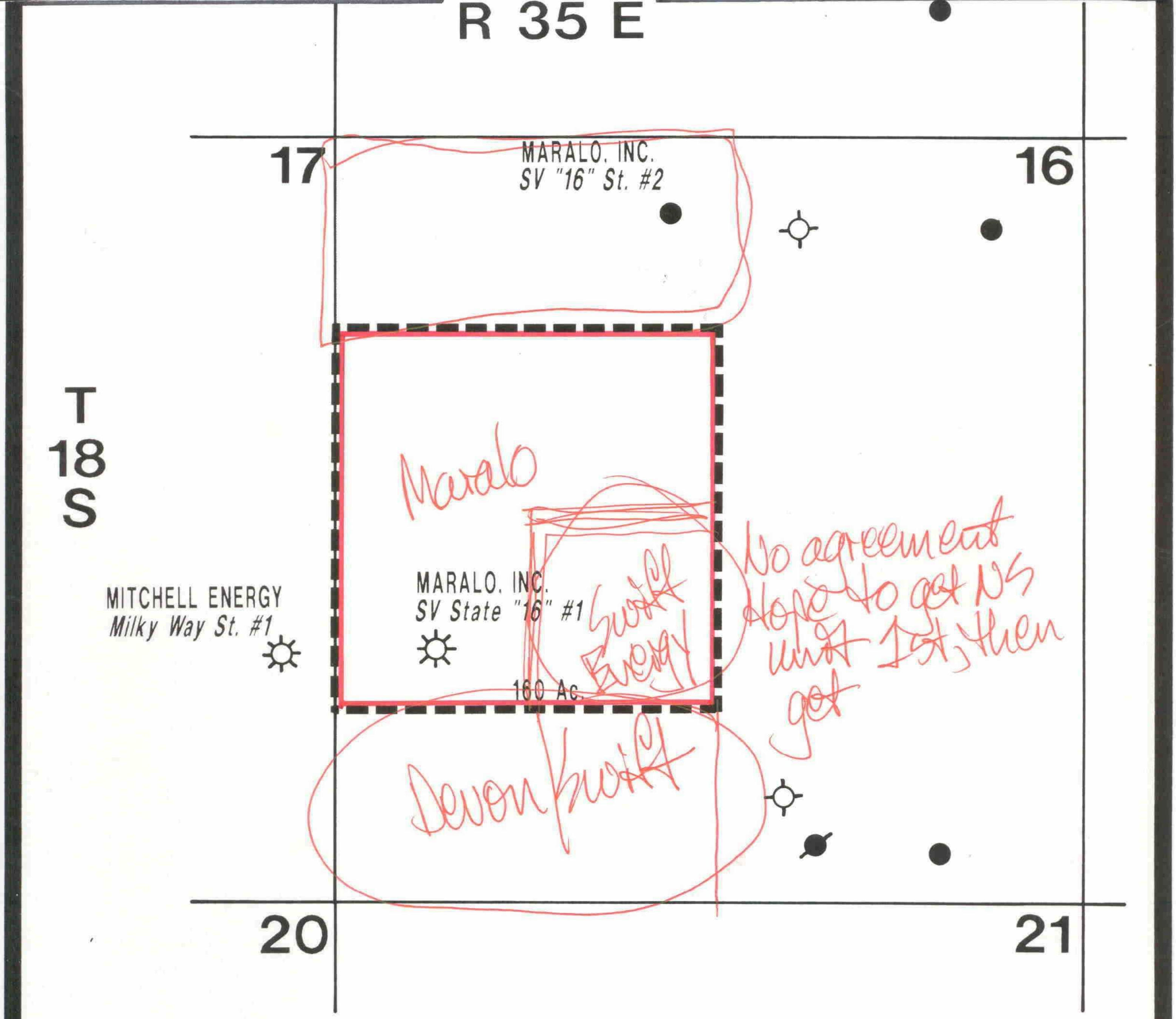
LARGE FORMAT EXHIBIT HAS BEEN REMOVED AND IS LOCATED IN THE NEXT FILE



SECTION 16, T 18 S - R 35 E

maralo inc.

REEVES , WEST QUEEN FIELD

LEA COUNTY, NEW MEXICO

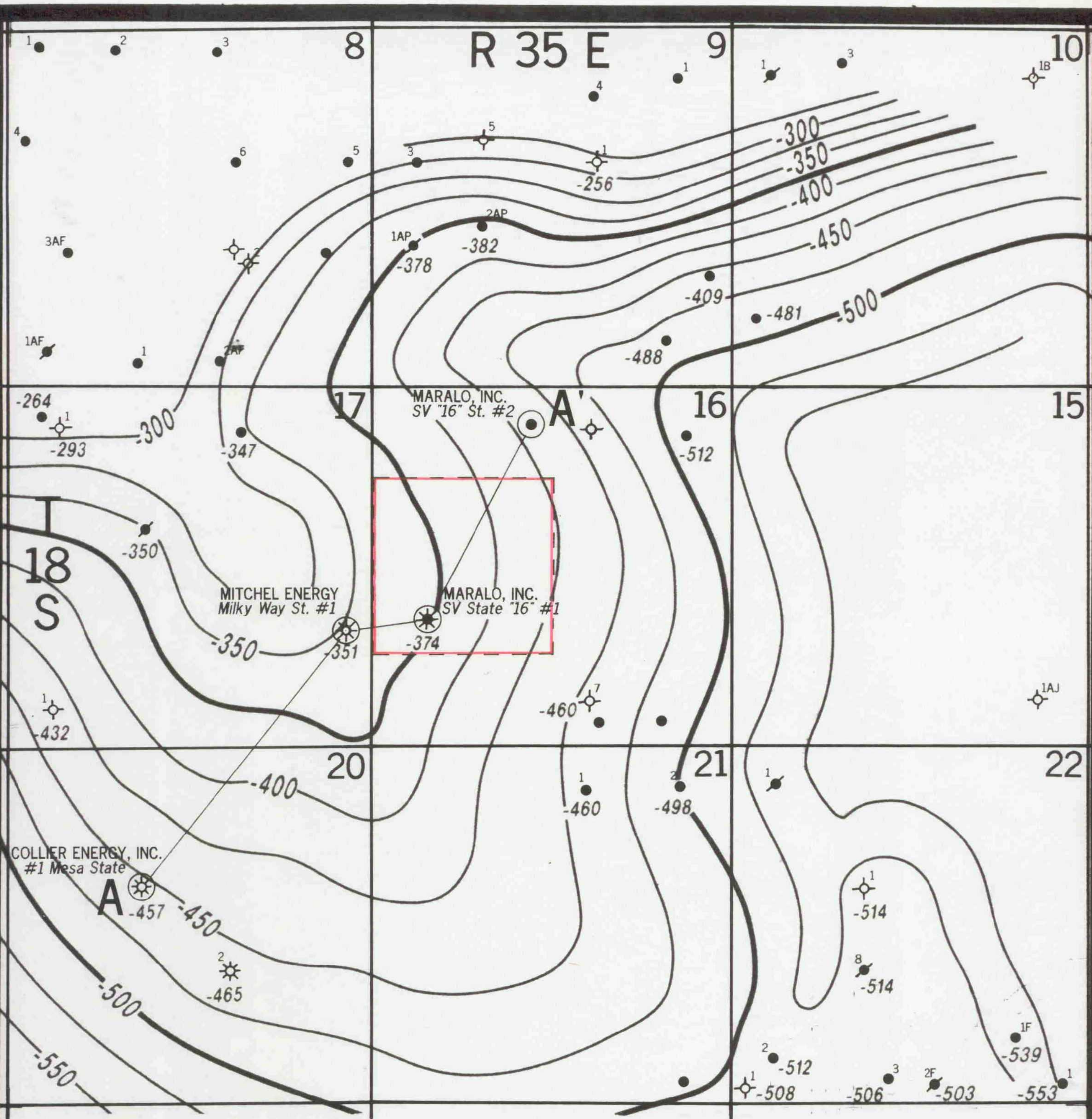
SCALE : 1" = 1,000'

