

North East Shoe Bar- Strawn Pool
Lea County, New Mexico

Key Pressure Data Points

Chambers 1-7: Initial Pressure = 4,223 psia from DST dated 11/9/96

Alston 1-8: Initial Pressure = 3,472 psia from DST dated 4/22/97

Runnels 1-8: Initial Pressure = 3,300 psia from well test dated 3/15/98

Little 1-6: Initial Pressure = 4,228 psia from DST dated 7/4/97

Watson 1-6: initial Pressure = 3,727 psia from DST dated 12/2/97

Lovington 1-5: Initial Pressure = 4,300 psia from well test dated 12/29/96

Bus Barn 1Y-4: Initial Pressure = 3,900 psia from well test dated 9/17/97

Volumetric Review of Area

Well	Net Pay Feet	Average Porosity	Average Sw	EUR MBO	ROIP STB/Acre	Drainage Area, Acres
Alston 1-8	50	8.3 %	17.8 %	318	3,175	100
Chambers 1-7	106	9.1 %	19.9 %	550	5,801	94
Runnels 1-8	19	7.6 %	28.7 %	25	809	31
Little 1-6	40	8.1 %	31.8 %	175	1,659	105
Lovington 1-5	120	8.2 %	19.2 %	615	5,969	103
Bus-Barn	80	8.2 %	20 %	395	4,044	97
Average						88.3

Above table and calculations are based on average reservoir fluid parameters of:

Gas-Oil Ratio: 1,200 SCF/STB
 Oil Gravity: 42° API
 Formation Volume Factor @ 4,200 psia = 1.55 RB/STB

BEFORE THE
 OIL CONSERVATION DIVISION
 Case No. 11750 Exhibit No. **2**
 Submitted By:
 Chesapeake Inc.
 Hearing Date: March 4, 1999

2 MARCH 1999 Randy Gassaway