

Blankenship #2 Injection Project

House Field, Lea County, New Mexico

INITIAL CAPITAL INVESTMENT Gross= **\$184,250**

INCREMENTAL RESERVES Gross= **69 mbo**

INCREMENTAL ECONOMIC SUMMARY

	Future Net Revenue (M\$)	AFIT Present Value Disc @ 10% (M\$)	Finding Cost (\$/BOE)	IRR (%)
Working Owners (100% WI, 77.0% RI)	2,239	711	2.51	52.7
Mineral Owners	669	212	na	na
State of New Mexico	179	57	na	na

Note: Economics do not have BLM royalty reduction and the State's EOR tax rate taken into account.

Oil Conservation Division

Case No. 9

Exhibit No. 9