

# **EXHIBIT 7**

## COLLEGE OF THE SW 1-17

Spud: September 28, 1999, 9:00 AM  
Rig Release: October 16, 1999, 12:00 PM

### FORMATIONS/FOOTAGES

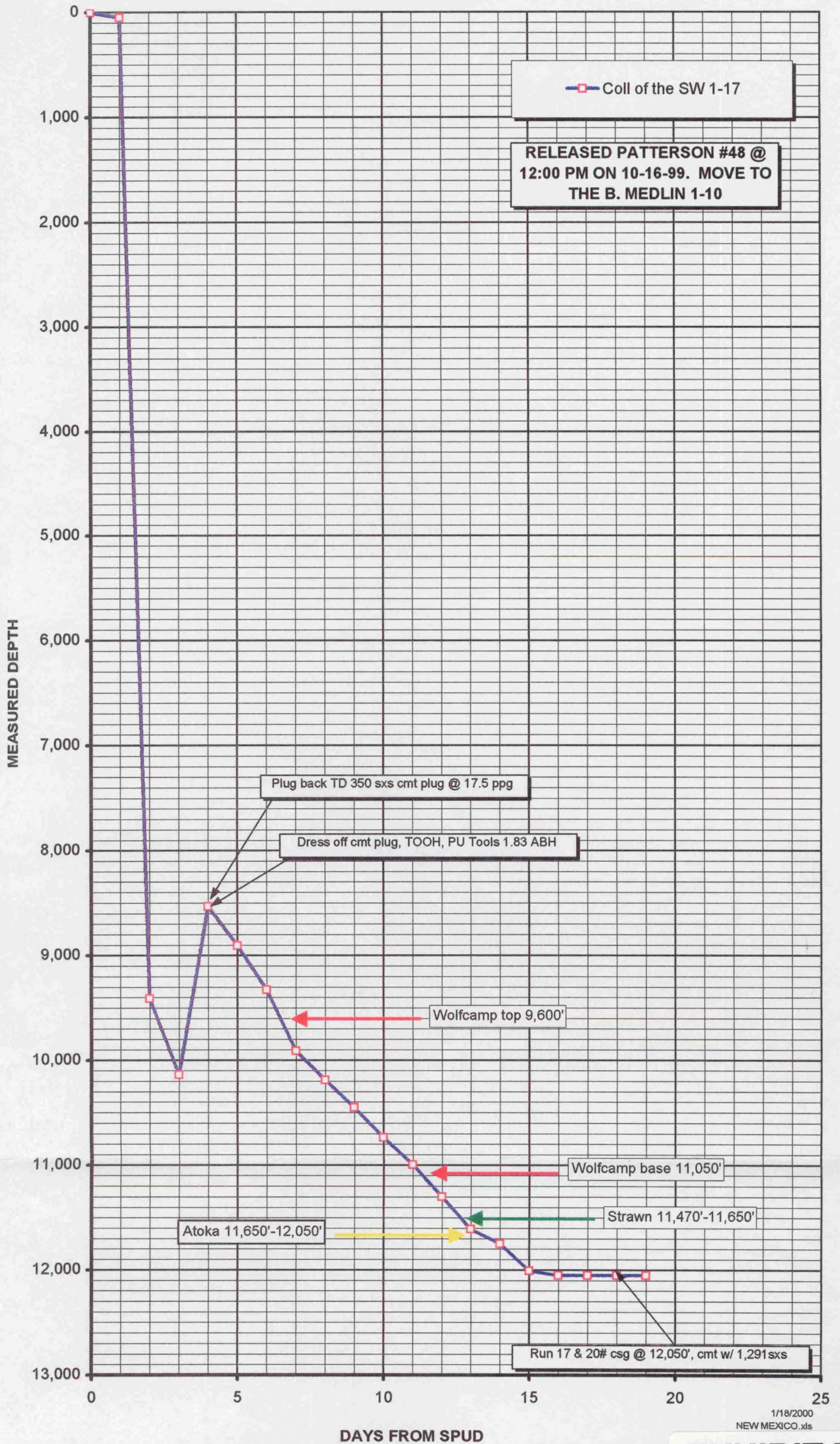
Wolfcamp Formation	9,600' - 11,050'
Strawn Formation	11,470' - 11,650'
Atoka Formation	11,650' - 12,050'

