

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION COMMISSION**

**IN THE MATTER OF THE APPLICATION
OF SAMSON RESOURCES COMPANY,
KAISER-FRANCIS OIL COMPANY AND
MEWBOURNE OIL COMPANY FOR
CANCELLATION OF A DRILLING PERMIT
AND APPROVAL OF A DRILLING PERMIT,
LEA COUNTY, NEW MEXICO**

CASE NO. 13492

**IN THE MATTER OF THE APPLICATION
OF CHESAPEAKE PERMIAN, L.P.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

**CASE NO. 13493
ORDER NO. R-12343-B
DE NOVO**

MOTION TO ALLOW ADDITIONAL EVIDENCE

Kaiser-Francis Oil Company, through its undersigned counsel, moves that the Commission enter its order to re-open the record to allow additional expert petroleum engineering testimony and evidence probative of the size and areal extent of the reservoir produced from the well that is the subject of these proceedings. As the attached affidavit states, such additional evidence will assist the Commission in determining the proper configuration of the spacing unit to be dedicated to the well and will further the protection of correlative rights. In support, Kaiser-Francis states:

In Case No. 13492, the Applicants propose to dedicate the KF 4 State Well No. 1 to a 320-acre $\pm$ stand-up spacing unit in irregular Section 4, T21SR35E consisting of lots 9, 10, 15 & 16 (east half of the middle one-third) and lots 17, 18, 23 & 24 (SE/4). In Case No. 13493, the

Applicant proposes to configure a 320-acre $\pm$ lay-down spacing unit comprised of lots 17, 18, 23 & 24 (SE/4) and lots 19, 20, 21 & 22 (SW/4).

Following the hearing on January 2, 2007, the Commission provided preliminary notification to the parties of its intent to create a 640-acre $\pm$ force-pooled unit comprised of the lower two-thirds of Section 4 (lots 9 through 24) and it was apparent that participation in the well would be based on a 100 percent surface-acres allocation formula. This meant that the west half of the middle one-third interest owners would share in production from the well, even though no party applied for or advocated the inclusion of this additional 160 acres $\pm$ in a production unit. The testimony and evidence elicited at the hearing effectively condemned this acreage due primarily to the fact that a well penetrating the Morrow formation there was a dry-hole.

The effect of the Commission's unilateral action to configure a 640-acre force-pooled unit would substantially alter the participation factors for each of the parties involved versus the participation that would be created under either of the 320-acre units proposed by the two Applications that initiated this case.

As a further consequence, the SE/4 of Section 4, where the only commercial well in the section is located, would be effectively diluted by the Commission's prospective action. Simultaneously, the west-half of the middle one-third, effectively condemned by a dry-hole, is given undue value.

The possibility of a 640-acre force-pooled unit has introduced new and increasingly complex conflicts that did not exist before. No party made application for a 640-acre unit and no advanced notification was given that the many issues attendant with a larger unit should be addressed. Consequently, the parties were surprised by the interjection of these new issues and

were not afforded the opportunity to meet them with appropriate evidence. Further, none of the technical evidence supports bringing additional lands into the unit.

It is the position of Kaiser-Francis, undoubtedly joined-in by other parties to the proceeding, that the possible establishment of an over-sized unit will result in the violation of correlative rights. It is axiomatic that the primary underlying basis for Commission action is the protection of correlative rights, and in this instance, correlative rights will be determined by the ultimate configuration of the unit. In order to adequately protect correlative rights, the Commission should have before it the best available evidence to support the ultimate configuration of the unit.

As demonstrated by the attached affidavit of James T. Wakefield, additional evidence of expected gas recoveries from the KF 4 State Well No. 1 will be useful to the Commission in establishing the size and areal extent of the reservoir and ultimately, the configuration of the unit. Using material balance methodology, Mr. Wakefield has determined that the estimated ultimate recovery (EUR) for the well is approximately 4.66 BCF which is easily contained within a 320-acre reservoir corroborated by the net pay isopach maps already introduced into evidence. This EUR was calculated utilizing more detailed reservoir pressure data from the KF 4 State well that became available after the hearing, but which were introduced into evidence at the hearing only in summary form. Further, bottom-hole pressures were calculated from shut-in tubing pressure data from the offsetting Osudo 9 State Com No. 1 well to conclusively establish that the Osudo well and the KF 4 well are not in communication. These data did not become available until after the hearing in January.

Additional evidence and consideration of these data will be useful to the Commission in determining the best-sized and best-configured reservoir that will result in the best protection of the correlative rights of the interest owners.

The Commission has the discretion to re-open this matter and allow further evidence and testimony if doing so would assist the Commission in the discharge of its statutory duties to protect correlative rights. See e.g., City of San Antonio v. Texas Department of Health, 738 S.W.2d 52, 54 (Tex.App.-Austin 1987) (“The question of whether to re-open an administrative record to allow additional evidence is one addressed to the discretion of the administrative body.”) (collecting cases); and N.M.S.A. 1978, § 70-2-11 (1977) (the Commission may “make and enforce rules, regulations and orders, and to do whatever may be *reasonably necessary to carry out the purpose of this act*, whether or not indicated or specified in any section hereof.”) (emphasis added).

The Commission “is a creature of statute, expressly defined, limited and empowered by the laws creating it.” Continental Oil Co. v. Oil Conservation Commission, 70 N.M. 310, 318, 373 P.2d 809, 814 (1962). By statute, the Commission’s power “is founded on the duty to prevent waste and to protect correlative rights....[T]he prevention of waste is the paramount power, inasmuch as this term is an integral part of the definition of correlative rights.” Continental Oil, 70 N.M. at 318, 373 P.2d at 814. Moreover, the premise that “the extent of the correlative rights must first be determined *before* the commission can act to protect them is manifest.” Continental Oil, 70 N.M. at 319, 373 P.2d at 815 (emphasis added).

Any concern in allowing the additional evidence is outweighed by the need of such evidence in light of the statutory purpose of protecting correlative rights, which cannot be adequately addressed without the additional evidence. Moreover, any such concerns can be

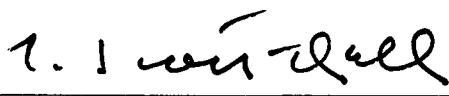
avoided by allowing the opposing parties to respond to the new evidence. See Pizzola v. Planning and Zoning Commission, 355 A.2d 21, 24 (Conn. 1974) (an agency may properly accept additional evidence after the close of the hearing so long as it follows “necessary safeguards” to protect “the opponents of the application and to the public,” such as “a fair opportunity to cross-examine witnesses, to inspect documents presented and to offer evidence in explanation or rebuttal.”); and Williams v. District of Columbia Bd. of Zoning Adjustment, 535 A.2d 910, 912 (D.C. 1988) (when additional evidence is submitted post-hearing, due process considerations are satisfied when the parties to the administrative hearing are provided a “sufficient opportunity to make an appropriate challenge or response.”).

Granting the relief requested in this motion furthers the accomplishment of the Commission’s statutory mandate to protect correlative rights, promotes administrative efficiency and economy, serves to mitigate surprise and prejudice to the parties and is otherwise in the interests of justice.

WHEREFORE, Kaiser-Francis requests the Commission enter its order providing for the presentation of additional evidence relative to estimated ultimate recoveries from the reservoir produced from the KF 4 State Well No. 1, as well as the area and recommended configuration of the unit to be dedicated to the well.

