EVALUATION OF

WATERFLOOD REDEVELOPMENT PROJECT

SKELLY-PENROSE "B" UNIT

LEA COUNTY, NEW MEXICO

BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

OXY EXHIBIT NO. 5

CASE NO. 10771

T. SCOTT HICKMAN & ASSOCIATES, INC.
PETROLEUM CONSULTANTS

September 28, 1987

Sirgo-Collier, Inc.
P. O. Box 3531
Midland, TX 79702

Attention: Mr. Manny Sirgo

Home Savings Association
P. O. Box 11023
Midland, TX 79712

Attention: Mr. Mike Irons

Casa Energy
P. O. Box 11023
Midland, TX 79712

Attention: Mr. Alan Byars

Gentlemen:

Re: Waterflood Redevelopment Project
Skelly-Penrose "B" Unit
Lea County, New Mexico

In accordance with Messrs. Sirgo's, Byars' and Irons' request, we have evaluated the Proved crude oil and gas reserves as of September 15, 1987 attributed to additional development and re-establishing injection in the Skelly-Penrose "B" Unit, Lea County, New Mexico. The results of this study are discussed in the attached report as outlined in the Table of Contents. A summary of our evaluation to 100% working interest (75% net revenue interest) is as follows:

	Net Reserves		Future Net Revenue	
	Liquid (MBBL)	Gas (MMCF)	Undis-counted (M$)	Discounted @ 10% (M$)
Effective Date:	- - - - - September 15, 1987 - - - - -			
PDP Reserves	143	43	1,461	1,030
PUD Reserves:				
Phase I	564	169	9,129	4,524
Phase II	456	137	6,058	2,758
Phase III	259	78	3,415	1,553
Total PUD	1,279	384	18,602	8,835
Total Proved	1,422	427	20,063	9,865

Net oil and gas reserves are estimated quantities of crude oil, natural gas and natural gas liquid attributed to the composite revenue interests being evaluated after deduction of royalty and/or overriding royalty interests. The Society of Petroleum Evaluation Engineers' reserve definitions, as modified by use of assumed rather than existing economic conditions, were used to classify the reserves. Future net revenue was adjusted for capital expenditures, operating costs, interest reversions, ad valorem taxes and wellhead taxes (severance and windfall profit), but no consideration was given to Federal income taxes or any encumbrances that might exist against the evaluated interests.

Reserves were determined using industry-accepted methods including extrapolation of established performance trends, volumetric calculations, reservoir simulator solutions and analogy to similar producing projects. Where applicable, the evaluator's own experience was used to check the reasonableness of the results.

No attempt was made to quantify any reserves in the "Non-Proved" category. Additional reserve potential may exist in other portions of the unit. However, insufficient geological and/or engineering data exists at this time with which to make a determination sufficient for reserve assignment.

In the preparation of this report, we have reviewed for reasonableness, but accepted without independent verification information furnished by Sirgo-Collier, Inc. with respect to interest factors, current prices, operating costs, gas contracts, current production and various other data. The price and expense escalation scheme and prime discount rate are in accord with current industry expectations, but represent speculation that is subject to changes in economic conditions. The use of predicted rather than existing economic parameters affects both the cash flow projections by the difference in prices and expenses and also the reserve volumes by changing the economic limit at which production is terminated. The assumed pricing also has a major effect on the economic viability of non-developed potential and hence the volume of reserves that can be assigned to the non-producing categories.

No consideration was given to the existing debt burden, which would decrease the value of the producing interests. We are qualified to perform engineering evaluations and do not claim any expertise in accounting or legal matters. As is customary in the profession, no field inspection was made of the properties nor have we verified that all operations are in compliance with any states and/or Federal regulations that apply to them.

Initial oil prices were based on posted prices as of August 28, 1987 after adjusting for gravity and transportation. Oil pricing was held constant to December 31, 1987 then increased $1/BBL in 1988. Starting

January 1, 1990, the pricing was escalated at 5% per annum to a maximum of $35/BBL. The windfall profit tax was not applicable.

Starting gas prices were based on prevailing area prices as of June 1, 1987 and held constant to January 1, 1989. Starting January 1, 1989, the price was escalated at a rate to reach 65% parity with oil by January 1, 2001.

