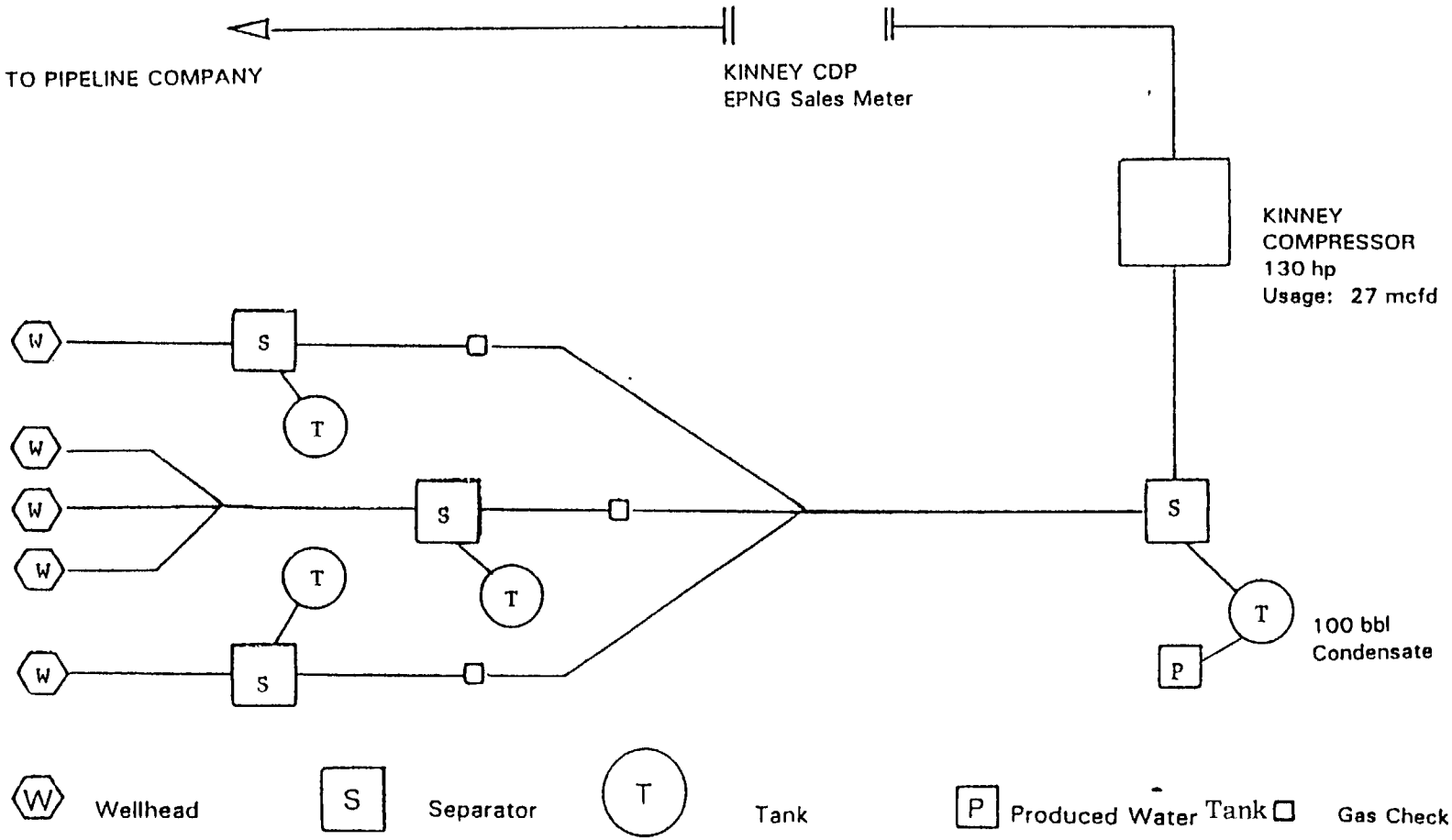
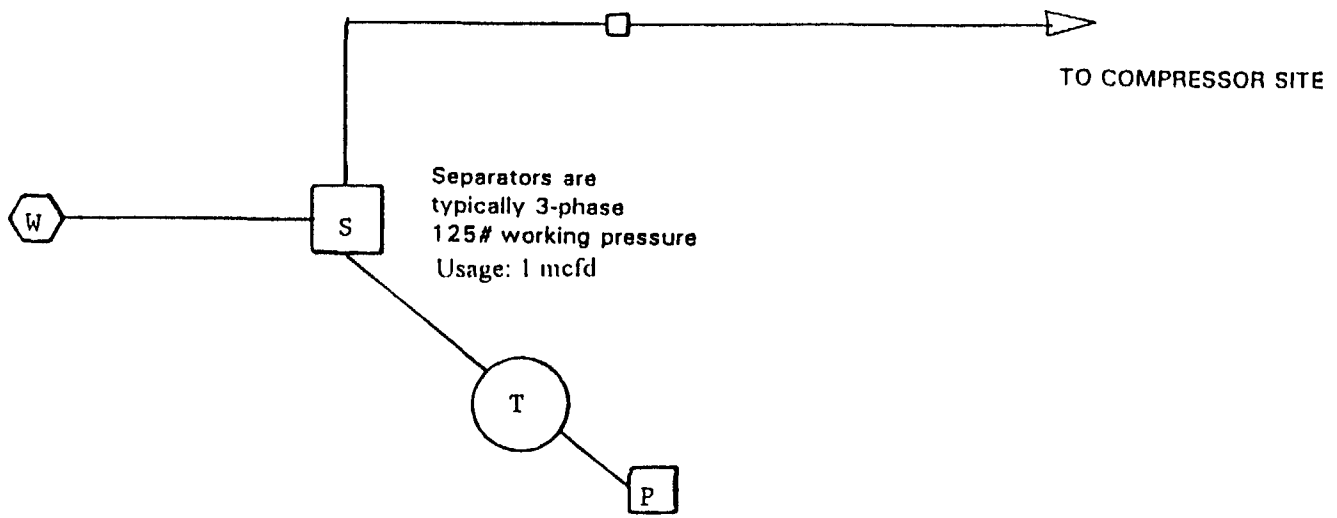