Respectfully submitted,

MILLER STRATVERT P.A.

By: 
J. Scott Hall
Attorneys for Kaiser-Francis Oil Company
Post Office Box 1986
Santa Fe, New Mexico 87504-1986
(505) 989-9614

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed to the following counsel of record on this the 14 day of March, 2007:

Cheryl Bada, Esq.
New Mexico Oil Conservation
Commission
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

James Bruce, Esq.
Attorney for Mewbourne Oil Company
P. O. Box 1056
Santa Fe, New Mexico 87504-1056

J.E. Gallegos, Esq.
Michael J. Condon, Esq.
Gallegos Law Firm
Attorneys for Samson Resources Company
460 St. Michael's Drive, #300
Santa Fe, New Mexico 87505-7622

Thomas Kellahin, Esq.
Kellahin & Kellahin
Attorneys for Chesapeake Operating, Inc.
706 Gonzales Road
Santa Fe, New Mexico 87501

Earl DeBrine, Jr., Esq.
John Cooney, Esq.
Modrall Sperling
Attorneys for Chesapeake Operating, Inc.
Post Office Box 2168
Albuquerque, New Mexico 87103-2168



J. Scott Hall

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ORDER NO. R-12343-B
DE NOVO**

AFFIDAVIT OF JAMES T. WAKEFIELD

STATE OF OKLAHOMA }
 } ss.
COUNTY OF TULSA }

James T. Wakefield, being duly sworn, states:

1. I am Vice President of KF Energy, LLC, an affiliate of Kaiser-Francis Oil Company. Kaiser-Francis Oil Company owns leasehold working interests of record in the SE/4 of Section 4, T21S, R35E, NMPM on which the Chesapeake Operating, Inc. KF 4 State No. 1 well is located. I attended and provided expert testimony during the Commission's de novo hearing in this matter on December 14, and 15, 2006. At the hearing my credentials as an expert petroleum engineer were accepted as a matter of record. I was also permitted to provide expert opinion testimony in the area of geology. I am familiar with the subject matter of this de novo proceeding and am otherwise competent to testify to the matters set forth herein.

2. It is my opinion that the elicitation of additional evidence of the expected gas recovery for the KF 4 State No. 1 well established by material balance methodology would be useful to the Commission in determining the size and areal extent of the gas reservoir from which the KF 4 State No. 1 well produces. I have determined by accepted and reliable petroleum engineering methodology that the surface shut-in tubing pressures recorded for the period from October 2 through October 6, 2006 indicate that the expected ultimate gas recovery from this well is approximately 4.66 BCF. The 4.66 BCF can be demonstrated to be recoverable from a 320-acre gas spacing and proration unit, regardless of its configuration. A reservoir of this size is corroborated by the net pay isopach maps offered into evidence by Samson Resources Company and Chesapeake Operating Company.

3. During the course of the de novo hearing, Chesapeake introduced into evidence its Exhibit PE-8 which is a graph of the production and tubing pressure for the KF 4 State No. 1 well from initial gas sales in January 2006 through approximately October 23, 2006. Exhibit PE-8 indicates that the well experienced some shut-in time in early October 2006 and a pressure of approximately 3,500 psig was reported. Chesapeake, however, did not submit a tabulated listing of the pressures, making it difficult to quantify the value of each of these data points.

4. Subsequent to the December 14 and 15, 2006 de novo hearing, KF Energy, LLC requested Chesapeake to supply tabulated daily production information for the KF 4 State No. 1 well through mid-January, 2007. (See Exhibit 1, attached.) This production history confirmed that the KF 4 State No. 1 well had indeed been shut-in due to pipeline problems for the time period October 2 through October 6, 2006, and a surface shut-in tubing pressure of 3,589 psig was recorded. The 3,589 psig shut-in tubing pressure from October 6, 2006, when corrected to bottom hole conditions establishes a true reservoir pressure of 4,856 psig in the Morrow formation at the KF 4 State No. 1 well for the date of October 6, 2007.

5. A material balance calculation yields an expected ultimate gas recovery of 4.66 BCF for the KF 4 State No. 1 well utilizing the initial shut-in bottom hole pressure of 6,595 psig (5,897 P/Z), the calculated bottom hole pressure of 4,856 psig obtained on October 6, 2006 (5,064 P/Z) and the cumulative production of 719.2 MMCF through October 2, 2006.

6. The net pay isopach map introduced by Samson Resources as Exhibit 24 and the net pay isopach maps introduced by Chesapeake as Exhibit GEO-4 demonstrate the acre-feet of Morrow pay in the vicinity of the KF 4 State No. 1 well. This evidence establishes that there is sufficient recoverable gas in place so that the 4.66 BCF ultimate recovery from the material balance calculations for the well can be contained in a standard 320-acre production unit.

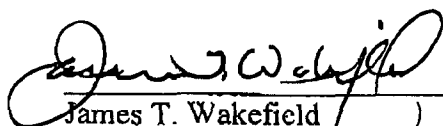
7. Exhibit 1 is the tabulated daily production data including the surface measured tubing pressure for the KF 4 State No. 1 well for the time period from January 2006 through January 2007. Exhibit 2 reflects the pressure and reserve calculations for the well. Exhibit 3 is the graphical solution for the recoverable gas (4.66 BCF) to a bottom hole abandonment pressure of 500 psig/z. Finally, Exhibit 4 is a graphical demonstration of the production to date from the KF 4 State No. 1 well and its projected future gas recovery to the 4.66 BCF ultimate recovery from the material balance calculations.

8. The Mewbourne operated Osudo 9 State Com No. 1 well experienced down time in January 2007 related to gas sales line freezing problems. The resulting shut-in tubing pressure was 1,305 psig. This surface pressure when corrected to bottom hole conditions indicated that the Morrow reservoir pressure at this wellbore in January 2007 was 1,821 psig. The comparison of the reservoir pressure at the Osudo 9 State Com No. 1 well to that at the KF 4 state No. 1 well conclusively indicates that the two wells are not in pressure communication and are not in competition for reserves.

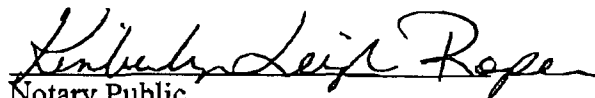
9. It is my opinion that the Commission should reopen the record to permit additional testimony and evidence based on recent, up to date production and pressure data from

the KF 4 State No. 1 and Osudo 9 State Com No. 1 wells which are pertinent to the determination of reservoir areal extent (spacing unit) and the ultimate recoveries of gas from the KF 4 State No. 1 well. Consideration by the Commission of the four day Shut-In Pressure Data from October 2 through October 6, 2007 yields more comprehensive data in regard to the determination of the appropriate size and configuration of the spacing unit to be dedicated to the KF 4 State No. 1 well than was presented during the hearing held in December 2006. The recent pressure data now available from the Osudo 9 State Com No. 1 well clearly demonstrates that the Morrow reservoirs producing in the Osudo 9 State Com No. 1 well and the KF 4 State No. 1 wells are not in communication. This additional technical evidence will facilitate the discharge of the Commission's duty to protect correlative rights of the interest owners in the area.

Further affiant sayeth not.

