



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

2-23-94

BRUCE KING  
GOVERNOR

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

DHC-994

RE: Proposed:

MC	_____
DHC	<u>X</u> _____
NSL	_____
NSP	_____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

<u>Samedan Oil Corp</u>	<u>Sarah B</u>	<u>#3-m</u>	<u>1-23-37</u>
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

OK

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Yours very truly,

Jerry Sexton  
Supervisor, District 1

/ed

SAMEDAN OIL CORPORATION  
12600 NORTHBOROUGH, SUITE 250  
HOUSTON, TEXAS 77067-3299  
(713) 876-6150

February 17, 1994

Oil Conservation Division  
PO Box 2088  
Santa Fe, New Mexico 87504-2088

Attn: William LeMay:

RE: Down hole Commingling  
Sarah B Well #3  
Unit M, Sec 1, T-23-S, R-37-E  
Cline - Tubb  
Cline - Lower Paddock/Blinebry

Samedan Oil Corporation requests administrative approval for the down hole commingling of the above mentioned pools.

We have enclosed the following:

- 1) Area Plat showing ownership of offsetting leases.
- 2) Plat showing acreage dedicated to the well.
- 3) Names and addresses of offsetting operators and a copy of the letter notify them and the United States Bureau of Land Management of our intention.
- 4) Division Form C-116 showing 24-hr productivity test from each zone.
- 5) Well History and Prognostication of Future Production.
- 6) Estimated BHP for each Artificially Lifted Zone.
- 7) Fluid Description of each Zone.
- 8) Values of Production.
- 9) Recommended formula for Allocation of production.

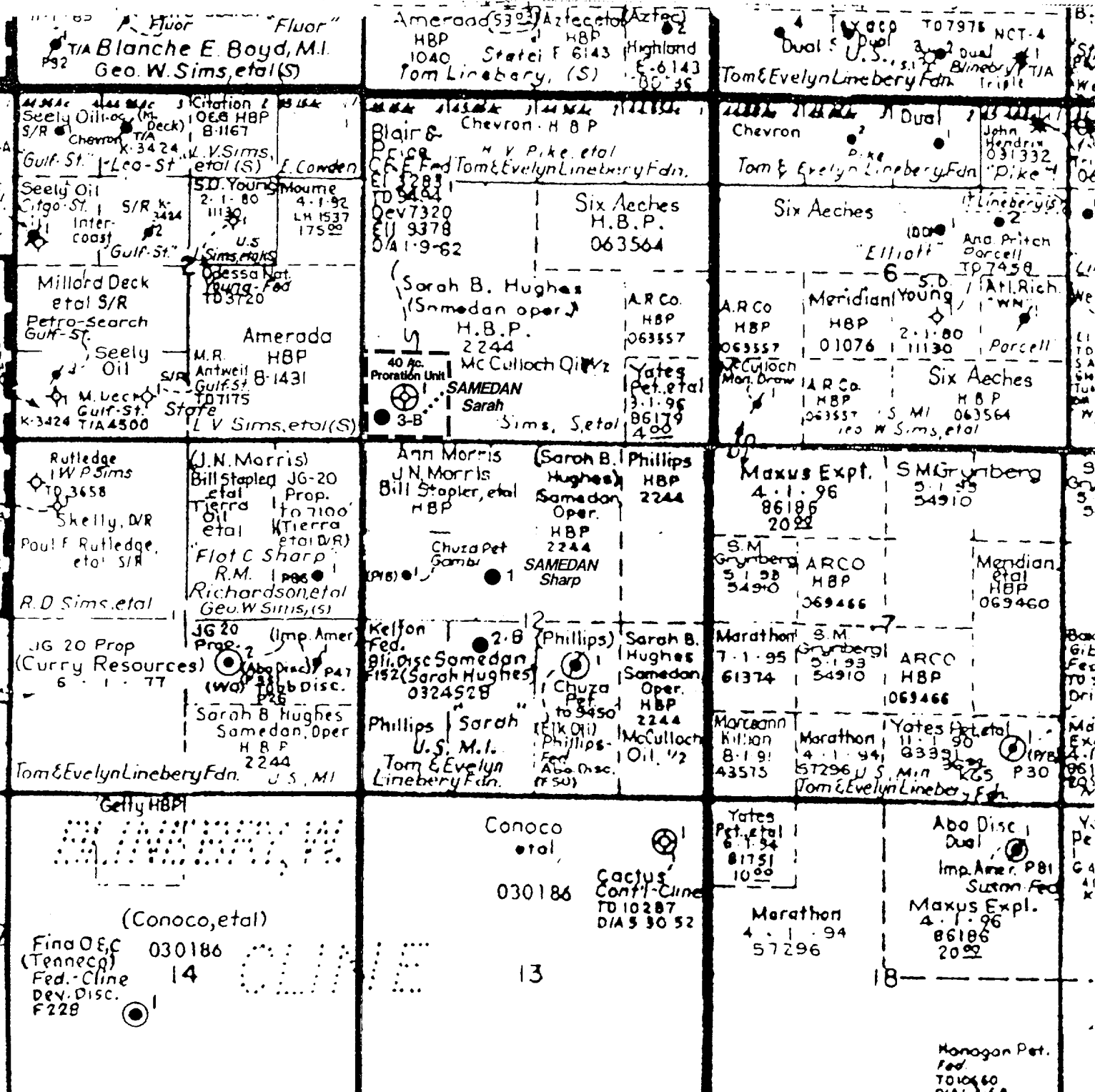
We appreciate your consideration in this matter. If you have any questions please call.

