

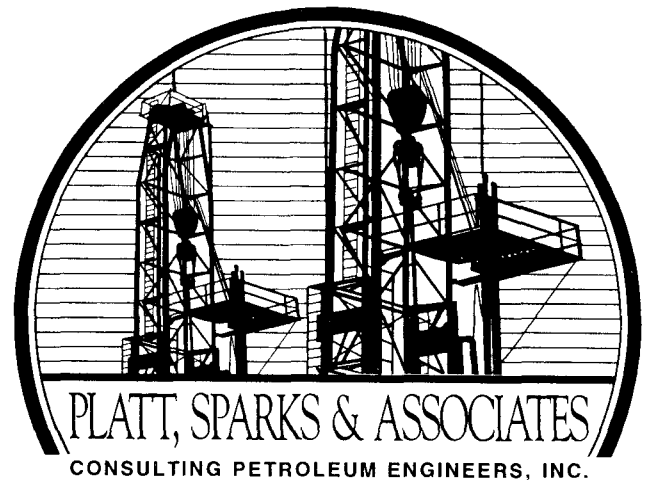
READ & STEVENS, INC.

UNORTHODOX WELL LOCATION REQUEST

PROPOSED HARRIS FEDERAL NO.11

BUFFALO VALLEY (PENN) FIELD AREA

SECTION 26 (UNIT N) TOWNSHIP 15S RANGE 27E



925-A Capital of Texas Highway
Austin, Texas 78746

800 N. Marienfeld, Suite 100
Midland, Texas 79701

OCTOBER 29, 1996

Exhibit List

Read & Stevens, Inc.
Unorthodox Well Location Request
Buffalo Valley(Penn) Field Area
October 29,1996

1. Executive Summary
2. Map w/ Exception Locations
3. Reservoir Data Sheet
 - DST in Harris Federal No. 2 Well
 - Initial Pressures of Study Area Wells
4. Study Area P/Z Plot
5. Volumetric Calculations of OGIP and Recoverable Gas
 - Section 26
 - Section 35
6. Well Performance Data & EUR's
 - EUR Sheet
 - Study Area Rate vs. Cum Plot
 - Individual Well Rate vs. Cum Plots
7. Table of Section 26 & Section 35 Data
8. Reservoir Simulation Study Input Data
9. Reservoir Simulation Grid
 - Isopach w/grid
 - 3D View of Isopach
10. Reservoir Simulation Study Results
 - History Matches
 - Predictions
11. Predicted Performance of Harris Federal No.11
12. Economic Run on Harris Federal No.11
13. Reservoir Pressure Profile
14. Results and Conclusions

OCTOBER 29, 1996

Executive Summary

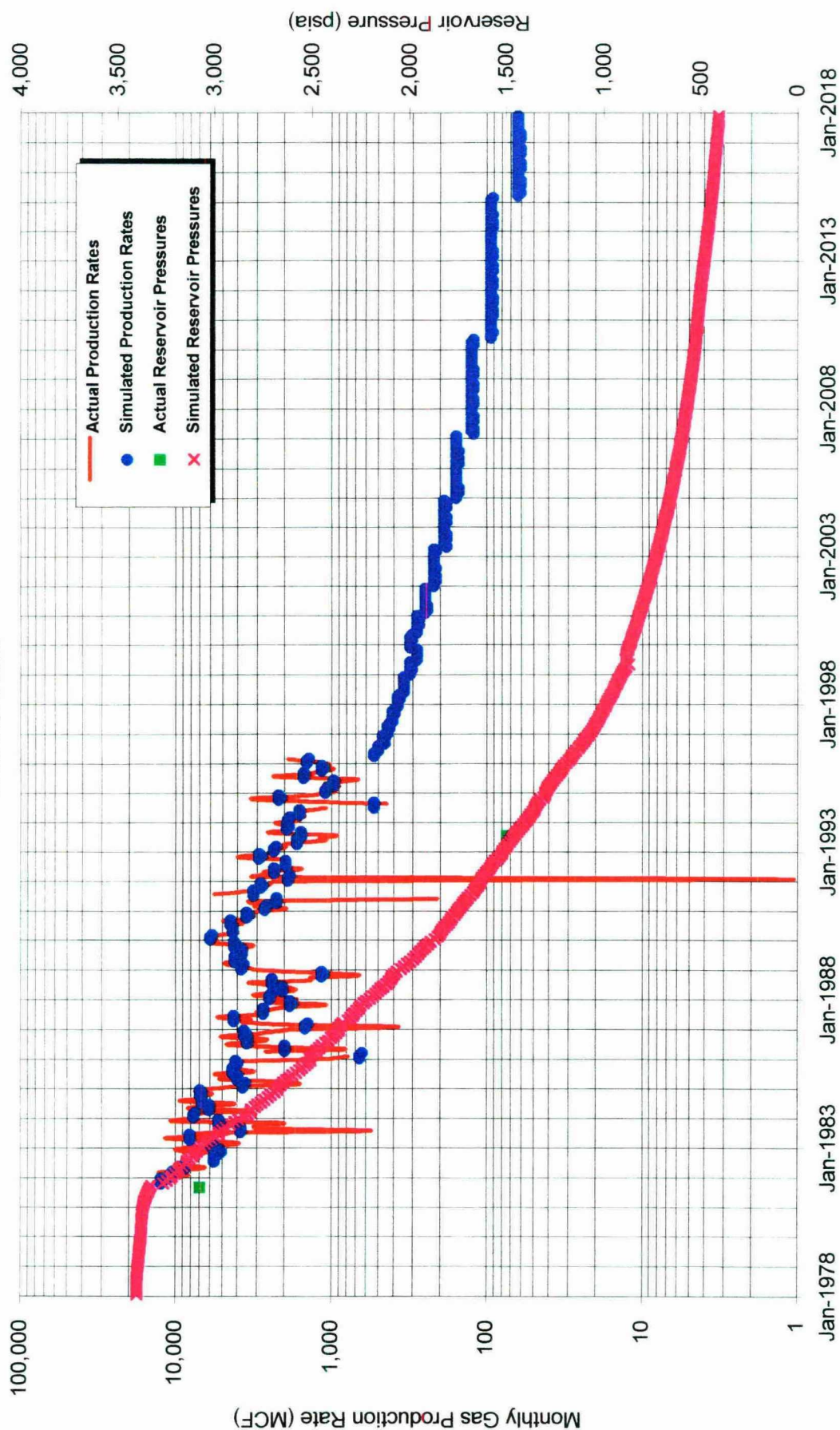
Buffalo Valley (Penn) Field Area Study

Section	Current Gas In Place (BCF)	Current Recoverable Gas In Place (BCF)	Remaining Reserves For Existing Wells (BCF)	Reserves Unrecoverd By Existing Wells (BCF)
26	6.2	5.0	2.5	2.5
35	4.3	3.4	6.4	-3.0

Reservoir Simulation History Match Data

Harris Federal No. 4

15S 27E 26P



Buffalo Valley (Penn) Study Area

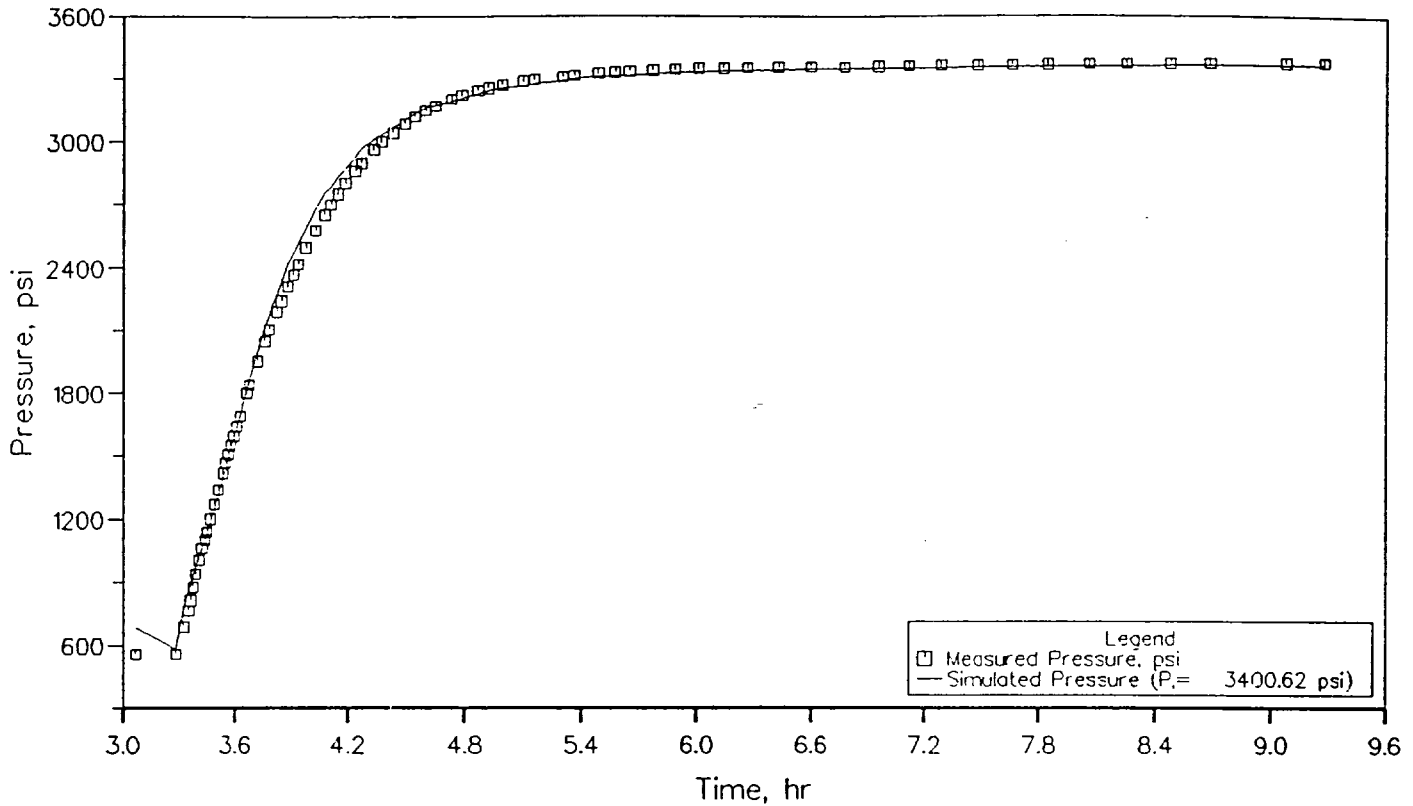
Depth (Approximately)	8,700 ft.
Initial Reservoir Pressure	3,400 psia
Reservoir Temperature	165 °F
Gas Gravity	0.65
Mole % CO ₂	0.5
Mole % N ₂	1.0
Mole % H ₂ S	0.0
Initial Gas Formation Volume Factor	216 scf/cu-ft

Discovery Date	November 1, 1962
Number of Producers in Study Area	22
Cumulative Production	54.5 BCF

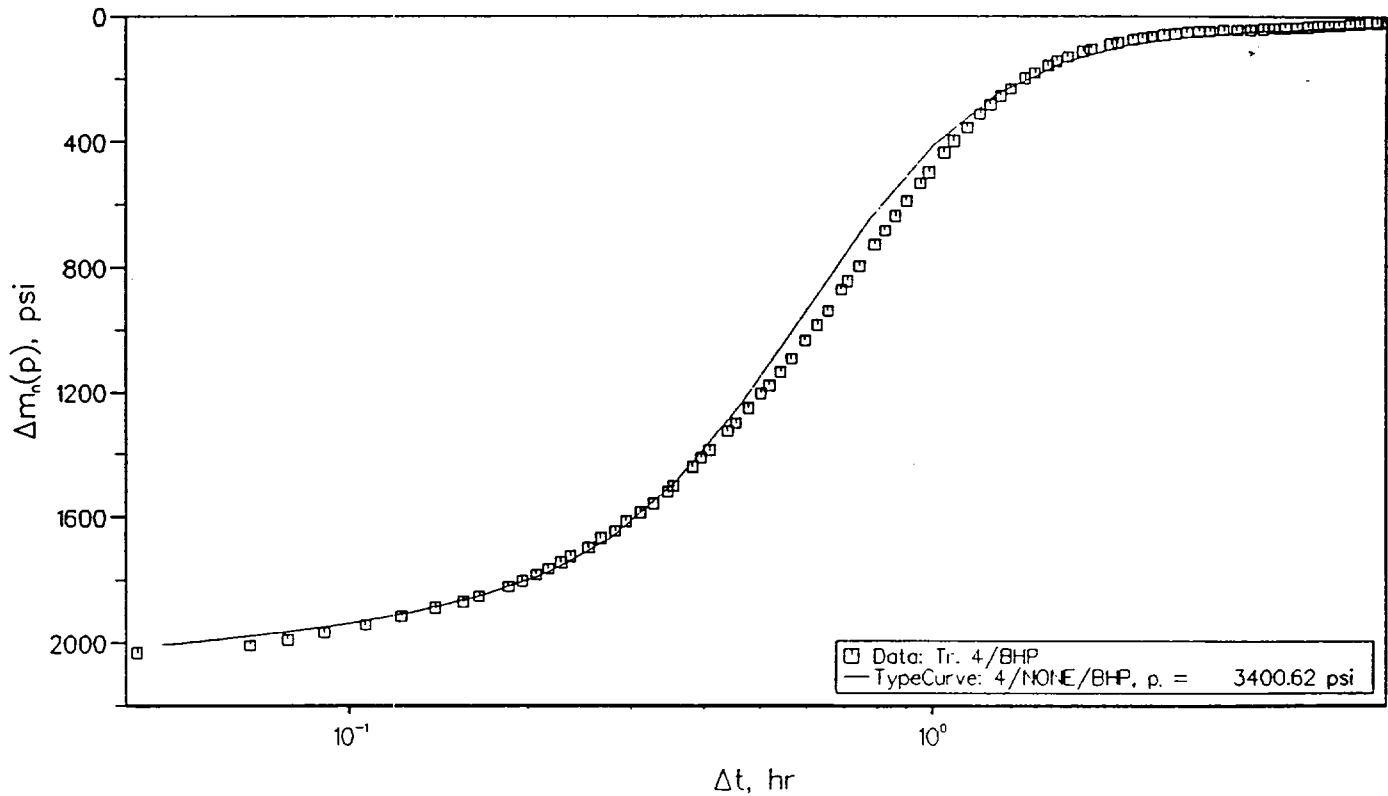
VERIFICATION PLOTS
Transient 4

Schlumberger

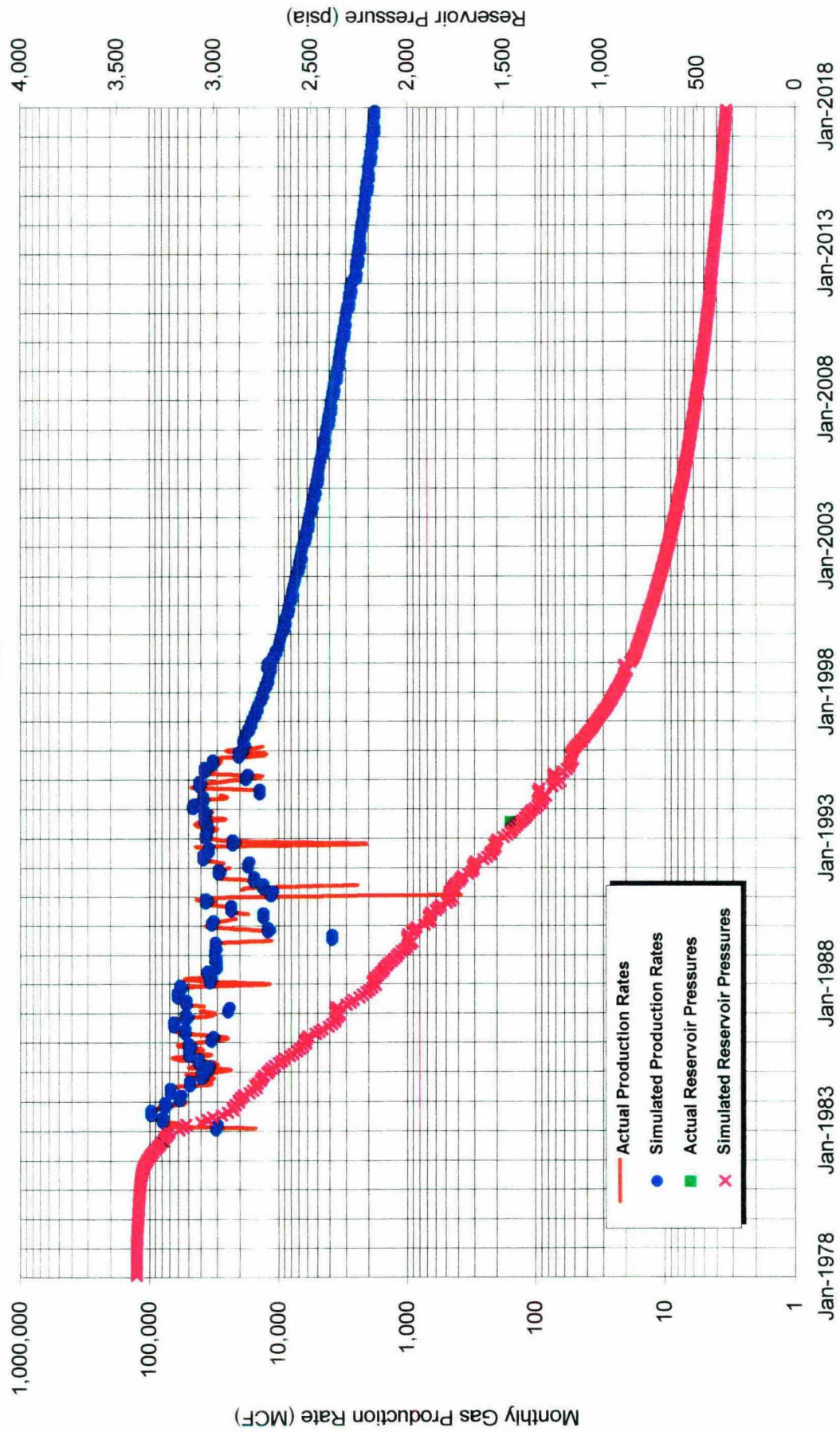
PRESSURE HISTORY SIMULATION



DIMENSIONLESS SUPERPOSITION PLOT

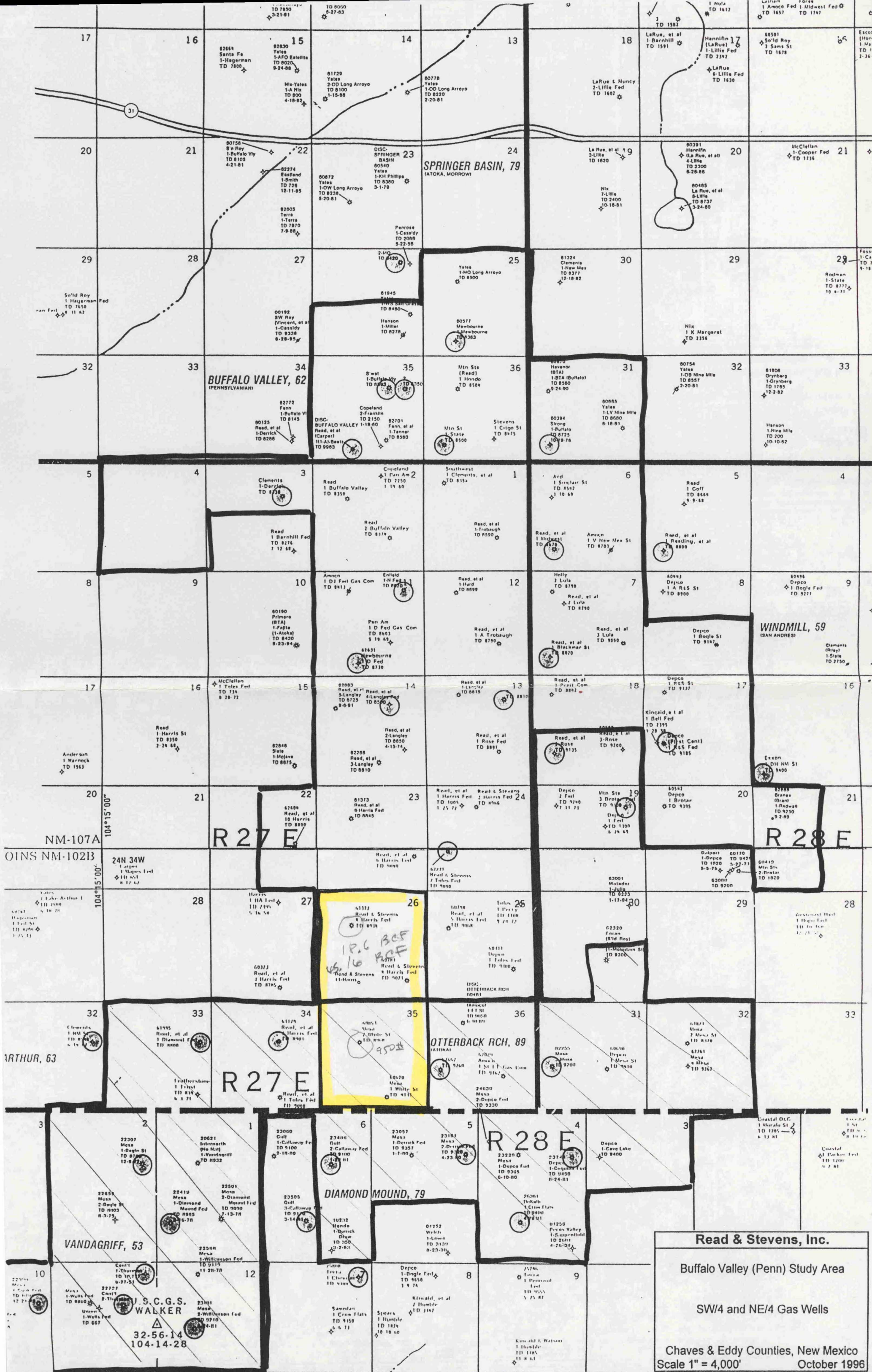


Reservoir Simulation History Match Data Harris Federal No. 8 15S 27E 26F



**Initial Pressure Data
Buffalo Valley (Penn) Field Area
Chaves and Eddy Counties, New Mexico**

Well	Operator	API No.	Test Date	KB Elevation	Reservoir Pressure (psia)	Perforated Interval		Mid Perf	Subsea Depth Mid Perf
						Upper	Lower		
Harris Federal #4	Read & Stevens, Inc.	30-005-60781	9/11/81 11/30/81	3,520	3,070.0 2,262.2	8,728	8,746	8,737	5,217
Harris Federal #8	Read & Stevens, Inc.	30-005-61372	9/2/82	3,531	3,255.0	8,616	8,672	8,644	5,113
Harris Federal #9	Read & Stevens, Inc.	30-005-61373	10/18/82	3,529	3,274.0	8,480	8,550	8,515	4,986
Harris Federal #10	Read & Stevens, Inc.	30-005-62604	7/16/88	3,508	2,963.0	8,454	8,492	8,473	4,965
Harris Federal #2	Read & Stevens, Inc.	30-005-60277	2/1/75 11/25/75	3,617	2,721.2 1,507.2	8,566	8,572	8,569	4,952
Harris Federal #5	Read & Stevens, Inc.	30-005-60798	11/27/81	3,532	3,229.2	8,776	8,789	8,783	5,251
Harris Federal #6	Read & Stevens, Inc.	30-005-61038	3/15/82	3,637	3,313.0	8,734	8,788	8,761	5,124
Langley Federal #5	Read & Stevens, Inc.	30-005-62863		3,527		8,396	8,424	8,410	4,883
Langley Federal #3	Read & Stevens, Inc.	30-005-62266	9/4/85	3,556	2,968.0	8,522	8,570	8,546	4,990
Mojave Federal #1	Siete Oil & Gas Corp.	30-005-62846	5/30/91	3,486	2,103.2	8,202	8,242	8,222	4,736
Toles Federal #1	Depco, Inc.	30-005-60311	11/4/74	3,613	3,204.2	8,930	8,938	8,934	5,321
Toles Federal #2	Read & Stevens, Inc.	30-005-62271	10/11/85	3,648	2,437.0	8,744	8,762	8,753	5,105
Callaway Federal #3	Gulf Oil Corporation	30-015-23505	3/14/81	3,574	2,724.0	8,939	8,995	8,967	5,393
Pennzoil 9 Federal #1	Terra Resources, Inc.	30-015-25746	5/28/87	3,654	2,105.4	8,972	9,046	9,009	5,355
Callaway Federal #1	Gulf Oil Corporation	30-015-23060	2/18/80	3,543	2,926.0	8,804	8,826	8,815	5,272
Callaway Federal #2	Gulf Oil Corporation	30-015-23486	1/22/81	3,608	3,150.0	8,914	9,047	8,981	5,373
Coquina Federal #1	Depco, Inc.	30-015-23744	8/24/81	3,640	3,818.2	9,100	9,191	9,146	5,506
Crow Flats 4 Fed Com. #1	DeKalb Energy Company	30-015-26361	7/28/90	3,672	2,682.0	9,092	9,263	9,178	5,506
Depco Federal #1	Vesa Petroleum Co.	30-015-23229	6/10/80	3,639	3,173.2	9,100	9,197	9,149	5,510
Depco Federal #2	Vesa Petroleum Co.	30-015-24630	12/12/83	3,667	1,522.0	9,022	9,092	9,057	5,390
Derrick Federal Com #1	Vesa Petroleum Co.	30-015-23057	1/6/80	3,652	3,197.0	8,925	9,079	9,002	5,350
Derrick Federal #2	Vesa Petroleum Co.	30-015-23161	4/23/80	3,669	3,201.0	8,978	9,074	9,026	5,357
Diamond Federal #1	Read & Stevens, Inc.	30-005-61995		3,527		8,506	8,540	8,523	4,996
Harris Federal #7	Read & Stevens, Inc.	30-005-61179		3,495		8,606	8,678	8,642	5,147
Mesa State Com #3	Vesa Petroleum Co.	30-005-62255	10/11/85	3,638	2,609.3	9,042	9,050	9,046	5,408
State ET #2	Fora Oil Company	30-005-62662	3/3/89	3,617	1,507.0	8,909	8,975	8,942	5,325
State ET Gas Com #1	Amoco Production Co.	30-005-62029	7/24/83	3,667	3,400.0	8,996	9,066	9,031	5,364
Toles Federal #1	Read & Stevens, Inc.	30-005-60782		3,530		8,720	8,732	8,726	5,196
White State #1	Vesa Petroleum Co.	30-005-60670	6/11/80	3,595	3,239.0	8,909	8,988	8,949	5,354
White State #2	Vesa Petroleum Co.	30-005-60853	8/18/81	3,552	3,138.0	8,769	8,814	8,792	5,240
State ET #1	Amoco Production Co.	30-005-60461		3,604 Plugback		8,912 8,712	8,922 8,718	8,917 8,715	5,313 5,111
Langley Com #1	Read & Stevens, Inc.	30-005-60253	4/13/73	---	2,186.2	8,626	8,646	8,636	---
Rose #1	Read & Stevens, Inc.	30-005-60299	1/18/75 11/24/75	3,630 3,630	2,995.2 1,914.2	8,626 8,626	8,702 8,707	8,664 8,667	5,034 5,037
Rose Federal #4	Read & Stevens, Inc.	30-005-61597	12/6/82	3,617	2,385.0	8,468	8,789	8,629	5,012



Summary of BHP Calculations for 9/93 Test Data

Well Name	BHP (PSIA)	Z	BHP/Z (PSIA)
Harris Federal No. 7	1,743	0.872	1,999
Harris Federal Com No. 5	1,608	0.877	1,834
Harris Federal No. 9	1,530	0.880	1,738
Harris Federal No. 4	1,489	0.882	1,688
Harris Federal No. 8	1,457	0.884	1,649
Langley Federal No. 5	1,387	0.887	1,563
Langlie Federal Com No. 3	1,285	0.893	1,439
Harris Federal No. 10	1,278	0.893	1,430
Harris Federal No. 6	1,222	0.897	1,363