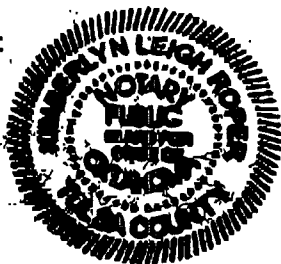

James T. Wakefield
Vice President KF Energy, LLC
General Partner of KF Energy, LTD
Acting as Agent and on behalf of
Kaiser-Francis Oil Company

Subscribed, sworn to and acknowledged before me on this 14th day of March 2007, by
James T. Wakefield.


Notary Public

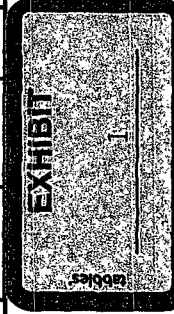
My commission expires:

12/8/07
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Chesapeake Energy Daily Production Report 1/16/2006 - 1/16/2007

Date	Gas (MOP)	Oil (BBL)	Water (BBL)	Gas Sales	Forecast (Aves)	CSG (psi)	Line (psi)	Hours	Comments	Downtime Reason	Choke Code
1/16/2007	2,463	18	0	2,463	2,579	114.11	1449.88	53.35	0		16
1/15/2007	2,232	20	0	2,232	2,579	112.72	1578.12	47.1	4	FROZEN	16
1/14/2007	2,811	18	0	2,811	2,579	110.99	756.79	60.35	0		27
1/13/2007	2,821	20	0	2,821	2,579	109.65	751.76	59.24	0		27
1/12/2007	2,821	20	0	2,821	2,579	107.96	777.31	58.21	0		27
1/11/2007	2,819	20	0	2,819	2,579	106.27	805.02	56.6	0		23
1/10/2007	2,819	22	0	2,819	2,579	104.96	831.89	56.23	0		23
1/9/2007	2,819	20	0	2,819	2,579	103.01	860.52	56.64	0		23
1/8/2007	2,823	20	0	2,823	2,579	101.38	889.58	56.49	0		23
1/7/2007	2,813	20	0	2,813	2,579	99.52	948.14	55.52	0		23
1/6/2007	2,807	20	0	2,807	2,579	97.62	995.95	55.31	0		23
1/5/2007	2,753	20	0	2,753	2,579	95.47	1138.88	55.83	0		22
1/4/2007	2,581	18	0	2,581	2,579	93.35	1438.33	52.67	0	frozen up	16
1/3/2007	1,760	23	0	1,760	2,579	90.67	2192.96	38.44	0	frozen up	16
12/27/2006	938	12	0	938	2,579	87.82	2709.54	27.03	12	frozen up	15
12/26/2006	2,608	20	0	2,608	2,631	85.06	1950.49	42.59	0	frozen up	15
12/25/2006	2,577	20	0	2,577	2,631	81.46	2700.84	25.17	12	frozen up	16
12/24/2006	1,557	18	0	1,557	2,631	78.21	2441.48	29.79	0		20
12/23/2006	2,788	13	0	2,788	2,631	74.76	800.27	55.83	0		20
12/22/2006	2,785	23	0	2,785	2,631	65.38	1028.18	55.1	0		20
12/21/2006	2,794	18	0	2,794	2,631	59.78	1153.41	53.09	0		20
12/20/2006	2,804	15	0	2,804	2,631	52.97	1200.41	52.17	0	frozen	18
12/19/2006	2,813	8	0	2,813	2,631	54.53	1273.81	50.59	0	frozen	18
12/18/2006	2,822	15	0	2,822	2,631	174.16	2095.81	37.47	4	frozen	16
12/17/2006	2,833	15	0	2,833	2,631	200.24	757.64	57.05	0		25
12/16/2006	2,836	15	0	2,836	2,631	199.75	772.02	55.89	0		25
12/15/2006	2,821	20	0	2,821	2,631	199.25	758.29	56.21	0		25
12/14/2006	2,799	20	0	2,799	2,631	196.05	864.77	58.86	0		25
12/13/2006	2,819	22	0	2,819	2,631	195.67	892.47	58.44	0		25
12/12/2006	2,812	25	0	2,812	2,631	194.69	905.15	57.82	0		25
12/11/2006	2,812	20	0	2,812	2,631	194.26	921.57	58.2	0		25
12/10/2006	2,812	22	0	2,812	2,631	194.26	921.57	58.2	0		25
12/9/2006	2,812	22	0	2,812	2,631	194.26	921.57	58.2	0		25



12/8/2006	2,803	20	0	2,803	2,631	193.43	974.38	59	0			26
12/7/2006	2,807	20	0	2,807	2,631	193.43	974.38	59	0			26
12/6/2006	2,759	23	0	2,759	2,631	192.48	1208.14	58.82	0			26
12/5/2006	1,282	30	0	1,282	2,631	191.4	2815.06	26.56	0	froze up		25
12/4/2006	496	0	0	496	2,631	191.26	2849.37	23.67	0	froze up		25
12/3/2006	871	0	0	871	2,631	190.82	1265.62	54.02	12	Surface Problem		29
12/2/2006	2,587	18	0	2,587	2,631	189.62	2293.31	36.33	0	froze up		29
12/1/2006	1,581	18	0	1,581	2,631	189.79	1337.4	44.96	9	froze up		29
11/30/2006	2,275	12	0	2,275	2,685	189.79	1337.4	44.96	0	Surface Problem		29
11/29/2006	2,849	20	0	2,849	2,685	188.57	697.19	59.64	0			29
11/28/2006	2,842	20	0	2,842	2,685	188.57	697.19	59.64	0			27
11/27/2006	2,837	21	0	2,837	2,685	188.28	691.42	59.82	0			27
11/26/2006	2,841	22	0	2,841	2,685	187.83	685.41	61.02	0			27
11/25/2006	2,843	22	0	2,843	2,685	187.14	675.21	60.44	0			27
11/24/2006	2,849	20	0	2,849	2,685	186.75	669.83	60.42	0			27
11/23/2006	2,853	22	0	2,853	2,685	186.39	663.93	60.96	0			27
11/22/2006	2,856	20	0	2,856	2,685	186.39	663.93	60.96	0			27
11/21/2006	2,861	22	0	2,861	2,685	185.52	650.86	60.87	0			27
11/20/2006	2,866	22	0	2,866	2,685	185.14	644.21	61.03	0			27
11/19/2006	2,870	20	0	2,870	2,685	185.14	644.21	61.03	0			27
11/18/2006	2,873	21	0	2,873	2,685	184.74	649.6	61.4	0			27
11/17/2006	2,873	22	0	2,873	2,685	184.13	748.46	60.44	0			27
11/16/2006	2,852	20	0	2,852	2,685	183.76	806.61	59.4	0			26
11/15/2006	2,829	20	0	2,829	2,685	183.76	806.61	59.4	0			26
11/14/2006	2,830	23	0	2,830	2,685	183.31	810.72	59.13	0			26
11/13/2006	2,836	20	0	2,836	2,685	182.95	805.11	59.03	0			26
11/12/2006	2,840	22	0	2,840	2,685	182.47	799.93	59.13	0			26
11/11/2006	2,844	22	0	2,844	2,685	182.16	795.93	58.1	0			26
11/10/2006	2,848	22	0	2,848	2,685	181.69	793.49	58.87	0			26
11/9/2006	2,852	21	0	2,852	2,685	181.34	789.95	59.32	0			26
11/8/2006	2,824	23	0	2,824	2,685	181.02	785.61	59.05	0			26
11/7/2006	2,812	22	0	2,812	2,685	180.65	785.63	59.4	0			26
11/6/2006	2,811	22	0	2,811	2,685	180.28	795.24	59.08	0			26
11/5/2006	2,814	23	0	2,814	2,685	179.84	793.56	58.29	0			26
11/4/2006	2,821	22	0	2,821	2,685	179.48	786.41	59.07	0			26
11/3/2006	2,828	22	0	2,828	2,685	179.06	778.96	59.2	0			26
11/2/2006	2,829	20	0	2,829	2,685	178.72	777.76	58.78	0			26
11/1/2006	2,832	23	0	2,832	2,685	178.26	778.61	58.91	0			26
10/31/2006	2,837	23	0	2,837	2,740	177.76	772.01	59.36	0			26
10/30/2006	2,841	20	0	2,841	2,740	177.37	767.53	59.34	0			26

