Well completion history - wellbore sketch attached:
Well was drilled and originally completed as a dual well in the Strawn and Morrow formations in June, 1963. In June, 1983, the Strawn formation was squeezed off after producing 1,953 MMCF and 403 MBO. The Morrow has a current monthly production of less than 200 MCF after having produced 2,700 MMCF and 21.3 MBO. Production continues to decline due to the lack of adequate gas productivity which is allowing the liquid level in the wellbore to rise, restricting production.

Prediction of future production:
The proposed commingled completion will allow both the Atoka and Morrow to be produced at their maximum rates.

Initial gas production from the Atoka is anticipated at 600 MCFD declining hyperbolically at a 75% rate. Unrestricted production from the Morrow is estimated at 200 MCFD declining exponentially at a 40% annual rate.

(f) Bottom hole pressure for each zone:
The bottom hole pressure of the Morrow was measured at 1960 psi on August 2, 1988. The bottom hole pressure of the Atoka is expected to be 3000 psi.

(g) Fluid characteristics:
Only the Morrow zone produces condensate. It is anticipated that the Atoka will produce only gas. No fluid incompatibilities will exist in the wellbore.

(h) Computation of value of commingled production vs. individual production streams:

Individual streams:
Lusk Morrow
This zone needs to be abandoned due to its depleted nature.
(0.33 BOPD) X $15.80/Bbl = $ 5.21/day
+(5.1 MCFD) X $ 0.95/Mcf = $ 4.85/day
Total Morrow = $10.06/day

Lusk Atoka
(600 MCFD) X $0.95/Mcf = $570.00/day
Total Individual Streams = $570.00/day

Commingled Streams:
Because the bottom hole flowing pressure will be maintained at a minimum (i.e., no fluid accumulation in wellbore), both the Atoka and the Morrow will produce at their maximum rates.
(1 BOPD) X $15.80/Bbl = $ 15.80/day
+ (800 MCFD) X $ 0.95/Bbl = $760.00/day
Total Commingled Production = $775.80/day