Original Gas in Place and Recoverable Reserves

Volumetric Determination

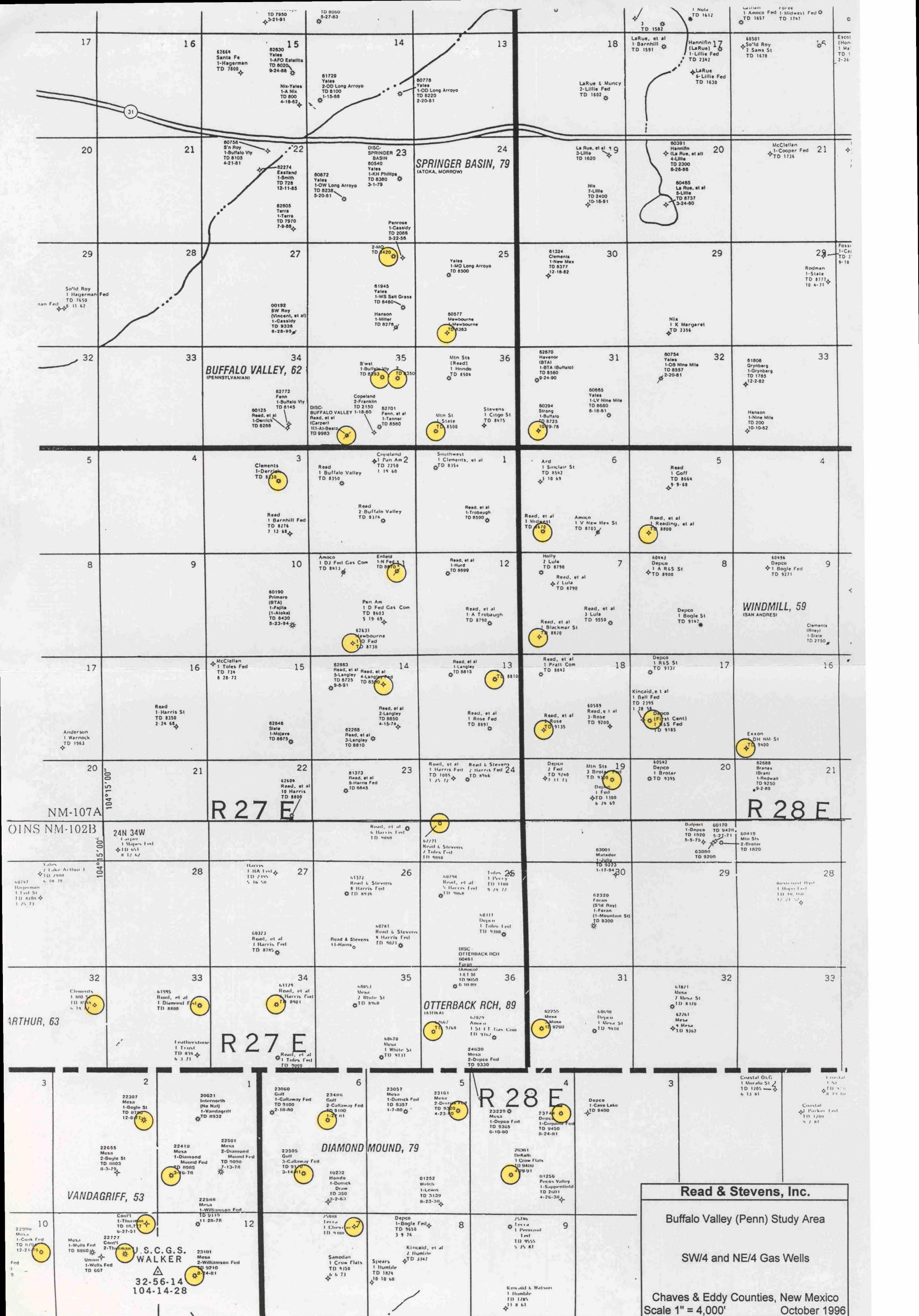
Section	Reservoir Volume (ac-ft)	Average Porosity (%)	Average Water Saturation (%)	Initial Bg (scf/cu-ft)	Original Gas in Place (BCF)	Abandonment Pressure (psia)	Abandonment Bg (scf/cu-ft)	Recovery Factor (%)	Recoverable Reserves (BCF)
26	15,600	16.9	25.0	216	18.6	250	15	93.3	17.4
35	11,100	16.4	25.0	216	12.9	250	15	93.3	12.0

Comparison of Reserve Estimates

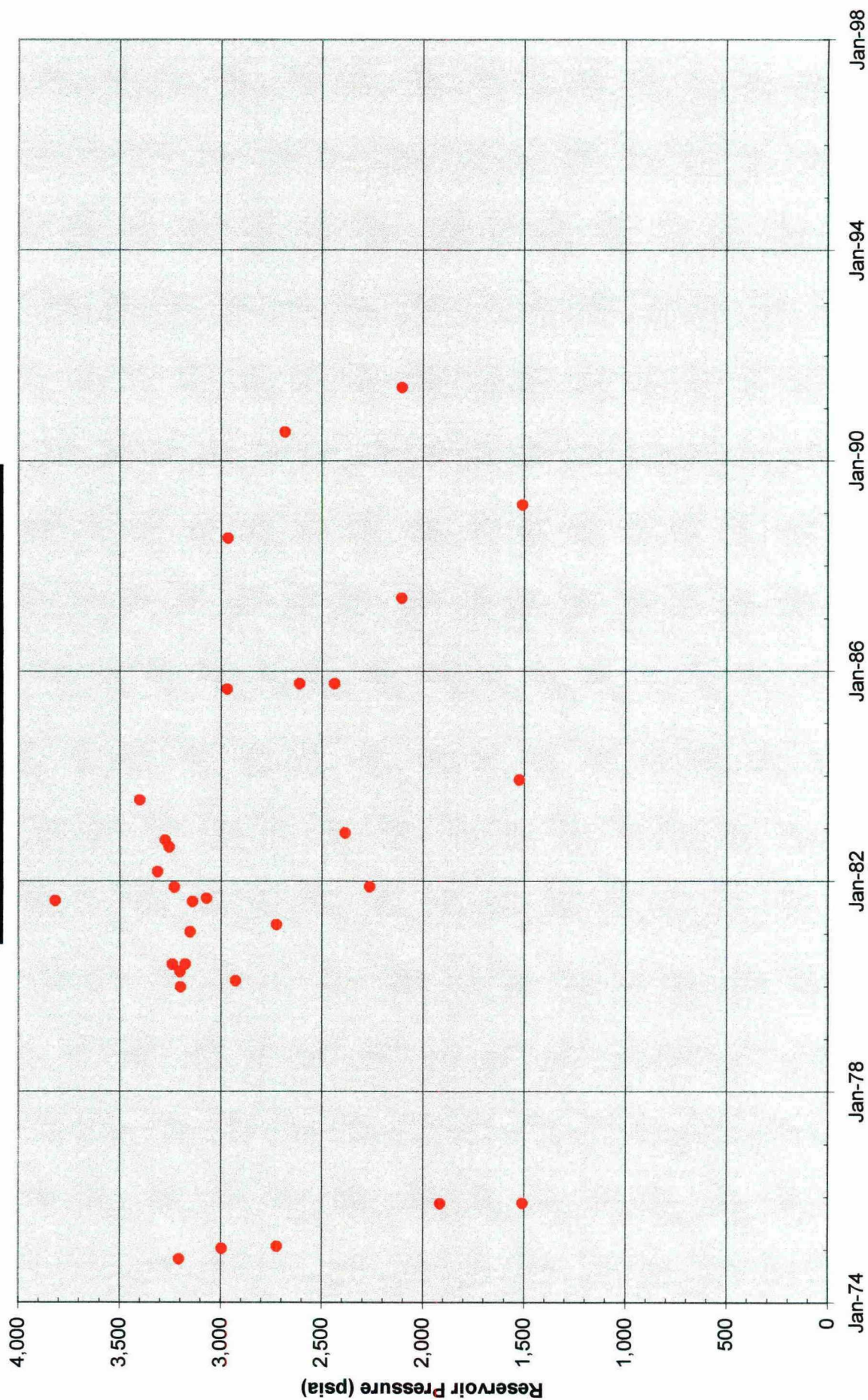
(Without Proposed Well)

Well	Current Cum Gas (BCF)	Rate vs. Cum EUR (BCF)	P/Z EUR (BCF)	
Langley Federal No. 5	0.8	1.0	1.0	*
Langlie Federal Com No. 3	2.7	4.0	4.5	
Harris Federal No. 10	0.4	0.7	0.7	
Harris Federal No. 9	5.5	8.0	8.0	*
Harris Federal Corn No. 6	3.7	5.4	4.9	
Toles Federal No. 2	0.8	1.3	1.2	
Harris Federal Corn No. 5	1.8	2.6	2.4	
Harris Federal No. 8	5.5	8.0	8.2	
Harris Federal No. 4	0.6	0.7	0.7	
Harris Federal No. 7	0.6	1.0	1.0	
Toles Federal No. 1	3.7	4.1	4.0	
White State No. 2	5.5	9.0	8.0	
White State No. 1	3.6	5.2	4.5	
State Et Gas Com No. 1	3.1	3.1	3.5	
State Et No. 1	1.1	0.8	0.8	
State Et No. 2	1.3	1.8	2.6	
Depco Federal No. 2	1.9	1.9	2.0	
Derrick Federal No. 2	6.8	7.1	7.2	
Derrick Federal No. 1	2.8	2.9	3.2	
Callaway Federal No. 2	1.3	1.2	1.2	
Callaway Federal No. 1	0.7	0.7	1.2	
Callaway Federal No. 3	0.4	0.4	0.5	
Proposed Well	0.0	0.0	0.0	
Totals =	54.5	70.9	71.3	

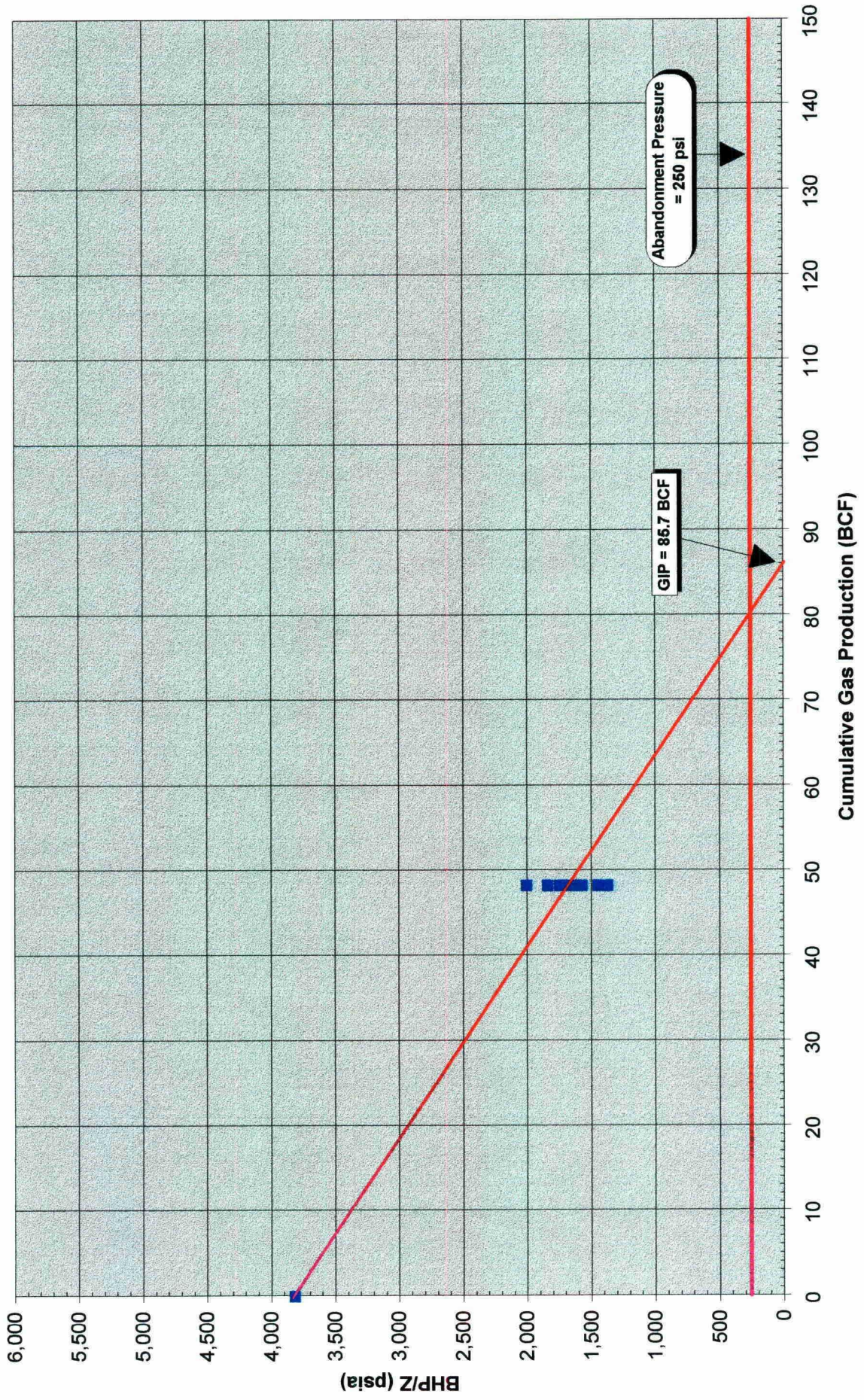
* - Used Rate vs. Cum method for P/Z estimate.



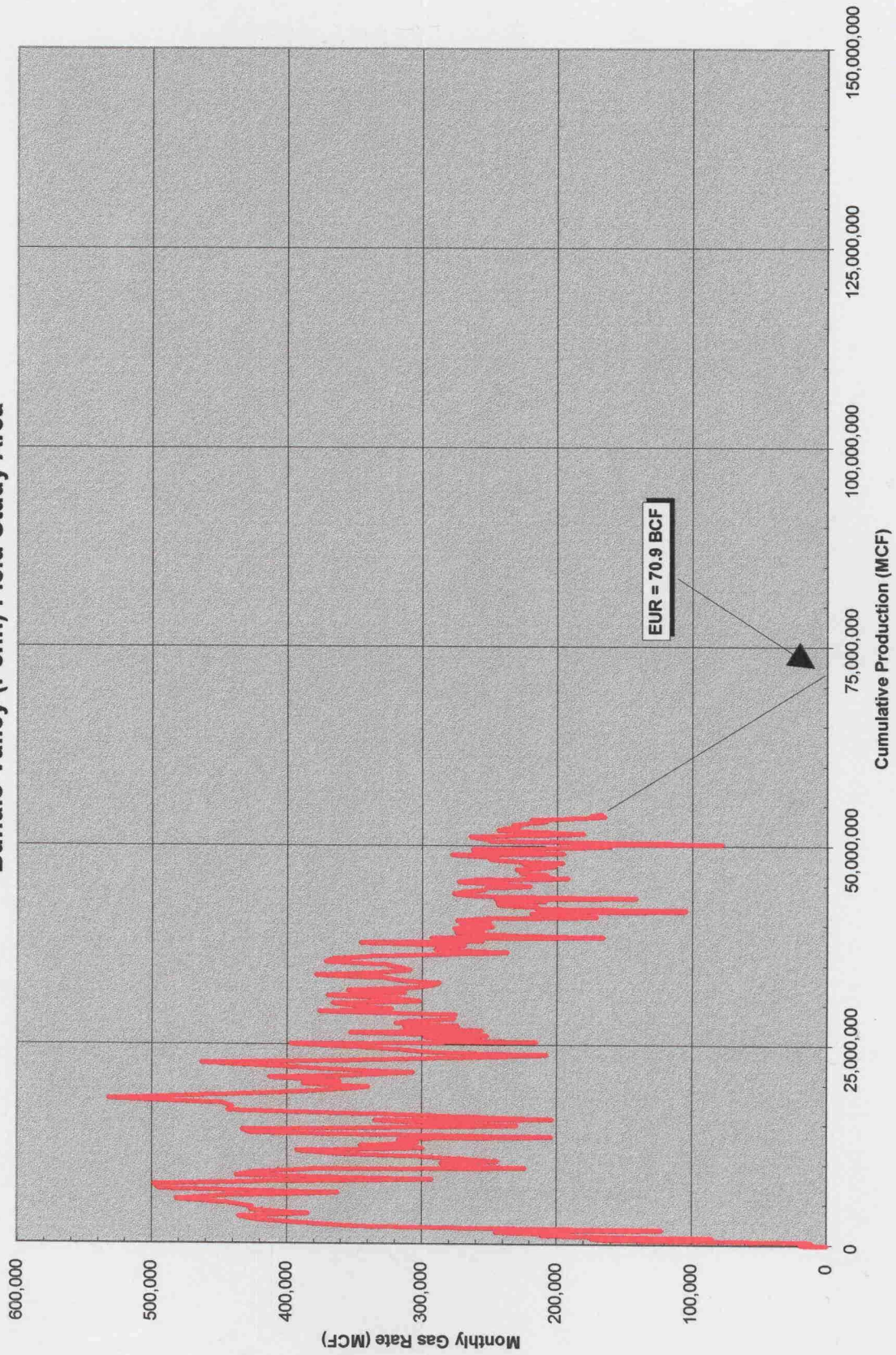
Initial Reservoir Pressure Data Buffalo Valley (Penn) Field Area



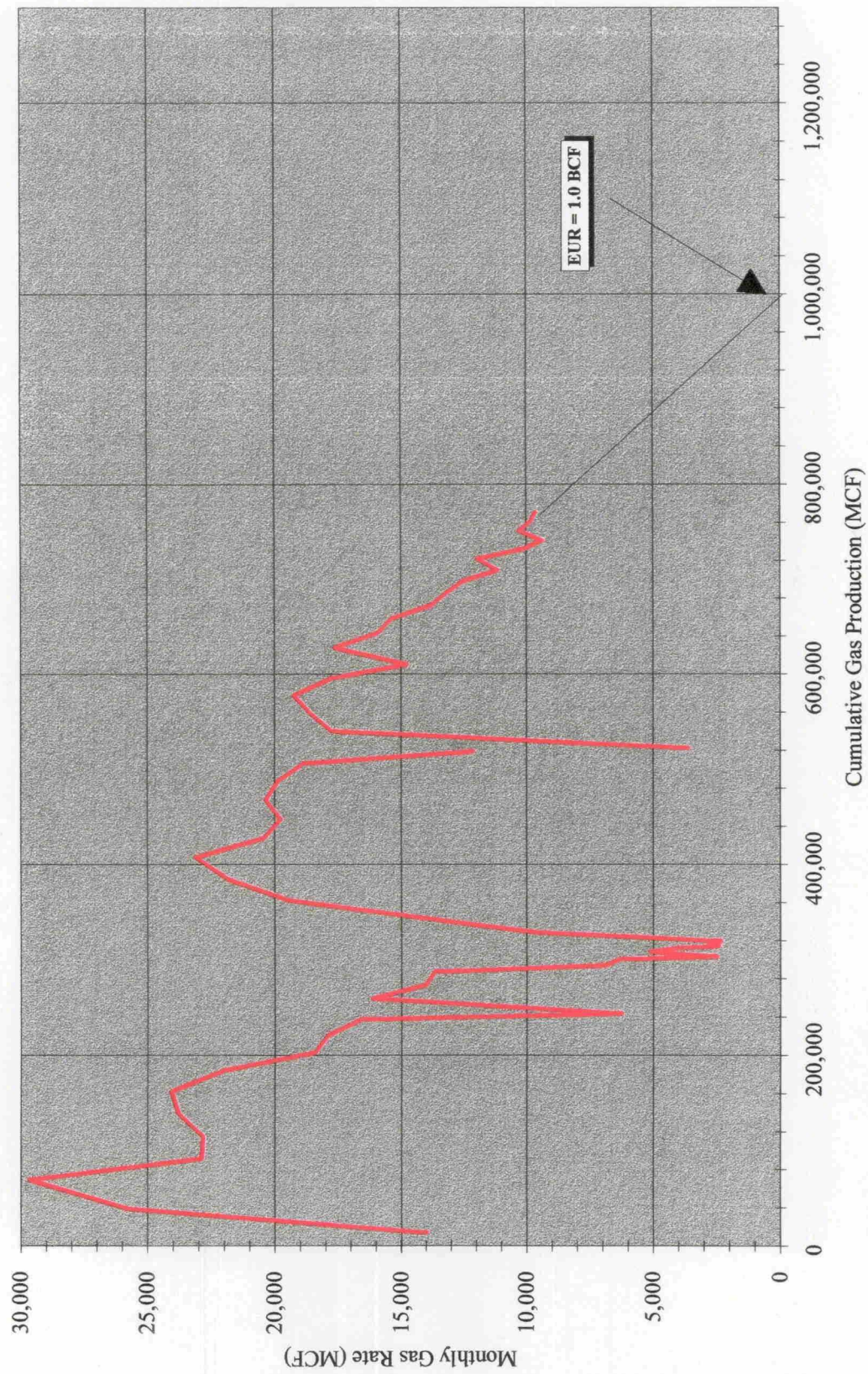
BHP/Z vs. Cumulative Gas Production



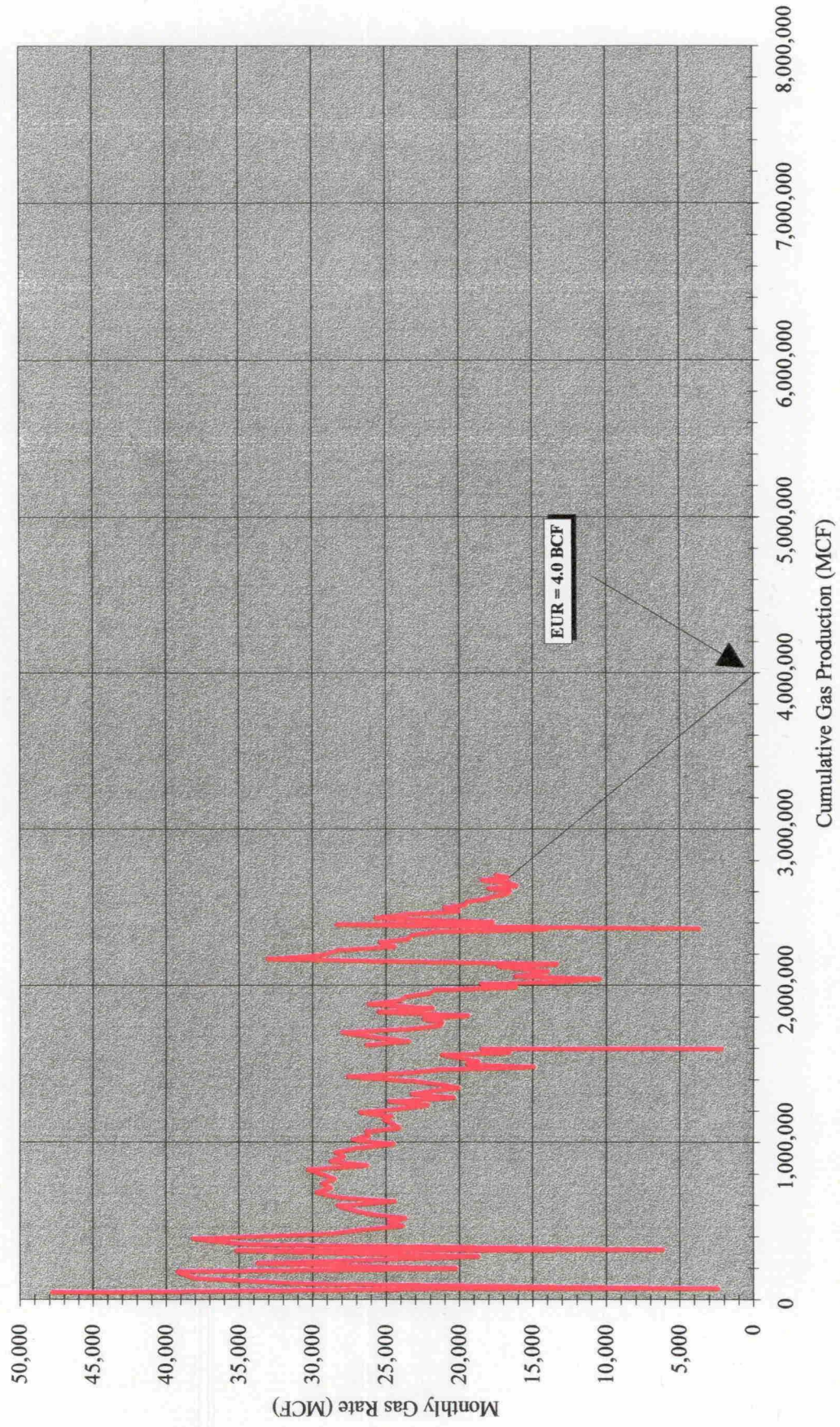
Monthly Rate vs. Cumulative Production Buffalo Valley (Penn) Field Study Area



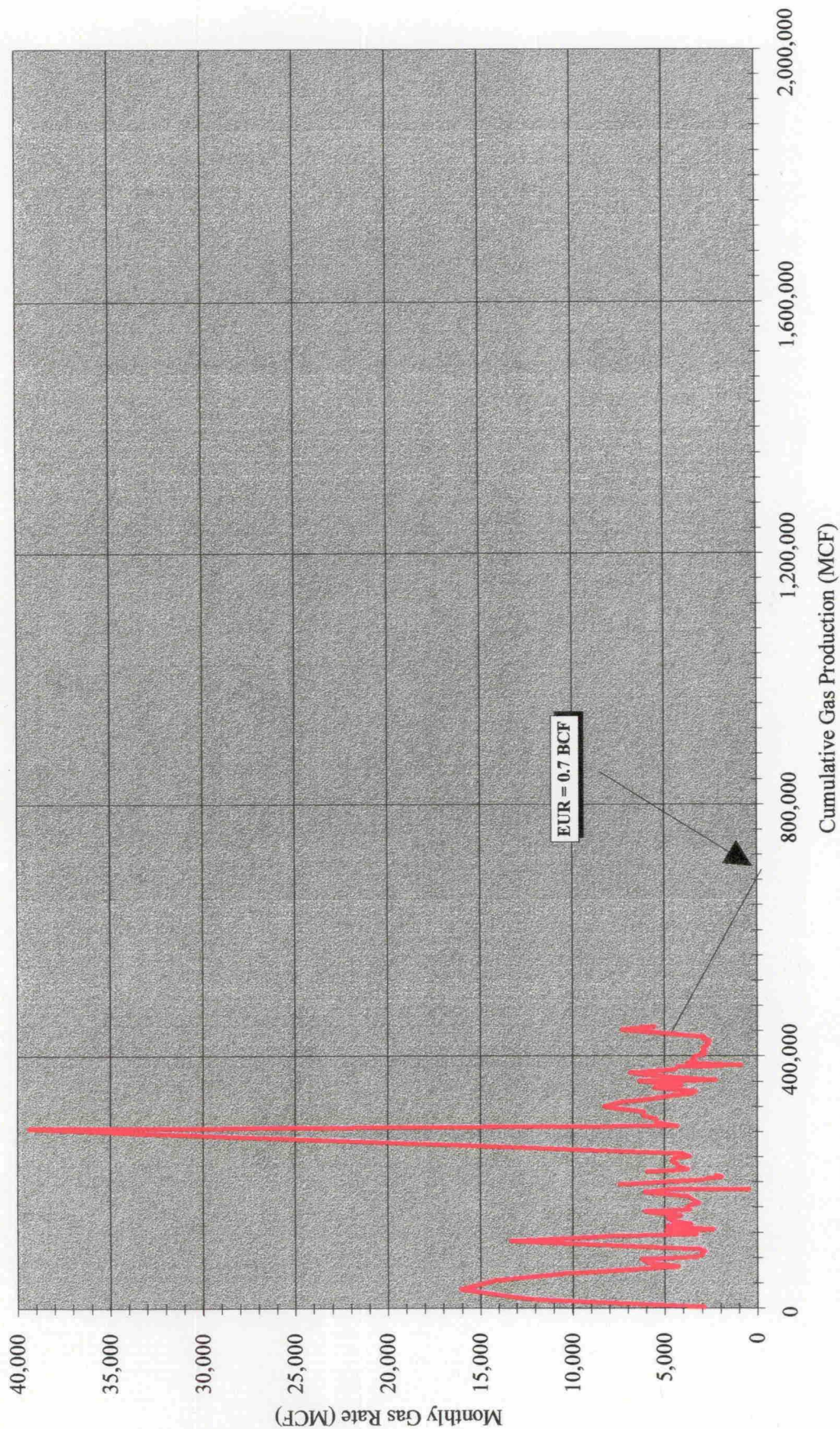
Langley Federal No. 5
Buffalo Valley (Penn) Field
Read & Stevens Inc



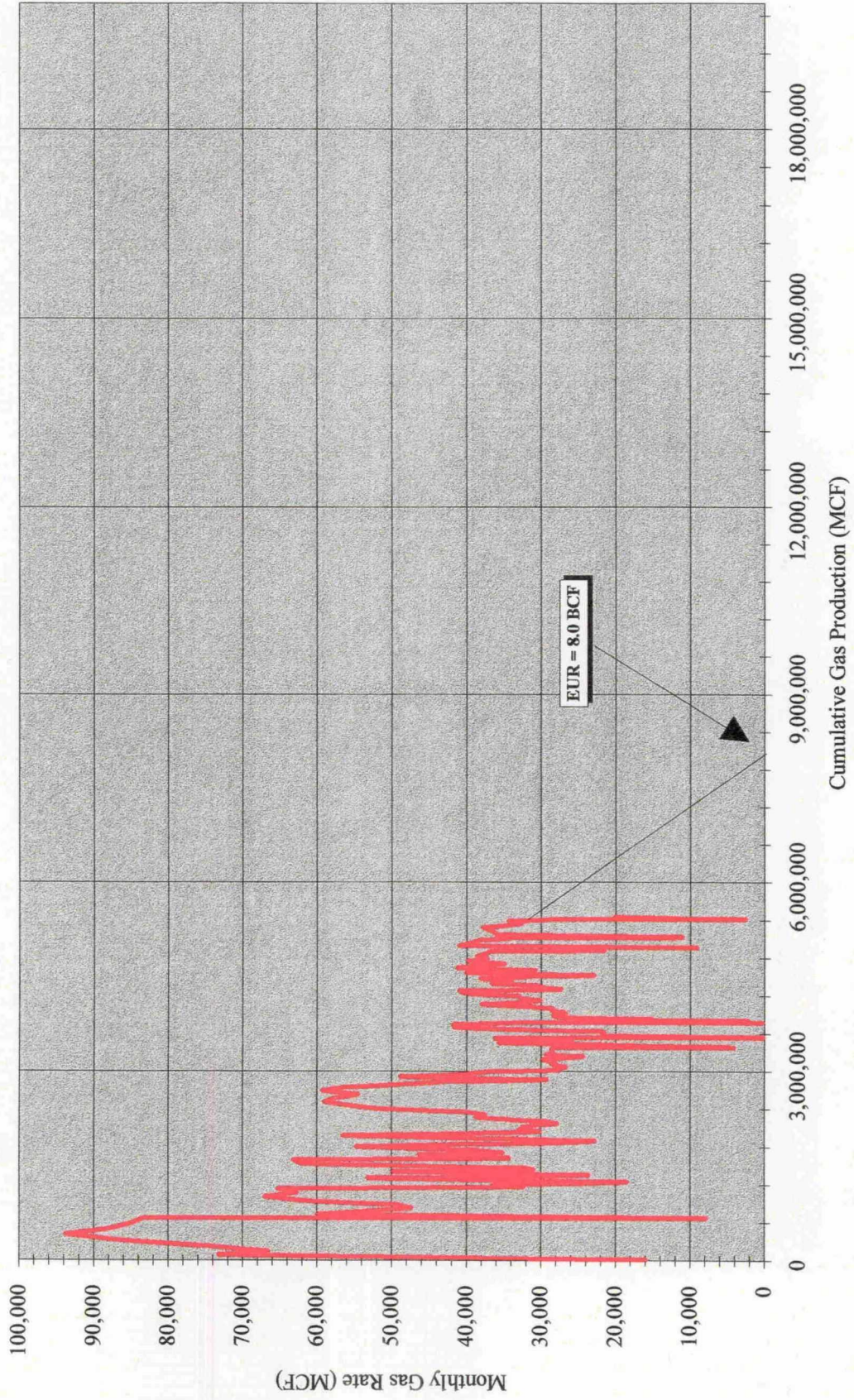
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Buffalo Valley (Penn) Field
Read & Stevens Inc



