

Well	Greenwood Prospect
Operator	KCS Medallion Resources, Inc.
Field, County	Shugart (Morrow) PM, Eddy County
Location	1202' FNL, 660' FWL, Sec 27, T18S, R31E

#### Volumetric Calculation

Volumetric Calculation									
OGIP (scf/ac-ft)	=	43,560	*	Ø	*	(1 - Sw)	(1/z)	(psia / 14.65)	(520 / Ta)
	=	43,560	*	12.0%	*	(1 - .30)	(1/.965)	(4900/14.65)	(520/615)
	=	1,326,659 scf/ac-ft							
OGIP (mcf)	=	(scf/ac-ft)	*	(acres)	*	(pay, ft.)	(1/1000)		
	=	1,326,659	*	320	*	20	(1/1000)		
	=	8,490,616 mcf							

#### Recoverable Reserves

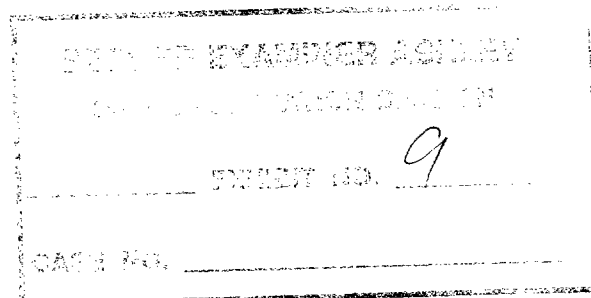
Recoverable (mcf)	=	OGIP (mcf)	*	Recovery factor
	=	8,490,616	*	87%
	=	7,386,836 mcf		

#### EUR of Existing Well

Estimates @ 3/1/99	
Well	EUR (MCFE)
Greenburg Pre-Grayburg Unit #1	1,669,384
Total W/2 Section 27	1,669,384

#### Reserves To Not Be Recovered By Existing Well

Unrecoverable Reserves (mcf)	=	Recoverable Reserves - Existing EUR		
	=	7,386,836	-	1,669,384
	=	5,717,452 mcf		



#### Recoverable Morrow Reserves

Recoverable (mcf)	=	OGIP (mcf)	*	Recovery factor
	=	8,490,616	*	87%
	=	7,386,836		mcf

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#### Recoverable Morrow Reserves

Recoverable Reserves / acre	=	7,386,836 mcf	/	320 acres
	=	23,084		mcf/acre
Recoverable Reserves Per 160 Acres	=	mcf/acre	*	160 acres
	=	23,084	*	160
	=	3,693,418		mcf