

*Certain Waterflood Development*  
*Mountaineer Limited Partnership Interests*  
*Eddy and Lea Counties, New Mexico*  
*As of January 1, 2000*

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Table 2  
Reserve Estimates and Economic Forecasts as of January 1, 2000  
Mountaineer Limited Partnership Interests  
Proved Developed Producing Reserves  
SHAHARA OIL CORPORATION -- G-J PREMIER SD UNIT  
GRAYBURG JACKSON -- EDDY COUNTY, NEW MEXICO

| (1)<br>End<br>Mo-Yr | (2)<br>Gross Oil<br>Production<br>MBBLS | (3)<br>Gross Gas<br>Production<br>MMCF | (4)<br>Net Oil<br>Production<br>MBBLS | (5)<br>Net Gas<br>Sales<br>MMCF | (6)<br>Avg Oil<br>Price<br>\$/BBL | (7)<br>Avg Gas<br>Price<br>\$/MCF | (8)<br>Oil<br>Revenue<br>M\$ | (9)<br>Gas<br>Revenue<br>M\$ | (10)<br>Total<br>Revenue<br>M\$ |
|---------------------|-----------------------------------------|----------------------------------------|---------------------------------------|---------------------------------|-----------------------------------|-----------------------------------|------------------------------|------------------------------|---------------------------------|
| 12-00               | 15.9                                    | 2.9                                    | 14.064                                | 2.355                           | 23.840                            | 3.605                             | 335.296                      | 8.492                        | 343.788                         |
| 12-01               | 8.8                                     | 1.6                                    | 7.836                                 | 1.312                           | 23.840                            | 3.605                             | 186.800                      | 4.731                        | 191.531                         |
| 12-02               | 1.7                                     | .3                                     | 1.480                                 | .248                            | 23.840                            | 3.605                             | 35.275                       | .893                         | 36.168                          |
| 12-03               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-04               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-05               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-06               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-07               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-08               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-09               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-10               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-11               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-12               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-13               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-14               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| S Tot               | 26.4                                    | 4.7                                    | 23.380                                | 3.915                           | 23.840                            | 3.605                             | 557.371                      | 14.116                       | 571.487                         |
| After               | .0                                      | .0                                     | .000                                  | .000                            | .000                              | .000                              | .000                         | .000                         | .000                            |
| Total               | 26.4                                    | 4.7                                    | 23.380                                | 3.915                           | 23.840                            | 3.605                             | 557.371                      | 14.116                       | 571.487                         |
| Cum                 | 2,682.3                                 | 28.0                                   |                                       |                                 |                                   |                                   |                              |                              |                                 |
| Ult                 | 2,708.7                                 | 32.7                                   |                                       |                                 |                                   |                                   |                              |                              |                                 |

  