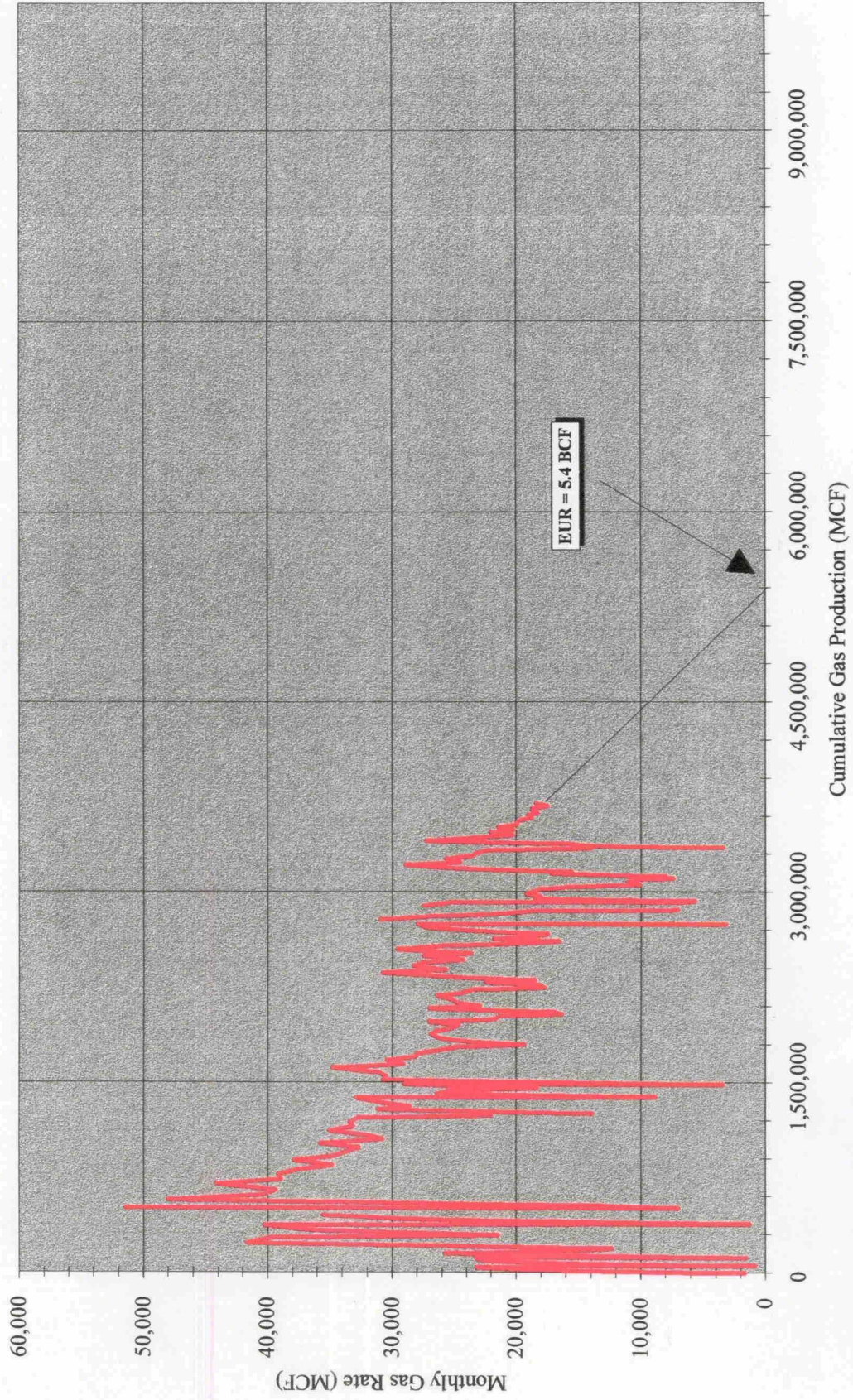
Harris Federal No. 10
Buffalo Valley (Penn) Field
Read & Stevens Inc



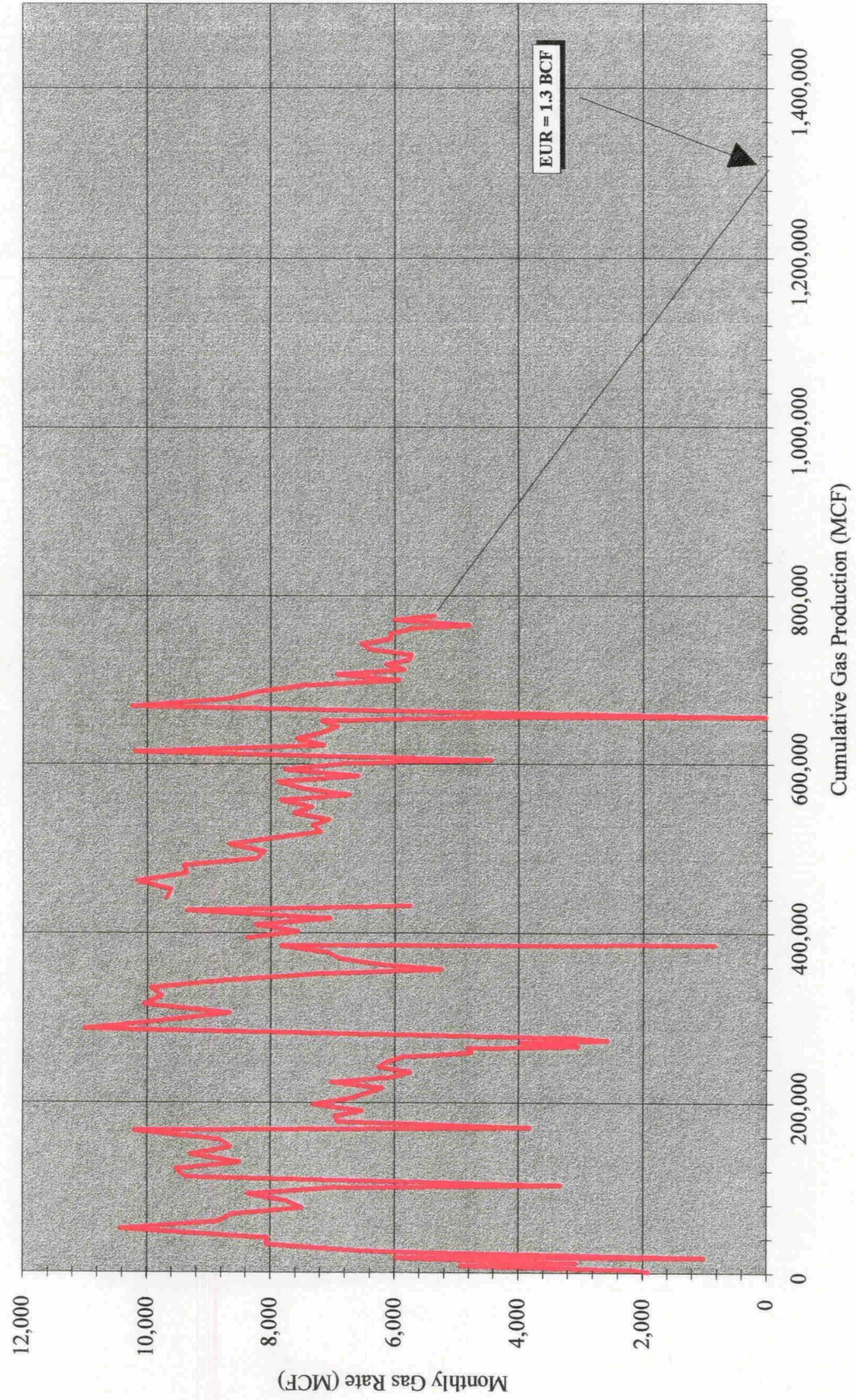
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Buffalo Valley (Penn) Field
Read & Stevens Inc



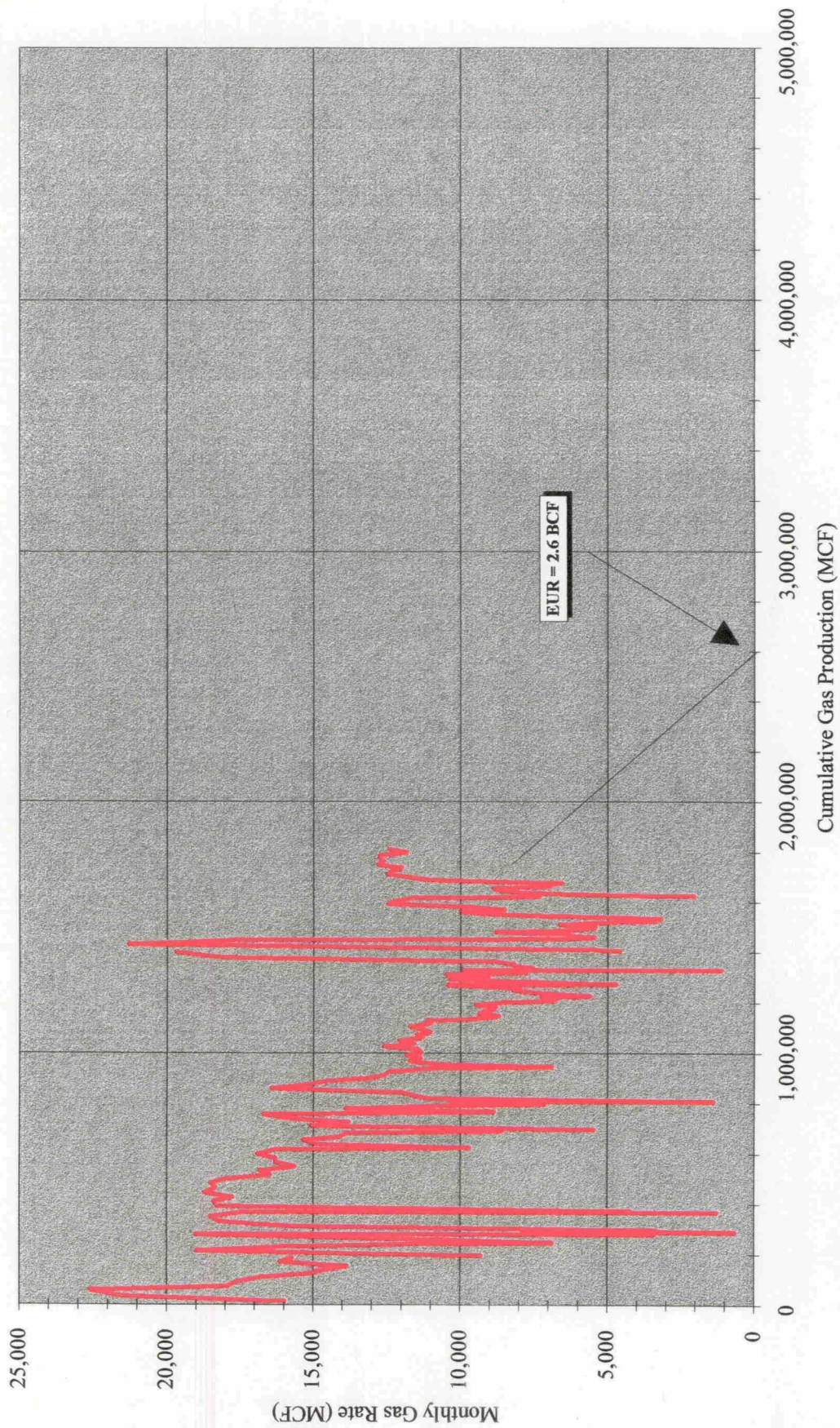
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Buffalo Valley (Penn) Field
Read & Stevens Inc



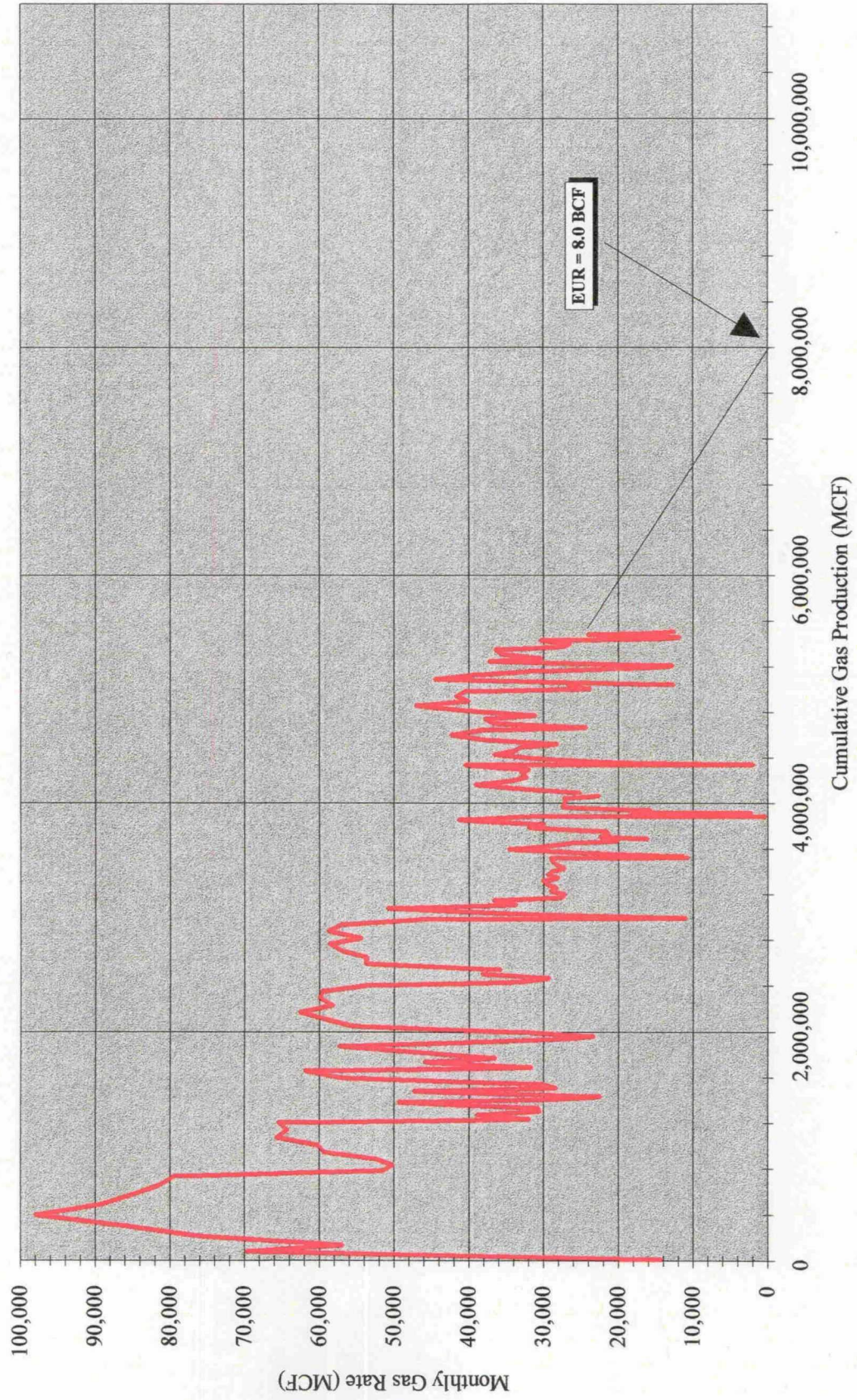
Toles Federal No. 2
Buffalo Valley (Penn) Field
Read & Stevens Inc



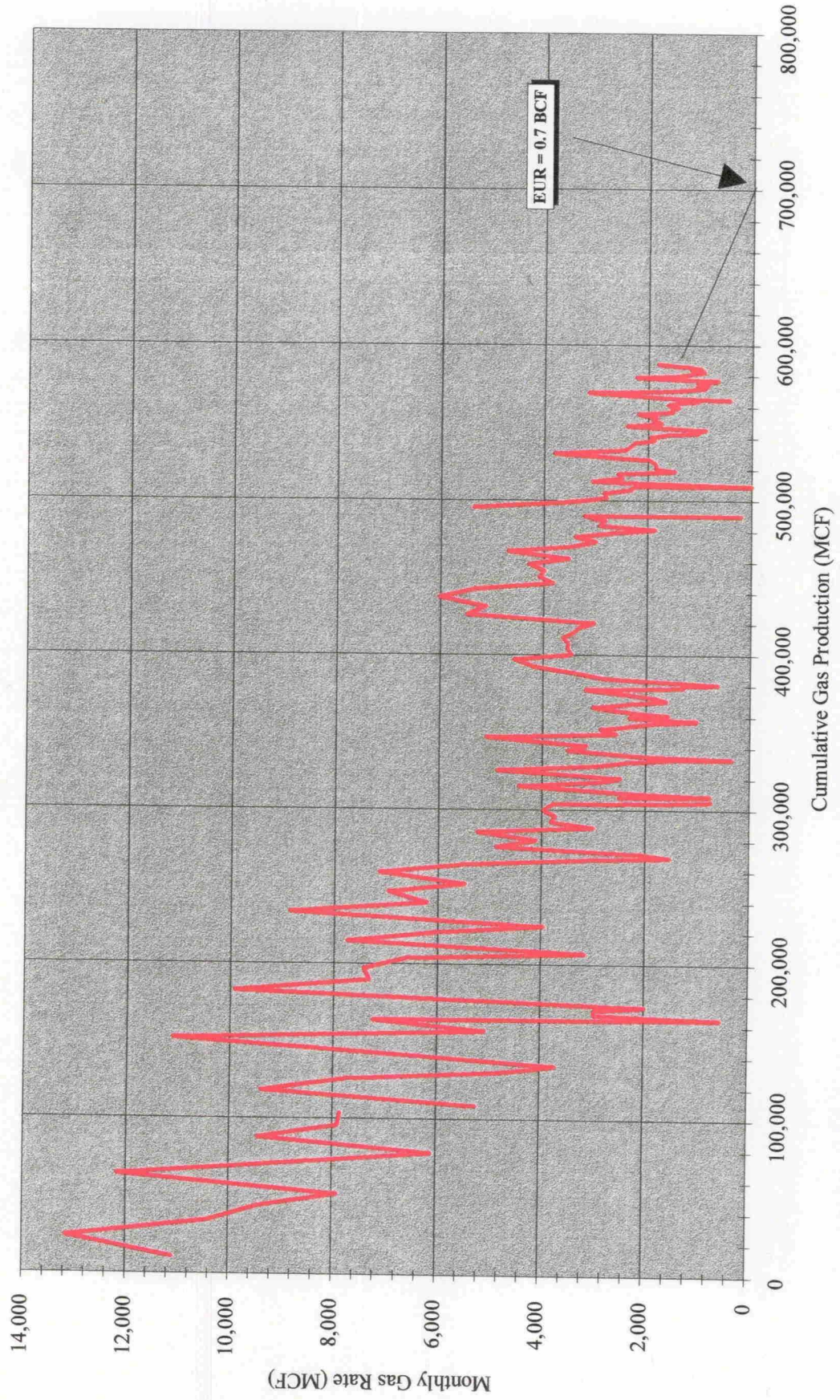
Harris Federal Com No. 5
Buffalo Valley (Penn) Field
Read & Stevens Inc



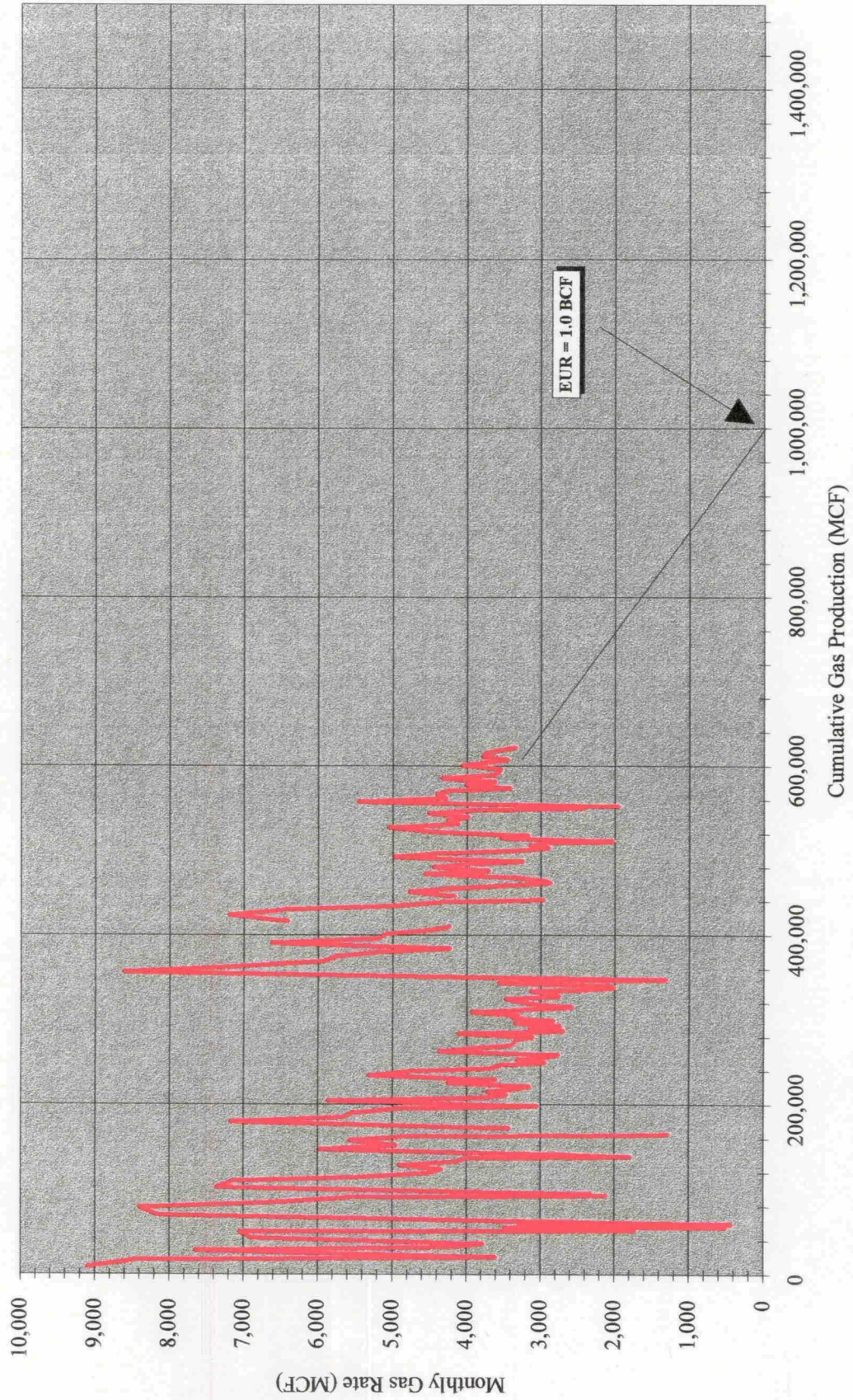
Harris Federal No. 8
Buffalo Valley (Penn) Field
Read & Stevens Inc



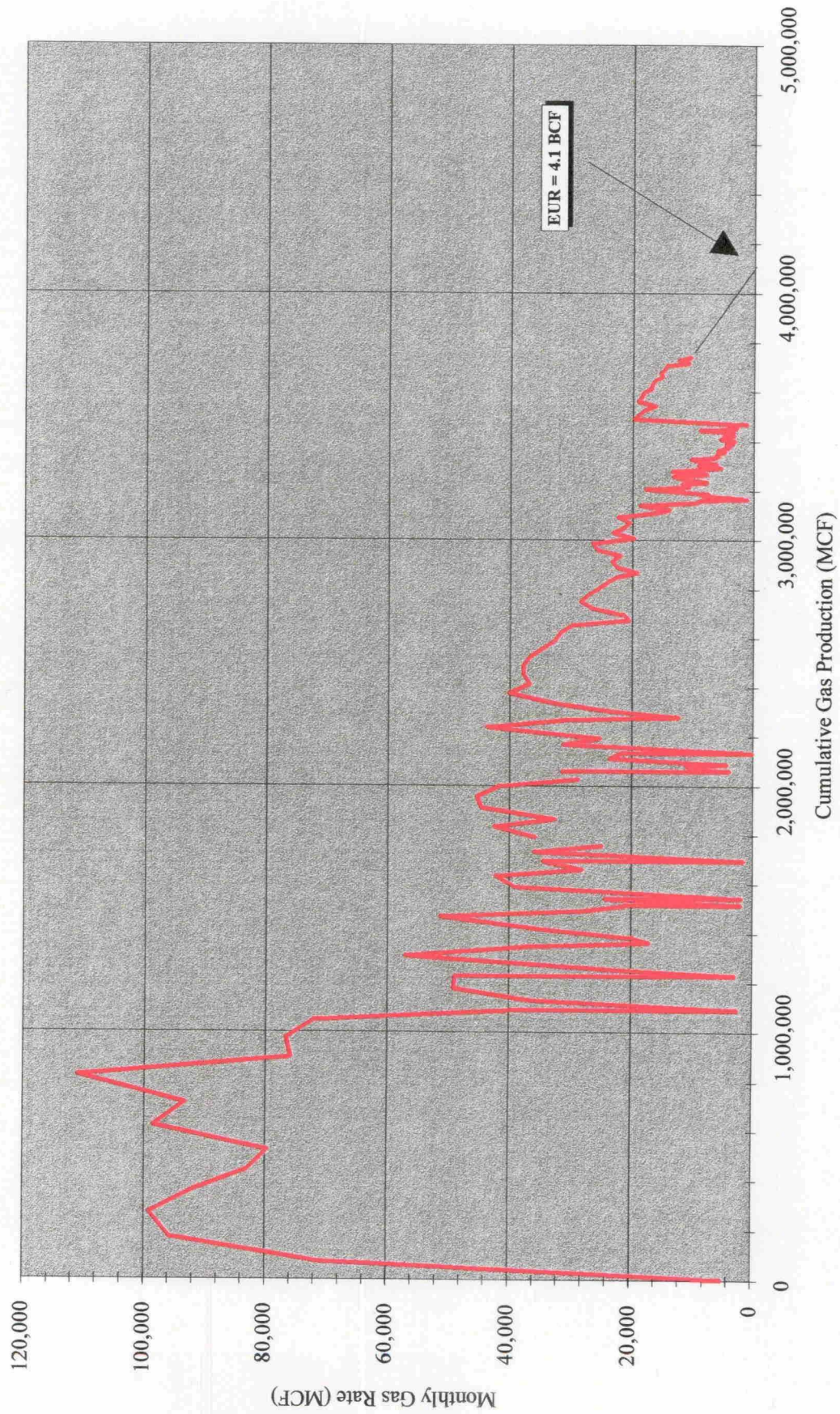
Harris Federal No. 4
Buffalo Valley (Penn) Field
Read & Stevens Inc



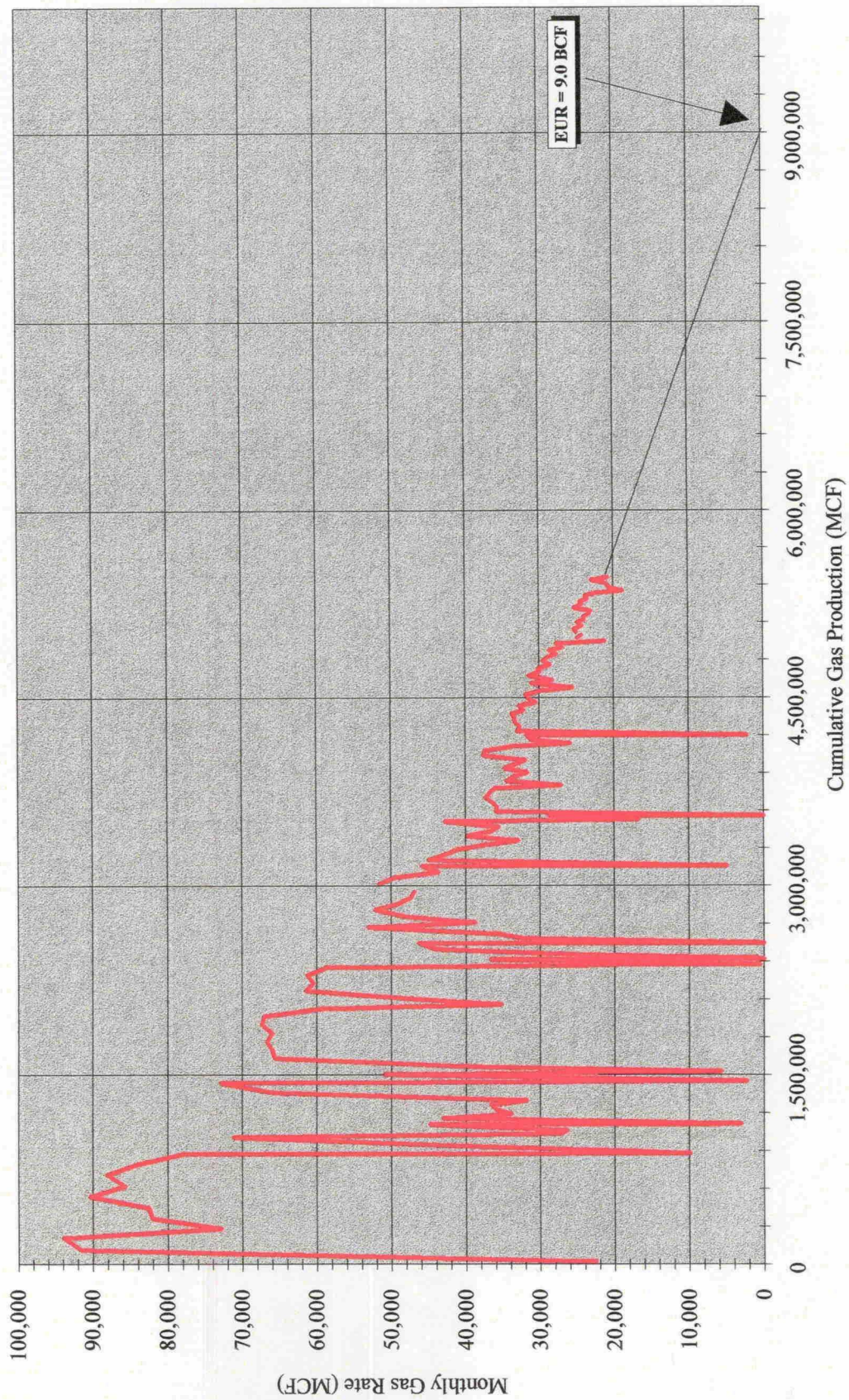
Harris Federal No. 7
Diamond Mound (Morrow) Field
Read & Stevens Inc



