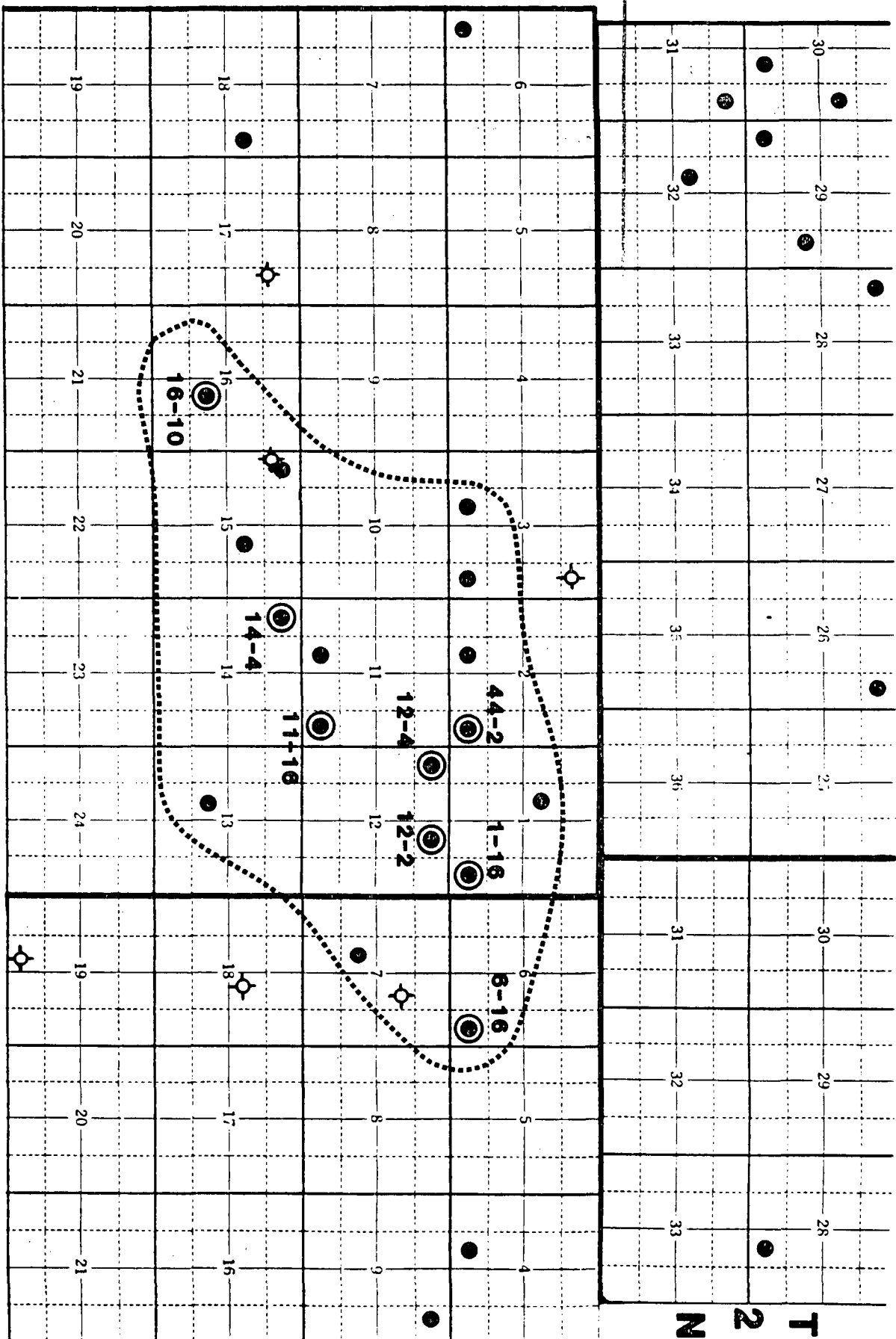


R 3 W

R 2 W

T
21
N



Rio Puerco Pool Area

Sandoval County, New Mexico

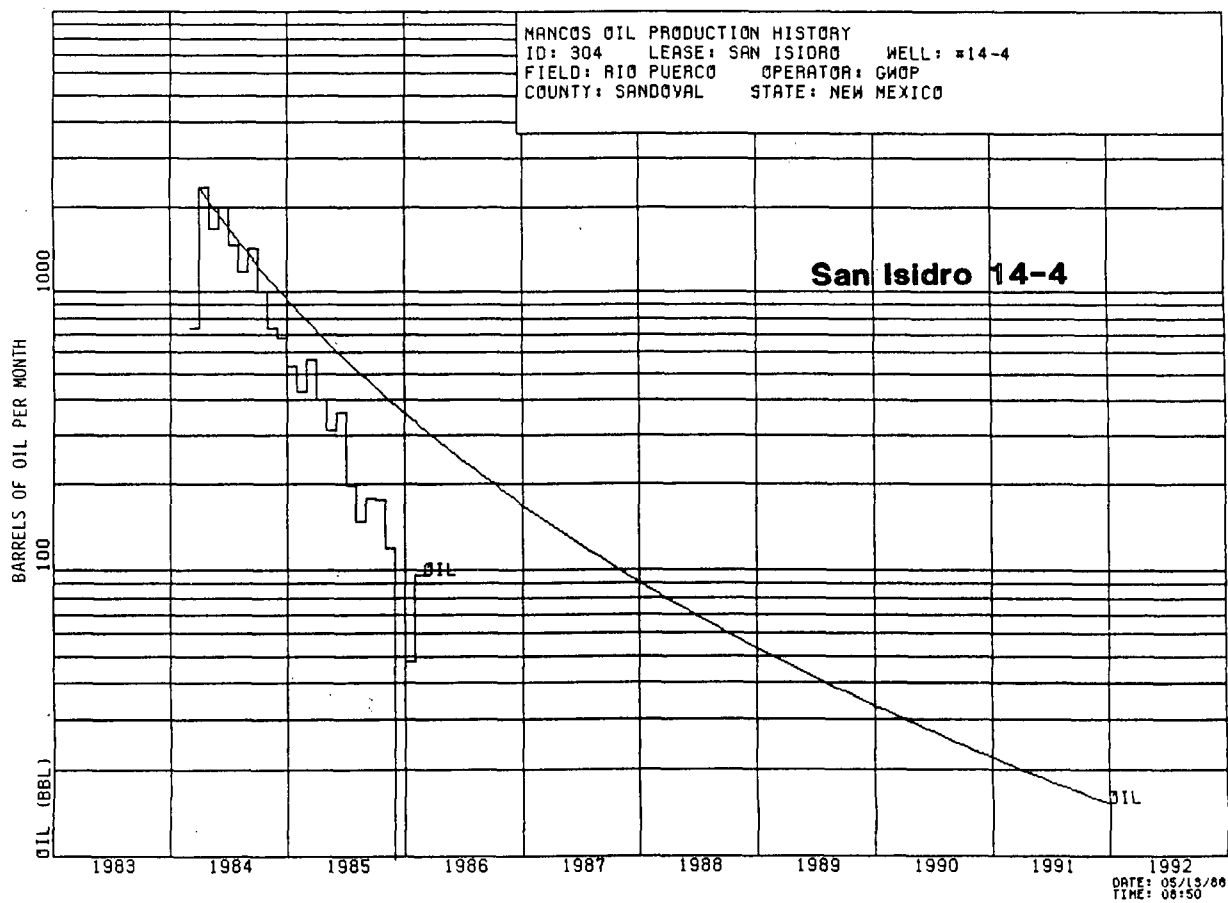