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11655 Exhibit No. 2

Submitted by: Maralo, Inc.

Hearing Date: November 21, 1996



maralo inc.

REEVES , WEST QUEEN FIELD

LEA COUNTY, NEW MEXICO

STRUCTURE MAP

TOP QUEEN SS.

CONTOUR INTERVAL 25'

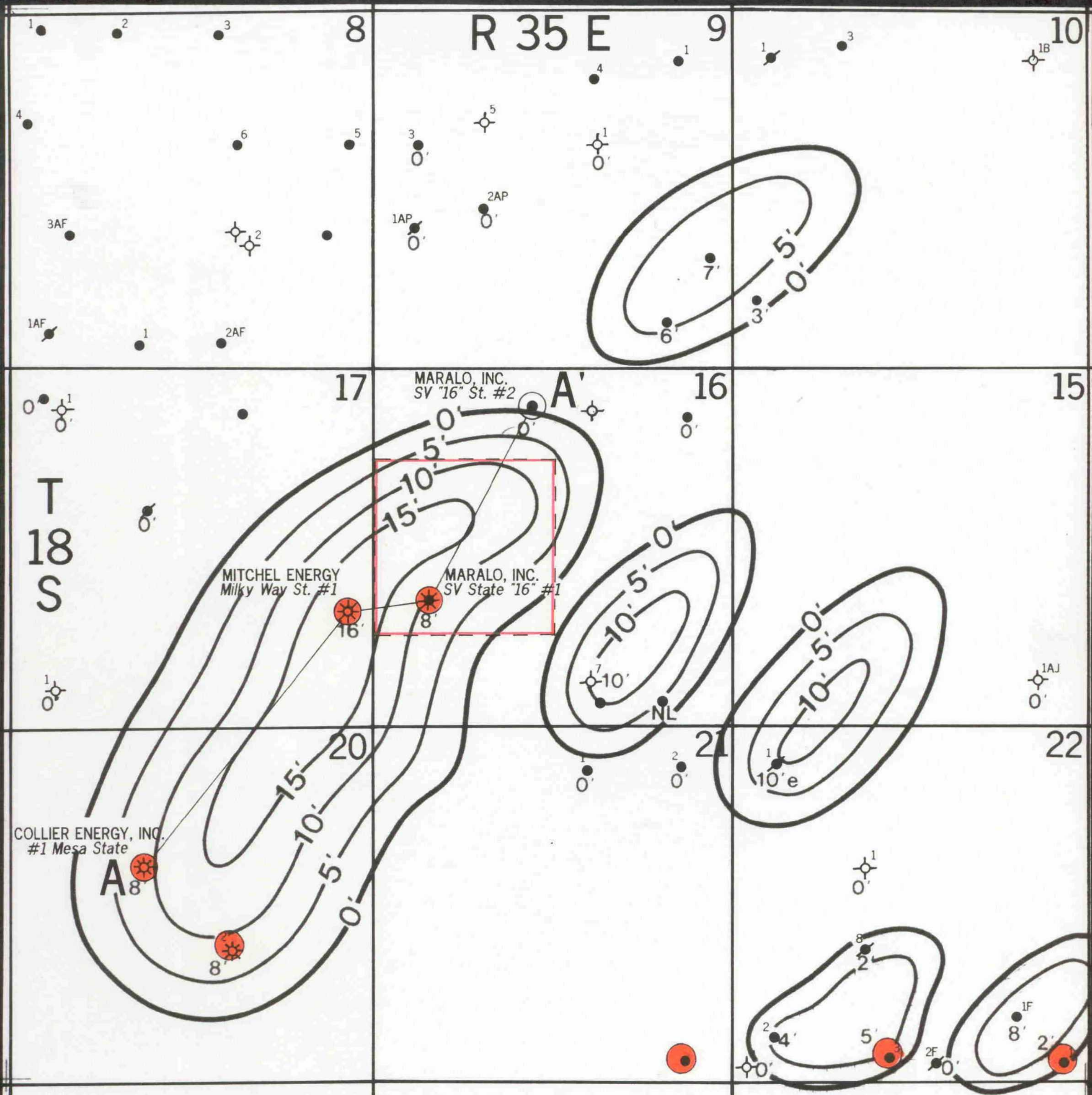
SCALE : 1" = 2,000' C. S. L. 12/'96

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11655 Exhibit No. 3

Submitted by: Maralo, Inc.