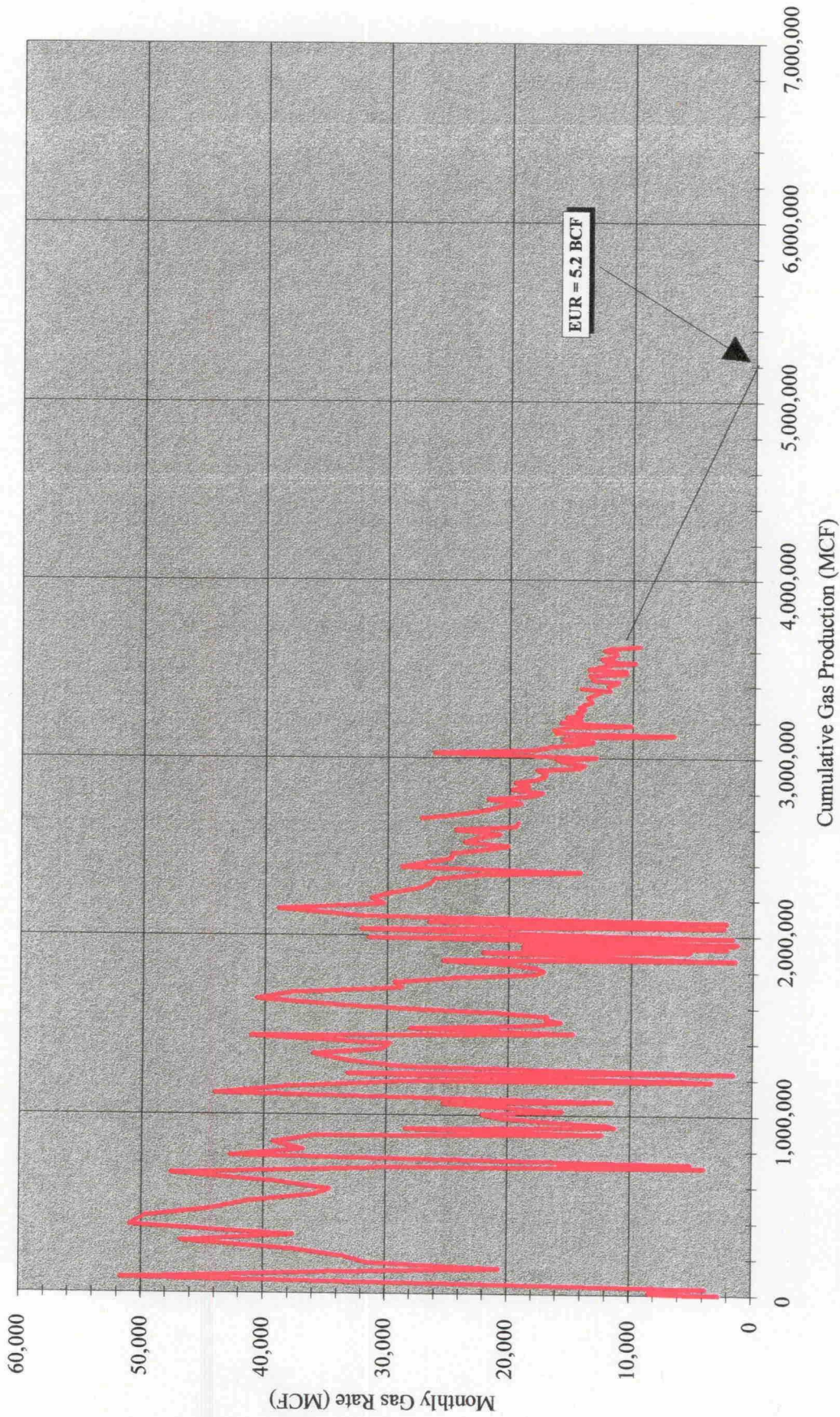
Toles Federal No. 1
Diamond Mound (Morrow) Field
Read & Stevens Inc



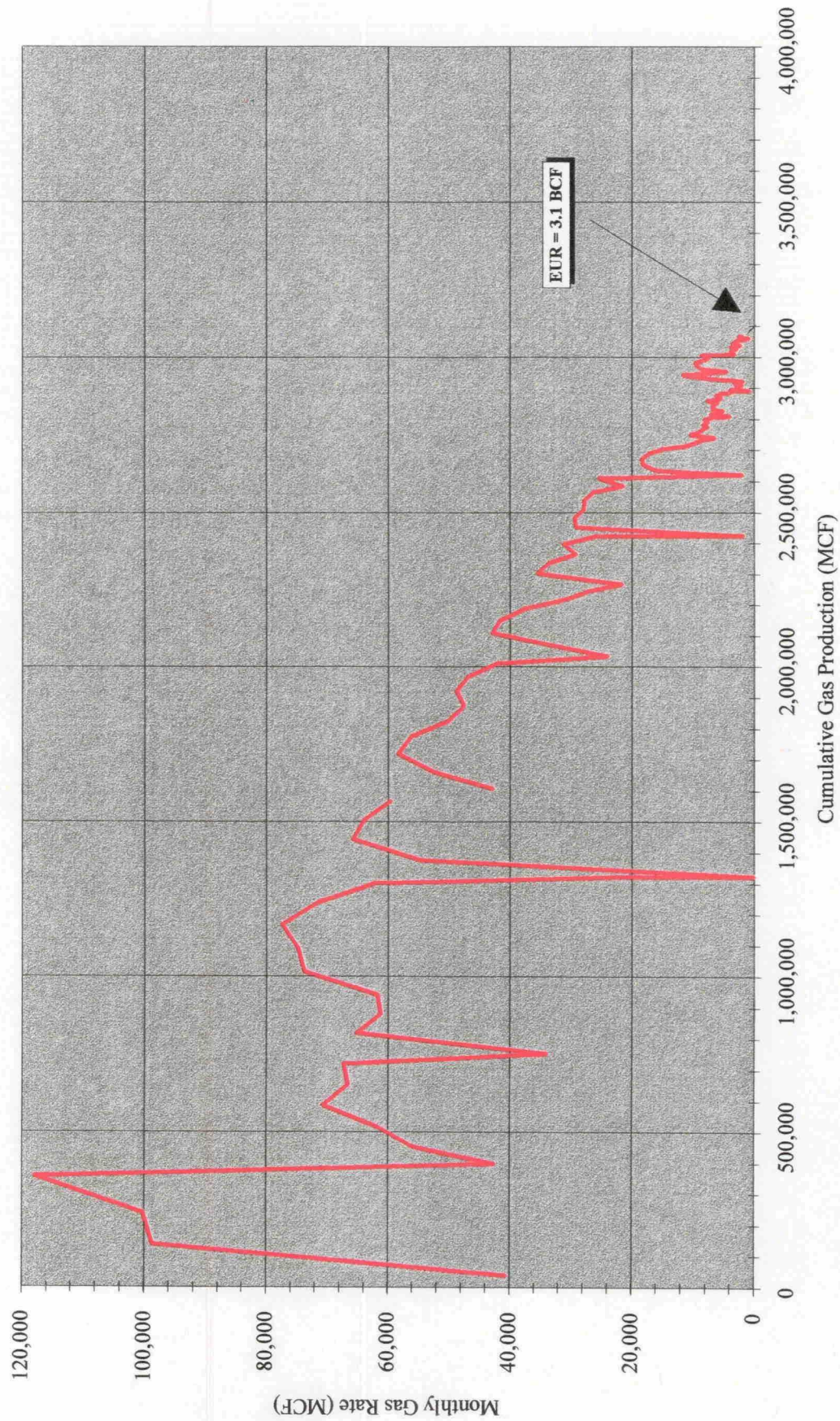
White State No. 2
Diamond Mound (Morrow) Field
U M C Petroleum Corp



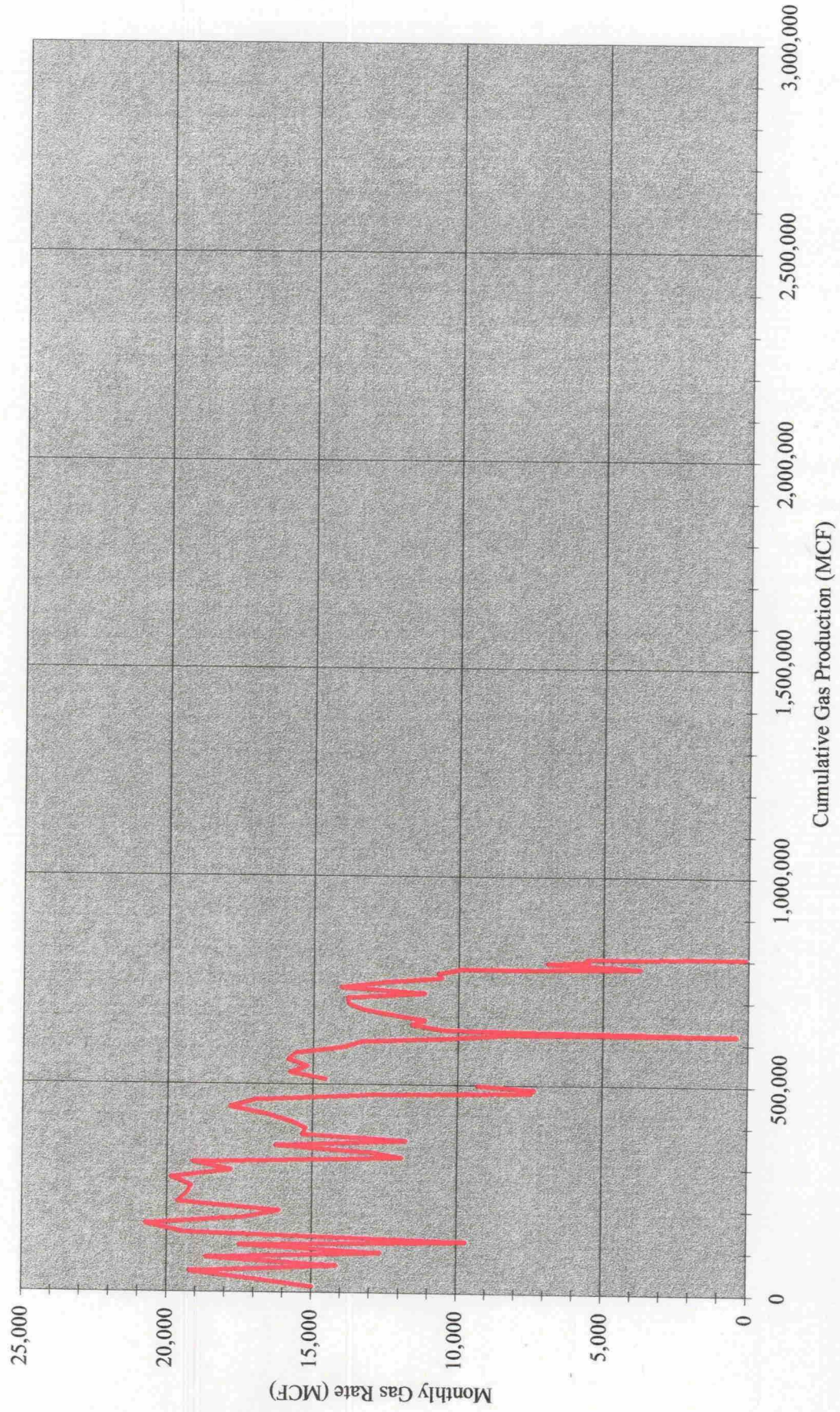
White State No. 1
Diamond Mound (Morrow) Field
U M C Petroleum Corp



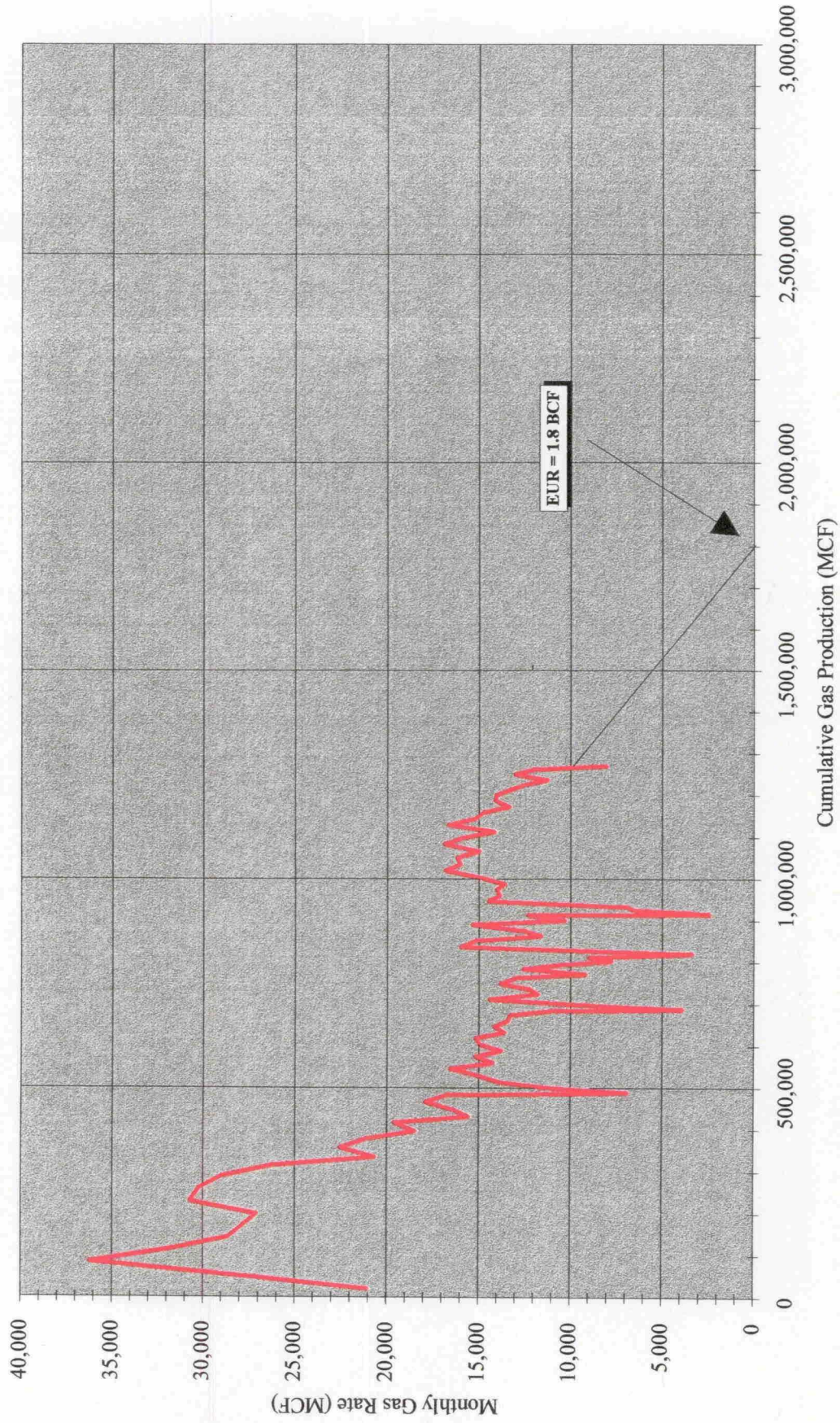
State Et Gas Com No. 1
Diamond Mound (Morrow) Field
Matador Operating Co



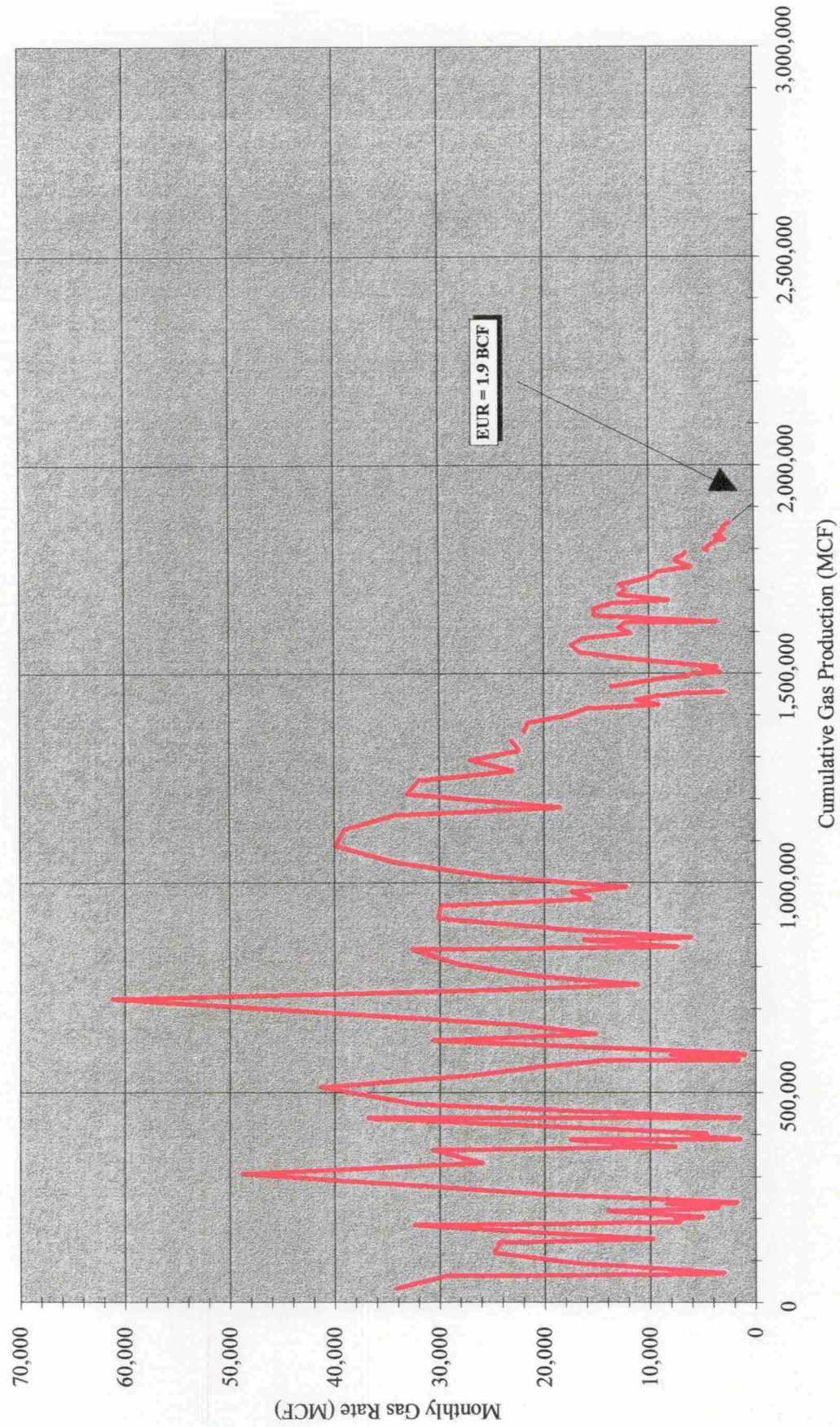
State Et No. 1
Diamond Mound (Morrow) Field
Matador Operating Co



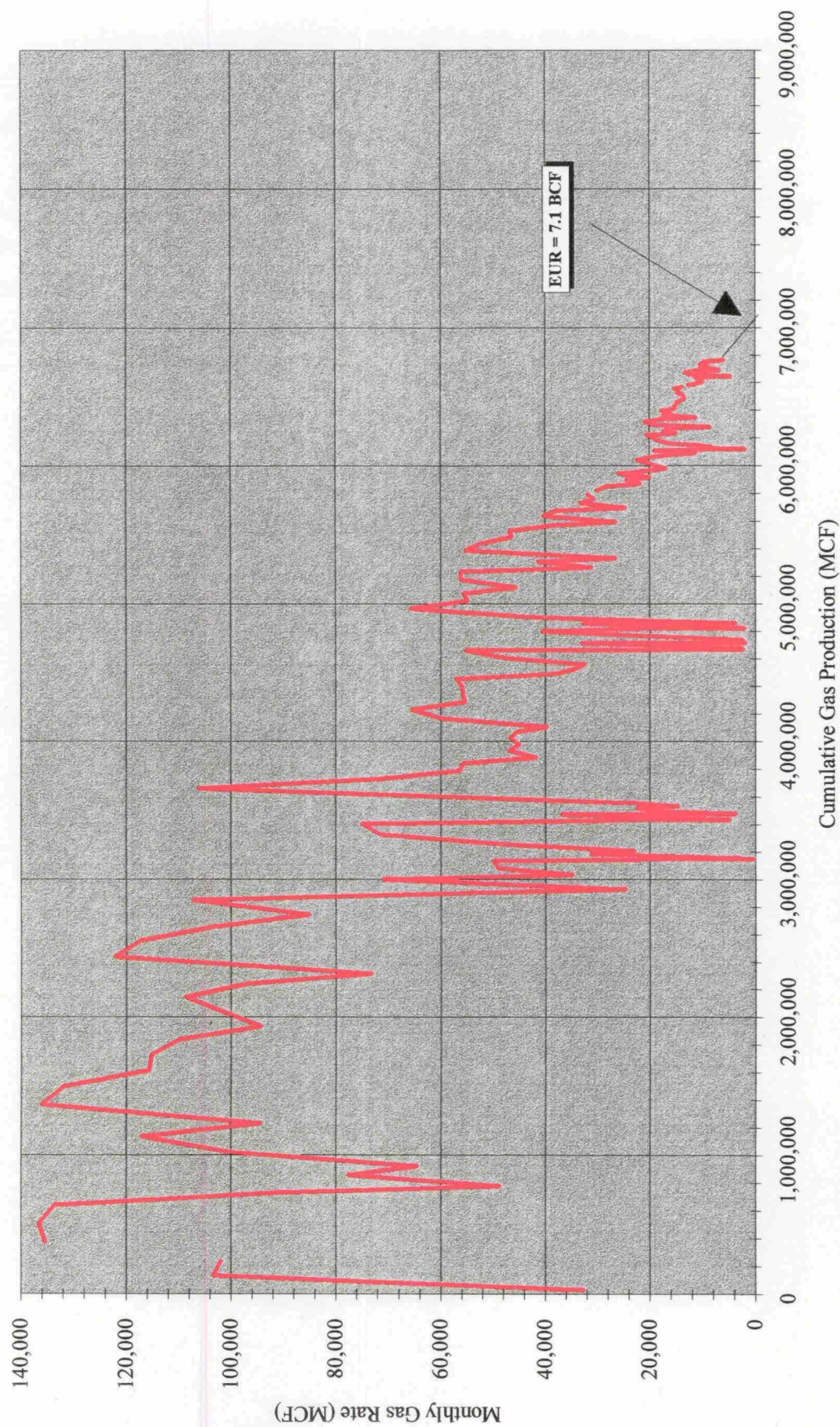
State Et No. 2
Diamond Mound (Morrow) Field
Matador Operating Co



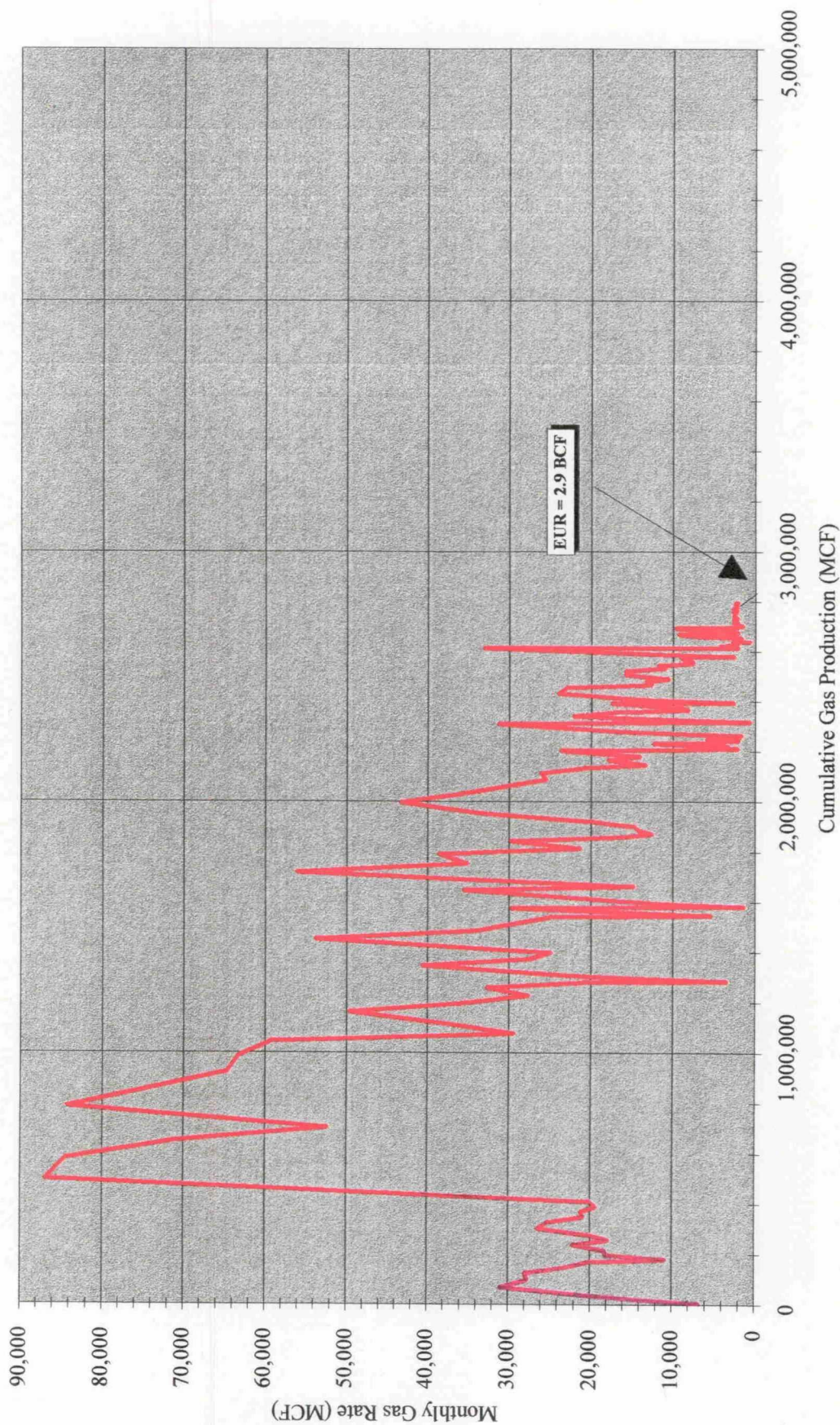
Depco Federal No. 2
Diamond Mound (Morrow) Field
U M C Petroleum Corp



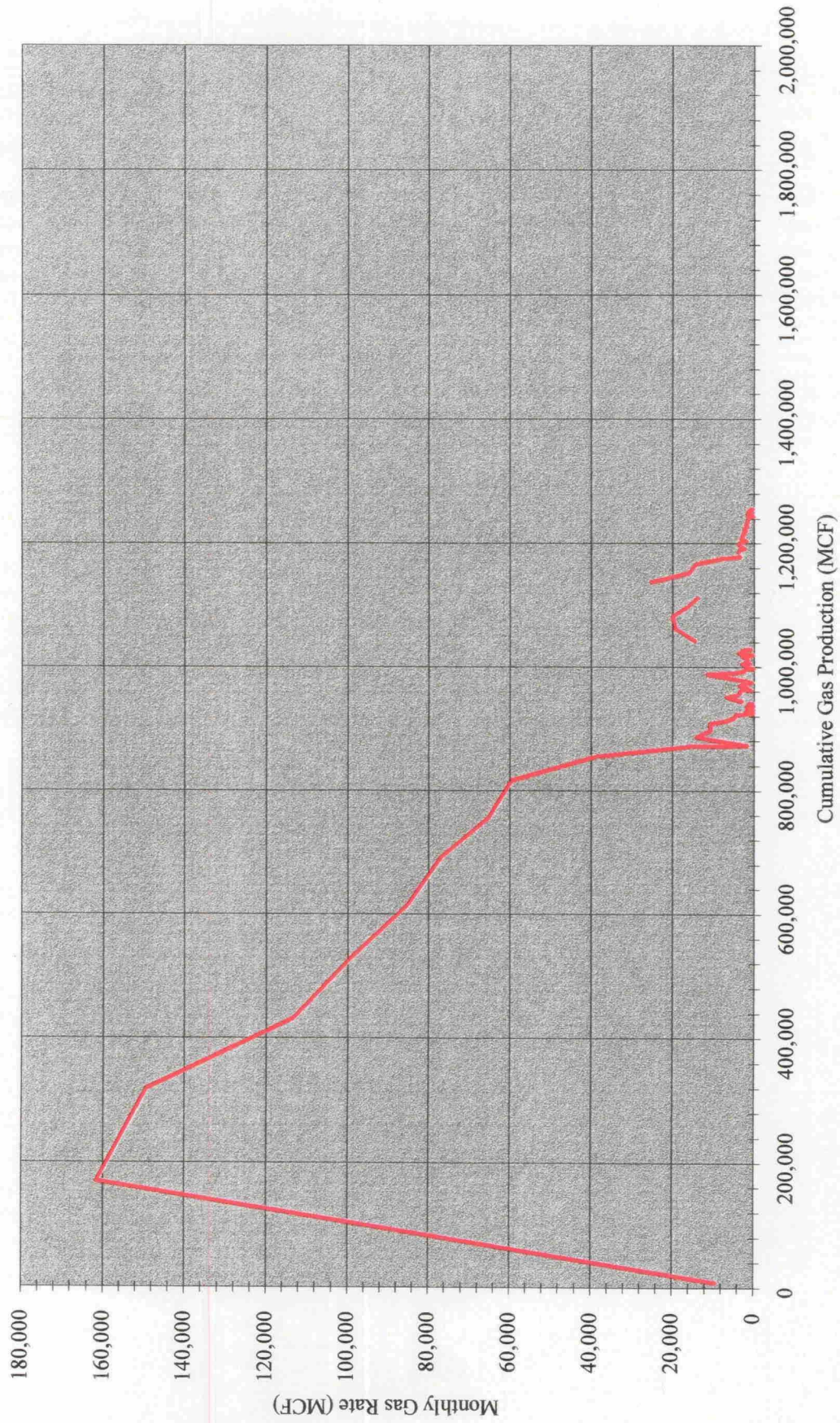
Derrick Federal No. 2
Diamond Mound (Morrow) Field
U M C Petroleum Corp



