

## Nearburg Producing Company – Big Walt 2 #2

### Morrow and Cisco/Canyon Economics

#### Cisco/Canyon Test

Assumptions: Initial Potential = 250 BOPD  
Decline Rate = 30% / Year  
Reserves = 225,000 BO  
GOR = 2400 SCF/Bbl  
WOR = 5 BW/BO  
Operating Costs = \$10,000/Month esc 5% per year (Not including SWD)  
SWD Cost = \$.40/Bbl  
Investment = \$427,908 BCP  
\$376,945 ACP  
Oil Price = \$17.00/Bbl escalated 5% per year  
Gas Price = \$1.75/MCF escalated 5% per year

Results: Internal ROR = 100+  
BTAX PO = .80 Years  
ROI (Discounted) = 2.97 : 1.0  
Economic Life = 6.25 Years  
DPW10 = \$1,583,901

#### Morrow Test

(Reserves based on average for area)

Assumptions: Initial Potential = 1200 MCFD  
Decline Rate = 96% / Year  
Reserves = 130,700 MCF  
Yield = .004 Bbl/MCF  
Operating Costs = \$3,500/Month  
Investment = \$566,563 BCP  
\$306,230 ACP  
Oil Price = \$17.00/Bbl escalated 5% per year  
Gas Price = \$1.75/MCF escalated 5% per year

Results: Internal ROR = 0  
BTAX PO = NA  
ROI (Discounted) = 0.14 : 1.0  
Economic Life = 1.25 Years  
DPW10 = (\$749,117)

NEW MEXICO  
OIL CONSERVATION DIVISION

EXHIBIT 15

CASE NO. 10788

## Nearburg Producing Company – Big Walt 2 #2

### Morrow and Cisco/Canyon Economics

#### Morrow Incremental

(Reserves based on average for area)

Assumptions: Initial Potential = 1200 MCFD  
Decline Rate = 96% / Year  
Reserves = 130,700 MCF  
Yield = .004 Bbl/MCF  
Operating Costs = \$3,500/Month  
Investment = \$146,190 BCP  
\$134,860 ACP  
Oil Price = \$17.00/Bbl escalated 5% per year  
Gas Price = \$1.75/MCF escalated 5% per year

Results: Internal ROR = 0  
BTAX PO = NA  
ROI (Discounted) = 0.44 : 1.0  
Economic Life = 1.25 Years  
DPW10 = (\$157,374)

#### Morrow Test

(Reserves based on the Chama Federal #1)

Assumptions: Initial Potential = 1200 MCFD  
Decline Rate = 62% / Year  
Reserves = 430,000 MCF  
Yield = .004 Bbl/MCF  
Operating Costs = \$3,500/Month  
Investment = \$566,563 BCP  
\$306,230 ACP  
Oil Price = \$17.00/Bbl escalated 5% per year  
Gas Price = \$1.75/MCF escalated 5% per year

Results: Internal ROR = 0  
BTAX PO = NA  
ROI (Discounted) = 0.51 : 1.0  
Economic Life = 3.25 Years  
DPW10 = (\$425,637)