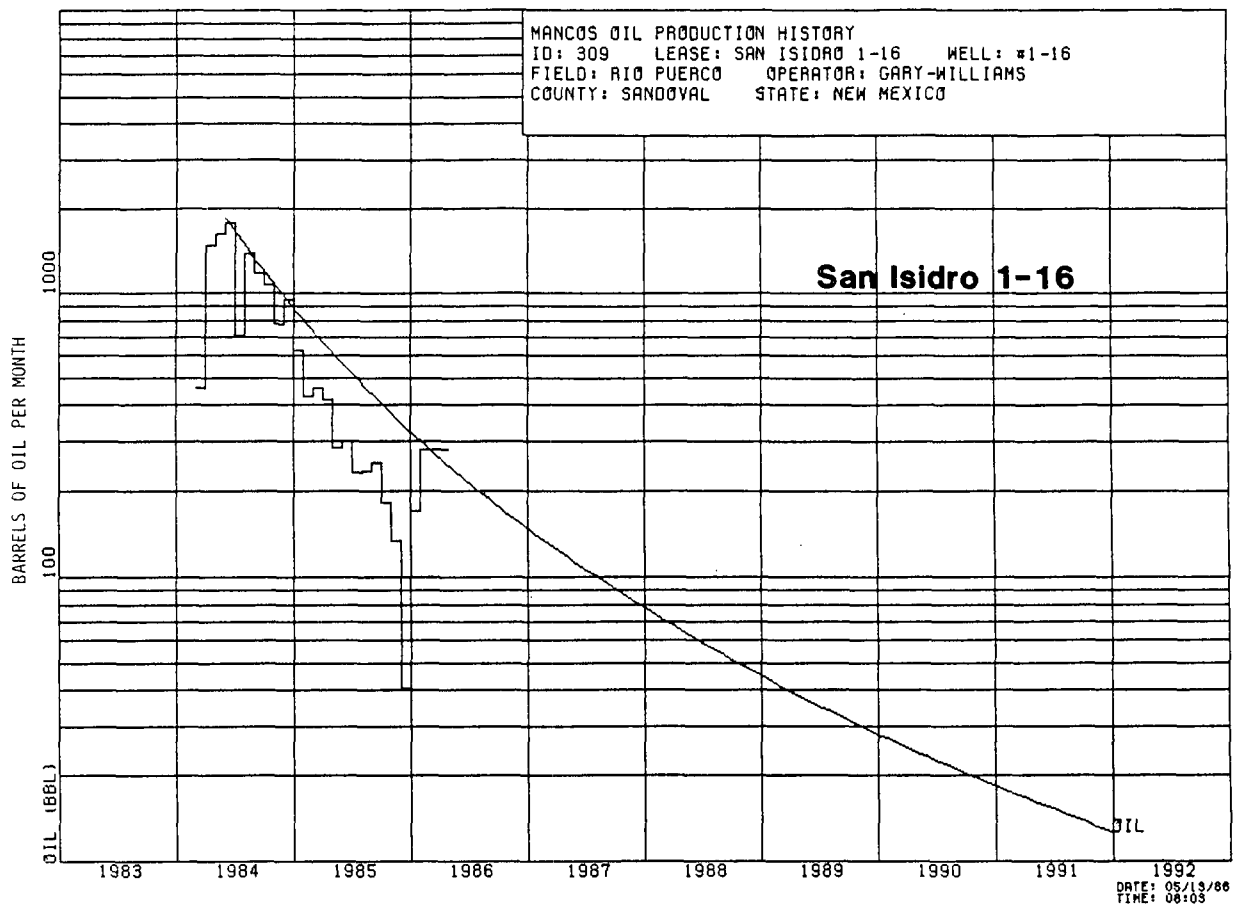
17 Well Area for Economics

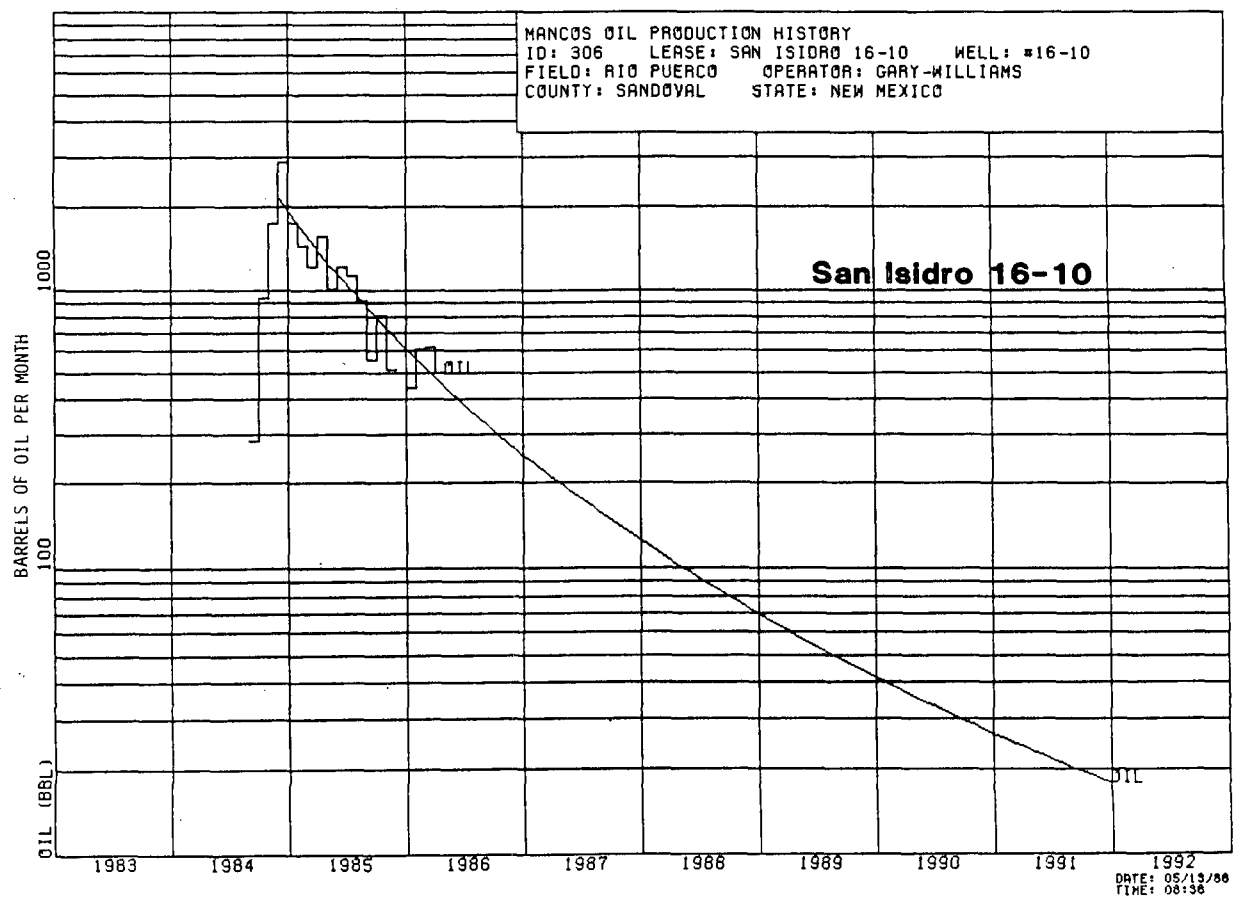
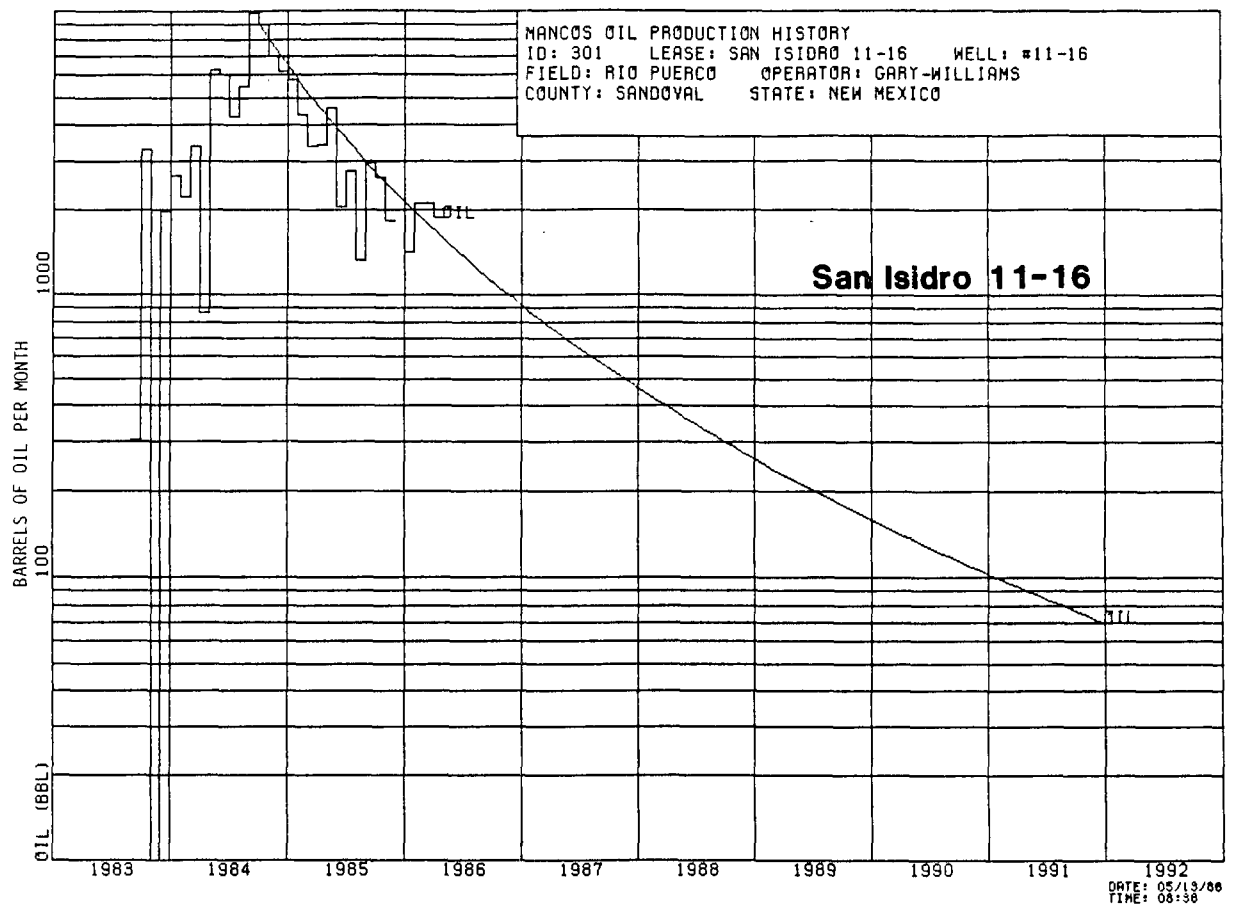
