TECHNICAL REPORT

PART I

UNIT AREA, VERTICAL INTERVAL TO BE UNITIZED,

AND UNITIZATION PARAMETERS BY TRACT

FOR

THE PROPOSED

BLINEBRY-DRINKARD UNIT

LEA COUNTY, NEW MEXICO

DECEMBER 1985

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SECTION I.

INTRODUCTION

Formal unitization efforts were initiated in October 1984 to form the

proposed Blinebry-Drinkard Unit for the purpose of implementing a

waterflood program in the Drinkard Field, T21S, R37E, Lea County, New

Mexico. The first three items included in the Working Interest Owner's

"charge" to the Technical Committee were: 1) to define the optimum unit

area, 2) to determine the optimum vertical interval to be unitized, and

3) to develop specified unitization parameters by tract to be used in the

determination of a unit participation formula. This report documents the

Technical Committee's recommendations for the above three items. The

second part of the "charge" which consists of the detailed waterflood

plan and economics will be documented in a subsequent report.

SECTION II.

RECOMMENDATIONS

The Technical Committee recommends that the 5200 acre area located in T21S, R37E, Lea County, New Mexico, including all of Sections 2, 3, 10, 15, 22, and 23, and portions of Sections 4, 11, 14, and 24 be unitized for the purpose of implementing a waterflood program. This area consists of thirty-one leases or tracts. Section III of this report further discusses pertinent items concerning the hydrocarbon production within this area, and provides descriptions of the leases or tracts within the unit boundary.

The recommended vertical interval to be unitized should extend from 75 feet above the stratigraphic Blinebry marker to the top of the Abo. The subsurface pools located within the proposed unitized interval are those commonly known as the Blinebry Oil and Gas Pool, the Tubb Oil and Gas Pool, and the Drinkard Pool. The interval is more specifically defined in Section IV.

The Technical Committee further recommends that combined oil and combined gas production from these commingled pools described above be used as the basis for the unitization parameters. The individual tract parameters requested by the Working Interest Owners have been developed and are

included in Section V. One additional unitization parameter not requested by Working Interest Owners, but recommended by the Technical Committee to be included in the parameter tables is tract surface acreage, which is also described in Section V.

SECTION III.

PROPOSED UNITIZED AREA

The proposed Blinebry-Drinkard waterflood unit encompasses 5200 acres
in T21S, R37E, Lea County, New Mexico, including all of Sections 2, 3,
10, 15, 22, and 23 and portions of Sections 4, 11, 14, and 24. The
proposed unit consists of thirty-one separate tracts, as illustrated on
Figure 1. Table 1 summarizes the tract descriptions and operators. The
area included is bordered in part to the east by the proposed Conoco
operated East Blinebry Unit, to the southwest by the Chevron (formerly
Gulf) operated Central Drinkard Unit and to the west by the proposed Sun
operated North Drinkard Unit. These offsetting, existing or proposed
units are shown on Figures 2, 3, and 4.

The proposed unit includes developed acreage producing mainly from both
the Blinebry and Drinkard. Many tracts also have oil and/or gas
production from the Tubb. All of the acreage has at least one drainage
point per forty acres. Both Blinebry and Drinkard production extend
over the majority of the proposed Blinebry-Drinkard Unit area. Blinebry
production is found over the entire unit and Drinkard production is
found over ninety percent of the proposed unit area. The extent of
Blinebry, Tubb, and Drinkard production is illustrated on Figures 2, 3,
and 4, respectively. In contrast to the proposed unit, only Drinkard

production extends over the entire Central Drinkard Unit (Chevron) area, and mainly Blinebry production extends over the proposed East Blinebry Unit (Conoco) area.

With all three zones extending over the proposed unit area, as described above, there would not be a sufficient number of existing wellbores to form three separate units and flood each zone independently.

TABLE 1
PROPOSED
BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT DESCRIPTIONS

TRACT NO.	LEASE NAME	DESCRIPTION	OPERATOR
1	W. C. Hawk B-3	Lots 1,2,3,4,7,8,12 Sec. 3 & Lot 1 Sec. 4, T21S, R37E	Conoco, Inc.
2	State Sec. 2	Lots 3,4,5,6,13 Sec. 2 T21S, R37E	Southland Royalty
3	Harry Leonard	Lots 1,2,7,8,9,10,15,16, SE/4 Sec. 2, T21S, R37E	Chevron USA, Inc. (Gulf Oil Corp.)
4	Taylor-Glenn	Lots 5,6,9,10,11 Sec. 3 & Lot 8 Sec. 4, T21S, R37E	Shell Western E&P Inc.
5	C. H. Livingston	Lots 9,16 Sec. 4 & Lots 13,14, SW/4 SE/4, NE/4 SW/4 S/2 SW/4 Sec. 3, T21S, R37E	Shell Western E&P Inc.
6	J. C. Estlack	NW/4 SW/4 Sec. 3, T21S, R37E	Texaco, Inc.
7	W. C. Hawk B-3	Lots 15,16, N/2 SE/4, SE/4 SE/4 Sec. 3, T21S, R37E	Conoco, Inc.
8	State Sec. 2	Lots 11,12,14, SW/4 Sec. 2 T21S, R37E	Shell Western E&P Inc.
9	State Sec. 10	W/2 NW/4 Sec. 10, T21S, R37E	Conoco, Inc.
10	W. C. Hawk B-10	E/2 NW/4, W/2 NE/4, SE/4 NE/4 Sec. 10, T21S, R37E	Conoco, Inc.
11	Dauron	NE/4 NE/4 Sec. 10, T21S, R37E	Southland Royalty
12	NM V State	SW/4, W/2 SE/4, NE/4 SE/4 Sec. 10, T21S, R37E	Exxon Co., USA
13	Gutman	NW/4 SW/4 Sec. 11, T21S, R37E	Southland Royalty
14	J. H. Nolan	NE/4 SW/4 & S/2 SW/4 Sec. 11, T21S, R37E	Conoco, Inc.
15	State S	SE/4 SE/4 Sec. 10 & N/2 N/2 Sec. 15, T21S, R37E	Texaco, Inc. (Getty Oil)
16	State S	S/2 NW/4 Sec. 15, T21S, R37E	Cities Service
17	State Sec. 15	S/2 NE/4 Sec. 15, T21S, R37E	Shell Western E&P Inc.
18	Eva Owen	W/2 NW/4 Sec. 14, T21S, R37E	Bravo Energy
19	Andrews	E/2 NW/4 Sec. 14, T21S, R37E	Shell Western E&P Inc.
20	Argo	SW/4 Sec. 15, T21S, R37E	Shell Western E&P Inc.
21	L. G. Warlick	SE/4 Sec. 15, T21S, R37E	Marathon
22	O. R. Eubank	SW/4 Sec. 14, T21S, R37E	J. R. Cone
23	Argo A	NW/4 Sec. 22, T21S, R37E	Shell Western E&P Inc.
24	O. R. Eubank	NE/4 Sec. 22, T21S, R37E	Chevron USA, Inc. (Gulf Oil Corp.)
25	D. A. Williamson	NW/4 Sec. 23, T21S, R37E	Texaco, Inc. (Getty Oil)

TRACT NO.	LEASE NAME	DESCRIPTION	OPERATOR
26	Roy Barton	W/2 NE/4 & SE/4 NE/4 Sec. 23, T21S, R37E	Arco Oil & Gas Co.
27	D. A. Williamson	NE/4 NE/4 Sec. 23, T21S, R37E	Mobil Prod. TX & NM
28	A. J. Turner	S/2 Sec. 22, T21S, R37E	Shell Western E&P Inc.
29	S. J. Sarkeys	SW/4 Sec. 23, T21S, R37E	Shell Western E&P Inc.
30	S. J. Sarkeys	SE/4 Sec. 23, T21S, R37E	Arco Oil & Gas Co.
31	Stephens Estate	W/2 SW/4 Sec. 24, T21S, R37E	Mobil Prod. TX & NM
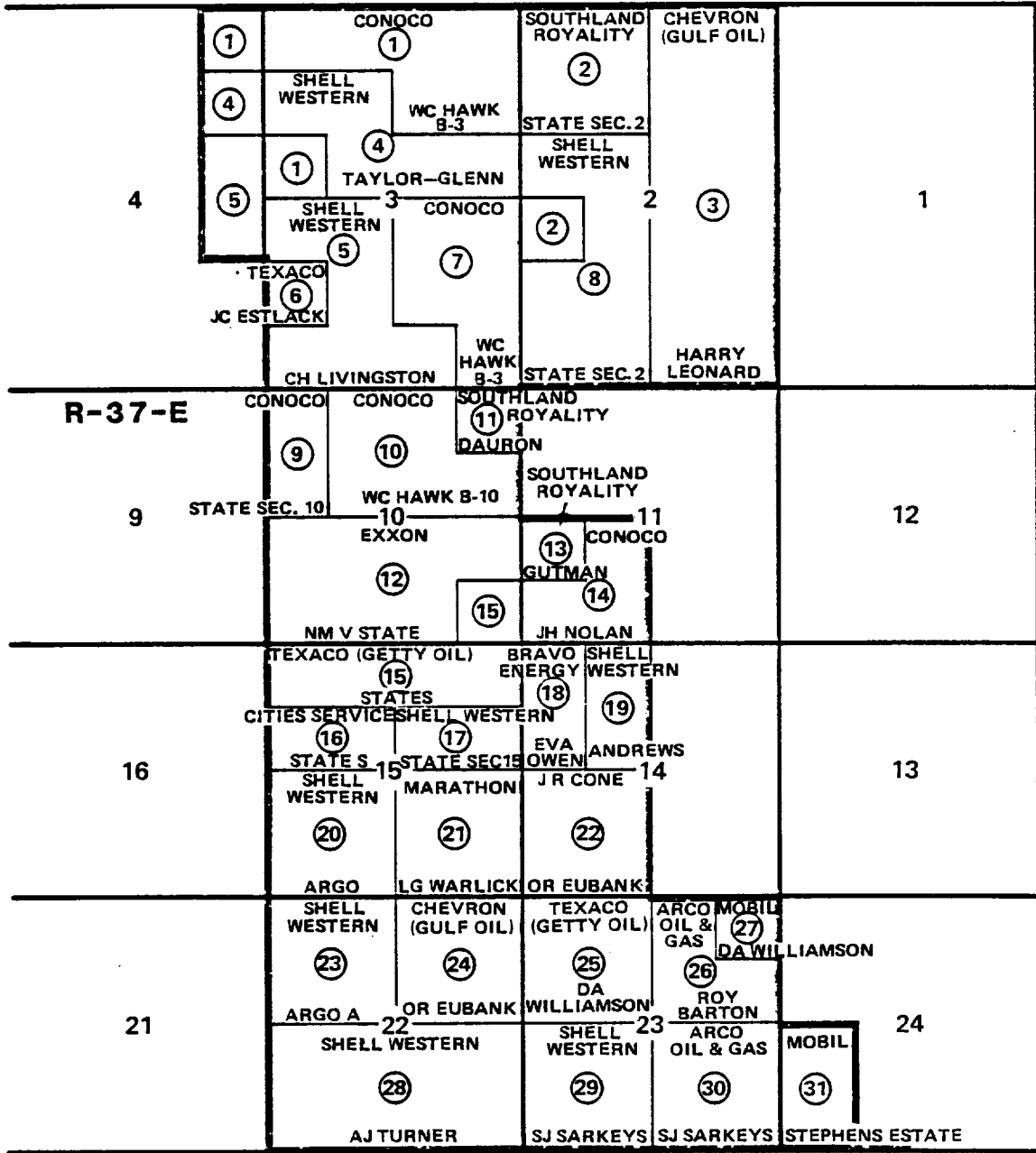
PROPOSED BLINEBRY — DRINKARD UNIT
LEA COUNTY, NEW MEXICO
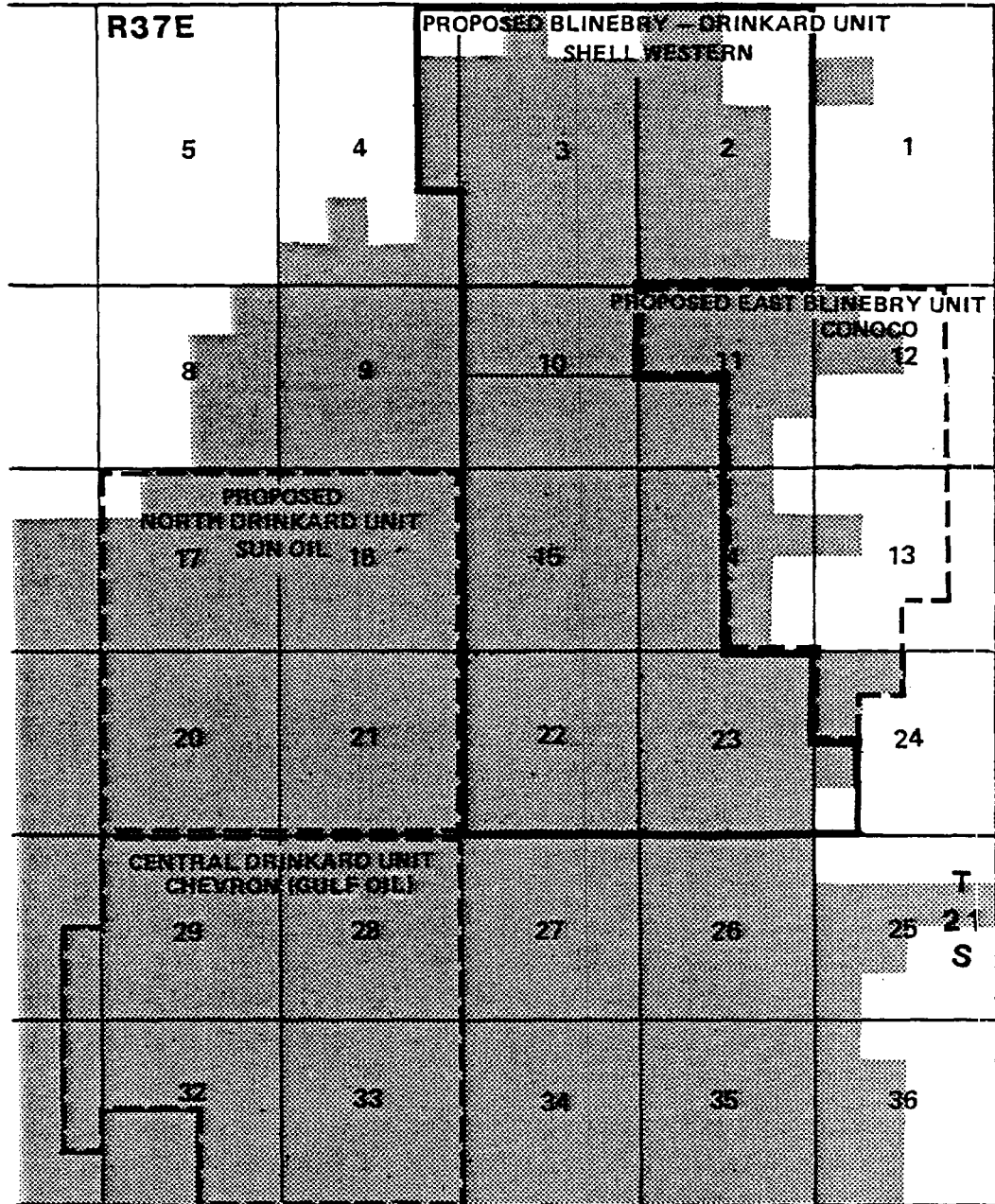TRACT MAP SHOWING OPERATORS
WITHIN PROPOSED UNIT BOUNDARIES
FIGURE 1
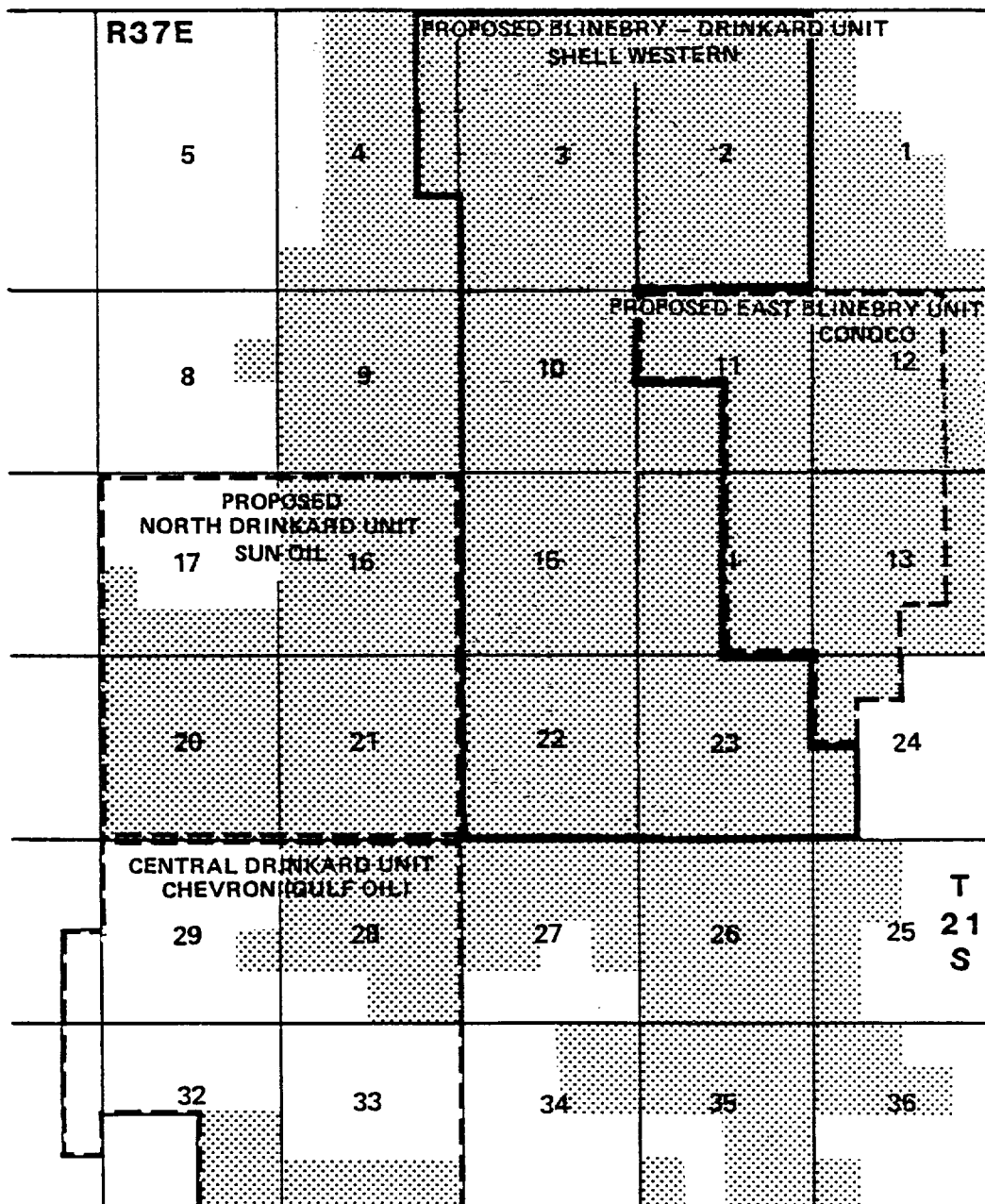
PROPOSED BLINEBRY — DRINKARD UNIT
LEA COUNTY, NEW MEXICO
EXISTING AND PROPOSED
UNIT LOCATIONS
FIGURE 2

EXTENT OF BLINEBRY
PRODUCTION
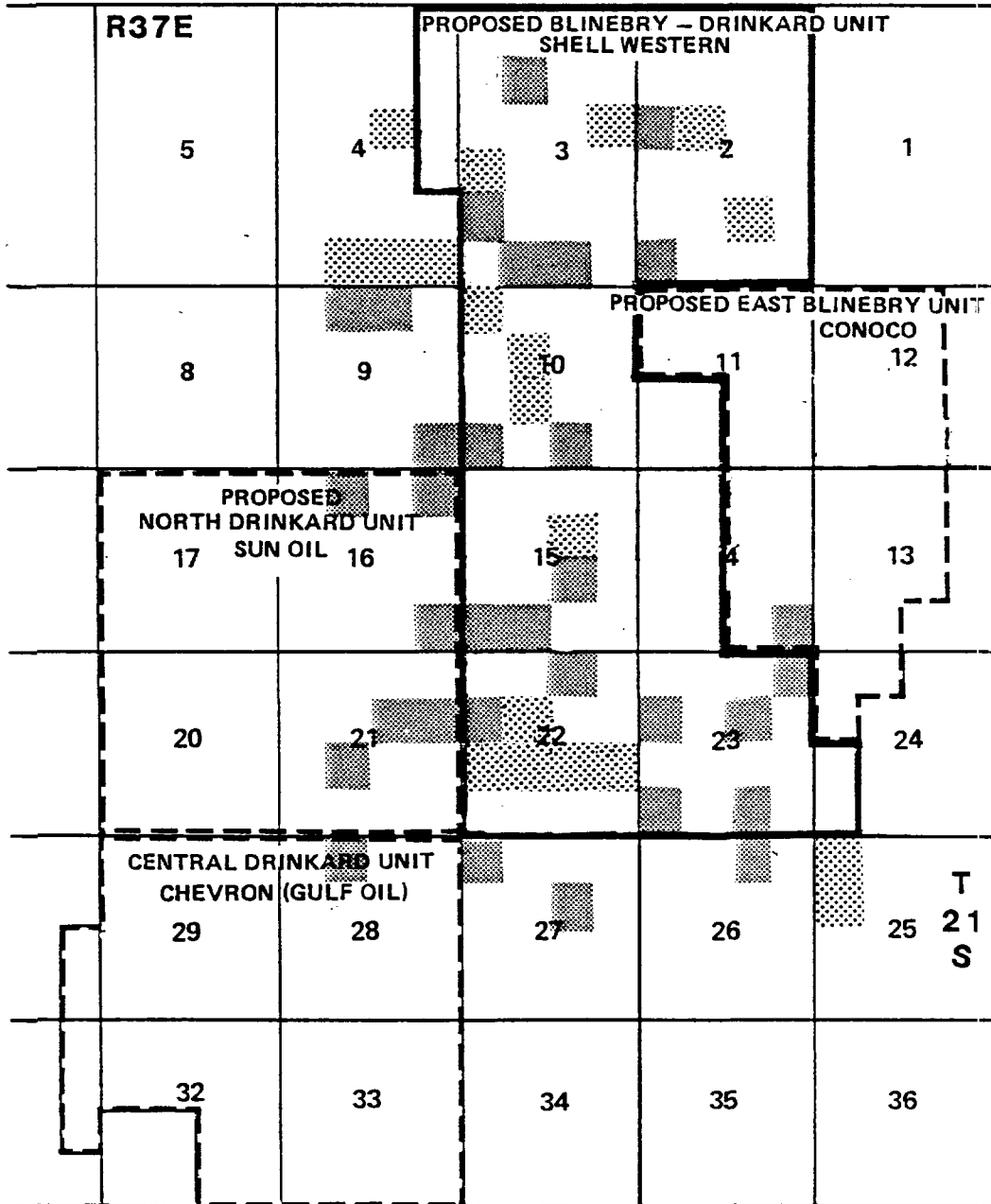
2VMC001538

PROPOSED BLINEBRY — DRINKARD UNIT
LEA COUNTY, NEW MEXICO
EXISTING AND PROPOSED
UNIT LOCATIONS
FIGURE 3

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PROPOSED BLINEBRY — DRINKARD UNIT
LEA COUNTY, NEW MEXICO
EXISTING AND PROPOSED
UNIT LOCATIONS
FIGURE 4

EXTENT OF DRINKARD PRODUCTION

SECTION IV.

PROPOSED UNITIZED INTERVAL

The vertical interval to be unitized in the proposed Blinebry-Drinkard
waterflood unit extends from 75' above the stratigraphic Blinebry marker
to the top of the Abo. The Blinebry marker has been defined by the New
Mexico Oil Conversation Commission (NMOCC) at 5438 feet below the surface
in Exxon State S #20, located in Section 2-T22N-R37E, Lea County, New
Mexico. The proposed unitized interval is that interval correlative to
that shown on the type log (Figure 5), from Shell Argo #8 located at
660' FSL and 2310' FWL, Section 15-T21S-R37E, from a depth of 5530 to
6680 feet below the surface.

This proposed unitized interval correlates to the top of the unitized
interval of the proposed East Blinebry Unit and to the base of the
unitized interval in the Central Drinkard Unit.

The inclusion of the Blinebry, Tubb, and Drinkard in a single unit is
without precedent in New Mexico. It is felt, however, that there are
economic advantages to forming a single unit encompassing the three
zones. The most significant is the efficient utilization of existing
wellbores which will result in an economic waterflood and maximize
production from formations above and below the unit as well as those
within it. Most likely, significant secondary reserves would not be
developed unless a combined waterflood unit is implemented.

BNBQ8528002

The Blinebry and Drinkard are stratigraphically equivalent to the Upper and Lower Clearfork respectively in West Texas. A long history of successful West Texas Clearfork waterfloods further support the viability of the combined unitized interval.
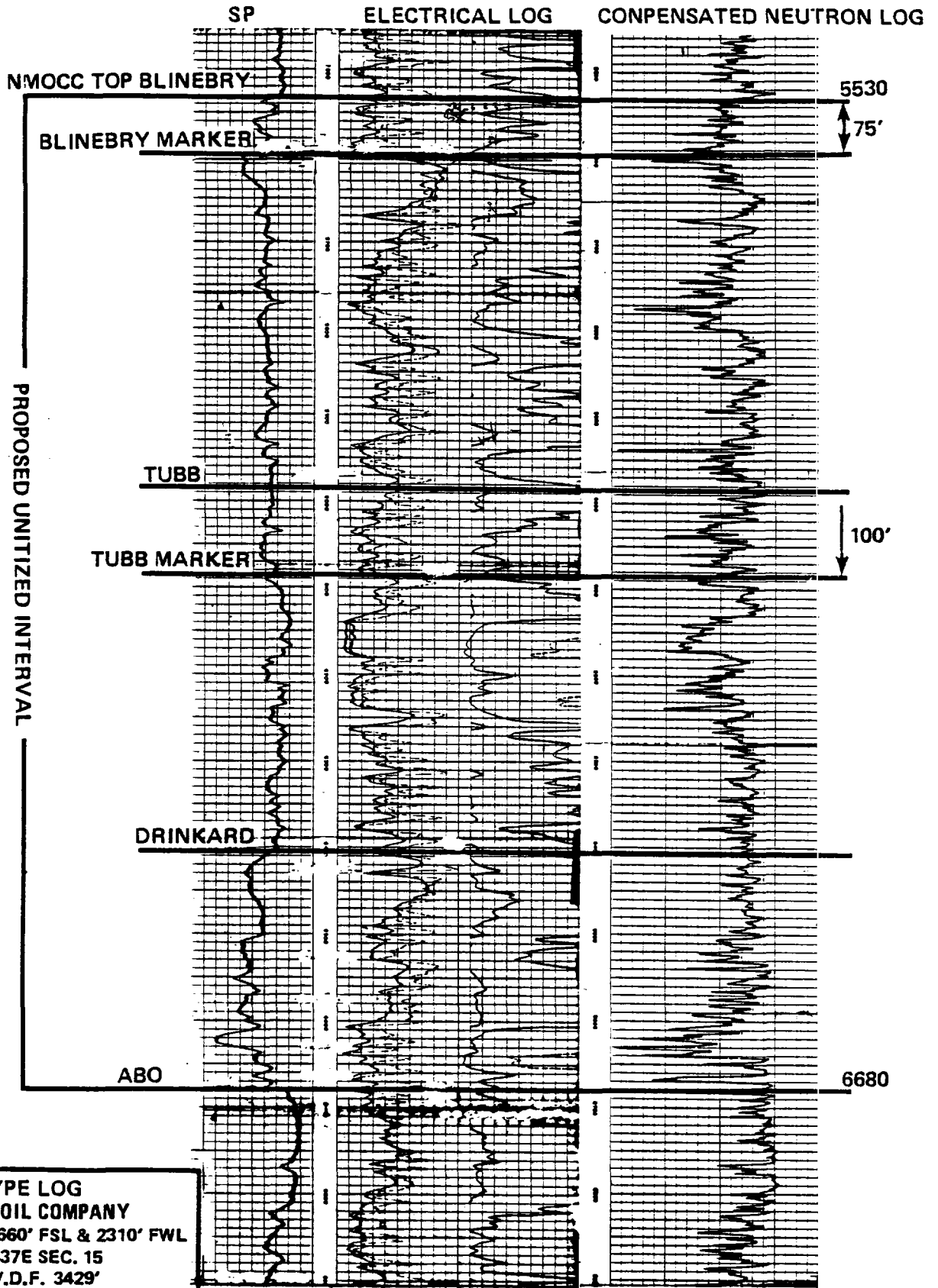
TYPE LOG
SHELL OIL COMPANY
ARGO NO. 8 660' FSL & 2310' FWL
21S—37E SEC. 15
ELEV.D.F. 3429'
LEA COUNTY, NEW MEXICO

2VMC001685

FIGURE 5

SECTION V.

UNITIZATION PARAMETERS

The individual tract parameter values developed by the Technical

Committee, with the exception of tract surface acreage, are based on the

combined oil and combined gas production from the subsurface pools

commonly known as the Blinebry Oil and Gas Pool, the Tubb Oil and Gas

Pool, and the Drinkard Pool. The specific parameters, requested in the

Working Interest Owner's "charge", and recommended by the Technical

Committee to be included in the parameter tables, are as follows:

o   Cumulative oil and gas production, by tract, from discovery to as

     recent as data are available.

o   Remaining primary oil and gas reserves, by tract, from the cutoff

     date established above to economic depletion.

o   Ultimate primary oil and gas production using appropriate

     combinations of the two items above.

o   "Current" oil and gas production, by tract, over an appropriate

     recent period.

An additional parameter, not requested in the Working Interest Owner's

"charge", but recommended by the Technical Committee to be included in

the parameter tables is as follows:

o   Surface acreage, by tract.

BNBQ8528002

The Technical Committee recommends that combined interval production be used to generate the production parameter values because past zonal allocation has been based on well tests taken many years ago prior to commingling. This long history of commingled production within the proposed unitized interval has involved all combinations; Blinebry and Tubb, Tubb and Drinkard, Blinebry and Drinkard. Due to the changing producing characteristics of the individual zones, the reported zonal production is not precise, whereas, on a total interval basis the produced volumes are accurate. The combined zone production approach ensures that an accurate estimate of each tract's ultimate recovery is determined as well as the strongly dependent prediction of secondary oil potential.

It is recommended that Dwight's Energydata, Inc. be the official source for the historical oil and gas production data. The following discusses the basis of each parameter included in the parameter tables.

Recommended Parameter Criteria

o   Cumulative oil and gas production was generated through May 31, 1985 with production data retrieved from Dwight's Energydata, Inc. May 1985 was the most recent date that data were available. All Blinebry, Tubb, and Drinkard production within each tract was retrieved for all current and past producing wells.

o   Remaining primary oil and gas reserves were both calculated using
    decline curve analysis. Separate oil and gas production rate
    versus time curves were generated for each tract utilizing the
    data retrieved from Dwight's. Because of common widespread rate
    fluctuations, initial oil and gas rate values for the calculation
    of remaining primary recoveries were determined by taking the
    arithmetic average of the most recent three months of oil
    production available for the initial oil rate, and the most recent
    twelve months of gas production available for the initial gas
    rate. The oil and gas economic limits were selected to be
    30 BOPM/well and 500 MCFPM/well, respectively. Individual tract
    economic limits were calculated based on the number of active
    producers. Tubb producers classified as gas wells in May 1985
    by the NMOCC were included only in the gas economic limit
    calculations. The decline factor was determined by performing a
    least squares fit through actual production data within a selected
    representative time interval. Occassional sporadic data points
    were eliminated, and the two adjacent rate values were averaged to
    improve the least squares fit for the decline factor calculation.
    The oil and gas production curves are included in Appendixes A and B,
    respectively.

o   Ultimate primary oil and gas production are the sum of the appro-
    priate combinations of the two items described above (cumulative
    production plus remaining primary reserves).

o   <u>"Current" oil and gas production</u> was selected to be the oil and gas volumes produced within the twelve month period from June 1, 1984 through May 31, 1985. Again, the production data used to determine "current" oil and gas production was retrieved from Dwight's Energydata, Inc.

o   <u>Surface acreage</u> is the area within each tract, measured in acres.