Thank you,

  
Judy Throneberry

attachments

xc: OCC - Hobbs District ✓  
BLM - Carlsbad, NM



**SAMEDAN OIL CORPORATION**

**SAMEDAN OIL CORPORATION**  
**NO. 3 SARAH "B"**  
**LEA COUNTY, NEW MEXICO**

SCALE: 1" = 2000'  
 DATE: 1-94

Aztec O&G  
 Meridian E, Fla.  
 HBP  
 E 8108

Gulf  
 H.B.P.  
 E-1451

Getty HBP

(Conoco, etal)

Fina O&G  
 (Tenneco)  
 Fed. - Cline  
 Dev. Disc.  
 F228

030186  
 14

JG 20 Prop  
 (Curry Resources)  
 6-1-77

JG 20 Prop  
 (Imp. Amer.)  
 (W.A.)  
 Abo Disc.  
 P26

Sarah B. Hughes  
 Samedan, Oper  
 HBP  
 2244  
 U.S. MI

Phillips  
 Sarah  
 U.S. M.L.  
 Tom & Evelyn  
 Lineberry Fdn.

Rutledge  
 W.P. Sims  
 TO 3658

Skelly, D/R  
 Paul F. Rutledge,  
 etal S/R

R.D. Sims, etal

(J.N. Morris)  
 Bill Stapler  
 etal  
 Tierra  
 oil  
 etal  
 Flot C Sharp  
 R.M.  
 Richardson, etal  
 Geo. W. Sims, (S)

Millard Deck  
 etal S/R

Petro-Search  
 Gulf-St.

Seely Oil  
 M. Ueck  
 Gulf-St.  
 K-3424 TIA 4500

Amerada  
 HBP  
 8-1431

M.R.  
 Antweil  
 Gulf-St.  
 107175

L.V. Sims, etal (S)

Seely Oil  
 Citgo-St.  
 S/R  
 Inter-coast  
 Gulf-St.

SD. Young  
 2-1-80  
 11130  
 U.S.

Stoupe  
 4-1-92  
 LH 1537  
 17500

Fluor  
 T/A Blanche E. Boyd, M.I.  
 Geo. W. Sims, etal (S)

Blair &  
 Dev 7320  
 E1 9378  
 O/A 1-9-82

Sarah B. Hughes  
 (Samedan oper.)  
 H.B.P.  
 2244  
 Mc Culloch Oil  
 SARAH  
 Sims, S, etal

40 Ac.  
 Proration Unit

3-B

ARCO  
 HBP  
 063557

Yates  
 Pet. etal  
 3-1-96  
 86179  
 400

Ann Morris  
 J.N. Morris  
 Bill Stapler, etal  
 HBP

Chuzo Pet  
 Gamba  
 1

(Sarah B. Phillips  
 Hughes)  
 Samedan  
 Oper.  
 HBP  
 2244  
 SAMEDAN  
 Sharp

Kelton  
 Fed.  
 Abo Disc  
 F192 (Sarah Hughes)  
 0324528

Phillips  
 Sarah  
 U.S. M.L.  
 Tom & Evelyn  
 Lineberry Fdn.