Derrick Federal No. 1
Diamond Mound (Morrow) Field
U M C Petroleum Corp

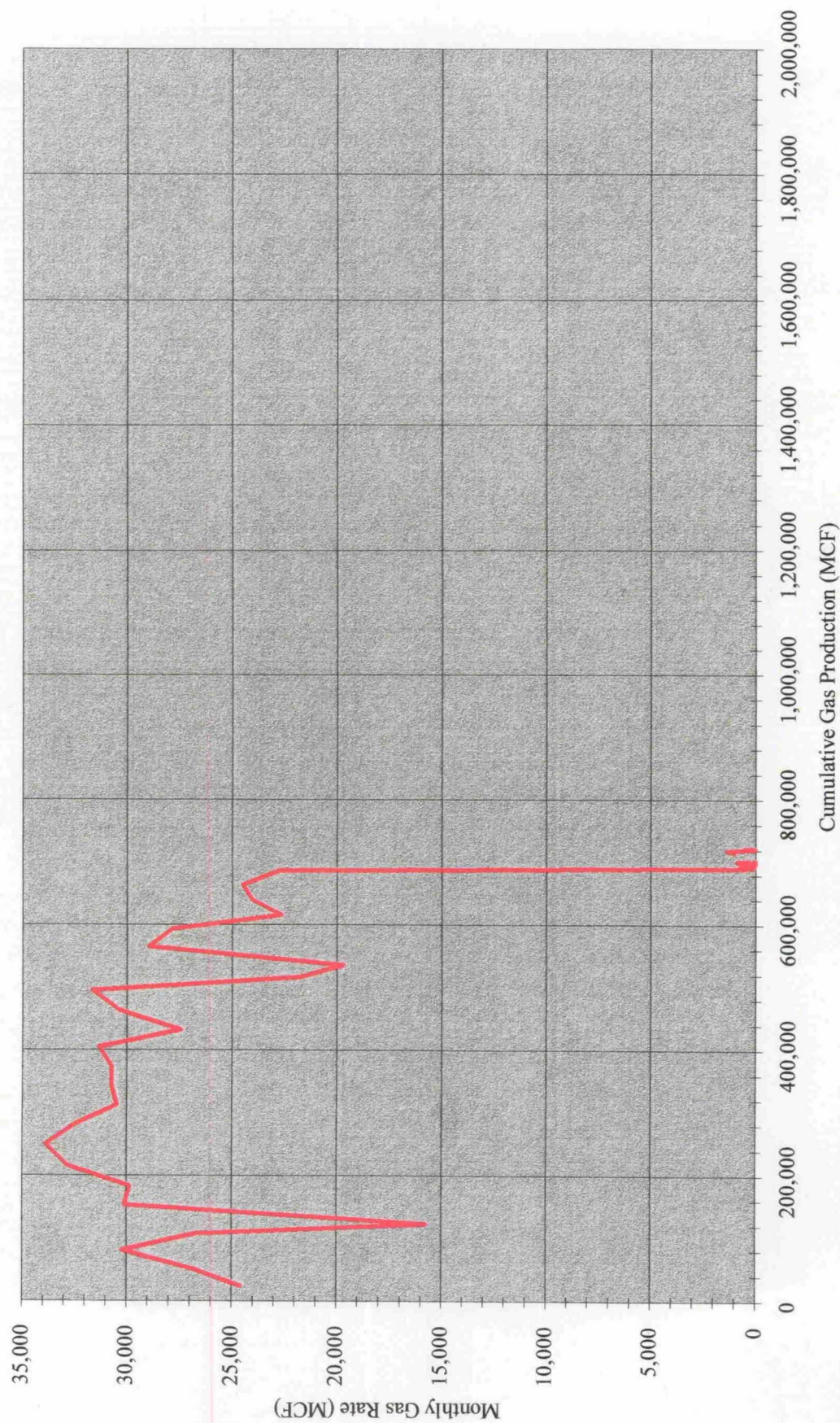


Callaway Federal No. 2
Diamond Mound (Morrow) Field
Matador Operating Co

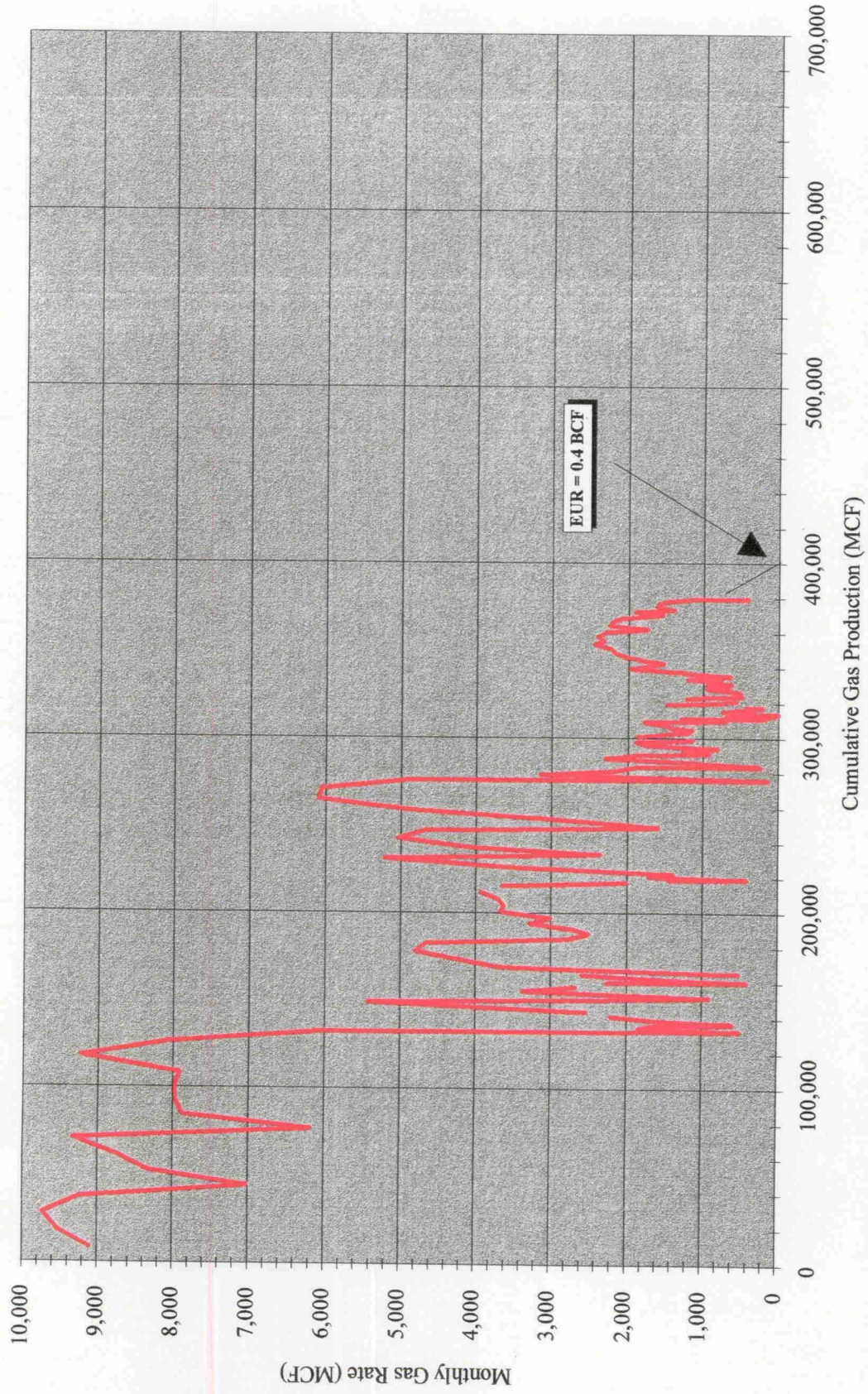


Ratecum

Callaway Federal No. 1
Diamond Mound (Morrow) Field
Matador Operating Co



Callaway Federal No. 3
Diamond Mound (Morrow) Field
Matador Operating Co



Estimated Ultimate Recovery Decline Curve Analysis

Section	Well	Cumulative Gas (through 3/96) (BCF)	Decline Curve EUR (BCF)	Total Section Recoverable Reserves (BCF)	Recoverable Reserves Unproduced From Existing Wells (BCF)
26	Harris Federal #4	0.6	0.7		
	Harris Federal #8	5.5	8.0		
	Section Total	6.1	8.7	17.4	8.7
35	White State #1	3.6	5.2		
	White State #2	5.5	9.0		
	Section Total	9.1	14.2	12.0	-2.2

COMPUTER RESERVOIR SIMULATION STUDY

Buffalo Valley (Penn) Study Area

MODEL INPUT DATA

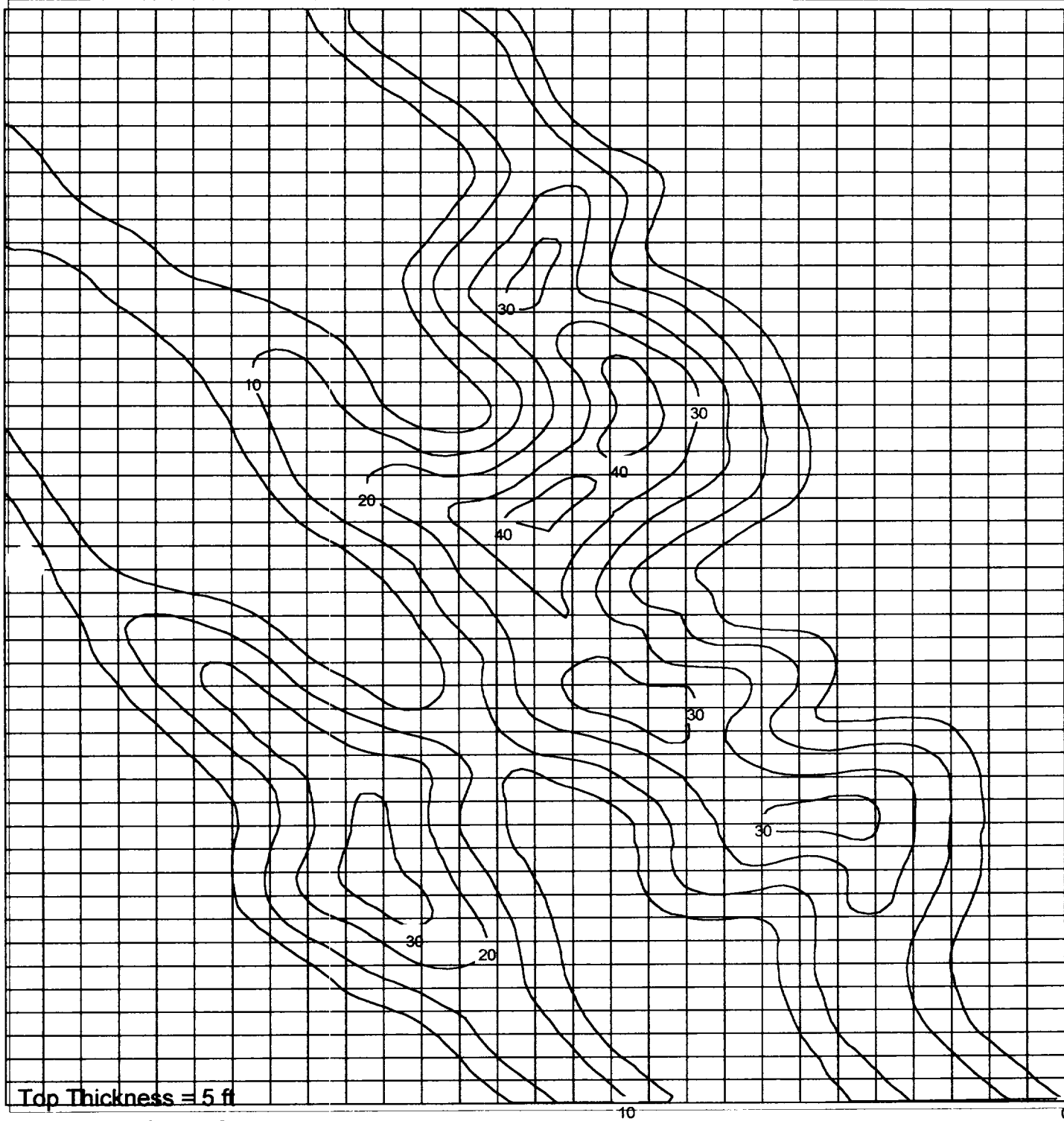
Grid Orientation	24 x 43 x 1
Number of Gridblocks	1032
Gridblock Dimensions	660' x 660'
Number of Producing Wells	22
Net Thickness	Net Pay Map
Porosity	Log Analysis
Water Saturation	Log Analysis
Initial Reservoir Pressure	3,400 psia
Gas Gravity	0.65
Reservoir Temperature	165 °F

Original Gas In Place	85.7 BCF
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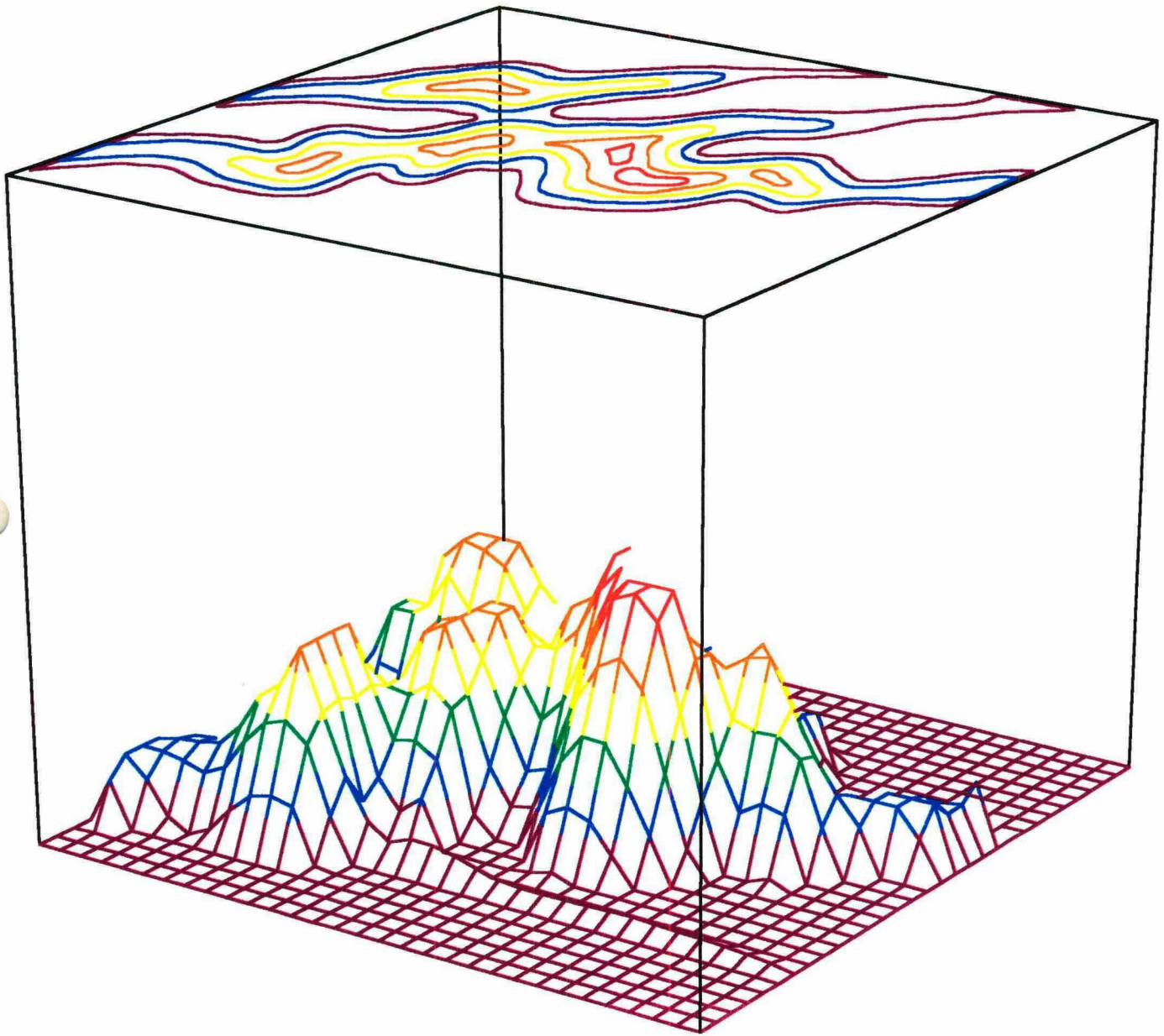
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Map Type: Isopach

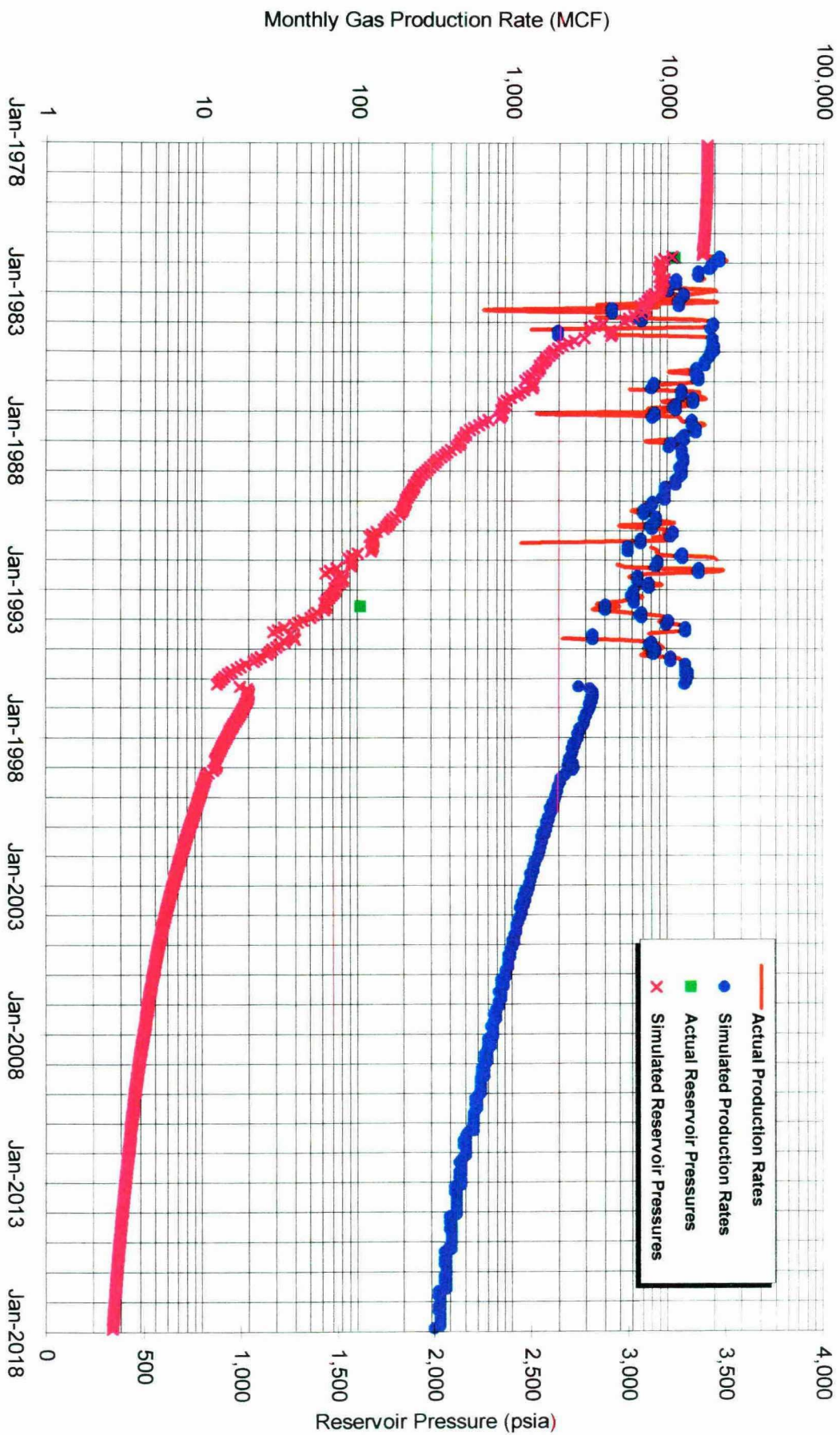
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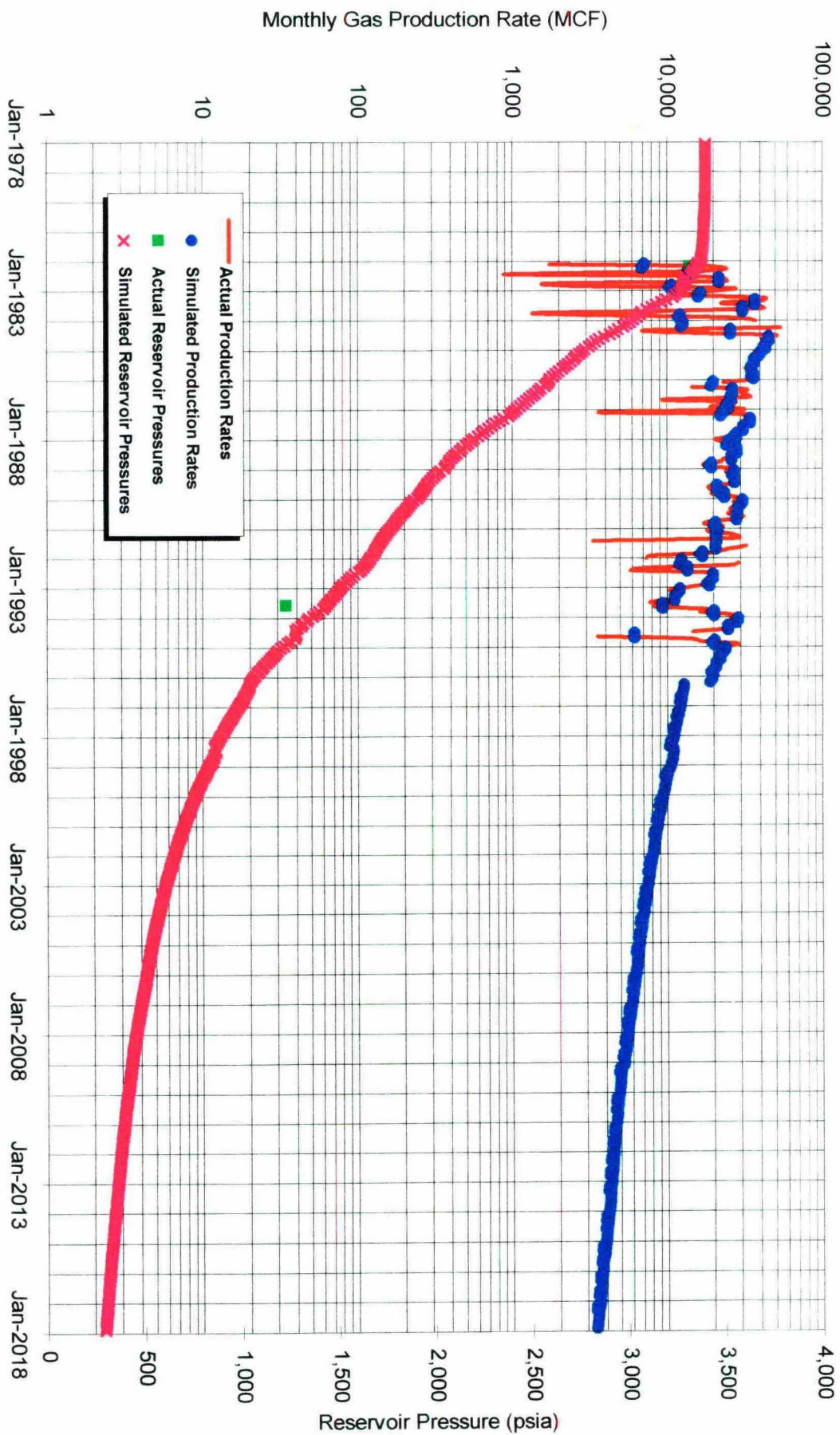
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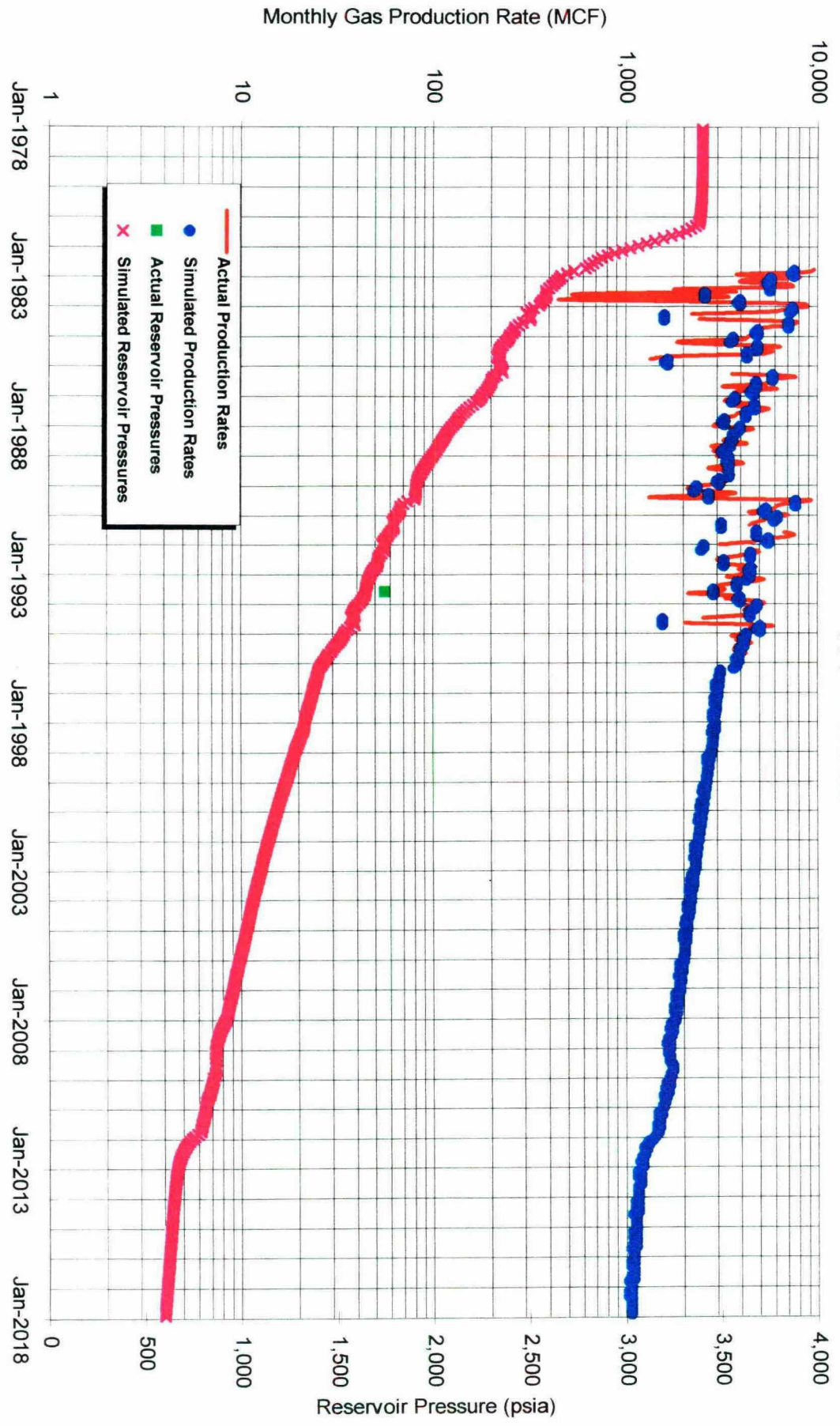
Reservoir Simulation History Match Data
Harris Federal No. 5
15S 27E 25E