| (11)<br>End<br>Mo-Yr | (12)<br>Production<br>Taxes<br>M\$ | (13)<br>Ad Valorem<br>Taxes<br>M\$ | (14)<br>Gross<br>Count | (15)<br>Net<br>Count | (16)<br>Operating<br>Expense<br>M\$ | (17)<br>Other<br>Deductions<br>M\$ | (18)<br>Investment<br>M\$ | (19)<br>Future Net<br>Cash Flow<br>M\$ | (20)<br>Cumulative<br>Cash Flow<br>M\$ | (21)<br>Cum.CashFlow<br>Disc.@ 10.0%<br>M\$ |
|----------------------|------------------------------------|------------------------------------|------------------------|----------------------|-------------------------------------|------------------------------------|---------------------------|----------------------------------------|----------------------------------------|---------------------------------------------|
| 12-00                | 28.191                             | .000                               | 15.0                   | 14.93                | 127.161                             | .000                               | .000                      | 188.436                                | 188.436                                | 179.735                                     |
| 12-01                | 15.706                             | .000                               | 15.0                   | 14.93                | 127.161                             | .000                               | .000                      | 48.665                                 | 237.101                                | 221.933                                     |
| 12-02                | 2.966                              | .000                               | 15.0                   | 14.93                | 31.790                              | .000                               | .000                      | 1.412                                  | 238.513                                | 223.086                                     |
| 12-03                |                                    |                                    |                        |                      |                                     |                                    |                           |                                        |                                        |                                             |
| 12-04                |                                    |                                    |                        |                      |                                     |                                    |                           |                                        |                                        |                                             |
| 12-05                |                                    |                                    |                        |                      |                                     |                                    |                           |                                        |                                        |                                             |
| 12-06                |                                    |                                    |                        |                      |                                     |                                    |                           |                                        |                                        |                                             |
| 12-07                |                                    |                                    |                        |                      |                                     |                                    |                           |                                        |                                        |                                             |
| 12-08                |                                    |                                    |                        |                      |                                     |                                    |                           |                                        |                                        |                                             |
| 12-09                |                                    |                                    |                        |                      |                                     |                                    |                           |                                        |                                        |                                             |
| 12-10                |                                    |                                    |                        |                      |                                     |                                    |                           |                                        |                                        |                                             |
| 12-11                |                                    |                                    |                        |                      |                                     |                                    |                           |                                        |                                        |                                             |
| 12-12                |                                    |                                    |                        |                      |                                     |                                    |                           |                                        |                                        |                                             |
| 12-13                |                                    |                                    |                        |                      |                                     |                                    |                           |                                        |                                        |                                             |
| 12-14                |                                    |                                    |                        |                      |                                     |                                    |                           |                                        |                                        |                                             |
| S Tot                | 46.862                             | .000                               | 15.0                   | 14.93                | 286.112                             | .000                               | .000                      | 238.513                                | 238.513                                | 223.086                                     |
| After                | .000                               | .000                               | .0                     | .00                  | .000                                | .000                               | .000                      | .000                                   | 238.513                                | 223.086                                     |
| Total                | 46.862                             | .000                               | 15.0                   | 14.93                | 286.112                             | .000                               | .000                      | 238.513                                | 238.513                                | 223.086                                     |

  

| Evaluation Parameters (Gross) |        |       | Expenses (Gross) |         |               | Percent Interests |         | Percent | Cum. Disc. |
|-------------------------------|--------|-------|------------------|---------|---------------|-------------------|---------|---------|------------|
| Initial                       | Final  | Units | Initial          | Final   | Units         | Initial           | Final   |         |            |
| Oil Rate                      | 1,830. | 538.  | 710.             | 710.    | \$/w/mo       |                   |         | 5.00    | 230.421    |
| Gas Rate                      | 329.   | 97.   |                  |         |               | Expense           | 99.5000 | 10.00   | 223.086    |
| GOR                           | 180.   | 180.  |                  |         |               | Revenue           |         | 15.00   | 216.403    |
| Gas Shrinkage                 | 0.0    | 0.0   |                  |         |               | Oil               | 88.6208 | 20.00   | 210.287    |
| Oil Severance                 | 8.2    | 8.2   |                  |         |               | Gas               | 82.4504 | 25.00   | 204.663    |
| Gas Severance                 | 8.2    | 8.2   |                  |         |               |                   |         | 30.00   | 199.479    |
| Ad Valorem                    | 0.0    | %     |                  |         |               |                   |         |         |            |
|                               |        |       | 10,650.          | 10,650. | Total (\$/mo) |                   |         |         |            |

12 Months in first year  
2.250 Year Life (04/2002)

THESE DATA ARE PART OF A CG&A REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.

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Table 2

Table 2  
Reserve Estimates and Economic Forecasts as of January 1, 2000  
Mountaineer Limited Partnership Interests  
Proved Undeveloped Reserves  
SHAHARA OIL CORPORATION -- PREMIER UNIT  
GRAYBURG JACKSON -- EDDY COUNTY, NEW MEXICO