Lease operating expenses were estimated by Sirgo-Collier, Inc. based on anticipated operating conditions for each project phase. Expenses were held constant to January 1, 1989 then escalated at 5% per annum until the primary product reached the maximum price. No equipment salvage value or abandonment costs were included for the properties. The costs for drilling, workovers and re-establishing injection were developed by Sirgo-Collier, Inc. We have reviewed their estimates for reasonableness.

This study was performed using industry-accepted principles of engineering and evaluation that are predicated on established scientific concepts. However, the application of such principles involves extensive judgment and assumptions and is subject to changes in performance data, existing technical knowledge, economic conditions and/or statutory provisions. Unless otherwise noted, we have based our reserve projections on current operating methods and well densities. Consequently, our reserve estimates are furnished with the understanding that some revisions will probably be required in the future, particularly on new wells with little production history and for reserve categories other than Proved Developed Producing. The restriction of production by mechanical, regulatory or market conditions also introduces uncertainty into reserve estimates and projections.

This report is solely for the information of and assistance to Sirgo-Collier, Inc., Casa Energy and Home Savings Association in negotiating loans or credit and is not to be used, circulated, quoted or otherwise referred to for any other purpose without the express written consent of the undersigned except as required by law. Persons other than those to whom this report is addressed shall not be entitled to rely upon the report unless it is accompanied by such consent. Data utilized in this report will be maintained in our files and are available for your use.

Yours very truly,

T. SCOTT HICKMAN & ASSOCIATES, INC.

C. Don Hunter, P. E.

par

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DISCUSSION

INTRODUCTION

The Skelly-Penrose "B" Unit is located in the Langlie Mattix Field of southeastern Lea County, New Mexico. The field produces from the Permian age Queen formation at a depth of approximately 3600'. The discovery well for the Unit area was the Skelly-Harrison "A" No. 1, which is now designated the Skelly-Penrose "B" Unit No. 34. Forty-acre development began in the 1930's with drilling continued through the 1950's. Early completion methods consisted of open hole completions stimulated by nitroglycerin. However, the majority of completions are cased holes stimulated by frac treatment.

At the time of unitization - July 1, 1965 - the Penrose "B" Unit was comprised of 63 wells encompassing 2612 acres. Waterflood operations were initiated during mid-1966 on 80-acre, 5-spot patterns. Ultimate primary oil recovery from the Unit has been 1775 MBBL. As of April 1, 1987, total oil production from the Unit was 3,310,156 barrels. Under the current mode of operation, ultimate secondary oil recovery is estimated at 1742 MBBL. The Unit is currently producing at 95 BOPD and 1099 BWPD from 29 active producers. Only 5 injectors are currently active. Approximately 191 MBBL of reserves remain under the current mode of operation. Unit performance is summarized by Table 2.

CONCLUSIONS

1. The Penrose sand formation of the Penrose "B" Unit appears to be geologically contiguous with that of adjoining properties.

2. Oil productive limits of this field are controlled primarily by stratigraphic influence.

3. Under current mode of operations, the Penrose "B" Unit is in the latter stages of depletion.

4. Ultimate primary oil production is estimated at 1775 MBBL.

5. Ultimate secondary oil recovery, under current mode of operation, is estimated at 1742 MBBL.

6. Oil recovery has varied greatly across the field due to variations in completion techniques, reservoir heterogeneity and water injection inefficiencies.

7. An estimated 1705 MBBL of Proved Undeveloped reserves are economically recoverable through infill drilling, rework and the re-establishment and expansion of water injection.

RECOMMENDATIONS

1. Proceed with 20-acre infill drilling, rework, re-establishment of water injection and initiation of 40-acre, 5-spot patterns in phases, as outlined in this report.

2. Development of each subsequent phase should be contingent upon the results of the preceding phase.

3. As sufficient well logs and core data become available, initiate a detail engineering study of the reservoir to maximize economic recovery.

GEOLOGY AND RESERVOIR PROPERTIES

The Skelly-Penrose "B" Unit produces from the Queen and Penrose formations of Permian age. The type log for the field is shown by Figure 1. Ten sand members have been identified and correlated across the field (Table 1). Average depth in the Langlie Mattix Field is approximately 3600'. The productive section consists of layered sand or sandy dolomite, interbedded with shale or non-porous dolomite. No quantitative well logs or cores were available with which to determine lithology. Determinations of depositional environment were beyond the scope of this study. The hydrocarbon accumulation was controlled primarily by stratigraphic factors. Porosity and permeability are apparently highly variable as demonstrated by individual well performance and simulation studies.

