

RATE-TIME METHODS:
CONVENIENT AND POPULAR:
BUT
CONTAIN INHERENT INFIRMITIES

Example of the error introduced by attempting to analyze rate-time statistics by averaging current composite well data is shown on the next two pages.

EXAMPLE
STATISTICAL ANALYSES

COMPLETE 1 WELL EACH 6 MONTHS FOR 3 YEARS

IP 50 BOPD - DECLINE RATE 45.625% PER YEAR

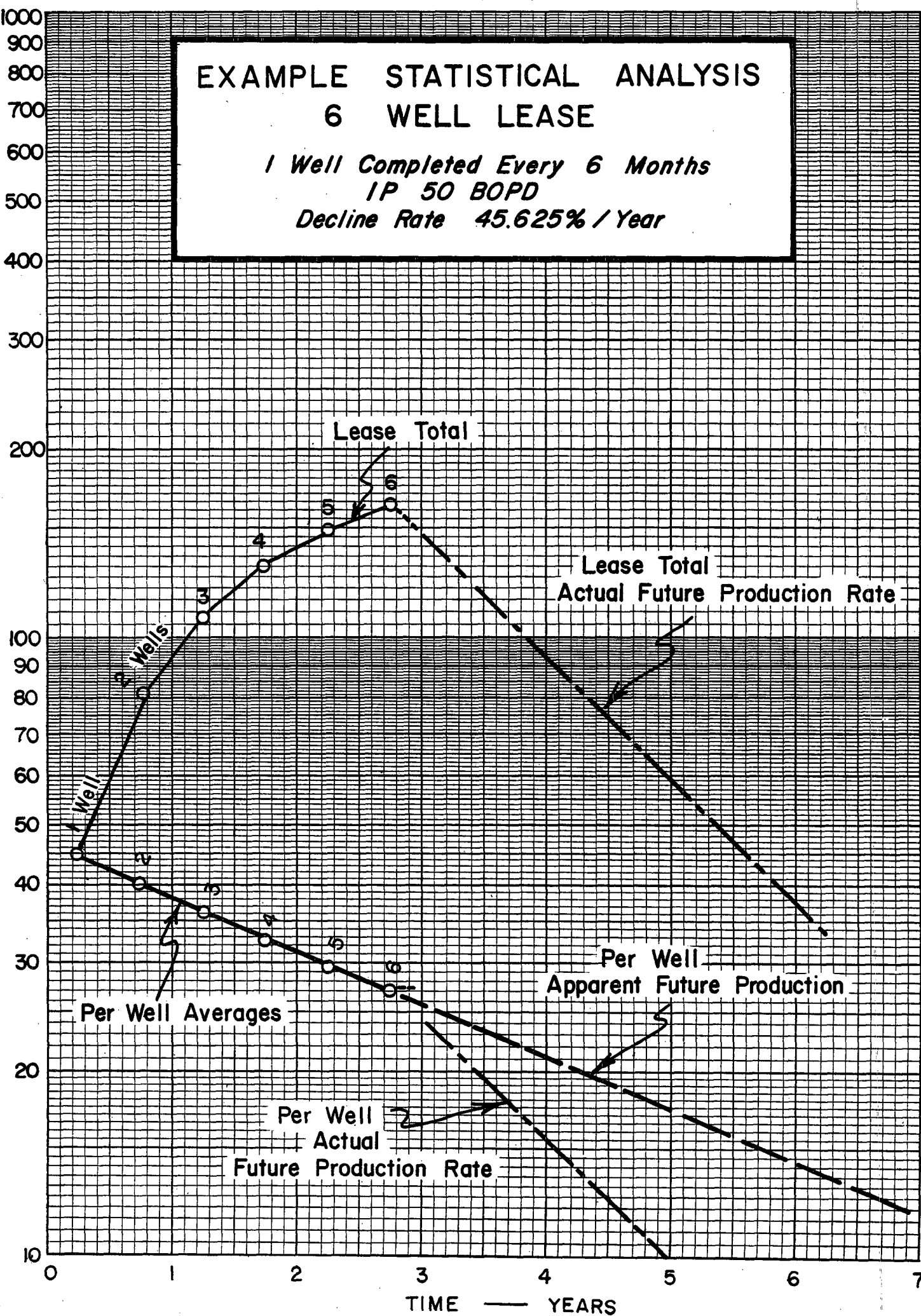
From - To Years	#1	#2	#3	#4	#5	#6	6-Months Production	No. Wells	Avg. BOPD for Period	End-Of-Period Cum. Production Total Per Well (bbls) (10)	End-Of-Period Cum. Production Total Per Well (bbls) (11)	Mid-Period Cum. Production Total Per Well (bbls) (12)* (13)
0 - 0.5	8159						8,519	1	44.7	8,159	8.20	4.1
0.5 - 1.0	6495	8159					14,654	2	40.2	22,813	11.40	15.5
1.0 - 1.5	5170	6495	8159				19,824	3	36.2	42,637	14.21	32.7
1.5 - 2.0	4115	5170	6495	8159			23,939	4	32.8	66,576	16.64	54.6
2.0 - 2.5	3276	4115	5170	6495	8159		27,215	5	29.8	93,791	18.76	80.2
2.5 - 3.0	2608	3276	4115	5170	6495	8159	29,823	6	27.2	123,614	20.60	108.7
Totals							123,614					18.1

* Column (10) for prior period plus 1/2 of column (7).

EXAMPLE STATISTICAL ANALYSIS 6 WELL LEASE

*1 Well Completed Every 6 Months
IP 50 BOPD
Decline Rate 45.625% / Year*

PRODUCTION RATE — BOPD



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Superiority of Rate-Cumulative analysis is shown by
the foregoing well data plotted on a rate-cumulative curve.

EXAMPLE STATISTICAL ANALYSIS 6 WELL LEASE

1 Well Completed Every 6 Months
I.P. 50 BOPD
Decline Rate 45.625% / Year