The oil and gas tract parameter values developed are shown in Tables 2 and 3, respectively.
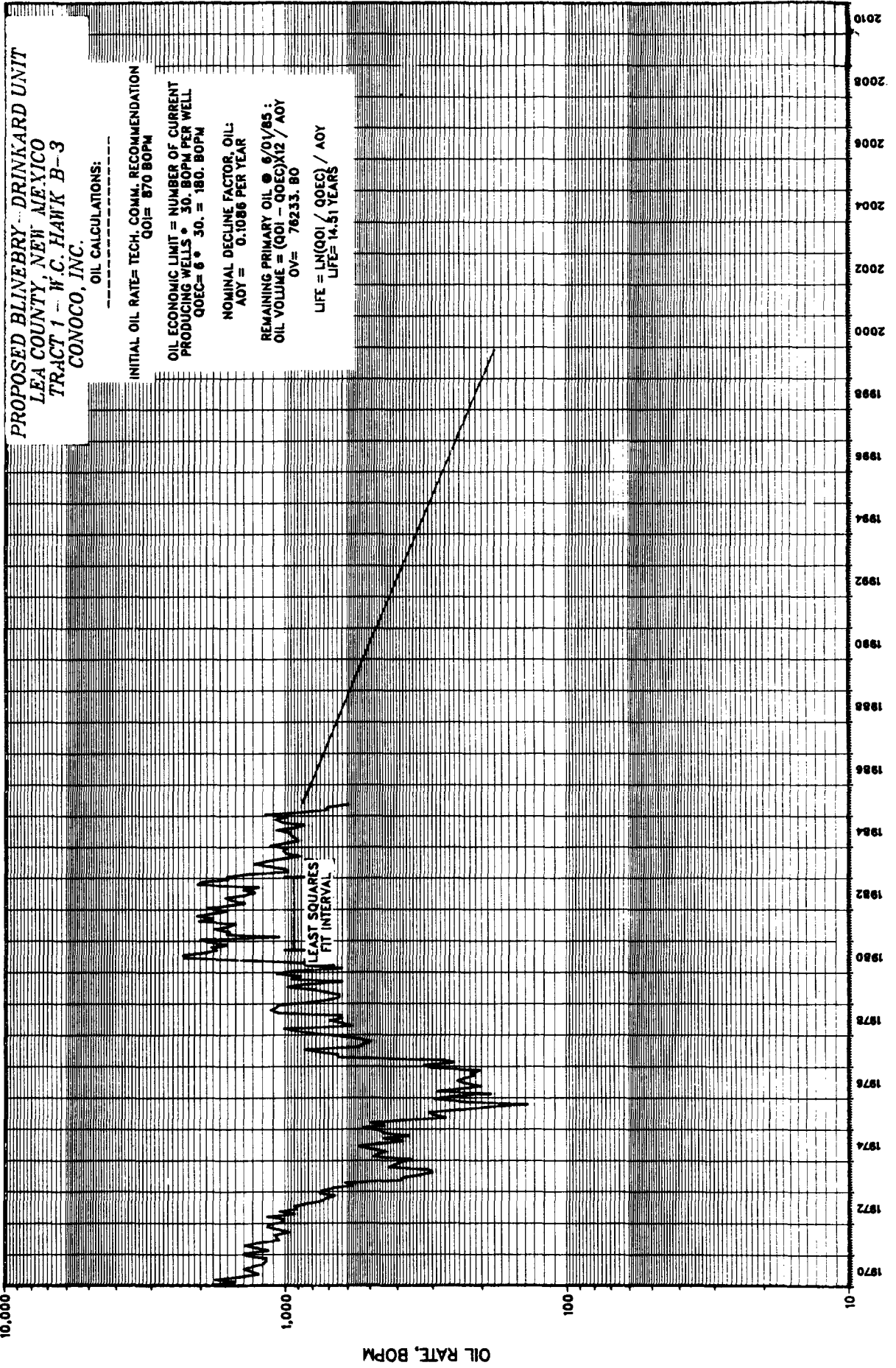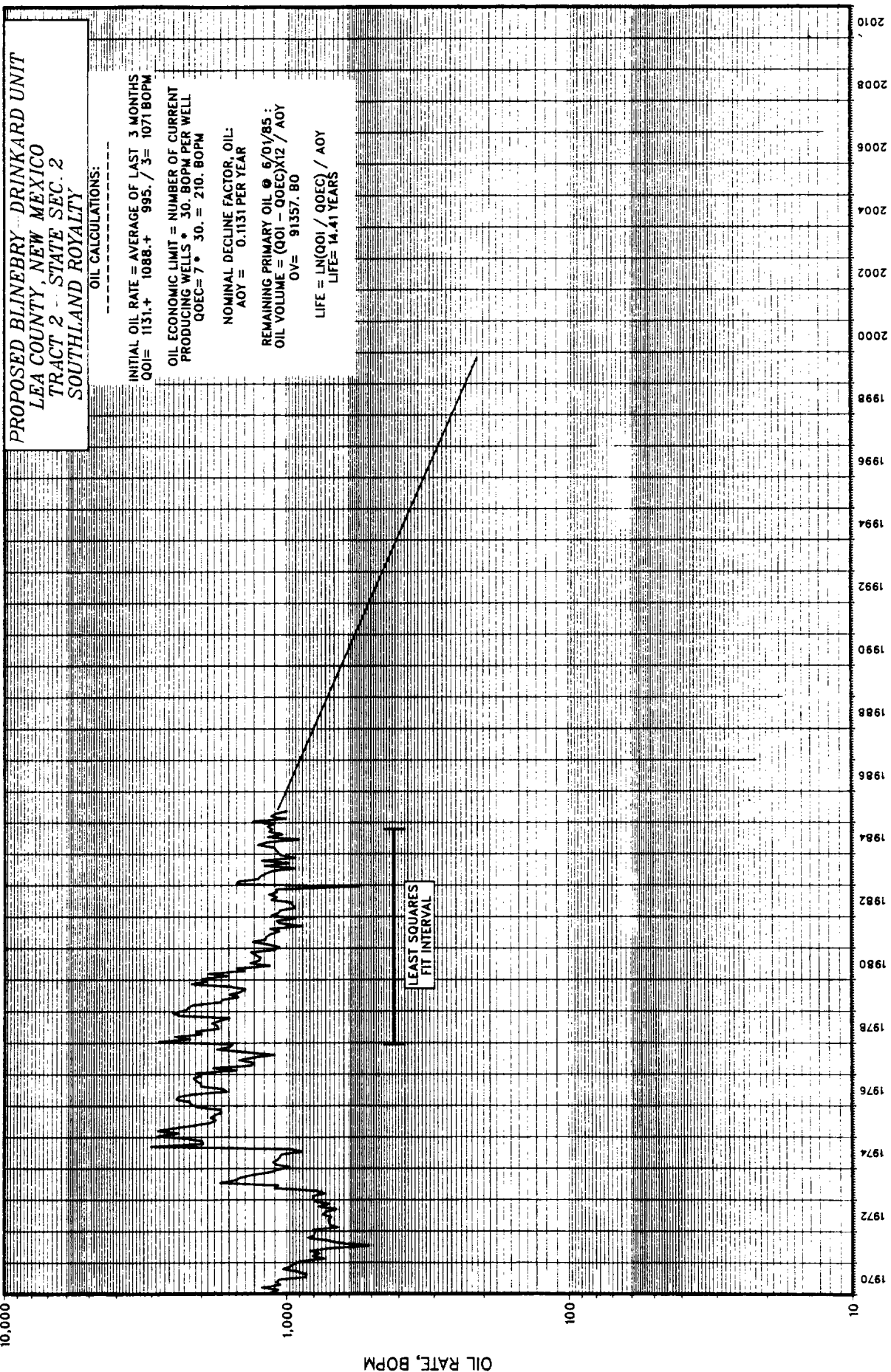
TABLE 2

PROPOSED
BLINEBRY-DRINKARD UNIT
UNITIZATION PARAMETERS

OIL VALUES

TRACT NUMBER	LEASE	OPERATOR	TRACT SURFACE AREA (ACRES)	CUMULATIVE OIL PRODUCTION THRU MAY 31, 1985 (STB)	REMAINING PRIMARY OIL RESERVES AFTER MAY 31, 1985 (STB)	ULTIMATE PRIMARY OIL RECOVERY (STB)	CURRENT OIL PRODUCTION, JUNE 1, 1984 - MAY 31, 1985 (STB)
1	W.C. HAWK B-3	CONOCO, INC.	320	888,281	76,233	964,514	10,992
2	STATE SEC. 2	SOUTHLAND ROYALTY	200	900,424	91,357	991,781	13,190
3	HARRY LEONARD	CHEVRON, USA, INC. (GULF OIL CORP.)	480	1,609,060	106,904	1,715,964	12,260
4	TAYLOR-GLENN	SHELL WESTERN E&P INC.	240	1,181,698	119,952	1,301,650	17,698
5	C.H. LIVINGSTON	SHELL WESTERN E&P INC.	320	2,160,104	162,300	2,322,404	20,192
6	J.C. ESTLACK	TEXACO, INC.	40	45,929	4,165	50,094	887
7	W.C. HAWK B-3	CONOCO, INC.	200	1,216,197	113,140	1,329,337	13,801
8	STATE SEC. 2	SHELL WESTERN E&P INC.	280	1,813,855	91,377	1,905,232	15,286
9	STATE SEC. 10	CONOCO, INC.	80	654,543	130,311	784,854	10,353
10	W.C. HAWK B-10	CONOCO, INC.	200	1,041,130	92,129	1,133,259	13,585
11	DAURON	SOUTHLAND ROYALTY	40	160,834	12,114	172,948	2,017
12	NM V STATE	EXXON CO., USA	280	1,274,727	71,005	1,345,732	4,984
13	GUTMAN	SOUTHLAND ROYALTY	40	179,495	43,240	222,735	3,469
14	J.H. NOLAN	CONOCO, INC.	120	692,520	70,618	763,138	8,230
15	STATE S	TEXACO, INC. (GETTY OIL)	200	1,024,988	95,518	1,120,506	10,332
16	STATE S	CITIES SERVICE	80	576,007	27,240	603,247	4,482
17	STATE SEC. 15	SHELL WESTERN E&P INC.	80	619,510	50,612	670,122	5,516
18D	EVA OWEN	BRAVO ENERGY	80	797,524	77,022	874,546	8,740
18T	EVA OWEN	BRAVO ENERGY		49,654	0	49,654	0
19	ANDREWS	SHELL WESTERN E&P INC.	80	464,556	48,474	513,030	4,439
20	ARGO	SHELL WESTERN E&P INC.	160	1,588,256	91,608	1,679,864	16,525
21	L.G. WARLICK	MARATHON	160	748,844	26,009	774,853	5,071
22	O.R. EUBANK	J.R. CONE	160	1,256,610	252,926	1,509,536	20,129
23	ARGO A	SHELL WESTERN E&P INC.	160	1,225,608	89,267	1,314,875	13,940
24	O.R. EUBANK	CHEVRON, USA, INC. (GULF OIL CORP.)	160	810,852	4,900	815,752	2,761
25	D.A. WILLIAMSON	TEXACO, INC. (GETTY OIL)	160	667,249	51,622	718,871	7,194
26	ROY BARTON	ARCO OIL & GAS CO.	120	475,400	97,104	572,504	7,236
27	D.A. WILLIAMSON	MOBIL PROD. TX & NM	40	90,204	6,288	96,492	673
28	A.J. TURNER	SHELL WESTERN E&P INC.	320	1,730,263	99,898	1,830,161	13,983
29	S.J. SARKEYS	SHELL WESTERN E&P INC.	160	1,222,101	112,398	1,334,499	12,993
30	S.J. SARKEYS	ARCO OIL & GAS CO.	160	821,529	80,860	902,398	11,433
31	STEPHENS ESTATE	MOBIL PROD. TX & NM	80	145,700	0	145,700	79
			5,200	28,133,652	2,396,600	30,530,252	292,470

TABLE 3

PROPOSED
BLINEBRY-DRINKARD UNIT
UNITIZATION PARAMETERS

GAS VALUES

TRACT NUMBER	LEASE	OPERATOR	TRACT SURFACE AREA (ACRES)	CUMULATIVE GAS PRODUCTION THRU MAY 31, 1985 (MCF)	REMAINING PRIMARY GAS RESERVES AFTER MAY 31, 1985 (MCF)	ULTIMATE PRIMARY GAS RECOVERY (MCF)	CURRENT GAS PRODUCTION, JUNE 1, 1984 - MAY 31, 1985 (MCF)
1	W.C. HAWK B-3	CONOCO, INC.	320	8,412,864	855,481	9,268,345	113,933
2	STATE SEC. 2	SOUTHLAND ROYALTY	200	7,677,557	1,000,039	8,677,596	139,585
3	HARRY LEONARD	CHEVRON, USA, INC. (GULF OIL CORP.)	480	9,707,627	427,616	10,135,243	65,125
4	TAYLOR-GLENN	SHELL WESTERN E&P INC.	240	21,212,592	3,788,411	25,001,003	480,561
5	C.H. LIVINGSTON	SHELL WESTERN E&P INC.	320	28,568,182	6,308,096	34,876,278	555,282
6	J.C. ESTLACK	TEXACO, INC.	40	1,111,353	195,572	1,306,925	34,694
7	W.C. HAWK B-3	CONOCO, INC.	200	8,906,553	1,990,397	10,896,950	238,599
8	STATE SEC. 2	SHELL WESTERN E&P INC.	280	13,703,518	1,361,933	15,065,451	199,962
9	STATE SEC. 10	CONOCO, INC.	80	10,163,212	1,400,524	11,563,736	153,134
10	W.C. HAWK B-10	CONOCO, INC.	200	9,932,043	3,008,532	12,940,575	246,874
11	DAURON	SOUTHLAND ROYALTY	40	5,170,228	576,916	5,747,144	80,258
12	NM V STATE	EXXON CO., USA	280	15,223,779	1,421,850	16,645,629	146,935
13	GUTMAN	SOUTHLAND ROYALTY	40	4,895,847	1,403,019	6,298,866	132,998
14	J.H. NOLAN	CONOCO, INC.	120	9,025,076	1,331,658	10,356,734	188,314
15	STATE S	TEXACO, INC. (GETTY OIL)	200	23,204,492	2,092,263	25,296,755	302,909
16	STATE S	CITIES SERVICE	80	6,632,203	2,085,525	8,717,728	222,072
17	STATE SEC. 15	SHELL WESTERN E&P INC.	80	11,718,478	2,703,091	14,421,569	302,196
18BD	EVA OWEN	BRAVO ENERGY	80	7,151,178	1,269,123	8,420,301	144,683
18T	EVA OWEN	BRAVO ENERGY		3,696,210	317,747	4,013,957	26,188
19	ANDREWS	SHELL WESTERN E&P INC.	80	4,496,906	1,207,673	5,704,579	135,629
20	ARGO	SHELL WESTERN E&P INC.	160	27,628,449	6,274,074	33,902,523	669,560
21	L.G. WARLICK	MARATHON	160	14,071,617	2,594,521	16,666,138	338,165
22	O.R. EUBANK	J.R. CONE	160	17,504,575	2,536,067	20,040,642	250,492
23	ARGO A	SHELL WESTERN E&P INC.	160	25,705,851	5,475,497	31,181,348	683,007
24	O.R. EUBANK	CHEVRON, USA, INC. (GULF OIL CORP.)	160	17,065,542	591,935	17,657,477	117,134
25	D.A. WILLIAMSON	TEXACO, INC. (GETTY OIL)	160	10,029,961	1,977,440	12,007,401	205,864
26	ROY BARTON	ARCO OIL & GAS CO.	120	7,576,342	1,446,171	9,022,513	194,503
27	D.A. WILLIAMSON	MOBIL PROD. TX & NM	40	3,172,767	84,629	3,257,396	12,007
28	A.J. TURNER	SHELL WESTERN E&P INC.	320	49,322,486	10,379,683	59,702,169	1,249,736
29	S.J. SARKEYS	SHELL WESTERN E&P INC.	160	22,024,214	3,628,764	25,652,978	534,086
30	S.J. SARKEYS	ARCO OIL & GAS CO.	160	18,343,630	3,843,473	22,187,103	409,524
31	STEPHENS ESTATE	MOBIL PROD. TX & NM	80	2,826,277	5,598	2,831,875	12,856
			5,200	425,886,609	73,583,318	499,469,927	8,585,865

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 1 — W.C. HAWK B-3
CONOCO, INC.

OIL CALCULATIONS:

INITIAL OIL RATE= TECH. COMM. RECOMMENDATION
QOI= 870 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC= 6 * 30. = 180. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.1086 PER YEAR

REMAINING PRIMARY OIL @ 6/OV/85 :
OIL VOLUME = (QOI − QOEC)X12 / AOY
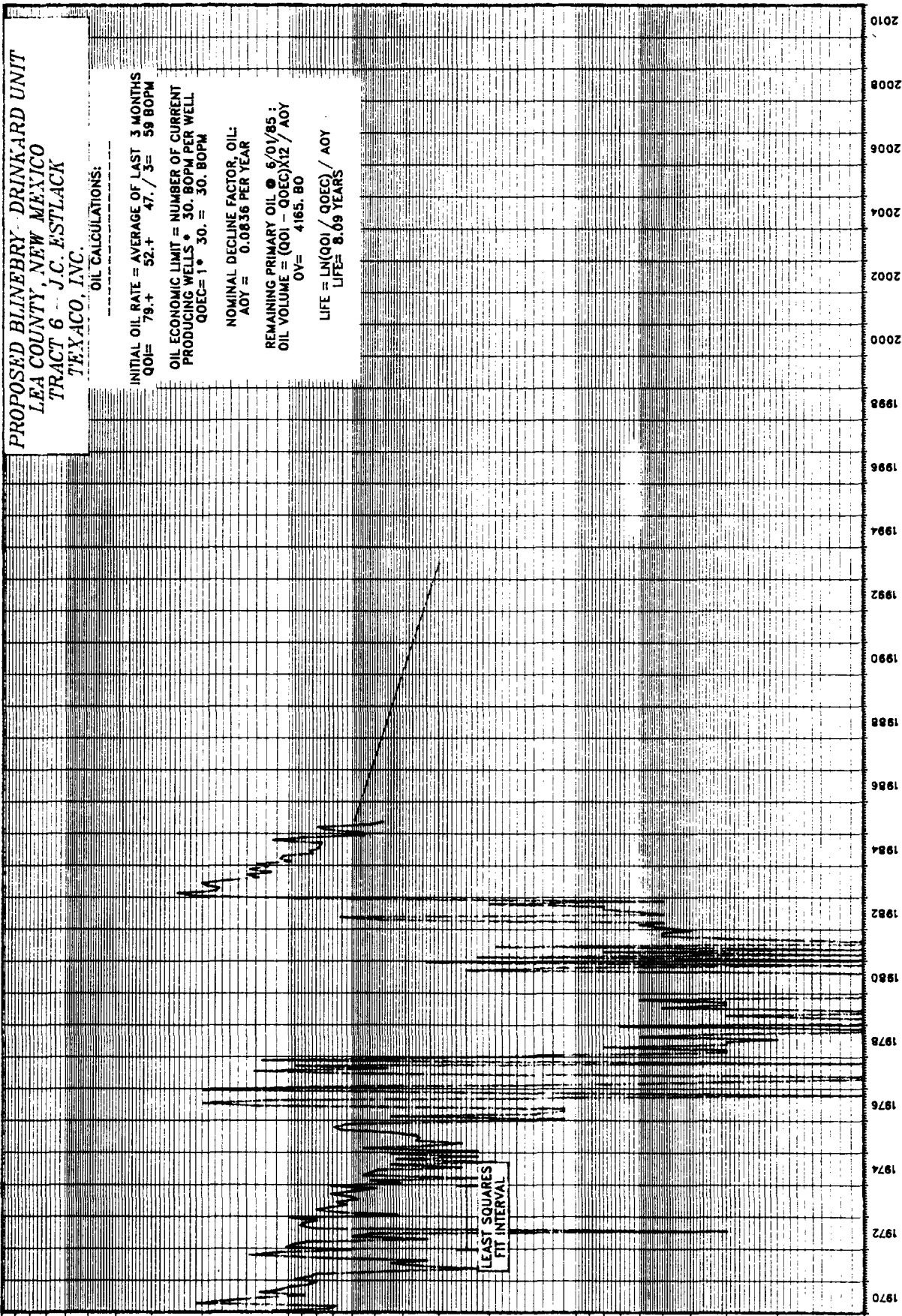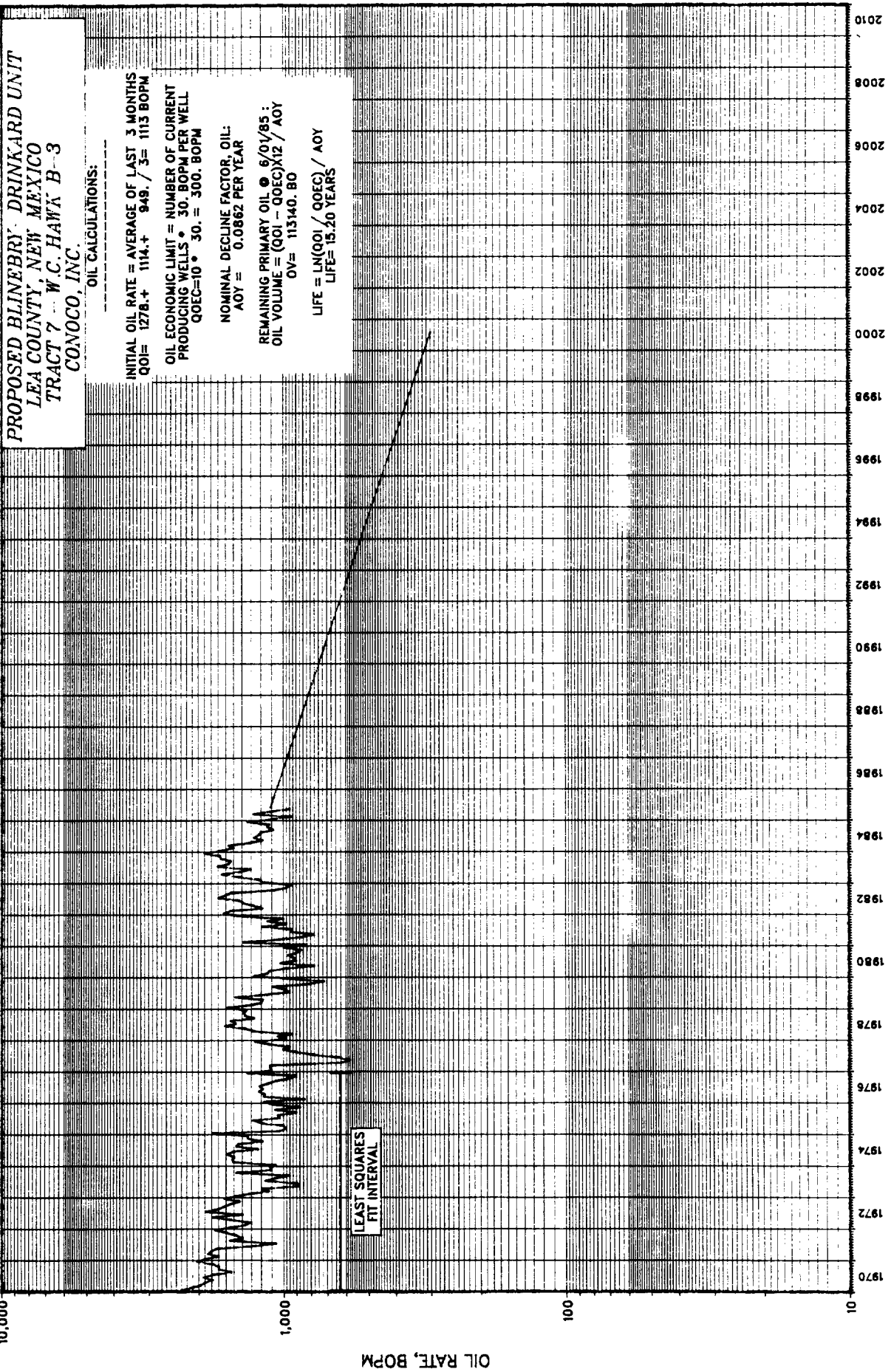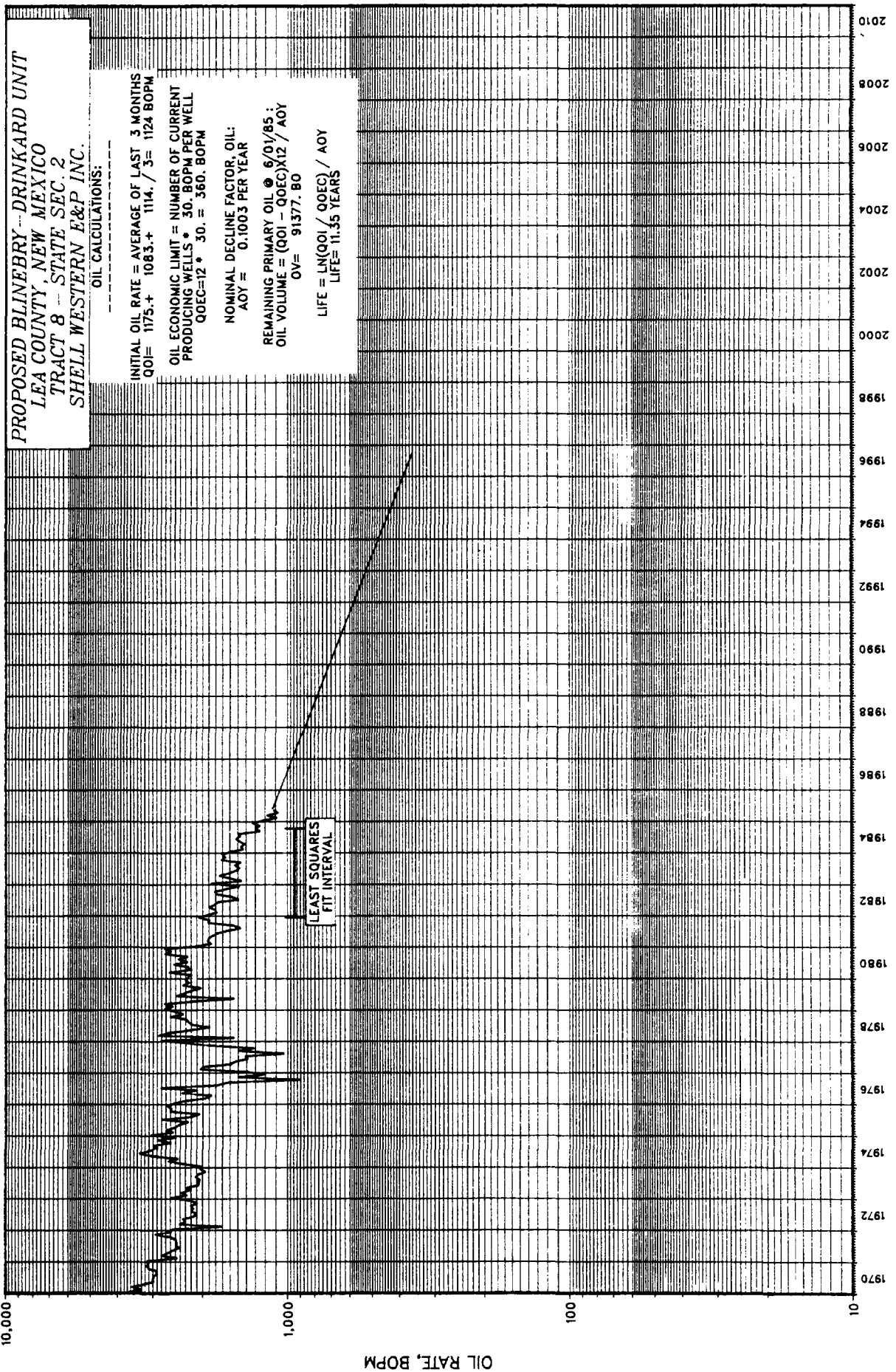OV= 76233. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 14.51 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

PROPOSED BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 2 - STATE SEC. 2
SOUTHLAND ROYALTY

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI = 1131.+ 1088.+ 995. / 3 = 1071 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC = 7 * 30. = 210. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.1131 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV = 91357. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE = 14.41 YEARS

LEAST SQUARES
FIT INTERVAL
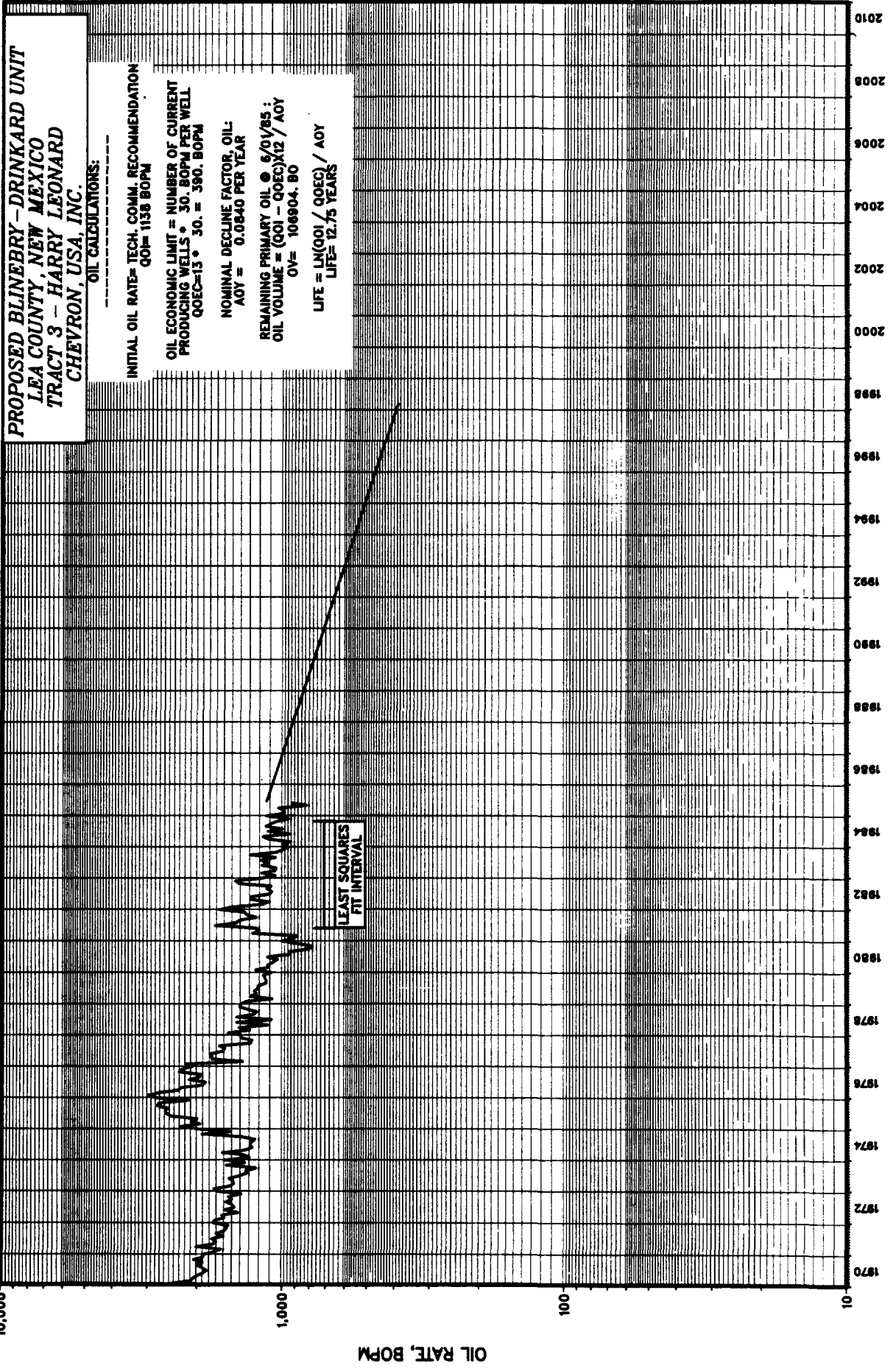
OIL RATE, BOPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 3 - HARRY LEONARD
CHEVRON, USA, INC.

OIL CALCULATIONS:
——————————

INITIAL OIL RATE= TECH. COMM. RECOMMENDATION
QOI= 1138 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC=13 * 30. = 390. BOPM
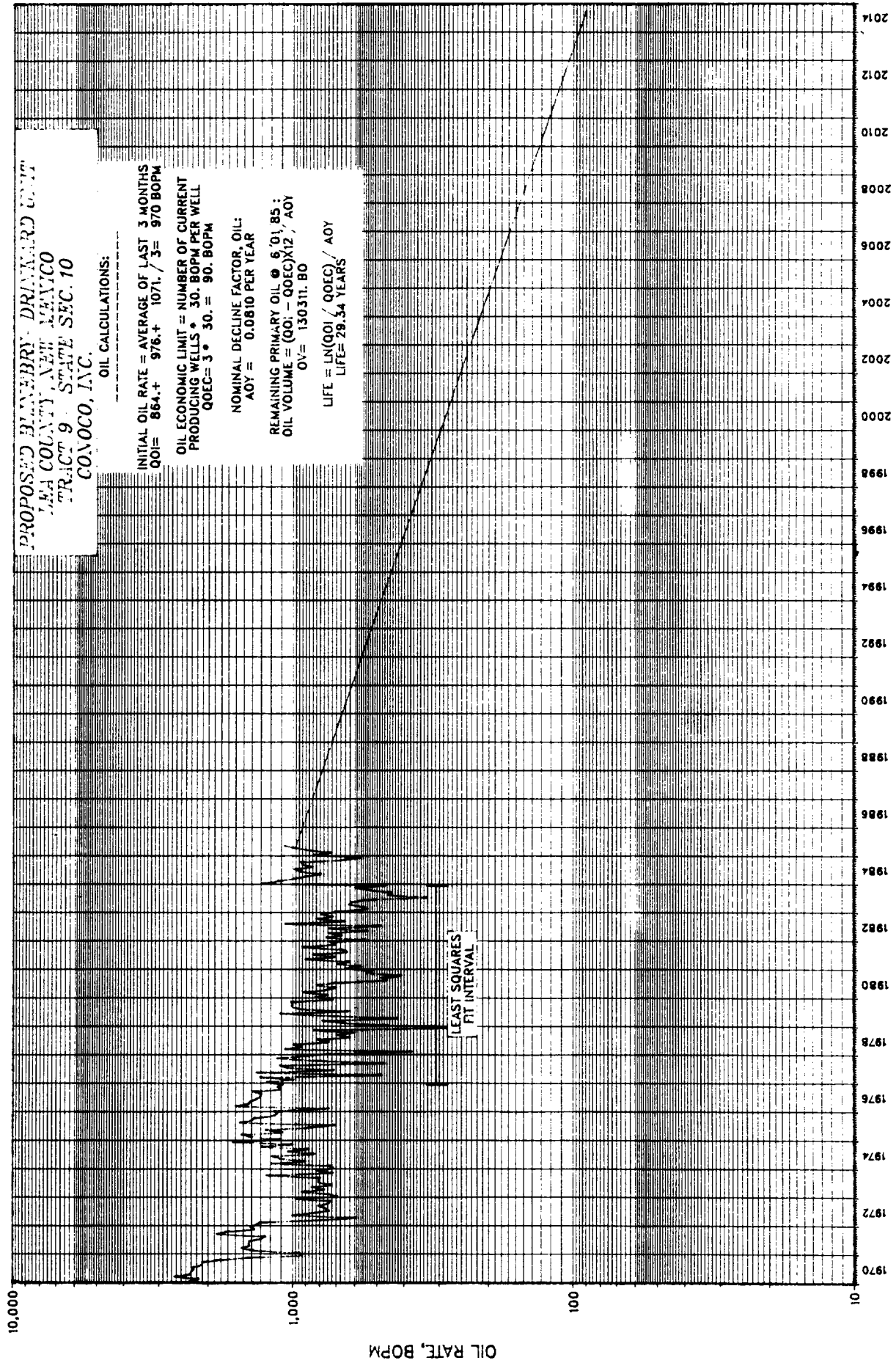
NOMINAL DECLINE FACTOR, OIL:
AOY = 0.0840 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 106904. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 12.75 YEARS

LEAST SQUARES
FIT INTERVAL
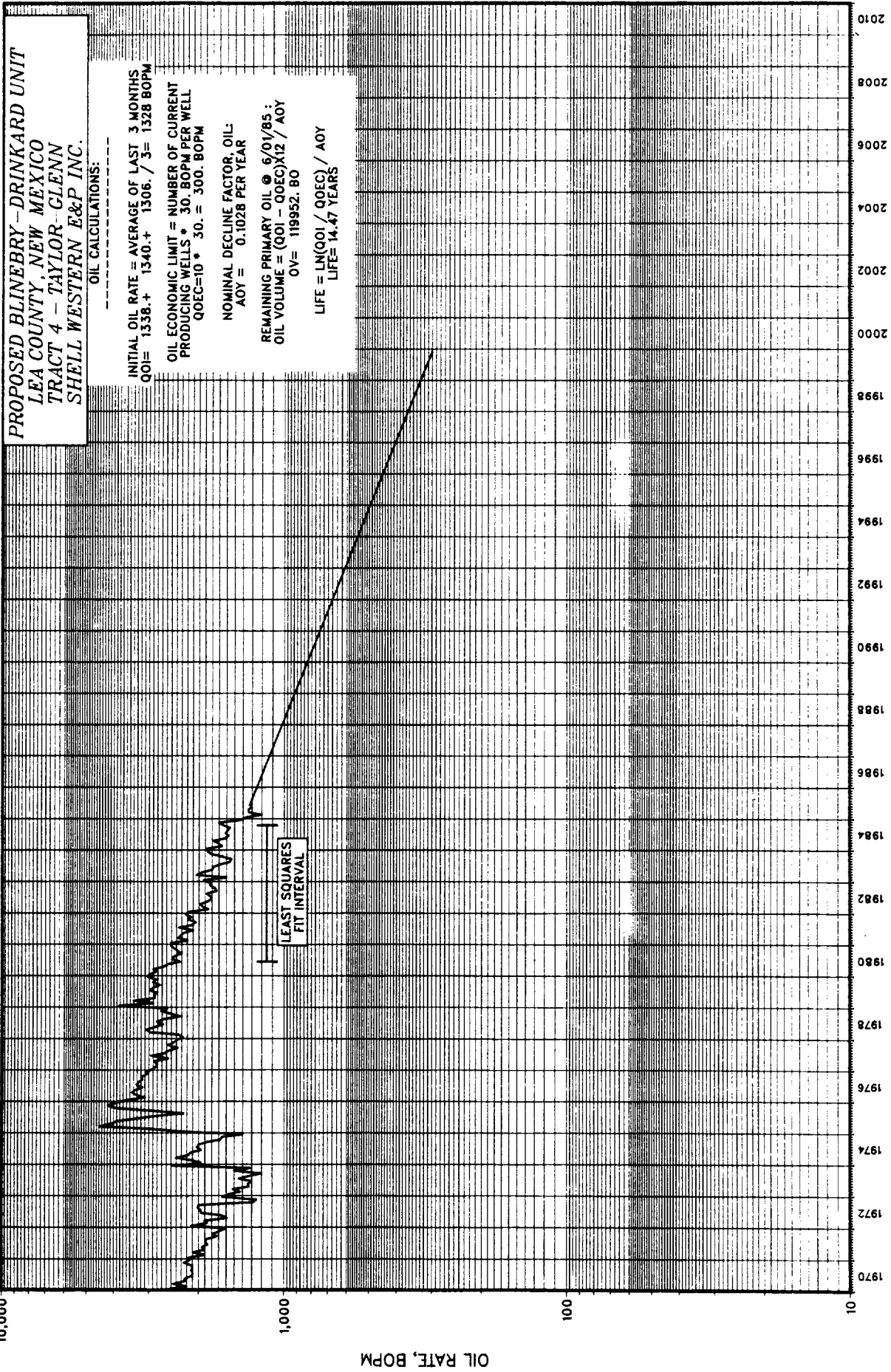
OIL RATE, BOPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 4 - TAYLOR-GLENN
SHELL WESTERN E&P INC.

