

Beach Exploration, Inc.

EXHIBIT "C"

TRACT PARTICIPATION

EASTLAND QUEEN UNIT
Eddy County, New Mexico

UNITIZATION PARAMETER:

Ultimate Primary Oil Recovery from Unitized Queen Interval

TRACT	LEASE NAME	OPERATOR	CUM PROD	REMAINING	PROVED	ULTIMATE	TRACT PARTICIPATION (%)
			Sep-06 (BO)	PRIMARY (BO)	DEVELOPED NON-PRODUCING (BO)	PRIMARY RECOVERY (BO)	
1	State HL 1	Eastland Oil Co.	20,330	0	11,046	31,376	4.275248%
2	P.J. State "A"	Eastland Oil Co.	307,807	33,813	0	341,620	46.548640%
2A	P.J. State "A"	Eastland Oil Co.	118,131	12,977	0	131,108	17.864583%
3	P.J. State "B"	Eastland Oil Co.	102,771	7,019	0	109,790	14.959824%
4	B.B.O.C. State	Myco Industries	<u>110,179</u>	<u>9,826</u>	<u>0</u>	<u>120,005</u>	<u>16.351705%</u>
TOTAL			659,218	63,635	11,046	733,899	100.000000%

Volumetric Calculations from Φ h map using 15% porosity cutoff

A (area) acres
 Φ (porosity) frac
 h (pay height) ft
 $A * \Phi * h = 1283.7$ acre ft (from Φ h map)
 $Sw = 0.35$ (assumed)
 $Bo = 1.13$ (estimated)

OOIP = $7758 A \Phi h (1-Sw) / Bo$
 OOIP = $7758 \times 1283.7 \times (1-0.35) / 1.13$
 OOIP = 5,728.7 MBO
 Primary Recovery $(733.9 \text{ MBO} / 5728.7 \text{ MBO}) = 12.8 \%$

Oil Conservation Division
 Case No.
 Exhibit No. 25