Reference 2(e):

Producing	Zone:	Bone	Spring	Sandstone	·
-					

Productive Test: 6 BOPD, 17 mcfgpd, 25 BWPD

Perforations: 7345' - 7374'

Coring & Testing: DST: Interval 7330' - 7374'

IHP	3613 psi
Íst IF	54.6 psi
lst F.F.	127.3 psi
ISIP	2261.8 psi
2nd IF	202.3 psi
F.F.	247.8 psi
FSIP	2716.2 psi
FHP	3606.2 psi
	Íst IF lst F.F. ISIP 2ndIF F.F. FSIP

Btm. Hole Temp. 114° F

Completion History:

	perforate and	acidize w/	2000 gals. 15% MCA	
	Average rate:	4 BPM	Average Pressure:	3000 psi
	Maximum rate:		Maximum Pressure:	3800 psi

5-14-86 frac w/20,000 gals. 30# cross-link gel
 2000# 100 mesh sand, 36,000# 20/40 mesh sand
 Average rate: 8 BPM Average Pressure: 3300 psi
 Maximum rate: 8.2 BPM Maximum Pressure: 4400 psi

Put on pump to evaluate.

- 6-17-86 reperforate and acidize w/2000 gals. 15% NEFE
- 6-19-86 refrac w/45,000 gals 30# cross link gel
  80,000# 20/40 mesh sand
  Average rate: 30 BPM Average Pressure: 6000 psi
  Maximum rate: 31 BPM Maximum Pressure: 9000 psi
- 6-28-86 reacidize w/3000 gals. 7.5% MSR 100 Average rate: 2.4 BPM Average Pressure: 1200 psi Maximum rate: 3 BPM Maximum Pressure: 1500 psi
- 2-10-87 reperforate and reacidize w/1000 gals. 7.5% MSR 100 and 250 gals. Xylene. Average rate: 3 BPM Average Pressure: 3000 psi Maximum rate: 3 BPM Maximum Pressure: 4950 psi

Put on pump, well stabilized @ 6 BOPD 17 mcfgpd 25 BWPD

Prognostification: As noted above, MOC has made numerous completion attempts in this zone. This zone has stablized production as noted above, in MOC's opinion, there is little chance of improving said production rate.

Reference 2(f):

Estimated Bottom Hole Pressure: 73 psi

EXHIBIT 3 - Page I of 3