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 1338.+ 1340.+ 1306. / 3= 1328 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
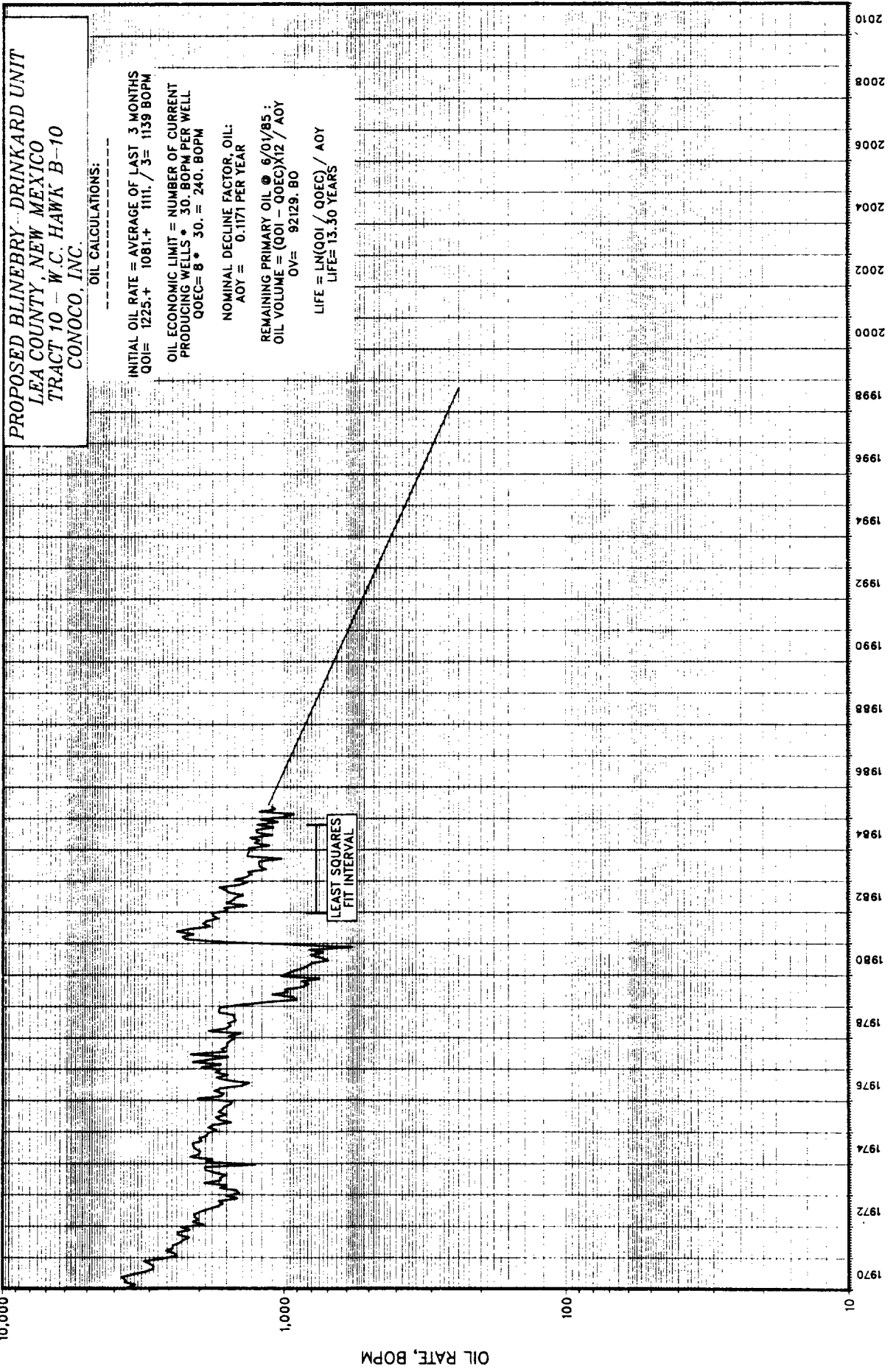PRODUCING WELLS * 30. BOPM PER WELL
QOEC=10 * 30. = 300. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.1028 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 119952. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 14.47 YEARS

LEAST SQUARES
FIT INTERVAL
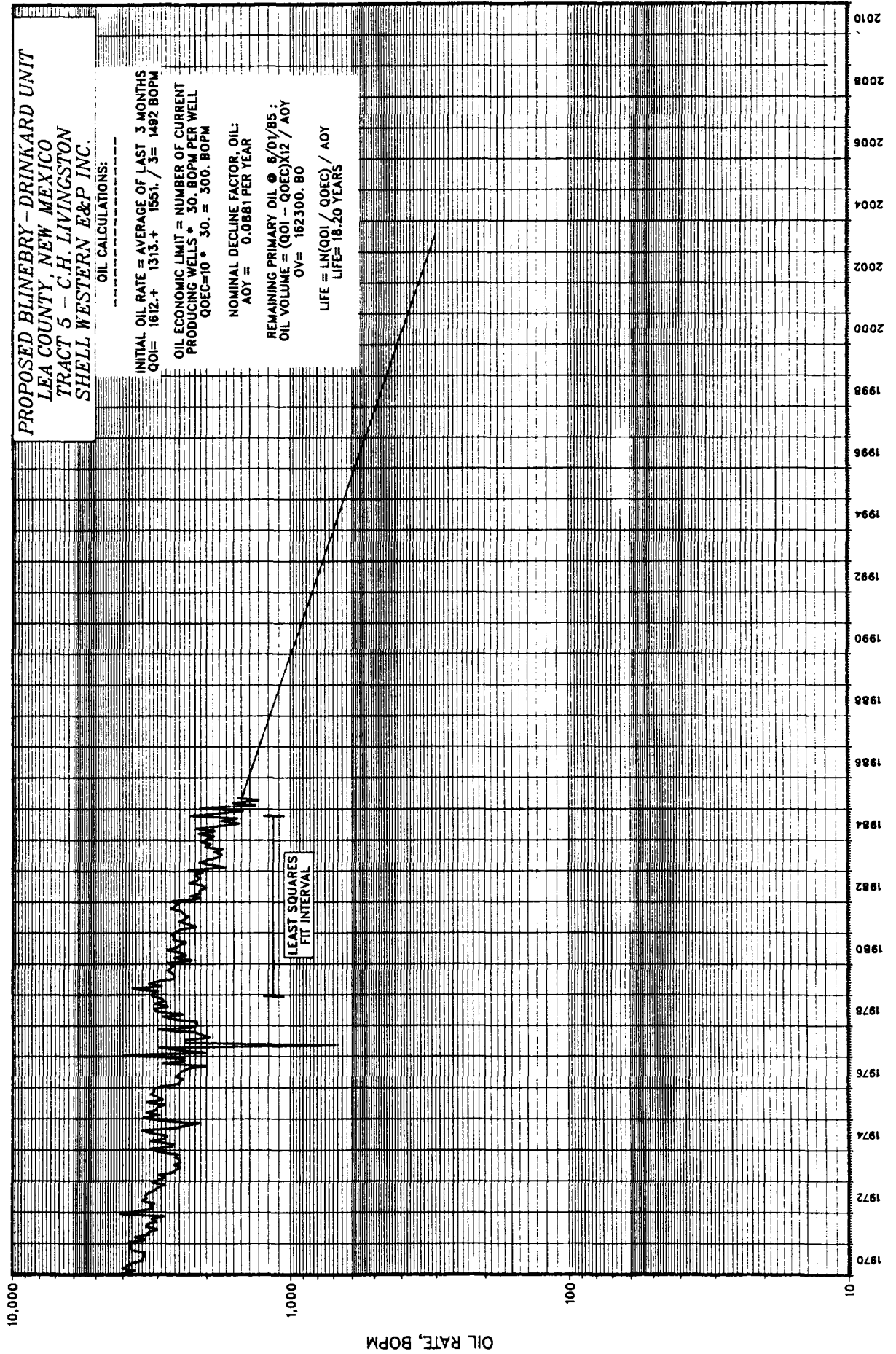
OIL RATE, BOPM

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 1612.+ 1313.+ 1551. / 3= 1492 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC=10 * 30. = 300. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.0881 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI – QOEC)X12 / AOY
OV= 162300. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 18.20 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

10,000

1,000

100

10

1970 1972 1974 1976 1978 1980 1982 1984 1986 1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010

PROPOSED BLINEBRY DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 6 - J.C. ESTLACK
TEXACO, INC.

OIL CALCULATIONS:

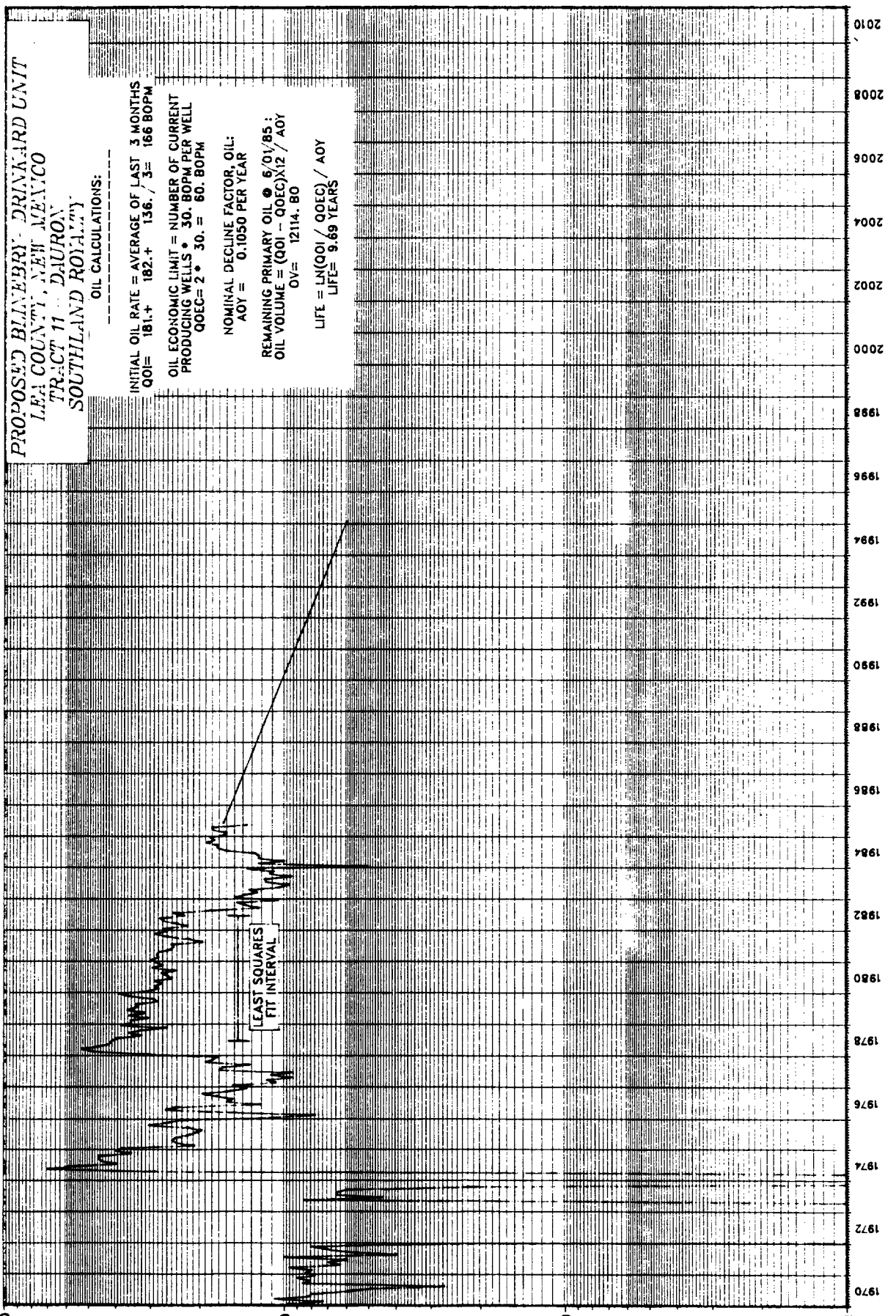INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 79.+ 52.+ 47. / 3= 59 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC=1* 30. = 30. BOPM
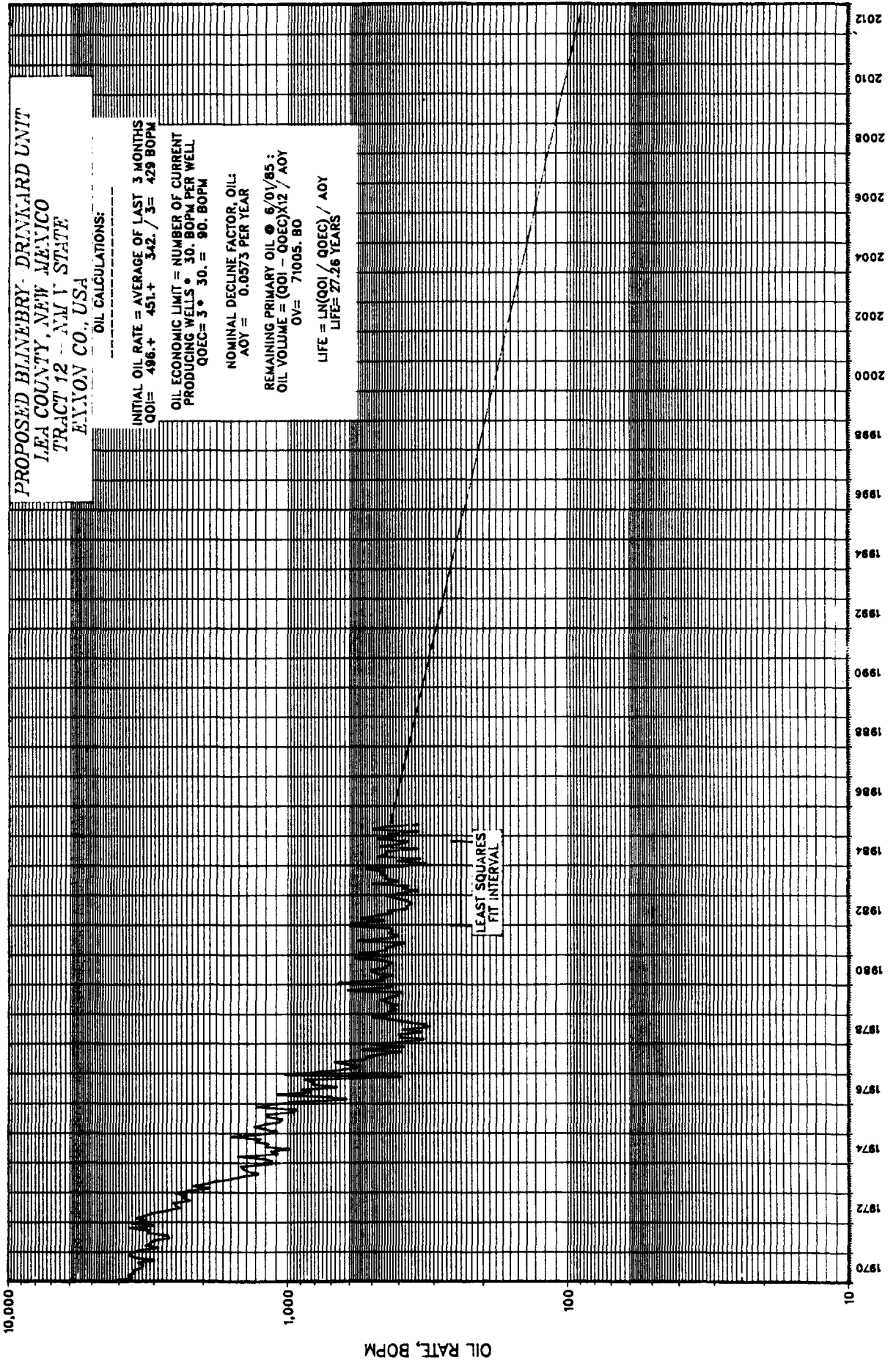
NOMINAL DECLINE FACTOR, OIL:
AOY = 0.0836 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 4165. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 8.09 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

PROPOSED BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 7 - W.C. HAWK B-3
CONOCO, INC.

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 1278.+ 1114.+ 949. / 3= 1113 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC=10 * 30. = 300. BOPM
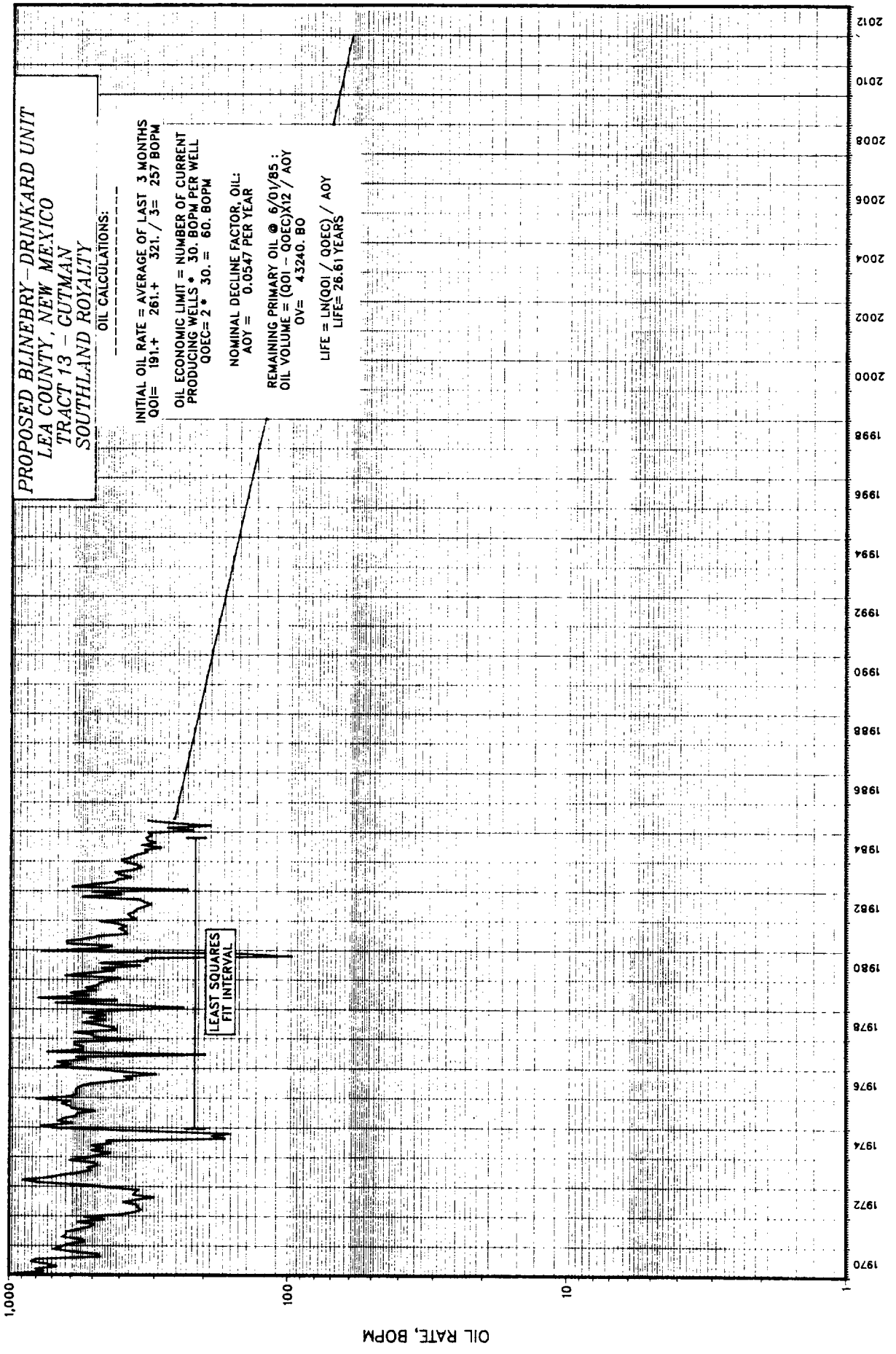
NOMINAL DECLINE FACTOR, OIL:
AOY = 0.0862 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 113140. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 15.20 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

PROPOSED BLINEBRY--DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 8 -- STATE SEC. 2
SHELL WESTERN E&P INC.

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 1175.+ 1083.+ 1114. / 3= 1124 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC=12 * 30. = 360. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.1003 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 91377. BO

LIFE = LN(QOI / QOEC) / AOY
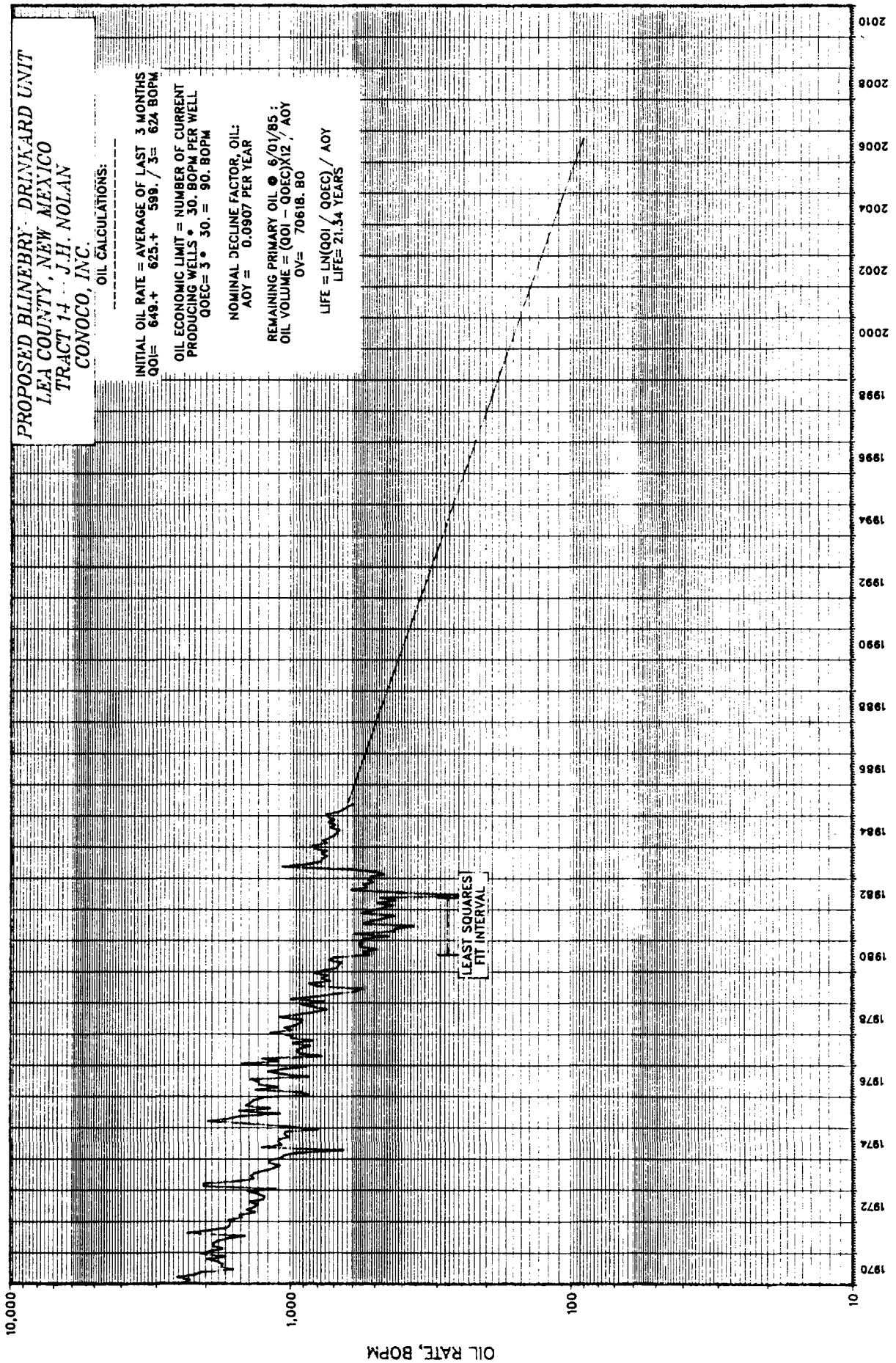LIFE= 11.35 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

10,000

1,000

100

10

1970
1972
1974
1976
1978
1980
1982
1984
1986
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
2010

PROPOSED BLINEBRY DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 9 STATE SEC. 10
CONOCO, INC.

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 864.+ 976.+ 1071. / 3= 970 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC= 3 * 30. = 90. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.0810 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 130311. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 29.34 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

PROPOSED BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 10 – W.C. HAWK B-10
CONOCO, INC.

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 1225.+ 1081.+ 1111. / 3= 1139 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC= 8 * 30. = 240. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.1171 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI – QOEC)X12 / AOY
OV= 92129. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 13.30 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

PROPOSED BLINEBRY- DRINKARD UNIT
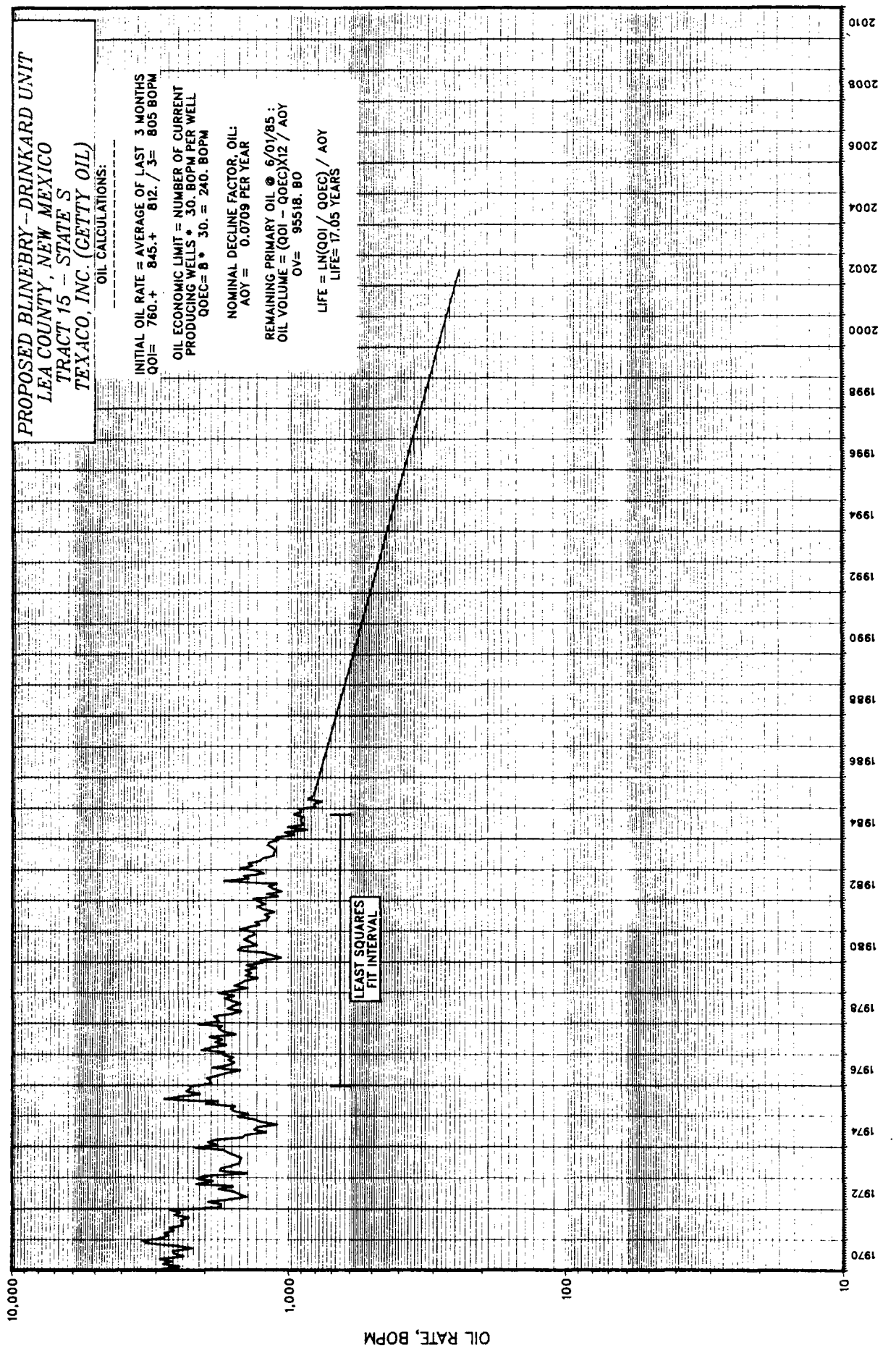LEA COUNTY, NEW MEXICO
TRACT 11, DAURON
SOUTHLAND ROYALTY

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 181.+ 182.+ 136./ 3= 166 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC= 2 * 30. = 60. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.1050 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI – QOEC)X12 / AOY
OV= 12114. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 9.69 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

PROPOSED BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 12 -- NM'Y STATE
EXXON CO., USA

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 496.+ 451.+ 342. / 3= 429 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS • 30. BOPM PER WELL
QOEC= 3 • 30. = 90. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.0573 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 71005. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 27.26 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

10,000

1,000

100

10

1970 1972 1974 1976 1978 1980 1982 1984 1986 1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010 2012

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 13 - CUTMAN
SOUTHLAND ROYALTY

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 191.+ 261.+ 321. / 3= 257 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC= 2 * 30. = 60. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.0547 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 43240. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 26.61 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 14 - J.H. NOLAN
CONOCO, INC.

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 649.+ 625.+ 599. / 3 = 624 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC= 3 * 30. = 90. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.0907 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 ;
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 70618. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 21.34 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

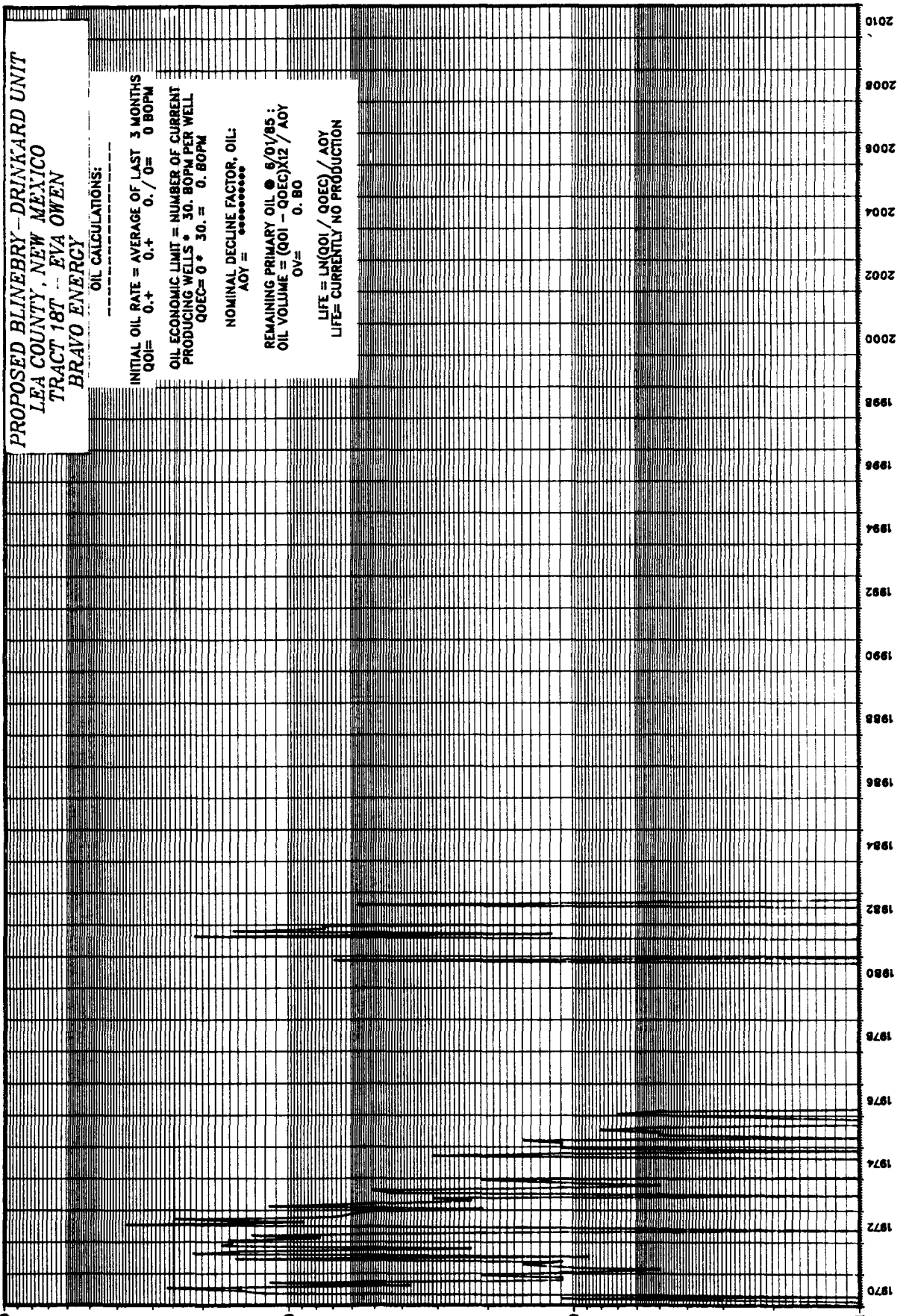OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 760.+ 845.+ 812. / 3= 805 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC=8 * 30. = 240. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.0709 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI – QOEC)X12 / AOY
OV= 95518. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 17.05 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

10,000

1,000

100

10

1970 1972 1974 1976 1978 1980 1982 1984 1986 1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010

PROPOSED BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 16 - STATE S
CITIES SERVICE

OIL CALCULATIONS:

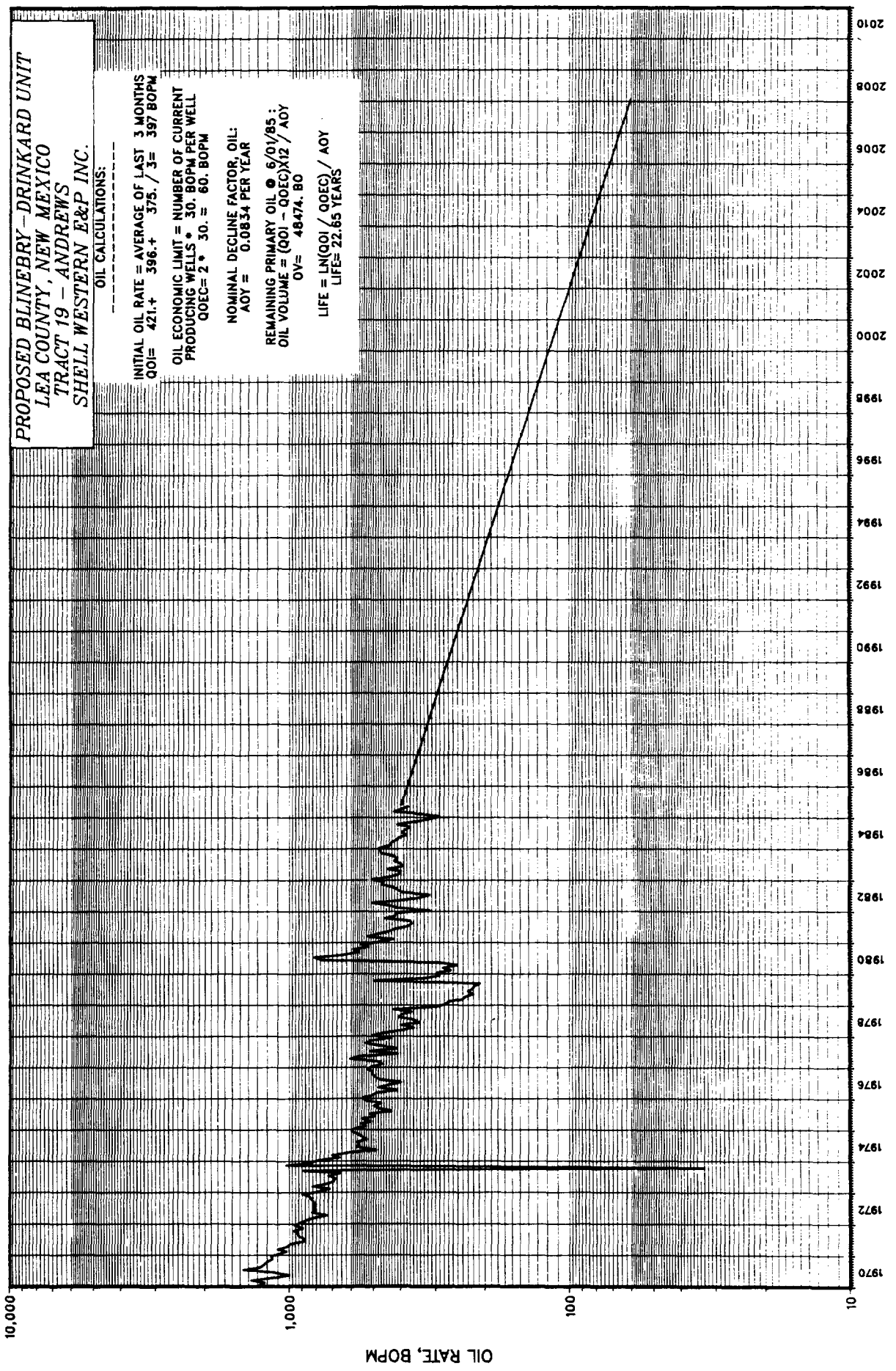INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 349.+ 390.+ 295. / 3= 344 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC=4 * 30. = 120. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.0987 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI − QOEC)X12 / AOY
OV= 27240. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 10.67 YEARS
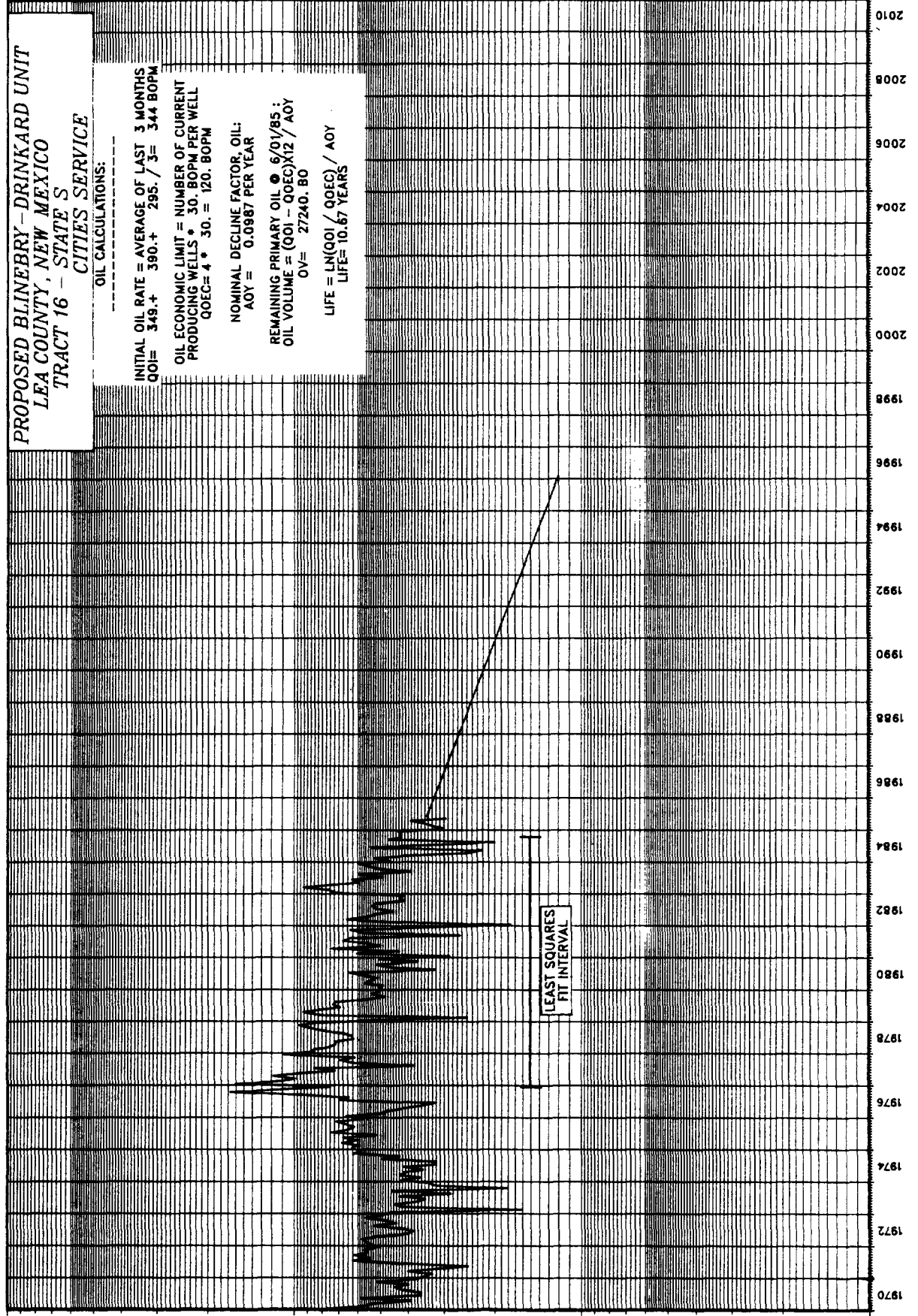
LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

PROPOSED BLINEBRY – DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 17 – STATE SEC.15
SHELL WESTERN E&P INC.