Structural position does not appear to be a major factor in defining the production characteristics of the reservoir with the exception of a suspected gas cap in the southern portion of the Unit (Figure 2). The Penrose "B" Unit appears geologically continuous with the Penrose "A" Unit, which adjoins the "B" Unit along the eastern boundary. A significant number of completions extend below -400' subsea with minimal water production reported during primary depletion.

No quantitative well logs or cores were available on the 63 wells in the Unit, although three wells were reported to have been cored. A modern log suite was available from the Penrose "A" Unit No. 66, which was used to approximate porosities and original water saturations for the Penrose sand in this area. This log analysis indicated that the "A" Unit Penrose sand formation was similar in stratigraphic and lithologic character to that of the West Dollarhide Queen Sand Unit (WDQSU). Based on a net pay porosity cutoff of 9% and neutron deflection versus porosity relationships derived from the WDQSU study, apparent net pay was derived from neutron log response. This preliminary estimate of net pay for the Penrose "B" Unit was mapped as shown on Figure 3.

REVIEW OF UNIT PERFORMANCE

The primary depletion mechanism is solution gas-drive with no apparent water influx. Ultimate primary recovery was determined by extrapolation of the individual well decline trends and is summarized

on Table 3 and Figure 4. This yields a total ultimate primary recovery from the Unit of 1775 MBBL.

The Unit became effective July 1, 1965 and water injection was initiated one year later (Figure 7). Oil production response occurred within six months and peaked in early 1971 at 500 BPD with final expansion of the 5-spot pattern. During this period, 37 producers and 26 injectors were active. Oil production had gradually declined to 120 BPD by 1982. The Unit is currently producing 95 BOPD, 30 MCFPD and 1099 BWPD from 29 active producers (Table 3 and Figure 5). During the peak injection years of 1970 through 1973, water injection averaged 7500 BWPD compared to the current 1300 BWPD (Table 4 and Figure 6).

As shown by Table 1, a limited number of Unit wells were also completed in the Queen sand. The Queen sand's contribution to overall performance cannot be broken out due to nonavailability of specific Queen sand interval test data. Unit wells Nos. 41 and 62 were initially completed as gas wells and No. 62 was subsequently converted to water injection. The lack of quantitative well logs in this southern portion of the Unit precluded an analysis of the effect of the apparent gas cap upon performance of the Unit.

Determination of secondary recovery was based on extrapolation of individual production decline trends, as shown on Table 3. Ultimate secondary oil recovery for the Unit is estimated to be 1742 MBBL, giving a secondary to primary ratio of 0.98:1. Average secondary oil recovery was 50 MBBL/well for the 35 producers. However, as reflected by the distribution of reserves on Figure 4, secondary oil response was highly erratic, ranging from 4 MBBL to 192 MBBL per producer. This extreme range is larger than can be accounted for by variation in individual well primary performance, which suggests inadequate injection coverage.

RESERVOIR PERFORMANCE PREDICTION

A reservoir simulator was utilized in an effort to 1) gauge the reasonableness of the preliminary net pay isopach, 2) obtain a more comprehensive understanding of reservoir performance and 3) help establish remaining reserve potential.

Reservoir simulation was done with PC-Boast, a three-dimensional, three-phase black oil simulator. PC-Boast can simulate oil and/or gas recovery by fluid expansion, displacement, gravity drainage and capillary imbibition mechanisms. The area for the model was chosen on the basis of relatively high net pay and good primary and secondary performance, which should afford the maximum opportunity for additional reserve recovery. The model area (Figure 3) was represented by a single layer of uniform thickness. Porosity was varied within each of the 72 model blocks to attempt to represent pore volume (Φh) variations in apparent net pay, as shown by Figure 3.

Fluid properties as a function of pressure were derived from empirical correlations, in lieu of lab derived data. Relative permeability relationships were developed from empirical equations for the specified initial fluid saturations. The rock and fluid properties and initial fluid

saturation conditions are presented as Table 5. Individual well productivity index (PI) and pressure constraints were imposed to attempt to duplicate individual well rates and recoveries.

