



**PROPOSED EAST HOBBS UNIT
COMPARISON OF PARTICIPATION FORMULA**

Tract Name	Acres	Acres % of Total	12 mo Oil	12 mo Oil	Primary EUR, OIL STBO	Primary EUR, OIL % of Total	CQ Single	Lowe
			Production 12/01-11/02 STBO	Production 12/01-11/02 % of Total			Phase 97.5% Prod 2.5% Acres	Phase 2 97.5% EUR 2.5% Acres
CO Davis	120.00	13.04%	19,022	15.26%	950,983	13.82%	15.20%	13.80%
D F Fergason	80.00	8.70%	819	0.66%	293,175	4.26%	0.86%	4.37%
Davis	40.00	4.35%	1,745	1.40%	190,815	2.77%	1.47%	2.81%
J Speight	40.00	4.35%	0	0.00%	74,369	1.08%	0.11%	1.16%
Laney	60.00	6.52%	23,217	18.63%	1,611,393	23.41%	18.32%	22.99%
Laney A	60.00	6.52%	25,353	20.34%	295,759	4.30%	19.99%	4.35%
Laney Reese 1	13.33	1.45%	2,284	1.83%	529,341	7.69%	1.82%	7.54%
Laney Reese 2,3	26.67	2.90%	47,141	37.82%	481,155	6.99%	36.94%	6.89%
Pearl Goode	160.00	17.39%	2,607	2.09%	1,018,069	14.79%	2.47%	14.86%
Ralph Lowe St.	80.00	8.70%	253	0.20%	540,666	7.86%	0.42%	7.88%
Rocket Cain	80.00	8.70%	145	0.12%	316,971	4.61%	0.33%	4.71%
Sam Cain	160.00	17.39%	2,069	1.66%	579,309	8.42%	2.05%	8.64%
TOTAL TRACTS	920.00	100.00%	124,655	100.00%	6,882,005	100.00%	100.00%	100.00%

COMPARISON OF FORMULAS - SORTED BY TRACT PARTICIPATION			
Tract Name	CQ Single Phase	Tract Name	Lowe Phase 2
1 Laney Reese 2,3	36.94%	1 Laney	22.99%
2 Laney A	19.99%	2 Pearl Goode	14.86%
3 Laney	18.32%	3 CO Davis	13.80%
4 CO Davis	15.20%	4 Sam Cain	8.64%
5 Pearl Goode	2.47%	5 Ralph Lowe St.	7.88%
6 Sam Cain	2.05%	6 Laney Reese 1	7.54%
7 Laney Reese 1	1.82%	7 Laney Reese 2,3	6.89%
8 Davis	1.47%	8 Rocket Cain	4.71%
9 D F Fergason	0.86%	9 D F Fergason	4.37%
10 Ralph Lowe St.	0.42%	10 Laney A	4.35%
11 Rocket Cain	0.33%	11 Davis	2.81%
12 J Speight	0.11%	12 J Speight	1.16%
TOTAL TRACTS		TOTAL TRACTS	

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TOTAL TRACTS		TOTAL TRACTS	