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 521.+ 458.+ 413./ 3= 464 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC=4 * 30. = 120. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.0816 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI – QOEC)X12 / AOY
OV= 50612. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 16.58 YEARS

LEAST SQUARES
FIT INTERVAL
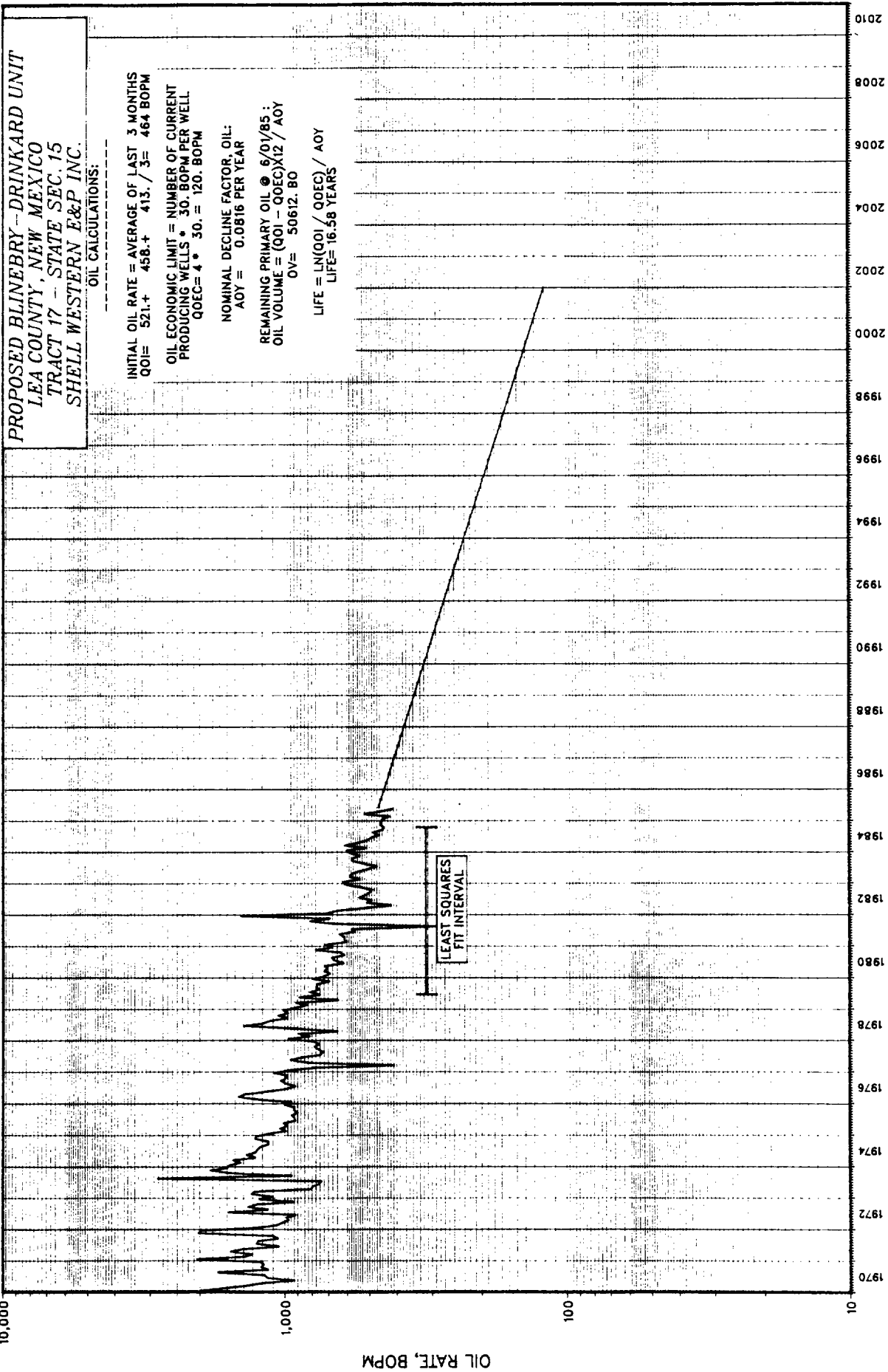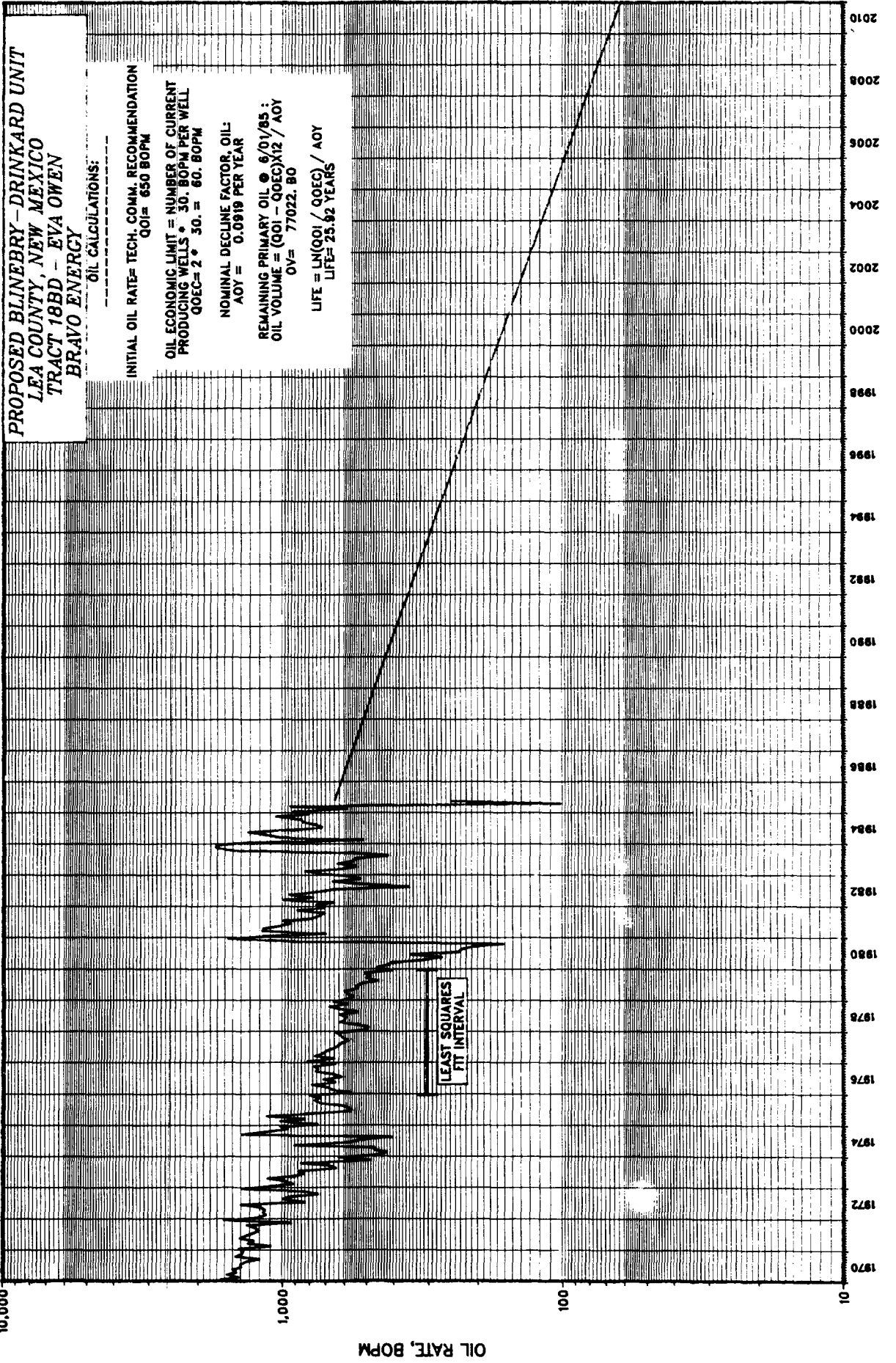
OIL RATE, BOPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 18BD - EVA OWEN
BRAVO ENERGY

OIL CALCULATIONS:

INITIAL OIL RATE= TECH. COMM. RECOMMENDATION
QOI= 650 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS *   30. BOPM PER WELL
QOEC= 2 * 30. = 60. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY =   0.0919 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 77022. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 25.92 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY , NEW MEXICO
TRACT 18T -- EVA OWEN
BRAVO ENERGY

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 0.+ 0.+ 0./ 0= 0 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC= 0 * 30. = 0. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = **********

REMAINING PRIMARY OIL @ 6/01/85 ;
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 0.80

LIFE = LN(QOI / QOEC) / AOY
LIFE= CURRENTLY NO PRODUCTION

OIL RATE, BOPM

1,000
100
10
1

1970 1972 1974 1976 1978 1980 1982 1984 1986 1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010

PROPOSED BLINEBRY–DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 19 – ANDREWS
SHELL WESTERN E&P INC.

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 421.+ 396.+ 375. / 3= 397 BOPM
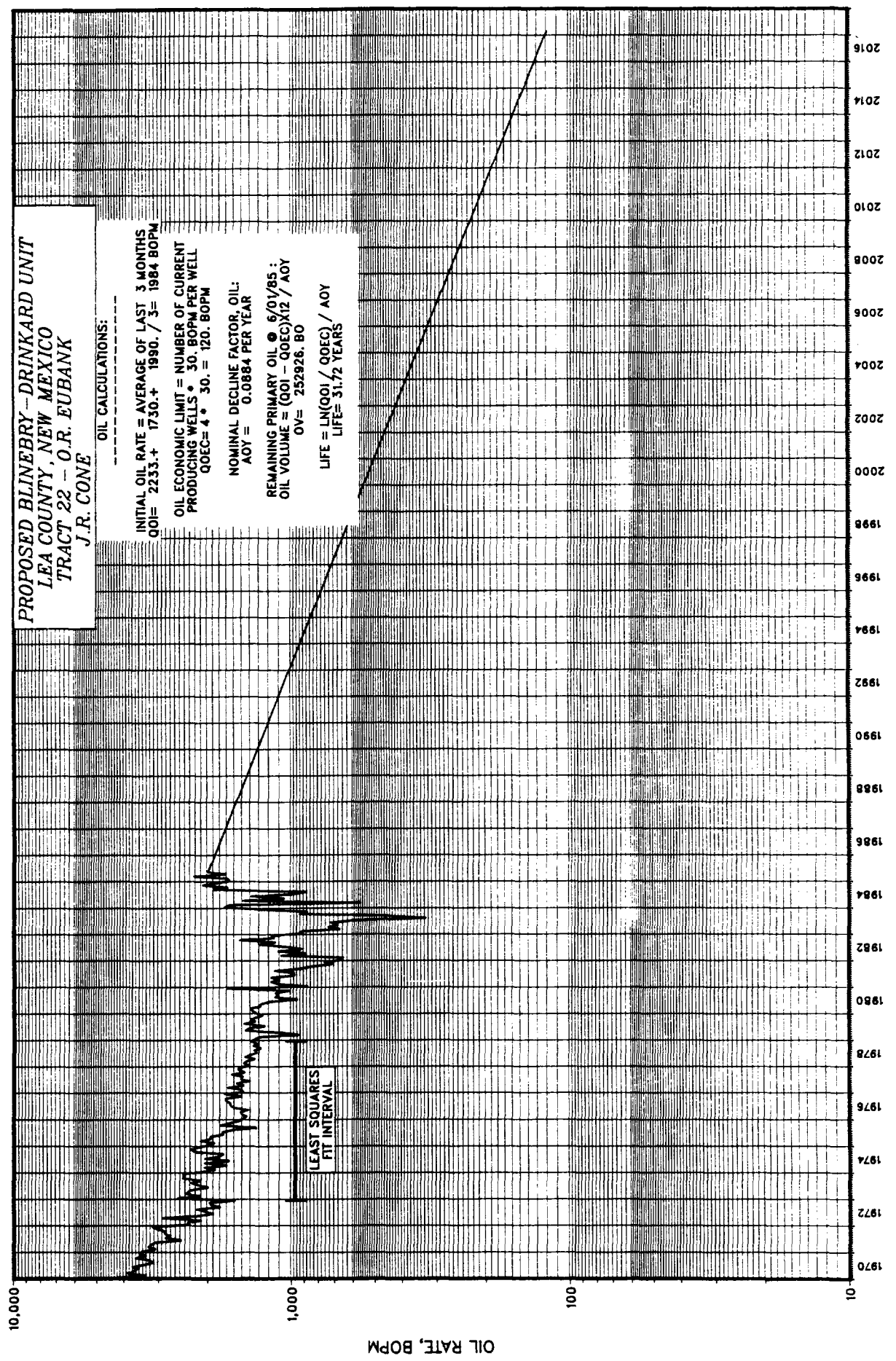
OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC= 2 * 30. = 60. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.0834 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI – QOEC)X12 / AOY
OV= 48474. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 22.65 YEARS
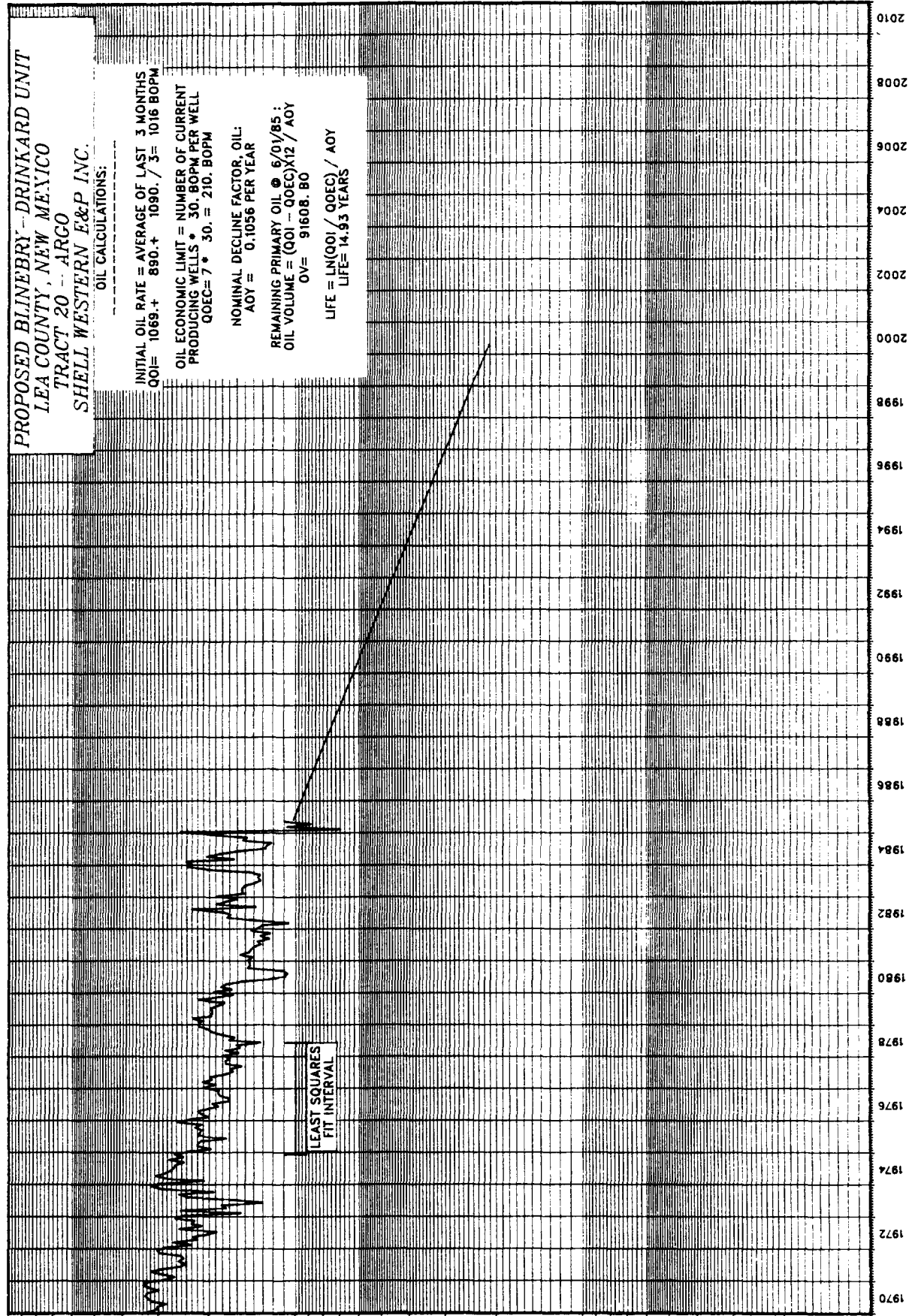
PROPOSED BLINEBRY--DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 20 -- ARGO
SHELL WESTERN E&P INC.

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 1069.+ 890.+ 1090. / 3= 1016 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC=7 * 30. = 210. BOPM
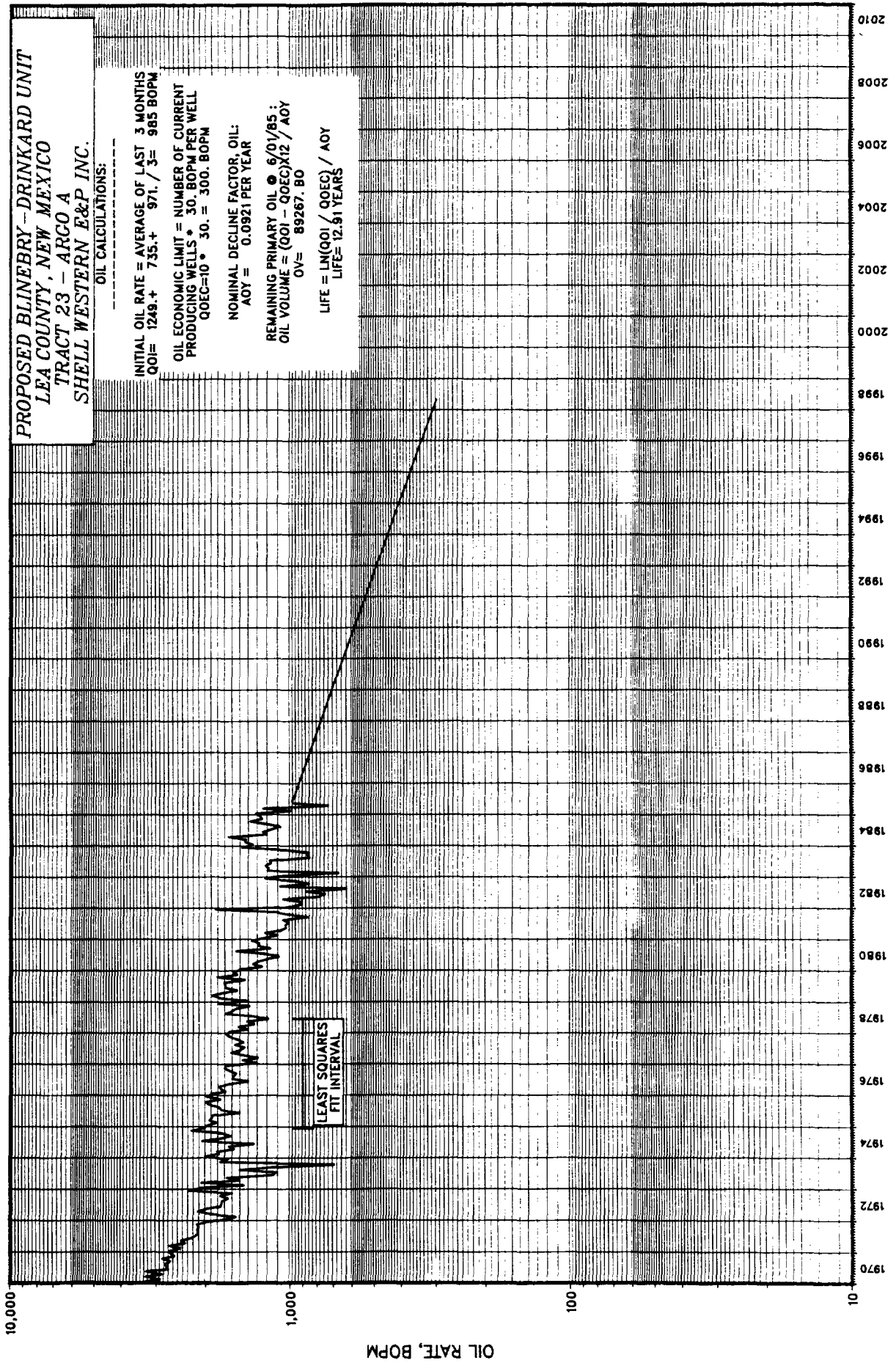
NOMINAL DECLINE FACTOR, OIL:
AOY = 0.1056 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI − QOEC)X12 / AOY
OV= 91608. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 14.93 YEARS

LEAST SQUARES
FIT INTERVAL
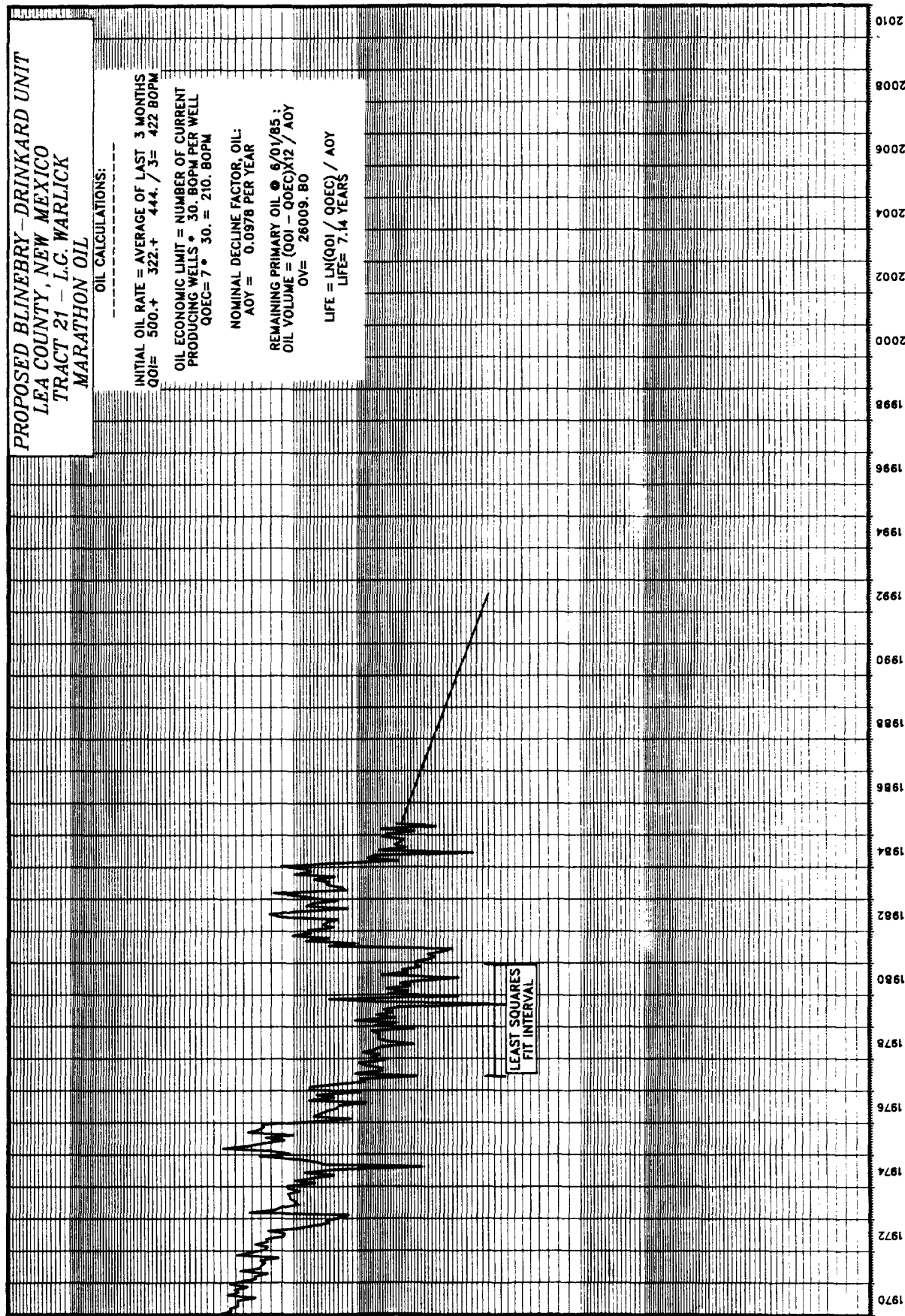
OIL RATE, BOPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 21 - L.C. WARLICK
MARATHON OIL

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 500.+ 322.+ 444. / 3 = 422 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
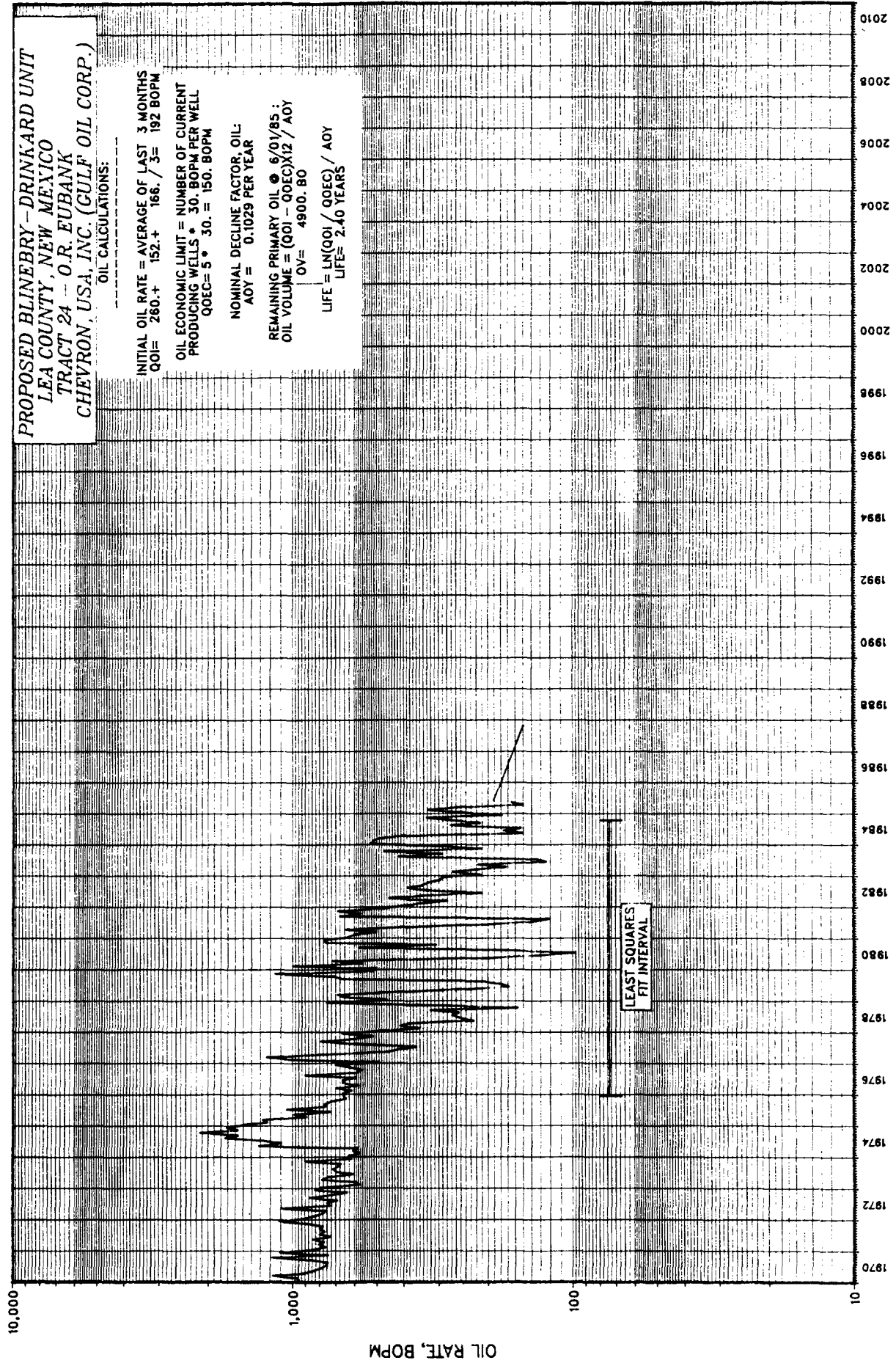PRODUCING WELLS * 30. BOPM PER WELL
QOEC=7 * 30. = 210. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.0978 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 26009. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 7.14 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 22 - O.R. EUBANK
J.R. CONE

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 2233.+ 1730.+ 1990. / 3= 1984 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
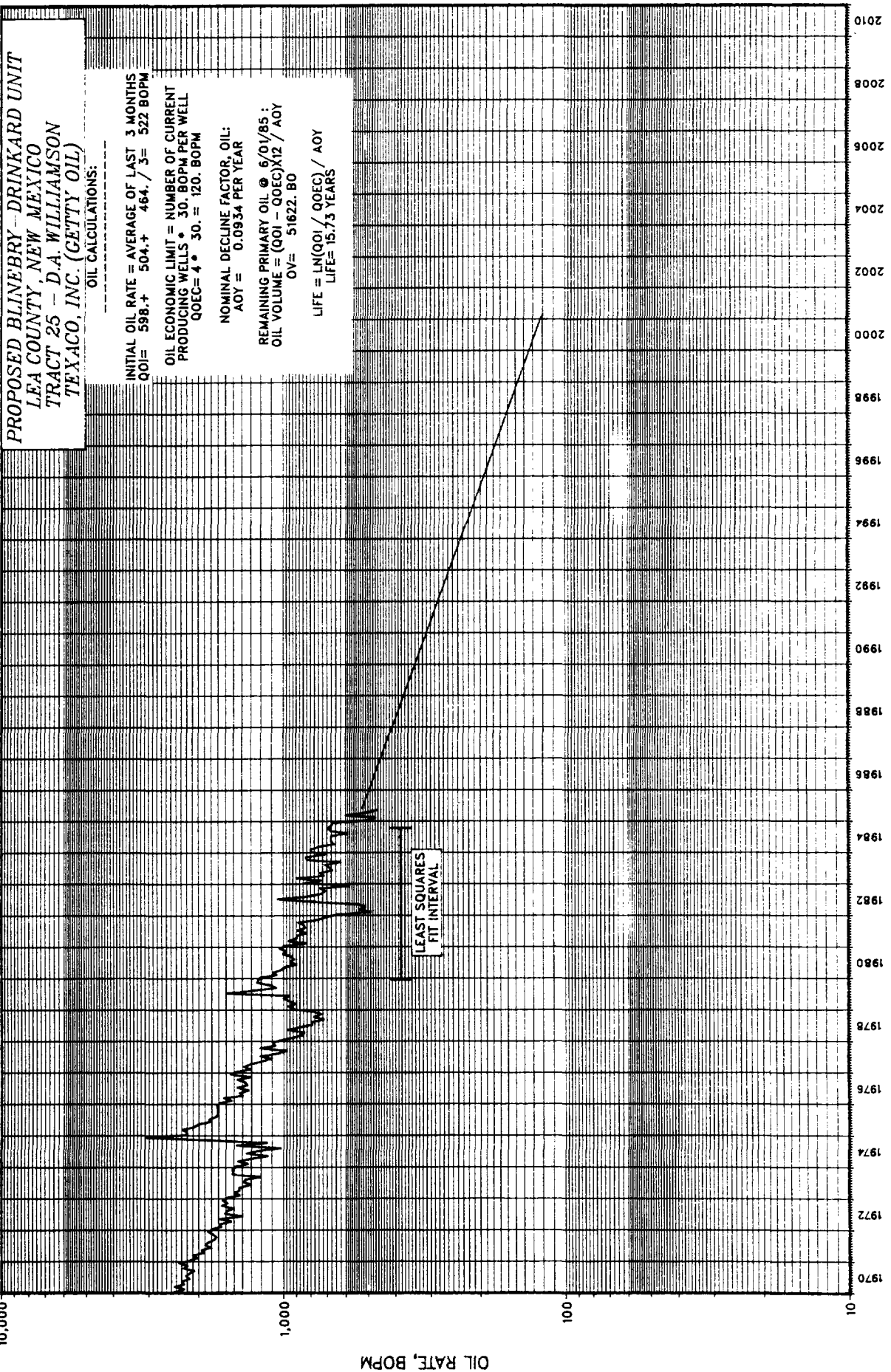QOEC= 4 * 30. = 120. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY =   0.0884 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 252926. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 31.72 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 23 - ARCO A
SHELL WESTERN E&P INC.

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 1249.+ 735.+ 971. / 3= 985 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
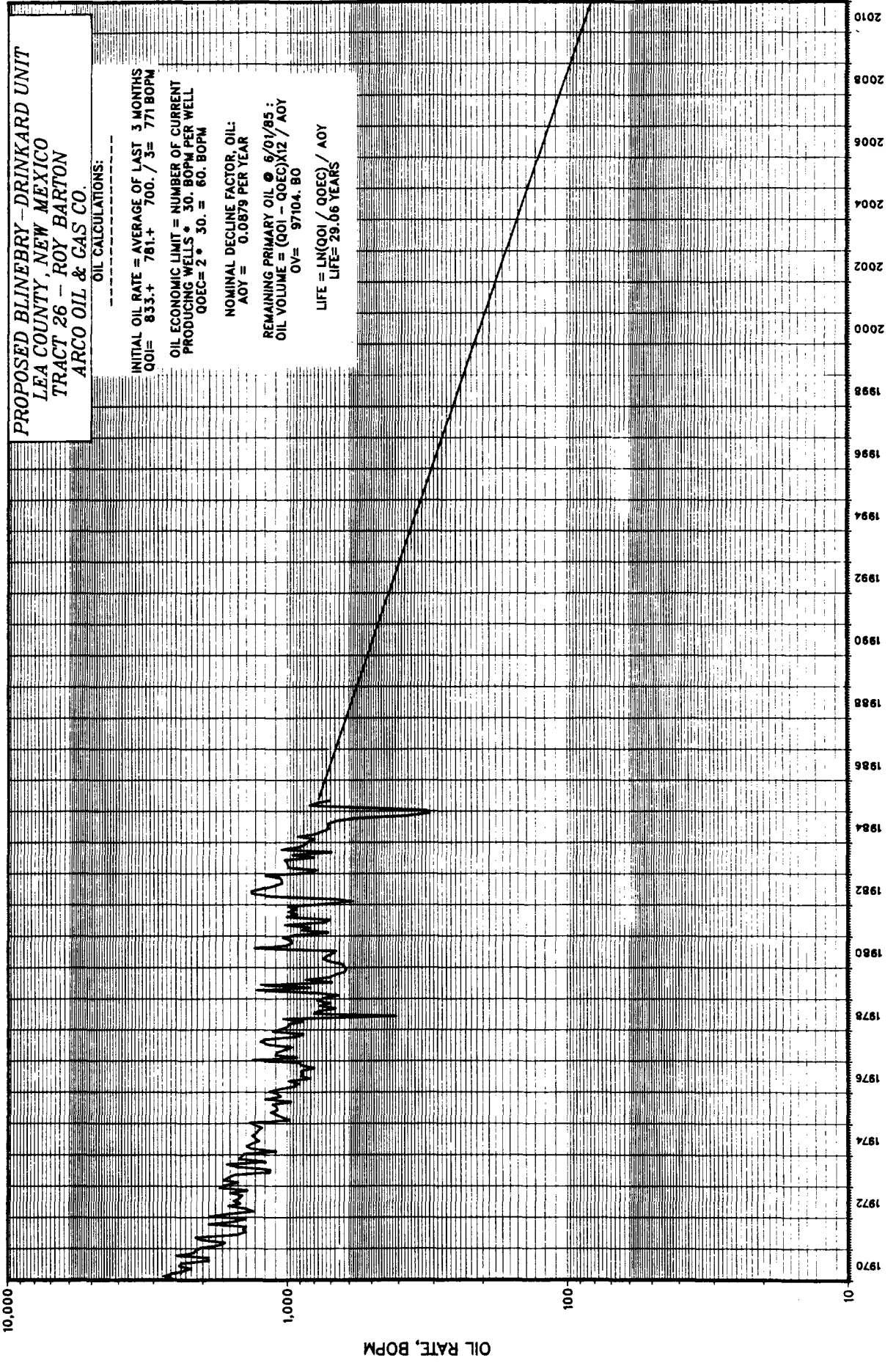PRODUCING WELLS * 30. BOPM PER WELL
QOEC=10 * 30. = 300. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.0921 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 ;
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 89267. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 12.91 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

PROPOSED BLINEBRY – DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 24 -- O.R. EUBANK
CHEVRON, USA, INC. (GULF OIL CORP.)