A reasonable history match was obtained in most cases for oil recoveries and oil producing rates. A consistent good match for GOR's could not be obtained, apparently due to gas production from Queen sand completions (Table 1). The lack of accurate fluid properties and relative permeability data would compound the GOR problem. Significantly lower water injection and water production volumes were derived by the model as compared to actual performance. Also, actual injection greatly exceeded water production (Table 2). This suggests inefficient water displacement, i.e., water injection displaced out of zone. Indication of poor injectivity profiles and premature water breakthrough further supports inefficient injection.

Although reasonable history matches were obtained under both primary and waterflood operations (Table 6), the primary objective of the simulation effort was to determine estimates for current oil saturation. The areal oil saturation distribution obtained was utilized as input for the simulator studies of infill drilling and more dense injection pattern spacing, i.e., 40-acre, 5-spot patterns.

REDEVELOPMENT PLAN AND ECONOMICS

A number of simulation runs were made to determine the incremental reserves potential, which could be achieved in the model area through selective infill drilling on 20-acre and 40-acre spacing, 5-spot injection patterns. The modeling results indicate that an additional 1.2 MMBBL of economic oil could be achieved from development of the model area alone.

The simulation results were utilized as a basis for determining infill well locations within the model area. Elsewhere, locations were assigned on the basis of net pay and historical performance. Production performance prediction was based on modeling results and ranged from 15 BOPD/well to 60 BOPD/well. Initial injection rates for the proposed well conversions range from 100 to 300 BWPD.

Proceeding with 20-acre infill drilling, reworking and re-establishing water injection in a phased procedure is recommended (Table 8 and Figure 8). Development of each subsequent phase will depend, to some degree, upon success of the preceding phase. As geological and engineering data becomes available (i.e., well logs, cores and production tests), plans for subsequent phases may require revision, refinement or expansion.

The total project as outlined by this evaluation (Table 8) requires the drilling of 26 producers, reworking 5 producers and conversion of 9 wells to water injection. All redevelopment costs were furnished by Sirgo-Collier, Inc. and were reviewed for reasonableness.

Phase I will require drilling of ten, 20-acre infill producers and re-establishing injection in the central portion of the Unit (Figure 8). Phase II will involve drilling eight, 20-acre infill producers, reworking 5

producers and conversion of 9 wells to water injection. This will establish 40-acre, 5-spot patterns within a portion of Section 5. Phase III will involve the drilling of 8 additional producers as 20-acre infill wells. The total capital cost of the project (Phases I through III) is estimated at $4.8MM. Table 7 shows the investment schedule by phase as estimated by Sirgo-Collier, Inc. Table 8 is the projected well count under this plan.

Reserves ranged from 28 to 117 MBBL per well based on model simulation with initial rates ranging from 15 to 60 BOPD/well. Gas-oil ratios for individual wells were estimated to average 0.3 MCF/BBL.

Initial oil prices were based on posted prices as of August 28, 1987 after adjusting for gravity and transportation. Oil pricing was held constant to December 31, 1987 then increased $1/BBL for 1988. Starting January 1, 1990, the pricing was escalated at 5% per annum to a maximum of $35/BBL. The windfall profit tax was not applicable.

Starting gas prices were based on prevailing area prices as of June 1, 1987 and held constant to January 1, 1989. Starting January 1, 1989, the price was escalated at a rate to reach 65% parity with oil by January 1, 2001.

Lease operating expenses were estimated by Sirgo-Collier, Inc. based on anticipated operating conditions for each project phase utilizing company experience for similar projects. Expenses were held constant to January 1, 1989 then escalated at 5% per annum until the primary product reached the maximum price. The costs for drilling, workovers and re-establishing injection were developed by Sirgo-Collier, Inc. We have reviewed their estimates for reasonableness. No equipment salvage value or abandonment costs were included for the properties.