	Universal Resources Corporation 1331 17th Street, Suite 300 Denver, CO 80202 303-672-6970	UNIVERSAL RESOURCES CORPORATION NOT TO SCALE	Kinney Gathering System Compressor Facilities Off-Lease Sales, Usage and Measurement System



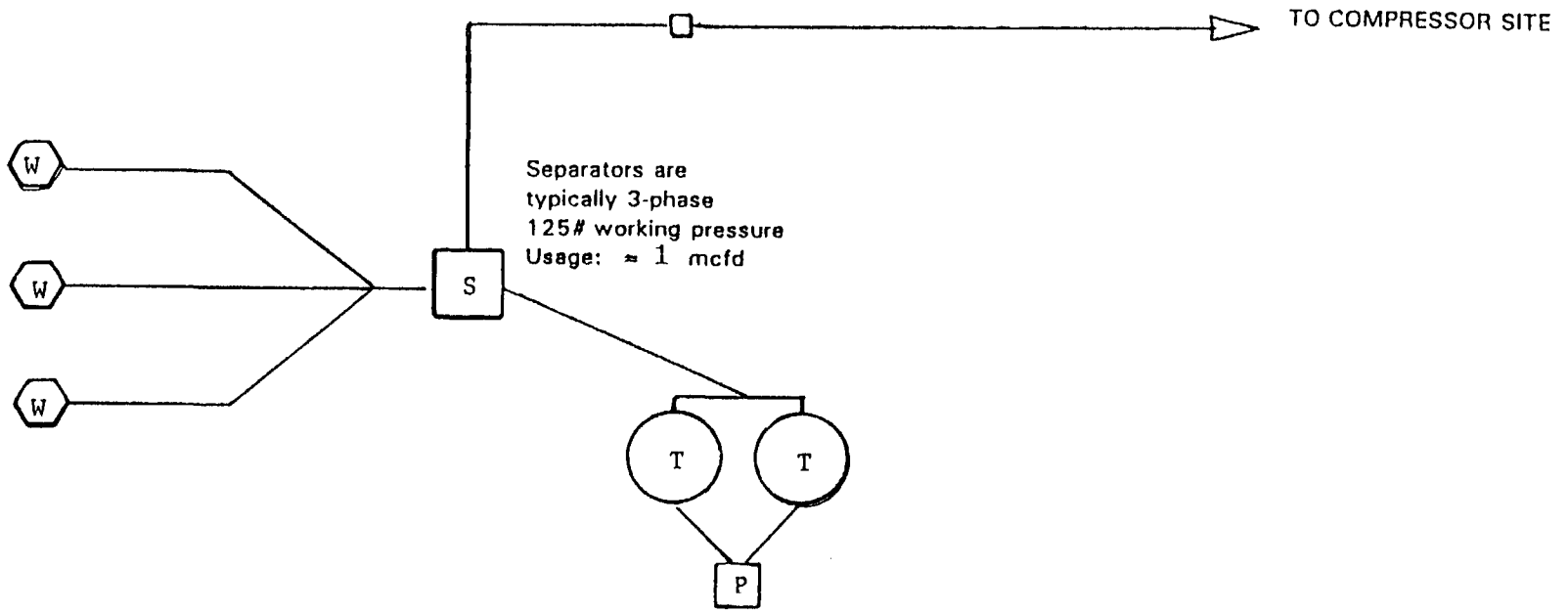
W Wellhead S Separator T Tank P Produced Water Tank Gas Check Meter