| (1)   | (2)        | (3)        | (4)        | (5)     | (6)     | (7)     | (8)        | (9)     | (10)       |
|-------|------------|------------|------------|---------|---------|---------|------------|---------|------------|
| End   | Gross Oil  | Gross Gas  | Net Oil    | Net Gas | Avg Oil | Avg Gas | Oil        | Gas     | Total      |
| Mo-Yr | Production | Production | Production | Sales   | Price   | Price   | Revenue    | Revenue | Revenue    |
|       | MMBLS      | MMCF       | MMBLS      | MMCF    | \$/BBL  | \$/MCF  | M\$        | M\$     | M\$        |
| 12-00 | 3.8        | .7         | 3.364      | .563    | 23.840  | 3.605   | 80.194     | 2.031   | 82.225     |
| 12-01 | 26.0       | 4.7        | 23.052     | 3.860   | 23.840  | 3.605   | 549.557    | 13.918  | 563.475    |
| 12-02 | 72.7       | 13.1       | 64.419     | 10.788  | 23.840  | 3.605   | 1,535.755  | 38.894  | 1,574.649  |
| 12-03 | 163.8      | 29.3       | 145.191    | 24.163  | 23.840  | 3.605   | 3,461.350  | 87.114  | 3,548.465  |
| 12-04 | 192.0      | 33.6       | 170.152    | 27.693  | 23.840  | 3.605   | 4,056.423  | 99.841  | 4,156.263  |
| 12-05 | 183.3      | 31.3       | 162.439    | 25.807  | 24.179  | 3.657   | 3,927.625  | 94.370  | 4,021.995  |
| 12-06 | 142.0      | 23.7       | 125.882    | 19.520  | 24.950  | 3.774   | 3,140.778  | 73.673  | 3,214.452  |
| 12-07 | 107.2      | 17.4       | 95.024     | 14.379  | 25.752  | 3.896   | 2,447.025  | 56.025  | 2,503.050  |
| 12-08 | 80.9       | 12.8       | 71.731     | 10.591  | 26.577  | 4.022   | 1,906.390  | 42.601  | 1,948.991  |
| 12-09 | 61.1       | 9.5        | 54.148     | 7.802   | 27.427  | 4.152   | 1,485.109  | 32.391  | 1,517.501  |
| 12-10 | 46.1       | 7.0        | 40.875     | 5.747   | 28.303  | 4.285   | 1,156.856  | 24.627  | 1,181.483  |
| 12-11 | 34.8       | 5.1        | 30.855     | 4.233   | 29.205  | 4.423   | 901.104    | 18.722  | 919.826    |
| 12-12 | 26.3       | 3.8        | 23.292     | 3.118   | 30.133  | 4.564   | 701.853    | 14.233  | 716.086    |
| 12-13 | 19.8       | 2.8        | 17.582     | 2.297   | 31.090  | 4.710   | 546.631    | 10.819  | 557.450    |
| 12-14 | 10.3       | 1.4        | 9.166      | 1.173   | 31.919  | 4.837   | 292.569    | 5.673   | 298.242    |
| S Tot | 1,170.3    | 196.2      | 1,037.170  | 161.736 | 25.251  | 3.802   | 26,189.220 | 614.932 | 26,804.150 |
| After | .0         | .0         | .000       | .000    | .000    | .000    | .000       | .000    | .000       |
| Total | 1,170.3    | 196.2      | 1,037.170  | 161.736 | 25.251  | 3.802   | 26,189.220 | 614.932 | 26,804.150 |
| Cum   | .0         | .0         |            |         |         |         |            |         |            |
| Ult   | 1,170.3    | 196.2      |            |         |         |         |            |         |            |