Hearing Date: November 21, 1996



QUEEN SS COMPLETION

maralo inc.

REEVES , WEST QUEEN FIELD

LEA COUNTY, NEW MEXICO

ISOPACH MAP

QUEEN SS POROSITY

POROSITY ≥6%

CONTOUR INTERVAL 5'

SCALE : 1" = 2,000'   C. S. L.   12/'96

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11655 Exhibit No. 4

Submitted by: Maralo, Inc.

Hearing Date: November 21, 1996

LARGE FORMAT EXHIBIT HAS BEEN REMOVED AND IS LOCATED IN THE NEXT FILE

ESTIMATED TOTAL RECOVERABLE RESERVES

<u>MARALO SV "16" ST. #1</u>

I. By P/Z Plot

a) P* (initial) = 474 psia

b) P* (current) = 212 psia

c) Flowing gradient run 10/18/96 shows bottom-hole flowing pressure of 58 psi.

Assuming 50 psi abandonment pressure, by attached P/z vs. Cum graph,
Ultimate Cumulative Production = <u>162 MMCF</u>

II. By Decline Curve

Assumptions:

a) Constant lease operating expense (by 1996 actual) = $1500/mo.

b) Constant gas price (1996 average after taxes) = $1.11/MCF

c) Production decline rate (by attached curve) = 50%

d) Net revenue interest (actual) = 80%

By attached economic analysis -
Ultimate Cumulative Production = <u>200 MMCF</u>

<u>MITCHELL ENERGY MILKY WAY ST. #1</u>

I. By P/Z Plot

No Data Available

II. By Decline Curve

Assumptions:

a) Constant lease operating expense = $1500/mo.

b) Constant gas price (after taxes) = $1.11/MCF

c) Production decline rate (by attached curve) = 68%

d) Net revenue interest = 80%

By attached economic analysis -
Ultimate Cumulative Production = <u>416.5 MMCF</u>

recresv.eva

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11655 Exhibit No. 6

Submitted by: Maralo, Inc.

Hearing Date: November 21, 1996

ECONOMICS OF DRILLING NEW
QUEEN SAND WELL
REEVES WEST (QUEEN) FIELD

I. Case I. - Maralo SV "16" St. #1 - Type Well

Assumptions:
a) Gas Price - $1.11/MCF
b) Lease Operating Expense - $1500/month
c) Net Revenue Interest - 80%
d) Initial Gas Rate - 442 MCFPD
e) Production Decline Rate - 50% per year
f) Drilling and Completion Cost - $297,450

Results:
a) Ultimate Recovery - 200 MMCF
b) Payout - NA
c) Return on Investment - 0.42

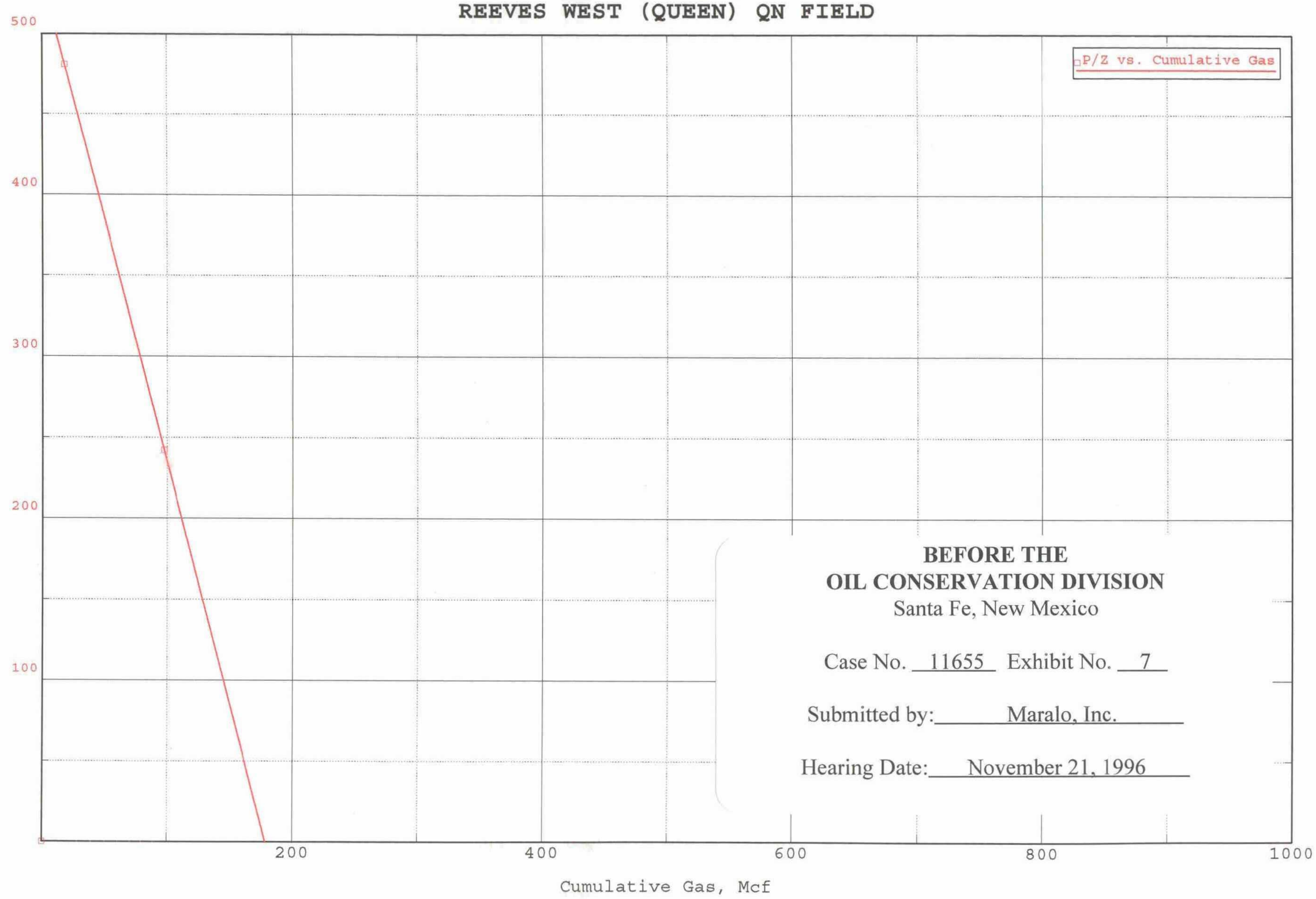
II. Case II. - Milky Way State #1 - Type Well

