

NORTHEAST DRINKARD UNIT  
TRACT PARTICIPATION FORMULAS

Oil Formulas

Phase I:

$$\begin{aligned} &0.75 \times \frac{\text{Tract Remaining Primary Oil Reserves}}{\text{Unit Remaining Primary Oil Reserves}} \\ &+ 0.25 \times \frac{\text{Tract Current Oil Production}}{\text{Unit Current Oil Production}} \end{aligned}$$

In effect until 2.3 MMB0 produced from Unit area after 5/31/85.

Phase II:

$$1.00 \times \frac{\text{Tract Ultimate Primary Oil Recovery}}{\text{Unit Ultimate Primary Oil Recovery}}$$

In effect after Phase I Oil.

Gas Formulas

Phase I:

$$1.00 \times \frac{\text{Tract Remaining Primary Gas Reserves}}{\text{Unit Remaining Primary Gas Reserves}}$$

In effect until 71.9 BCF produced from Unit area after 5/31/85.

Phase II:

$$1.00 \times \frac{\text{Tract Ultimate Primary Gas Recovery}}{\text{Unit Ultimate Primary Gas Recovery}}$$

In effect after Phase I Gas.

Northeast Drinkard Unit  
Exhibit Twenty-Four  
Cases 9230  
9231  
9232