| (11)  | (12)       | (13)       | (14)  | (15)  | (16)      | (17)       | (18)       | (19)       | (20)       | (21)          |
|-------|------------|------------|-------|-------|-----------|------------|------------|------------|------------|---------------|
| End   | Production | Ad Valorem | Gross | Net   | Operating | Other      | Investment | Future Net | Cumulative | Cum.CashFlow  |
| Mo-Yr | Taxes      | Taxes      | Count | Count | Expense   | Deductions | M\$        | Cash Flow  | Cash Flow  | Disc. @ 10.0% |
|       | M\$        | M\$        |       |       | M\$       | M\$        |            | M\$        | M\$        | M\$           |
| 12-00 | 6.742      | .000       | 9.7   | 9.62  | 218.064   | .000       | 1,548.419  | -1,691.001 | -1,691.001 | -1,592.133    |
| 12-01 | 46.205     | .000       | 18.0  | 17.91 | 214.681   | .000       | 1,413.696  | -1,111.107 | -2,802.108 | -2,569.820    |
| 12-02 | 129.121    | .000       | 36.3  | 36.07 | 332.380   | .000       | .000       | 1,113.148  | -1,688.960 | -1,692.343    |
| 12-03 | 290.974    | .000       | 40.0  | 39.80 | 364.170   | .000       | .000       | 2,893.320  | 1,204.360  | 381.073       |
| 12-04 | 340.813    | .000       | 40.0  | 39.80 | 364.170   | .000       | .000       | 3,451.280  | 4,655.641  | 2,629.493     |
| 12-05 | 329.804    | .000       | 40.0  | 39.80 | 333.126   | .000       | .000       | 3,359.066  | 8,014.707  | 4,618.898     |
| 12-06 | 263.585    | .000       | 39.2  | 38.97 | 335.757   | .000       | .000       | 2,615.109  | 10,629.820 | 6,026.895     |
| 12-07 | 205.250    | .000       | 35.0  | 34.83 | 311.035   | .000       | .000       | 1,986.765  | 12,616.580 | 6,999.341     |
| 12-08 | 159.817    | .000       | 33.3  | 33.17 | 305.588   | .000       | .000       | 1,483.586  | 14,100.170 | 7,659.486     |
| 12-09 | 124.435    | .000       | 25.0  | 24.88 | 241.771   | .000       | .000       | 1,151.294  | 15,251.460 | 8,125.201     |
| 12-10 | 96.882     | .000       | 24.2  | 24.05 | 240.832   | .000       | .000       | 843.769    | 16,095.230 | 8,435.488     |
| 12-11 | 75.426     | .000       | 20.0  | 19.90 | 208.989   | .000       | .000       | 635.411    | 16,730.640 | 8,647.912     |
| 12-12 | 58.719     | .000       | 20.0  | 19.90 | 214.507   | .000       | .000       | 442.860    | 17,173.500 | 8,782.505     |
| 12-13 | 45.711     | .000       | 20.0  | 19.90 | 220.190   | .000       | .000       | 291.550    | 17,465.050 | 8,863.057     |
| 12-14 | 24.456     | .000       | 13.3  | 13.27 | 150.695   | .000       | .000       | 123.091    | 17,588.140 | 8,893.974     |
| S Tot | 2,197.940  | .000       | 27.6  | 27.46 | 4,055.955 | .000       | 2,962.115  | 17,588.140 | 17,588.140 | 8,893.974     |
| After | .000       | .000       | .0    | .00   | .000      | .000       | .000       | .000       | 17,588.140 | 8,893.974     |
| Total | 2,197.940  | .000       | 27.6  | 27.46 | 4,055.955 | .000       | 2,962.115  | 17,588.140 | 17,588.140 | 8,893.974     |

| Evaluation Parameters (Gross) |       |       |         | Expenses (Gross) |          |               | Percent Interests |         | Percent | Cum. Disc. |            |
|-------------------------------|-------|-------|---------|------------------|----------|---------------|-------------------|---------|---------|------------|------------|
|                               | 01/00 | Final | Units   | 01/00            | Final    | Units         | 01/00             | Final   |         |            |            |
| Oil Rate                      | 316.  | 861.  | Bbls/mo | 6,829.           | 11,165.  | \$/w/mo       | Expense           | 99.5000 | 99.5000 | 5.00       | 12,392.100 |
| Gas Rate                      | 56.   | 118.  | mcft/mo |                  |          |               |                   |         |         | 10.00      | 8,893.974  |
| GOR                           | 180.  | 137.  | scf/bbl |                  |          |               | Revenue           |         |         | 15.00      | 6,461.591  |
| Gas Shrinkage                 | 0.0   | 0.0   | %       |                  |          |               | Oil               | 88.6208 | 88.6208 | 20.00      | 4,723.209  |
| Oil Severance                 | 8.2   | 8.2   | %       |                  |          |               | Gas               | 82.4504 | 82.4504 | 25.00      | 3,451.468  |
| Gas Severance                 | 8.2   | 8.2   | %       |                  |          |               |                   |         |         | 30.00      | 2,502.365  |
| Ad Valorem                    | 0.0   |       | %       | 68,290.          | 145,145. | Total (\$/mo) |                   |         |         |            |            |

114 AC SEC 27.28.33 & 35 - 17N 3E. DRILL 11 PROD @ 20KMS/W. DRILL  
1 INJ @ 170MS. CONV 15 WELLS TO INJ @ 35MS/W. RE-COND 3 PROD @  
20MS/W INJECTION FACILITIES 95MS. WATER MAKE UP @ \$.11/BBL.

12 Months in year '00  
15,000 Year Life (01/2015)