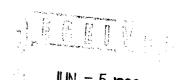
EXON COMPANY, U.S.A.



HOUSTON PRODUCTION ORGANIZATION PERMITTING

June 2, 1998

New Mexico Oil Conservation Division Attn: Mr. Chris Williams P.O. Box 1980 Hobbs, NM 88240

Dear Mr. Williams:

Production testing is complete on the N.G. Penrose No. 2 well. Our Engineering department has evaluated those tests and has calculated the following Allocation percentages as per your February 1998 request.

Zone	<u>% Oil</u>	% Gas
Blinebry	96	41
Drinkard	3	33
Tubb	_1	<u>26</u>
	100	100

If there are questions, please call me at 713-431-1024

Sincerely,

J. R. Ward

Sr. Regulatory Specialist

f.R. Ward

JRW/ ah

cc:

Mr. David Catanach

Santa Fe New Mexico OCD

2040 S. Pacheco Santa Fe, NM 87505

