
*** TX REPORT ***

TRANSMISSION OK

TX/RX NO	0554
CONNECTION TEL	17134311561
SUB-ADDRESS	
CONNECTION ID	EXXON HPC
ST. TIME	02/03 10:27
USAGE T	01'25
PGS.	3
RESULT	OK

Holloman Corporation
FAX COVER SHEET

DATE/TIME:

FEBRUARY 3, 2003 9:35 am

TO:

MR. FRANK BETTS

COMPANY:

EXXONMOBIL

FAX NO.:

(713) 431-1561

NO. OF SHEETS (Including Cover Sheet):

3

FROM:

ERIC PRIM

COMPANY:

Holloman Corporation

TELEPHONE NO. TO CONFIRM RECEIPT: (915) 381-2000



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January 30th, 2003

Mr. Frank Betts

Exxon/Mobil Resources
396 West Greens Rd
Houston, Tx. 77067

Re: Means Processing Proposal

Dear Frank,

Please find the updated economics that are based on an 11/02 analysis. This composition was chosen because it contained the highest CO₂ level that I could find in any analysis set. This means that the economics and process design should be conservative. The recoveries for this case are as follows:

Component	Inlet Moles	Product Moles	Recovery
Ethane	148.14	0.07	0.05%
Propane	69.13	17.28	25.00%
I-Butane	21.37	13.5	63.17%
N-Butane	31.46	25.46	80.93%
I-Pentane	18.63	18.41	98.82%
N-Pentane	6.58	6.55	99.54%
Hexane +	16.44	16.44	100.00%

This process design indicates that there are approximately 800 barrels per day of recoverable NGLs. The estimated plant cost for this configuration is still about \$7,000,000, but the cost could be significantly less expensive by utilizing a used 50MM refrigeration plant that has recently been located. Holloman is currently in the process of refining this cost. If the installation cost is financed over 4 years at 6.5% the plant will yield approximately \$700,000/yr before payout and \$2,800,000/yr after payout. These projections are based on fixing the NGL price at \$13/bbl.

The recent value of NGLs are have ranged from a low of \$16/bbl to a January 2003 high of \$30/bbl. At \$16/bbl the project will yield \$1.6MM before payout and over \$4MM after payout. To reiterate, the proposal is based on splitting this revenue equally between Exxon/Mobil and Holloman.

The basic Economic Limits for this updated case are as follows:

Variable Description	Before Payout	After Payout	Predicted
Inlet Flow	38 MMSCFD	18 MMSCFD	50 MMSCFD
CO2 Concentration	90% CO2	94% CO2	86% CO2
Capital Cost	\$10,500,000	Not Applicable	\$7,000,000
Operating Cost	\$1,600,000/year	\$3,800,000	\$900,000
NGL Gross Revenue	\$10 per barrel	\$3.5 per barrel	\$13+ per bbl

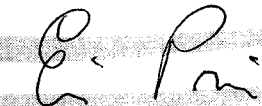
The economics have been produced using extremely conservative estimates, especially with respect to product pricing. Additionally Holloman is proposing to execute this project in a manner that will effectively eliminate the financial and process risk for ExxonMobil. In this manner ExxonMobil will benefit from half of the upside benefit and none of the downside risk.

We still estimate that this project can be implemented and ready for start up in less than 6 months after the contracts have been executed. In light of the fact that the recent NGL prices have been consistently above \$20/bbl it is obvious why time is of the essence for this project. If this plant were in operation during the past few months, the project would have infused over \$300,000/month into ExxonMobil and Holloman.

Please understand that this project is of the highest priority in the Holloman Corporation. Be assured that Holloman is able to meet with anyone, anytime, anyplace to help expedite this project. This opportunity is truly a win-win situation for both companies.

If there is anything that Holloman can do on this effort, please call me directly at 915-381-2000.

Thanks for your help,



Eric Prim
Vice President
Holloman Corporation