Universal Resources Corporation
1331 17th Street, Suite 300
Denver, CO 80202
303-672-6970

UNIVERSAL RESOURCES CORPORATION

NOT TO SCALE

Typical Tank Battery
Single Well



W Wellhead S Separator T Tank P Produced Water Tank Gas Check Meter

Universal Resources Corporation
1331 17th Street, Suite 300
Denver, CO 80202
303-672-6970

UNIVERSAL RESOURCES CORPORATION

NOT TO SCALE

Typical Tank Battery
Multiple Wells

EQUIPMENT AT WELL AND TANK BATTERY LOCATIONS

KINNEY GATHERING SYSTEM

Battery Name	Well Name	Compressor	Separator	Pumpjack	Oil Tanks	Heater	Gas Meter	Pipeline	Remarks
Kinney Compressor Site		1			1-100 bbl drip condensate		1-EPNG		Central Delivery Point
Stephenson	Stephenson 1-22		1		2-300 bbl		1	2" gas line	
Lybrook 22-2R	Lybrook 22-2R Lybrook 6-22 Lybrook 7-27-1 Lybrook 4-22		1 for 22-2R and 6-22 1 for 7-27-1 and 4-22		3-300 bbl for 22-2R and 6-22 1-300 bbl for 7-27-1 and 4-22	 1	1 for 22-2R and 6-22 1 for 7-27-1 and 4-22	2" gas line 2" flowline 2" flowline 2" flowline	Battery at Lybrook 22-2R
Byrd 5-23	Byrd 5-23		1		2-300 bbl	1	1	2" gas line	
Byrd 6-23	Byrd 6-23		1		1-300 bbl	1	1	2" gas line	
Lybrook 7-27-2	Lybrook 7-27-2		1		1-400 bbl		1	2" gas line	
Federal 1-27	Federal 1-27		1		1-400 bbl			2" gas line	Gas metered at 7-27-2
Federal 3-21-2	Federal 3-21-2		1		1-400 bbl		1	2" gas line	
Federal 3-21-4	Federal 3-21-4		1		1-400 bbl	1		2" gas line	
Federal 3-21-5	Federal 3-21-5		1		1-400 bbl		1	2" gas line	
Federal 6-22	Federal 6-22								Shut in - No equipment
Federal 2-26	Federal 2-26		1		1-300 bbl		1	4" gas line	
Federal 4-26	Federal 4-26		1		1-300 bbl			2" gas line	Gas metered at Federal 2-26
Federal 1-22	Federal 1-22-1 Federal 1-22-2		1		2-300 bbl		1	2" gas line 2" flowline	Battery at Federal 1-22-1
Smith	Smith 4 Smith 5		1		2-300 bbl			2" gas line 2" flowline	Battery at Smith 4
Nancy 3	Nancy 3		1	1	2-300 bbl		1		Shut in
Nancy	Nancy 4 Nancy 5		1	1 1	1-300 bbl		1	2" flowline 2" gas line	Battery at Nancy 5
Ernest 1	Ernest 1		1		1-300 bbl			2" gas line	Gas Metered at Waterflood Meter
Ernest 2	Ernest 2		1		2-300 bbl			2" gas line	Gas Metered at Waterflood Meter
ESCRITO GALLUP UNIT Unit 2	Nancy 2 (2)		1	1	1-300 bbl				Shut in
Unit 3,21	Smith 2 (3) Smith 3 (21)		1	1	2-300 bbl		1	2" gas line 2" flowline	Shut in Battery at Smith 2
Unit 4	Federal 2-7 (4)		1	1	1-300 bbl			2" gas line	
Unit 6	Elizabeth 2		1		1-300 bbl				Shut in
Unit 9, 25, 26	Elizabeth 5 (9) Unit 25 Unit 26		1		1-300 bbl 1-400 bbl		1	4" gas line 2" flowline 2" flowline	Battery at Elizabeth 5
Unit 15, 29	Federal 3-20-1 (15) Unit 29		1		1-300 bbl		1	2" flowline 2" flowline	Battery at State 1-16

