

EXHIBIT "B"

III B.

- (1) INJECTION FORMATIONS: MISSISSIPPIAN AND DEVONIAN
- (2) INJECTION INTERVALS:  
CURRENT PERFORATIONS: 10,691-695'  
10,703-723'  
10,734-738'  
10,893-897'  
OPEN HOLE: 11,192-242'
- (3) ORIGINAL PURPOSE: PROPOSED DEVONIAN PRODUCER
- (4) N/A
- (5) THE PROPOSED INJECTION INTERVALS ARE THE MISSISSIPPIAN AND THE DEVONIAN. THE NEXT HIGHER OIL/GAS ZONE IS THE PENNSYLVANIAN (BOUGH), THE BASE OF WHICH IS AT 9,240' IN THE STATE 3 NO. 1. THE CLOSEST ACTIVE PENN PRODUCER IS THE STATE B 32 LOCATED IN SECTION 1, T9S, R32E, APPROXIMATELY 1.5 MILES EAST OF THE STATE 3. NO. 1.

THE STATE 3 NO. 1 IS CURRENTLY PRODUCING UNECONOMICALLY FROM THE MISSISSIPPIAN WITH PERFORATIONS FROM 10,695' TO 10,897'. THE WELL HAS PRODUCED 19,200 BO AND 9,600 MCF SINCE IT WAS PLACED ON PRODUCTION IN 1978. THE COST TO DRILL AND COMPLETE AN 11,000' WELL IS ESTIMATED AT \$900,000 SO THE MISSISSIPPIAN IS NOT A VIABLE DRILLING PROSPECT EVEN AT VERY OPTIMISTIC PRICING SCENARIOS. NO OTHER MISSISSIPPIAN PRODUCTION HAS BEEN ESTABLISHED IN THE AREA.

THE DEVONIAN IS PRODUCING IN THE BUTTON UP UNIT NO. 1 LOCATED IN SECTION 10, T9S, R32E, 0.75 MILES SOUTH OF THE STATE 3 NO. 1. THIS WELL IS PRODUCING 125 BOPD AND 450 BWPD FROM THE DEVONIAN. THE STATE 3 NO. 1 IS 270' LOW TO THE THE BUTTON UP UNIT NO. 1 AND IS PROPOSED AS THE DISPOSAL WELL FOR THIS PRODUCER. THE DEVONIAN IS THE DEEPEST PRODUCTIVE INTERVAL IN THE AREA.