

Reference 2(g):

Water Analysis of Individual Zones

	<u>Bone Spring Sandstone</u>	<u>Delaware Sandstone</u>	<u>Yates Sandstone</u>
Specific Gravity	1.164	1.13	1.173
ph	5.6	7.0	6.2
Calcium	21479	23652	24122
Magnesium	2797	1594	3660
Chlorides	151000	115000	159000

The water analysis (above) of the individual zones indicates that the produced fluids from the individual zones are compatible.

Reference 2(h):

<u>Individual Zone</u>		<u>Stabilized Production Rate (BOPD)</u>	<u>Percentage Contribution</u>	<u>Adjusted Percentage API</u>
Bone Spring Sandstone	= 36° API Gravity	6	67%	24.12
Upper Delaware Sandstone	= 34° API Gravity	2	22%	7.48
Yates Sandstone	= 32° API Gravity	1	11%	3.52
		9 BOPD	100%	35.12 API

Oil Analysis has been performed on all of the above-listed intervals. This analysis indicates an adjusted API gravity of 35°. MOC tested these zones for a thirty-day period, which resulted in the sale of a 185 barrel load of oil on May 13, 1987. The gravity of the oil sold was 35° API which tends to confirm the computation above. This adjusted API gravity is not less than the sum of the values of the individual streams.

Reference 2(i):

The formula for allocating production is based upon stabilized well tests which reflect the amount of production contributed by the individual zones. The contribution factors are calculated as follows:

	<u>Stabilized Production Rate (BOPD)</u>	<u>Percentage of Contribution</u>
Bone Spring Sandstone	6	67%
Upper Delaware Sandstone	2	22%
Yates Sandstone	1	11%
		9 BOPD 100%

EXAMPLE: Production of 100 barrels of oil (BO) allocated as follows:

Bone Spring Sandstone	67 BO
Upper Delaware Sandstone	22 BO
Yates Sandstone	11 BO
	<hr/> 100 BO