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 260.+ 152.+ 166. / 3= 192 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC= 5* 30. = 150. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY =   0.1029 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI – QOEC)X12 / AOY
OV= 4900. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 2.40 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

PROPOSED BLINEBRY—DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 25 — D.A. WILLIAMSON
TEXACO, INC. (GETTY OIL)

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 598.+ 504.+ 464. / 3= 522 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC= 4 * 30. = 120. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.0934 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI − QOEC)X12 / AOY
OV= 51622. BO

LIFE = LN(QOI / QOEC) / AOY
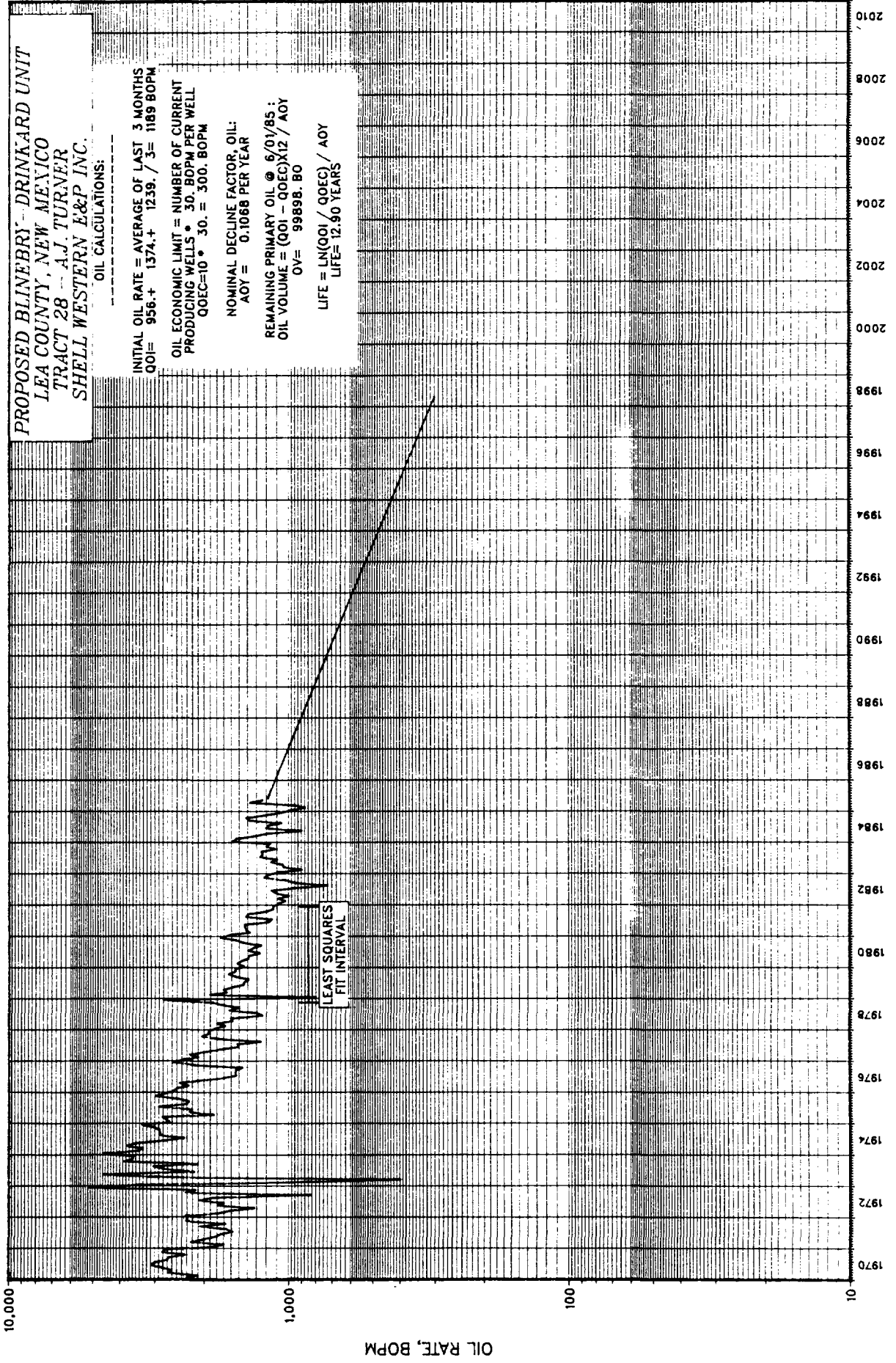LIFE= 15.73 YEARS

LEAST SQUARES
FIT INTERVAL

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 26 -- ROY BARTON
ARCO OIL & GAS CO.

OIL CALCULATIONS:
_____

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 833.+ 781.+ 700. / 3= 771 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC= 2 * 30. = 60. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.0879 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 9704. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 29.06 YEARS

OIL RATE, BOPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 27 - D.A. WILLIAMSON
MOBIL PROD. TX & NM

OIL CALCULATIONS:

INITIAL OIL RATE= TECH. COMM. RECOMMENDATION
QOI= 75 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC=1* 30. = 30. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.0859 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 ;
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 6288. BO
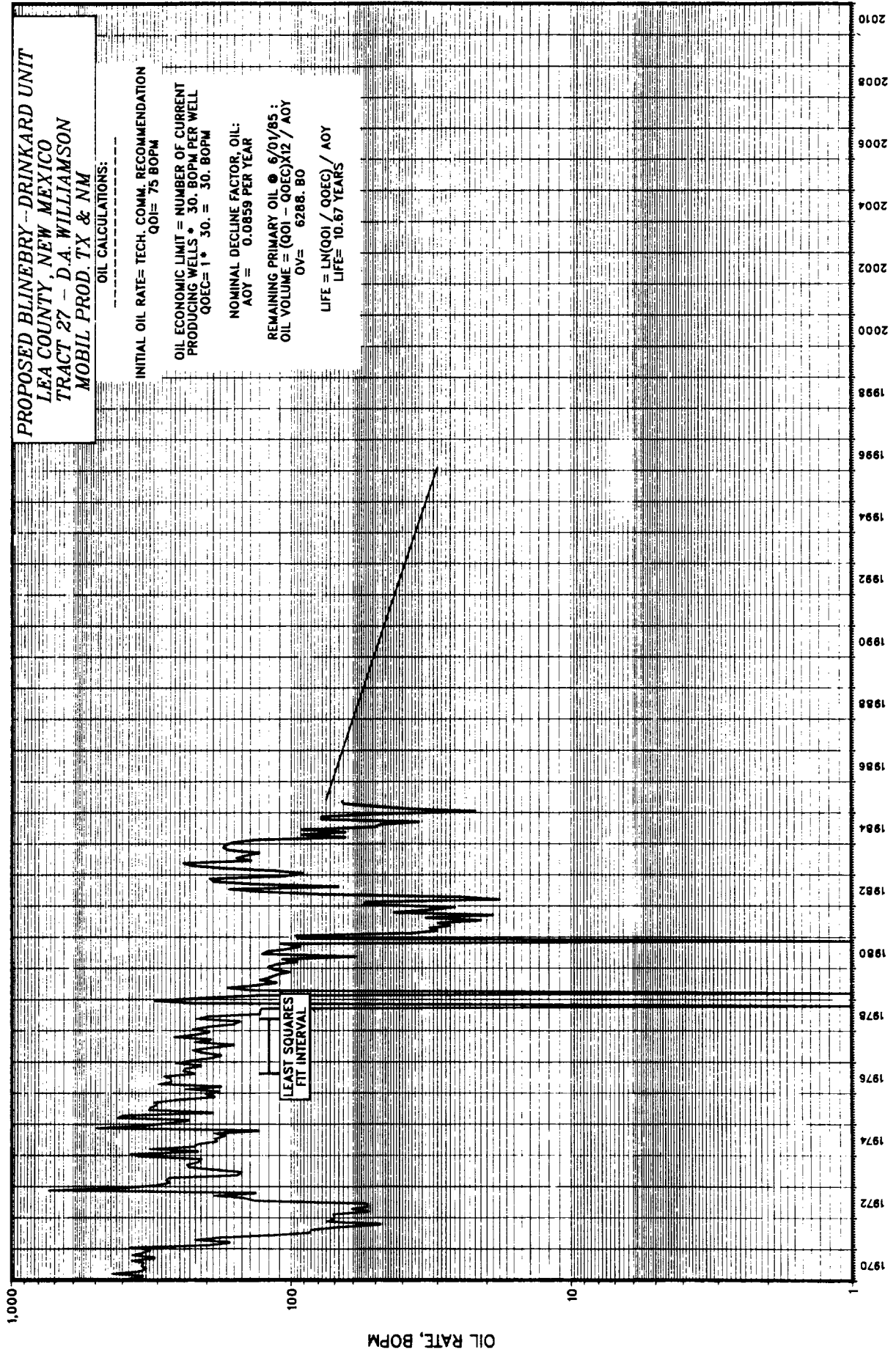
LIFE = LN(QOI / QOEC) / AOY
LIFE= 10.67 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

PROPOSED BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 28 -- A.J. TURNER
SHELL WESTERN E&P INC.

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 956.+ 1374.+ 1239. / 3= 1189 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
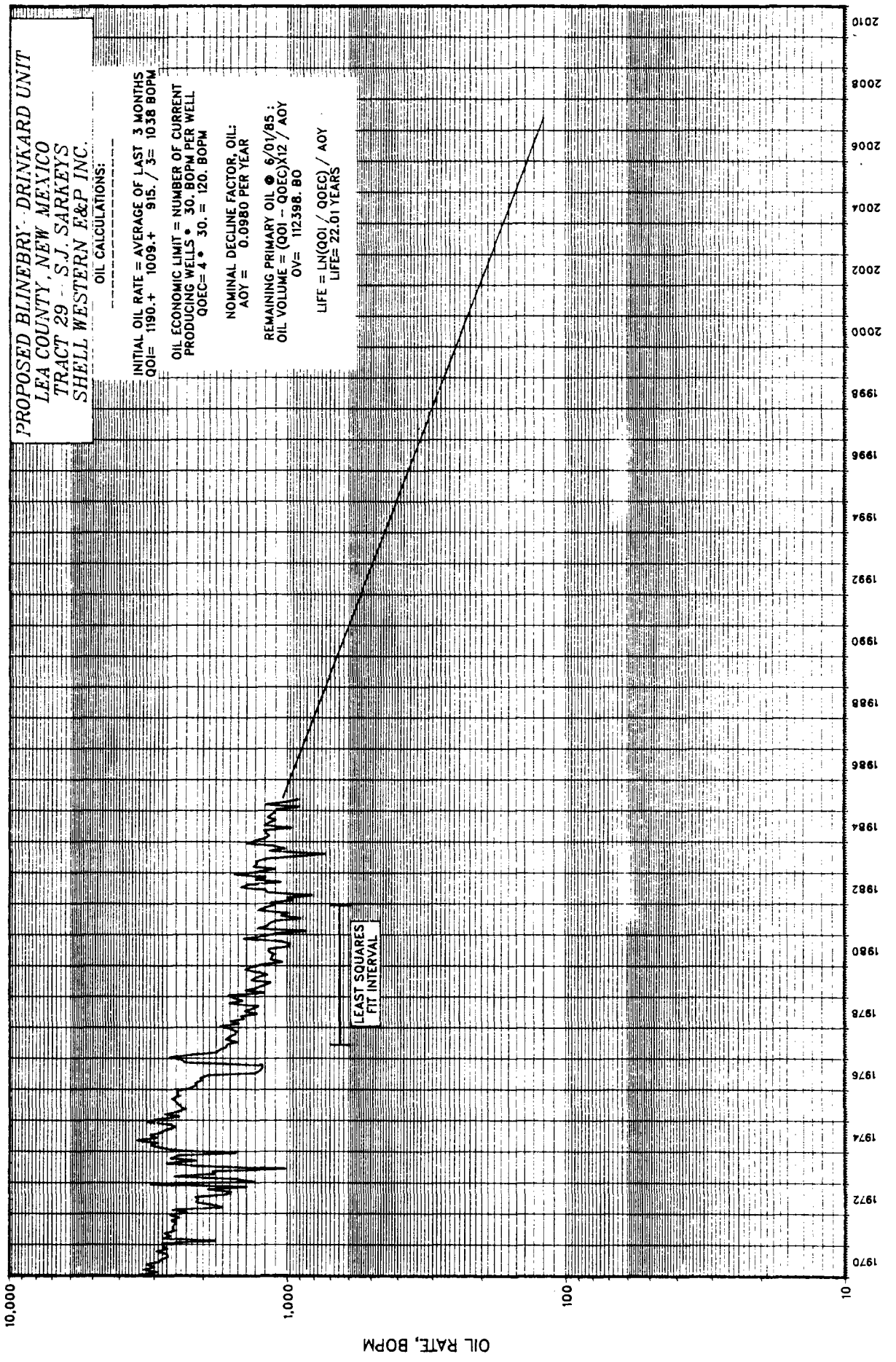PRODUCING WELLS * 30. BOPM PER WELL
QOEC=10 * 30. = 300. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = 0.1068 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI – QOEC)X12 / AOY
OV= 99898. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 12.90 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

PROPOSED BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 29 - S.J. SARKEYS
SHELL WESTERN E&P INC.

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 1190.+ 1009.+ 915./ 3= 1038. BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC= 4 * 30. = 120. BOPM

NOMINAL DECLINE FACTOR, OIL:
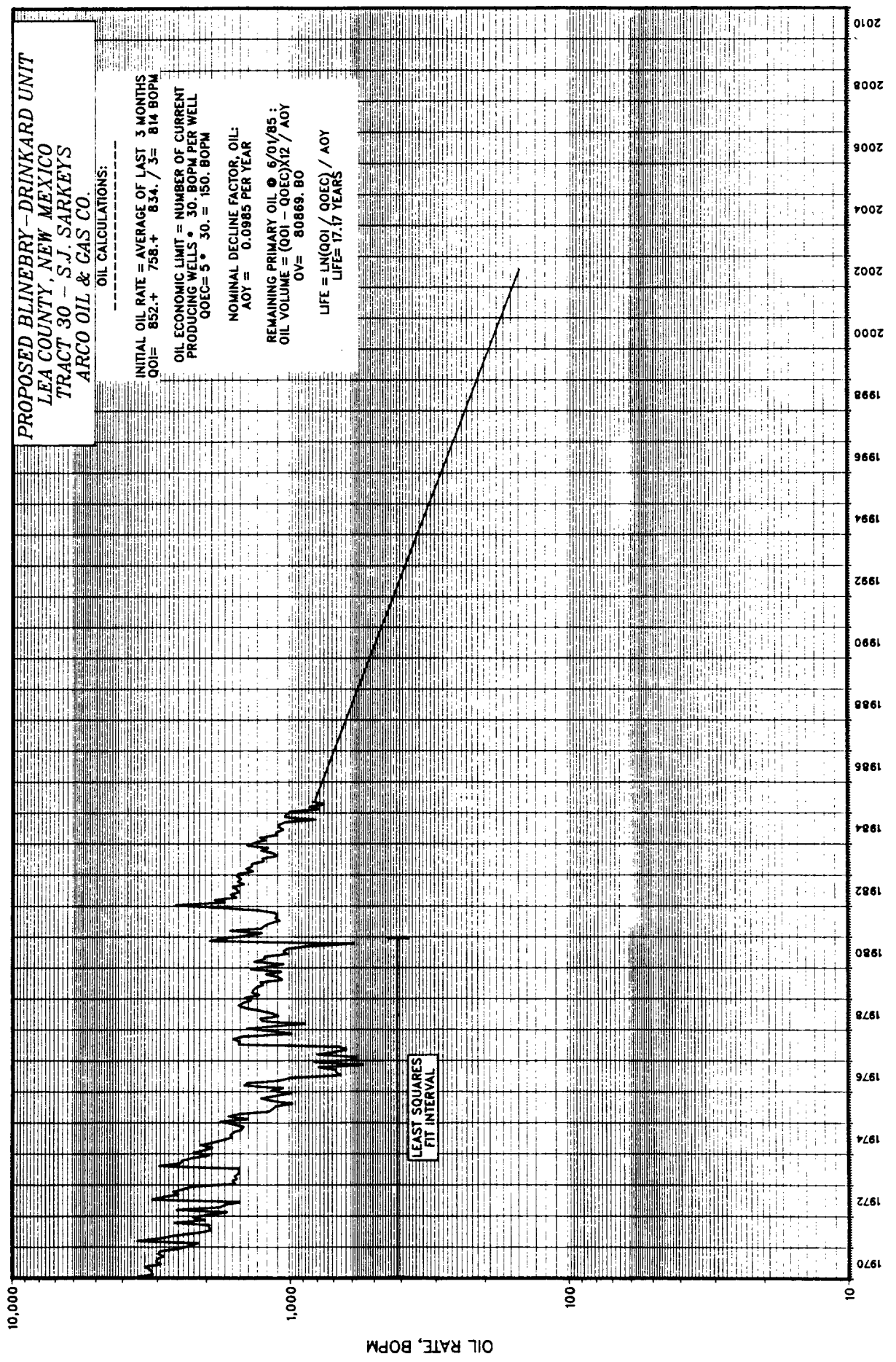AOY = 0.0980 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 112398. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 22.01 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

PROPOSED BLINEBRY – DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 30 – S.J. SARKEYS
ARCO OIL & GAS CO.

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 852.+ 758.+ 834. / 3= 814 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC= 5 * 30. = 150. BOPM

NOMINAL DECLINE FACTOR, OIL:
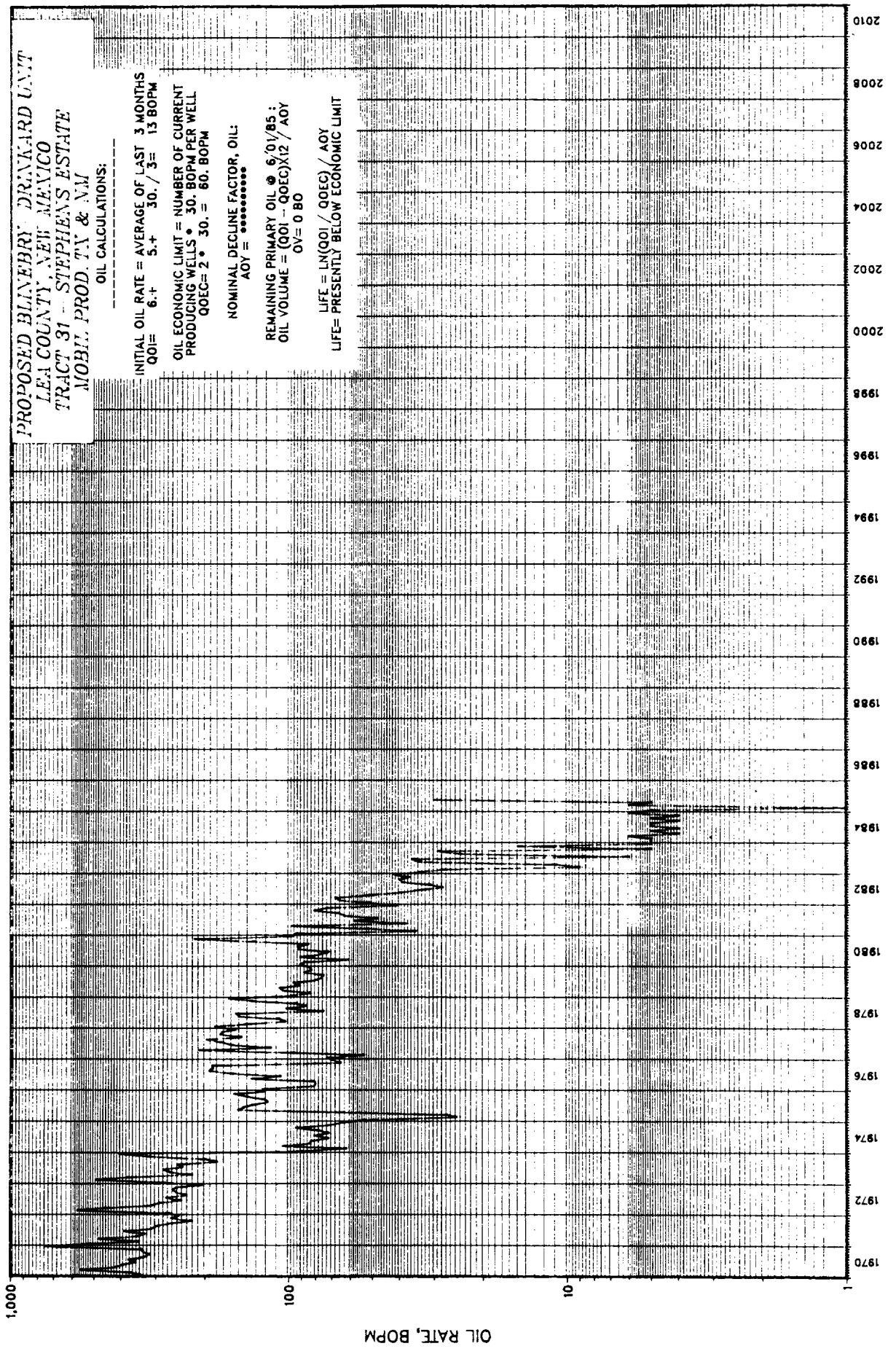AOY = 0.0985 PER YEAR

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI − QOEC)X12 / AOY
OV= 80869. BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= 17.17 YEARS

LEAST SQUARES
FIT INTERVAL

OIL RATE, BOPM

PROPOSED BLINEBRY DRINKARD UNIT
LEA COUNTY, NEW MEXICO
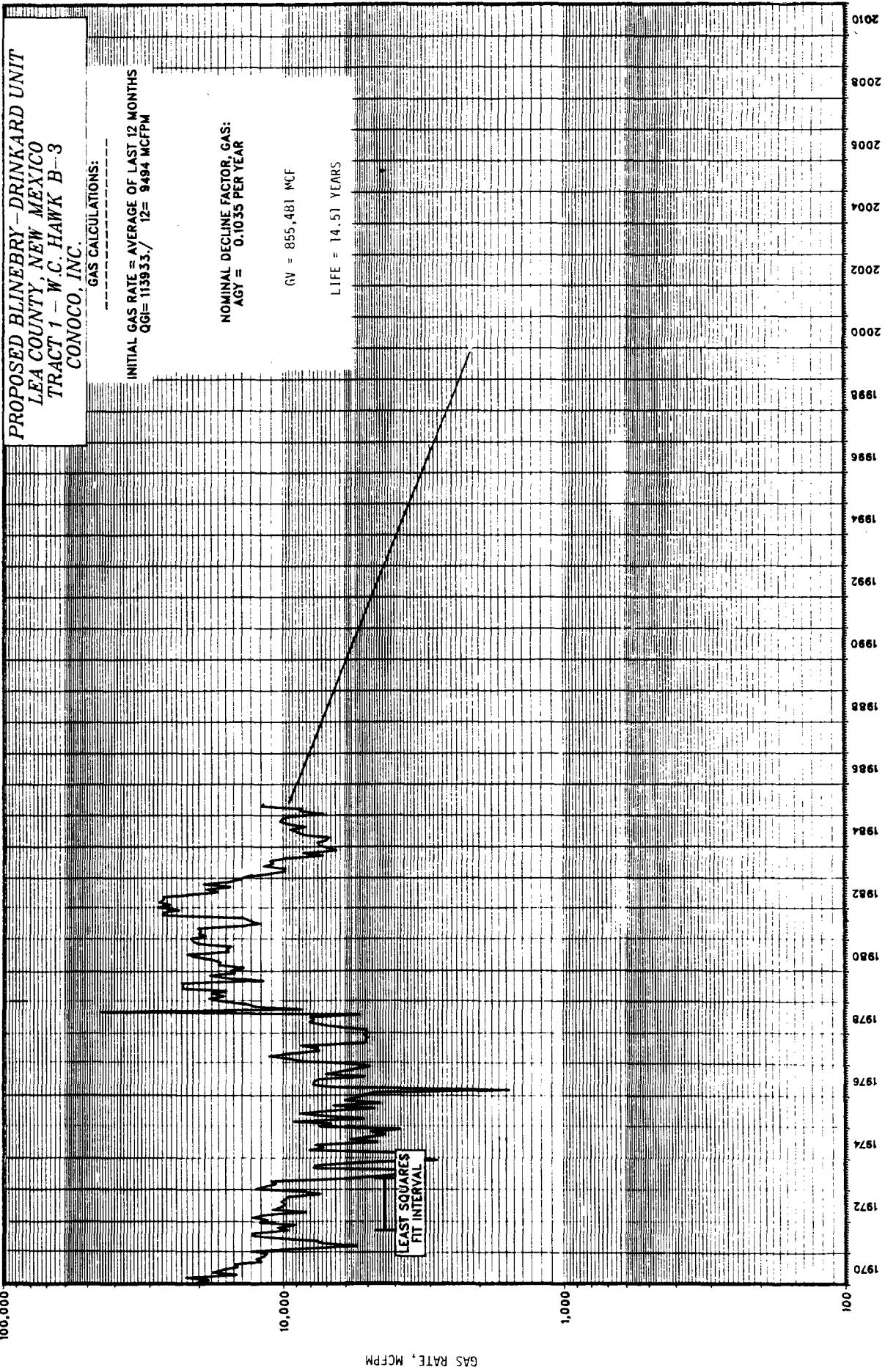TRACT 31 - STEPHENS ESTATE
MOBIL PROD. TX & NM

OIL CALCULATIONS:

INITIAL OIL RATE = AVERAGE OF LAST 3 MONTHS
QOI= 6.+ 5.+ 30./ 3= 13 BOPM

OIL ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 30. BOPM PER WELL
QOEC= 2 * 30. = 60. BOPM

NOMINAL DECLINE FACTOR, OIL:
AOY = *********

REMAINING PRIMARY OIL @ 6/01/85 :
OIL VOLUME = (QOI - QOEC)X12 / AOY
OV= 0 BO

LIFE = LN(QOI / QOEC) / AOY
LIFE= PRESENTLY BELOW ECONOMIC LIMIT

OIL RATE, BOPM

GAS PRODUCTION CURVES

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 1 - W.C. HAWK B-3
CONOCO, INC.

GAS CALCULATIONS:

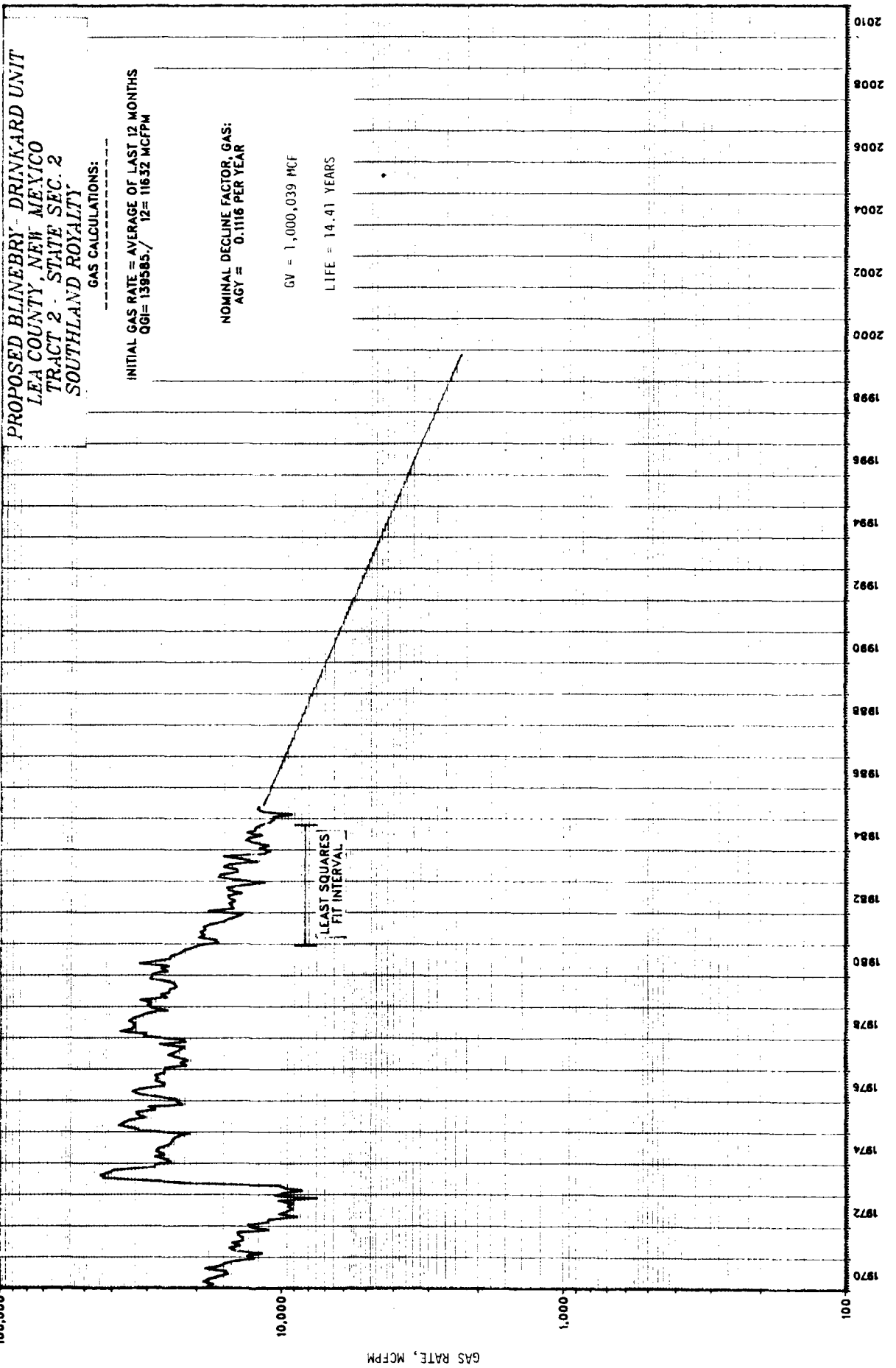INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 113933./ 12= 9494 MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY = 0.1035 PER YEAR

GV = 855,481 MCF

LIFE = 14.51 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 2 - STATE SEC. 2
SOUTHLAND ROYALTY'

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 139585./ 12= 11632 MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY =   0.1116 PER YEAR

GV = 1,000,039 MCF

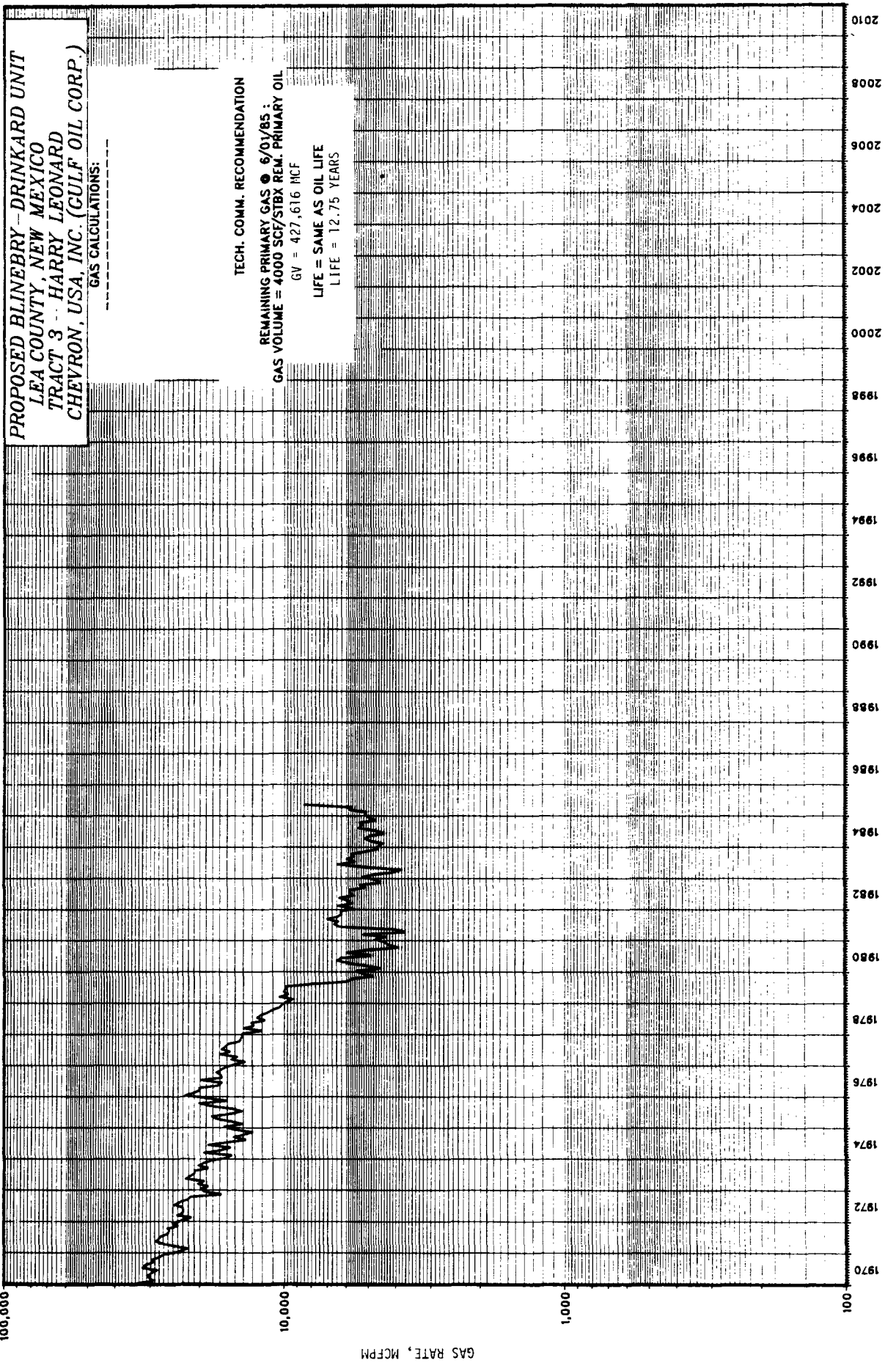LIFE = 14.41 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 3 -- HARRY LEONARD
CHEVRON, USA, INC. (GULF OIL CORP.)

GAS CALCULATIONS:

TECH. COMM. RECOMMENDATION

REMAINING PRIMARY GAS @ 6/01/85 :
GAS VOLUME = 4000 SCF/STBX REM. PRIMARY OIL

GV = 427,616 MCF

LIFE = SAME AS OIL LIFE
LIFE = 12.75 YEARS

GAS RATE, MCFPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
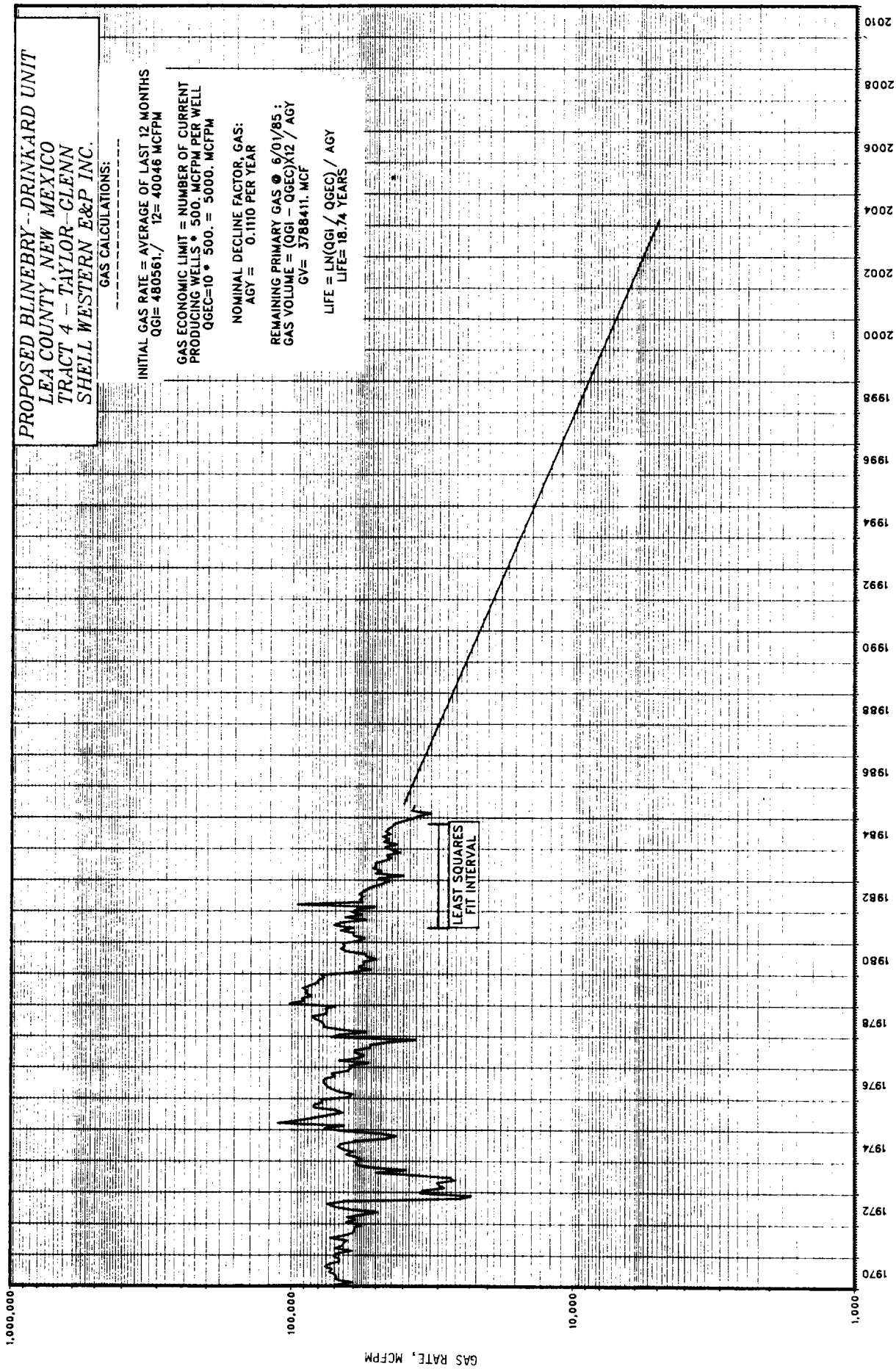TRACT 4 – TAYLOR-GLENN
SHELL WESTERN E&P INC.

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 480561./ 12= 40046 MCFPM

GAS ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 500. MCFPM PER WELL
QGEC=10 * 500. = 5000. MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY = 0.1110 PER YEAR

REMAINING PRIMARY GAS @ 6/01/85 :
GAS VOLUME = (QGI − QGEC)X12 / AGY
GV= 3788411. MCF

LIFE = LN(QGI / QGEC) / AGY
LIFE= 18.74 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY – DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 5 – C.H. LIVINGSTON
SHELL WESTERN E&P INC.