Assumptions:
a) Gas Price - $1.11/MCF
b) Lease Operating Expense - $1500/month
c) Net Revenue Interest - 80%
d) Initial Gas Rate - 1,067 MCFPD
e) Production Decline Rate - 55%
f) Drilling and Completion Cost - $297,450

Results:
a) Ultimate Recovery - 455 MMCF
b) Payout - 2 years
c) Return on Investment - 1.14

economic.eva

MARALO SV 16 STATE 1
LEA COUNTY, NM
REEVES WEST (QUEEN) QN FIELD



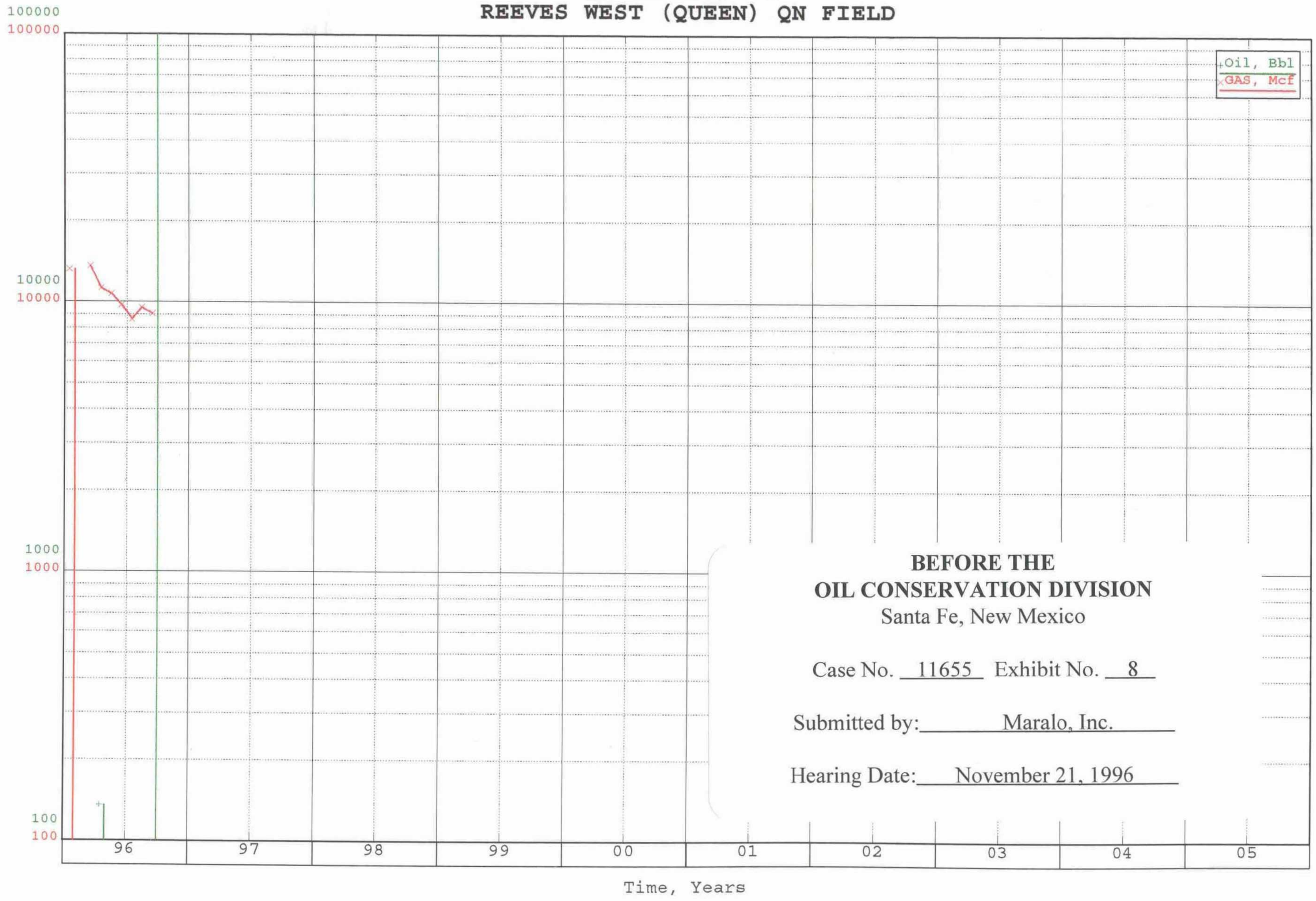
BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11655 Exhibit No. 7

Submitted by: Maralo, Inc.

