

The Commercial reserves will be computed using the standard field formulation as follows;

$$\text{Potential Reserves} = \left[\frac{\text{Area} * \text{TVT} * S_0 * \text{RR} * \phi}{\text{FVF}} \right] * 6.29 \text{ BBL}$$

Area = Total Acres in square yards

TVT = true vertical thickness of the pay-zone in yards

S₀ = oil saturation (%)

RR = Recovery Rate, which in District 7B, the historical standard is 25%

Φ = average porosity of the pay interval,

FVF = Formation Volume Factor as interpolated by dissolved gas coming out of solution

Therefore, using historical data, drilling logs; geology reports, and any available reservoir data, the estimated reserves can be calculated.