

G: Production Characteristics

Previous commingling of these zones by Chevron and other operators in this area have shown that the produced fluids are compatible and commingling will not cause formation damage.

H: Value

Chevron will receive the same price for product from these zones and value will not be adversely affected.

I: Production Allocation

<u>Pool</u>	<u>BOPD</u>	<u>MCFD</u>	<u>BWPD</u>	<u>Estimated Method</u>
Wantz-Abo	7	175	6	Allocated production
Upper Wantz-GW	<u>47</u>	<u>333</u>	<u>7</u>	Avg. Offset IP
Total	54	508	13	

Wantz-Abo rates are averages from the last three months (Aug-Oct, '98) of allocated production.

Upper Wantz-GW rates are average IP's from three offset producing wells.

<u>Allocated Percentages</u>	<u>Oil %</u>	<u>Gas %</u>	<u>Water %</u>
Wantz-Abo	13	34	46
Upper Wantz-GW	<u>87</u>	<u>66</u>	<u>54</u>
Total	100	100	100

J: Ownership

Ownership of all zones is common and correlative rights will not be compromised.

K: Offset Operator Notification

All offset operators have been notified by copy of this letter via certified mail.