EQUIPMENT AT WELL AND TANK BATTERY LOCATIONS

KINNEY GATHERING SYSTEM

Battery Name	Well Name	Compressor	Separator	Pumpjack	Oil Tanks	Heater	Gas Meter	Pipeline	Remarks
Unit 10	Federal 3-19 (10)		1	1(not in use)	1-300 bbl			2" gas line	
Unit 27	Unit 27		1		1-400 bbl			2" gas line	
Unit 28	Unit 28		1		1-400 bbl			2" gas line	
Unit 19, 20	Smith 1 (19) Elizabeth 6 (20)		1	1(not in use)	1-300 bbl		1	2" gas line 2" flowline	Battery at Smith 1
Unit 22	Elizabeth 4 Elizabeth 7 (22)		1		1-210 bbl			2" gas line 2" flowline	P&A Battery at Elizabeth 4
Unit 24	Unit 18 Federal 3-21-3 (24)		1		2-300 bbl		1 (Waterflood Meter)	2" gas line 2" flowline	P&A Battery at Unit 18
Totals		1	30	8	42	4	18		

Gas from the following wells is metered through the Escrito Gallup Unit Waterflood Meter:

Federal 2-7 (Unit 4)
Elizabeth 5 (Unit 9)
Federal 3-19-1 (Unit 10)
Federal 3-20-1 (Unit 15)
Smith 1 (Unit 19)
Elizabeth 6 (Unit 20)
Smith 3 (Unit 21)
Elizabeth 7 (Unit 22)
Federal 3-21-3 (Unit 24)
Unit 25
Unit 26
Federal 3-19-2 (Unit 27)
Unit 28
Unit 29
Nancy 4,5
Smith 4,5
Federal 3-21-5

CO.CD 23 EL PASO NATURAL GAS
CUSTOMER ACCOUNTING SERVICES DEPARTMENT
VOLUME CALCULATION DIVISION
POST OFFICE BOX 1492
EL PASO, TEXAS 79978

CONTACTS:
EL PASO FIELD SERVICES
(713) 757-5953
EL PASO MAINLINE
(915) 496-2595

DATE 8/05/99

CHROMATOGRAPHIC GAS ANALYSIS REPORT

MAILEE
94400 QUESTAR EXPLORATION & PRODUCTI
1331 17TH STREET
SUITE 300
DENVER, CO 80202-9999
ATTN:EVA GOMEZ

METER NUMBER 14270 - KINNEY COMPRESSOR STATION
OPERATOR 9240 - QUESTAR EXPLORATION AND PRODUC

ANALYSIS DATE	6/07/99	TYPE CODE	2 - ACTUAL
SAMPLE DATE	6/03/99	H2S GRAINS	0
EFFECTIVE DATE	7/01/99	LOCATION	F - FARM BECK
EFFECTIVE FOR	6 MONTHS		

COMPONENTS	NORMALIZED MOL %	GPM
CO2	.51	.000
H2S	.00	.000
N2	.99	.000
METHANE	72.77	.000
ETHANE	11.44	3.060
PROPANE	8.14	2.243
ISO-BUTANE	.89	.291
NORM-BUTANE	2.47	.779
ISO-PENTANE	.58	.212
NORM-PENTANE	.65	.235
HEXANE PLUS	1.56	.681
	100.00	7.501

SPECIFIC GRAVITY .815

MIXTURE HEATING VALUE
(BTU @ 14.73 DRY) 1391

RATIO OF SPECIFIC HEATS .000

NO TEST SECURED FOR H2S CONTENT

Exhibit I

MONTHLY CALCULATION OF GAS VOLUMES

Attached is a copy of the gas volume allocation spreadsheet prepared monthly for wells on the Kinney gas gathering system. The computation of estimated gas volume for each well is shown on the right side of the spreadsheet. The formula is:

Estimated Daily Gas Volume
= (Minutes of afterflow ÷ total minutes per trip) × total trip gas volume per day
Total Trip Gas Volume per day
= Gas volume per trip × trips per day
Gas Volume per trip
= ((tubing volume × (tubing pressure psig + 15.025 psia) ÷ 15.025 psia) ÷ 1000
Tubing volume in ft^3
= (π(tubing radius)^2) × tubing height

The actual formulas are:

Column AB = (((Z13/12)^2)*3.14159265/4)*AA13
Column AF = ((AB13*(AC13+15.025))/15.025)/1000
Column AG = (AD13*AF13)
Column AI = (AH13/AE13)*AG13
Column AJ = AG13+AI13
Column AK = X13*AJ13

Columns AC, AD, AE and AH are entered each month based on each wells performance during that month. Temperature is assumed to be identical for all wells and is not considered in the formula.

The gas volume delivered to EPNG at the Kinney central delivery point is allocated (Columns M and T) based on each well's prorated share of the total estimated monthly gas volume (Column G and Column AK). Volumes are calculated in pressure base 14.730 and 15.025.

Fuel Gas for the entire system is shown at the top of form as Compressor Use (O7) and Well Equipment Use (O8). There are 18 separators and 2 pumping wells on the system. The separators are typically 3-phase, 125# working pressure with an estimated fuel usage of 1 mcfd. Fuel gas for the pumping units is also estimated at 1 mcfd.

Based on manufacturer specs, the Kinney compressor fuel gas use is as follows:

Waukesha F1197G = 8.5 btu per hp per hour
8.5 • 130hp • 24 = 26,520 btu/day
26,520 ÷ 1.391 btu/ft^3 = 19.07 mcfd or **572 mcf/month**

Compressor fuel and separator/pumpjack fuel is allocated to each well (Columns K, L, R and S) based on the estimated monthly produced mcf.

GAS VOLUME ALLOCATION

KINNEY COMPRESSOR SYSTEM

Sep-99

Days in Month: 30

EPNG Sales Summary:

SALES @ 14.730: 16746 Flow hours 715.9 Compressor Use: 572 Base Price: $2.00

SALES @ 15.025: 16417 Btu Factor: 1.391 Separator Use: 1140

Calculations at 14.730 psia P.B.