Project economics indicate that a capital investment of $4.8MM will generate a 10% discounted future net revenue of $8.8MM over 24 years giving a 71% rate of return and a 2.0 year payout. The investment cost does not include the initial acquisition cost. A summary of the reserves and economics for each phase and the total project is shown on Table 9. Tables 10, 11 and 12 show the economic summaries for Total Proved, Proved Developed Producing and Proved Undeveloped, respectively. Tables 13, 14 and 15 are Proved Undeveloped cash flows for Phases I, II and III.

PENROSE "B" UNIT WELL NO. 52

(Skelly Harrison B-5)
1900 FN & WL Sec. 9-T23S-R37E
Lea County, N.M.

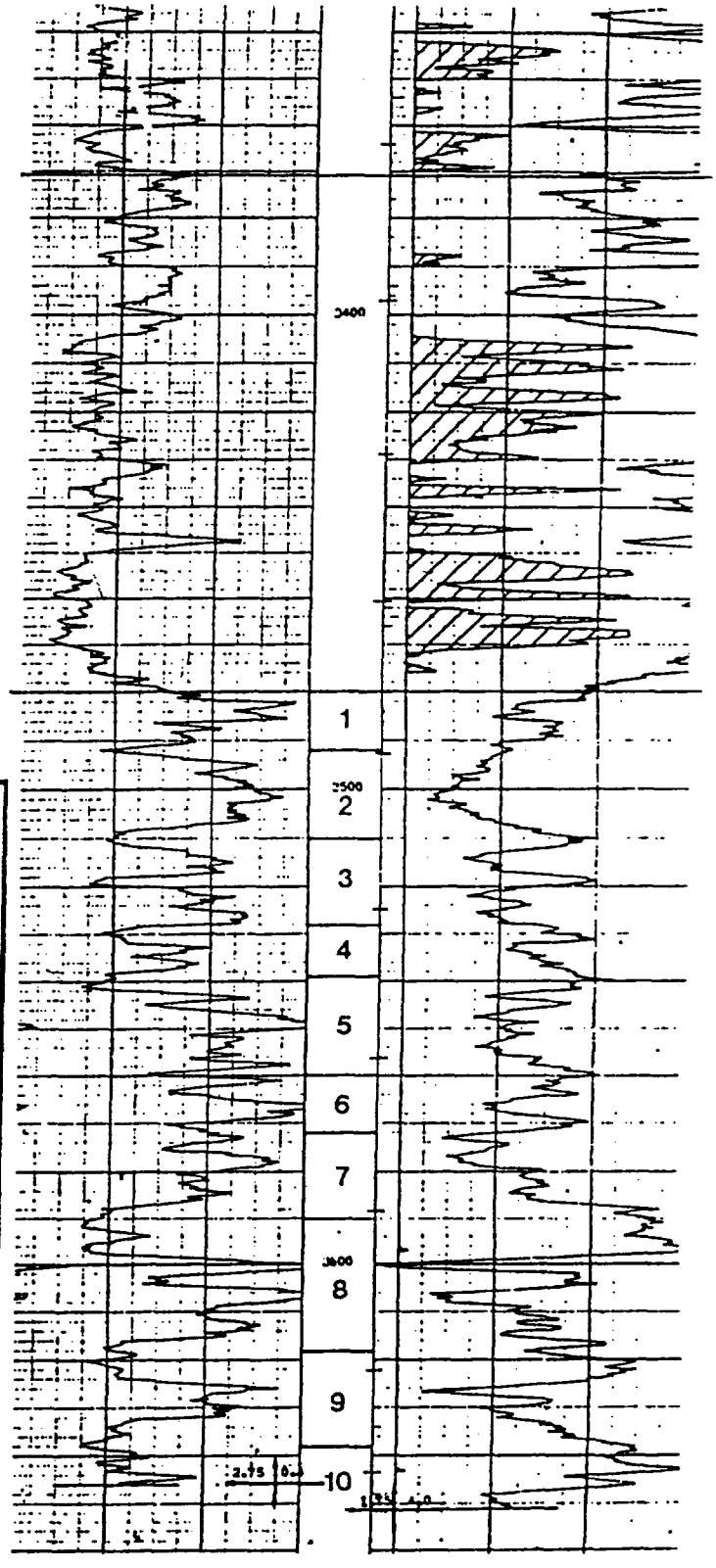

Figure 1

TYPE LOG

SIRGO-COLLIER, INC.

