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Production from the wells is as follows:

<u>Well Name and Number</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
MOC Federal # 1	2	60.0	2309
MOC Federal # 2	232	41.6	306
MOC Federal # 3	30	42.0	426
MOC Federal # 4	89	43.0	200
MOC Federal # 5	470	42.5	797
MOC Federal # 7	1164	42.4	910
North Indian Basin Unit # 7	73	43.0	79
North Indian Basin Unit # 10	500	42.6	2415
North Indian Basin Unit # 13	10	50.0	3060
North Indian Basin Unit # 14	437	41.7	1639
North Indian Basin Unit # 16	549	43.0	534
North Indian Basin Unit # 19	690	41.6	1406
Bone Flats Federal "12" # 1	224	43.5	433
Bone Flats Federal "12" # 2	1600	42.4	1700

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the lease numbers and locating of all leases and wells that will contribute production to the commingling/common storage facility. All unitized/communitized areas and, producing zones/pools are also clearly illustrated. A schematic diagram is also illustrated which clearly identifies all equipment that will be utilized.

The Storage and Measuring facility is located at NW/4, Section 1, T-21-S, R-23-E, Eddy County, New Mexico. BLM will be notified of any change in facility location.

Details of the method for allocation production to contributing sources is as follows:

MOC Federal= (Sum of oil readings from MOC Federal/Sum of all oil Readings) X Gross Consolidated Facility Production.

North Indian Basin Unit= (Sum of oil readings from N. Indian Basin Unit/Sum of all oil readings) X Gross Consolidated Facility Production.

Bone Flats Federal " 12" = (Sum of Bone Flats Federal "12"/Sum of all oil readings) X Gross Consolidated Facility Production.

Stinking Draw=(Sum of oil readings from Stinking Draw/Sum of all oil readings) X Gross Consolidated Facility Production.

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