### UNITS:

Wolfcamp Formation	160 acre unit, SW/4 Section 17-16S-36E North Shoebar Wolfcamp Pool
Strawn Formation	80 acre unit S/2 SW/4 Section 17-16S-36E Northeast Shoebar Strawn Pool
Atoka Formation	320 acre unit S/2 Section 17-16S-36E West Lovington Penn Pool

# College of the SW 1-17

DEPTH VS DAYS



1/18/2000  
NEW MEXICO.xls

**EXHIBIT 7**

ALTURA ENERGY, INC.  
Allocation of Well Costs - COPAS

A. Intangibles

(1) Using Drilling Day Ratio allocation:  
total days – 19

12 day to drill to base of Wolfcamp:  $12/19 = 63.16\%$

3 days to drill to base of Strawn  $3/19 = 15.79\%$

4 days to TD (base of Atoka)  $4/19 = 21.05\%$

(2) allocation to owners of each zone

(a) Wolfcamp WI:	$1/3^{\text{rd}}$ of 63.16%	21.05%
(b) Strawn WI:	$1/3^{\text{rd}}$ of 63.16%	
	plus $1/2$ of 15.79%	28.945%
(c) Atoka WI:	$1/3^{\text{rd}}$ of 63.16%	
	plus $1/2$ of 15.79%	
	plus 100% of 21.05%	49.995%

(3) allocation to Altura

(a) 13.333% of Wolfcamp	2.806%
(b) 20.0% of Atoka	9.99%

TOTAL 12.796%

B. Tangibles:

(1) Using footage Ratio allocation:  
total footate = 12,050'

11,050 feet to base of Wolfcamp  $11,050/12,050 = 91.7\%$

600' to base of Strawn  $600/12,050 = 4.97\%$

400' to TD (base of Atoka)  $400/12,050 = 3.32\%$

(2) allocation to owners of each zone:

(a) Wolfcamp WI:	$1/3^{\text{rd}}$ of 91.7%	30.566%
(b) Strawn WI:	$1/3^{\text{rd}}$ of 91.7%	
	plus $1/2$ of 4.97%	33.051%
(c) Atoka WI:	$1/3^{\text{rd}}$ of 91.7%	
	plus $1/2$ of 4.97%	
	plus 100% of 3.32%	36.37%

(3) allocation to Altura:

(a) 13.333% of Wolfcamp	4.075%
(b) 20% of Atoka	7.274%

TOTAL 11.349%

SOUTHEAST ROYALTIES, INC.  
Allocation of Well Costs - COPAS

A. Intangibles

(1) Using Drilling Day Ratio allocation:  
total days – 19

12 day to drill to base of Wolfcamp:  $12/19 = 63.16\%$

3 days to drill to base of Strawn  $3/19 = 15.79\%$

4 days to TD (base of Atoka)  $4/19 = 21.05\%$

(2) allocation to owners of each zone

(a) Wolfcamp WI:	$1/3^{\text{rd}}$ of 63.16%	21.05%
(b) Strawn WI:	$1/3^{\text{rd}}$ of 63.16%	
	plus $\frac{1}{2}$ of 15.79%	28.945%
(c) Atoka WI:	$1/3^{\text{rd}}$ of 63.16%	
	plus $\frac{1}{2}$ of 15.79%	
	plus 100% of 21.05%	49.995%

(3) allocation to Southeast

(a) 1.666667% of Atoka	0.83325%
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B. Tangibles:

(1) Using footage Ratio allocation:  
total footate = 12,050'

11,050 feet to base of Wolfcamp  $11,050/12,050 = 91.7\%$

600' to base of Strawn  $600/12,050 = 4.97\%$

400' to TD (base of Atoka)  $400/12,050 = 3.32\%$

(2) allocation to owners of each zone:

(a) Wolfcamp WI:	$1/3^{\text{rd}}$ of 91.7%	30.566%
(b) Strawn WI:	$1/3^{\text{rd}}$ of 91.7%	
	plus $\frac{1}{2}$ of 4.97%	33.051%
(c) Atoka WI:	$1/3^{\text{rd}}$ of 91.7%	
	plus $\frac{1}{2}$ of 4.97%	
	plus 100% of 3.32%	36.37%

(3) allocation to Southeast:

(a) 1.666667% of Atoka	0.606167%
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TOTAL	1.439417%
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