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 555282./ 12= 46273 MCFPM
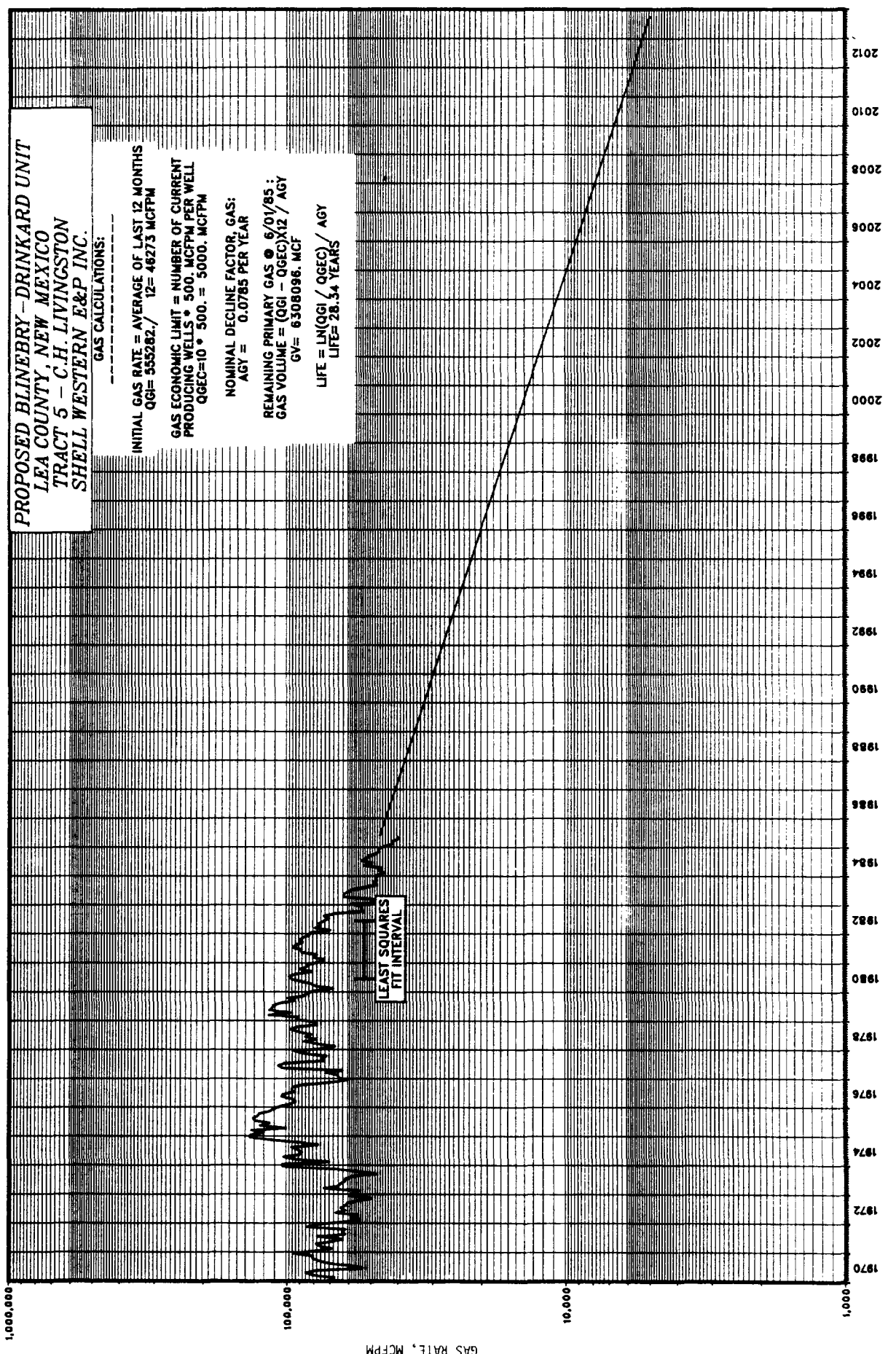
GAS ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 500. MCFPM PER WELL
QGEC=10 * 500. = 5000. MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY = 0.0785 PER YEAR

REMAINING PRIMARY GAS @ 6/01/85 ;
GAS VOLUME = (QGI – QGEC)X12 / AGY
GV= 6308096. MCF

LIFE = LN(QGI / QGEC) / AGY
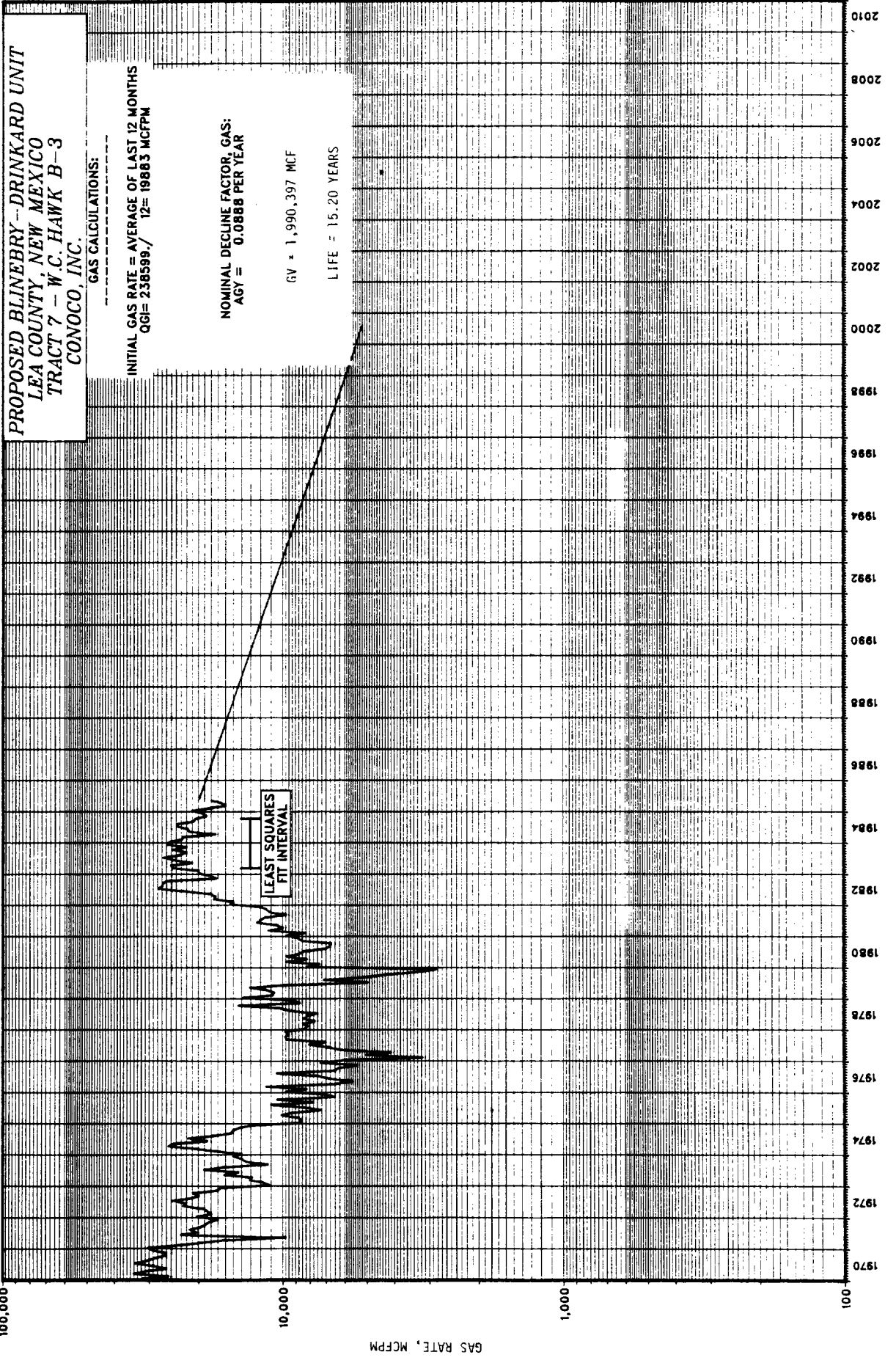LIFE= 28.34 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY--DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 7 - W.C. HAWK B-3
CONOCO, INC.

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 238599./ 12= 19883 MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY =   0.0888 PER YEAR

GV = 1,990,397 MCF

LIFE = 15.20 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
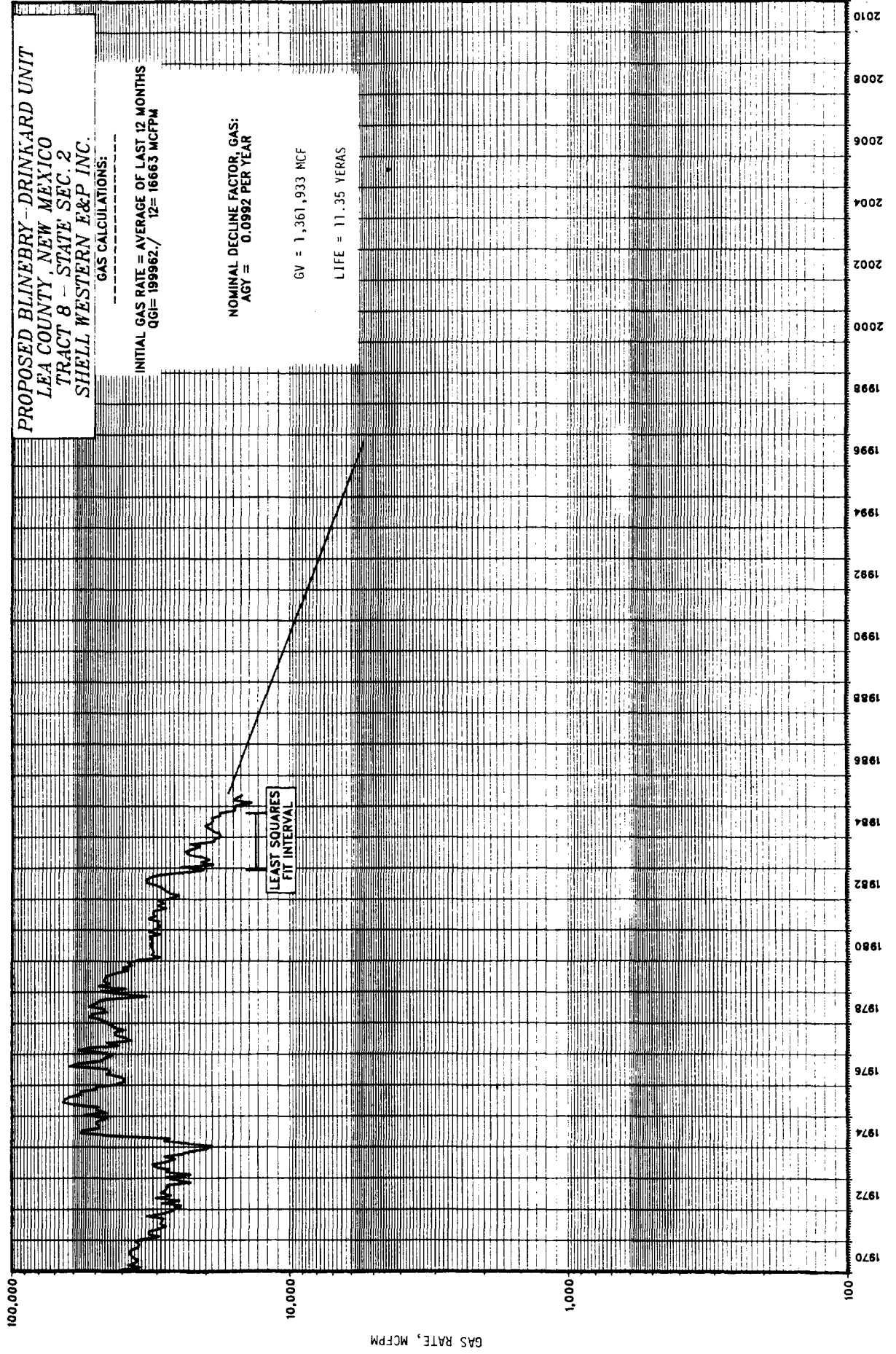TRACT 8 - STATE SEC. 2
SHELL WESTERN E&P INC.

GAS CALCULATIONS:

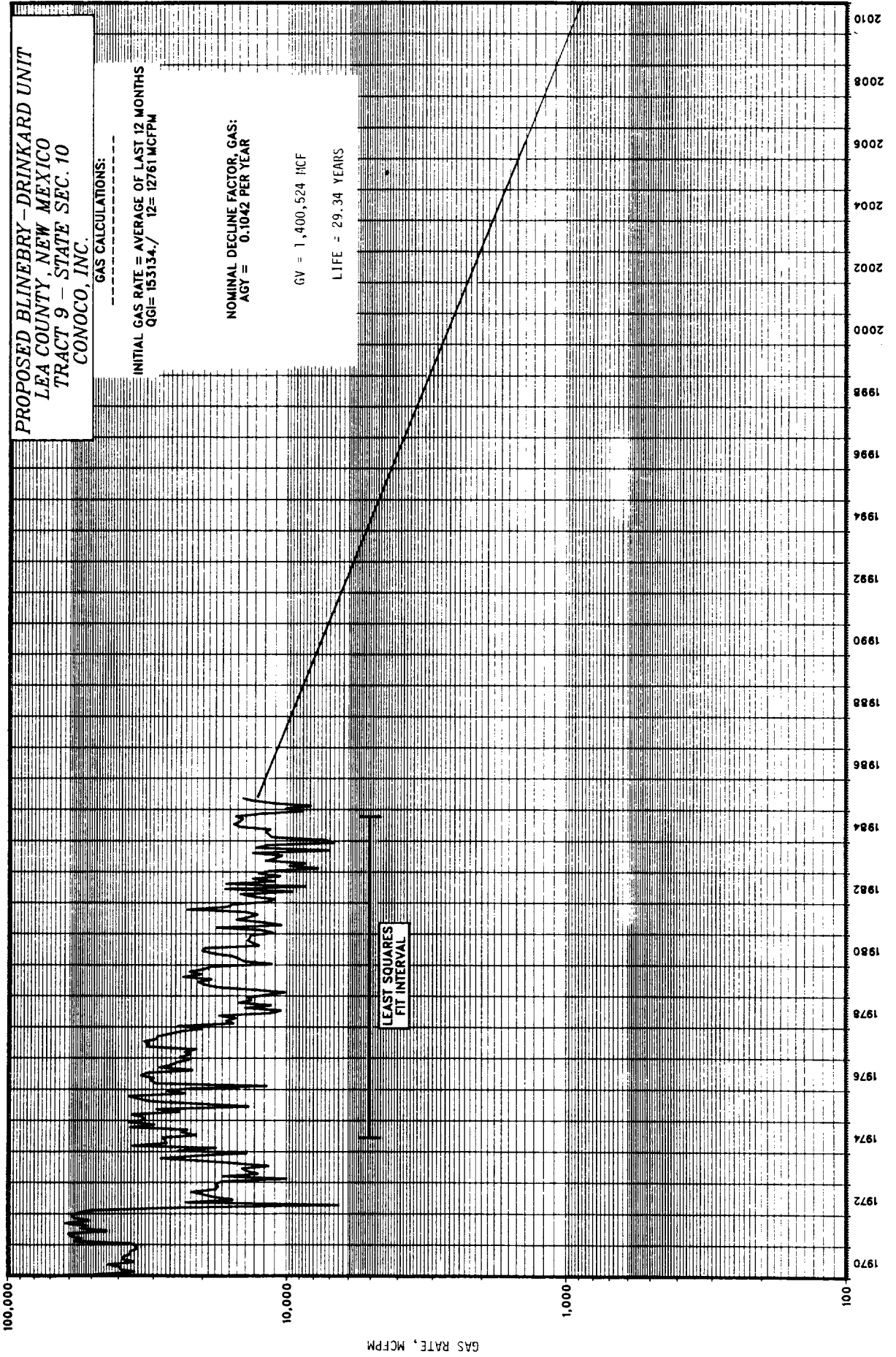INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 199962./ 12= 16663 MCFPM
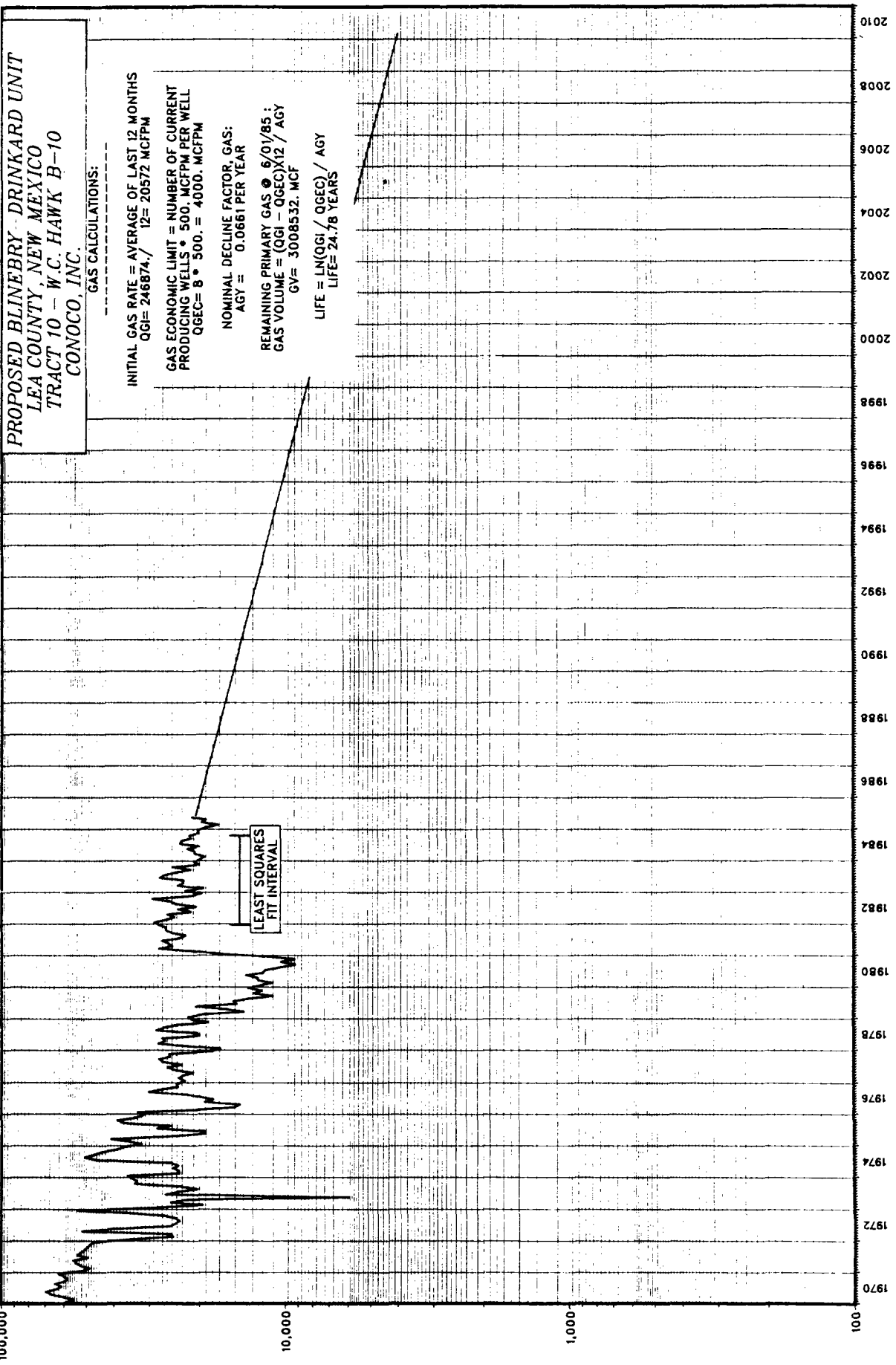
NOMINAL DECLINE FACTOR, GAS:
AGY =   0.0992 PER YEAR

GV = 1,361,933 MCF

LIFE = 11.35 YERAS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 9 - STATE SEC. 10
CONOCO, INC.

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGi= 153134./ 12= 12761 MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY =   0.1042 PER YEAR

GV = 1,400,524 MCF

LIFE = 29.34 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 10 — W.C. HAWK B-10
CONOCO, INC.

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 246874./ 12= 20572 MCFPM

GAS ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 500. MCFPM PER WELL
QGEC= 8 * 500. = 4000. MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY = 0.0661 PER YEAR

REMAINING PRIMARY GAS @ 6/01/85 :
GAS VOLUME = (QGI − QGEC)X12 / AGY
GV= 3008532. MCF

LIFE = LN(QGI / QGEC) / AGY
LIFE= 24.78 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO
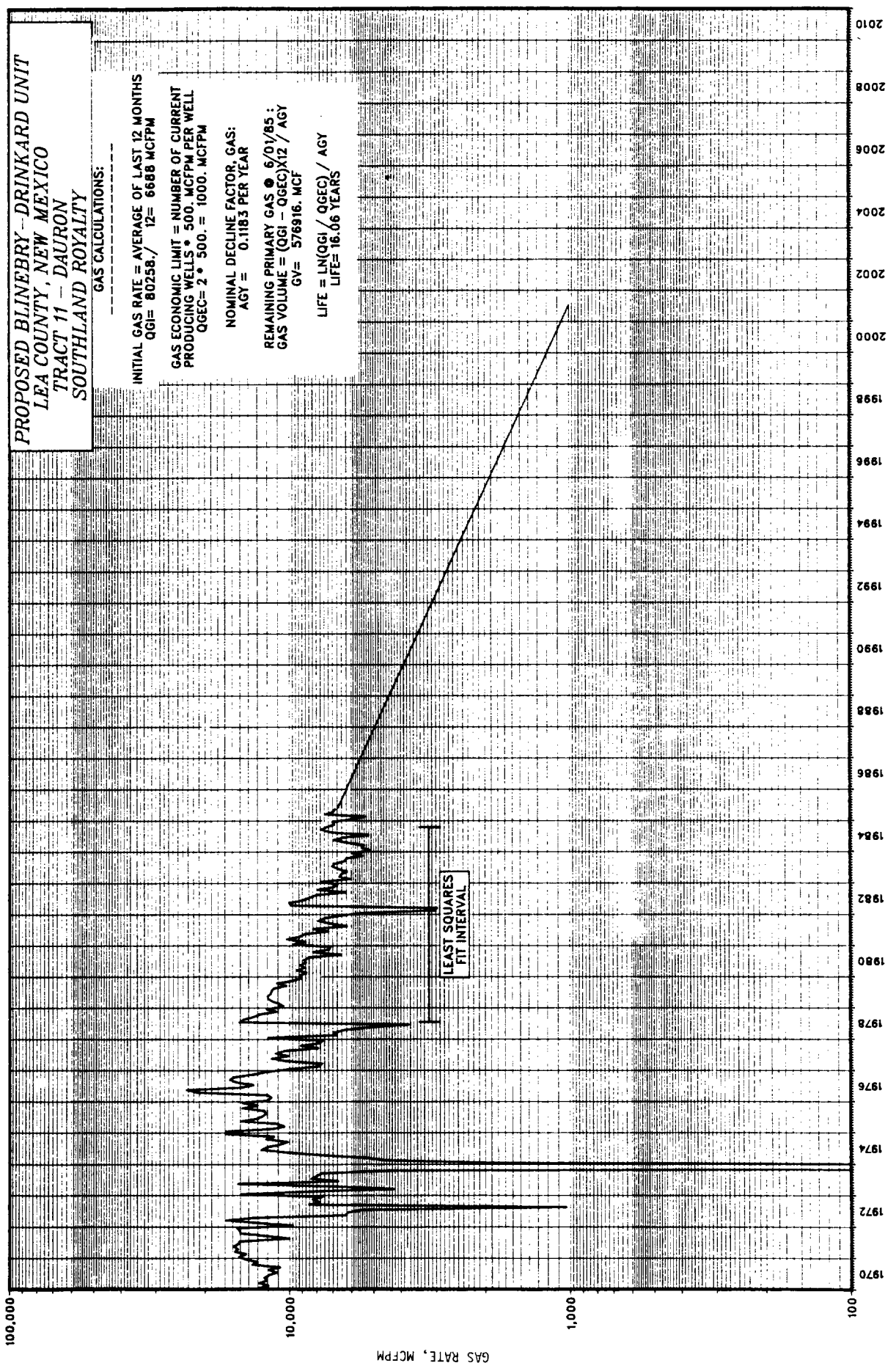TRACT 11 - DAURON
SOUTHLAND ROYALTY

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 80258./ 12= 6688 MCFPM

GAS ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 500. MCFPM PER WELL
QGEC= 2 * 500. = 1000. MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY = 0.1183 PER YEAR

REMAINING PRIMARY GAS @ 6/01/85 :
GAS VOLUME = (QGI − QGEC)X12 / AGY
GV= 576916. MCF

LIFE = LN(QGI / QGEC) / AGY
LIFE= 16.06 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 12 — NM V STATE
EXXON CO., USA

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGi= 146935./ 12= 12244 MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY =   0.0957 PER YEAR

GV = 1,421,850 MCF

LIFE = 27.26 YEARS

LEAST SQUARES
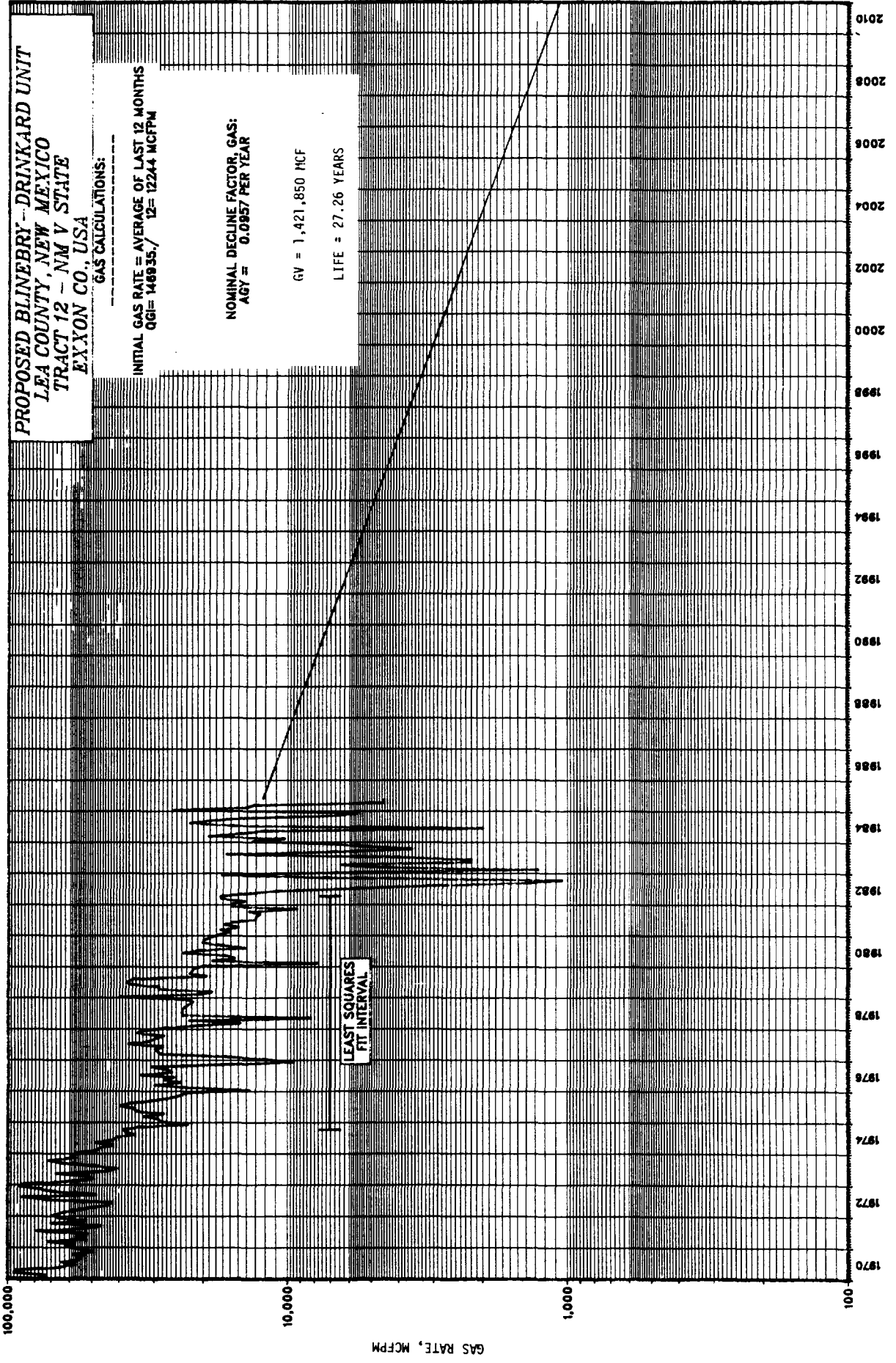FIT INTERVAL

GAS RATE, MCFPM

100,000

10,000

1,000

100

1970 1972 1974 1976 1978 1980 1982 1984 1986 1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
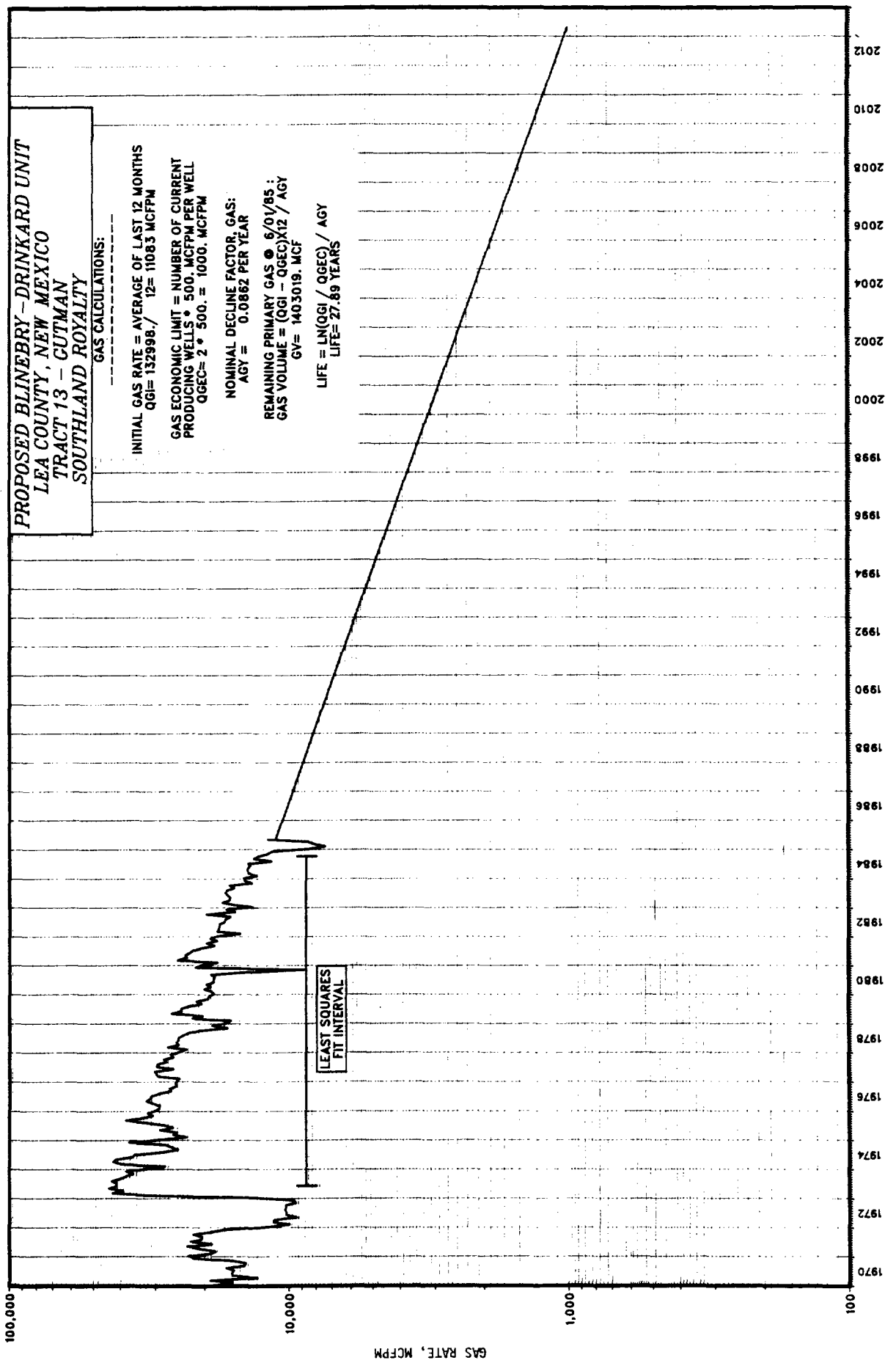TRACT 13 – GUTMAN
SOUTHLAND ROYALTY

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 132998./ 12= 11083 MCFPM

GAS ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 500. MCFPM PER WELL
QGEC= 2 * 500. = 1000. MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY = 0.0862 PER YEAR

REMAINING PRIMARY GAS @ 6/01/85 :
GAS VOLUME = (QGI – QGEC)X12 / AGY
GV= 1403019. MCF

LIFE = LN(QGI / QGEC) / AGY
LIFE= 27.89 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM
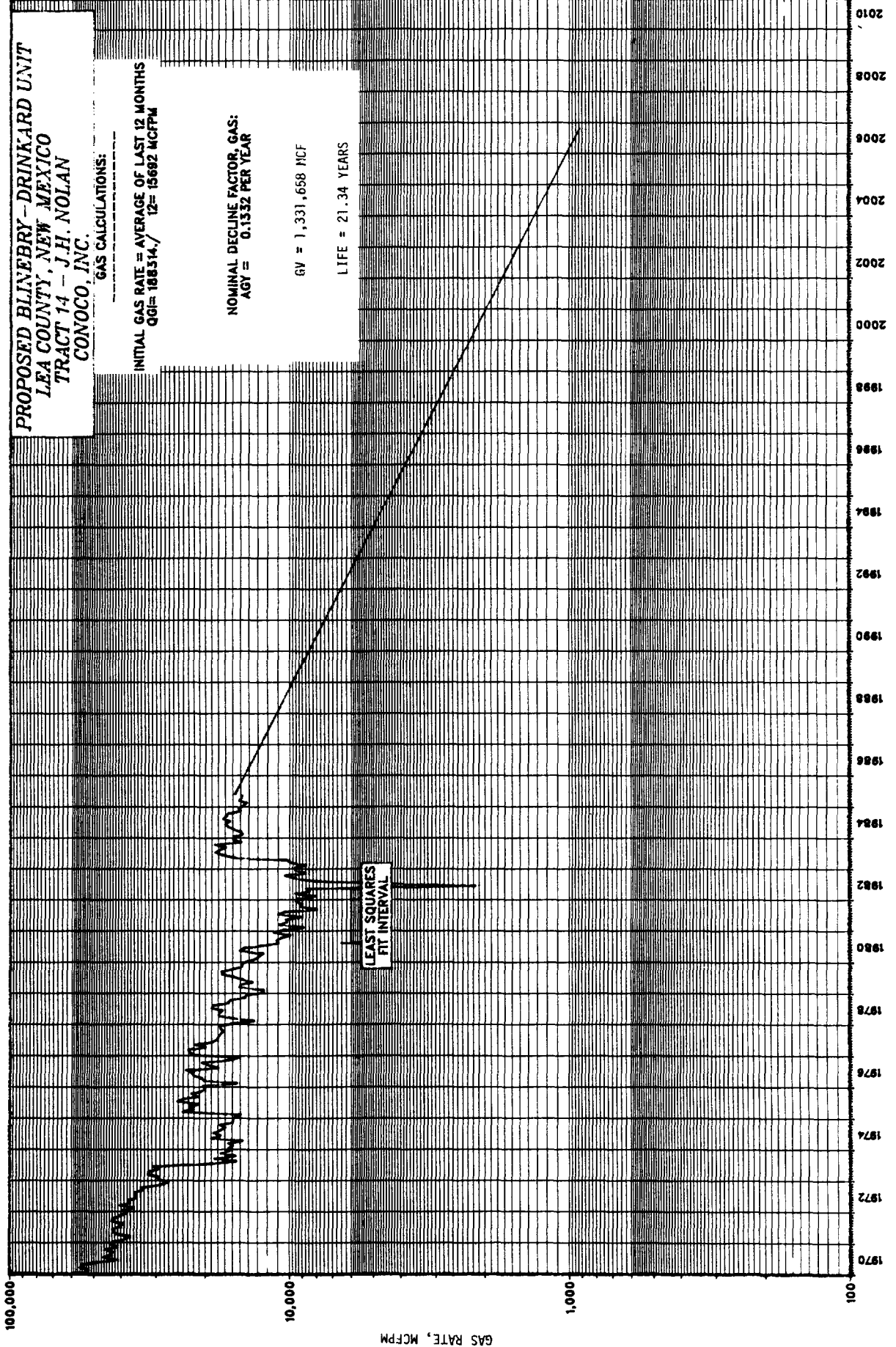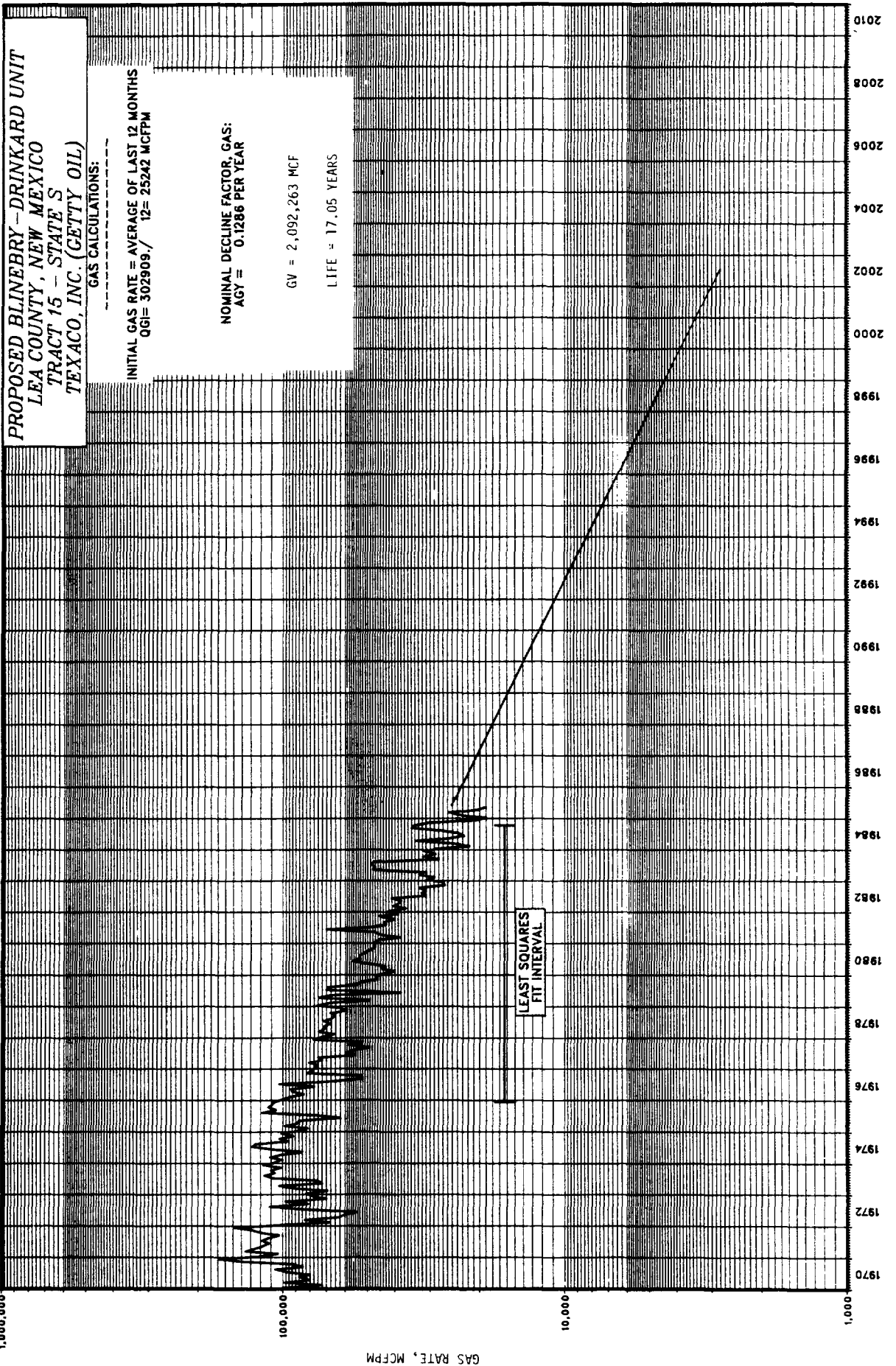
100,000

10,000

1,000

100

1970 1972 1974 1976 1978 1980 1982 1984 1986 1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010 2012

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 14 - J.H. NOLAN
CONOCO, INC.