(Phillips)  
 Sarah B.  
 Hughes  
 Samedan  
 Oper.  
 HBP  
 2244  
 McCulloch  
 Oil, 1/2

Conoco  
 etal

030186

Cactus  
 Cont'l-Cline  
 TO 10287  
 DIA 5 30 52

13

Tom & Evelyn Lineberry Fdn.

Chevron

Tom & Evelyn Lineberry Fdn.

Six Aches  
 H.B.P.  
 063564

ARCO  
 HBP  
 063557

Meridian  
 HBP  
 01076

2-1-80  
 11130

ARCO  
 HBP  
 063557

Six Aches  
 HBP  
 063564  
 100 W. Sims, etal

Maxus Expt.  
 4-1-96  
 86186  
 2092

S.M.  
 Grunberg  
 5-1-95  
 54910

ARCO  
 HBP  
 069466

Meridian  
 etal  
 HBP  
 069460

Marathon  
 7-1-95  
 61374

S.M.  
 Grunberg  
 5-1-93  
 54910

ARCO  
 HBP  
 069466

Marathon  
 8-1-91  
 43573

Marathon  
 4-1-94  
 57296

Yates Pet. etal  
 11-1-90  
 83391

Tom & Evelyn Lineberry Fdn.

Yates  
 Pet. etal  
 6-1-94  
 81751  
 1000

Marathon  
 4-1-94  
 57296

Abo Disc  
 Dual  
 Imp. Amer. P81  
 Sustan. Fed.

Maxus Expt.  
 4-1-96  
 86186  
 2092

18

Monagan Pet.  
 Fed.  
 TO 10460  
 DIA 3-68

**OIL CONSERVATION DIVISION**

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

Operator <b>SAMEDAN OIL CORPORATION</b>			Lease <b>SARAH B</b>		Well No. <b>3</b>
Unit Letter <b>M</b>	Section <b>1</b>	Township <b>23 SOUTH</b>	Range <b>37 EAST</b>	County <b>NMPM</b>	<b>LEA</b>

