

E. C. HILL "D" FEDERAL NO. 6
 UNIT I, SECTION 34, T23S, R37E
 LEA COUNTY, NEW MEXICO

ESTIMATE OF FUTURE PRODUCTION

ABO ZONE - SOUTH TEAGUE ABO POOL
 =====

Based on current production:

100 - 110 MCFD gas
 0 Barrels Oil
 0 Barrels Water

DEVONIAN ZONE - TEAGUE DEVONIAN POOL
 =====

Based on Swabbing reports as follows:

Date	Hours Swabbed	Oil & Water Recovered	Est. 24 Hours Recovered	Est. Recovery Artificial Lift
2/22	9	25 + 87	66 + 232	33 + 115
2/23	9	38 + 73	101 + 196	50 + 98
3/21	10	57 + 32	137 + 77	68 + 39
3/22	10	35 + 20	84 + 48	42 + 24

Estimated Production range 40-50 BO + 25-30 BWPD.

Please note: The oil recovered during 4 days of swabbing indicates an increase in oil cut and decrease in water cut for the first 3 days. However, the oil began to decline on the 4th day as did total volume recovered. The last 4 hours of swabbing on day 4 recovered only 3 BO plus 12.7 BW while pulling from the seating nipple. This indicates that fluid entry has slowed drastically and the well has continued to decline in oil production which would indicate that production by artificial lift could be much lower than the chart predicts.

Arch Petroleum Inc.

EXHIBIT "E"

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