WELL:	Oil Produced (BBLS)	BOPD	Oil Sales (BBLS	Load Oil (BBL	Est. Daily Prod. Mcfd	Est. Monthly Prod. Mcf	Wellhead Mcf	Wellhead MMBtu	Gas Vented Mcf	Sep. Fuel Mcf	Comp. Fuel Mcf	Sales Mcf	Sales MMBtu	Wellhe Mcf	Wellhe MMBtu	Gas Vente Mcf	Sep. Fuel Mcf	Comp. Fuel Mcf	Sales Mcf	Sales MMBtu	Sales Value	Gas MCFPD	Days On	Remarks	Tubing Size (ID) (inches)	Tubing Depth	Tubing Volume (cu.ft.)	Tubing Pressure (psig)	Trips/ Day	Minutes per trip	Gas/trip (mcf)	Volume per day (mcfd)	After flow (min.)	Gas Volume (mcf)	Total Daily (mcfd)	Potential Total monthly (mcf)	Well
Stephenson 1-22	65.8	2.2	0		10.0	300	316	439		20	10	286	398	322	448		20	10	292	406	$811	9.7	30	+4 mpt	1.995	5,973	129.66	275	4	11	2.503	10.0	0	0.0	10.0	300	Stephenson 1-22
Lybrook 2-R	472	15.7	441.3		51.5	1546	1625	2261		102	51	1472	2047	1658	2306		104	52	1501	2088	$4,176	50.0	30		1.995	5,573	120.98	185	24	9	1.611	38.7	3	12.9	51.5	1546	Lybrook 2-R
Lybrook 6-22	37	1.2	34.53		4.6	139	146	203		9	5	132	184	149	207		9	5	135	188	$375	4.5	30		1.610	5,656	79.96	275	3	12	1.544	4.6	0	0.0	4.6	139	Lybrook 6-22
Byrd 6-23	63.97	2.1	0		15.3	459	482	671		30	15	437	608	492	684		31	16	446	620	$1,240	14.9	30	-2 mpt	1.995	5,514	119.70	145	12	6	1.275	15.3	0	0.0	15.3	459	Byrd 6-23
Byrd 5-23	69.63	2.3	0		19.3	579	608	846		38	19	551	766	620	863		39	20	562	782	$1,583	18.7	30	-1.5 mpt,+ 5 afte	1.610	5,469	77.32	130	24	6.5	0.746	17.9	0.5	1.4	19.3	579	Byrd 5-23
Lybrook 7-27 #1	77	2.6	0		56.4	1691	1885	2622		184	92	1609	2239	1923	2675		187	94	1642	2283	$4,567	54.7	30	-2 mpt	1.751	5,710	95.49	160	24	9	1.112	26.7	10	29.7	56.4	1691	Lybrook 7-27 #1
Lybrook 4-22	48	1.6	0		12.0	359	378	525		24	12	342	476	385	536		24	12	349	485	$970	11.6	30		1.995	5,130	111.36	175	8	8	1.408	11.3	0.5	0.7	12.0	359	Lybrook 4-22
Lybrook 7-27 #2	59.55	2.0	181.6		36.3	1088	1036	1441		0	0	1036	1441	1057	1470		0	0	1057	1470	$2,940	35.2	30		1.995	5,579	121.11	110	24	8	1.008	24.2	4	12.1	36.3	1088	Lybrook 7-27 #2
Federal 3-21 #2	0	0.0	0		6.7	0	91	126		61	30	0	0	93	129		62	31	0	0	$0	#####	0	Shut In	1.995	5,808	126.08	250	3	8	2.224	6.7	0	0.0	6.7	200	Federal 3-21 #2
Federal 3-21 #4	76.52	2.6	191.1		19.3	578	550	765		0	0	550	765	561	781		0	0	561	781	$1,561	18.7	30		1.995	5,698	123.69	120	16	6	1.112	17.8	0.5	1.5	19.3	578	Federal 3-21 #4
Federal 3-21 #5	31.31	1.0	0		11.3	338	321	447		0	0	321	447	328	456		0	0	328	456	$912	10.9	30		1.995	6,086	132.11	145	8	7	1.407	11.3	0	0.0	11.3	338	Federal 3-21 #5
Federal 6-22	0	0.0	0		7.4	0	0	0		0	0	0	0	0	0		0	0	0	0	$0	#####	0	Casing Failure	1.751	5,710	95.49	235	4	6	1.589	6.4	1	1.1	7.4	222	Federal 6-22
Federal 2-26	45.45	1.5	191.3		29.1	872	916	1275		58	29	830	1154	935	1300		59	29	846	1177	$2,355	28.2	30	-1 mpt,-4tpd	1.995	5,586	121.26	135	24	4	1.211	29.1	0	0.0	29.1	872	Federal 2-26
Federal 1-22 #1	65.62	2.2	102.9		13.8	413	434	604		27	14	393	547	443	616		28	14	401	558	$1,116	13.4	30	-3 mpt	1.995	5,417	117.59	205	8	7	1.722	13.8	0	0.0	13.8	413	Federal 1-22 #1
