

1. Operator: Gulf Oil Corporation, P. O. Box 670, Hobbs, New Mexico 88240
2. Lease: Drinkard (NCT-B) No. 1, Section 30-T22S-R38E, Unit P, Lea County, NM
3. Well History, Production History, Decline Curve and Latest Tests:

The Drinkard (NCT-B) No. 1, was drilled and completed as a Drinkard Oil well in 1945 through an open hole from 6425' to 6521'. The subject well was dualled in the Blinebry in 1956 by perforating, acidizing, and fracturing the interval 5482' to 5670'. Then in 1975 perforations from 6345' to 6417' were added in the Drinkard and frac stimulated.

Decline Curves and production history for both zones, along with the latest C-116, are attached.

4. Bottom-Hole Pressure Data: Tests taken 1-8-82

Blinebry: Datum - 3050' Pressure @ Datum 810 psi  
 Drinkard: Datum - 3050' Pressure @ Datum 750 psi

5. Fluid Characteristics:

Blinebry and Drinkard production is currently surface commingled on the Drinkard (NCT-B) Lease under Order No. PC383. There is no evidence of incompatibility.

6. Value of Commingled Fluids:

	<u>BOPD</u>	<u>API Gravity</u>	<u>\$/Ebl</u>	<u>Revenue/Day</u>
Blinebry	4	36.3	\$38.38	\$153.52
Drinkard	5	37.0	38.14	190.70
Total	9			\$344.22
Commingled	9	36.7	\$38.25	<u>\$344.25</u>
			Difference	\$ +0.03

7. All offset operators have been notified by copy of the attached letters:  
 Summit Energy, Inc. 112 North 1st, Artesia, NM 88210; Texaco, Inc. P. O. Box 728  
 Hobbs, NM; Amoco Production Co., P. O. Box 68, Hobbs, NM 88240