

3K

11-21-94

# Topics/Issues for Discussion

## First Topics

### Affect of Premier on Yates recoverable reserves:

### Methodology for Reserve Calculation:

- Exxon - Tech. Report
- Yates: recoverable gas reserves added

### Charging Investments during Yates Phase I at Phase II WI:

- How to explain as fair to owners who have 4 times Phase II interest as Phase I (Premier, Napeco, Merit, TR Oil, Hayes Partners, 77 Corp.)
- Likelihood of state approval with some of above contesting

### Exxon Equity Methodology & Needs

- look at waterflood economics (keep CO<sub>2</sub> as upside)
- Equity approach recognizes relative timing and cost to produce primary, secondary, and tertiary barrels (present value)

### Yates Equity Methodology & Needs

## Second Topics

### Voting Needs:

- Using Yates Phase 2 numbers:
  - 2nd: Yates=12.1
  - 3rd: ANPC=4.7
  - 4th: Hudson =2.8
  - 5th: Premier=1.6
  - 6th Ard=1.4
  - 7th: Pennzoil=1.1
  - 8th: Tipperary=0.5
  - 9th: Whiting=0.5

### Overhead:

### APO:

Bidding of CO<sub>2</sub> and Crude: Done, language proposed to ANPC 8/94

→ VOTING PROCEDURE ←

### Equity Methodology, Unitizing Remaining Primary & Waterflood

Case	PVP @20% \$million	Exxon WI	Yates WI	Investment Basis	Other features
1. Exxon 4/94 (start 1/1/94)	4.08 wF	79.7	.098	investment & revenue same	Vote to change WI for CO <sub>2</sub>
2. Exxon 4/94 (start 7/1/95)	3.98	78.9	.103	investment & revenue same	Vote to change WI for CO <sub>2</sub>
3. Yates 9/94	3.55	79.1/72.5 after 4/97	.098/.121 after 4/97	Phase I investment at Phase II WI	
4. Exxon modified to Yates with 1/2000 for phase change, 10/94	3.98	79.1/72.5 after 1/2000	.098/.121 after 1/2000	Phase I investment at Phase II WI	changes date to recover some PVP

↑  
EXXON'S SHARE

Phase I of Phase II → 200,000 to Exxon  
PVP calculated at 12 million + Today's price