

October 16, 1987

5. Resume of well's completion including treating, testing, etc., of each zone and a prognostication of future production for each zone.

See attached Form C-103 for perforations and treating reports. Total stabilized production for all four commingled zones is 11 BOPD, 42 BWPD and 26 MCFPD on pump.

6. Estimated bottom-hole pressures for each artificially lifted zone.

Abo	-	776 psia
Tubb	-	719 psia
Drinkard	-	556 psia
Blinebry	-	511 psia

(Based on SITP and IFL after treating)

7. A description of the fluid characteristics of each zone showing that the fluids will not be incompatible in the well-bore.

All oil is 36° to 38° API for all zones. No foaming or precipitates have formed to date.

8. A computation showing that the value of the commingled production will not be less than the sum of the values of the individual streams.

N/A

9. A formula for the allocation of production to each of the commingled zones and a description of the factors or data used in determining such formula.

25% of the total production for each of the four zones.

10. A statement that all offset operators have been notified in writing of the proposed commingling.

See attached letter and offset operator address list.

Note: The Blinebry had declined to about 3 BOPD in June and July 1987 and was considered as a plugging candidate. The addition of the new oil from the other three zones is the only way to continue to produce this well economically and prevent a waste of oil reserves.