

INCREMENTAL RESERVES SUMMARY

△ Remaining Reserves  
(Proposed Minus Continued)  
Bbl's MMSCF

Well & Zones	Beginning Rate BOPD MCFPD	*Economic Limit BOPD MCFPD	Life, Years	Remaining Reserves Bbl's MMSCF	(Proposed Minus Continued) Bbl's MMSCF
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Penrose #1

Continued Operations: (Produce Only Single Completion: Blinebry)

Sequential Single Completions w/Lift				
Blinebry Oil & Gas	4.6	84.9	0.5	20
Drinkard	3.5	68.3	0.5	20
Tubb Oil & Gas	0.8	54.8	0.2	20
Total:				

Proposed Commingled Operations	8.9	208.0	0.3	20
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Penrose #2

Continued Operations: (Produce Only Single Completion: Blinebry)

Sequential Single Completions w/Lift				
Blinebry Oil & Gas	4.6	84.9	0.5	20
Drinkard	3.5	68.3	0.5	20
Tubb Oil & Gas	0.8	54.8	0.2	20
Total:				

Proposed Commingled Operations	8.9	208.0	0.3	20
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Penrose #3

Continued Operations: (Same As Single Completions w/Lift)

Sequential Single Completions w/Lift				
Blinebry Oil & Gas	4.6	84.9	0.5	20
Drinkard	7.6	13.9	2.0	5.8
Wantz Granite Wash	3.2	8.3	2.0	6.1
Total:				

Proposed Commingled Operations	15.4	107.1	1.2	20
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Penrose #4

Continued Operations: (Same As Single Completions w/Lift, Except Tubb)

Sequential Single Completions w/Lift				
Blinebry Oil & Gas	4.6	84.9	0.5	20
Drinkard	3.5	68.3	0.5	20
Tubb Oil & Gas	0.8	54.8	0.2	20
Wantz Granite Wash	14.0	85.0	1.5	20
Total:				

Proposed Commingled Operations	22.9	293.0	0.4	20
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Summary, 4 Well Total:

Continued Operations:	(Avg)	37.5	149,772	2261	
Sequential Single Completions w/Lift:	(Avg)	59.6	179,958	3446	
Proposed Commingling Operations:	(Avg)	36.5	208,602	4342	
					<u>58,830</u>
					<u>2081</u>

\*Economic Limit is:  
2 BOPD or 20 MCFPD (Whichever is reached last.)