Data:		Source:
Initial Reservoir Pressure:	3959 psi	Drill Stem Test
Reservoir Pressure Gradient:	.403 psi/ft	DST/Calc.
Depth:	9842-48'	O/H Logs
Initial Potential:	561 BOPD	
Reservoir Drive Mechanism:	Water Drive	Fluid data, Trend
Oil Gravity:	54 API	Fluid Sample
Oil Density:	.75 gm/cc	Calc.
Water Density:	1.02 gm/cc	Calc/Sample
Average Water Cut:	33%	Prod. Data 4/28-5/5
Avg. Tubing Hyd. Gradient:	.363	Calc.
Avg. Sfc. Flowing Tgb. P.:	175 psi	Sfc. Reading
Avg. Bottomhole Flowing P.:	3748 psi+	Calc.
GOR	35 scf/bbl	Est. w/ Sfc. Data
Oil Bubble Point Pressure:	149 psi	AIME 213 Chart
Flow Capacity:	19.4 Darcy Ft.	Drill Stem Test
Effective Oil Flow Capacity:	1.91 Darcy Ft	Calc. Darcy Eqn.
Oil Viscosity:	.8 cp	AIME 165(103,110)Chart
Water Viscosity:	.55 cp	SPE 127 Chart
Recovery Efficiency	40%+	SPE 2068 Nomograph

5/5 1800

Conclusions:

1 High productivity rate reservoir;
2 Excellent flow capacity;
3 Limited reservoir pressure depletion required for high flow rates;
4 Excellent (high) recovery efficiency anticipated;
5 No evolution of solution gas in the reservoir, no secondary gas cap formation;
6 Water drive reservoir with normal initial pressures;
7 Ultimate recovery structurally dependant.

Recommendations:

1 Create field rules which allow for minimum well density requirements and high per well allowables in order to prevent waste and excessive well density while protecting correlative rights.

2 Create field rules which allow maximum flexibility in selecting optimal structural positions for drilling locations in order to prevent waste of updip attic oil.

3 Allow for review of field history and update of field rules after more data becomes available.

App 1

10308