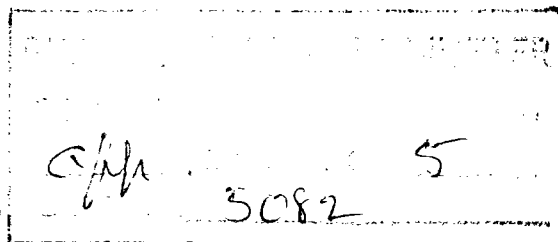


EXHIBIT NO. _____

STRAWN (UNDESIGNATED) FIELD
HILBURN NO. 1 (E, 13-16S-35E)



Production History of Well:

IP 10-5-73 872 BO + 0 BW + 1619 MCF, GOR 1857/1

Produced 3718 BO in 10 days prior to being SI 10-7-73
for 72 hour pressure build-up

Pressure History of Well: Datum 11322 (-7342)

<u>Type of Test</u>	<u>Hilburn No. 1</u> psig
9-7-73 Drill Stem Test	4274 ¹
10-10-73 Build-Up Test SI 72 Hrs.	4248 ¹ (pressure still increasing - extrapolation not certain)

Key: 1 Extrapolated pressure from build-up curve

Volumetric Calculation of Reserves:

Net Pay, Feet	=	48
Ø, Percent	=	9.6
S _w , Percent	=	20
Oil FVF, RB/STB	=	1.6 (est.)
Recovery Factor, Percent	=	20 (est.)

$$\frac{(7758 \text{ B/AF})(.096)(1 - .20)(.20)}{1.6} = 74 \text{ BO/AF Recoverable}$$

If 40 Ac Drainage:

$$(74 \text{ BO/AF})(40 \text{ Ac})(48') = 142,080 \text{ BO}$$

If 160 Ac Drainage:

$$(142,080 \text{ BO})(4) = 568,320 \text{ BO}$$

Economics: Hilburn No. 1

Cost to drill to Morrow and make a single completion in Strawn	\$271,570
Oil Price, \$/BBL	5.36
Casinghead Gas Price, \$/MMCF (est.)	250.00
Average GOR over life of well, MM/BO	0.006
Severance and Ad Valorem Taxes, Percent	5.6
Net lease interest, Percent	.80
Operating Cost, \$/MO	400.00
Estimated life of production, Years	20

Value of 40 Acre Recovery

Oil: $(142,080 \text{ BO})(.8)(\$5.36/\text{BO})(.944) = \$575,122$
Gas: $(142,080 \text{ BO})(.006 \text{ MM/BO})(.8)(\$250/\text{MM})(.944) = \$160,948$
Op. Costs: $(240 \text{ MO})(\$400/\text{MO}) = (\$96,000)$
Undiscounted Net Cash Flow = \$640,070

Undiscounted Net Profit if 40 Ac Drainage:
 $\$640,070 - 271,570 = \$368,500$

Undiscounted Net Profit if 160 Ac Drainage:
 $\$2,848,272 - 271,507 = \$2,576,765$

160 Acre Recovery

$(\$575,122)(4) = \$2,300,488$
 $(\$160,948)(4) = \$643,792$
 $\$ (96,000)$
\$2,848,280