10/29/2006	2,847	22	0	2,847	2,740	177.02	761.69	59.24	0			26
10/28/2006	2,851	22	0	2,851	2,740	176.59	763.38	59.38	0			26
10/27/2006	2,853	23	0	2,853	2,740	176.14	768.17	58.71	0			26
10/26/2006	2,858	23	0	2,858	2,740	175.67	763.71	58.98	0			26
10/25/2006	2,865	20	0	2,865	2,740	175	760	58.5	0			26
10/24/2006	2,869	23	0	2,869	2,740	174.9	761.59	58.5	0			26
10/23/2006	2,875	23	0	2,875	2,740	174.61	757.3	58.44	0			26
10/22/2006	2,881	23	0	2,881	2,740	174.06	754.83	58.65	0			26
10/21/2006	2,888	23	0	2,888	2,740	173.59	752.78	59.1	0			26
10/20/2006	2,897	22	0	2,897	2,740	173.17	747.63	59.28	0			26
10/19/2006	2,905	23	0	2,905	2,740	172.7	743.85	59.58	0			26
10/18/2006	2,912	23	0	2,912	2,740	172.19	739.92	59.59	0			26
10/17/2006	2,923	23	0	2,923	2,740	171.72	735.18	59.12	0			26
10/16/2006	2,934	23	0	2,934	2,740	171.19	728.87	59.23	0			26
10/15/2006	2,946	22	0	2,946	2,740	170.75	723.57	60.02	0			26
10/14/2006	2,958	24	0	2,958	2,740	170.43	720.36	59.81	0			26
10/13/2006	2,971	23	0	2,971	2,740	170.07	717.08	60.34	0			26
10/12/2006	2,986	22	0	2,986	2,740	169.64	713.89	61.28	0			26
10/11/2006	3,001	25	0	3,001	2,740	169.29	710.72	60.49	0			26
10/10/2006	3,020	43	0	3,020	2,740	168.83	707.48	60.44	0			26
10/9/2006	3,081	25	0	3,081	2,740	168.42	704.67	59.65	0			20
10/8/2006	3,039	27	0	3,039	2,740	167.4	795.59	61.12	0			20
10/7/2006	3,079	22	0	3,079	2,740	167.4	795.59	61.12	0			20
10/6/2006	915	8	0	915	2,740	165.21	3588.66	4.92	13	SHUT IN FOR GAS PLANT WORKOVER	SI/Cycling	20
10/5/2006	0	0	0	0	2,740	164.77	3547.3	4.36	0	SHUT IN FOR GAS PLANT WORKOVER		35
10/4/2006	0	0	0	0	2,740	164.77	3547.3	4.36	0	SHUT IN FOR GAS PLANT WORKOVER		35
10/3/2006	0	0	0	0	2,740	164.25	1627.53	10.47	0	SHUT IN FOR GAS PLANT WORKOVER		35
10/2/2006	0	0	0	0	2,740	164.25	1627.53	10.47	24	SHUT IN FOR GAS PLANT WORKOVER	SI/Cycling	35
10/1/2006	1,826	0	0	1,826	2,740	164.46	412.45	36.11	17	SHUT IN FOR GAS PLANT WORKOVER	SI/Cycling	35
9/30/2006	2,860	25	0	2,860	2,796	164.29	664.54	57.77	0	300# on back pressure valve		35
9/29/2006	2,864	22	0	2,864	2,796	163.85	661.69	57.68	0	300# on back pressure valve		35
9/28/2006	2,864	23	0	2,864	2,796	163.03	661.85	62.45	0	300# on back pressure valve		35
9/27/2006	2,866	20	0	2,866	2,796	163.03	661.85	62.45	0	300# on back pressure valve		35
9/26/2006	2,870	22	0	2,870	2,796	162.45	651.16	62.62	0	300# on back pressure valve		35
9/25/2006	2,875	20	0	2,875	2,796	162.12	644.39	62.24	0	300# on back pressure valve		35
9/24/2006	2,879	23	0	2,879	2,796	161.57	633.9	61.44	0	300# on back pressure valve		35
9/23/2006	2,883	22	0	2,883	2,796	161.13	628.55	62.37	0	300# on back pressure valve		35
9/22/2006	2,887	22	0	2,887	2,796	160.69	621.99	62.74	0	300# on back pressure valve		35
9/21/2006	2,892	22	0	2,892	2,796	160.24	610.16	63.61	0	300# on back pressure valve		35
9/20/2006	2,898	25	0	2,898	2,796	159.84	598.3	64.03	0	300# on back pressure valve		35