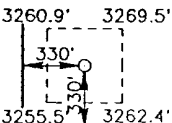
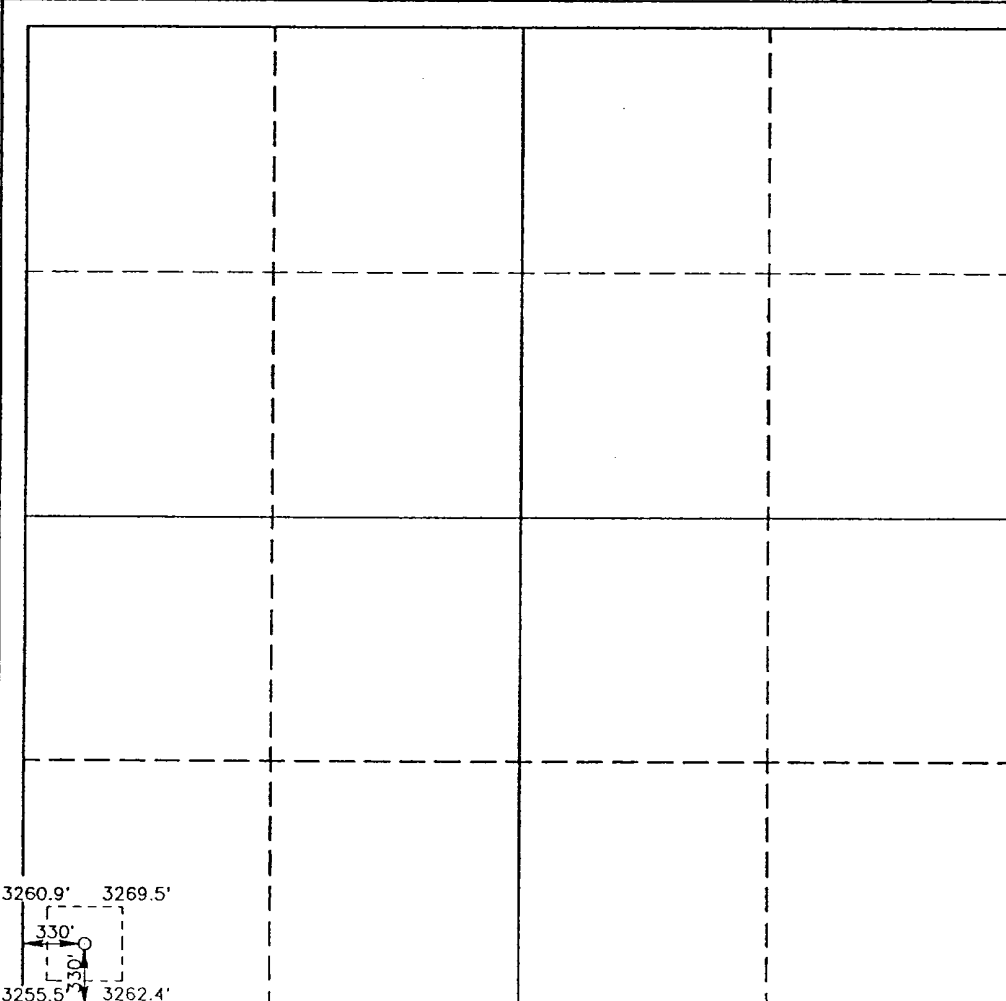
Actual Footage Location of Well:

<b>330</b> feet from the <b>SOUTH</b> line and		<b>330</b> feet from the <b>WEST</b> line	
Ground Level Elev. <b>3263.8'</b>	Producing Formation <b>Lower Paddock/Blinebry</b>	Pool <b>Cline</b>	Dedicated Acreage: <b>40</b> Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
   
 Yes     No    If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



**OPERATOR CERTIFICATION**

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

Signature: *Judy Throneberry*  
 Printed Name: **Judy Throneberry**  
 Position: **Div Prod Clerk**  
 Company: **Samedan Oil Corporation**  
 Date: **February 17, 1994**

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: **JUNE 10, 1993**  
 Signature & Seal of Professional Surveyor:



Certificate No.	JOHN M. WEST.	676
	RONALD M. SEIDSON.	3239
	GARY L. JONES.	7977

93-11-1109

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

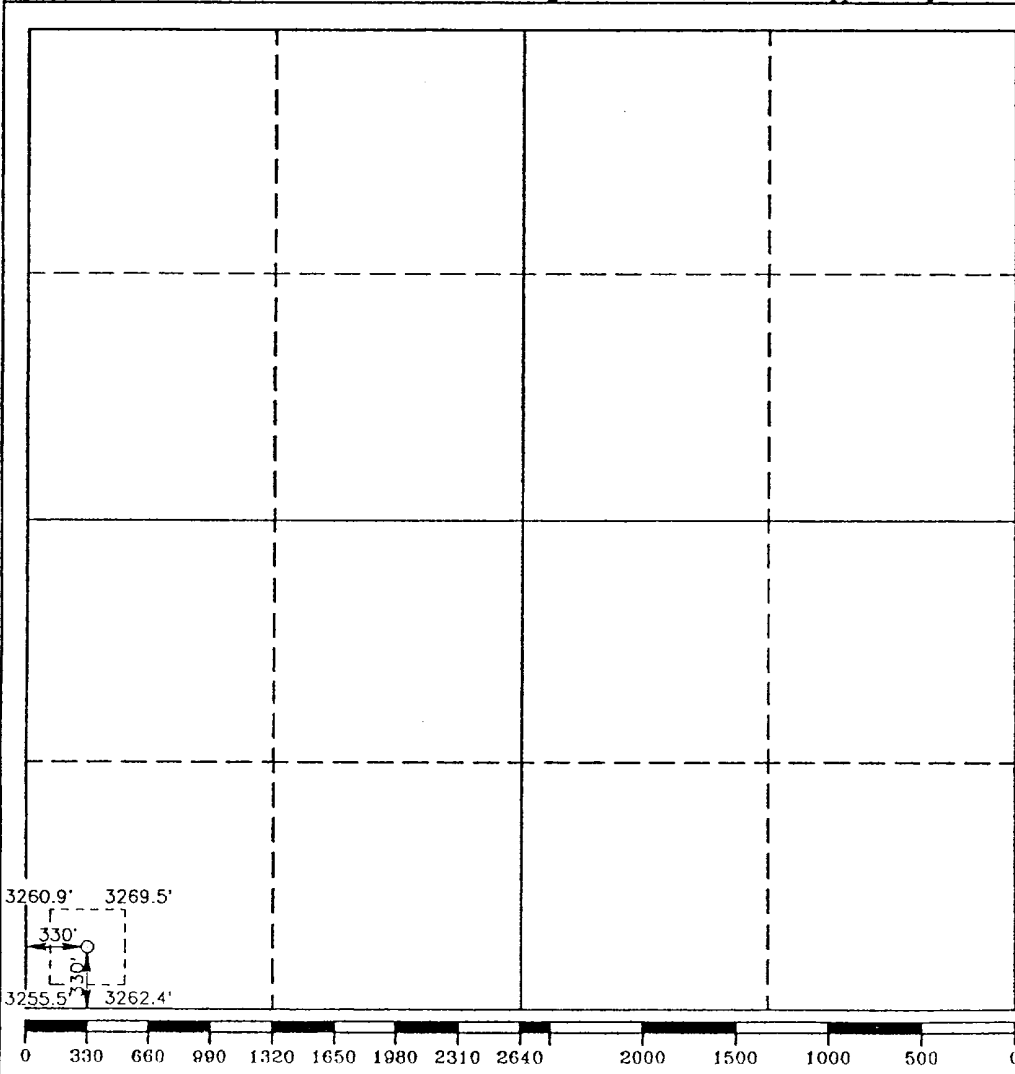
Operator <b>SAMEDAN OIL CORPORATION</b>		Lease <b>SARAH B</b>		Well No. <b>3</b>
Unit Letter <b>M</b>	Section <b>1</b>	Township <b>23 SOUTH</b>	Range <b>37 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>330</b> feet from the <b>SOUTH</b> line and <b>330</b> feet from the <b>WEST</b> line				
Ground Level Elev. <b>3263.8'</b>	Producing Formation <b>Tubb</b>	Pool <b>Cline</b>	Dedicated Acreage: <b>40</b> Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
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Yes     No    If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

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**OPERATOR CERTIFICATION**

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

*Judy Throneberry*  
Signature  
Judy Throneberry  
Printed Name  
Div Prod Clerk  
Position  
Samedan OIL Corporation  
Company  
02/17/94  
Date

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
**JUNE 10, 1993**

Signature & Seal of Professional Surveyor  
*Gary L. Jones*  
GARY L. JONES  
NEW MEXICO  
797

Cert. No.    JOHN W. WEST    676  
RONALD W. JOHNSON    3239  
GARY L. JONES    7977

93-11-1109

DIRECT OFFSET OPERATORS

AMERADA HESS CORPORATION  
1201 Louisiana, Suite 700  
Houston, Texas 77002

KELTON OPERATING COMPANY  
PO Box 276  
Andrews, Texas 79714

NOTIFICATION:

BUREAU OF LAND MANAGEMENT  
PO Box 1778  
Carlsbad, Nex Mexico 88221-1778

SAMEDAN OIL CORPORATION  
12600 NORTHBOROUGH, SUITE 250  
HOUSTON, TEXAS 77067-3299  
(713) 876-6150

February 17, 1994

Bureau of Land Management  
PO Box 1778  
Carlsbad, NM 88221-1778

RE: Down Hole Commingling  
Sarah B Well #3  
Unit M, Sec 1, T-23S, R-37E  
Lea County, NM  
Cline Tubb Zone  
Cline Lower Paddock/Blinbry Zone

This is to notify you of our application for administrative approval for down hole commingling of Tubb and Lower Paddock/Blinbry production in the Sarah B #3 Well. I have attached a copy of the application.