Hearing Date: November 21, 1996

MARALO SV 16 STATE 1
LEA COUNTY, NM
REEVES WEST (QUEEN) QN FIELD



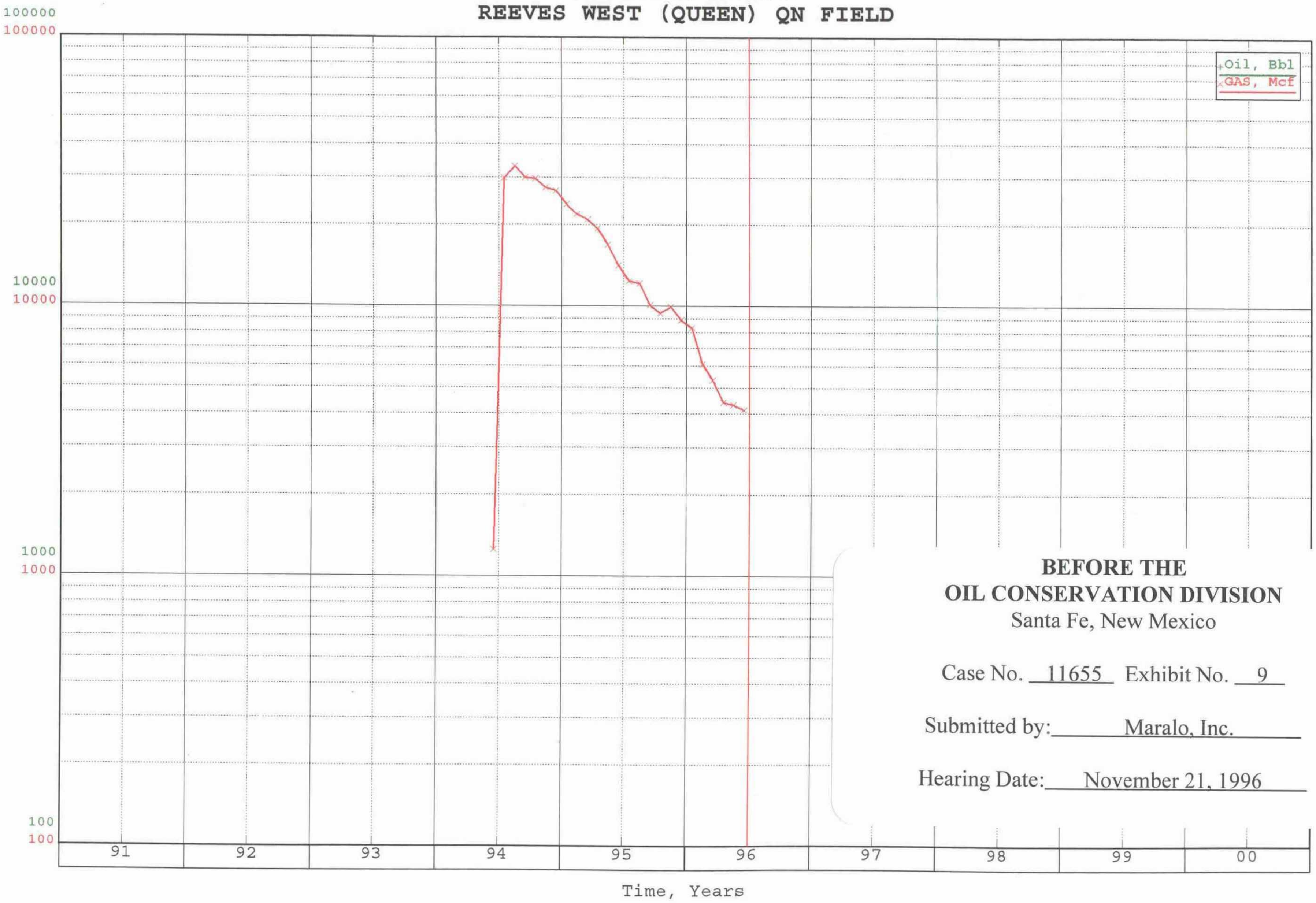
BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11655 Exhibit No. 8

Submitted by: Maralo, Inc.

Hearing Date: November 21, 1996

MILKY WAY STATE 1
MITCHELL ENERGY
REEVES WEST (QUEEN) QN FIELD



BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11655 Exhibit No. 9

Submitted by: Maralo, Inc.

Hearing Date: November 21, 1996

MARALO INC. AFE

WELL Maralo S V State "16" #3 PRO.DEPTH 4700' PROSPECT Reeves West DATE 11/6/96

CO Lea STATE NM LOCATION 990' FSL & 1980' FEL, Sec 16, T-18-S, R-35-E

FM Queen FIELD Reeves West (Queen) AFE #

WELL COST INTANGIBLES	240-XXX CODE	COMPLETED	DRY HOLE
LOCATION, ROADWAY, DAMAGES	001	16500	16500
RIG MOBLIZATION	002	0	0
DRILLING: FTG 4700' @ $ 13.00 /FT	003	61100	61100
DAYWORK 2 @ $ 4500 /DAY	004	9000	9000
TURNKEY	018	0	0
FUEL & WATER	005	7000	7000
MUD & CHEMICALS	006	4000	4000
CEMENT & CEMENTING SERV ICES	007	15000	15000
CORING, DST, TEMPERATURE SURVEY	008	1000	1000
ELECTRICAL LOGGING + MUD LOGGING	009	12500	12500
PERFORATING-ACIDIZING-FRACTURING	010	45000	0
SPECIAL SERVICES, (INSPECTION, RENTAL)	011	6000	3000
SERVICE UNIT	012	7200	0
SUPPLIES (BIT, REAMERS, ETC)	013	5000	2000
SUPERVISION	014	6000	3000
TRUCKING & IDC LABOR	015	10000	5000
LOCATION CLEANUP	016	3000	4000
LEGAL	019	3000	3000
ABANDONMENT COSTS	025	0	3000
ADMINISTRATIVE OVERHEAD	040	5000	3000
MISC AND 10% CONTINGENCY	017	21600	15200
TOTAL WELL INTANGIBLE		237900	167300
TANGIBLES - WELL EQUIPMENT	230-XXX CODE		
WELLHEAD ASSEMBLY	001	3500	2000
CASING:	002	29450	9450
CONDUCTOR "OD '$			
SURFACE 8 5/8 "OD 1030 '$ 9,450			
1ST INTERMEDIATE "OD '$			
2ND INTERMEDIATE "OD '$			
PRODUCTION 4 1/2 "OD 4700 '$ 20,000			
TUBING: 2 3/8 "OD 4700 '$ 12,100	003	12100	0
PACKERS, DOWNHOLE PUMPS, ETC	004	3000	0
SURFACE PUMP EQ & POWER SUPPLY	005	0	0
SUCKER RODS	006	0	0
TOTAL WELL TANGIBLES		48050	11450
TANGIBLES-PRODUCTION & LEASE FACILITIES	230-XXX CODE		
STORAGE TANKS	010	0	0
FLUID - GAS SEPARATION EQUIPMENT	011	2500	0
LACT UNITS & GAS FLOW METERS	012	2000	0
MISCELLANEOUS CONTROLLABLE EQUIPMENT	013	1000	0
FLOW LINE & LINE PIPE	014	2000	0
MISC SMALL VALVES & FITTINGS	015	1500	0
LABOR TO INSTALL FACILITIES	016	1500	0
MISCELLANEOUS NON-CONTROLLABLE EQUIPMENT	017	1000	0
TOTAL FACILITY TANGIBLES		11500	0
TOTAL TANGIBLES		59550	11450
TOTAL EXPENDITURE		297450	178750

COMPANY ______ MARALO INC

BY: ______ DATE: ______ BY: ______ DATE: ______

APPROVED: ______ DISAPPROVED: ______ W.I. ______ APPROVED: ______ DISAPPROVED: ______ W.I. ______

SVST16#3.AFE 6.1

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11655 Exhibit No. 10

Submitted by: Maralo, Inc.

