
Signature

KAYE POLLOCK-LYON

Printed name and title

06-02-94

Date

915-688-2584

See Rule 301, Rule 1116 & appropriate pool rules.)

Telephone No.

Submit 2 copies to Appropriate District Office.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-116
Revised 1/1/89

GAS - OIL RATIO TEST

Operator MOBIL PRODUCING TX & NM INC.*		Pool NORTH VACUUM ABO		County LEA									
Address *MOBIL EXPLORATION & PRODUCING US INC as agent for MPTM		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>									
P.O. Box 633, Midland, TX 79702													
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW- ABLE	LENGTH OF TEST HOURS	Completion		GAS - OIL RATIO CU.FT/BBL	
		U	S	T						R	WATER BBLs.		PROD. DURING TEST GRAV. OIL
NORTH VACUUM ABO UNIT	104	B	25	17	34	04-08-94	P		24	68	60	30	500
NORTH VACUUM ABO UNIT	165	D	13	17	34	04-03-94	P		24	18	26	10	384

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60 F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Kaye Pollock-Lyon
Signature

KAYE POLLOCK-LYON

Printed name and title

06-02-94

Date

915-688-2584

Telephone No.

(See Rule 301, Rule 1116 & appropriate pool rules.)

WELL HISTORY
BRIDGES STATE/NORTH VACUUM ABO UNIT #104

- 08-12-65: Well completed. DST Abo, Wolfcamp, Upper Penn.
Perf Upper Penn 10016'- 116' 1 jspf.
NMOCD Pot Upper Penn: F 264/0.
Perfed Wolfcamp 9784'- 9944' 1 jspf, acidized w/ 4000 gals 15%.
NMOCD Pot Wolfcamp: F 188/41
Perfed Abo 9212'- 9300' 1 jspf, acidized w/ 4000 gals 15%.
NMOCD Pot Abo: P74/23
Triple Completion.
- 03-03-67: Attempt SWF Wolfcamp, communicated. Frac'd Wolfcamp w/ 12,000 gal gelled brine + 2000 lbs 20/40 sd + 5300 lbs glass beads. Added W/C perfs 9552, 84, 9612, 14, 26, 29, 32, 35, 39, 41, 43, 1 jspf 11 holes. Acidized 9552'- 9643' w/ 6000 gals 28% + 4000 gal 5% NE acid. Acidized Abo 9212'-9300 w/ 6000 gals 28% NE + 4000 gals 5% NE acid. Added Upper Abo perfs 8444', 47', 49', 64', 66', 70', 72', 74', 80, 1 jspf 9 holes. Acidized w/ 6000 gals 28% + 4000 gals 5%. Fished junk out of well. Pumped 50 bbls 9.4 ppg mud into Wolfcamp (Why?)
Test: Penn: F 317 BO/ 0 BW
Abo: P 150 BO/ 0 BW
Wolfcamp: TA'd
- 12-13-72: Fished stuck tbg. Swedged csg 2372'- 2402'. Ran 7" 23 lb/ft N-80 csg 56'- 4823', cmt circ. Acidized Abo w/ 10000 gals 15% acid. Ran dual equipment.
Test: Abo: P 80/1 (before 48/6)
Upper Penn: P 102/23
- 10-06-83: Fished tbg + pkr. Test: Abo: P 121/23
Upper Penn: P41/67
- 11-11-86: Repaired tbg leak.
Abo: P 80/20
Upper Penn: P 26/47
- 03-08-89: Tbg leak across Wolfcamp perfs.
- 03-12-89: Acidize Penn 10,016'- 10,116' w/ 5500 gals DINE FE HCL.
Acidize Wolfcamp 9552'- 9944' w/ 3000 gals MCA + 7-1/2% HCL.
7" Baker Pkr stuck @ 9965'. Left in hole.
- 03-20-89: Commingle Wolfcamp and Upper Penn. Dual Completion w/ Abo.