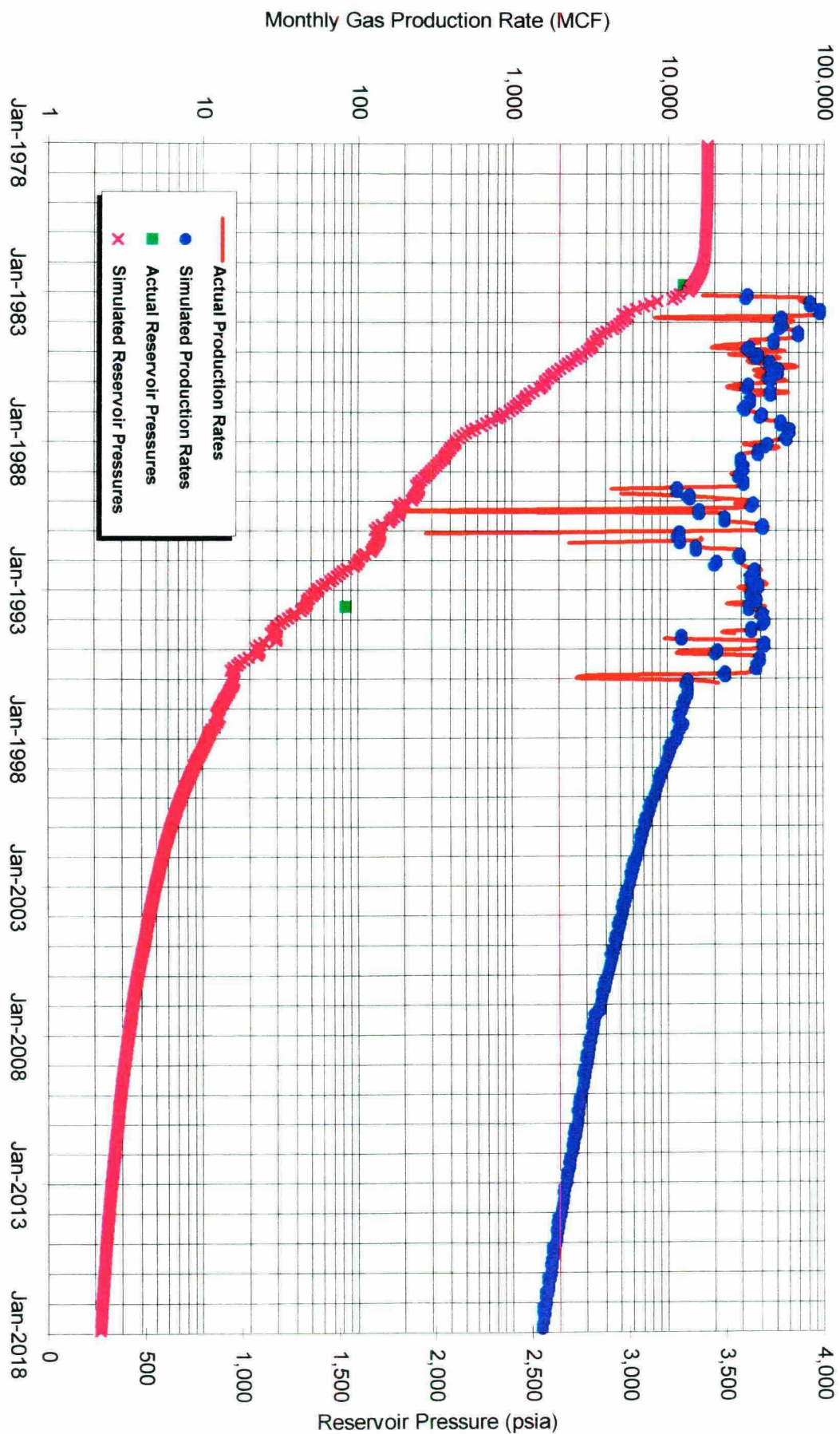
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Harris Federal No. 6
15S 27E 231



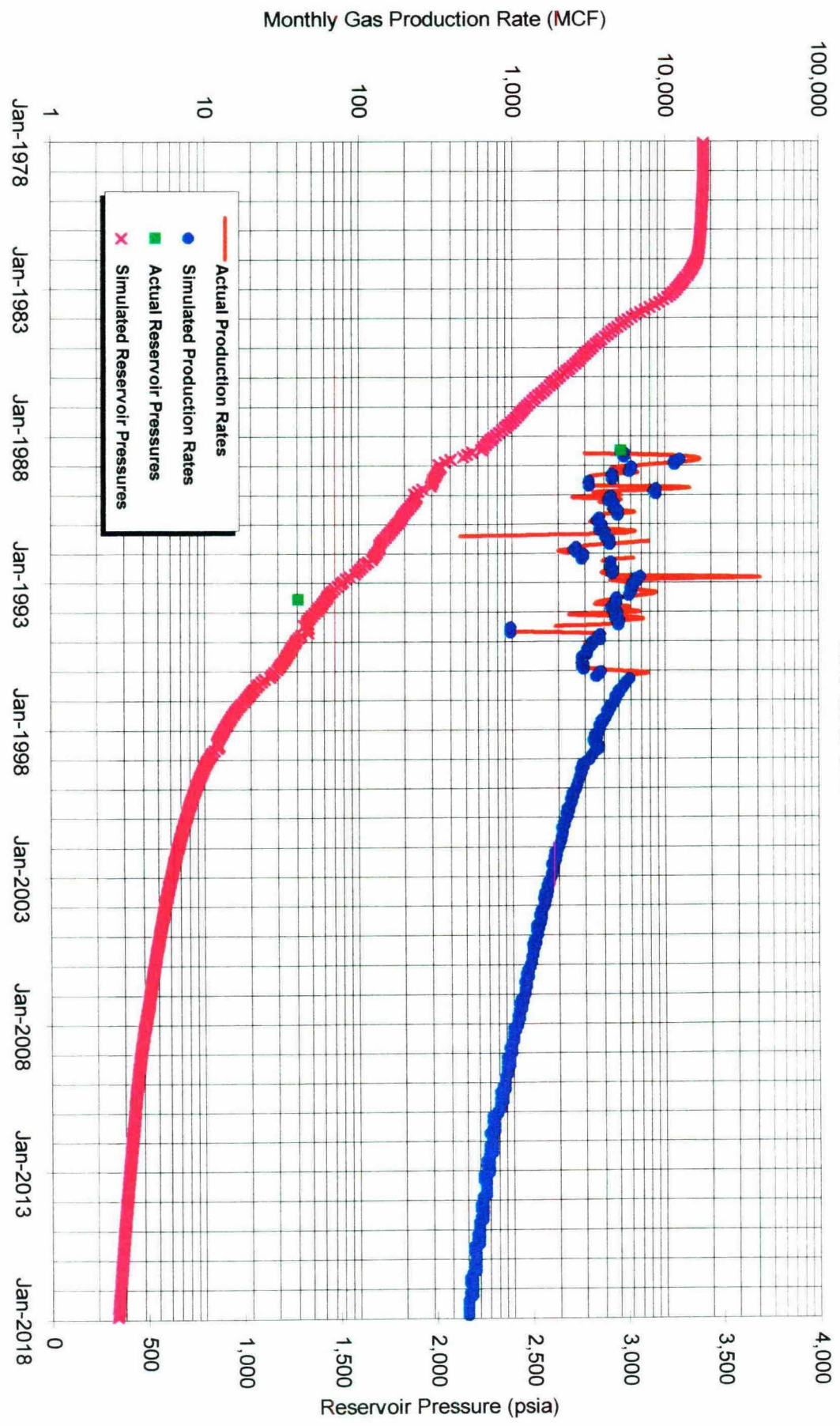
Reservoir Simulation History Match Data Harris Federal No. 7 15S 27E 34G



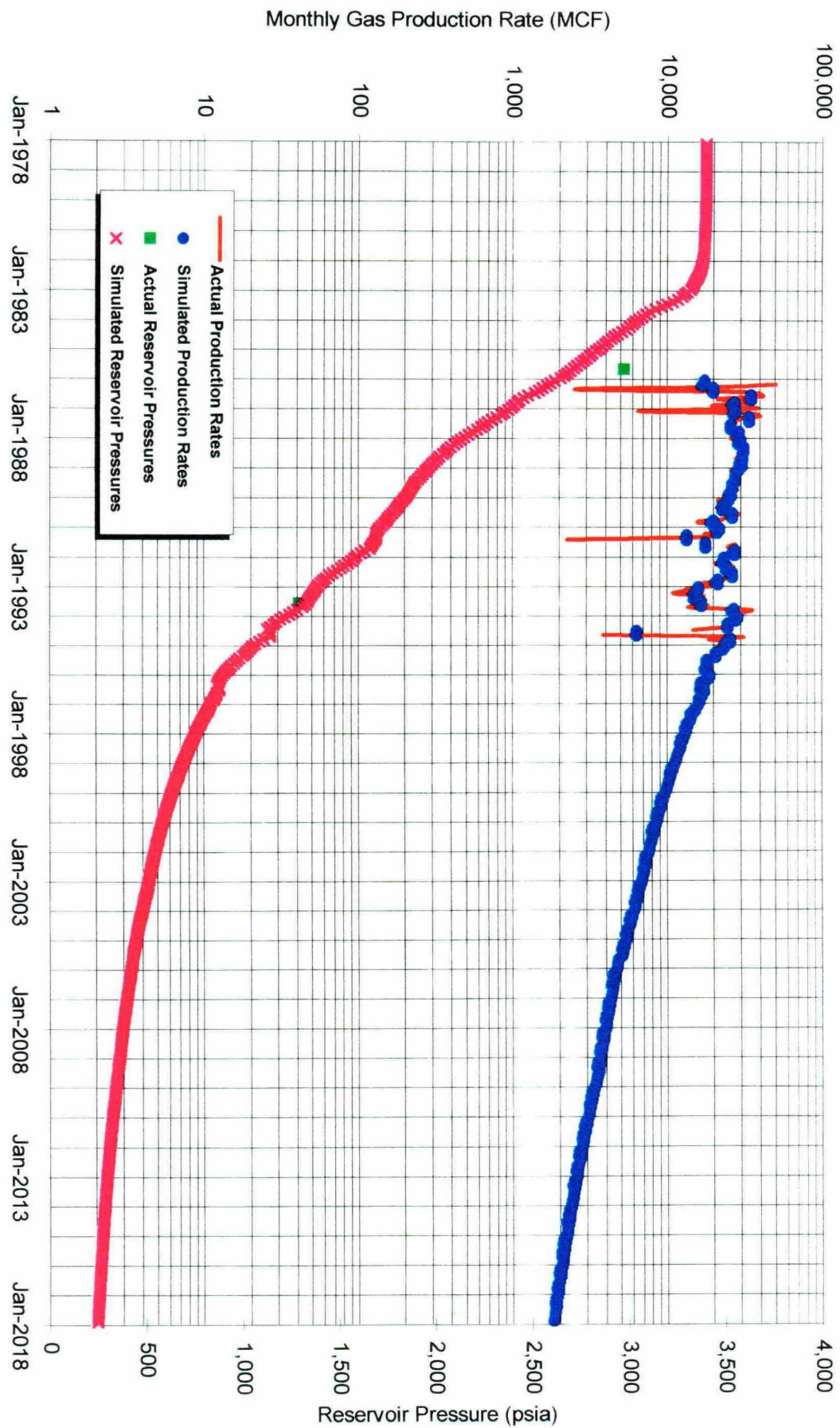
Reservoir Simulation History Match Data
Harris Federal No. 9
15S 27E 23F



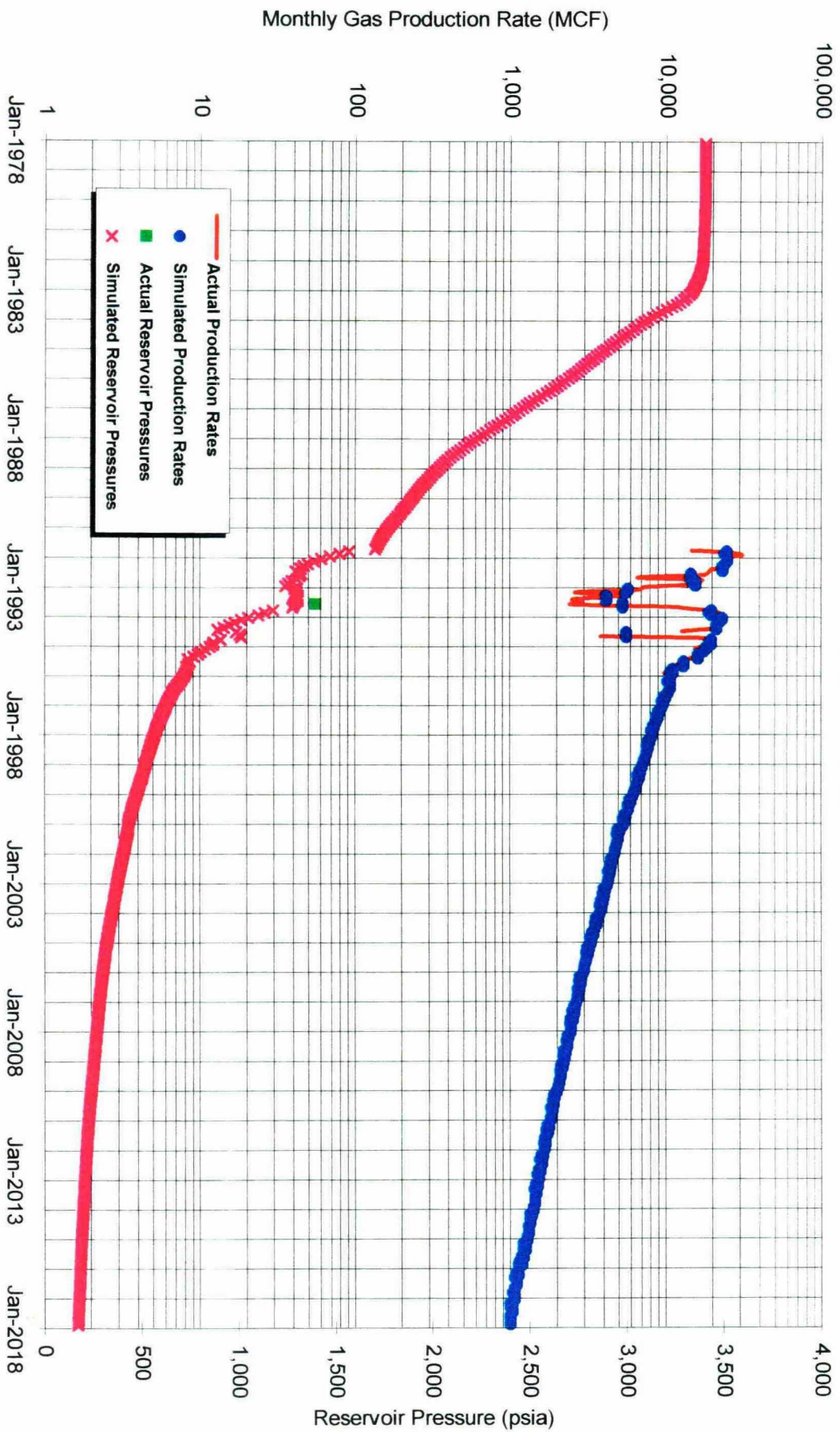
Reservoir Simulation History Match Data
Harris Federal No. 10
15S 27E 221



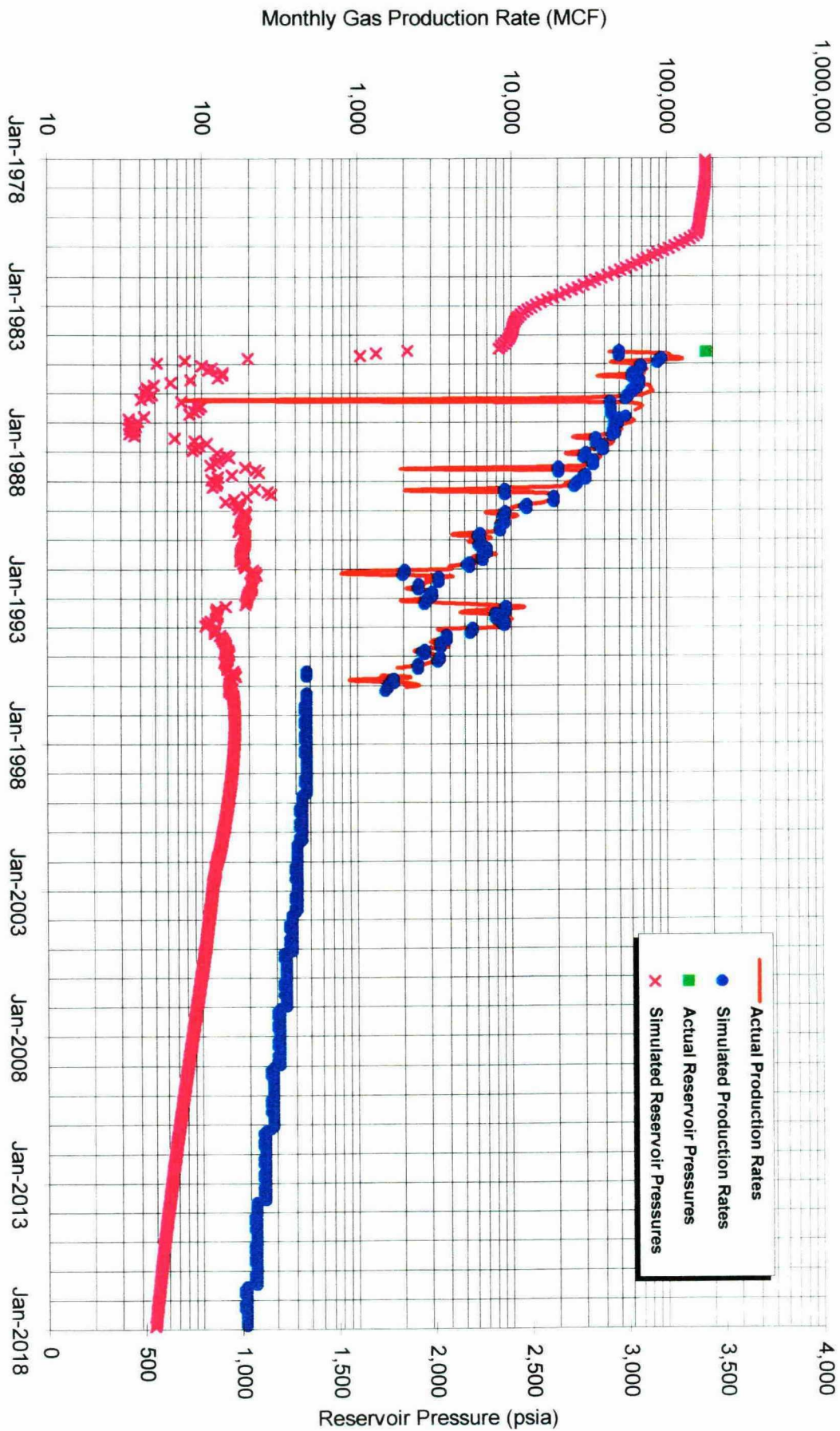
Reservoir Simulation History Match Data
Langlie Federal Com No. 3
15S 27E 14O



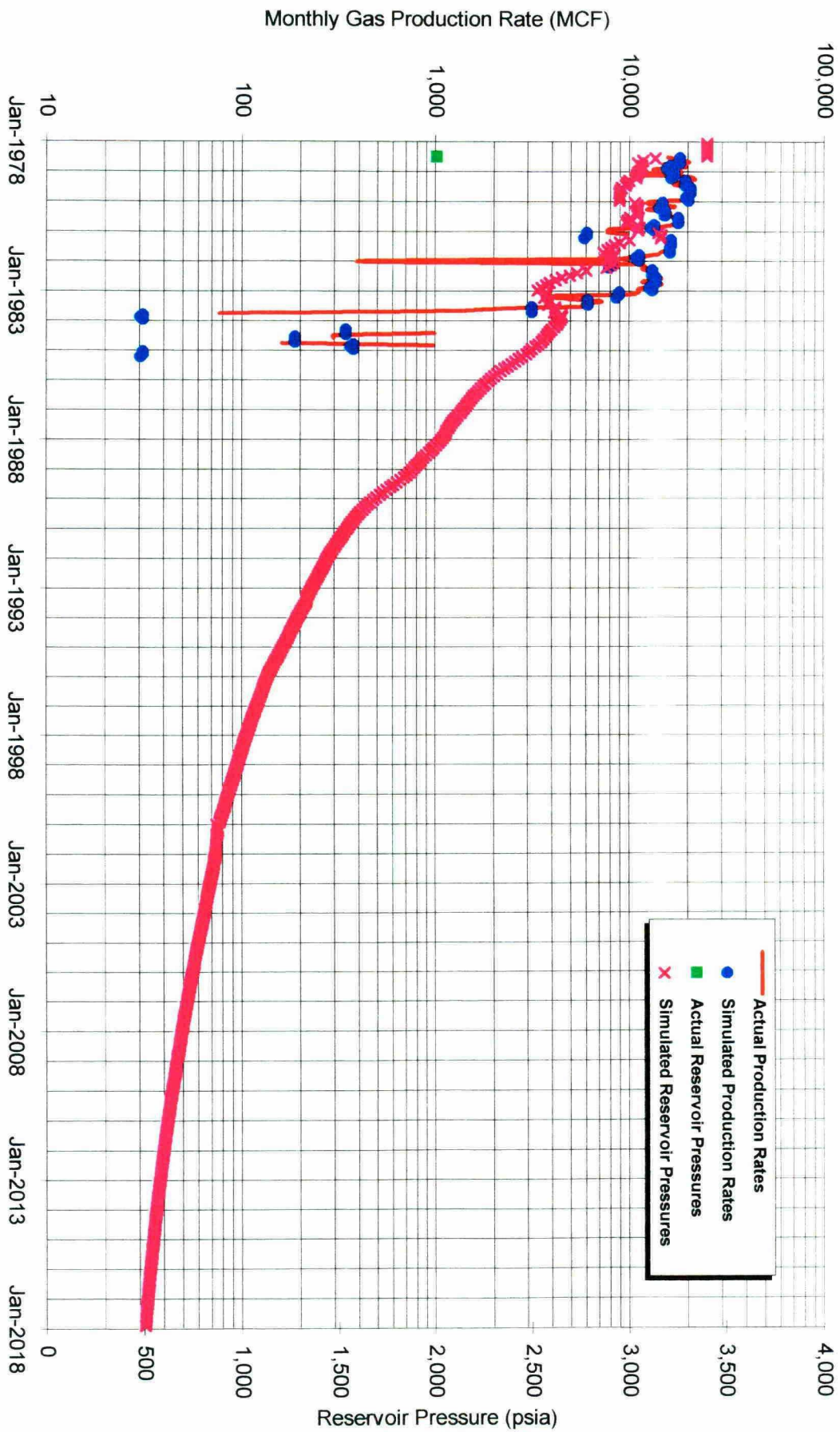
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Langley Com No. 5
15S 27E 14E



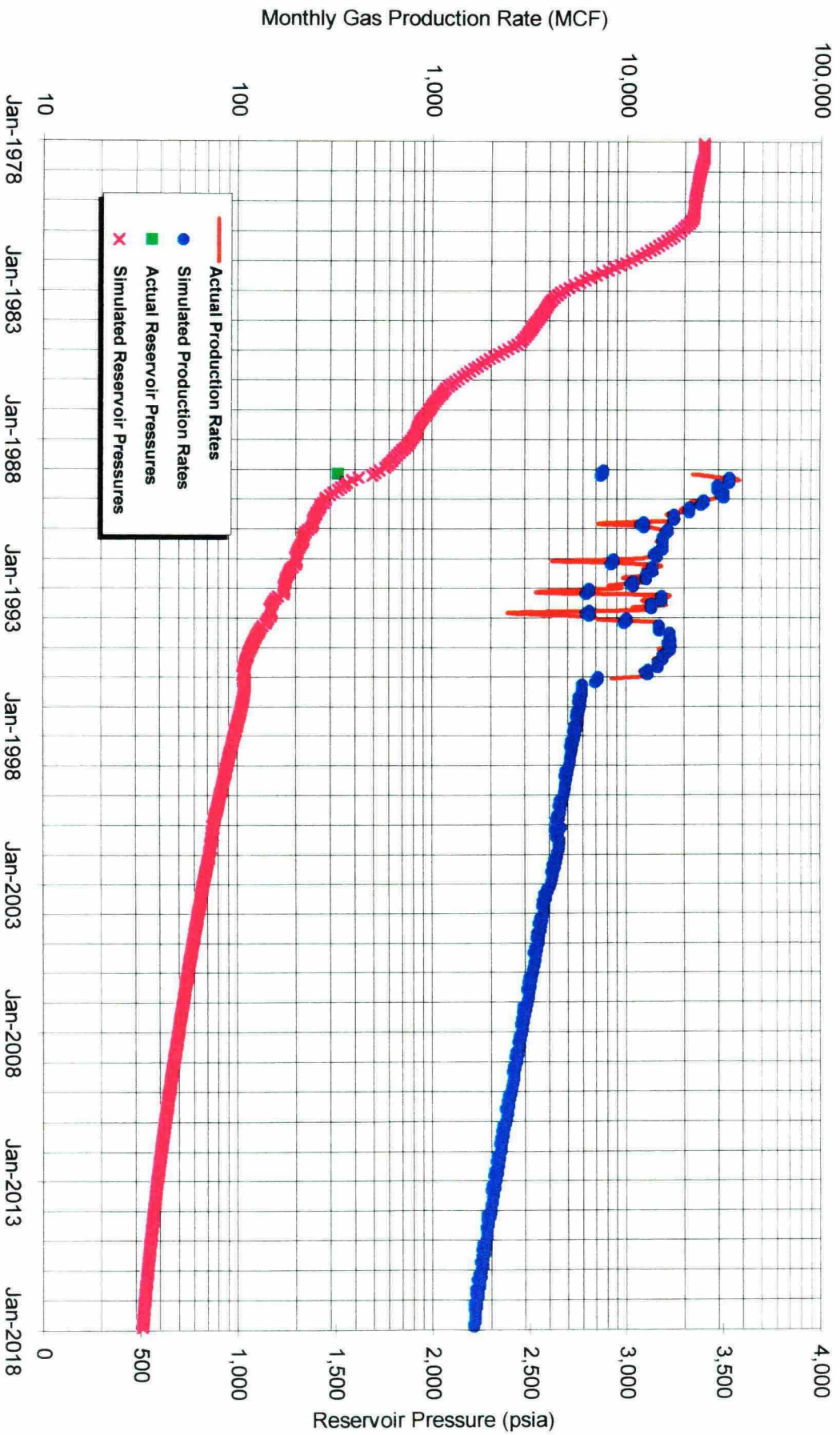
Reservoir Simulation History Match Data
State Et Com No. 1
15S 27E 36J



