

Marathon Oil Company

Oil Payment Schedule

| <u>Pool</u> | <u>Oil</u> | | <u>Water</u> | | <u>Gas</u> | |
|------------------------|--------------------|-------------|--------------|---|-----------------------------|-------------|
| | <u>API @ 60 °F</u> | <u>BOPD</u> | <u>BWPD</u> | <u>BTU/ft³ Dry @ 14.65 psi</u> | <u>Specific Gravity</u> | <u>MCFD</u> |
| Travis Upper Penn | 45.0 | 1966 | 81 | 1258 | 0.7315 | 5146 |
| Travis Wolfcamp | 42.10 | 71 | 61 | 1329 | 0.791 | 402 |
| Turkey Track N. Morrow | 50.70 | 0 | 0 | 1112 | 0.634 | 201 |

The value of the oil is determined using the Navajo Refining Company New Mexico Intermediate Trucked Gravity Adjustment "D" schedule. This schedule utilizes a penalty only above 50.0 API.

"... New Mexico Intermediate is any crude oil with a sulfur content of 0.5% by weight or below ..."

| | | | |
|-----------|----|-------------|----------------------------|
| NM Int. = | \$ | 13.07 / bbl | for October 1998 Average |
| Penalty = | \$ | 0.01 / bbl | per 0.1 API above 50.0 API |

Noncommingled Oil Production

| <u>Pool</u> | <u>API</u> | <u>\$ / bbl</u> | <u>BOPD</u> | <u>Value</u> |
|------------------------|------------|-----------------|-------------|------------------|
| Travis Upper Penn | 45.0 | 13.07 | 1966 | \$ 25,701 |
| Travis Wolfcamp | 42.1 | 13.07 | 71 | \$ 928 |
| Turkey Track N. Morrow | 50.7 | 13.00 | 0 | \$ - |
| Total | | | | \$ 26,629 |

Commingled Oil Production

| <u>Pool</u> | <u>API</u> | <u>\$ / bbl</u> | <u>BOPD</u> | <u>Value</u> |
|------------------------|------------|-----------------|-------------|------------------|
| Travis Upper Penn | 45.0 | 13.07 | 1966 | \$ 25,701 |
| Travis Wolfcamp | 42.1 | 13.07 | 71 | \$ 928 |
| Turkey Track N. Morrow | 50.7 | 13.00 | 0 | \$ - |
| Total | | | | \$ 26,629 |

Before the Oil Conservation Division
Santa Fe, New Mexico
Marathon Oil Co. Exhibit No. 10
Case No. 12068
November 19, 1998