SINCLAIR OIL & GAS COMPANY

P. O. Box 1470
Midland, Texas
May 10, 1957

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Sinclair EXHIBIT No. 5
CASE 1252

PROPOSED SEAMAN (WOLFCAMP) POOL
Oil Reserves & Economics
LOWER WOLFCAMP ZONE

I. Factors Used in Computing Lower Wolfcamp Reserves:
   A. Porosity of 8.77% (weighted average from 5 radioactive logs and 1 limestone lateral on 6 wells)
   B. Effective pay thickness of 31.5 feet (from microlog analysis on 6 wells)
   C. Formation volume factor of 1.733 bbls of reservoir oil per bbl of stock tank oil (B H sample on Sinclair's Seaman Unit Well No. 3)
   D. Connate water saturation of 20%
   E. Oil recovery of 20%

II. Lower Wolfcamp Oil in Place Equals 9894 ST Bbls Per Acre.

III. Lower Wolfcamp Stock Tank Oil Reserves:
   A. Gross bbls per acre equals 1,979
   B. Gross bbls for 40 acres equals 79,160
   C. Gross bbls for 80 acres equals 158,320

IV. Price Stock Tank Oil Equals $3.15/Bbl.

V. Economics of Lower Wolfcamp Well:

| | 40 Acre | 80 Acre |
|---|---|---|
| A. Gross value of recoverable ST oil | $ 249,354. | $ 498,708. |
| B. Charges against well: | | |
| Royalty (1/8) | $ 31,169. | $ 62,339. |
| Direct tax (6%) | 14,961. | 29,922. |
| Operating expense | 26,800. | 28,000. |
| Cost of well | 226,000. | 226,000. |
| Total Charges | $ 298,930. | $ 346,261. |
| C. Net profit/loss to Operator | (Loss) $ 49,576. | $ 152,447. (Profit) |

Sinclair
no 5

For a minimum of
8 to 10 years.