

Attachment 2
N. G. Penrose Well No. 2
Downhole Commingling - Data Required

To obtain approval for downhole commingling, we have enclosed the following data pursuant to Rule 303 (C) (2) (a through j):

1. Exxon's name and address:

Exxon Corporation
P. O. Box 1600
Midland, TX 79702

2. Lease name, well number, well location, and name of pools to be commingled:

N. G. Penrose Well No. 2, Unit H, Section 13, T-22-S, R37-E, Lea County, New Mexico. Pools to be commingled: Blinebry Oil & Gas, Drinkard, and Tubb Oil & Gas.

3. A plat of the area showing the acreage dedicated to the well and the ownership of all offsetting leases:

Attached.

4. A 24-hour productivity test on Division Form C-116 showing the amount of oil, gas, and water produced from each zone:

A test for the Tubb on Form C-116 is attached. The Drinkard has not yet been perforated. Expected Drinkard production is 3.5 BOPD and 68.3 mcfpd. The Blinebry zone is completed in this well but last tested 59 MCFPD on potential test on 9/8/77. This zone has been shut-in since then and has never produced.

5. A production decline curve for zones showing that for a period of at least one year a steady rate of decline has been established for each zone which will permit a reasonable allocation of the commingled production to each zone for statistical purposes:

A decline curve for the Tubb zone is attached. The Blinebry has not produced since 1977 as noted in item 4 above. Allocations shown in Item 9 are based on actual production where available and appropriate or on 1986 average per well production within the immediate area.

6. A current bottom hole pressure for each zone capable of flowing:

Measured shut-in bottomhole pressure is 482 psia for the Tubb, 1092 psia for the Blinebry (estimated from static fluid level in the N. G. Penrose #2) and 1416 psia for the Drinkard (estimated from the static fluid level in the N. G. Penrose #3). When adjusted to a common average datum of 2771 feet subsea, the Tubb pressure is 482 psia, the Blinebry pressure is 1265 psia and the Drinkard pressure is 1244 psia.