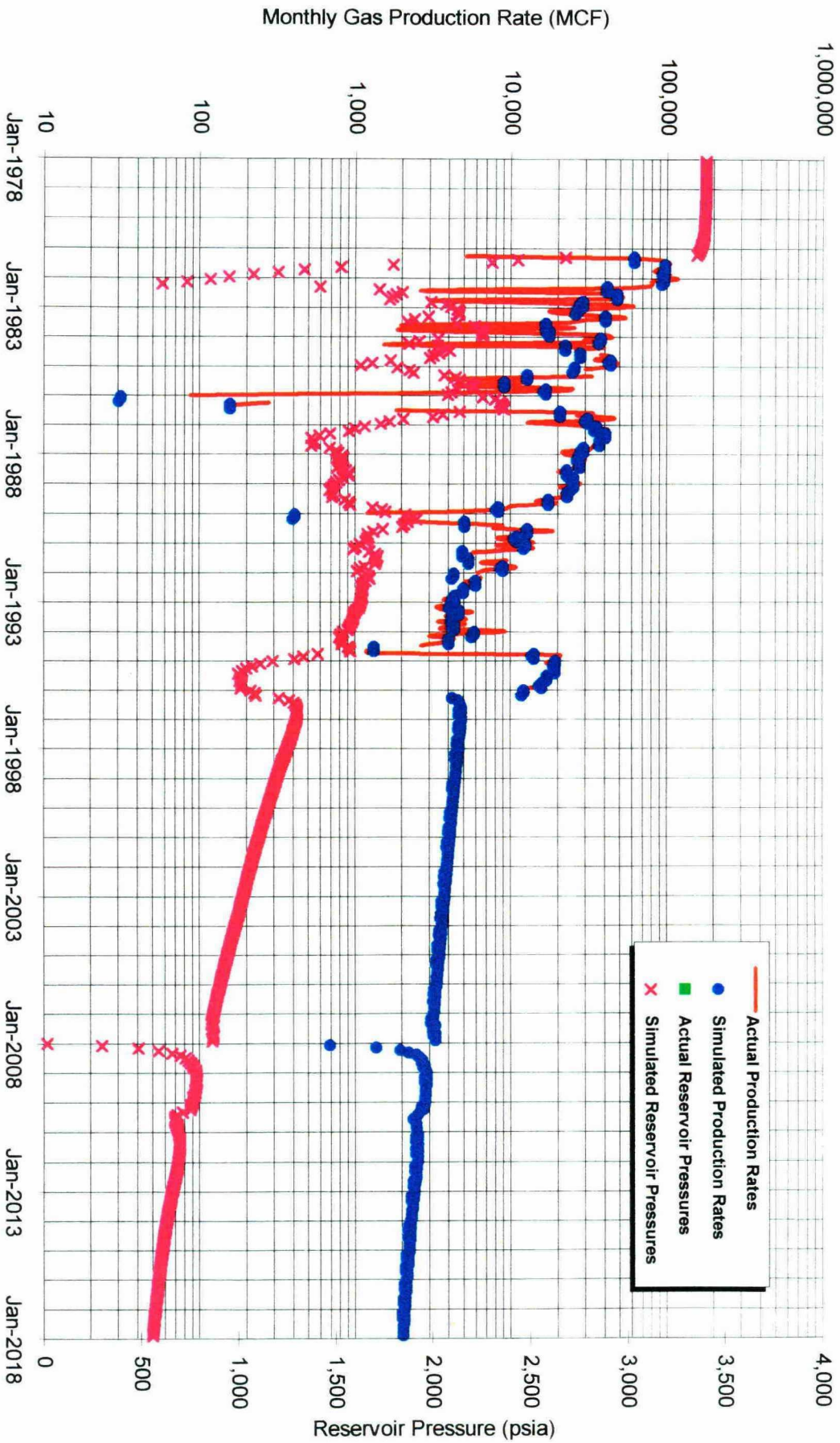
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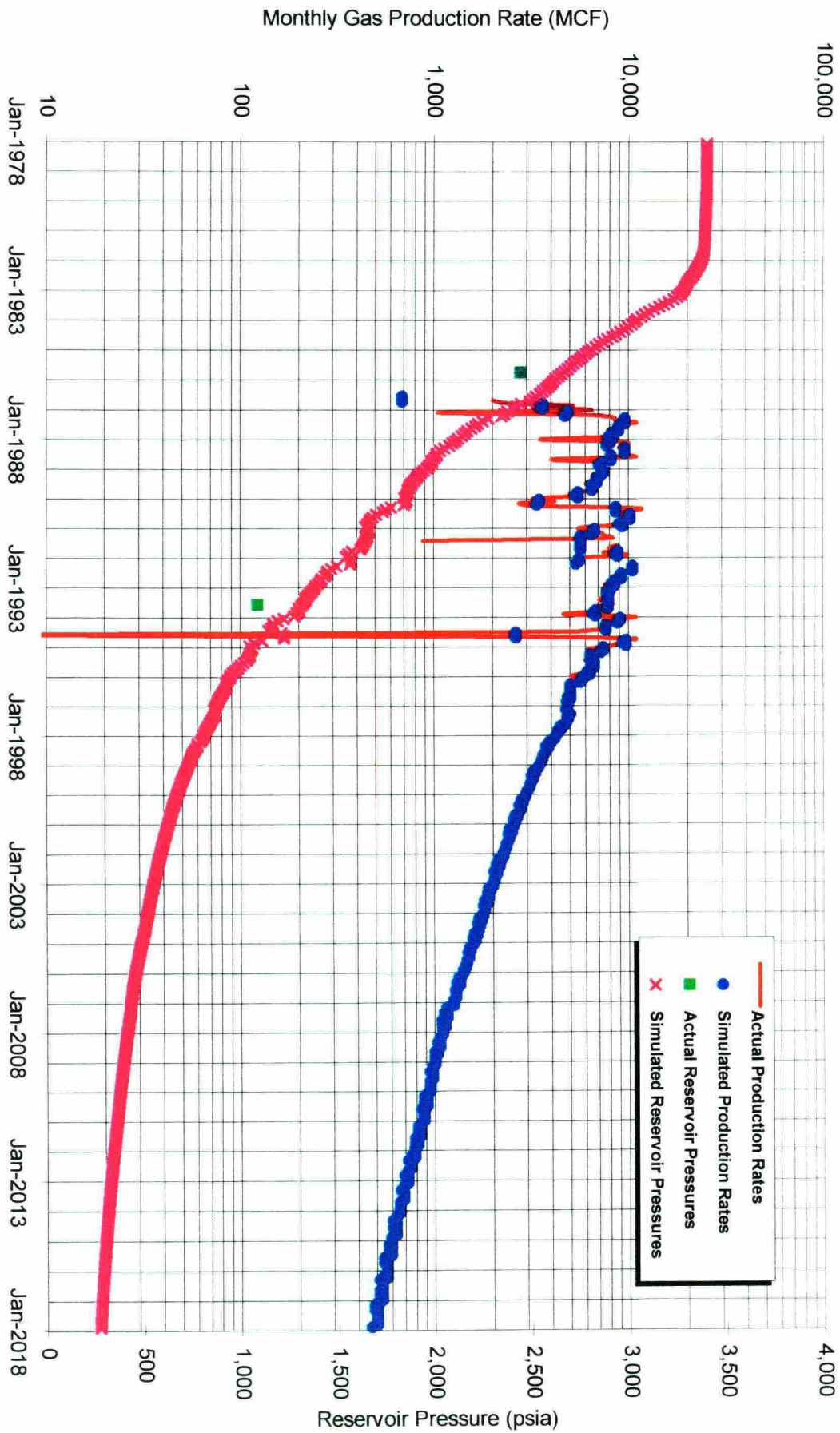
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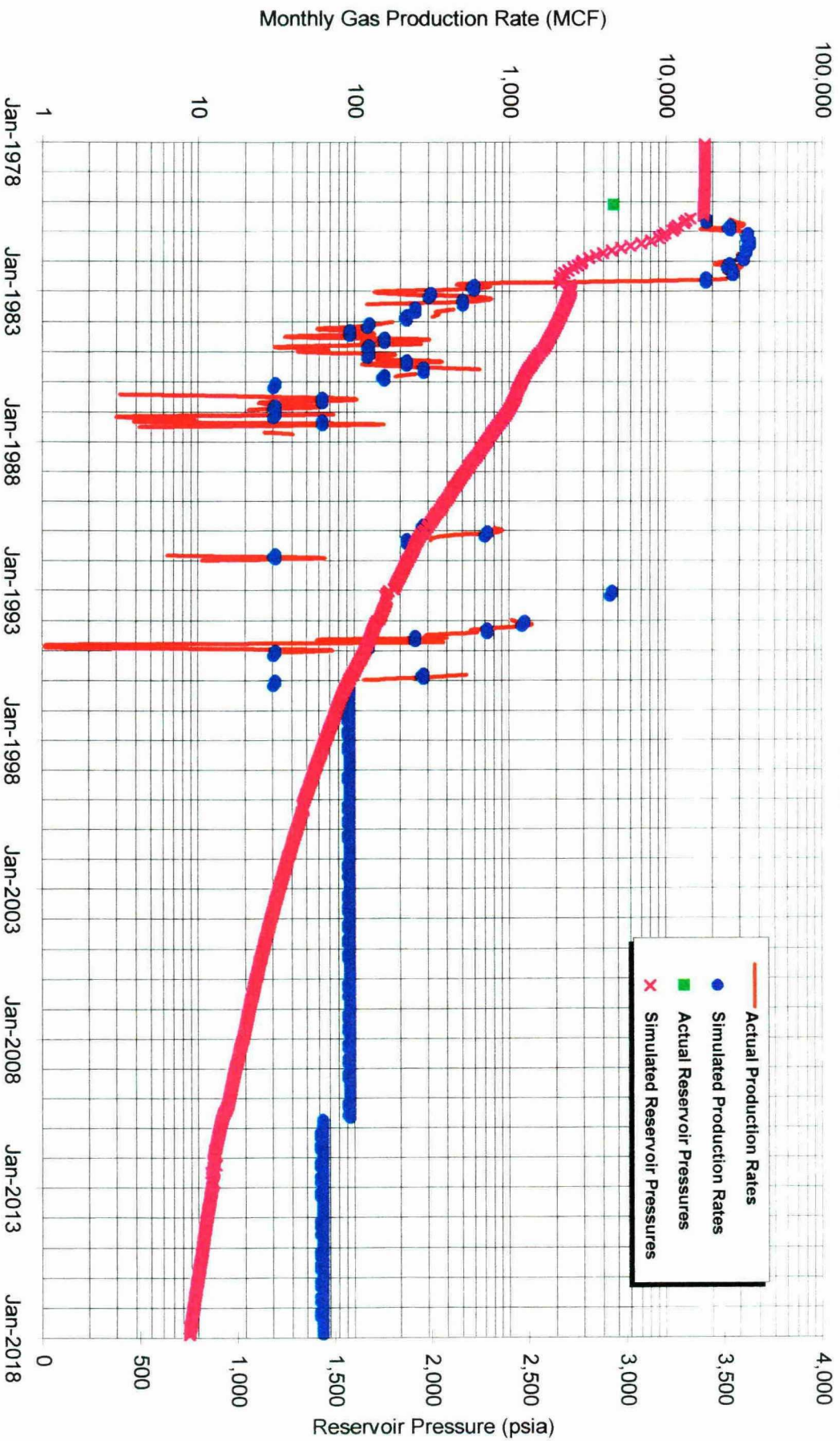
Reservoir Simulation History Match Data
Toles Federal No. 1
15S 27E 34O



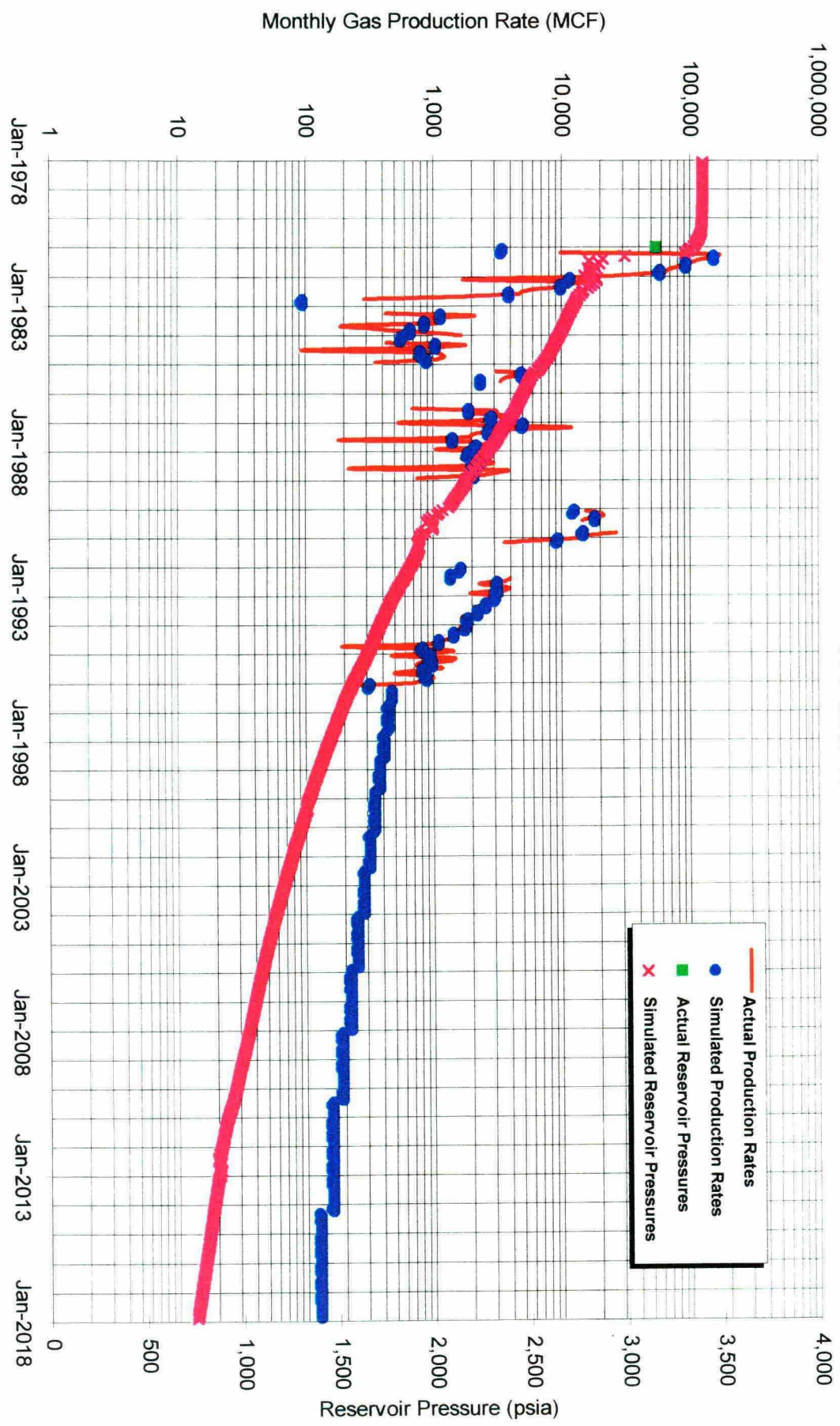
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Toles Federal No. 2
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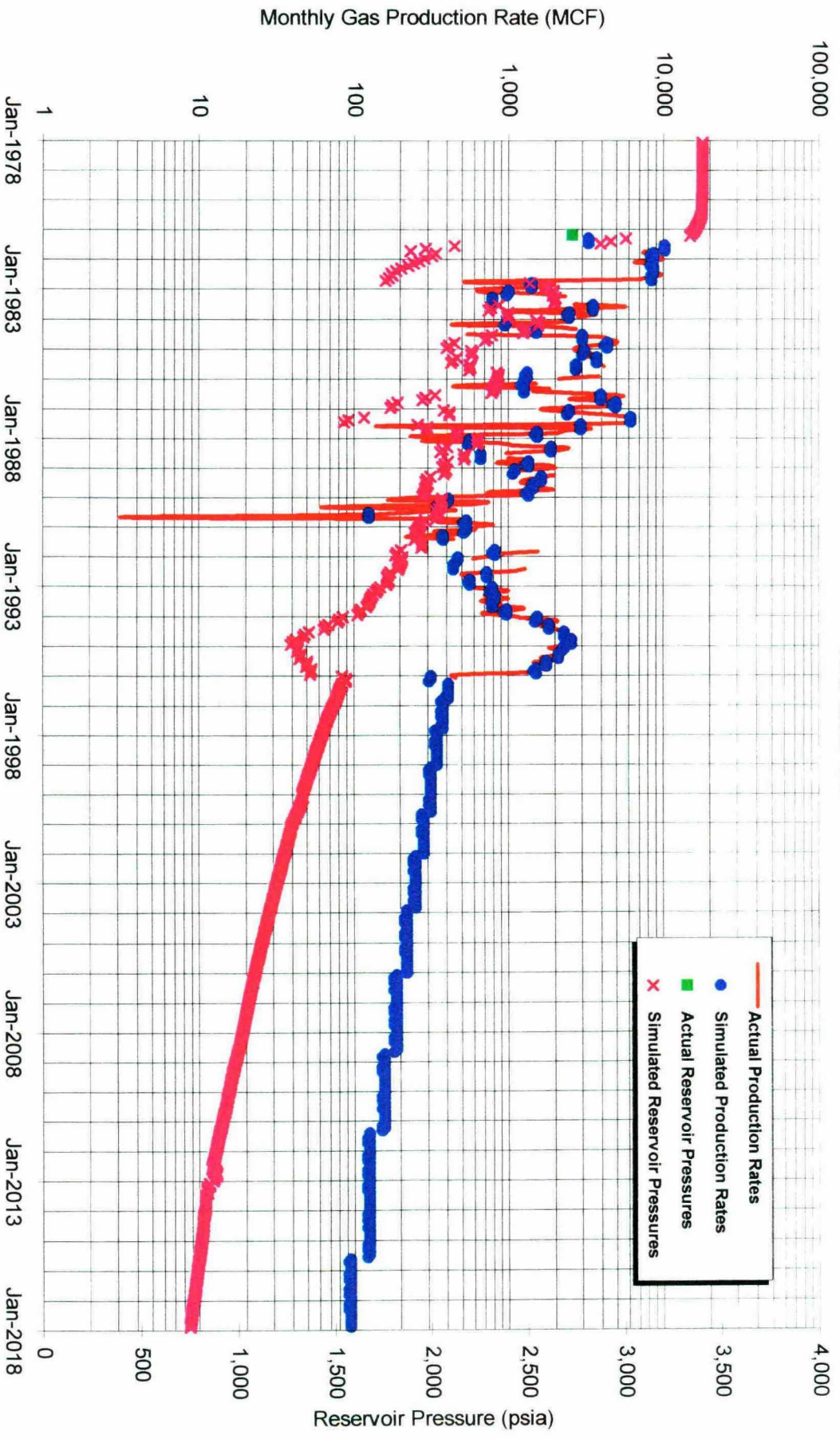
Reservoir Simulation History Match Data
Callaway Federal No. 1
16S 28E 6L



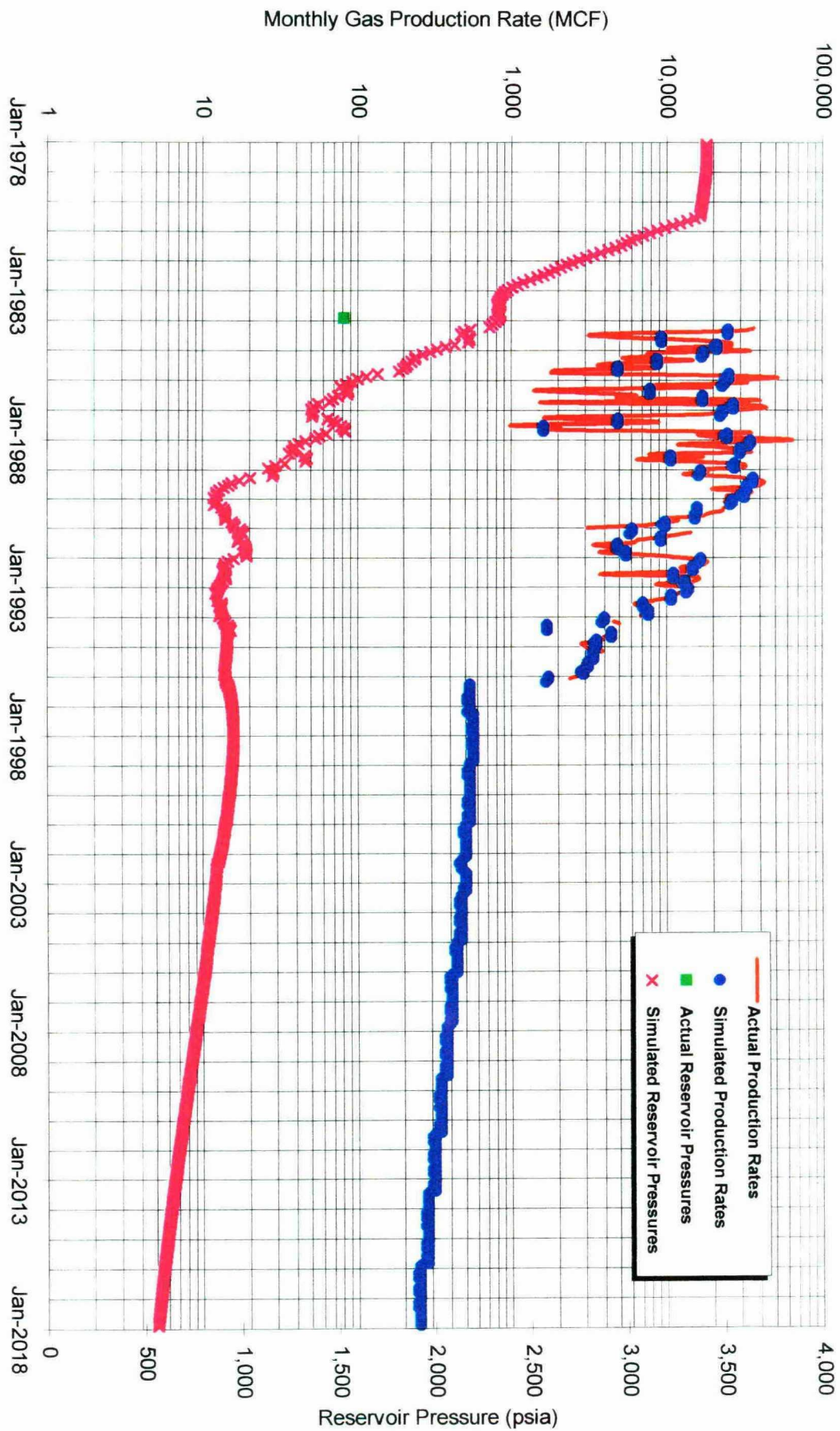
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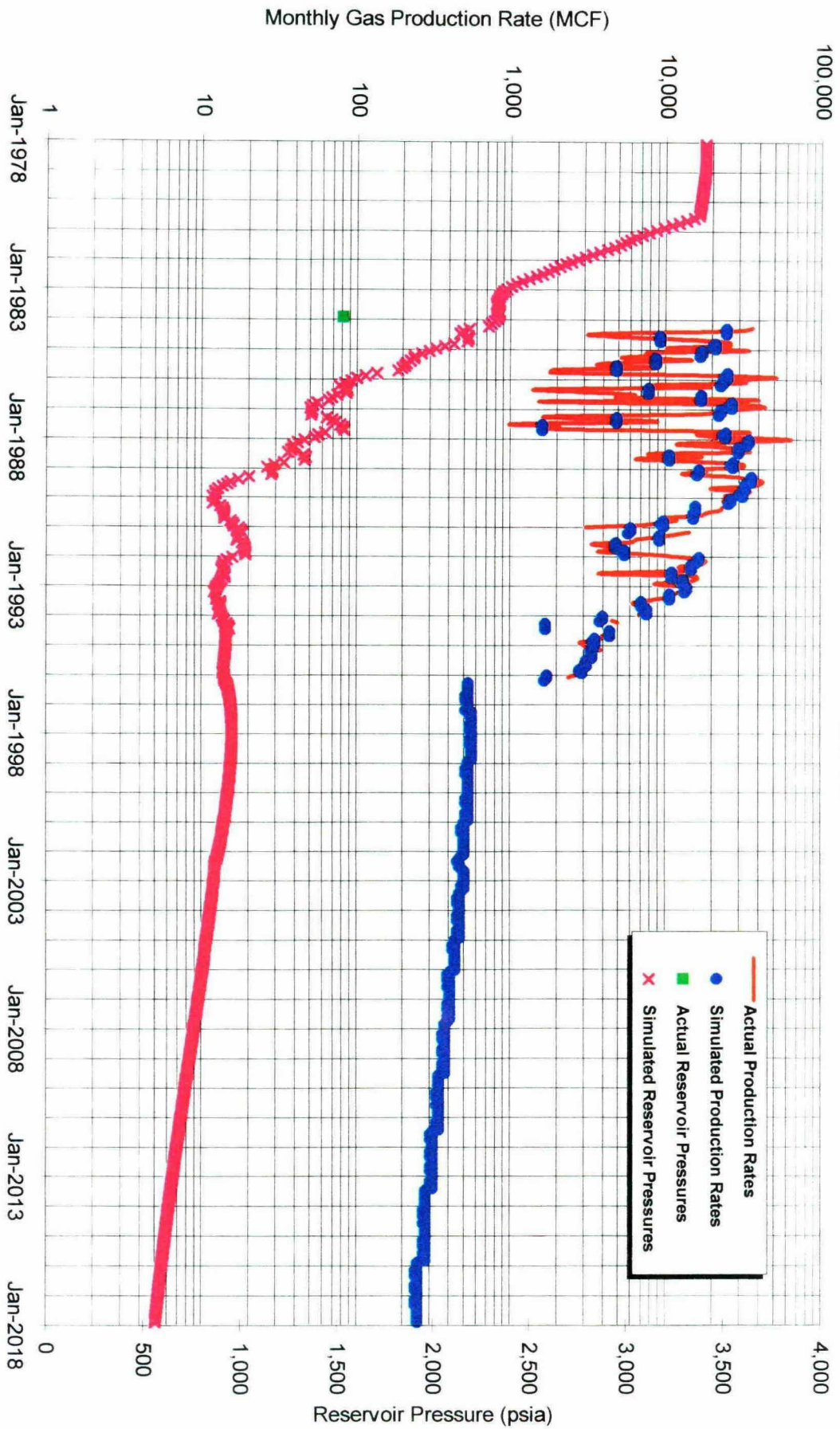
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Callaway Federal No. 3
16S 28E 6S



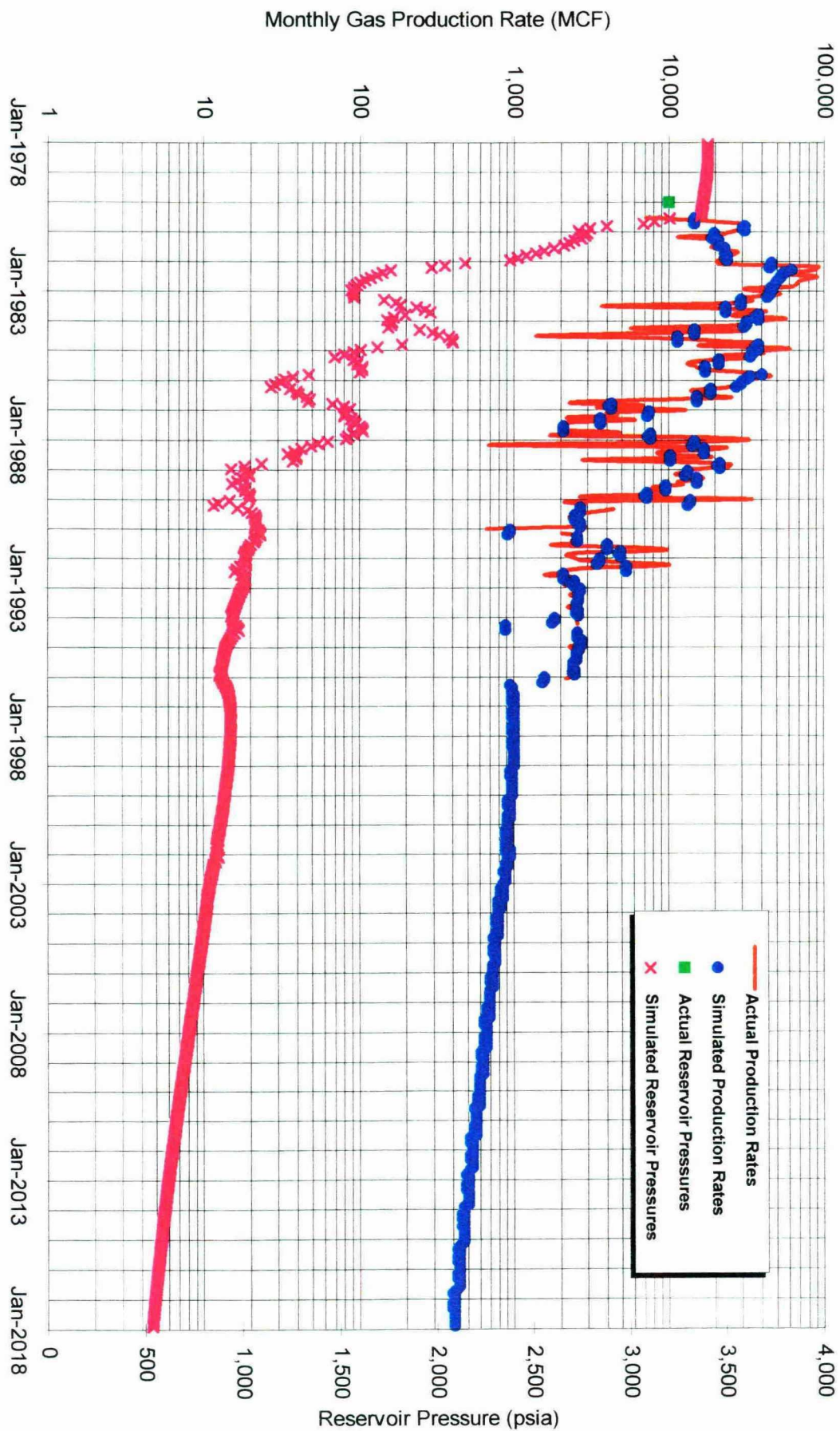
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DEPCO Federal No. 2
16S 28E 4D



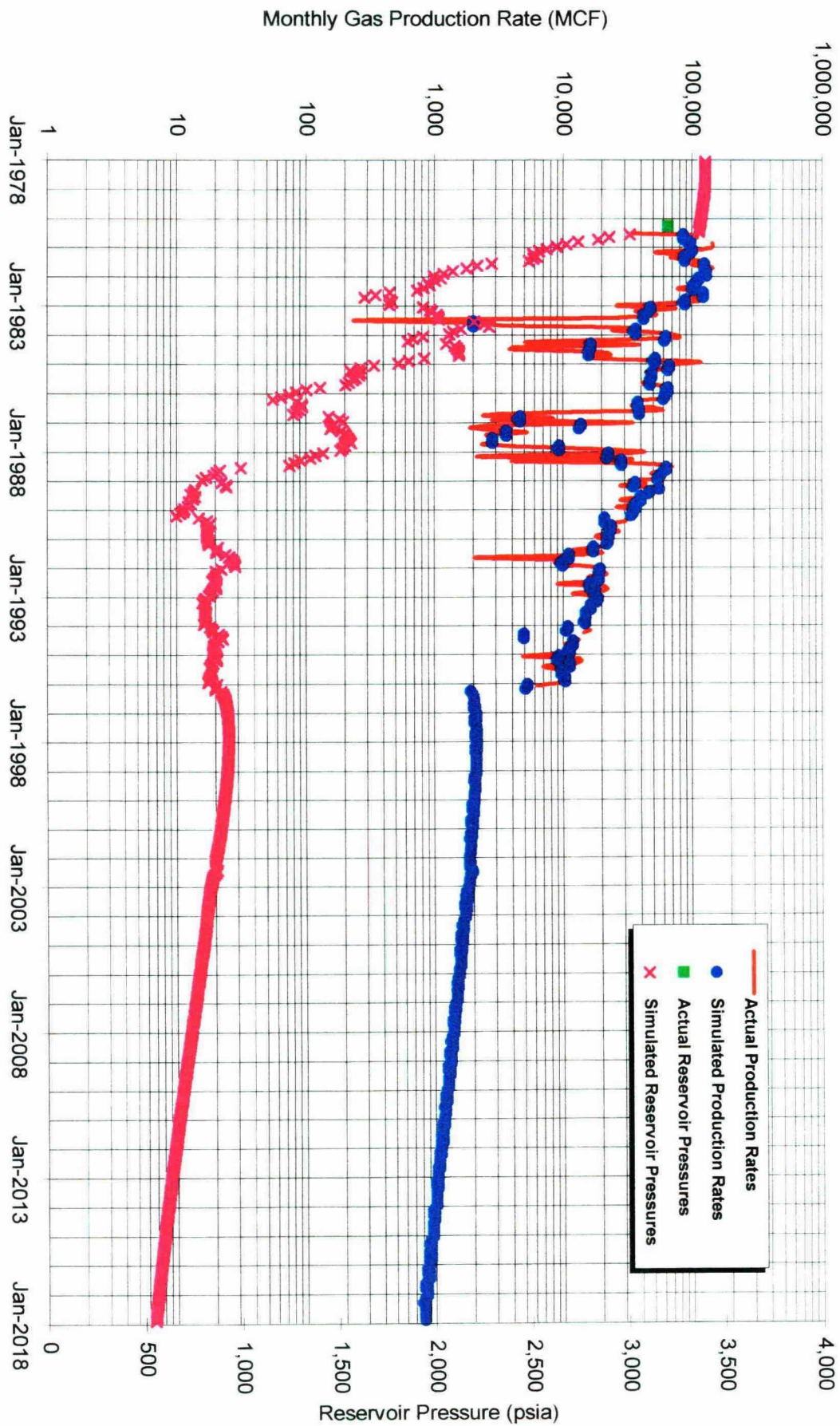
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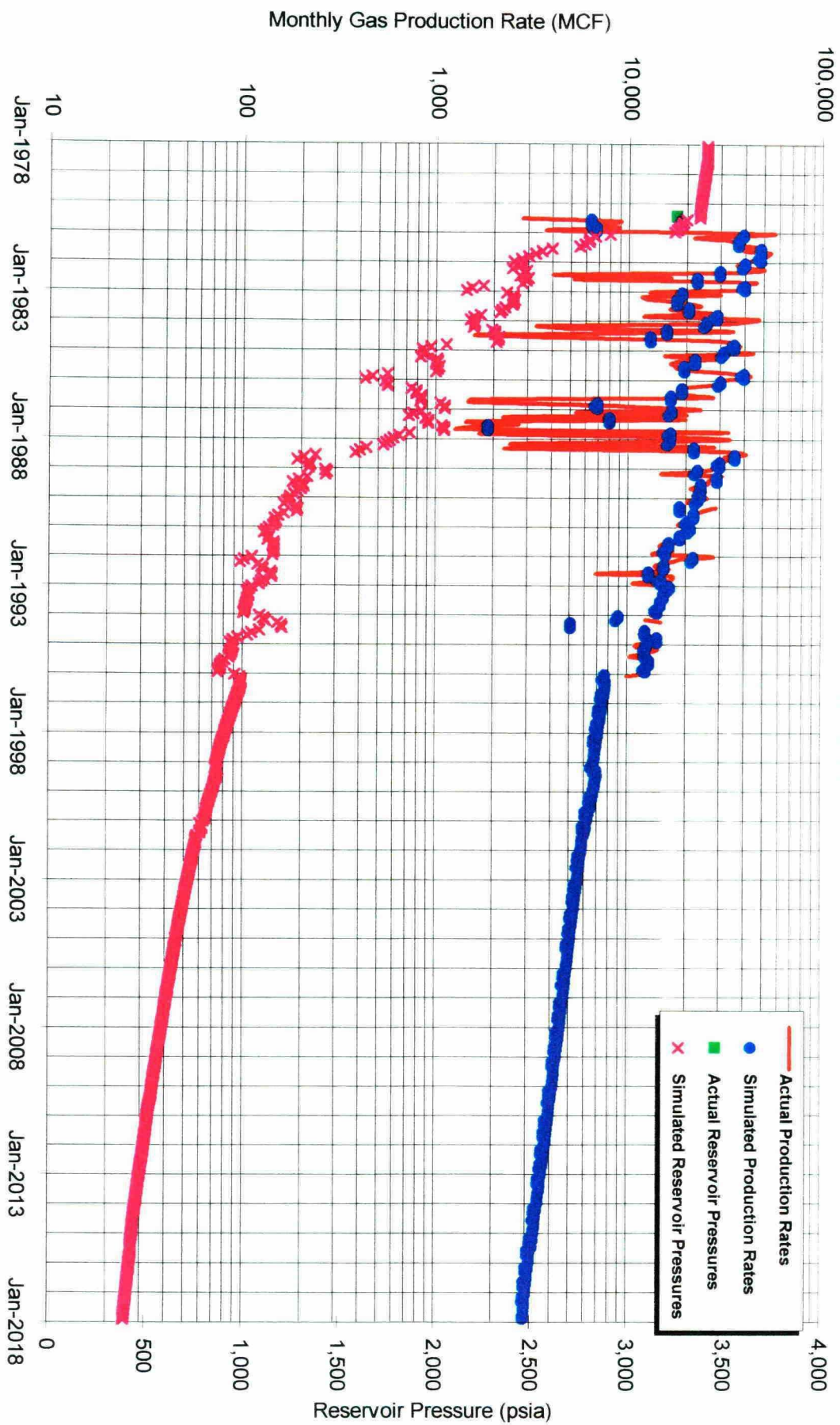
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Derrick Federal No. 1
16S 28E 5K



