

WVZES

January 18, 1995

TO: Janet Richardson
 FROM: Dave Boneau *Dave Boneau*
 SUBJECT: Avalon Delaware Unit

You recall that Peyton Yates told us yesterday that Yates needs 12+ percent working interest in a single-phase formula for the proposed Avalon Delaware Unit. I believe Exxon numbers say the minimum Exxon interest is 73.2 percent. An acceptable formula seems to be:

- 23% Primary Reserves
- 47% Tract Waterflood Reserves
- 30% Tract CO₂ Reserves.

This formula gives Exxon 73.21 percent and Yates 12.06 percent. It attributes a significant fraction (30%) to the CO₂ target and splits the remainder 1/3 to primary and 2/3 to waterflood. The interests of all owners under this formula are shown in the Attachment.

My intention is to submit the formula above as a proposal to Exxon.

DFB/cvg

Attachment

xc: Mike Slater
 Peyton Yates
 Bob Fant

1-18-95
EXXON

	G-24 1/1/93 Rem Primary	G-24 Tract Waterflood Reserves	G-24 Tract CO2 Reserves	23 % Primary + 47 % WF + 30 % CO2
Abo Petroleum Corporation	0.6731%	1.3313%	1.1936%	1.1386%
American National Petroleum Corp.	2.8177%	5.5317%	4.7210%	4.6643%
Ard, Mary H.	0.8259%	1.6336%	1.3331%	1.3577%
Bello, Ernie	0.0046%	0.0088%	0.0075%	0.0074%
Bunn, Mrs. Francis B.	0.0046%	0.0088%	0.0075%	0.0074%
Chevron PBC, Inc.	0.4236%	0.6857%	1.8238%	0.9668%
Claremont Corporation	0.1549%	0.3063%	0.2500%	0.2546%
Devon Energy Corporation (NV)	0.0691%	0.1367%	0.1117%	0.1137%
Devon Enc. v Partners L.P.	0.3916%	0.7746%	0.6331%	0.6441%
Exxon Corporation	85.0937%	70.7857%	67.9021%	73.2115%
Fox, Fred A. & D. Marjean Living Trust	0.0005%	0.0000%	0.0038%	0.0013%
Gendron Family Revocable Tr	0.0069%	0.0132%	0.0112%	0.0111%
Goodnow, David	0.0046%	0.0088%	0.0075%	0.0074%
Hayes Partners I	0.0000%	0.0000%	0.0412%	0.0124%
Hodge, Joseph R.	0.0008%	0.0015%	0.0012%	0.0012%
Hodge, Sanford J. III	0.0008%	0.0015%	0.0012%	0.0012%
Holden, E. G. Testamentary Tr	0.0023%	0.0044%	0.0037%	0.0037%
Hudson, Edward R. Jr.	0.8259%	1.6336%	1.3331%	1.3577%
Hudson, William A. II	0.8259%	1.6336%	1.3331%	1.3577%
Kawasaki, Isaac A.	0.0046%	0.0088%	0.0075%	0.0074%
Keller, Betsy H.	0.0023%	0.0044%	0.0037%	0.0037%
Kerr-McGee Corporation	0.1493%	0.2953%	0.2410%	0.2454%
LAJ Corporation	0.0010%	0.0000%	0.0073%	0.0024%
Los Chicos	0.0000%	0.0000%	0.0100%	0.0030%
Martin, James L. Jr., Trust	0.0005%	0.0000%	0.0038%	0.0013%
Martin, Williams, & Judson	0.3496%	0.6126%	0.7825%	0.6031%
McCall, Jack O. Estate of	0.0000%	0.0000%	0.0003%	0.0001%
Merit Energy Partners, II, L.P.	0.0000%	0.0000%	0.3713%	0.1114%
Merit Energy Partners, III, L.P.	0.0000%	0.0000%	0.3713%	0.1114%
Merit Energy Partners, L.P.	0.0000%	0.0000%	0.3713%	0.1114%
Moore, Charles Cline	0.0115%	0.0219%	0.0189%	0.0186%
Munroe, Vernon	0.0046%	0.0088%	0.0075%	0.0074%
Mycos Industries, Inc.	2.0241%	3.9938%	3.4210%	3.3689%
Napcco	0.0000%	0.0000%	0.0719%	0.0216%
Oliver, Angus Cluthe Tr	0.0046%	0.0088%	0.0075%	0.0074%
Oliver, William B. Tr	0.0046%	0.0088%	0.0075%	0.0074%
Oxy U.S.A., Inc.	0.0000%	0.0000%	0.5361%	0.1608%
Premier Oil & Gas, Inc.	0.0000%	0.0000%	4.0769%	1.2231%
Redfern, John J. III, Indep Exec of Est of	0.0725%	0.1433%	0.1170%	0.1191%
Redfern, Rosalind	0.0725%	0.1433%	0.1170%	0.1191%
Schlagal, John L.	0.0005%	0.0000%	0.0032%	0.0011%
Marit, Adolph P. Schuman Tr	0.0046%	0.0088%	0.0075%	0.0074%
Seventy-Seven Corporation	0.0000%	0.0000%	0.0080%	0.0024%
Sigmar, Inc.	0.0016%	0.0000%	0.0111%	0.0037%
Space Building Corp.	0.0115%	0.0219%	0.0187%	0.0186%
Tipperary Oil Corporation	0.3199%	0.6561%	0.4468%	0.5160%
TR Oil Corporation	0.0000%	0.0000%	0.0042%	0.0013%
Van Vranken, J. F. Jr.	0.0046%	0.0088%	0.0075%	0.0074%
Whiting Petroleum Corporation	0.3199%	0.6561%	0.4468%	0.5160%
Yates Drilling Company	2.0192%	3.9938%	3.3864%	3.3574%
Yates Petroleum Corporation	2.4800%	4.9051%	4.3094%	4.1686%
Yates, John A.	0.0049%	0.0000%	0.0446%	0.0145%
Yates, S. P.	0.0049%	0.0000%	0.0346%	0.0115%
	100.0000%	100.0000%	100.0000%	100.0000%
YPC Et al	7.2063%	14.2240%	12.3996%	12.0626%