

SOUTH JUSTIS UNIT PARTICIPATION FORMULA

Participation = 1% Acres + 4% BOE Rate

+ 21% Cumulative BOE Production

+ 34% Remaining Primary Oil Production

+ 40% Ultimate BOE Primary Recovery

BOE Rate is based on 1989 oil and gas production.

Gas Equivalency = 10 MCF/BO.

Cumulative Production is through December 31, 1989.

Remaining Primary is from January 1, 1990.

Ultimate Primary is the sum of Cumulative Production and Remaining Primary.

Formula Approval Results (January, 1992):

For--89.01%

Against--0.045%

Abstain--10.94%

| | |
|-------------------------------------|-----------------------|
| BEFORE EXAMINER CATANACH | |
| OIL CONSERVATION DIVISION | |
| <u>ARCO</u> | EXHIBIT NO. <u>21</u> |
| CASE NO. <u>10552, 10553, 10554</u> | |