NORTH VACUUM ABO #104/BRIDGES STATE #104
NORTH VACUUM ABO and WOLFCAMP/UPPER PENN FIELDS
LEA COUNTY, NEW MEXICO

OFFSET OPREATORS

Section 26:	Mobil Producing TX & NM Inc.
Section 23:	MobilProducing TX & NM Inc. (All but SW 1/4) Amerada (SW 1/4)
Section 24:	Mobil Producing TX & NM Inc. Texaco ARCO Shell
Section 19:	Mobil Producing TX & NM Inc. EXXON ARCO Phillips Shell
Section 30:	ARCO Texaco Marathon Shell Phillips
Section 31:	Mobil Producing TX & NM Inc. Texaco Shell Marathon Phillips
Section 36:	Mobil Producing TX & NM Inc. (NW 1/4 of SW 1/4 Sec) Amerada (NE 1/4 of SW 1/4 Sec) Texaco (N 1/2)
Section 35:	Conoco Phillips Texaco

MAILING ADDRESS:

**Amerada Hess Corporation
Entex Building
100 Milam Street
Houston, TX 77002**

**ARCO
P.O. Box 1610
Midland, TX 79702**

**Conoco
10 Desta Drive, West
Midland, TX 79705**

**EXXON
P.O. Box 1600
Midland, TX 79702**

**Marathon
P.O. Box 552
Midland, TX 79702**

**Phillips Petroleum
4001 Penbrook
Odessa, TX 79762**

**Shell
P.O. Box 831
Houston, TX 77001**

**Texaco
P.O. Box 3109
Midland, TX 79702**

Notice of Application for Downhole Commingle

APPLICANT: Mobil Exploration & Producing US Inc.
P.O. Box 633
Midland, TX 79702-0633

Telephone: 915-688-2584
Contact: Kaye Pollock-Lyon

PURPOSE: Downhole Commingle North Vacuum Abo/Wolfcamp//Upper
Penn. zones in the North Vacuum Abo Unit #104/Bridges State
#104 wellbore.

OPERATIONAL CHARACTERISTICS:

Produce through one tubing string and use one rod pump.
Formation fluids are commingled at the downhole pump.

Interested parties may file objections or request a hearing with the Oil Conservation Division,
P.O. Box 2088, Santa Fe, New Mexico 87503, within 15 days of this notice.

Mobil Exploration & Producing U.S. Inc.

FILED
COUNTY OF LEA 199402 1633

March 31, 1994

CLERK OF DISTRICT COURT

PROPOSED COMMINGLING OF PRODUCTION NORTH VACUUM (ABO) UNIT LEA COUNTY, NEW MEXICO C-4002; NM-569

Working Interest Owners:

Currently, Mobil has two (2) dual producing wells in the Vacuum Field area. One well is producing 45 BOPD from the Pennsylvanian/Wolfcamp formations and 67 BOPD from the Abo formation. This dual well is producing under the names of the Bridges State No. 104 (Mobil 100%) and the North Vacuum (Abo) Unit Well No. 104. This well is located in the "B" Unit, 520' FNL and 2120' FEL of Section 25-T17S-R34E.

The second well is producing 35 BOPD from the Pennsylvanian formation and 35 BOPD from the Abo formation. This dual well is producing under the names of the Bridges State No. 165 (Mobil 100%) and the North Vacuum (Abo) Unit Well No. 165, respectively. This well is located in the "D" Unit, 660' FNL and 860' FWL of Section 13-T17S-R34E.

From an operational standpoint, it makes good sense to commingle the production because it cuts the well downtime due to repairs when problems arise. Currently when the deeper zone needs repair, the unit part of the well has to be shut-in and vice versa. Secondly, there is the loss of production when these repairs have to be done. Thirdly, Mobil has to perform a Packer Leakage Test annually on the wells as mandated by the State of New Mexico. This again translates to well downtime and loss of production. The commingling of the production from the wells would eliminate these operational problems.

Mobil hereby proposes and recommends the commingling of production on these two (2) wells to facilitate operations, thus reducing costs, well downtime, and loss of production. Based on production from the Mobil-Bridges State Well No. 104/North Vacuum (Abo) Unit No. 104, Mobil recommends an allocation of 60% for the Unit well and 40% for the Mobil-Bridges State well. Operational expenses will be 47% for the Unit well and 53% for the Mobil-Bridges State well based on total fluids of 265 barrels. The commingled production from Well No. 104 will be brought into the Mobil-Bridges State 95 Tank Battery.

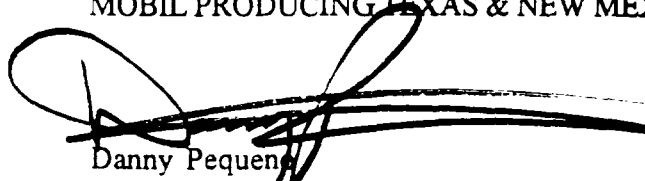
Based on production from the Mobil-Bridges State Well No. 165/North Vacuum (Abo) Unit No. 165, Mobil also recommends an allocation of 50% for the Unit Well No. 165 and 50% for the Mobil-Bridges State No. 165 Well. Operational expenses will be 27% for the Unit well and 73% for the Mobil-Bridges State well based on total fluids of 185 barrels. The commingled production from this well will be brought into the Mobil-Bridges State 120 Tank Battery.