9/19/2006	2,903	33	0	2,903	2,796	159.39	588.49	62.41	0	300# on back pressure valve	35
9/18/2006	2,899	17	0	2,899	2,796	159	617.81	62.25	0	300# on back pressure valve	35
9/17/2006	2,882	21	0	2,882	2,796	158.6	680.46	61.89	0	300# on back pressure valve	34
9/16/2006	2,884	20	0	2,884	2,796	158.05	677.01	58.39	0	300# on back pressure valve	34
9/15/2006	2,888	20	0	2,888	2,796	157.68	689.08	57.86	0	300# on back pressure valve	34
9/14/2006	2,892	23	0	2,892	2,796	157.24	663.49	57.58	0	300# on back pressure valve	34
9/13/2006	2,895	28	0	2,895	2,796	156.78	657.1	57.61	0	300# on back pressure valve	34
9/12/2006	2,899	28	0	2,899	2,796	156.32	650.92	57.37	0	300# on back pressure valve	34
9/11/2006	2,903	25	0	2,903	2,796	155.85	643.13	57.81	0	300# on back pressure valve	34
9/10/2006	2,908	25	0	2,908	2,796	155.41	635.49	58.04	0	300# on back pressure valve	34
9/9/2006	2,913	17	0	2,913	2,796	154.9	631.01	57.98	0	300# on back pressure valve	34
9/8/2006	2,917	17	0	2,917	2,796	154.5	626.16	58.12	0	300# on back pressure valve	34
9/7/2006	2,920	18	0	2,920	2,796	154.14	623.93	59.21	0	300# on back pressure valve	34
9/6/2006	2,925	20	0	2,925	2,796	153.81	639.37	61.59	0	300# on back pressure valve	34
9/5/2006	2,907	19	0	2,907	2,796	153.5	730.71	61.94	0	300# on back pressure valve	34
9/4/2006	2,879	18	0	2,879	2,796	153.1	810.31	61.95	0	300# on back pressure valve	32
9/3/2006	2,890	18	0	2,890	2,796	152.71	781.13	61.74	0	300# on back pressure valve	32
9/2/2006	2,906	17	0	2,906	2,796	152.2	744.76	59.97	0	300# on back pressure valve	32
9/1/2006	2,922	20	0	2,922	2,796	151.19	655.04	60.37	0	300# on back pressure valve	32
8/31/2006	2,939	20	0	2,939	2,864	151.19	655.04	60.37	0	300# on back pressure valve	32
8/30/2006	2,952	17	0	2,952	2,864	150.69	624.34	59.19	0	300# on back pressure valve	32
8/29/2006	2,939	17	0	2,939	2,864	150.37	679.29	58.98	0	300# on back pressure valve	32
8/28/2006	2,916	17	0	2,916	2,864	149.93	777.04	58.75	0	300# on back pressure valve	32
8/27/2006	2,922	17	0	2,922	2,864	149.44	761.52	58.81	0	300# on back pressure valve	31
8/26/2006	2,931	20	0	2,931	2,864	149.02	756.87	59.87	0	300# on back pressure valve	30
8/25/2006	2,912	20	0	2,912	2,864	148.65	838.01	59.15	0	300# on back pressure valve	30
8/24/2006	2,895	18	0	2,895	2,864	148.19	864.43	59.05	0	300# on back pressure valve	28
8/23/2006	2,923	20	0	2,923	2,864	147.81	815.56	59.43	0		28
8/22/2006	2,936	20	0	2,936	2,864	147.38	797.07	60.31	0		28
8/21/2006	2,921	17	0	2,921	2,864	147.01	876.6	59.24	0		28
8/20/2006	2,899	18	0	2,899	2,864	146.59	938.62	58.18	0		26
8/19/2006	2,857	18	0	2,857	2,864	146.32	1048.06	58.21	0		24
8/18/2006	2,796	18	0	2,796	2,864	145.99	1185.2	57.26	0		24
8/17/2006	2,751	18	0	2,751	2,864	145.64	1275.02	56.34	0		24
8/16/2006	2,765	20	0	2,765	2,864	145.24	1249.14	56.34	0		24
8/15/2006	2,741	18	0	2,741	2,864	144.94	1306.12	56.33	0		24
8/14/2006	2,751	17	0	2,751	2,864	144.06	1262.08	58.52	0		24
8/13/2006	2,762	15	0	2,762	2,864	143.73	1227.01	57.63	0		24
8/12/2006	2,786	20	0	2,786	2,864	143.73	1275	57.63	0		24
8/11/2006	2,810	20	0	2,810	2,864	143.34	1186.62	57.63	0		24

8/10/2006	2,783	20	0	2,783	2,864	142.63	1187	57.63	0			24
8/9/2006	2,723	20	0	2,723	2,864	142.63	1359.21	57.63	0			24
8/8/2006	2,733	17	0	2,733	2,864	142.21	1340.49	57.47	0			24
8/7/2006	2,746	18	0	2,746	2,864	141.41	1303.64	58.97	0			24
8/6/2006	2,756	17	0	2,756	2,864	141.41	1303.64	58.97	0			24
8/5/2006	2,768	17	0	2,768	2,864	141.03	1286.67	58.78	0			24
8/4/2006	2,771	20	0	2,771	2,864	140.63	1284.86	58.81	0			24
8/3/2006	2,777	17	0	2,777	2,864	140.39	1278.41	58.51	0			24
8/2/2006	2,790	17	0	2,790	2,864	139.57	1224.45	61.21	0			24
8/1/2006	2,809	20	0	2,809	2,864	139.57	1224.45	61.21	0			24
7/31/2006	2,791	17	0	2,791	2,872	139.17	1274.61	60.67	0			24
7/30/2006	2,739	18	0	2,739	2,872	138.87	1365.39	59.92	0			23
7/29/2006	2,747	18	0	2,747	2,872	138.49	1349.68	59.63	0			23
7/28/2006	2,754	20	0	2,754	2,872	138.06	1339.46	59.15	0			23
7/27/2006	2,759	22	0	2,759	2,872	137.72	1329.52	59.3	0			23
7/26/2006	2,769	17	0	2,769	2,872	136.9	1283.24	58.85	0			23
7/25/2006	2,784	18	0	2,784	2,872	136.9	1283.24	58.85	0			23
7/24/2006	2,804	18	0	2,804	2,872	136.49	1244.98	57.91	0			23
7/23/2006	2,824	20	0	2,824	2,872	136.04	1212.44	58.5	0			23
7/22/2006	2,844	20	0	2,844	2,872	135.63	1171.22	58.79	0			23
7/21/2006	2,866	18	0	2,866	2,872	135.2	1130.33	59.06	0			23
7/20/2006	2,898	38	0	2,898	2,872	134.76	1068.89	59.74	0			23
7/19/2006	2,933	0	0	2,933	2,872	134.29	1002.94	59.88	0			23
7/18/2006	2,878	20	0	2,878	2,872	134.01	1187.19	58.67	0			23
7/17/2006	2,752	18	0	2,752	2,872	133.63	1389.18	56.74	0			23
7/16/2006	2,761	18	0	2,761	2,872	133.25	1375.66	57.91	0			23
7/15/2006	2,767	20	0	2,767	2,872	132.85	1369.28	57.31	0			23
7/14/2006	2,776	17	0	2,776	2,872	132.42	1373.98	54.71	0			23
7/13/2006	2,772	20	0	2,772	2,872	132.02	1363.13	54.83	0			23
7/12/2006	2,779	17	0	2,779	2,872	131.62	1354.18	54.82	0			23
7/11/2006	2,799	20	0	2,799	2,872	131.15	1325.48	55.26	0			23
7/10/2006	2,764	20	0	2,764	2,872	130.8	1391.77	55.18	0			23
7/9/2006	2,731	18	0	2,731	2,872	130.35	1442.99	54.81	0			23
7/8/2006	2,737	22	0	2,737	2,872	130.02	1440.1	54.93	0			23
7/7/2006	2,602	15	0	2,602	2,872	129.61	1440.79	55.32	0			23
7/6/2006	2,789	20	0	2,789	2,872	129.22	1422.9	55.02	0			23
7/5/2006	2,804	17	0	2,804	2,872	128.83	1396.39	55.21	0			23
7/4/2006	2,812	20	0	2,812	2,872	128.46	1386.74	55.83	0			23
7/3/2006	2,818	20	0	2,818	2,872	128.09	1378.38	55.86	0			23
7/2/2006	2,826	20	0	2,826	2,872	127.67	1364.15	56.36	0			23