Hearing Date: November 21, 1996

MILKY [illegible] STATE 1
LEA COUNTY, NM
REEVES WEST (QUEEN) QN FIELD
MITCHELL ENERGY

DATE: 11/18/96
TIME: 17:27:59
FILE: SV
GET#: 2

RESERVES AND ECONOMICS

QUEEN RESERVOIR

AS OF DECEMBER 1, 1996

-END-	---GROSS PRODUCTION---		----NET PRODUCTION----		--PRICES---		--------OPERATIONS, M$--------					10.00 PCT
MO-YR	OIL, MBBL	GAS, MMCF	OIL, MBBL	GAS, MMCF	OIL $/B	GAS $/M	NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	CUM. DISC BTAX, M$
12-96	.000	.000	.000	.000	.00	1.11	.000	.000	.000	.000	.000	.000
12-97	.000	25.758	.000	20.606	.00	1.11	22.873	.000	14.142	.000	8.731	8.346
12-98												
12-99												
12- 0												
12- 1												
12- 2												
12- 3												
12- 4												
12- 5												
12- 6												
12- 7												
12- 8												
12- 9												
12-10												
S TOT	.000	25.758	.000	20.606	.00	1.11	22.873	.000	14.142	.000	8.731	8.346
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	8.346
TOTAL	.000	25.758	.000	20.606	.00	1.11	22.873	.000	14.142	.000	8.731	8.346

CUM.	.000	390.788
ULT.	.000	416.546

NET OIL REVENUES (M$)	.000
NET GAS REVENUES (M$)	22.873
TOTAL REVENUES (M$)	22.873

BTAX RATE OF RETURN (PCT)	100.00
BTAX PAYOUT YEARS	.08
BTAX PAYOUT YEARS (DISC)	.08
BTAX NET INCOME/INVEST	.00
BTAX NET INCOME/INVEST (DISC)	.00
INITIAL W.I. FRACTION	1.000000
FINAL W.I. FRACTION	1.000000
PRODUCTION START DATE	1- 1-97
MONTHS IN FIRST LINE	1.00

PROJECT LIFE (YEARS)	.869
DISCOUNT RATE (PCT)	10.000
GROSS OIL WELLS	.000
GROSS GAS WELLS	1.000
GROSS WELLS	1.000
INITIAL NET OIL FRACTION	.000000
FINAL NET OIL FRACTION	.000000
INITIAL NET GAS FRACTION	.800000
FINAL NET GAS FRACTION	.800000

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	8.731	30.0	7.719
2.0	8.649	35.0	7.586
5.0	8.531	40.0	7.460
8.0	8.418	45.0	7.341
10.0	8.346	50.0	7.229
12.0	8.275	60.0	7.020
15.0	8.173	70.0	6.831
18.0	8.075	80.0	6.658
20.0	8.012	90.0	6.500
25.0	7.861	100.0	6.354

$297.45M D&C

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11655 Exhibit No. 11

Submitted by: Maralo, Inc.

Hearing Date: November 21, 1996

OGRE(R) V1.40 BTAX — DATA REPORT — DATE: 11/18/96

FILE NAME: SV (2) — TIME: 17:27:59

CASE NAME: NMREEVES WEST (QUEEN) QN MARALO SV 16 STATE 1 16L 18S 35E QUEEN

CMD NAME: STDE2756(300)

101 MILKY WAY STATE 1
102 LEA COUNTY, NM
103 REEVES WEST (QUEEN) QN FIELD
104 MITCHELL ENERGY
105 QUEEN RESERVOIR

117 CASE $COM
* 120 12 96 12 12 1 96 10 1

	W.I. FRACTION	OP. COST ($/W/MO)	OP. COST ($/MO.)	ADV. TAX (PCT)	MAJOR PH. NAME	PROD DATE (MO/DY/YR)
210	1.00000000	1500.00	.00	.000	GAS	1/ 1/97

	PHASE NAME	CUM PROD (MUNITS)	REV. INT FRACTION	PRICE ($/UNIT)	SEV. TAX (PCT)	NO. OF WELLS	RATIO TO MAJOR PH
222	GAS	390.788	.80000000	1.110	.000	1.0	

	PH. NAME	CURVE TP	DECLINE%	QI RATE	QT RATE	CUM. LIMIT		(M OR Y)	CALC VALUE	
410	GAS	EXP	68.000	4135.000	EL	X	X	M		
CALC	GAS	EXP	END= 68.000	4135.000	1689.189	.869	YRS	M	416.546	MMCF

FOOTNOTES:

901 $297.45M D&C

MARALO SV 16 STATE 3
LEA COUNTY, NM
REEVES WEST (QUEEN) QN FIELD
MARALO INC

DATE: 11/18/96
TIME: 16:01:47
FILE: SV
GET#: 2

RESERVES AND ECONOMICS

QUEEN RESERVOIR

AS OF DECEMBER 1, 1996

	---GROSS PRODUCTION---		----NET PRODUCTION----		--PRICES---		--------OPERATIONS, M$--------					10.00 PCT
-END- MO-YR	OIL, MBBL	GAS, MMCF	OIL, MBBL	GAS, MMCF	OIL $/B	GAS $/M	NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	CUM. DISC BTAX, M$
12-96	.000	.000	.000	.000	.00	1.11	.000	.000	.000	297.450	-297.450	-297.450
12-97	.000	114.694	.000	91.755	.00	1.11	101.848	.000	18.000	.000	83.848	-218.107
12-98	.000	57.347	.000	45.878	.00	1.11	50.925	.000	18.000	.000	32.925	-189.783
12-99	.000	28.104	.000	22.483	.00	1.11	24.956	.000	17.489	.000	7.467	-183.936
12- 0												
12- 1												
12- 2												
12- 3												
12- 4												
12- 5												
12- 6												
12- 7												
12- 8												
12- 9												
12-10												
S TOT	.000	200.145	.000	160.116	.00	1.11	177.729	.000	53.489	297.450	-173.210	-183.936
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	-183.936
TOTAL	.000	200.145	.000	160.116	.00	1.11	177.729	.000	53.489	297.450	-173.210	-183.936

