BEC CORPORATION

P. O. BOX 1392 303 WEST WALL, SUITE 807 MIDLAND, TEXAS 79702 (915) 682-1828

Downhole Commingling Baker B Well # 2

2.

- (a) BEC Corporation P.O. Box 1392 Midland, Texas 79702
- (b) Baker B Lease Well No. 2 Location: K 1980 FSL & 1980 FWL Sec. 10 T-22-S R-37-E Lea County

Pools to be Commingled: Eumont Yates-SR-QU-Gas and Penrose Skelly Grayburg

- (c) Plat Attached.
- (d) 24 hour productivity Test Form C-116 Attached.
- (e) Production Decline Curve Eumont Yates-SR-QU-GAS (only zone open) Enclosed
- (f) Bottom-hole pressure Penrose Skelly Grayburg Zone 260# Bottom-hole pressure - Eumont Yates-SR-QU-Gas Zone 970#
- (g) Fluids compatible in well bore Oil from Skelly Grayburg Zone only.
- (h) Gas Production before commingling 553 MCF/month Gas Production after commingling 1778 MCF/month
- (i) 31% Cas attributed to Upper Completion Eumont Yates-SR-QU-Gas 69% Gas attributed to Lower Completion Penrose Skelly Grayburg 100% Oil produced from Lower Completion Penrose Skelly Grayburg
- (j) Copy of Statement to Offset Operators Attached