East Hobbs San Andres Unit CO_2 Project Economics with Trucked Water

Economic Assumptions		
WI Capital=	82.24%	& CO2
WI LOE=	61.68%	
NRI=	50.70%	
Oil Price=	$ 70.00	WTI
Oil Price Deduct=	4.00%	%
Oil Sev. Tax=	7.0900%	
Ad Val. Tax=	3.2123%	of rev.
CO2 Lateral Pipeline=	$ 2,984,220	8/8ths
Tank Battery=	$ 3,040,250	8/8ths
Recy/Wtr Inj Facility=	$16,164,289	8/8ths
Field Inj & Gathering=	$ 6,051,536	8/8ths includes truck load and unload capital
Well Work=	$12,970,001	8/8ths
Total Capital=	$41,210,296	8/8ths

Project Summary		
8/8 Oil Recovered=	4.642	MMBO
8/8 CO2 Injected=	84.673	BCF
8/8 CO2 Purchased=	28.506	BCF
Oil Recovery=	12.6%	Pattern OOIP
Net CO2 Util=	6.1	MCF/BO
Gross CO2 Util=	18.2	MCF/BO
PV10=	6.008	$MM
IRR=	13%	
Simple Payout=	7.8	Years

Incremental Performance over Existing

Date	Gross Oil Prd Rate BOPD	Net Revenue M$	WI Total OpEx M$	WI Total Capital M$	Net Cash Flow M$	Cum Cash Flow M$	10% Disc Cash Flow M$	Cum Disc Cash Flow M$
Cum	4,641,670	163,920	80,047	33,891	49,982		6,008	
2015	0	0	324	492	-815	-815	-802	-802
2016	0	0	4,559	173	-4,732	-5,547	-4,329	-5,131
2017	0	0	5,199	18,043	-23,242	-28,789	-19,311	-24,442
2018	251	3,144	8,256	9,044	-14,156	-42,945	-10,837	-35,278
2019	1,146	14,280	12,984	6,139	-4,844	-47,789	-3,533	-38,812
2020	1,853	23,108	9,818	0	13,290	-34,499	8,313	-30,499
2021	1,814	22,559	7,631	0	14,928	-19,572	8,538	-21,961
2022	1,632	20,285	7,187	0	13,098	-6,473	6,802	-15,159
2023	1,434	17,827	5,478	0	12,349	5,876	5,833	-9,326
2024	1,223	15,251	3,935	0	11,316	17,192	4,866	-4,459
2025	1,013	12,597	3,704	0	8,893	26,085	3,477	-982
2026	805	10,001	3,496	0	6,504	32,590	2,314	1,332
2027	583	7,251	4,179	0	3,071	35,661	996	2,328
2028	398	5,290	1,632	0	3,658	39,319	1,073	3,401
2029	251	4,883	656	0	4,227	43,546	1,125	4,527
2030	170	4,074	412	0	3,662	47,208	891	5,417
2031	78	1,960	292	0	1,668	48,876	370	5,787
2032	44	1,214	248	0	966	49,842	195	5,982
2033	10	197	57	0	140	49,982	26	6,008

Cost Estimate to Truck Water From Resolute's Knowles South Field for 2 Yrs

One way distance	13.75	miles	
Travel, load and unload time	8	hours	
Loads per day per truck	4	loads/day/truck	
Trips per day	9	trips per day	
Truck load volume	120	barrels	
Truck Fleet	18		
Makeup water volume	8,600	barrels per day	
One way Truck trips per day	167		
Miles traveled per day	2,299	miles	
Miles traveled over 2 year project	1,678,493	miles	
Fuel usage	6	miles per gal	
Fuel over 2 year project	279,749	gallons	
Trucking rate	80	$/hour	
Trucking cost over 2 year project	8,370,667	$	
Lease road maintenance & upgrade at source	500,000	$	
Frac tank rental at source (5,000 bbl)	182,500	$	
Truck loader 4 ports	30,000	$	
Road maintenance & upgrade at delivery point	500,000	$	
Frac tank rental at delivery point (5,000 bbl)	182,500	$	
Truck unloader 4 ports	30,000	$	
Water cost from operator	0.30	$/bbl	
Water cost over project life	1,883,400	$	
Chemical	0.10	$/bbl	
Chemical Cost over project life	627,800	$	
Supervision Cost Over Project Life	168,000	$	
Total Cost	12,474,867	$	
Tax 6.813%	849,913	$	
Grand Total	13,324,779	$ OR	2.12 $/bbl
Grand Total if shutdown 6 mos into injection	3,646,293	$ OR	2.32 $/bbl
Capital & Opex Exp for Economic Model	598,153	$ AND	2.03 $/bbl

BEFORE THE OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Exhibit No. 5
Submitted by: Linn Operating
Hearing Date: 7/16/2015