CUM.	.000	.000
ULT.	.000	200.145

NET OIL REVENUES (M$)	.000
NET GAS REVENUES (M$)	177.729
TOTAL REVENUES (M$)	177.729

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	-173.210	30.0	-199.683
2.0	-175.558	35.0	-202.788
5.0	-178.879	40.0	-205.641
8.0	-181.979	45.0	-208.275
10.0	-183.936	50.0	-210.711
12.0	-185.809	60.0	-215.080
15.0	-188.476	70.0	-218.889
18.0	-190.983	80.0	-222.238
20.0	-192.574	90.0	-225.212
25.0	-196.293	100.0	-227.870

BTAX RATE OF RETURN (PCT)	.00	PROJECT LIFE (YEARS)	3.055
BTAX PAYOUT YEARS	3.05	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT YEARS (DISC)	3.05	GROSS OIL WELLS	.000
BTAX NET INCOME/INVEST	.42	GROSS GAS WELLS	1.000
BTAX NET INCOME/INVEST (DISC)	.38	GROSS WELLS	1.000
INITIAL W.I. FRACTION	1.000000	INITIAL NET OIL FRACTION	.000000
FINAL W.I. FRACTION	1.000000	FINAL NET OIL FRACTION	.000000
PRODUCTION START DATE	1- 1-97	INITIAL NET GAS FRACTION	.800000
MONTHS IN FIRST LINE	1.00	FINAL NET GAS FRACTION	.800000

$297.45M D&C

OGRÉ(R) V1.40 BTAX DATA REPORT DATE: 11/18/96
FILE NAME: SV (2) TIME: 16:01:47
CASE NAME: NMREEVES WEST (QUEEN) QN MARALO SV 16 STATE 1 16L 18S 35E QUEEN
CMD NAME: STDE0144(300)

101 MARALO SV 16 STATE 3
102 LEA COUNTY, NM
103 REEVES WEST (QUEEN) QN FIELD
104 MARALO INC
105 QUEEN RESERVOIR

117 CASE $COM
* 120 12 96 12 12 1 96 10 1

	W.I. FRACTION	OP. COST ($/W/MO)	OP. COST ($/MO.)	ADV. TAX (PCT)	MAJOR PH. NAME	PROD DATE (MO/DY/YR)
210	1.00000000	1500.00	.00	.000	GAS	1/ 1/97

	PHASE NAME	CUM PROD (MUNITS)	REV. INT FRACTION	PRICE ($/UNIT)	SEV. TAX (PCT)	NO. OF WELLS	RATIO TO MAJOR PH
222	GAS	.000	.80000000	1.110	.000	1.0	

	PH. NAME	CURVE TP	DECLINE%	QI RATE	QT RATE	CUM. LIMIT		(M OR Y)	CALC VALUE	
410	GAS	EXP	50.000	13250.000	EL	X	X	M		
CALC	GAS	EXP	END= 50.000	13250.000	1689.189	3.055	YRS	M	200.145	MMCF

	INV NAME	INV. POINT		(G OR N)	TANG-M$	INTANG-M$	LSEHLD-M$	RISK FRAC	OVHD FLAG
805	INVEST	-1.000	MOS	G	59.550	237.900	.000		

FOOTNOTES:
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901 $297.45M D&C

MARALO SV 16 STATE 3
LEA COUNTY, NM
REEVES WEST (QUEEN) QN FIELD
MARALO INC

DATE: 11/18/96
TIME: 16:06:41
FILE: SV
GET#: 2

R E S E R V E S A N D E C O N O M I C S

QUEEN RESERVOIR

AS OF DECEMBER 1, 1996

-END- MO-YR	GROSS PRODUCTION OIL, MBBL	GROSS PRODUCTION GAS, MMCF	NET PRODUCTION OIL, MBBL	NET PRODUCTION GAS, MMCF	PRICES OIL $/B	PRICES GAS $/M	OPERATIONS, M$ NET OPER REVENUES	OPERATIONS, M$ SEV+ADV TAXES	OPERATIONS, M$ NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-96	.000	.000	.000	.000	.00	1.11	.000	.000	.000	297.450	-297.450	-297.450
12-97	.000	264.493	.000	211.594	.00	1.11	234.869	.000	18.000	.000	216.869	-92.232
12-98	.000	119.022	.000	95.218	.00	1.11	105.692	.000	18.000	.000	87.692	-16.795
12-99	.000	53.560	.000	42.848	.00	1.11	47.561	.000	18.000	.000	29.561	6.323
12- 0	.000	18.437	.000	14.750	.00	1.11	16.373	.000	12.307	.000	4.066	9.257
12- 1												
12- 2												
12- 3												
12- 4												
12- 5												
12- 6												
12- 7												
12- 8												
12- 9												
12-10												
S TOT	.000	455.512	.000	364.410	.00	1.11	404.495	.000	66.307	297.450	40.738	9.257
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	9.257
TOTAL	.000	455.512	.000	364.410	.00	1.11	404.495	.000	66.307	297.450	40.738	9.257

	OIL	GAS
CUM.	.000	.000
ULT.	.000	455.512

NET OIL REVENUES (M$)	.000
NET GAS REVENUES (M$)	404.495
TOTAL REVENUES (M$)	404.495

BTAX RATE OF RETURN (PCT)	13.48
BTAX PAYOUT YEARS	2.00
BTAX PAYOUT YEARS (DISC)	2.81
BTAX NET INCOME/INVEST	1.14
BTAX NET INCOME/INVEST (DISC)	1.03
INITIAL W.I. FRACTION	1.000000
FINAL W.I. FRACTION	1.000000
PRODUCTION START DATE	1- 1-97
MONTHS IN FIRST LINE	1.00

PROJECT LIFE (YEARS)	3.767
DISCOUNT RATE (PCT)	10.000
GROSS OIL WELLS	.000
GROSS GAS WELLS	1.000
GROSS WELLS	1.000
INITIAL NET OIL FRACTION	.000000
FINAL NET OIL FRACTION	.000000
INITIAL NET GAS FRACTION	.800000
FINAL NET GAS FRACTION	.800000