If you have any questions please contact Jim Trott at 713/876-6150.

Thank you,



Judy Throneberry  
Division Production Clerk

attachments

xc: Oil Conservation Division  
Santa Fe, NM

SAMEDAN OIL CORPORATION  
12600 NORTHBOROUGH, SUITE 250  
HOUSTON, TEXAS 77067-3299  
(713) 876-6150

February 17, 1994


Amerada Hess Corporation  
1201 Louisiana, Suite 700  
Houston, Texas 77002

RE: Down Hole Commingling  
Sarah B Well #3  
Unit M, Sec. 1, T-23S, R-37E  
Lea County, NM  
Cline Tubb Zone  
Cline Lower Paddock/Blinebry Zone

This is to notify you as an offset operator of the Sarah B Lease Well #3, that we are applying for administrative approval for down hole commingling of Tubb and Lower Paddock/Blinebry production in the Sarah B #3 Well.

If you have any questions please contact Jim Trott at 713/876-6150. If you have no objections please sign and return the enclosed letter to the New Mexico Oil Conservation Commission in the self-addressed stamped envelope as soon as possible to expedite matters. Any objections must be filed with the Commission within 20 days of the date of this letter.

Thank you for your time and consideration in this matter.

  
Judy Throneberry  
Division Production Clerk

attachments

xc: Oil Conservation Division  
Santa Fe, NM



SAMEDAN OIL CORPORATION  
12600 NORTHBOROUGH, SUITE 250  
HOUSTON, TEXAS 77067-3299  
(713) 876-6150

February 17, 1994

KELTON OPERATING CORPORATION  
Post Office Box 276  
Andrews, Texas 79714

RE: Down Hole Commingling  
Sarah B Well #3  
Unit M, Sec. 1, T-23S, R-37E  
Lea County, NM  
Cline Tubb Zone  
Cline Lower Paddock/Blinebry Zone

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Thank you for your time and consideration in this matter.



Judy Throneberry  
Division Production Clerk

attachments

xc: Oil Conservation Division  
Santa Fe, NM

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 Samedan Oil Corporation		Pool Cline - Lower Paddock/Blinebry		County Lea										
Address 12600 Northborough, #250, Houston, Tx 77067		TYPE OF TEST - (X) Scheduled <input type="checkbox"/> Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>		DAILY ALLOWABLE <input type="checkbox"/>										
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU/FT/BBL.	
		U	S	T						R	WATER BBL.	GRAV. OIL BBL.		OIL BBL.
Sarah B	3	M	01	23S	37E	02/13/94	P		24	22	48.3	20	115	5750

**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 MCP 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.

Signature: Judy Thronberry  
 Printed name and title: Judy Thronberry, Div Production Clerk  
 Date: 02/17/94 (713)876-6150  
 Telephone No. \_\_\_\_\_

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

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 Samedan Oil Corporation		Pool Cline - Tubb		County Lea											
Address 12600 Northborough, #250, Houston, Tx 77067		TYPE OF TEST - (X) Scheduled <input type="checkbox"/> Special <input checked="" type="checkbox"/>		Completion <input type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	STATUS	CHOKE SIZE	T.B.G. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU./FT./BBL.	
		U	S	T							R	WATER BBL.S.	GRAV. OIL BBL.S.		GAS M.C.F.
Sarah B	3	M	01	23S	37E	10/18/93	P			24	6	44.9	7	81	11,571

**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.

Signature *Judy Thronberry*  
Judy Thronberry, Div Production Clerk

Printed name and title  
02/17/94 (713)876-6150

Date Telephone No.

