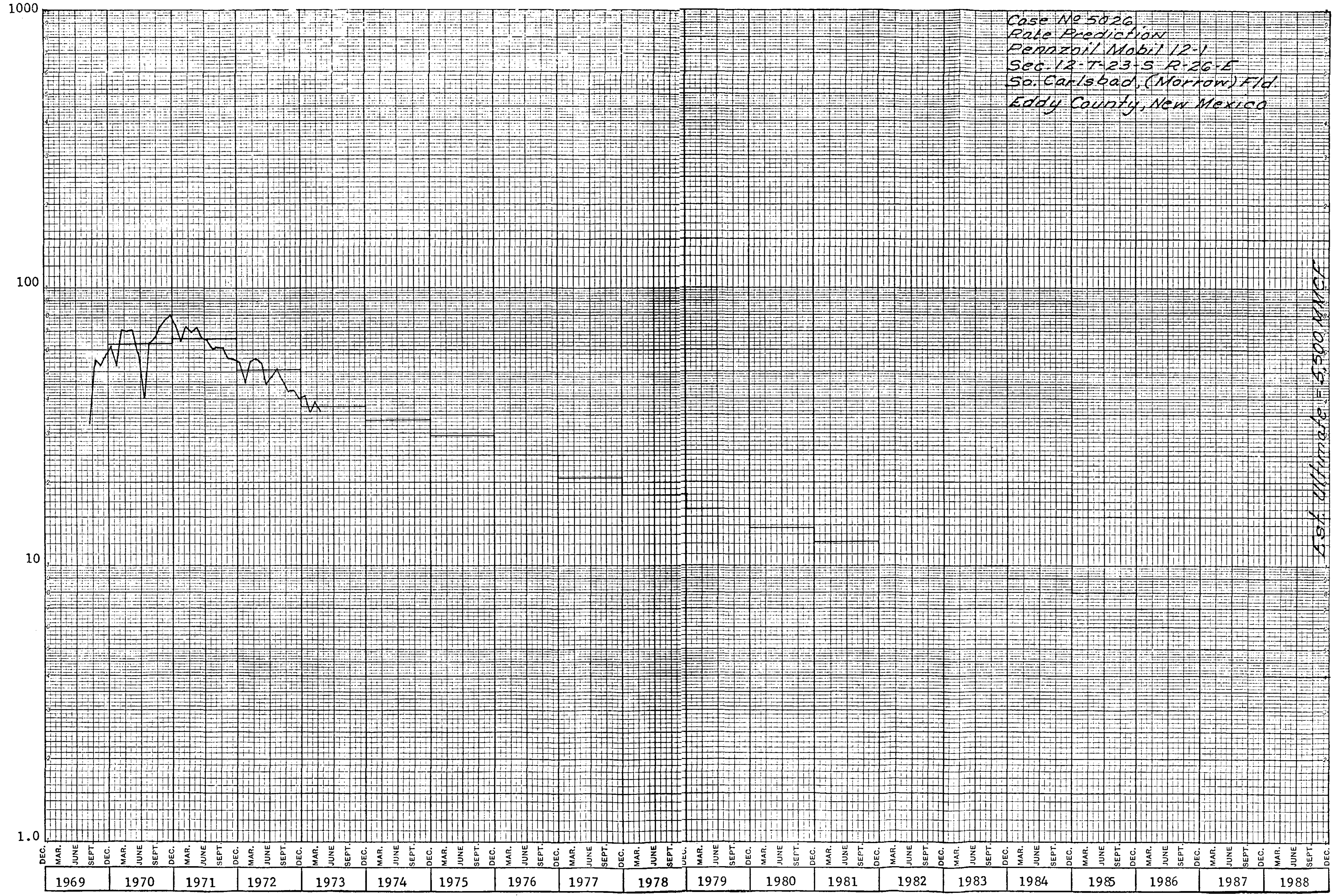
Case No 5026
Rate Prediction
Pennzoil Mobil 12-1
Sec. 12-T-23-S R-26-E
So. Carlsbad, (Morrow) Fld.
Eddy County, New Mexico
Est. Ultimate = 5,500 MMCF
PRODUCTION, MMCF/MONTH
1000
100
10
1.0
DEC. MAR. JUNE SEPT.
1969 1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987 1988