PRESENT WORTH PROFILE

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	40.738	30.0	-36.063
2.0	33.805	35.0	-44.872
5.0	24.039	40.0	-52.931
8.0	14.961	45.0	-60.335
10.0	9.257	50.0	-67.162
12.0	3.810	60.0	-79.340
15.0	-3.918	70.0	-89.885
18.0	-11.157	80.0	-99.115
20.0	-15.735	90.0	-107.268
25.0	-26.397	100.0	-114.525

$297.45M D&C

OGRE(R) V1.40 BTAX — DATA REPORT — DATE: 11/18/96
FILE NAME: SV (2) — TIME: 16:06:41
CASE NAME: NMREEVES WEST (QUEEN) QN — MARALO SV 16 STATE — 1 16L 18S 35E QUEEN
CMD NAME: STDM0638(300)

101 MARALO SV 16 STATE 3
102 LEA COUNTY, NM
103 REEVES WEST (QUEEN) QN FIELD
104 MARALO INC
105 QUEEN RESERVOIR

117 CASE $COM
* 120 12 96 12 12 1 96 10 1

	W.I. FRACTION	OP. COST ($/W/MO)	OP. COST ($/MO.)	ADV. TAX (PCT)	MAJOR PH. NAME	PROD DATE (MO/DY/YR)
210	1.00000000	1500.00	.00	.000	GAS	1/ 1/97

	PHASE NAME	CUM PROD (MUNITS)	REV. INT FRACTION	PRICE ($/UNIT)	SEV. TAX (PCT)	NO. OF WELLS	RATIO TO MAJOR PH
222	GAS	.000	.80000000	1.110	.000	1.0	

	PH. NAME	CURVE TP	DECLINE%	QI RATE	QT RATE	CUM. LIMIT		(M OR Y)	CALC VALUE	
410	GAS	EXP	55.000	32000.000	EL	X	X	M		
CALC	GAS	EXP	END= 55.000	32000.000	1689.189	3.767	YRS	M	455.512	MMCF

	INV NAME	INV. POINT		(G OR N)	TANG-M$	INTANG-M$	LSEHLD-M$	RISK FRAC	OVHD FLAG
805	INVEST	-1.000	MOS	G	59.550	237.900	.000		

FOOTNOTES:

901 $297.45M D&C

Dwight's Energydata Inc.
Rocky Mountain
New Mexico Oil

Run Date: 11/18/96
Published 10/96
(#150,025,0252934783750)

Operator:	**MARALO INC**		
Well/Lease Name:	**MARALO SV 16 STATE**	First Production Date:	**01/96**
Well #:	**1**	Last Production Date:	**06/96**
Location:	**16L 18S 35E**	Cum. Thru L. P. Date Oil:	**137**
State:	**NM**		
District:	**002**	Cum. Thru L. P. Date Gas:	**58,563**
County:	**LEA**		
Regulatory #:			
API #:	**30-025-2934700**	Upper Perforation:	**4,340**
Field:	**REEVES WEST (QUEEN) QN**	Lower Perforation:	**4,350**
Reservoir:	**QUEEN**		
Basin:	**PERMIAN BASIN**		
Gas Gatherer:	**WARRE**		
Liquid Gatherer:			
Status Date:			
Status:	**ACT**		

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11655 Exhibit No. 12

Submitted by: Maralo, Inc.

Hearing Date: November 21, 1996

Date MO/YR	Oil Prod BBLS	BBLS /Day	Cum. Oil Prod. BBLS	Gas Prod MCF	Cum. Gas MCF	GOR SCF/BBLS	Water	% Water	# of Wells	Days On	Allowables
01/96	2	0	2	13,244	13,244	6,622,000	182	98.91		31	
02/96	0	0	2	0	13,244		0			0	
03/96	0	0	2	13,628	26,872		49	100.00		0	
04/96	135	4	137	11,252	38,124	83,348	45	25.00		30	
05/96	0	0	137	10,713	48,837		78	100.00		0	
06/96	0	0	137	9,726	58,563		108	100.00		0	
07/96	0	0	137	0	58,563		0			0	
08/96	0	0	137	0	58,563		0			0	
09/96	0	0	137	0	58,563		0			0	
10/96	0	0	137	0	58,563		0			0	
11/96	0	0	137	0	58,563		0			0	
12/96	0	0	137	0	58,563		0			0	
Totals	137			58,563			462			61	

Year	Oil Prod BBLS	Gas Prod MCF	Water BBLS	# of Wells	Days On	Allowables
1996	137	58,563	462		61	

Operator:	MITCHELL ENERGY CORP		
Well/Lease Name:	MILKY WAY STATE	First Production Date:	06/94
Well #:	1	Last Production Date:	06/96
Location:	17I 18S 35E	Cum. Thru L. P. Date Oil:	12
State:	NM		
District:	002	Cum. Thru L. P. Date Gas:	390,788
County:	LEA		
Regulatory #:			
API #:	30-025-3094100	Upper Perforation:	4,327
Field:	REEVES WEST (QUEEN) QN	Lower Perforation:	4,339
Reservoir:	QUEEN		
Basin:	PERMIAN BASIN		
Gas Gatherer:	WARRE	Temperature Gradient:	1.115
Liquid Gatherer:	TEXAC		
Status Date:			
Status:	ACT		

Date MO/YR	Oil Prod BBLS	BBLS /Day	Cum. Oil Prod. BBLS	Gas Prod MCF	Cum. Gas MCF	YIELD BBLS/MMCF	Water	% Water	# of Wells	Days On	Allowables
01/96				8,321	366,467	0.00				31	
02/96				6,111	372,578	0.00				29	
03/96				5,325	377,903	0.00				31	
04/96				4,421	382,324	0.00				30	
05/96				4,329	386,653	0.00				31	
06/96				4,135	390,788	0.00				30	
07/96				0	390,788					0	
08/96				0	390,788					0	
09/96				0	390,788					0	
10/96				0	390,788					0	
11/96				0	390,788					0	
12/96				0	390,788					0	
Totals				32,642						182	

Year	Oil Prod BBLS	Gas Prod MCF	Water BBLS	# of Wells	Days On	Allowables
1994	8	178,061			187	
1995	4	180,085			365	
1996		32,642			182	