

Marbob Energy Corporation
M. Dodd "B" Fed. Well #36
Grayburg Jackson
Eddy County, New Mexico

Pertinent Engineering Data and Conclusions:

Well #36 was completed in the Grayburg Jackson pool February 21, 1984. This is an infill well located as per the attached plat.

Effective April 1, 1984, oil reserves recoverable will be 37,890 barrels and gas reserves recoverable will be 45,468 mcf.

Oil reserves were calculated from the electric log using a volumetric method for a twenty acre drainage. Analagous comparisons of comparable producing well history in the area were also utilized. The economic limit of the well was considered to be reached with a producing rate of 1 BOPD.

The original producing rate on this well was 60 BOPD. This rate is in excess of many of the older wells. It is evident from the producing rate that oil and gas reserves will be recovered only by increased pattern density. It is my conclusion that the infill wells will experience original reservoir conditions.

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Date

Rule # 9-6