

April 22, 1985

RULE: 303-C-2 INFORMATION:

- (A) OPERATOR: Hanson Operating Company, Inc.
P. O. Box 1515
Roswell, New Mexico 88202-1515
- (B) LEASE: Max Gutman Well #2
Unit L, Sec.19, T.22S, R.38E
Lea County, New Mexico
Pools to be commingled: Paddock Drinkard, Blinebry
- (C) See Attached Plat
- (D) Drinkard C-116 dated 4/22/85 and Paddock C-116 dated 4/22/85. (See attached C-116).
- (E) A production decline curve on both the Drinkard and Paddock zones from January 1984 through December 1984 is attached; also Well Completion Reports showing initial production from each zone.

(F) Bottom Hole Pressure Data:

Paddock: Datum - 1773' Pressure @ Datum 549 PSI*
Drinkard: Datum - 3002' Pressure @ Datum 990 PSI*

*Estimates based on most recent available average BHP data within vicinity of well.

- (G) Fluid Characteristics:
There is no evidence of incompatibility in fluids.

(H) Value of Commingled Fluids:

	BOPD	API GRAVITY	\$/BBL.	REV./DAY
Drinkard Oil	5	37.6	\$26.60	\$133.00
Paddock Oil	12	36.4	\$26.60	\$319.20
TOTAL	17			\$452.20
COMMINGLED:	17	37.0	\$26.60	\$452.20

- (I) FORMULA:
- | | | | |
|----------|-----|------|-------|
| | OIL | GAS | WATER |
| Drinkard | 30% | 100% | 30% |
| Paddock | 70% | TSTM | 70% |

- (J) All offset operators have been notified by copy of the attached letter:

American Petrofina Co., P. O. Box 2159, Dallas, Texas 75221
Marathon Oil Company, P. O. Box 552, Midland, Texas 79702
Texaco, Inc. P. O. Box 52332, Houston, Texas 77052