Federal 1-22 #2	62.77	2.1	98.4		18.8	565	594	826		37	19	538	748	606	843		38	19	549	763	$1,527	18.3	30	+2 mpt	1.995	5,620	122.00	130	16	8	1.178	18.8	0	0.0	18.8	565	Federal 1-22 #2
Federal 4-26	10.87	0.4	0		5.7	170	179	249		11	6	162	225	182	254		11	6	165	230	$459	5.5	30		1.995	5,448	118.26	145	3	4	1.260	3.8	2	1.9	5.7	170	Federal 4-26
Smith 4	33.6	1.1	51.88		4.2	126	223	310		68	34	120	167	227	316		70	35	122	170	$341	4.1	30		1.995	5,935	128.84	230	2	10	2.101	4.2	0	0.0	4.2	126	Smith 4
Smith 5	97.44	3.2	150.5		30.3	909	866	1204		0	0	866	1204	883	1228		0	0	883	1228	$2,456	29.4	30	-4tpd,+1 afterflo	1.995	6,015	130.57	140	20	8	1.347	26.9	1	3.4	30.3	909	Smith 5
Nancy 3	0	0.0	0	0	0.0	0	0	0		0	0	0	0	0	0		0	0	0	0	$0	#####	0	Shut In	1.995	6,100	132.42									0	Nancy 3
Nancy 4	100.62	3.4	85.57	25	8.0	240	279	388		34	17	228	318	285	396		34	17	233	324	$648	7.8	30	Pumping Unit	1.995	6,930	150.43								8	240	Nancy 4
Nancy 5	108.56	3.6	92.32	0	9.0	270	257	357		0	0	257	357	262	365		0	0	262	365	$729	8.7	30	Pumping Unit	1.995	6,950	150.87								9	270	Nancy 5
Federal 1-27	54.34	1.8	0		5.1	152	159	222		10	5	144	201	163	226		10	5	147	205	$410	4.9	30	-1 mpt	1.995	5,734	124.47	290	2	6	2.527	5.1	0	0.0	5.1	152	Federal 1-27
Ernest 1	4.52	0.2	0		19.4	39	41	57		3	1	37	51	41	58		3	1	38	52	$105	18.8	2		1.751	5,645	94.40	370	8	8.5	2.419	19.4	0	0.0	19.4	581	Ernest 1
Ernest 2	154.76	5.2	199.1		50.0	1499	1576	2192		99	50	1427	1985	1607	2235		101	51	1455	2024	$4,049	48.5	30		1.995	5,650	122.65	195	24	7	1.714	41.1	1.5	8.8	50.0	1499	Ernest 2
F-27-24-7 1	0	0.0	0		0.0	0	0	0		0	0	0	0	0	0		0	0	0	0	$0	0.0	2	Shut In	1.995	5,620	122.00				0.122	0.0			0.0	0	F-27-24-7 1
EGU (see below)	471.2	15.7	1173	0	169	4915	5167	7187		325	163	4679	6508	5270	7331		331	166	4772	6638	$13,277	159.1													443.2	13296	
TOTAL KINNEY:	2210.5	73.7	2994	25	612	17247	18129	25217		1140	572	16417	22836	18492	25723		1163	583	16746	23294	$46,587	558.2															
											572							583	16746																		
Escrito Gallup Unit																																				0	Escrito Gallup Unit
2 Nancy 2	0	0.0	0		0.0	0	0	0		0	0	0	0	0	0		0	0	0	0	$0	#####	0		1.995	5,976	129.73				0.130	0.0				0	2 Nancy 2
3 Smith 2	0	0.0	0		0.0	0	0	0		0	0	0	0	0	0		0	0	0	0	$0	#####	0		1.995	5,890	127.86				0.128	0.0				0	3 Smith 2
4 Federal 2-7	0	0.0	189.1	0	5.0	0	31	43		20	10	0	0	31	44		21	10	0	0	$0	#####	0	Pumping Unit	1.995	5,896	127.99				0.128	0.0			5.0	150	4 Federal 2-7
6 Elizabeth 2	0	0.0	0		0.0	0	0	0		0	0	0	0	0	0		0	0	0	0	$0	#####	0	Shut In	1.995	5,801	125.93	645	0	0	5.532	0.0	0		0.0	0	6 Elizabeth 2
9 Elizabeth 5	13.29	0.4	33.4		2.1	64	130	180		46	23	61	84	132	184		47	24	62	86	$172	2.1	30	+2 mpt	1.751	6,043	101.05	300	1	13	2.119	2.1	0	0.0	2.1	64	19 Elizabeth 5
10 Federal 3-19	12.64	0.4	195.1		3.7	111	139	193		22	11	106	147	141	197		22	11	108	150	$300	3.6	30	-1 mpt	1.995	6,105	132.53	195	2	7	1.852	3.7	0	0.0	3.7	111	10 Federal 3-19