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGi= 188314./ 12= 15692 MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY =   0.1332 PER YEAR

GV = 1,331,658 MCF

LIFE = 21.34 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY–DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 15 – STATE S
TEXACO, INC. (GETTY OIL)

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 302909./ 12= 25242 MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY =   0.1286 PER YEAR

GV = 2,092,263 MCF

LIFE = 17.05 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO
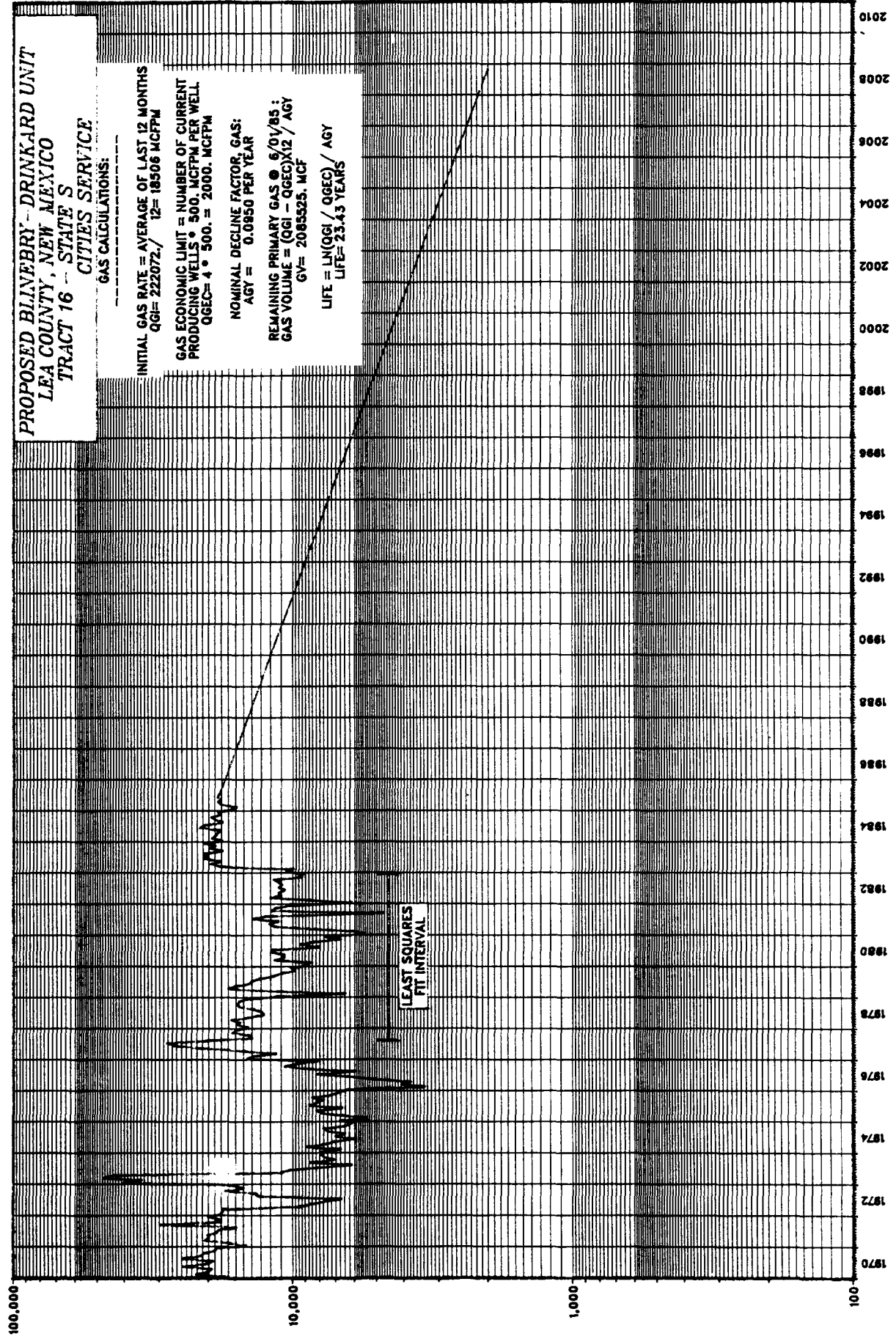TRACT 16 -- STATE S
CITIES SERVICE

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 222072./ 12= 18506 MCFPM

GAS ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 500. MCFPM PER WELL
QGEC= 4 * 500. = 2000. MCFPM
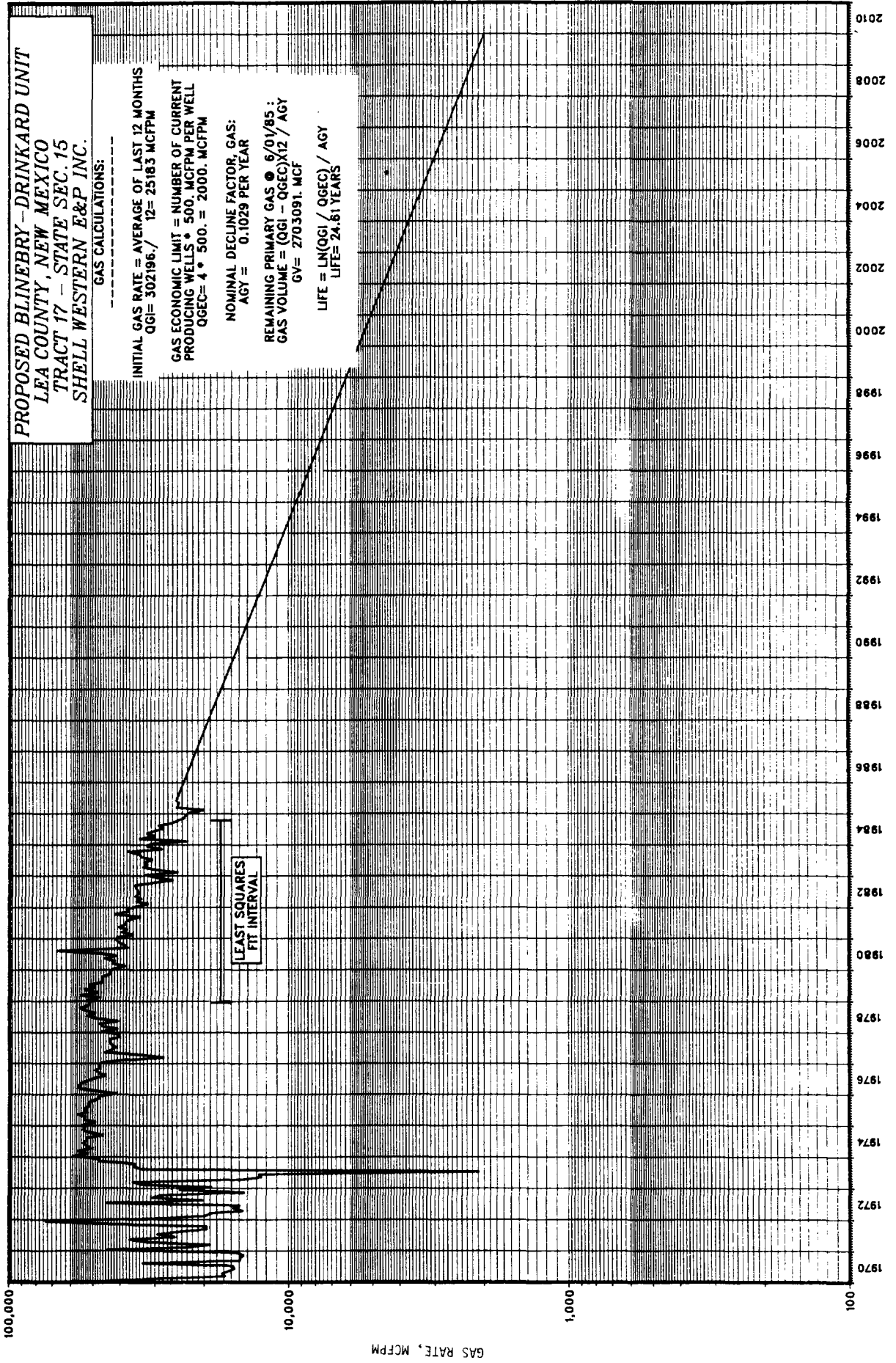
NOMINAL DECLINE FACTOR, GAS:
AGY = 0.0950 PER YEAR

REMAINING PRIMARY GAS @ 6/01/85 :
GAS VOLUME = (QGI - QGEC)X12 / AGY
GV= 2085525. MCF

LIFE = LN(QGI / QGEC) / AGY
LIFE= 23.43 YEARS

LEAST SQUARES FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 17 - STATE SEC. 15
SHELL WESTERN E&P INC.

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 302196./ 12= 25183 MCFPM

GAS ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 500. MCFPM PER WELL
QGEC= 4 * 500. = 2000. MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY = 0.1029 PER YEAR

REMAINING PRIMARY GAS @ 6/01/85 :
GAS VOLUME = (QGI - QGEC)X12 / AGY
GV= 2703091. MCF

LIFE = LN(QGI / QGEC) / AGY
LIFE= 24.61 YEARS

LEAST SQUARES
FIT INTERVAL

PROPOSED BLINEBRY – DRINKARD UNIT
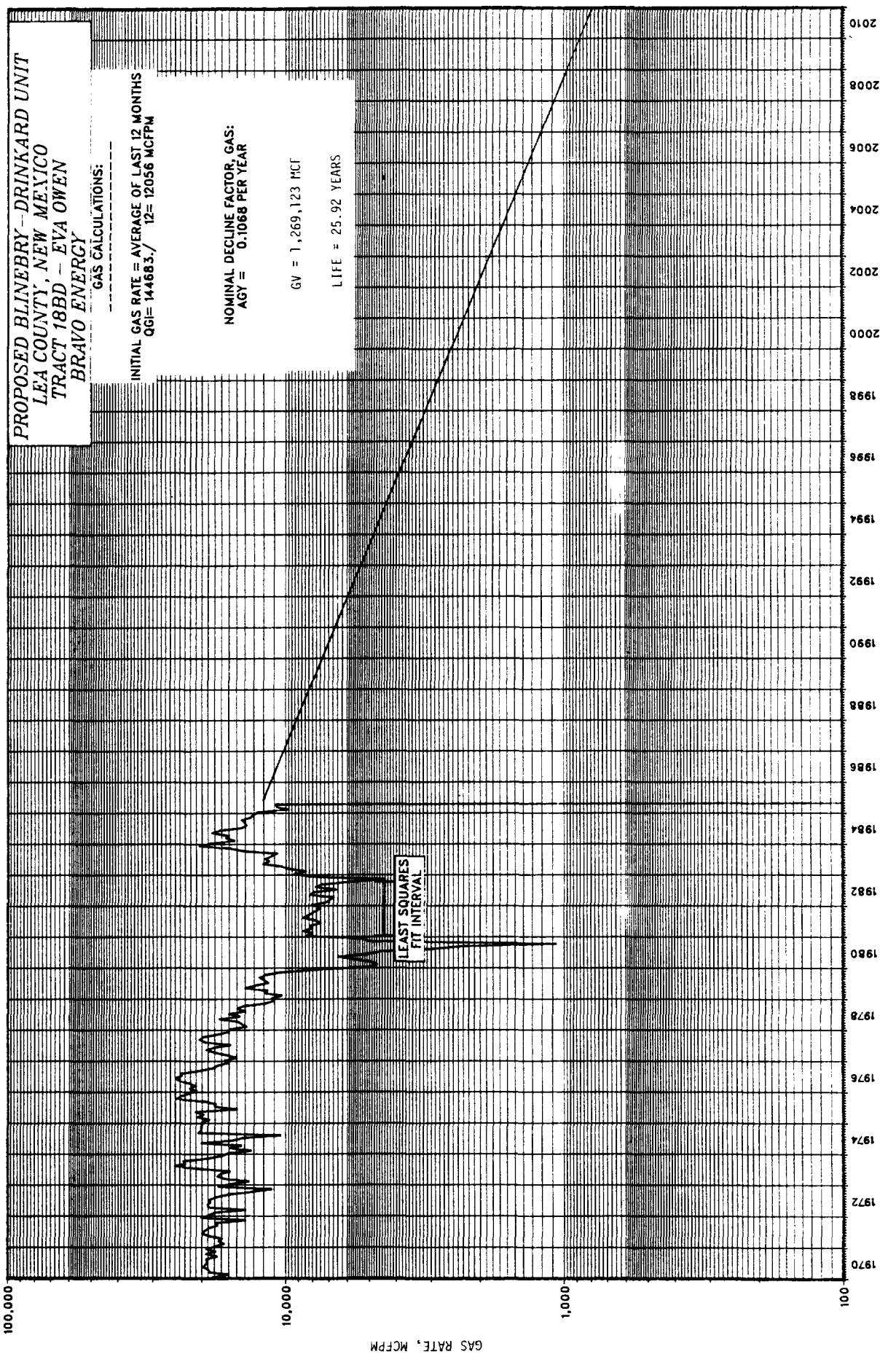LEA COUNTY, NEW MEXICO
TRACT 18BD – EVA OWEN
BRAVO ENERGY

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 144683./ 12= 12056 MCFPM
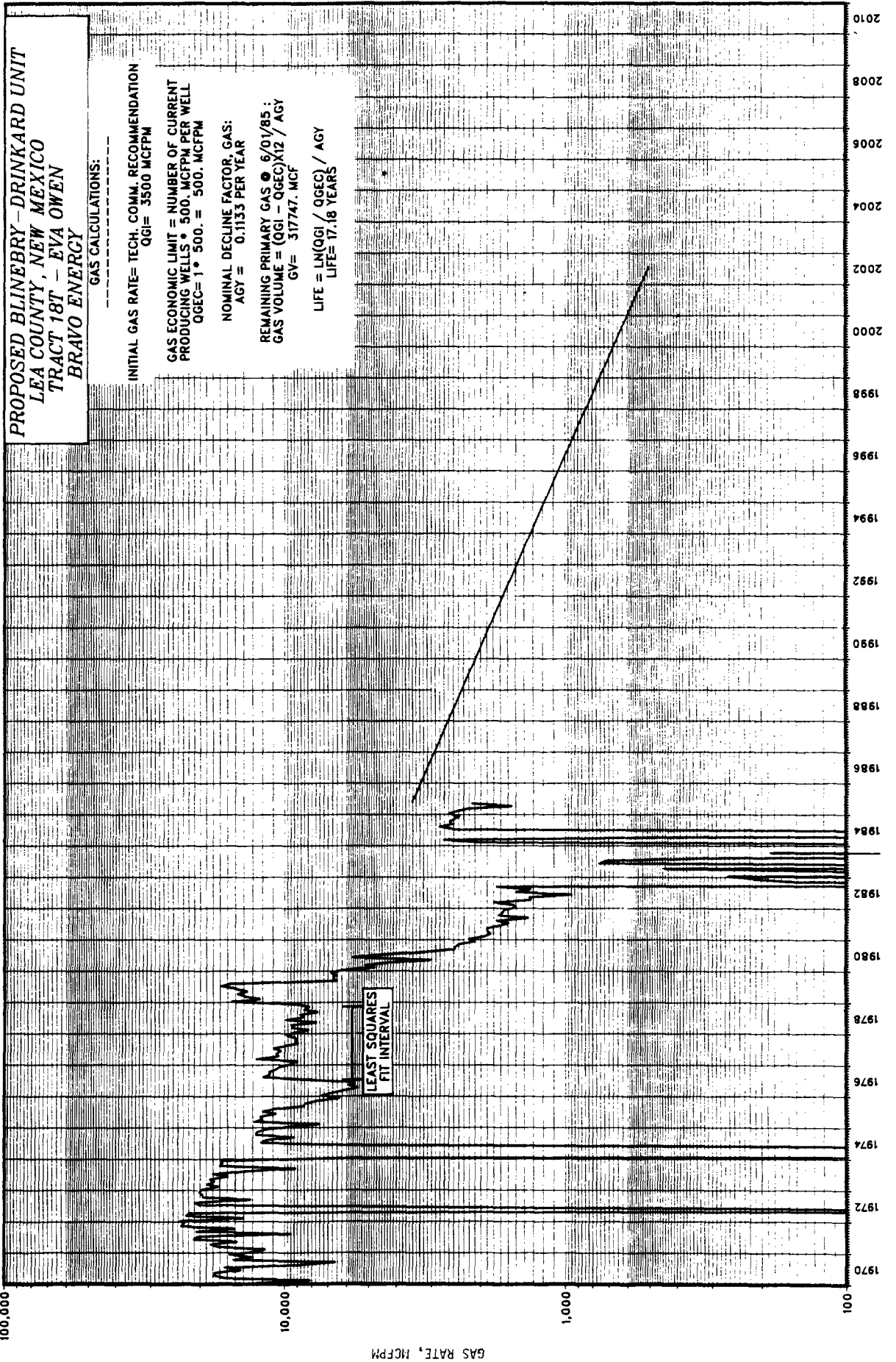
NOMINAL DECLINE FACTOR, GAS:
AGY =   0.1068 PER YEAR

GV = 1,269,123 MCF

LIFE = 25.92 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY–DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 18T – EVA OWEN
BRAVO ENERGY

GAS CALCULATIONS:

INITIAL GAS RATE= TECH. COMM. RECOMMENDATION
                 QGI= 3500 MCFPM

GAS ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 500. MCFPM PER WELL
QGEC= 1* 500. = 500. MCFPM

NOMINAL DECLINE FACTOR, GAS:
                 AGY =   0.1133 PER YEAR

REMAINING PRIMARY GAS @ 6/01/85 :
GAS VOLUME = (QGI – QGEC)X12 / AGY
             GV= 317747. MCF

LIFE = LN(QGI / QGEC) / AGY
              LIFE= 17.18 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY--DRINKARD UNIT
LEA COUNTY, NEW MEXICO
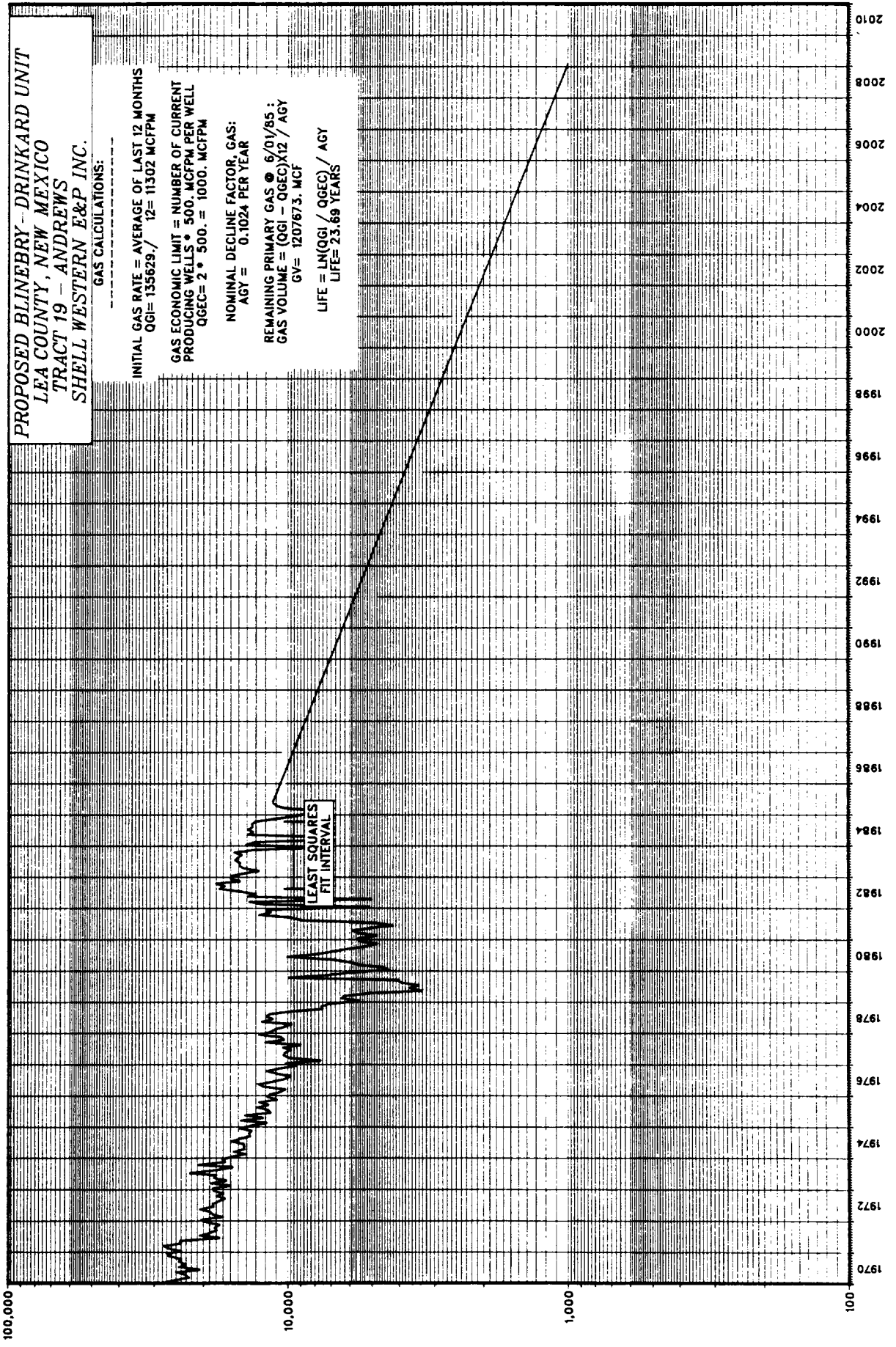TRACT 19 -- ANDREWS
SHELL WESTERN E&P INC.

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 135629./ 12= 11302 MCFPM

GAS ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 500. MCFPM PER WELL
QGEC= 2 * 500. = 1000. MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY = 0.1024 PER YEAR

REMAINING PRIMARY GAS @ 6/01/85 :
GAS VOLUME = (QGI - QGEC)X12 / AGY
GV= 1207673. MCF

LIFE = LN(QGI / QGEC) / AGY
LIFE= 23.69 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 20 - ARCO
SHELL WESTERN E&P INC.

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 669560./ 12= 55796 MCFPM

GAS ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 500. MCFPM PER WELL
QGEC= 8 * 500. = 4000. MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY = 0.0991 PER YEAR

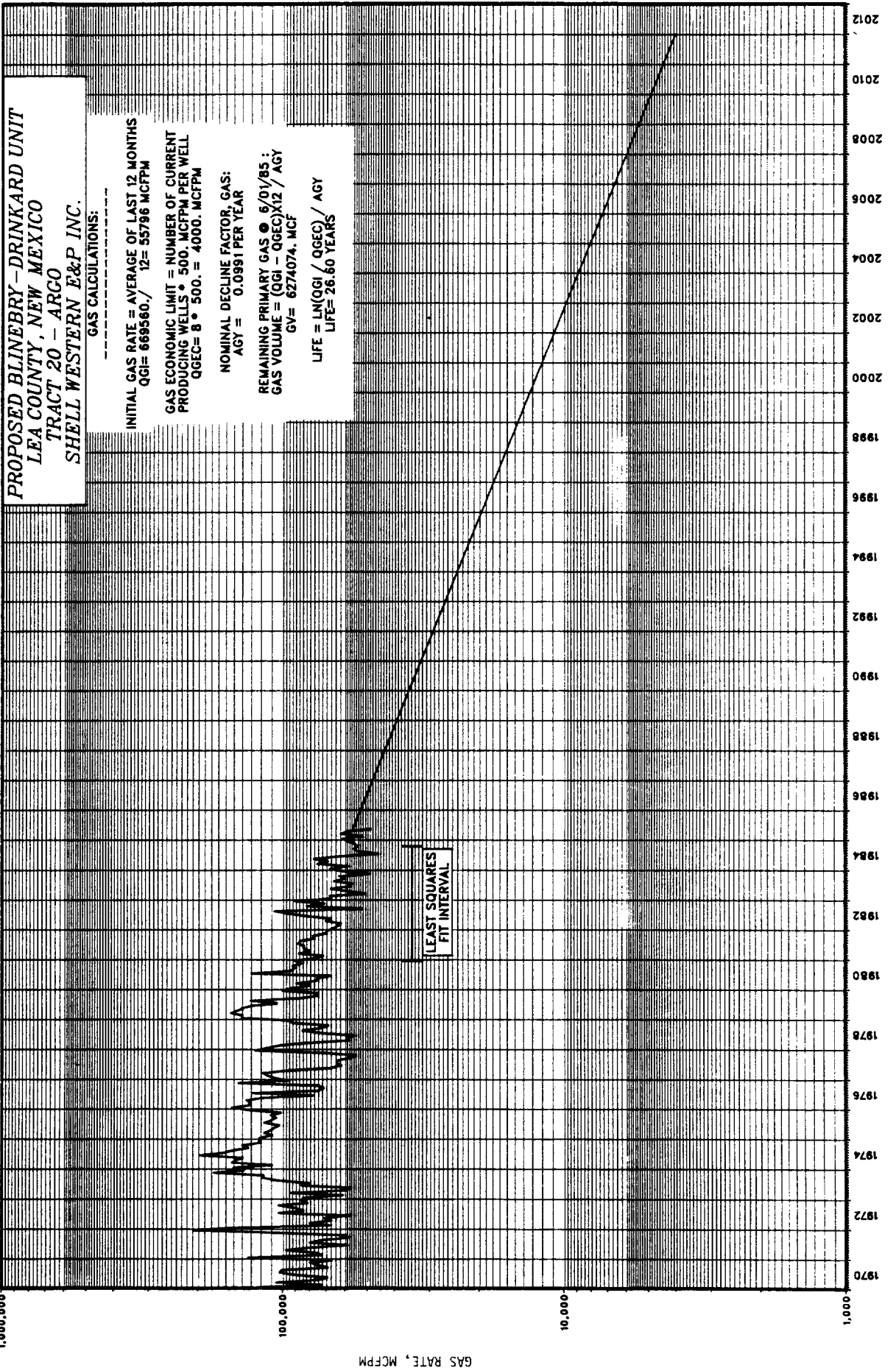REMAINING PRIMARY GAS @ 5/01/85 :
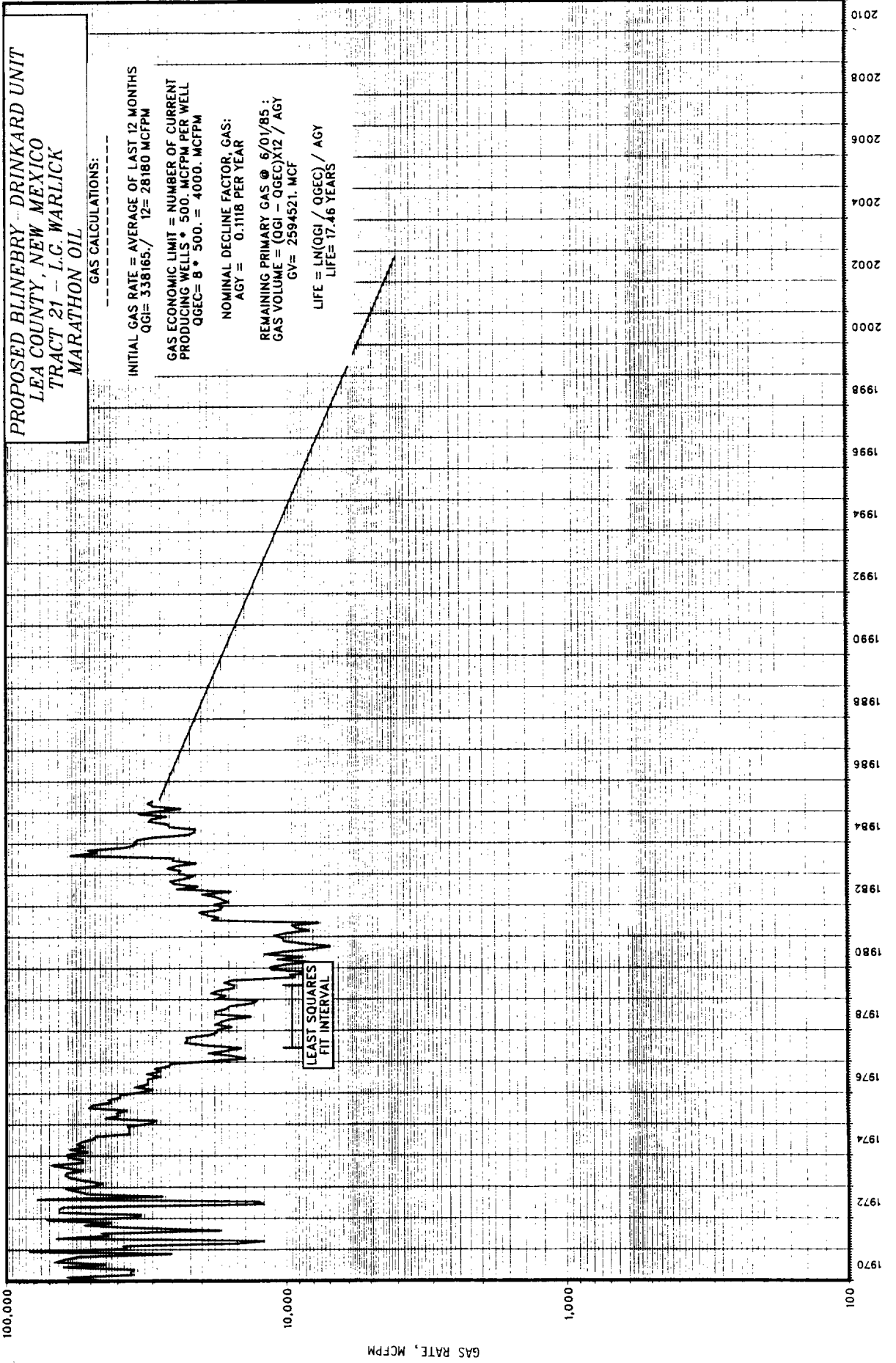GAS VOLUME = (QGI - QGEC)X12 / AGY
GV= 6274074. MCF

LIFE = LN(QGI / QGEC) / AGY
LIFE= 26.60 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 21 - L.G. WARLICK
MARATHON OIL

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 338165./   12= 28180 MCFPM

GAS ECONOMIC LIMIT = NUMBER OF CURRENT
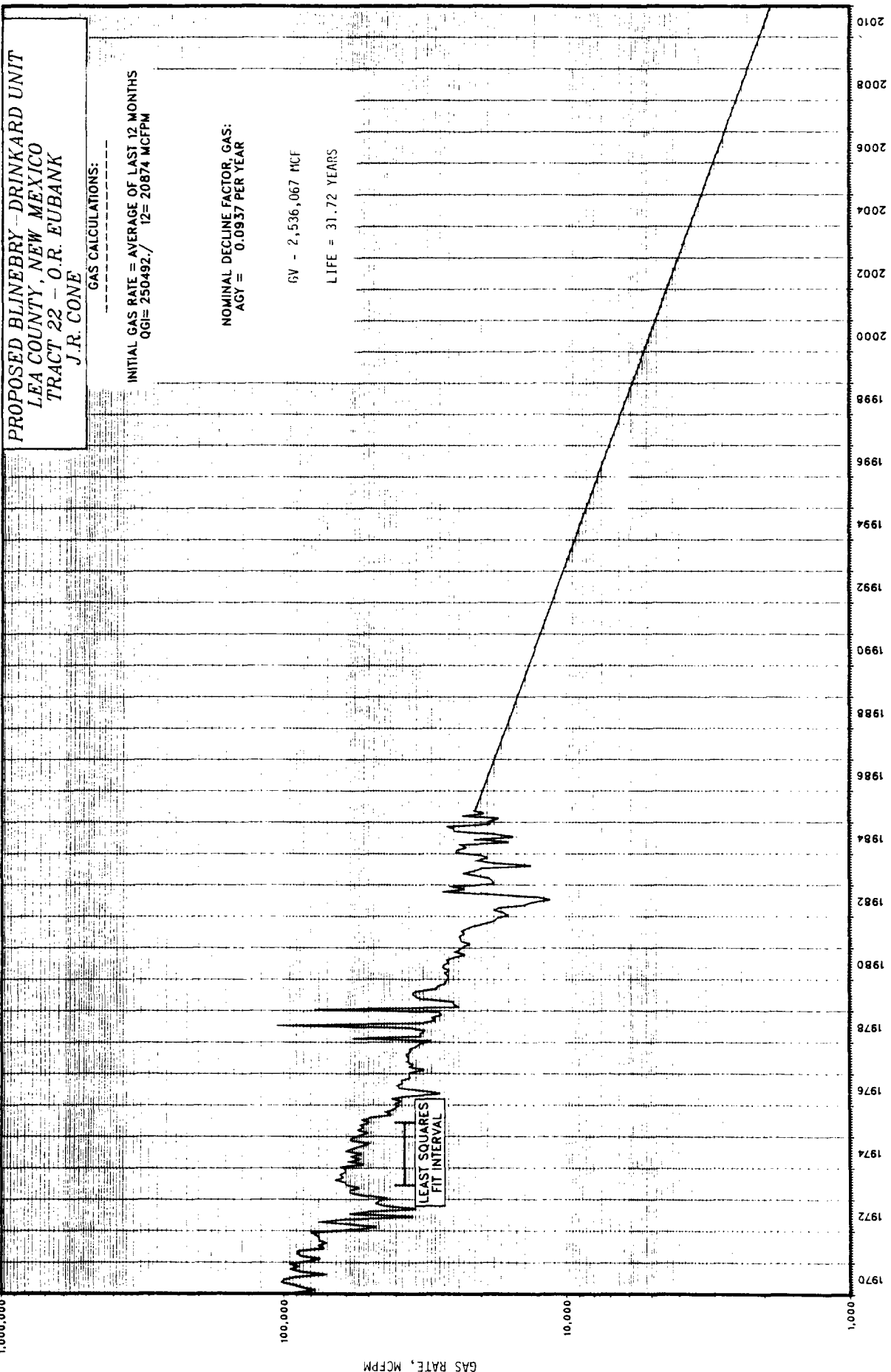PRODUCING WELLS * 500. MCFPM PER WELL
QGEC= 8 * 500. = 4000. MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY =   0.1118 PER YEAR

REMAINING PRIMARY GAS @ 6/01/85 :
GAS VOLUME = (QGI - QGEC)X12 / AGY
GV= 2594521. MCF

LIFE = LN(QGI / QGEC) / AGY
LIFE= 17.46 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 22 - O.R. EUBANK
J.R. CONE

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 250492./ 12= 20874 MCFPM
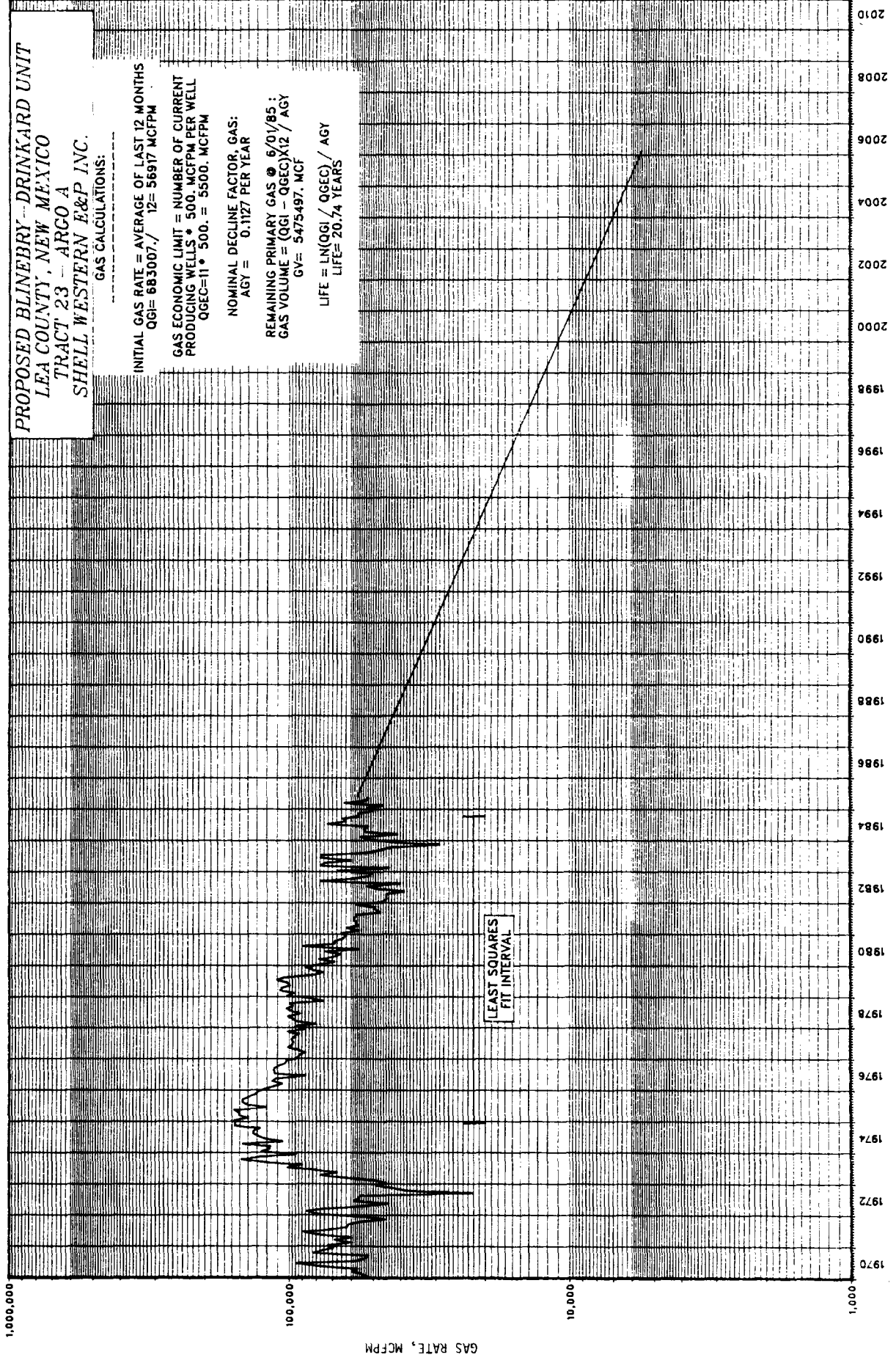
NOMINAL DECLINE FACTOR, GAS:
AGY =   0.0937 PER YEAR

GV - 2,536,067 MCF

LIFE = 31.72 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY--DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 23 -- ARGO A
SHELL WESTERN E&P INC.