ECONOMIC ANALYSIS

PENNZOIL WORKING INTEREST IN
SUPERIOR STEPHENS NO. 1 WELL
1980' FNL AND 1980' FWL, SEC. 7, T-23-S, R-27-E
SOUTH CARLSBAD (MORROW) FIELD
EDDY COUNTY, NEW MEXICO

YEAR	8/8 PROD. MMCF	PENNZOIL NET PROD. AFTER ROYALTY MMCF	PENNZOIL GROSS INCOME AFTER ROYALTY $	PENNZOIL SHARE OPR. COSTS, PROD. TAXES, AD VALOREM $	PENNZOIL SHARE TANGIBLE COSTS $	PENNZOIL SHARE INTANGIBLE DRLG. COSTS $	PENNZOIL NET INCOME BEFORE FIT TAXES $	DEPRECIATION $	DEPLETION $	FEDERAL INCOME TAXES $	CASH FLOW AFTER FIT TAXES $	CASH FLOW DISC. AT 5%	CASH FLOW DISC. AT 10%	CASH FLOW DISC. AT 15%	CASH FLOW DISC. AT 20%
1973	201	18.680	3,300	802	11,300	28,000	(36,802)	410	--	--	(36,802)	(36,802)	(36,802)	(36,802)	(36,802)
1974	756	70.259	13,000	1,447			11,553	1,550	--	--	11,553	11,250	11,000	10,750	10,500
1975	792	73.605	13,600	1,516			12,084	1,620	--	--	12,084	11,200	10.400	9,700	9.060
1976	613	56.969	10,500	1,336			9,164	1,250	--	--	9,164	8,100	7,180	6,380	5,670
1977	450	41.821	7,730	1,182			6,548	900	1,700	--	6,548	5,500	4,650	3,940	3,360
1978	402	37.360	7,280	1,187			6,093	825	1,600	243	5,850	4,680	3,770	3,040	2,480
1979	354	32.899	6,420	1,155			5,265	725	1,365	1,588	3,677	2,800	2,145	1,660	1,290
1980	300	27.880	5,430	1,110			4,320	615	1,192	1,257	3,063	2,220	1,620	1,200	888
1981	258	23.977	4,670	1,099			3,571	530	1,030	1,006	2,565	1,770	1,230	848	615
1982	216	20.074	4,120	1,062			3,058	440	908	805	2,253	1,475	980	657	445
1983	192	17.843	3,660	1,053			2,607	395	805	704	1,903	1,190	753	482	312
1984	168	15.613	3,200	1,047			2,153	345	705	552	1,601	952	574	350	178
1985	150	13.940	2,860	1,025			1,835	310	630	448	1,387	783	450	262	128
1986	132	12.267	2,640	1,010			1,630	270	580	390	1,240	670	365	203	95
1987	120	11.152	2,400	994			1,406	245	528	317	1,089	560	290	154	68
1988	108	10.037	2,160	998			1,162	225	475	231	931	455	226	114	49
1989	96	8.922	1,920	982			938	195	422	161	777	361	171	83	33
1990	84	7.806	1,680	966			714	170	357	95	619	273	123	57	28
1991	60	5.576	1,200	935			265	150	132	0	265	112	48	21	8
1992	48	4.460	960	929			31	130	15	0	31	12	5	2	1
TOTAL...	5,500	512.140	98,730	21,835	11,300	28,000	37,595	11,300	12,444	7,797	29,798	17,561	9,178	3,101	(1,594)

NOTE: The above Economic Analysis is based on and referred to as Pennzoil Working and Net Interest as if they participated in the Stephens No. 1 Well. The Pennzoil Interest is the same as the Non-Consent Interest referred to in Case No. 5026.

.1115
1022
~~2230~~
2230
1115
1139530

2478
111500
1239000
2478
2478
2478
276297000