7/1/2006	2,838	18	0	2,838	2,872	127.26	1345.03	57.17	0			23
6/30/2006	2,848	18	0	2,848	2,292	126.89	1326.22	57.09	0			23
6/29/2006	2,861	18	0	2,861	2,292	126.47	1307.73	57.24	0			23
6/28/2006	2,872	18	0	2,872	2,292	126.02	1287.29	57.07	0			23
6/27/2006	2,877	18	0	2,877	2,292	125.67	1284.84	56.82	0			23
6/26/2006	2,883	20	0	2,883	2,292	125.32	1278.2	56.95	0			23
6/25/2006	2,871	20	0	2,871	2,292	124.96	1312.36	57.96	0			23
6/24/2006	2,866	20	0	2,866	2,292	124.61	1316.65	58.3	0			23
6/23/2006	2,871	20	0	2,871	2,292	124.27	1308.46	57.71	0			23
6/22/2006	2,883	17	0	2,883	2,292	123.96	1290.47	58.58	0			23
6/21/2006	2,897	20	0	2,897	2,292	123.56	1265.03	59	0			23
6/20/2006	2,922	20	0	2,922	2,292	123.24	1238.7	59.41	0			23
6/19/2006	2,919	20	0	2,919	2,292	122.86	1247.63	59.63	0			23
6/18/2006	2,920	22	0	2,920	2,292	122.56	1237.82	59.39	0			23
6/17/2006	2,940	20	0	2,940	2,292	122.2	1203.2	60.65	0			23
6/16/2006	2,961	20	0	2,961	2,292	121.83	1168.13	60.4	0			23
6/15/2006	2,992	20	0	2,992	2,292	121.51	1121.84	61.55	0			23
6/14/2006	2,988	20	0	2,988	2,292	120.74	1122	55.09	0			23
6/13/2006	2,419	20	0	2,419	2,292	120.74	1401.42	55.09	0			26
6/12/2006	2,918	22	0	2,918	2,292	120.46	1247.24	62.37	0			26
6/11/2006	2,934	25	0	2,934	2,292	120.07	1219.98	62.95	0			26
6/10/2006	2,947	26	0	2,947	2,292	119.7	1198.12	63.12	0			26
6/9/2006	2,967	0	0	2,967	2,292	119.35	1166.23	64.26	0			26
6/8/2006	2,997	20	0	2,997	2,292	118.64	1182.07	64.8	0			26
6/7/2006	2,977	20	0	2,977	2,292	118.64	1182.07	64.8	0			26
6/6/2006	2,891	20	0	2,891	2,292	118.29	1344.86	62.2	0			24
6/5/2006	2,908	20	0	2,908	2,292	117.95	1319.23	62.84	0			24
6/4/2006	2,940	20	0	2,940	2,292	117.56	1253.18	63.3	0			24
6/3/2006	2,976	21	0	2,976	2,292	117.17	1186.62	63.95	0			24
6/2/2006	2,956	17	0	2,956	2,292	116.86	1256.44	63.64	0			24
6/1/2006	2,889	20	0	2,889	2,292	115.75	1371.86	62.73	0			24
5/31/2006	2,890	20	0	2,890	2,496	115.45	1375.27	62.68	0			19
5/30/2006	2,898	20	0	2,898	2,496	115.45	1375.27	62.68	0			19
5/29/2006	2,897	20	0	2,897	2,496	115.45	1375.27	62.68	0			19
5/28/2006	2,901	20	0	2,901	2,496	115.09	1374.21	62.58	0			19
5/27/2006	2,905	22	0	2,905	2,496	114.72	1367.47	62.53	0			19
5/26/2006	2,912	20	0	2,912	2,496	114.36	1360.93	62.57	0			19
5/25/2006	2,923	22	0	2,923	2,496	113.99	1342.4	63.46	0			19
5/24/2006	2,943	20	0	2,943	2,496	113.69	1313.42	63.92	0			19
5/23/2006	2,949	20	0	2,949	2,496	112.84	1290.79	64.31	0			19

5/22/2006	2,956	20	0	2,956	2,496	112.84	1290.79	64.31	0			19
5/21/2006	2,985	20	0	2,985	2,496	112.49	1244.6	65.04	0			19
5/20/2006	2,978	22	0	2,978	2,496	112.17	1276.55	64.65	0			19
5/19/2006	2,917	18	0	2,917	2,496	111.78	1388.76	62.56	0			19
5/18/2006	2,935	20	0	2,935	2,496	111.36	1360.85	62.92	0			19
5/17/2006	2,958	18	0	2,958	2,496	110.9	1314.51	62.91	0			19
5/16/2006	2,992	21	0	2,992	2,496	110.48	1263.76	63.59	0			19
5/15/2006	2,985	20	0	2,985	2,496	110.04	1313.31	63.17	0			19
5/14/2006	2,938	22	0	2,938	2,496	109.62	1389.05	63.14	0			19
5/13/2006	2,959	20	0	2,959	2,496	109.22	1358.79	64.35	0			19
5/12/2006	2,982	20	0	2,982	2,496	108.77	1323.52	63.97	0			19
5/11/2006	2,996	20	0	2,996	2,496	108.31	1309.82	62.84	0			19
5/10/2006	3,008	24	0	3,008	2,496	107.85	1295.54	61.72	0			19
5/9/2006	3,008	20	0	3,008	2,496	107.49	1315.39	62.18	0			19
5/8/2006	2,986	22	0	2,986	2,496	107.06	1366.59	62.28	0			19
5/7/2006	3,015	22	0	3,015	2,496	106.63	1326.63	62.69	0			19
5/6/2006	3,056	22	0	3,056	2,496	106.11	1273.21	62.95	0			19
5/5/2006	3,058	21	3	3,058	2,496	105.7	1310.39	63.04	0			19
5/4/2006	3,013	22	6	3,013	2,496	105.28	1390.99	62.39	0			19
5/3/2006	2,989	22	0	2,989	2,496	104.89	1492.14	61.85	0			19
5/2/2006	2,924	22	0	2,924	2,496	104.48	1593.52	60.88	0			19
5/1/2006	2,961	22	0	2,961	2,496	104.02	1548.79	61.1	0			19
4/30/2006	2,984	23	0	2,984	2,751	103.56	1554.79	60.28	0			19
4/29/2006	2,966	22	0	2,966	2,751	103.01	1639.08	59.11	0			19
4/28/2006	2,914	20	0	2,914	2,751	102.32	1812.19	57.97	0			18
4/27/2006	1,307	19	0	1,307	2,751	100.92	1941	29.42	0			18
4/26/2006	0	0	0	0	2,751	100.22	4100	10.51	24	shut in this a.m. for Targa plant problem	SI/Cycling	15
4/25/2006	581	0	0	581	2,751	100.47	1060.83	32.52	18	shut in this a.m. for Targa plant problem	SI/Cycling	15
4/24/2006	2,326	17	0	2,326	2,751	99.87	2485.37	44.04	0	shut in this a.m. for Targa plant problem		15
4/23/2006	2,031	15	0	2,031	2,751	99.37	2488.37	44.04	0	gas plant problem pinched back well		15
4/22/2006	2,923	20	0	2,923	2,751	99.32	1454.14	60.93	0			24
4/21/2006	2,926	22	0	2,926	2,751	98.84	1507.91	60.81	0			24
4/20/2006	2,219	18	0	2,219	2,751	98.32	1600	45.34	0	7/64 choke due to Targa gas plant problems		24
4/19/2006	2,610	18	0	2,610	2,751	97.27	1184.69	62.62	0			24
4/18/2006	3,037	22	0	3,037	2,751	97.27	1184.69	62.62	0			24
4/17/2006	2,997	21	0	2,997	2,751	96.8	1306.06	61.41	0			24
4/16/2006	2,888	22	0	2,888	2,751	96.35	1483.99	60.2	0			23
4/15/2006	2,905	20	0	2,905	2,751	95.96	1454.6	60.32	0			23
4/14/2006	2,932	23	0	2,932	2,751	95.58	1404.42	58.26	0			23
4/13/2006	2,946	23	0	2,946	2,751	95.17	1393.27	57.93	0			23

