

COMPARISON OF
RESERVES AND ECONOMICS
Hanley 8 Federal No. 1
(Wolfcamp)

LOCATION	NW/4 NW/4, Sec. 8	SW/4 NW/4, Sec. 8
ULTIMATE RECOVERY (Gross Barrels)	260,000	130,000
HPI - NET INVESTMENT	\$333,500	\$333,500
PAYOUT - Months	4	8
Barrels	±46,000	±44,000
HPI-CUM PRETAX CASH FLOW (Net of Investment)	\$1,576,360	\$598,804
HPI-NET PRESENT VALUE (Discounted 10%)	\$1,235,230	\$457,750
ROYALTY INTEREST: CUM PRETAX CASH FLOW	\$514,913	\$222,092
NET PRESENT VALUE	\$432,162	\$185,508

RISK ANALYSIS

<u>RESERVES</u>	<u># WELLS</u>	<u>% TOTAL</u>
0 - 45 MBO	13	40.5
45 - 90 MBO	7	22.0
90 - 250 MBO	<u>12</u>	<u>37.5</u>
	32	100.0

WRH
2-21-91

SPEECH EXAMINER MORROW

WILDLIFE CONSERVATION DIVISION