12 Judy 2	0	0.0	0	0	0.0	0	0	0		0	0	0	0	0	0		0	0	0	0	$0	#####	0	Shut In	1.995	5,925	128.62				0.129	0.0				0	12 Judy 2
13 Colleen 1	0	0.0	0		0.0	0	0	0		0	0	0	0	0	0		0	0	0	0	$0	#####	0	Shut In	1.995											0	13 Colleen 1
15 Federal 3-20 #1	16.9	0.6	35.96		2.7	82	200	278		81	41	78	108	204	284		83	42	79	110	$221	2.6	30		1.751	6,120	102.34	385	1	8	2.725	2.7	0	0.0	2.7	82	15 Federal 3-20 #1
16 State 2-16	0	0.0	0		0.0	0	0	0		0	0	0	0	0	0		0	0	0	0	$0	#####	0	Shut In	1.995	5,900	128.08									0	16 State 2-16
19 Smith 1	66	2.2	173.4		15.3	459	510	710		49	25	437	607	521	724		50	25	445	620	$1,239	14.8	30	+2 mpt	1.995	5,880	127.64	165	10	9	1.529	15.3	0	0.0	15.3	459	19 Smith 1
20 Elizabeth 6	11	0.4	29.13		2.1	63	137	190		51	26	60	83	139	194		52	26	61	84	$169	2.0	30		1.995	5,886	127.77	230	1	8	2.084	2.1	0	0.0	2.1	63	20 Elizabeth 6
21 Smith 3	2	0.1	0		0.0	0	82	114		55	27	0	0	84	116		56	28	0	0	$0	0.0	17	-1 tpd	1.995	5,890	127.86	270	0	5	2.425	0.0	0	0.0	0.0	0	21 Smith 3
22 Elizabeth 7	32.5	1.1	152.7		23.9	716	681	948		0	0	681	948	695	967		0	0	695	967	$1,933	23.2	30		1.995	6,115	132.74	210	12	8	1.988	23.9	0	0.0	23.9	716	22 Elizabeth 7
23 Judy 3	0	0.0	0		0.0	0	0	0		0	0	0	0	0	0		0	0	0	0	$0	#####	0	Shut In	1.995											0	23 Judy 3
24 Federal 3-21 #3	39.2	1.3	0		10.3	310	295	410		0	0	295	410	301	419		0	0	301	419	$837	10.0	30	+2 mpt	1.995	5,960	129.38	185	6	11	1.722	10.3	0	0.0	10.3	310	24 Federal 3-21 #3
25 Elizabeth 8	66.05	2.2	0		9.5	284	270	376		0	0	270	376	275	383		0	0	275	383	$766	9.2	30		1.995	6,060	131.55	165	6	9	1.576	9.5	0	0.0	9.5	284	25 Elizabeth 8
26 Elizabeth 9	64.08	2.1	161		21.1	633	602	838		0	0	602	838	614	854		0	0	614	854	$1,709	20.5	30	+2 mpt	1.995	6,080	131.98	165	12	9	1.581	19.0	1	2.1	21.1	633	26 Elizabeth 9
27 Federal 3-19 #2	30.52	1.0	0		7.3	220	210	292		0	0	210	292	214	298		0	0	214	298	$595	7.1	30	+6 mpt,+ 5 after	1.995	5,970	129.59	190	4	13	1.768	7.1	0.5	0.3	7.3	220	27 Federal 3-19 #2
28 Federal 3-20 #2	43.36	1.4	46.71		27.6	827	787	1095		0	0	787	1095	803	1117		0	0	803	1117	$2,234	26.8	30		1.995	6,115	132.74	115	24	7	1.149	27.6	0	0.0	27.6	827	28 Federal 3-20 #2
29 Federal 3-20 #3	73.66	2.5	156.8		38.3	1148	1083	1520		0	0	1083	1520	1115	1551		0	0	1115	1551	$3,101	37.2	30	+1 mpt,-1 afterfl	1.995	6,130	133.07	105	24	8	1.063	25.5	4	12.8	38.3	1148	29 Federal 3-20 #3
TOTAL EGU:	471.2	15.7	1173	0	169	4915	5167	7187		325	163	4679	6508	5270	7331		331	166	4772	6638	$13,277	159.1													168.8	5065	

R8W

SAN JUAN RIO ARRIBA

R 7 W

DUFFERS POINT GALLUP

NMNM0557389

ESCRITO GALLUP UNIT

8910086910

88040A

78959

NMNM1409

03595 03595A 03595 03595A

STATE LEASE

03595 03595A 03595A 03595

080034

014022

0557390

0557390

0557390

14021B

078974

14925

078562

078563

80202B

078563

80202B

DEVILS FORK
MESA VERDE
0.650 BCFG 353,287 BO

ESCRITO GALLUP
21.4 BCFG 3,830,368 BO

DEVILS FORK
GALLUP

014023