4/12/2006	2,929	22	0	2,929	2,751	94.84	1455	57.19	0				22
4/11/2006	2,954	20	0	2,954	2,751	93.93	1415	58.4	0				22
4/10/2006	2,956	22	0	2,956	2,751	93.93	1387.05	58.4	0				22
4/9/2006	2,915	20	0	2,915	2,751	93.53	1449.14	58.29	0				22
4/8/2006	2,927	20	0	2,927	2,751	93.1	1429.29	57.66	0				22
4/7/2006	2,950	22	0	2,950	2,751	93	1400	58.6	0				22
4/6/2006	2,963	22	0	2,963	2,751	92.15	1364.29	59.61	0				20
4/5/2006	2,929	20	0	2,929	2,751	91.4	1514.85	58.71	0				20
4/4/2006	2,900	22	0	2,900	2,751	89.47	1485.7	58.01	0				20
4/3/2006	2,908	22	0	2,908	2,751	89.07	1572.67	57.15	0				20
4/2/2006	2,923	22	0	2,923	2,751	89.07	1572.67	57.15	0				20
4/1/2006	2,949	22	0	2,949	2,751	90	1540	57.15	0				20
3/31/2006	2,955	26	0	2,955	2,833	89.07	1572.67	57.15	0				20
3/30/2006	2,902	22	0	2,902	2,833	89.07	1540	57.15	0				20
3/29/2006	2,846	22	0	2,846	2,833	88.68	1660	56.06	0				19
3/28/2006	2,800	24	0	2,800	2,833	88.34	1758.31	55.66	0				18
3/27/2006	2,735	20	0	2,735	2,833	87.86	1830	53.75	0				18
3/26/2006	2,683	22	0	2,683	2,833	88	1959.95	53.72	0				17
3/25/2006	2,718	20	0	2,718	2,833	86.98	1920.02	54.86	0				17
3/24/2006	2,675	20	0	2,675	2,833	86.5	2047.31	53.45	0				17
3/23/2006	1,109	17	0	1,109	2,833	85.73	3303.52	27.11	12	down previous day		Surface Problem	17
3/22/2006	2,445	12	0	2,445	2,833	85.49	2600	47.75	8	well froze up and shut down overnight		Surface Problem	17
3/21/2006	2,539	20	0	2,539	2,833	84.93	2000	50.84	3	was shut in for gas company plant problem		Pipeline/Sales	17
3/20/2006	2,787	20	0	2,787	2,833	85	2260	54.38	4	was shut in for gas company plant problem		Surface Problem	17
3/19/2006	2,937	22	0	2,937	2,833	83.75	1441	57.1	0				21
3/18/2006	2,949	22	0	2,949	2,833	83.25	1440	55.84	0				21
3/17/2006	2,967	22	0	2,967	2,833	82.69	1425	56.82	0				21
3/16/2006	2,965	25	0	2,965	2,833	83	1395	56.48	0				21
3/15/2006	2,876	20	0	2,876	2,833	81.73	1628.21	54.58	0				17
3/14/2006	2,156	20	0	2,156	2,833	81.25	1830	43.74	0				17
3/13/2006	2,931	20	0	2,931	2,833	80.72	1409.33	59.66	0				22
3/12/2006	2,887	22	0	2,887	2,833	80.19	1495	59.87	0				22
3/11/2006	2,897	22	0	2,897	2,833	79.66	1486	59.78	0				22
3/10/2006	2,902	22	0	2,902	2,833	79.13	1465	59.64	0				22
3/9/2006	2,912	20	0	2,912	2,833	78.72	1452	60.29	0				22
3/8/2006	2,915	22	0	2,915	2,833	78.33	1435	60.69	0				22
3/7/2006	2,916	27	0	2,916	2,833	77.97	1437.17	52.21	0				22
3/6/2006	2,917	17	0	2,917	2,833	77.57	1435.29	61.81	0				22
3/5/2006	2,926	25	0	2,926	2,833	77.12	1421.41	61.81	0				22

3/4/2006	2,929	23	0	2,929	2,833	76.7	1416	60.86	0			22
3/3/2006	2,940	22	0	2,940	2,833	76.25	1420	60.96	0			22
3/2/2006	2,950	22	0	2,950	2,833	76	1400	59	0			24
3/1/2006	2,965	25	0	2,965	2,833	76	1386	59	0			24
2/28/2006	2,972	23	0	2,972	0	75	1600	59	0			24
2/27/2006	2,905	23	0	2,905	0	75	1600	59	0			24
2/26/2006	2,834	27	0	2,834	0	75	1600	59	0			24
2/25/2006	2,852	23	0	2,852	0	73	1616	59	0			24
2/24/2006	2,851	17	0	2,851	0	73	1616	59	0			24
2/23/2006	2,766	22	0	2,766	0	73	1761	59	0			24
2/22/2006	2,569	22	0	2,569	0	73	1932	59	0			24
2/21/2006	2,340	22	0	2,340	0	71	1230	59	0			24
2/20/2006	3,013	18	0	3,013	0	71	1230	59	0			24
2/19/2006	2,951	24	0	2,951	0	71	1230	59	0			24
2/18/2006	2,768	21	0	2,768	0	71	1490	60	0			24
2/17/2006	1,880	18	0	1,880	0	70	2122	60	6	Surface Problem		23
2/16/2006	2,987	23	0	2,987	0	68	1140	60	0	frozen flowline		23
2/15/2006	2,998	28	0	2,998	0	68	1140	60	0			24
2/14/2006	3,014	28	0	3,014	0	68	1160	60	0			23
2/13/2006	3,012	31	0	3,012	0	68	1160	69	0			23
2/12/2006	2,983	27	0	2,983	0	67	1200	67	0			22
2/11/2006	2,974	27	0	2,974	0	67	1210	67	0			22
2/10/2006	2,959	27	0	2,959	0	66	1280	58	0			21
2/9/2006	2,957	27	0	2,957	0	0	1270	57	0			21
2/8/2006	2,980	27	0	2,980	0	0	1300	57	0			20
2/7/2006	2,992	25	0	2,992	0	0	1192	55	0			20
2/6/2006	2,934	25	0	2,934	0	0	1245	55	0			20
2/5/2006	2,891	30	0	2,891	0	0	1440	55	0			0
2/4/2006	2,830	28	0	2,830	0	0	1800	62	0			0
2/3/2006	2,746	29	0	2,746	0	0	1800	56	0			0
2/2/2006	2,562	27	0	2,562	0	0	1800	56	0			0
2/1/2006	2,237	22	0	2,237	0	0	2600	54	0			0
1/31/2006	2,203	17	0	2,203	0	0	2600	54	4	installed new gas sales line	Pipeline/Sales	0
1/30/2006	2,714	28	0	2,714	0	0	0	54	0			0
1/29/2006	2,712	25	0	2,712	0	0	0	54	0			0
1/28/2006	2,706	25	0	2,706	0	0	0	54	0			0
1/27/2006	2,701	23	0	2,701	0	0	0	62	0			0
1/26/2006	2,687	23	0	2,687	0	0	0	57	0			0
1/25/2006	2,680	28	0	2,680	0	0	0	47	0			0
1/24/2006	2,661	25	0	2,661	0	0	0	47	0			0