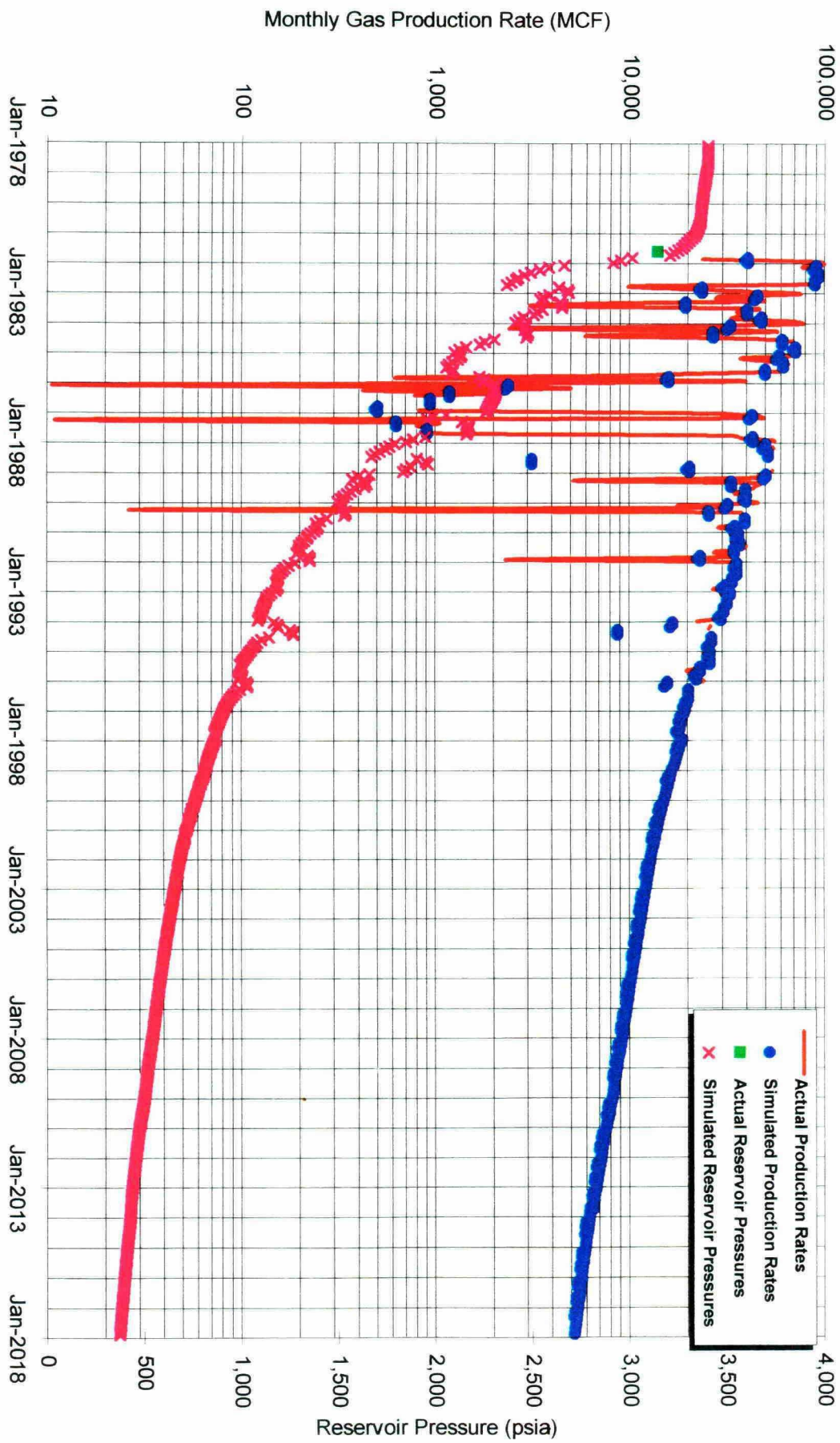
Reservoir Simulation History Match Data
Derrick Federal No. 2
16S 28E 51



Reservoir Simulation History Match Data
White State No. 1
15S 27E 350



Reservoir Simulation History Match Data
White State No. 2
15S 27E 35F



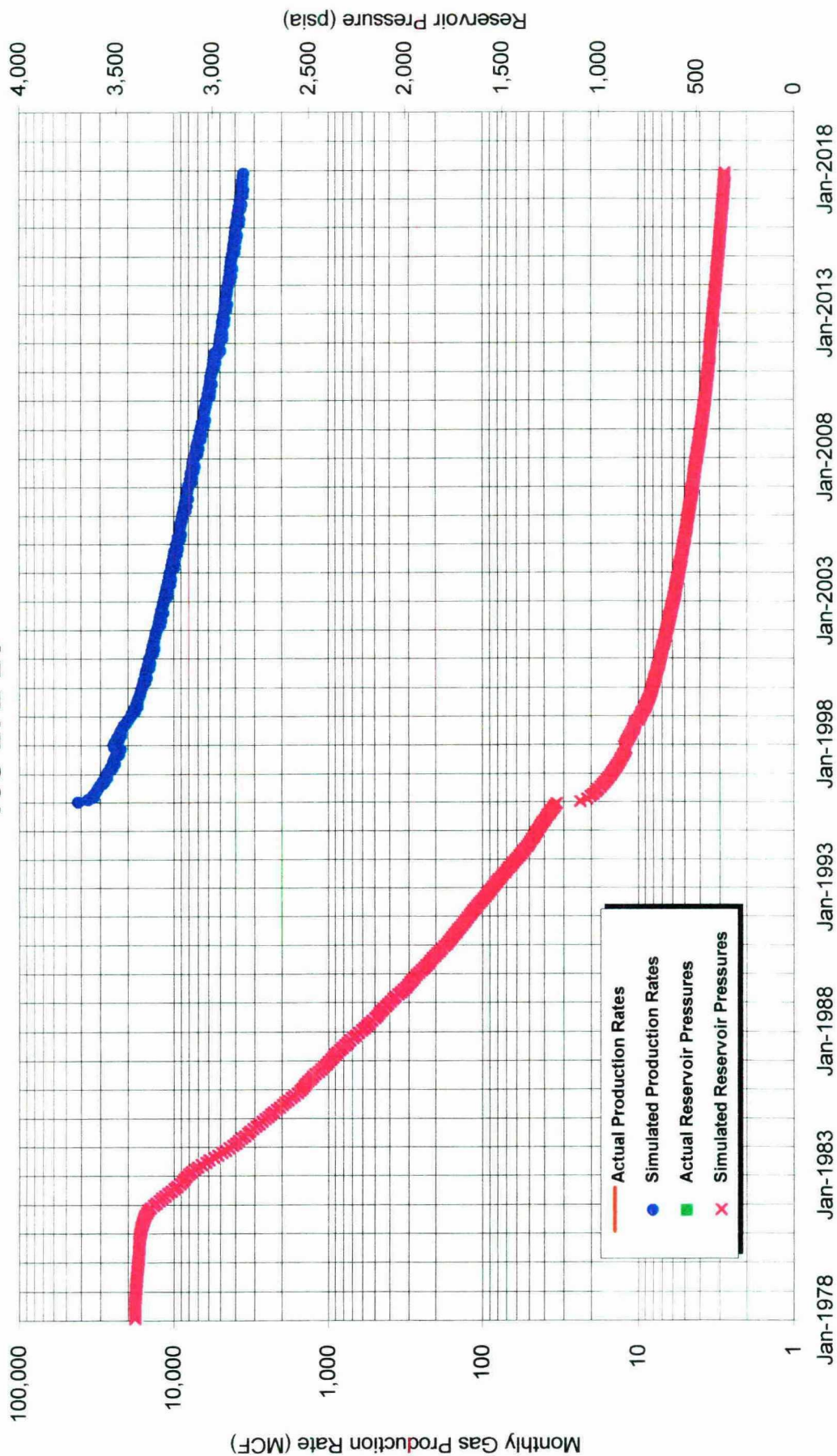
Comparison of Reserve Estimates

(Without Proposed Well)

Well	Current Cum Gas (BCF)	Rate vs. Cum EUR (BCF)	P/Z EUR (BCF)	Simulation EUR (BCF)
Langley Federal No. 5	0.8	1.0	1.0	1.9
Langlie Federal Com No. 3	2.7	4.0	4.5	4.8
Harris Federal No. 10	0.4	0.7	0.7	0.9
Harris Federal No. 9	5.5	8.0	8.0	7.4
Harris Federal Com No. 6	3.7	5.4	4.9	6.7
Toles Federal No. 2	0.8	1.3	1.2	1.3
Harris Federal Com No. 5	1.8	2.6	2.4	2.2
Harris Federal No. 8	5.5	8.0	8.2	8.0
Harris Federal No. 4	0.6	0.7	0.7	0.6
Harris Federal No. 7	0.6	1.0	1.0	1.2
Toles Federal No. 1	3.7	4.1	4.0	5.1
White State No. 2	5.5	9.0	8.0	9.8
White State No. 1	3.6	5.2	4.5	5.7
State Et Gas Com No. 1	3.1	3.1	3.5	3.1
State Et No. 1	1.1	0.8	0.8	0.9
State Et No. 2	1.3	1.8	2.6	2.5
Depco Federal No. 2	1.9	1.9	2.0	2.0
Derrick Federal No. 2	6.8	7.1	7.2	7.5
Derrick Federal No. 1	2.8	2.9	3.2	2.9
Callaway Federal No. 2	1.3	1.2	1.2	1.3
Callaway Federal No. 1	0.7	0.7	1.2	0.8
Callaway Federal No. 3	0.4	0.4	0.5	0.4
Proposed Well	0.0	0.0	0.0	0.0
Totals =	54.5	70.9	71.3	76.8

* - Used Rate vs. Cum method for P/Z estimate.

Reservoir Simulation History Match Data Proposed Well 15S 27E 26



Comparison of Reserve Estimates

(With Proposed Well)

Well	Current Cum Gas (BCF)	Rate vs. Cum EUR (BCF)	P/Z EUR (BCF)	Simulation EUR (BCF)
Langley Federal No. 5	0.8	1.0	1.0	* 1.8
Langlie Federal Com No. 3	2.7	4.0	4.5	4.5
Harris Federal No. 10	0.4	0.7	0.7	0.8
Harris Federal No. 9	5.5	8.0	8.0	* 7.1
Harris Federal Com No. 6	3.7	5.4	4.9	6.3
Toles Federal No. 2	0.8	1.3	1.2	1.2
Harris Federal Com No. 5	1.8	2.6	2.4	2.1
Harris Federal No. 8	5.5	8.0	8.2	7.4
Harris Federal No. 4	0.6	0.7	0.7	0.6
Harris Federal No. 7	0.6	1.0	1.0	1.3
Toles Federal No. 1	3.7	4.1	4.0	5.2
White State No. 2	5.5	9.0	8.0	9.5
White State No. 1	3.6	5.2	4.5	5.7
State Et Gas Com No. 1	3.1	3.1	3.5	3.1
State Et No. 1	1.1	0.8	0.8	0.9
State Et No. 2	1.3	1.8	2.6	2.4
Depco Federal No. 2	1.9	1.9	2.0	2.0
Derrick Federal No. 2	6.8	7.1	7.2	7.5
Derrick Federal No. 1	2.8	2.9	3.2	2.9
Callaway Federal No. 2	1.3	1.2	1.2	1.3
Callaway Federal No. 1	0.7	0.7	1.2	0.7
Callaway Federal No. 3	0.4	0.4	0.5	0.4
Proposed Well	0.0	0.0	0.0	3.0
Totals =	54.5	70.9	71.3	77.6

* - Used Rate vs. Cum method for P/Z estimate.

```
DATE: 10/24/96
TIME: 08:01:04
FILE: dBASE
GET#:      2
STID: BASE
.CMD: ACTIVE:
.QUIT: SAMPLE
```

$\mathbf{R} = \mathbf{C} \cdot \mathbf{A} \cdot \mathbf{C}^T$ $\mathbf{R} = \mathbf{C} \cdot \mathbf{A} \cdot \mathbf{C}^T$ $\mathbf{R} = \mathbf{C} \cdot \mathbf{A} \cdot \mathbf{C}^T$

10.00 PCT
FLOW CUM. DISC
M\$ BTAX. M\$

-END- MO-YR	---GROSS PRODUCTION---			---NET PRODUCTION---		--PRICES--		-----OPERATIONS, M\$-----			CAPITAL COSTS, M\$	CASH FLOW BTAX, M\$	10.00 PCT CUM. DISC BTAX, M\$		
	OIL, MMBL	GAS, MMCF		OIL, MMBL	GAS, MMCF	OIL \$/B	GAS \$/M	NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES					
12-96	.021	107.000		.017	85.600	18.00	1.80	154.386	12.017	2.000	472.100	-331.731	-332.841		
12-97	.068	340.000		.054	272.000	18.00	1.80	490.572	38.184	12.000	.000	440.388	80.435		
12-98	.057	283.000		.046	226.400	18.00	1.80	408.348	31.783	12.000	.000	364.565	391.454		
12-99	.049	243.000		.039	194.400	18.00	1.80	350.622	27.290	12.000	.000	311.332	632.913		
12-00	.039	197.000		.031	157.600	18.00	1.80	284.238	22.124	12.000	.000	250.114	809.259		
12-01	.035	174.000		.028	139.200	18.00	1.80	251.064	19.542	12.000	.000	219.522	949.965		
12-02	.029	140.000		.023	112.000	18.00	1.80	202.014	15.723	12.000	.000	174.291	1051.524		
12-03	.024	118.000		.019	94.400	18.00	1.80	170.262	13.252	12.000	.000	145.010	1128.339		
12-04	.021	105.000		.017	84.000	18.00	1.80	151.506	11.793	12.000	.000	127.713	1189.841		
12-05	.019	96.000		.015	76.800	18.00	1.80	138.510	10.780	12.000	.000	115.730	1240.506		
12-06	.018	90.000		.014	72.000	18.00	1.80	129.852	10.107	12.000	.000	107.745	1283.387		
12-07	.016	81.000		.013	64.800	18.00	1.80	116.874	9.097	12.000	.000	95.777	1318.040		
12-08	.015	74.000		.012	59.200	18.00	1.80	106.776	8.310	12.000	.000	86.466	1346.480		
12-09	.014	69.000		.011	55.200	18.00	1.80	99.558	7.749	12.000	.000	79.809	1370.344		
12-10	.013	63.000		.010	50.400	18.00	1.80	90.900	7.075	12.000	.000	71.825	1389.868		
12-11	.011	57.000		.009	45.600	18.00	1.80	82.242	6.400	12.000	.000	63.842	1405.645		
12-12	.011	54.000		.009	43.200	18.00	1.80	77.922	6.064	12.000	.000	59.858	1419.092		
12-13	.010	51.000		.008	40.800	18.00	1.80	73.584	5.728	12.000	.000	55.856	1430.500		
12-14	.010	48.000		.008	38.400	18.00	1.80	69.264	5.391	12.000	.000	51.873	1440.131		
12-15	.009	45.000		.007	36.000	18.00	1.80	64.926	5.054	12.000	.000	47.872	1448.211		
12-16	.008	42.000		.006	33.600	18.00	1.80	60.588	4.716	12.000	.000	43.872	1454.943		
12-17	.008	38.000		.006	30.400	18.00	1.80	54.828	4.268	12.000	.000	38.560	1460.322		
12-18	.007	35.000		.006	28.000	18.00	1.80	50.508	3.931	12.000	.000	34.577	1464.707		
12-19	.006	32.000		.005	25.600	18.00	1.80	46.170	3.593	12.000	.000	30.577	1468.232		
12-20	.006	30.000		.005	24.000	18.00	1.80	43.290	3.370	12.000	.000	27.920	1471.158		
12-21	.006	28.000		.005	22.400	18.00	1.80	40.410	3.145	12.000	.000	25.265	1473.565		
12-22	.005	26.000		.004	20.800	18.00	1.80	37.512	2.920	12.000	.000	22.592	1475.522		
12-23	.005	24.000		.004	19.200	18.00	1.80	34.632	2.696	12.000	.000	19.936	1477.092		
12-24	.004	22.000		.003	17.600	18.00	1.80	31.734	2.470	12.000	.000	17.264	1478.328		
12-25	.004	22.000		.003	17.600	18.00	1.80	31.734	2.470	12.000	.000	17.264	1479.451		
12-26	.004	19.000		.003	15.200	18.00	1.80	27.414	2.134	12.000	.000	13.280	1480.237		
12-27	.004	19.000		.003	15.200	18.00	1.80	27.414	2.134	12.000	.000	13.280	1480.951		
12-28	.003	17.000		.002	13.600	18.00	1.80	24.516	1.908	12.000	.000	10.608	1481.470		
12-29	.004	16.000		.003	12.800	18.00	1.80	23.094	1.797	12.000	.000	9.297	1481.883		
12-30	.003	16.000		.002	12.800	18.00	1.80	23.076	1.796	12.000	.000	9.280	1482.258		
12-31	.003	14.000		.002	11.200	18.00	1.80	20.196	1.572	12.000	.000	6.624	1482.501		
12-32	.002	14.000		.002	11.200	18.00	1.80	20.196	1.572	12.000	.000	6.624	1482.722		
12-33	.003	12.000		.002	9.600	18.00	1.80	17.316	1.348	12.000	.000	3.968	1482.842		
12-34	.002	13.000		.002	10.400	18.00	1.80	18.756	1.460	12.000	.000	5.296	1482.988		
12-35	.003	11.000		.002	8.800	18.00	1.80	15.876	1.236	12.000	.000	2.640	1483.054		
S TOT	.579	2885.000		.460	2308.000	18.00	1.80	4162.680	323.999	470.000	472.100	2896.581	1483.054		
REM.	.008	41.000		.008	32.800	18.00	1.80	59.184	4.609	48.000	.000	6.575	1483.191		
TOTAL	.587	2926.000		.468	2340.800	18.00	1.80	4221.864	328.608	518.000	472.100	2903.156	1483.191		
CUM.	.000	.000													
ULT.	.587	2926.000													
				NET OIL REVENUES (M\$)				8.424		-----PRESENT WORTH PROFILE-----					
				NET GAS REVENUES (M\$)				4213.440		DISC		PW OF NET			
				TOTAL REVENUES (M\$)				4221.864		RATE		BTAX, M\$			
										-----		-----			
BTAX RATE OF RETURN (PCT)				100.00	PROJECT LIFE (YEARS)				43.167	.0		2903.156		30.0	706.763
B. PAYOUT YEARS				.92	DISCOUNT RATE (PCT)				10.000	2.0		2447.553		35.0	614.304
B. PAYOUT YEARS (DISC)				.97	GROSS OIL WELLS				.000	5.0		1973.261		40.0	538.743
BTAX NET INCOME/INVEST				7.15	GROSS GAS WELLS				1.000	8.0		1648.263		45.0	475.675
BTAX NET INCOME/INVEST (DISC)				4.14	GROSS WELLS				1.000	10.0		1483.191		50.0	422.143
										12.0		1346.696		60.0	335.924
INITIAL W.I. FRACTION				1.000000	INITIAL NET OIL FRACTION				.800000	15.0		1180.873		70.0	269.287
FINAL W.I. FRACTION				1.000000	FINAL NET OIL FRACTION				.800000	18.0		1048.630		80.0	216.067
PRODUCTION START DATE				11/01/96	INITIAL NET GAS FRACTION				.800000	20.0		974.241		90.0	172.472
MONTHS IN FIRST LINE				2.00	FINAL NET GAS FRACTION				.800000	25.0		822.966		100.0	136.032

OGRE(R) V1.2 BTAX
 FILE NAME: dBASE (2)
 CASE NAME: -
 101 PROPOSED HARRIS FEDERAL 11
 102 BUFFALO VALLEY PENN
 103 READ & STEVENS

-PROP

D A T A R E P O R T

DATE: 10/24/96
 TIME: 08:01:04

.7 CASE NON
 120 11 96 12 11 1 96 10 M
 123 1*2 39*12

	W.I. FRACTION	OP. COST (\$/W/MO)	OP. COST (\$/MO.)	ADV. TAX (PCT)	MAJOR PH. NAME	PROD DATE (MO/DY/YR)
210	1.00000000	1000.00	.00	.757	GAS	11/01/96

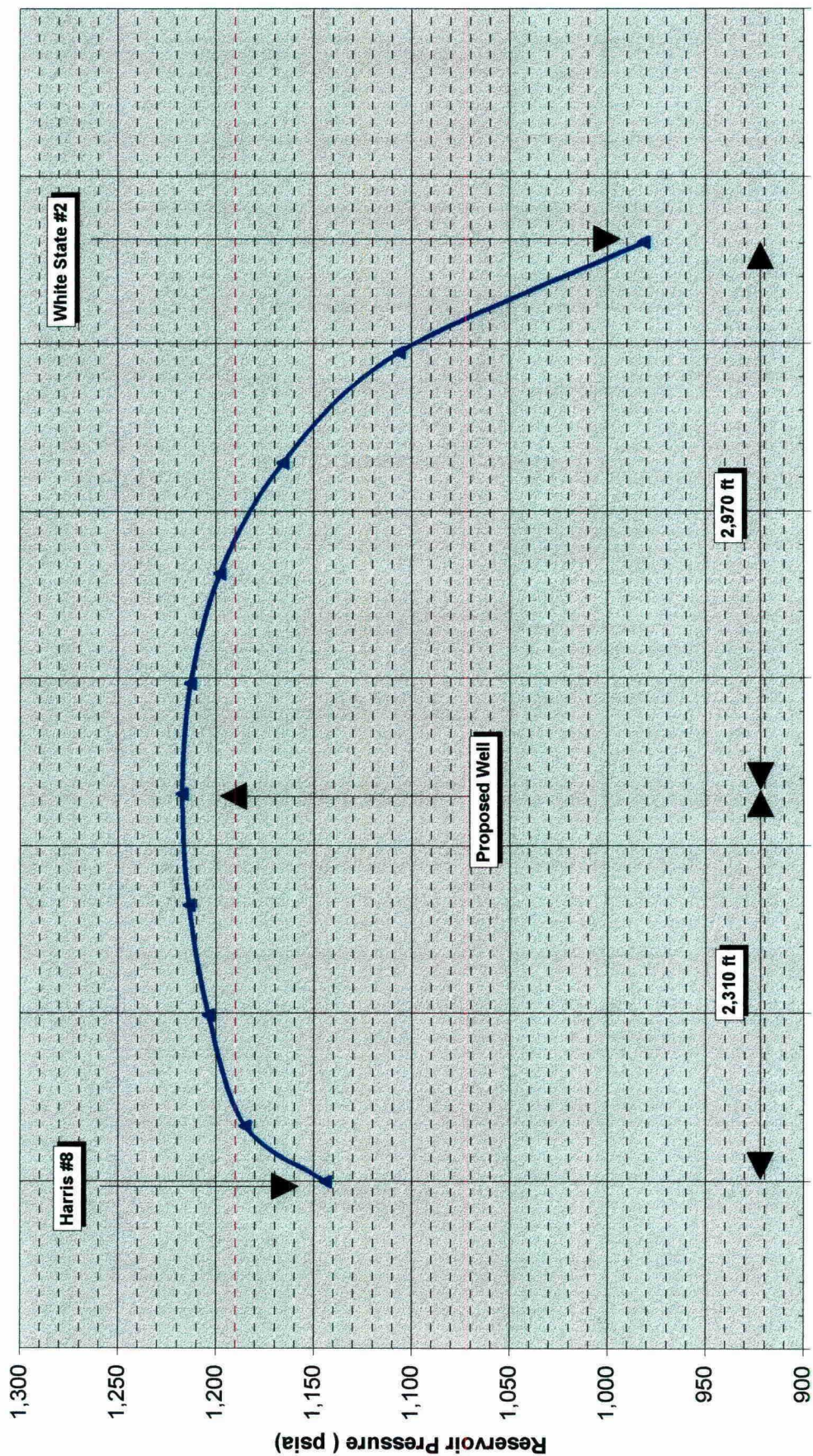
	PHASE NAME	CUM PROD (MUNITS)	REV. INT FRACTION	PRICE (\$/UNIT)	SEV. TAX (PCT)	NO. OF WELLS	RATIO TO MAJOR PH
221	OIL	.000	.80000000	18.000	7.080	.0	
222	GAS	.000	.80000000	1.800	7.080	1.0	

300 SERIES LINES:

	MAN	OIL	GAS
305	FACT	1.000	1000.000
310			
311	2.	21.400	107.000
312	12.	68.000	340.000
313	12.	56.600	283.000
314	12.	48.600	243.000
315	12.	39.400	197.000
316	12.	34.800	174.000
317	12.	29.600	140.000
318	12.	23.600	118.000
319	12.	21.000	105.000
320	12.	19.200	96.000
321	12.	18.000	90.000
322	12.	16.200	81.000
323	12.	14.800	74.000
324	12.	13.800	69.000
325	12.	12.600	63.000
326	12.	11.400	57.000
327	12.	10.800	54.000
328	12.	10.200	51.000
329	12.	9.600	48.000
330	12.	9.000	45.000
331	12.	8.400	42.000
332	12.	7.600	38.000
333	12.	7.000	35.000
334	12.	6.400	32.000
335	12.	6.000	30.000
336	12.	5.600	28.000
337	12.	5.200	26.000
338	12.	4.800	24.000
339	12.	4.400	22.000
340	12.	4.400	22.000
341	12.	3.800	19.000
342	12.	3.800	19.000
343	12.	3.400	17.000
344	12.	3.200	16.000
345	12.	3.200	16.000
346	12.	2.800	14.000
347	12.	2.800	14.000
348	12.	2.400	12.000
349	12.	2.600	13.000
350	12.	2.200	11.000
351	12.	2.200	11.000
352	12.	2.200	11.000
353	12.	1.800	9.000
354	12.	2.000	10.000
355	12.	1.600	8.000
356	12.	1.600	8.000
357	12.	1.600	8.000
358	12.	1.400	7.000
359	12.	1.400	7.000
360	12.	1.400	7.000
361	12.	1.200	6.000
362	12.	1.400	7.000
363	12.	1.000	5.000
364	12.	1.200	6.000
365	12.	.800	4.000

	INV NAME	INV. POINT	(G OR N)	TANG-M\$	INTANG-M\$	LSEHLD-M\$	RISK FRAC	OVHD FLAG
	-----	-----	-----	-----	-----	-----	-----	-----
801	INVEST	.000 .000	G	188.840	283.260	.000		
ECONOMIC LIFE (YRS): 43.167								
GROSS OIL (MBBL): .587								
GROSS GAS (MMCF): 2926.000								

Reservoir Pressure Distribution



Results of Reservoir Simulation Study Buffalo Valley (Penn) Field Study Area

Without Proposed Well

Section	Original Gas In Place (BCF)	Cumulative Production (BCF)	Current Gas In Place (BCF)	Current Recoverable Gas In Place (BCF)	Remaining Reserves For Existing Wells (BCF)	Reserves Unrecovered By Existing Wells (BCF)
26	18.6	6.1	6.2	5.0	2.5	2.5
35	12.9	9.1	4.3	3.4	6.4	-3.0

With Proposed Well

Section	Original Gas In Place (BCF)	Cumulative Production (BCF)	Current Gas In Place (BCF)	Current Recoverable Gas In Place (BCF)	Remaining Reserves For Existing Wells and Proposed Well (BCF)	Reserves Unrecovered by Existing Wells and Proposed Well (BCF)
26	18.6	6.1	6.2	5.0	4.9	0.1
35	12.9	9.1	4.3	3.4	6.1	-2.7