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

5) Sarah B No. 3 Well History

Field: Cline Tubb and Cline Lower Paddock/Blinebry

Location: 330' FSL & 330' FWL Section 1, T-23-S, R-37-E  
Lea County, New Mexico

Drilling Contractor: Hondo Drilling

8-15-93: Spud 17 1/2" hole. Drilled to 815'  
8-16-93: Ran and cemented 13 3/8" H-40 casing at 902'.  
Circulated cement to surface.  
8-30-93: TD at 6300'. Began logging.  
8-31-93: Finish logging. Ran and cemented 5 1/2" 15.5#  
casing at 6300'. Cemented w/600 sacks cement. TOC  
at 1200' by bond log.  
9-9-93: Perf Tubb 6092-6190'.  
9-10-93: Frac treat Tubb w/29,000 gals 40 Quality CO2 foam  
and 77,000# 20/40 sand.  
9-11-93 thru 9-14-93: Flowed well to recover load.  
9-15-93 thru 9-16-93: Cleaned sand out of wellbore.  
9-17-93: Ran tubing rods and pump.  
9-21-93: Set pumping unit.  
9-22-93: Pumped 66 bbls water.  
9-23-93: Pumped 15 BO, 144 BW, 5 MCFD  
9-24-93: Pumped 10 BO, 101 BW, 185 MCFD  
9-25-93: Pumped 10 BO, 84 BW, 185 MCFD  
9-26-93: Pumped 10 BO, 79 BW, 160 MCFD  
9-27-93: Pumped 15 BO, 5 BW, 131 MCFD  
9-28-93: Pumped 15 BO, 4 BW, 131 MCFD  
9-29-93: Pumped 15 BO, 5 BW, 121 MCFD  
9-30-93: Pumped 14 BO, 5 BW, 122 MCFD  
10-01-93: Pumped 12 BO, 5 BW, 110 MCFD  
10-03-93: Pumped 10 BO, 8 BW, 104 MCFD  
10-04-93: Pumped 15 BO, 13 BW, 104 MCFD  
10-05-93: Pumped 10 BO, 3 BW, 104 MCFD  
10-06-93: Pumped 8 BO, 3 BW, 78 MCFD  
10-07-93: Pumped 5 BO, 3 BW, 92 MCFD  
10-08-93: Pumped 3 BO, 5 BW, 122 MCFD  
10-09-93: Pumped 5 BO, 9 BW, 90 MCFD  
10-12-93: Pumped 8 BO, 5 BW, 81 MCFD  
10-13-93: Pumped 7 BO, 4 BW, 81 MCFD  
10-15-93: Pumped 5 BO, 4 BW, 81 MCFD  
10-16-93: Pumped 6 BO, 5 BW, 81 MCFD  
10-17-93: Pumped 5 BO, 8 BW, 81 MCFD  
10-18-93: Pumped 7 BO, 6 BW, 81 MCFD  
10-29-93: Pulled tubing pump and rods.  
10-30-93: Set CIBP at 6025' (above Tubb).  
11-2-93: Perf Blinebry 5600-5650'. Frac Blinebry w/33,000  
gals 40 Quality CO2 Foam + 83,000# 20/40 Ottawa  
sand.  
11-3-93 thru 11-10-93: Flow to recover load.  
11-11-93: Run tubing pump and rods.  
11-12-93: Pumped 22 BO, 67 BW, 227 MCFD  
11-13-93: Pumped 27 BO, 92 BW, 227 MCFD  
11-14-93: Pumped 25 BO, 60 BW, 227 MCFD  
11-15-93: Pumped 23 BO, 45 BW, 189 MCFD  
11-16-93: Pumped 23 BO, 40 BW, 189 MCFD  
11-17-93: Pumped 22 BO, 40 BW, 189 MCFD  
11-18-93: Pumped 21 BO, 35 BW, 189 MCFD  
11-19-93: Pumped 23 BO, 30 BW, 189 MCFD  
11-20-93: Pumped 23 BO, 35 BW, 189 MCFD  
11-22-93: Pumped 21 BO, 33 BW, 189 MCFD  
1-19-93: Pumped 20 BO, 20 BW, 219 MCFD  
1-20-94: Pumped 35 BO, 20 BW, 286 MCFD