RIO PUERCO MANCOS POOL AREA

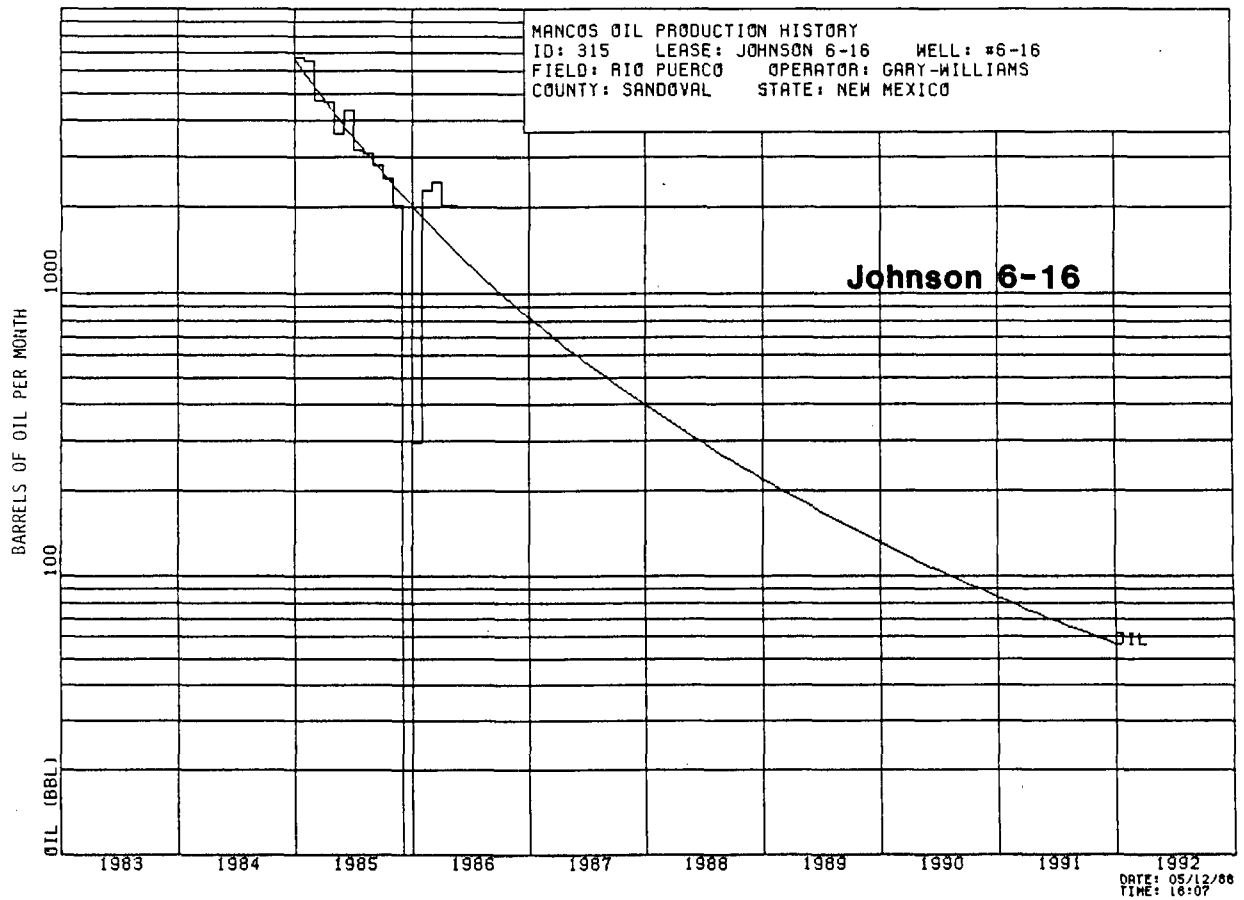
17 Well Area - Economics

	Estimated through 12-31-85	Estimated Ultimate