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 683007./ 12= 56917 MCFPM

GAS ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 500. MCFPM PER WELL
QGEC=11* 500. = 5500. MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY =   0.1127 PER YEAR

REMAINING PRIMARY GAS @ 6/01/85 :
GAS VOLUME = (QGI - QGEC)X12 / AGY
GV= 5475497. MCF

LIFE = LN(QGI / QGEC) / AGY
LIFE= 20.74 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 24 - O.R. EUBANK
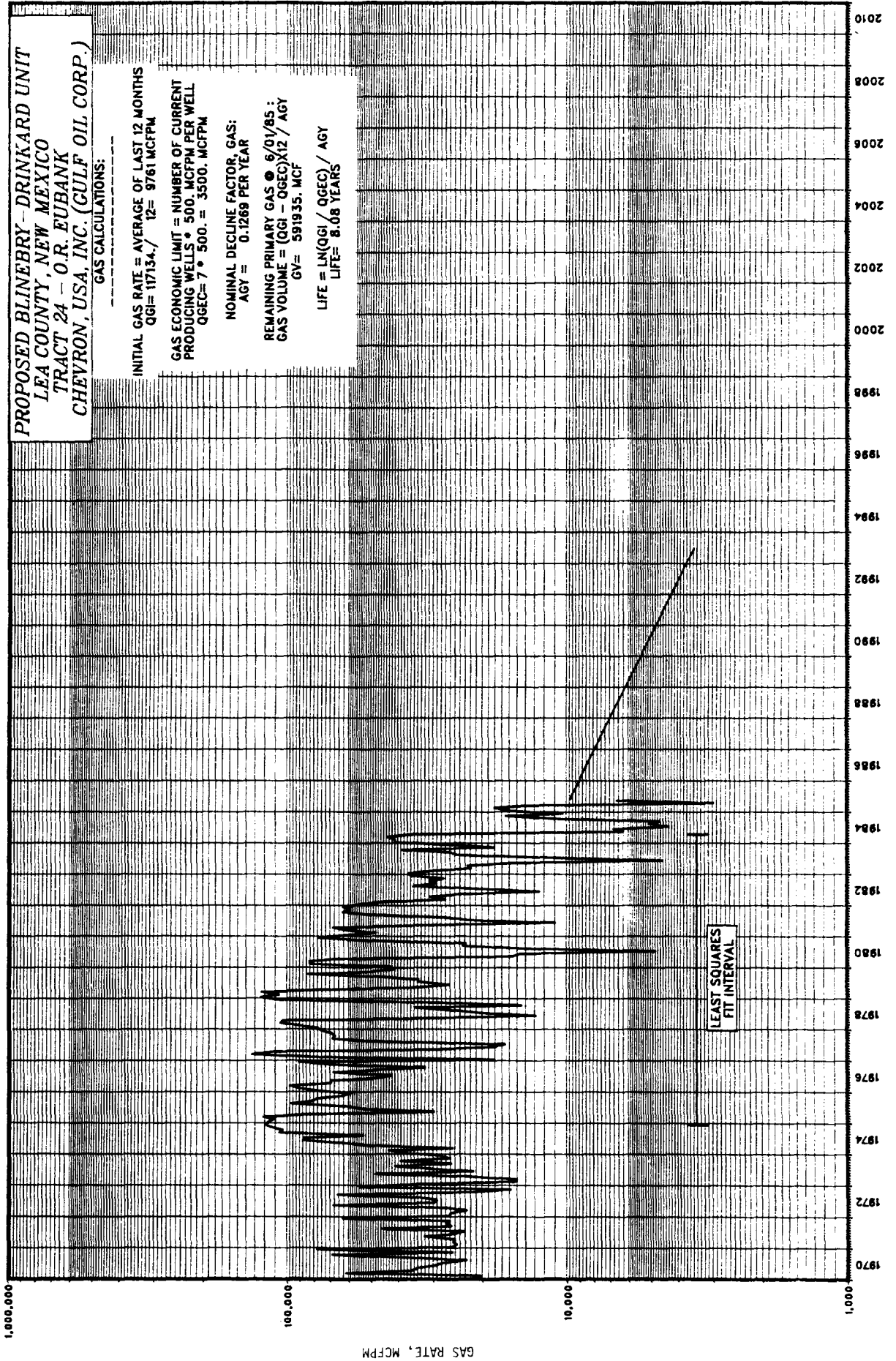CHEVRON, USA, INC. (GULF OIL CORP.)

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 117134./ 12= 9761 MCFPM

GAS ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 500. MCFPM PER WELL
QGEC= 7 * 500. = 3500. MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY = 0.1269 PER YEAR

REMAINING PRIMARY GAS @ 6/01/85 :
GAS VOLUME = (QGI - QGEC)X12 / AGY
GV= 591935. MCF

LIFE = LN(QGI / QGEC) / AGY
LIFE= 8.08 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY—DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 25 — D.A. WILLIAMSON
TEXACO, INC. (GETTY OIL)

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 205864./ 12= 17155 MCFPM

GAS ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 500. MCFPM PER WELL
QGEC= 4 * 500. = 2000. MCFPM
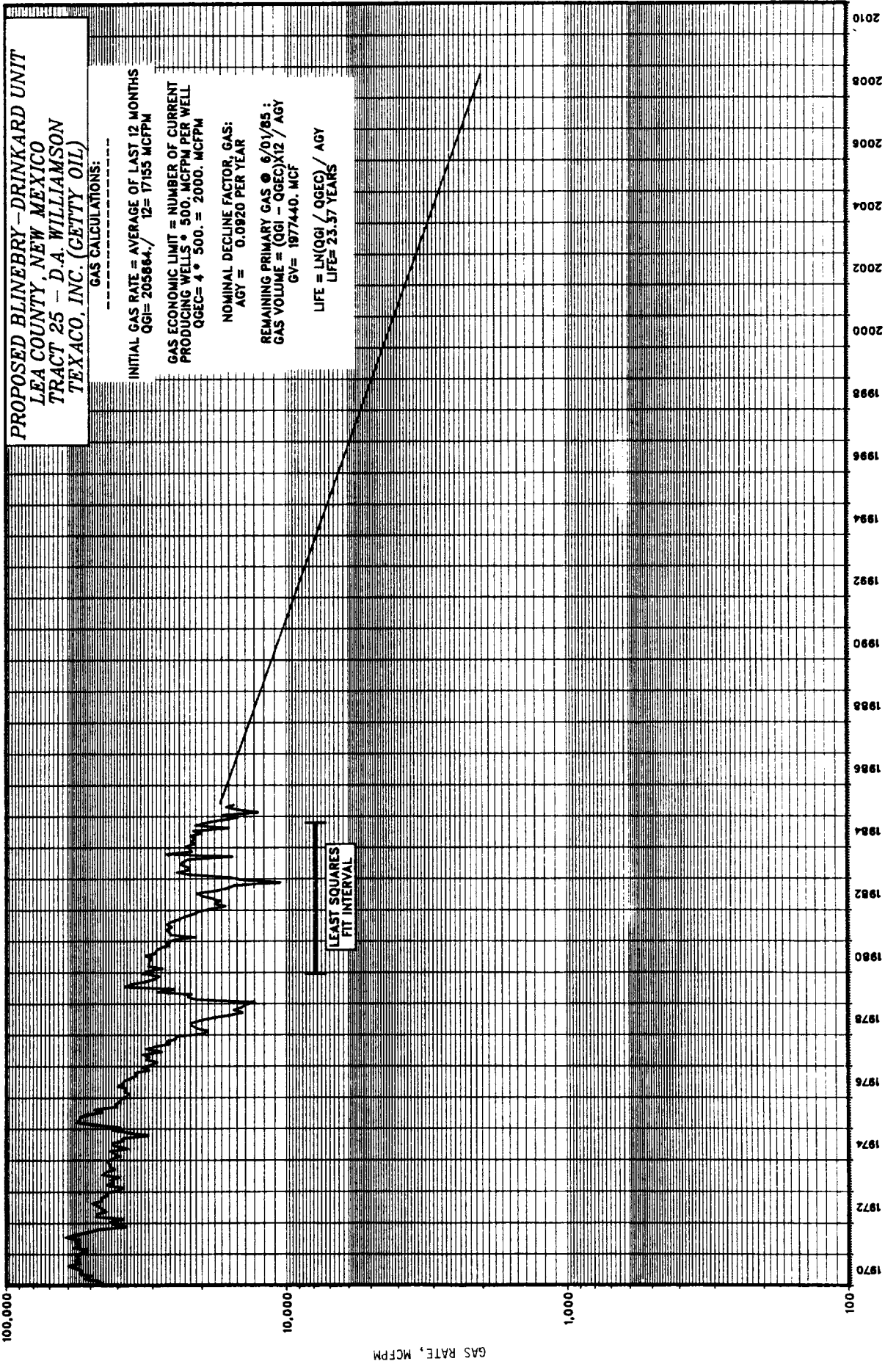
NOMINAL DECLINE FACTOR, GAS:
AGY = 0.0920 PER YEAR

REMAINING PRIMARY GAS @ 6/01/85 :
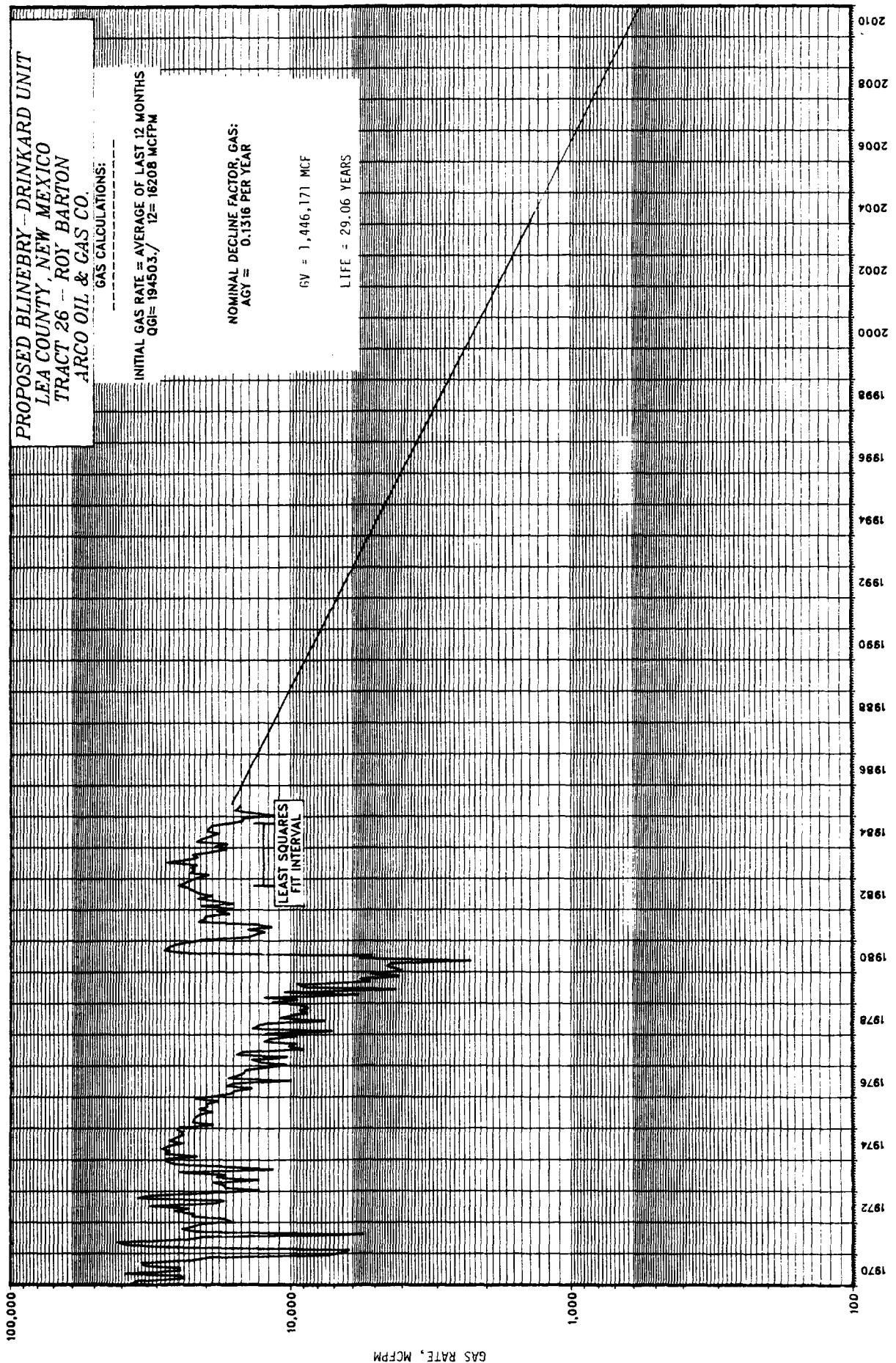GAS VOLUME = (QGI − QGEC)X12 / AGY
GV= 1977440. MCF

LIFE = LN(QGI / QGEC) / AGY
LIFE= 23.57 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY–DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 26 –– ROY BARTON
ARCO OIL & GAS CO.

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 194503./ 12= 16208 MCFPM

NOMINAL DECLINE FACTOR, GAS:
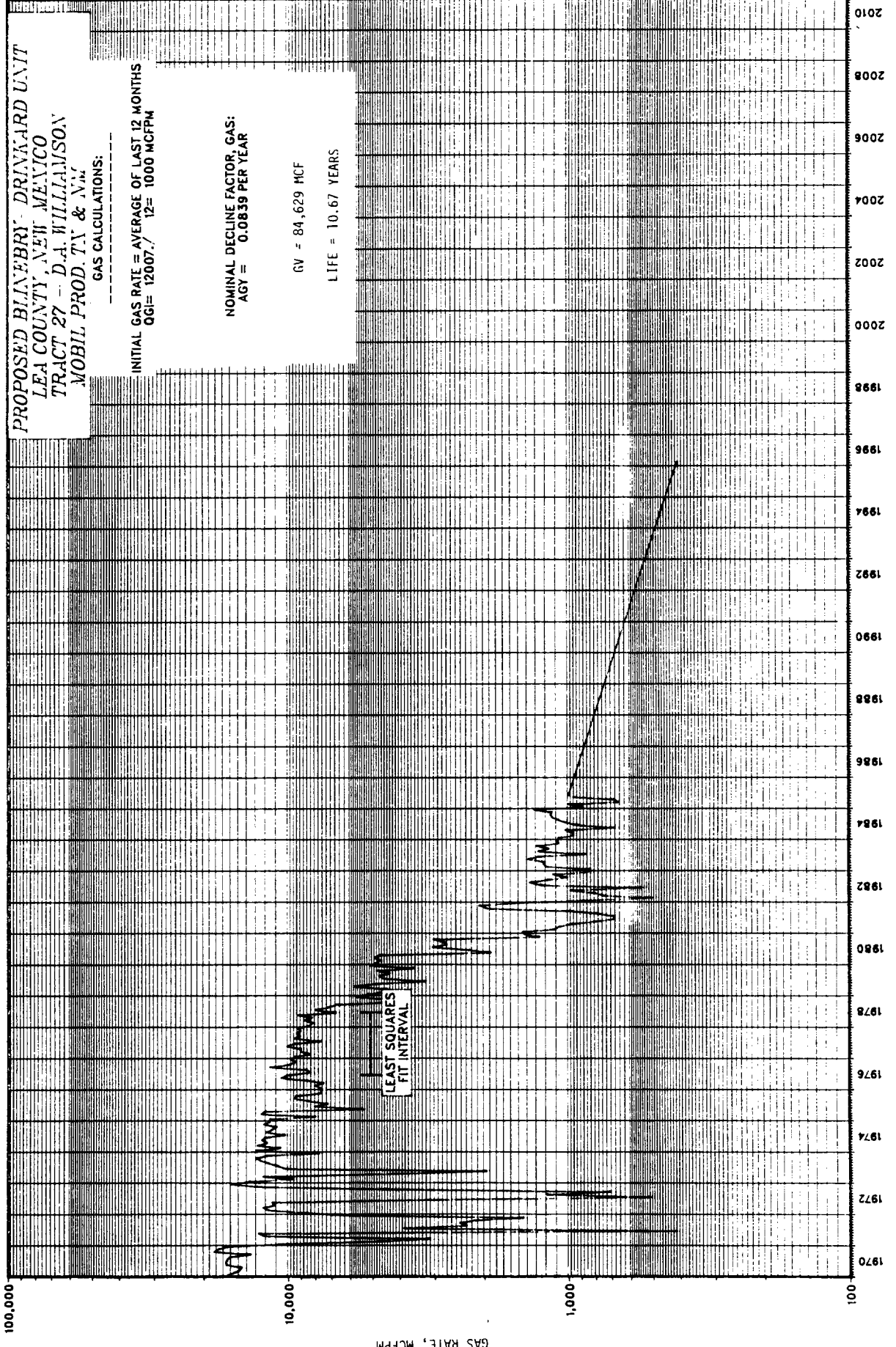AGY =   0.1316 PER YEAR

GV = 1,446,171 MCF

LIFE = 29.06 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 27 - D.A. WILLIAMSON
MOBIL PROD. TX & NM

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 12007./ 12= 1000 MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY = 0.0839 PER YEAR

GV = 84,629 MCF

LIFE = 10.67 YEARS.

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO
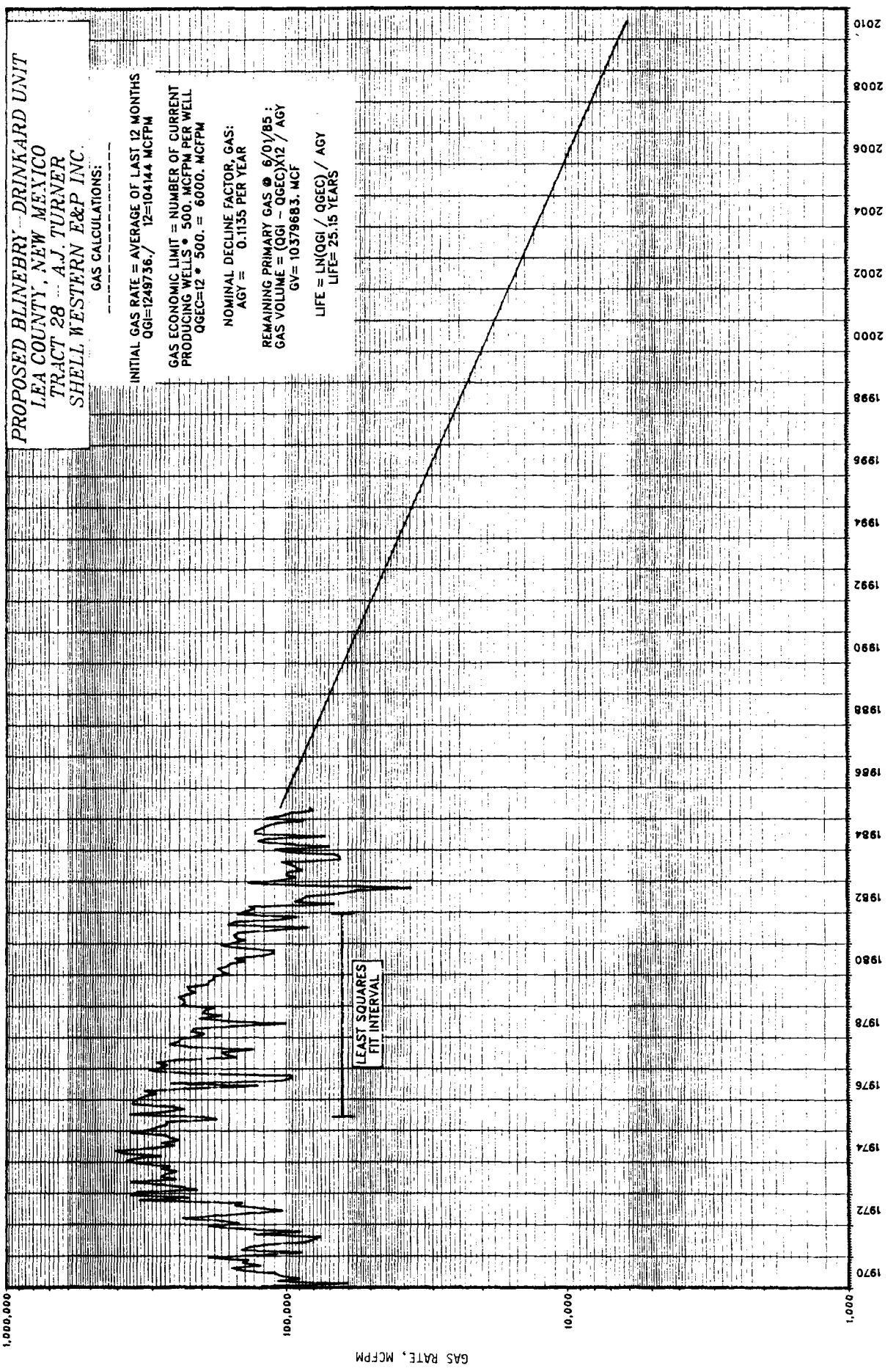TRACT 28 - A.J. TURNER
SHELL WESTERN E&P INC.

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI=1249736./ 12=104144 MCFPM

GAS ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 500. MCFPM PER WELL
QGEC=12 * 500. = 6000. MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY = 0.1135 PER YEAR

REMAINING PRIMARY GAS @ 6/01/85 :
GAS VOLUME = (QGI - QGEC)X12 / AGY
GV= 10379683. MCF
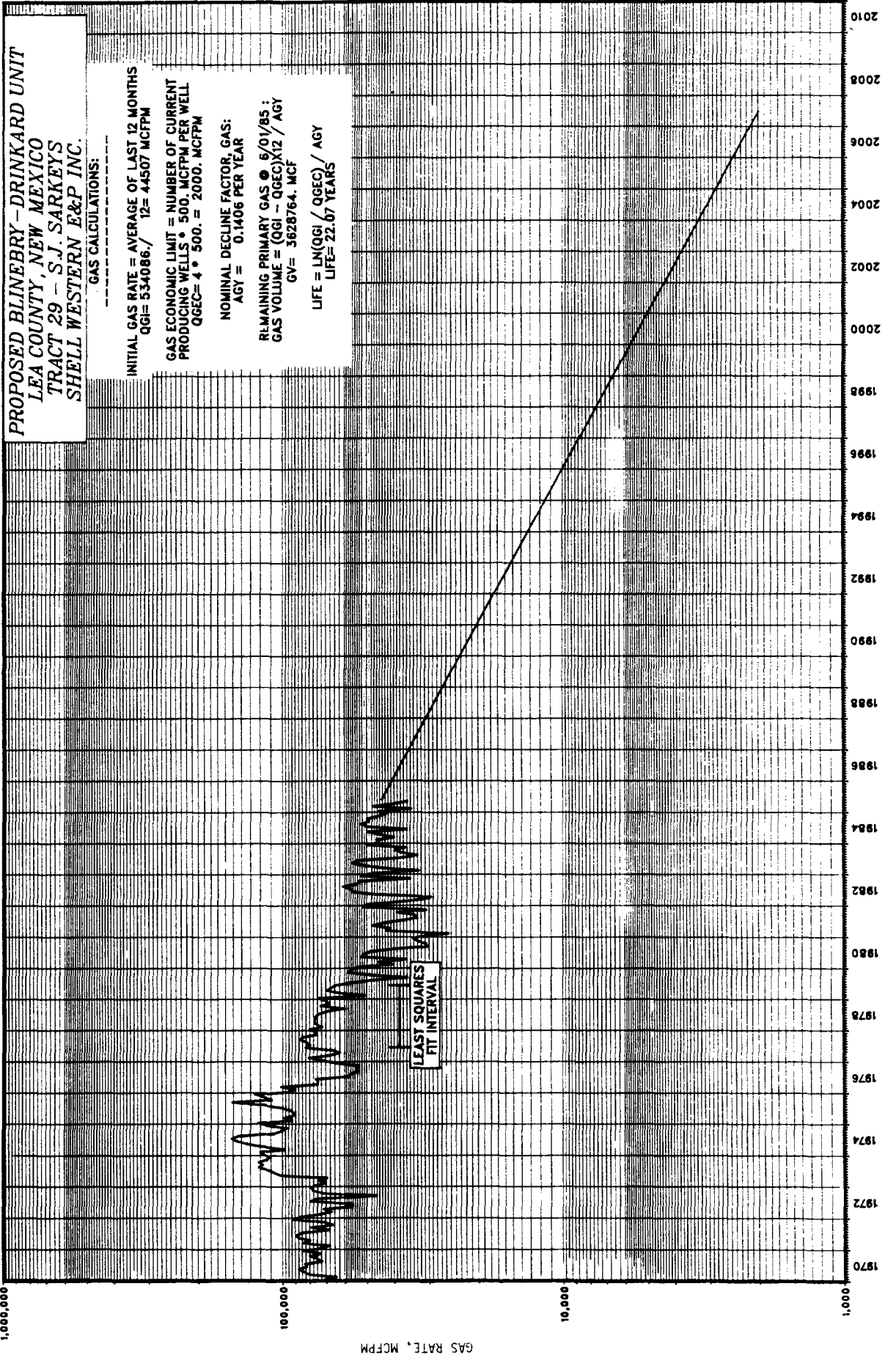
LIFE = LN(QGI / QGEC) / AGY
LIFE= 25.15 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO
TRACT 29 - S.J. SARKEYS
SHELL WESTERN E&P INC.

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 534086./ 12= 44507 MCFPM

GAS ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 500. MCFPM PER WELL
QGEC= 4 * 500. = 2000. MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY = 0.1406 PER YEAR

REMAINING PRIMARY GAS @ 6/01/85 ;
GAS VOLUME = (QGI - QGEC)X12 / AGY
GV= 3628764. MCF

LIFE = LN(QGI / QGEC) / AGY
LIFE= 22.67 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO
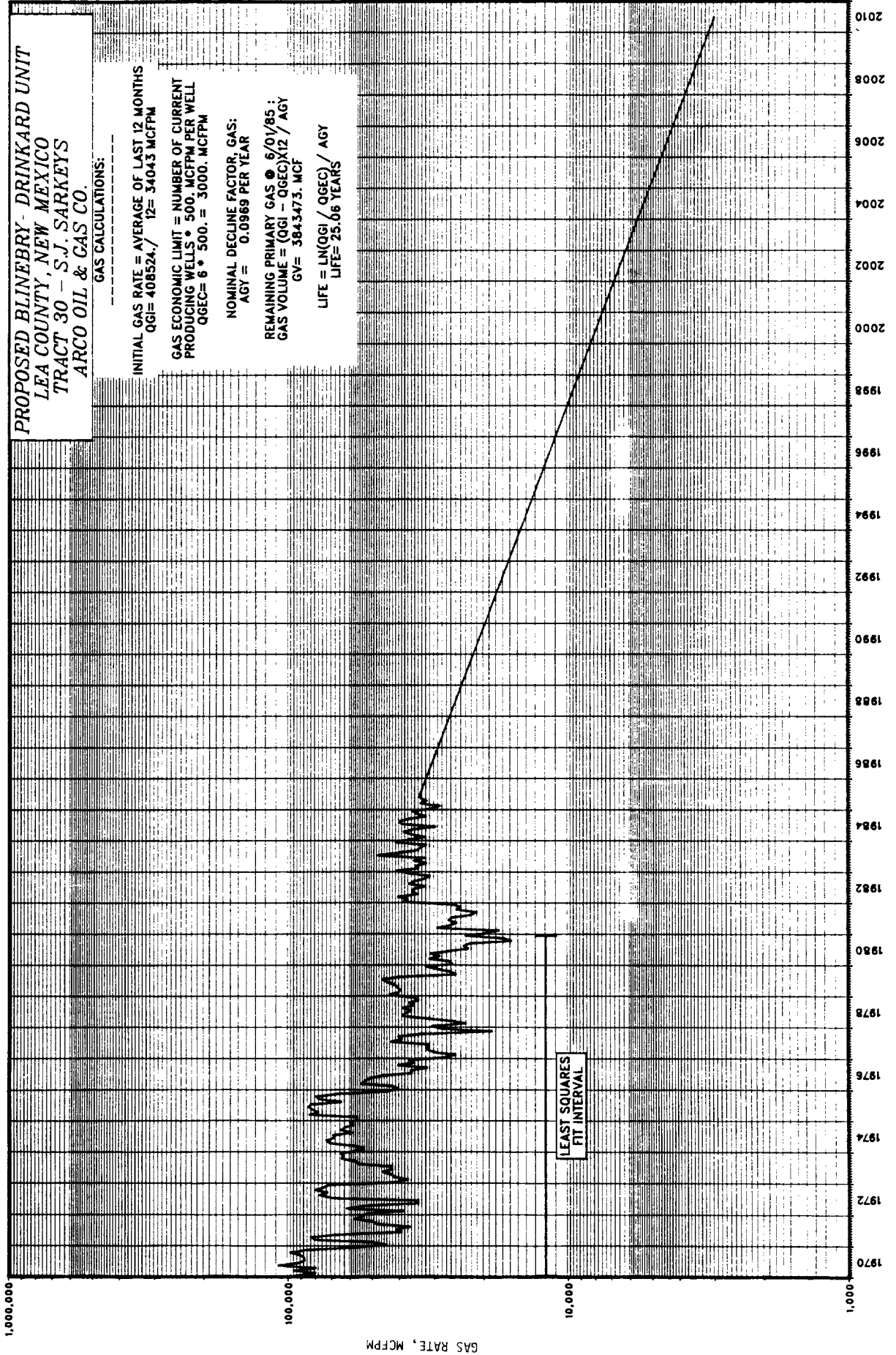TRACT 30 – S.J. SARKEYS
ARCO OIL & GAS CO.

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 408524./   12= 34043 MCFPM

GAS ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 500. MCFPM PER WELL
QGEC= 6 * 500. = 3000. MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY =   0.0969 PER YEAR

REMAINING PRIMARY GAS @ 6/01/85 ;
GAS VOLUME = (QGI – QGEC)X12 / AGY
GV= 3843473. MCF

LIFE = LN(QGI / QGEC) / AGY
LIFE= 25.06 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM

PROPOSED BLINEBRY – DRINKARD UNIT
LEA COUNTY, NEW MEXICO
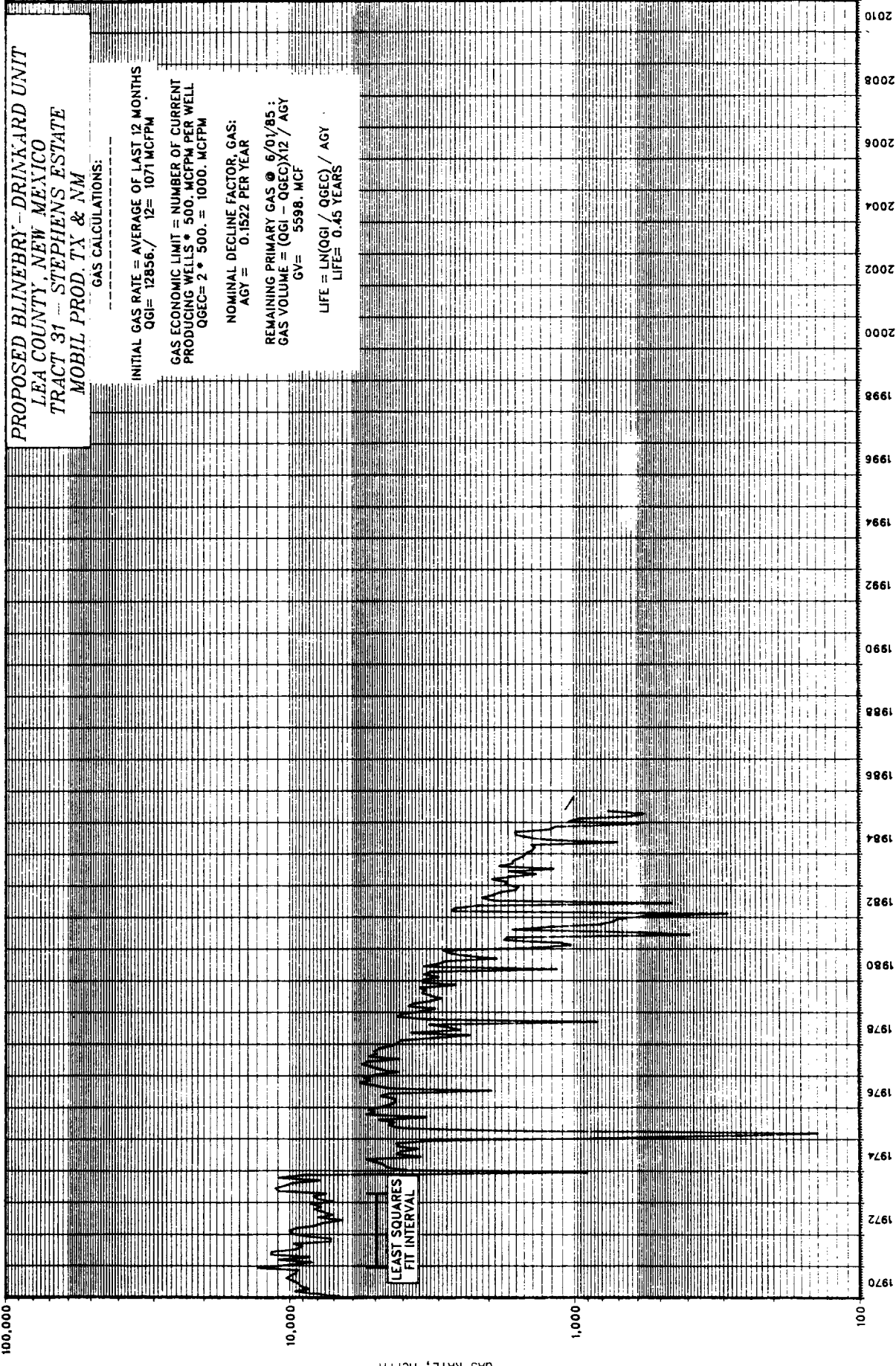TRACT 31 – STEPHENS ESTATE
MOBIL PROD. TX & NM

GAS CALCULATIONS:

INITIAL GAS RATE = AVERAGE OF LAST 12 MONTHS
QGI= 12856./ 12= 1071 MCFPM

GAS ECONOMIC LIMIT = NUMBER OF CURRENT
PRODUCING WELLS * 500. MCFPM PER WELL
QGEC= 2 * 500. = 1000. MCFPM

NOMINAL DECLINE FACTOR, GAS:
AGY = 0.1522 PER YEAR

REMAINING PRIMARY GAS @ 6/01/85 :
GAS VOLUME = (QGI – QGEC)X12 / AGY
GV= 5598. MCF

LIFE = LN(QGI / QGEC)/ AGY
LIFE= 0.45 YEARS

LEAST SQUARES
FIT INTERVAL

GAS RATE, MCFPM