1/23/2006	2,627	31	0	2,627	0	0	0	0	47	0	0	0
1/22/2006	2,598	25	0	2,598	0	0	0	0	47	0	0	0
1/21/2006	2,597	25	0	2,597	0	0	0	0	47	0	0	0
1/20/2006	2,578	27	0	2,578	0	0	0	0	47	0	0	0
1/19/2006	2,480	23	0	2,480	0	0	0	0	47	0	0	0
1/18/2006	2,263	23	0	2,263	0	0	0	0	47	0	0	0
1/17/2006	862	15	0	862	0	0	0	0	47	0	0	0
1/16/2006	0	0	0	0	0	0	0	0	0	0	0	0
Totals	994,918	7,373	9	994,918	866,486	0	0	0	186	0	0	0

- Jan 39,899 298
 @ 1/1/07 955,019 7,075

Lease: KF 4 State No. 1

PZWELL v1.42 2/28/107

Fld/Zn: Osudo Morrow

Legal: SE SEc 4-21S-35E

Co/St: Lea County, NM

Remarks: Est EUR with 10/06

Remarks: pressure

Metric to Imperial Conversion

M3/E3M3: 0 0.0 =bbl/mm

Sp Grav: 0 ERR =API

Depth,m: 0 0 =ft

Temp,C: 0 32 =BHT,F

RESERVIOR DATA	VOLUMETRICS & Adj. P/Z	RESULTS	Straight
Depth= 11620	h % Por %Sw % NaCl	from curve fit	Adjust Line
BHP,abn= 500	1 15.0 30 3	BHP/Z-i=	5897 5897
BHT(or Grad or-1)= 160	Cr (1 to est)= 1.0E+00	GIP,mm,wet=	4761 5122
BHT,used= 160	correlation= 4.1E-06	GIP,mm,dry=	4734 5093
GAS PROPERTIES	CONDENSATE DATA	ULT,mm,wet=	4351 4660
Sales Gas Gravity= 0.674	Cond API= 51.5	ULT,mm,dry=	4326 4634
%N2= 0	b/MM,init= 7.40	r2=	1.000 1.000
%CO2= 0	Avg Yield= -1	R.E.=	0.91 0.91
%H2S= 0	(-1=use initial,-2=correlation)	mcf/naf=	1410 1404
Pressures... Imperial or Metric	correlation= 5.15	Area,ac=	3086 3320
I or M= I	(avg b/mm over life)	Radius,ft=	6542 6785

		1=sitp									
data	days			2=bhp	Cum b/mm		Cum,bbl	BHP	BHP/Z	Wet Gas	
wt	Date	SI	Pressure	3=P/Z	mmcf	(or -1)	(or -1)	psig	psig	Z	Cum,mm
1	08/18/05	0	6595	2	0	-1	0	6595	5897	1.118	0
0	04/26/06	1	4100	1	271	-1	-1	5457	5394	1.012	273
1	10/06/06	4	3588	1	719.2	-1	-1	4856	5064	0.959	723

EXHIBIT

2

Custom Graph

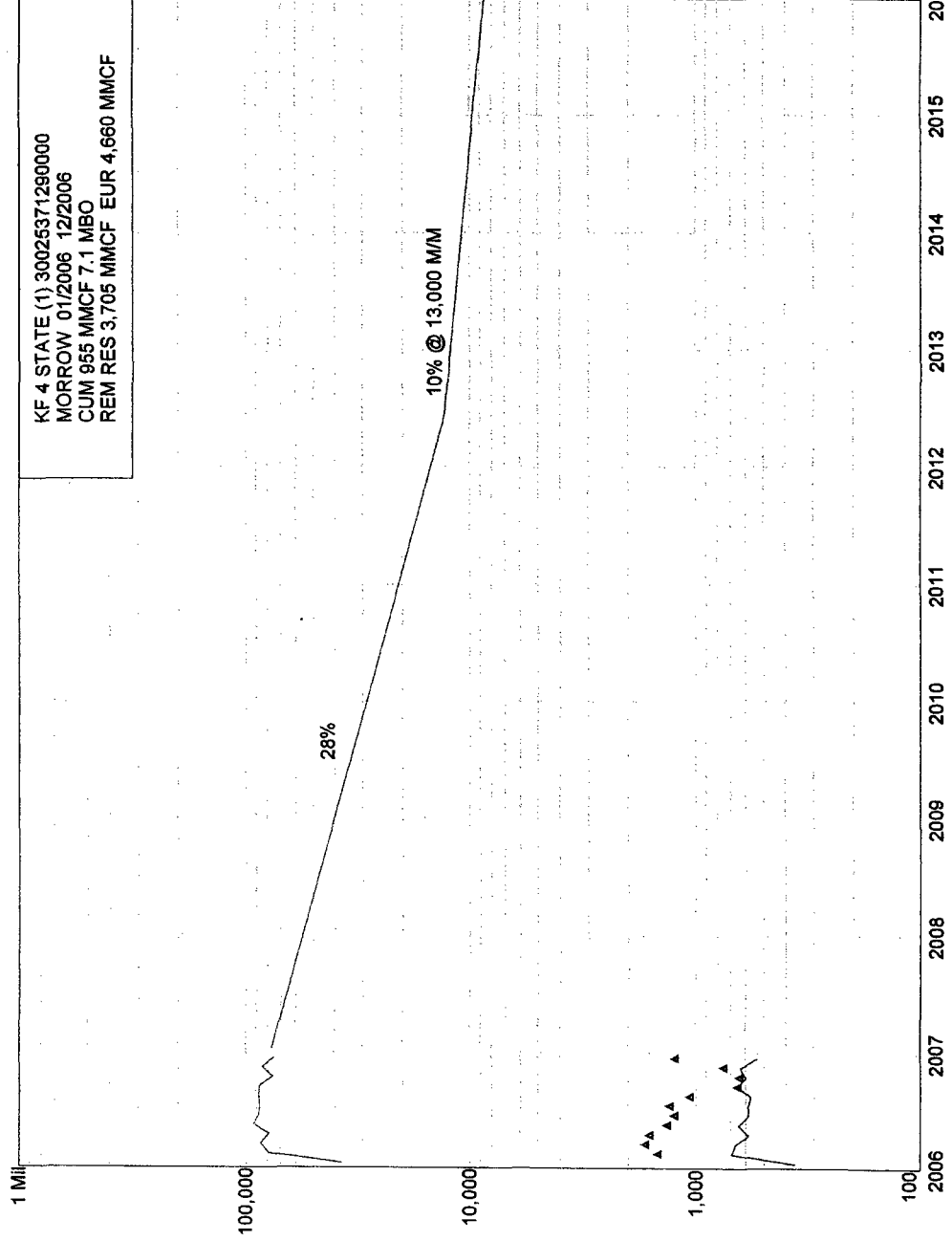
Lease Name: KF 4 STATE (1)
County, ST: LEA, NM
Location: 4P 21S 35E W2 SE SE

Project: i:\amy\new mexico\leakf4 state com 1.mdb

Date: 3/6/2007
Time: 2:59 PM

Operator: CHESAPEAKE OPERATING INCORPORATED
Field Name: OSUDO SOUTH

KF 4 STATE - OSUDO SOUTH



EXHIBIT

3

KF 4 State No. 1 Osudo Morrow