1-21-94: Pumped 36 BO, 18 BW, 245 MCFD  
 1-22-94: Pumped 30 BO, 26 BW, 243 MCFD  
 1-23-94: Pumped 30 BO, 38 BW, 185 MCFD  
 2-07-94: Pumped 18 BO, 20 BW, 135 MCFD  
 2-08-94: Pumped 20 BO, 20 BW, 137 MCFD  
 2-09-94: Pumped 20 BO, 19 BW, 134 MCFD  
 2-10-94: Pumped 2 BO, 18, BW, 79 MCFD  
 2-11-94: Pumped 2 BO, 0 BW, 109 MCFD  
 2-12-94: Pumped 2 BO, 0 BW, 119 MCFD  
 2-13-94: Pumped 20 BO, 22 BW, 115 MCFD

5) Prognostication of Future Production

Production decline for both zones can be assumed to be similar. Estimated production for 1994 is submitted below based on a 10% annual decline for both zones.

1994 ESTIMATED PRODUCTION

MONTH	TUBB			PADDOCK/BLINEBRY		
	BO	BW	MCFD	BO	BW	MCFD
JAN	217	186	2511	620	682	3565
FEB	215	184	2490	615	676	3535
MAR	213	183	2469	610	670	3505
APR	212	181	2449	605	665	3476
MAY	210	180	2428	600	659	3448
JUN	208	178	2408	595	654	3419
JUL	206	177	2388	590	648	3390
AUG	205	175	2368	585	643	3362
SEP	203	174	2348	580	637	3334
OCT	201	173	2329	575	633	3306
NOV	200	171	2309	570	627	3279
DEC	198	170	2290	565	622	3251

ESTIMATED COMBINED PRODUCTION

MONTH	BO	BW	MCFD
JAN	837	868	6076
FEB	830	860	6025
MAR	823	853	5974
APR	817	846	5925
MAY	810	839	5876
JUN	803	832	5827
JUL	796	825	5778
AUG	790	818	5730
SEP	783	811	5682
OCT	776	806	5636
NOV	770	798	5588
DEC	763	792	5541

6) Estimated BHP for Each Artificially Lifted Zone

The well bore will produce from the Tubb and Lower Paddock/Blinebry zones. Both producing zones will be artificially lifted. Measured BHP data for this well is not available. However, based on production rates and the fact that both zones require artificial lift, it is estimated that each zone will be relatively close to the same BHP. Cross flow will not occur due to the fact that production will be artificially lifted and no differential pressure will exist.

7) Fluid Description of Each Zone

Tubb Zone: Crude Oil, 44.9 API @ 60°F  
Produced Water: SG = 1.055 @ 80°F, TDS - 10106 PPM  
Total Hardness: 19810 PPM

Lower Paddock/Blinebry Zone: Crude Oil, 48.3 API @ 60°F  
Produced Water: SG = 1.102 @ 60°F, TDS = 122744 PPM  
Total Hardness = 24545 PPM

Permission to surface commingle production from the Cline Tubb and Cline Lower Paddock/Blinebry zones was previously approved by the NMOCD for the Samedan operated Sarah "B" No. 1 & 2 under order PC-847. No adverse affects have occurred due to surface commingling. It is anticipated that fluid characteristics will not significantly change at BHP or temperatures and no adverse conditions would be created by down hole commingling.

8) For Values of Production

1) Samedan owns and operates 100% of the Sarah B lease.

2) Tubb Zone: Daily Production = 7 bbls oil  
Gravity @ 60 = 44.9 Sulfur = .378  
Value = \$13.00 per bbl for sweet crude

Lower Paddock/Blinebry Zone:

Daily production = 20 bbls oil  
Gravity @ 60 = 48.3 Sulfur = .395  
Value = \$12.49 per bbl for sweet crude

Commingled Oil: Expected gravity = 47.4 sweet crude  
Expected value = \$12.63 per bbl

3) The actual commercial value of the commingled production will be equal to the sum of the values of the production from each common source of supply.

9) Formula for Allocation of Production

Production was allocated based on the most recent gas-oil ratio test (Form C-116 attached) and it is felt this will continue to be representative.

	<u>Oil</u>	<u>Gas</u>	<u>Water</u>
Lower Paddock/Blinebry	74%	59%	79%
Tubb	26%	41%	21%