# **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** 0 Coll of the SW 1-17 1,000 -**RELEASED PATTERSON #48 @** 12:00 PM ON 10-16-99. MOVE TO THE B. MEDLIN 1-10 2,000 -3,000 -4,000 5,000 -MEASURED DEPTH 6,000 -7,000 -Plug back TD 350 sxs cmt plug @ 17.5 ppg Dress off cmt plug, TOOH, PU Tools 1.83 ABH 8,000 -9,000 -Wolfcamp top 9,600' 10,000 -11,000 -Wolfcamp base 11,050' Strawn 11,470'-11,650' Atoka 11,650'-12,050' 12,000 -Run 17 & 20# csg @ 12,050', cmt w/ 1,291sxs 13,000 0 5 10 20 15 1/18/2000 NEW MEXICO.xls DAYS FROM SPUD **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<sup>rd</sup> of 63.16% 21.05%

(b) Strawn WI: 1/3<sup>rd</sup> of 63.16%

plus ½ of 15.79% 28.945%

(c) Atoka WI: 1/3<sup>rd</sup> 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<sup>rd</sup> of 91.7% 30.566%

(b) Strawn WI: 1/3<sup>rd</sup> of 91.7%

plus ½ of 4.97% 33.051%

(c) Atoka WI: 1/3<sup>rd</sup> of 91.7% plus ½ 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<sup>rd</sup> of 63.16% 21.05%

(b) Strawn WI: 1/3<sup>rd</sup> of 63.16%

plus ½ of 15.79% 28.945%

(c) Atoka WI: 1/3<sup>rd</sup> of 63.16%

plus 1/2 of 15.79%

plus 100% of 21.05% 49.995%

(3) allocation to Southeast

(a) 1.666667% of Atoka 0.83325%

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<sup>rd</sup> of 91.7% 30.566%

(b) Strawn WI: 1/3<sup>rd</sup> of 91.7%

plus ½ of 4.97% 33.051%

(c) Atoka WI: 1/3<sup>rd</sup> of 91.7%

plus 1/2 of 4.97%

plus 100% of 3.32% 36.37%

(3) allocation to Southeast:

(a) 1.666667% of Atoka 0.606167%

TOTAL 1.439417%