Enclosed for your approval is Ballot Letter No. 1 and Ballot Letter No. 2 for the commingling of production for the two (2) wells mentioned above. Please signify your approval by signing and returning it in the enclosed self-addressed and postage-paid envelope.

Should you have any questions regarding this proposal, please call J. L. Perez at 915-688-2084 or the undersigned at 915-688-2112.

Very truly yours,

MOBIL EXPLORATION & PRODUCING U.S. INC.
AS AGENT FOR
MOBIL PRODUCING TEXAS & NEW MEXICO INC.



Danny Pequena
Land/Joint Interest Advisor

DP/kc

(REVISED)
APPROVAL BALLOT NO. 1

COMMINGLING BRIDGES STATE WELL NO. 104 AND NORTH VACUUM (ABO)
UNIT NO. 104 INTO THE MOBIL-BRIDGES STATE 95 TANK BATTERY

THE BASIS OF THE PRODUCTION AND EXPENSE FORMULAS:

<u>OIL PRODUCTION</u>		<u>TOTAL FLUIDS</u>
MOBIL 100% PART	= 45 BOPD	140 BBLS
NVAU PART	= <u>67 BOPD</u>	<u>125 BBLS</u>
TOTAL	= 112 BOPD	265 BBLS

FORMULA FOR ALLOCATION OF COMMINGLED PRODUCTION AND EXPENSES OF
DUAL WELL NO. 104:

<u>OIL/GAS PRODUCTION FORMULA</u>		<u>EXPENSE FORMULA</u>	
NVAU	$\frac{67 \text{ BOPD}}{112 \text{ TOTAL BOPD}} = 60\%$	NVAU	$\frac{125 \text{ BBLS.}}{265 \text{ TOTAL FLUIDS}} = 47\%$
MOBIL	$\frac{45 \text{ BOPD}}{112 \text{ TOTAL BOPD}} = 40\%$	MOBIL	$\frac{140 \text{ BBLS.}}{265 \text{ TOTAL FLUIDS}} = 53\%$

APPROVAL OF THE ABOVE OUTLINED PROPOSAL IS GRANTED AND OPERATOR HAS
THE APPROVAL OF NON-OPERATOR NAMED BELOW TO PERFORM THE WORK AND
TO COMMINGLE THE PRODUCTION ON THE ABOVE DESCRIBED WELL

NON-OPERATOR:

_____ DATE: _____

(REVISED)
APPROVAL BALLOT NO. 2

COMMINGLING BRIDGES STATE WELL NO. 165 AND NORTH VACUUM (ABO)
UNIT NO. 165 INTO THE MOBIL-BRIDGES STATE 120 TANK BATTERY

THE BASIS OF THE PRODUCTION AND EXPENSE FORMULAS:

<u>OIL PRODUCTION</u>		<u>TOTAL FLUIDS</u>
MOBIL 100% PART	= 35 BOPD	135 BBLS
NVAU PART	= 35 BOPD	50 BBLS
<hr/>		<hr/>
TOTAL	= 70 BOPD	185 BBLS

FORMULA FOR ALLOCATION OF COMMINGLED PRODUCTION AND EXPENSES OF
DUAL WELL NO. 165:

<u>OIL/GAS PRODUCTION FORMULA</u>	<u>EXPENSE FORMULA</u>
NVAU $\frac{35 \text{ BOPD}}{70 \text{ TOTAL BOPD}} = 50\%$	NVAU $\frac{50 \text{ BBLS.}}{185 \text{ TOTAL FLUIDS}} = 27\%$
MOBIL $\frac{35 \text{ BOPD}}{70 \text{ TOTAL BOPD}} = 50\%$	MOBIL $\frac{135 \text{ BBLS.}}{185 \text{ TOTAL FLUIDS}} = 73\%$

APPROVAL OF THE ABOVE OUTLINED PROPOSAL IS GRANTED AND OPERATOR HAS
THE APPROVAL OF NON-OPERATOR NAMED BELOW TO PERFORM THE WORK AND
TO COMMINGLE THE PRODUCTION ON THE ABOVE DESCRIBED WELL

NON-OPERATOR:

_____ DATE: _____