GROSS OIL PRODUCTION	336,000	520,000
NET OIL @ 80% NRI	292,960	416,000
SALES REVENUES @ \$25/bbl	\$ 7,324,000	\$10,400,000
Prod.Taxes (8.5%)	\$ 622,540	\$ 884,000
WPT (Tier 3)	\$ 50,000	\$ 75,000
LOE (\$2000/mo/well)	\$ 562,000	\$ 1,224,000
Total Expenses	\$ 1,234,540	\$ 2,183,000
OPERATING INCOME	\$ 6,089,460	\$ 8,217,000
INVESTMENT		
17 Wells x \$450,000 ea	\$ 7,650,000	\$ 7,650,000
CASH FLOW - PROFIT(LOSS)	(\$ 1,560,540)	\$ 567,000
		(less than 10% ROR)

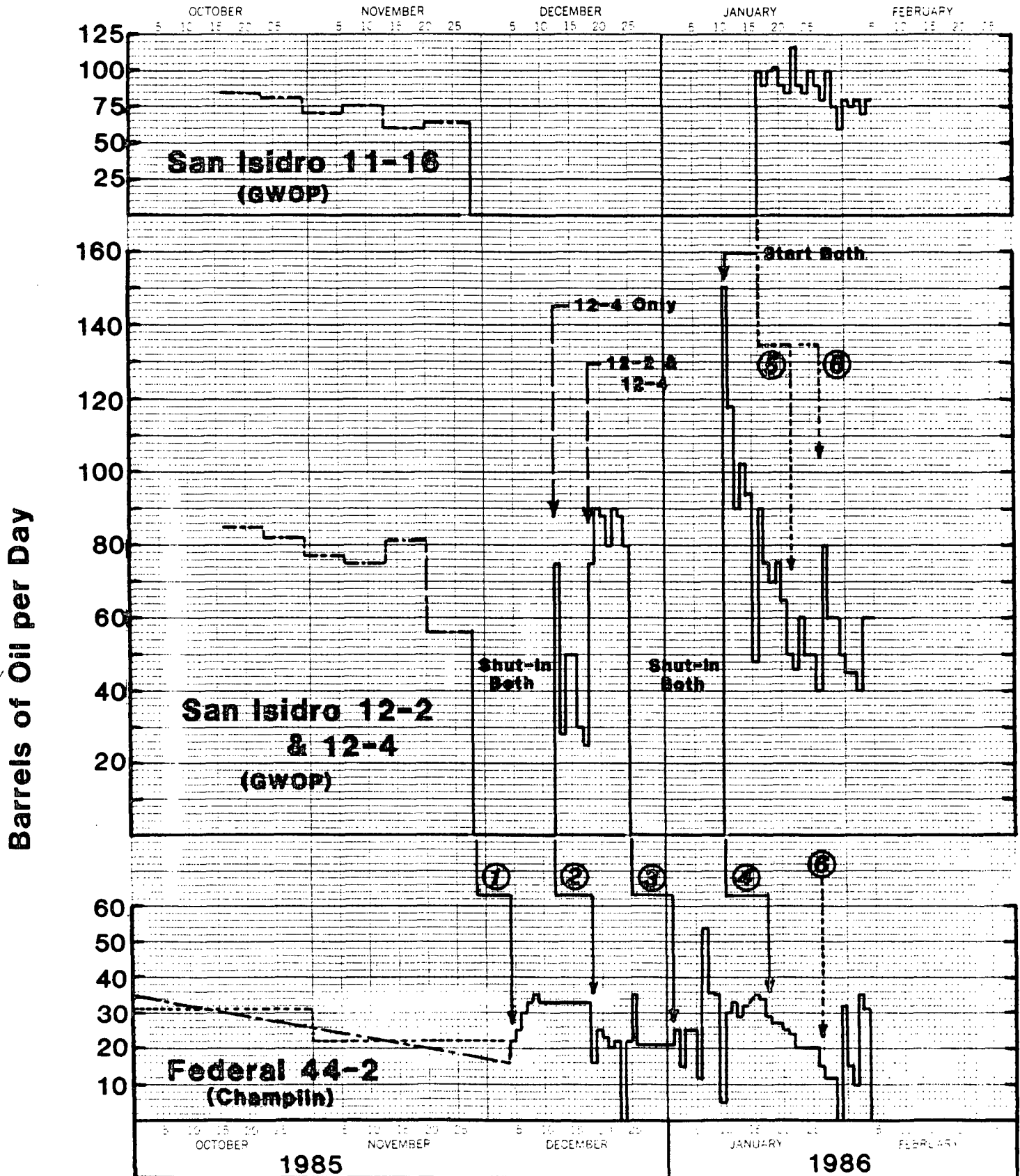
12-May-86







Rio Puerco Pool Area



PRODUCTION INTERFERENCE EFFECTS