

Proposed Chambers Strawn Unit T16S-R36E Sec 7-8

Unitization Parameters

Tract participation will be based on remaining primary, future secondary recovery and the wellbores to recover it.

Parameters for TPF:

Remaining Primary	0.15	Reflected as	0.40	Present Rate and	0.60	Reserve
Future Secondary	0.75	Reflected as	0.40	Est. Uft. Rec. and	0.60	OOIP
Well bores	0.10					
Total	1.00					

Well Name	Tract	Avg. Rate (Jan-Feb-Mar)				Primary Reserve at 4-1-2010				Primary EUR				OOIP		Wellbores		TPF	
		Oil BOD	Gas	OilE Mcf	OilE BOE (Frac)	Tract	Oil MBO	Gas MMcf	OilE MBOE	Tract	Oil MBO	Gas MMcf	OilE MBOE	Tract (Frac)	Tract (MBO)	Tract (Frac.)	Tract (Count)		Tract (Frac.)
No well	1	0.0	0.0	0.0	0.000		0.0	0.0	0.0	0.000	0.0	0.0	0.0	0.000	1,470,917	0.257	0	0.000	0.115478567438
Chambers 7-1	2	13.6	59.7	23.6	0.452	29.7	58.3	39.4	0.389	0.389	530.0	1,853.4	838.8	0.663	1,416,611	0.247	1	0.333	0.405727653921
No well	3	0.0	0.0	0.0	0.000	0.0	0.0	0.0	0.000	0.0	0.0	0.0	0.0	0.000	467,807	0.082	0	0.000	0.036726569707
No well	4	0.0	0.0	0.0	0.000	0.0	0.0	0.0	0.000	0.0	0.0	0.0	0.0	0.000	840,191	0.147	0	0.000	0.065961650071
Alston 8-1	5	4.3	23.9	8.3	0.159	4.2	16.1	6.8	0.067	0.067	157.3	541.5	247.6	0.196	1,215,679	0.212	1	0.333	0.203122703991
No well	6	0.0	0.0	0.0	0.000	0.0	0.0	0.0	0.000	0.0	0.0	0.0	0.0	0.000	67,793	0.012	0	0.000	0.005322246380
Runnels 1-8	7	8.4	71.5	20.3	0.390	34.2	124.7	55.0	0.543	0.543	89.3	531.9	177.9	0.141	252,911	0.044	1	0.333	0.167660608492
		26.3	155.1	52.2	1.000	68.0	199.1	101.2	1.000	1.000	776.5	2,394.9	1,264.3	0.859	5,731,908	1.000	3	1.0000	1.000000000000

The Tract Participation Formula:

$$\text{Tract Factor} = 15\% \text{ Remaining Primary} + 75\% \text{ Secondary} + 10\% \text{ Well Bores}$$

$$\text{Tract Factor} = 15\% \times [(40\% \text{ Rate}) + 60\% \text{ Reserve}] + 75\% \times [(40\% \times \text{EUR} + 60\% \times \text{OOIP})] + 10\% \text{ Wellbores}$$

$$\text{Tract Factor} = 0.15 \left\{ 0.4 \left(\frac{\text{Tract Rate}}{\text{Unit Rate}} \right) + 0.6 \left(\frac{\text{Tract Reserve}}{\text{Unit Reserve}} \right) \right\} + 0.75 \left\{ 0.4 \left(\frac{\text{Tract EUR}}{\text{Unit EUR}} \right) + 0.6 \left(\frac{\text{Tract OOIP}}{\text{Unit OOIP}} \right) \right\} + 0.1 \left(\frac{\text{Tract Well Count}}{\text{Unit Well Count}} \right)$$