Penrose "B" Unit
Langlie Mattix 7 Rivers Queen Grayburg Field
Lea County, New Mexico

T. SCOTT HICKMAN & ASSOCIATES, INC.
PETROLEUM CONSULTANTS

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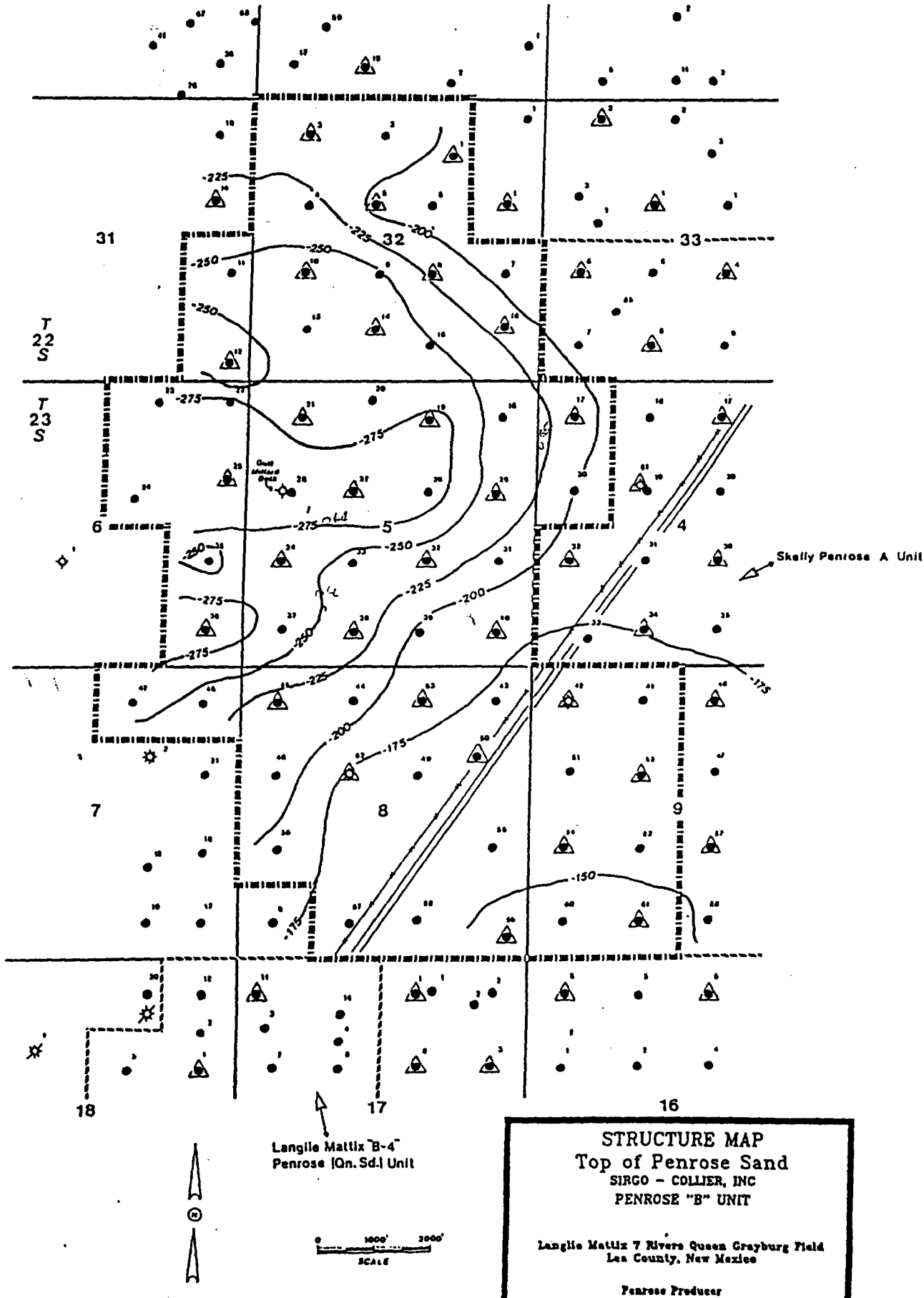


STRUCTURE MAP
Top of Penrose Sand
SIRGO – COLLIER, INC
PENROSE "B" UNIT

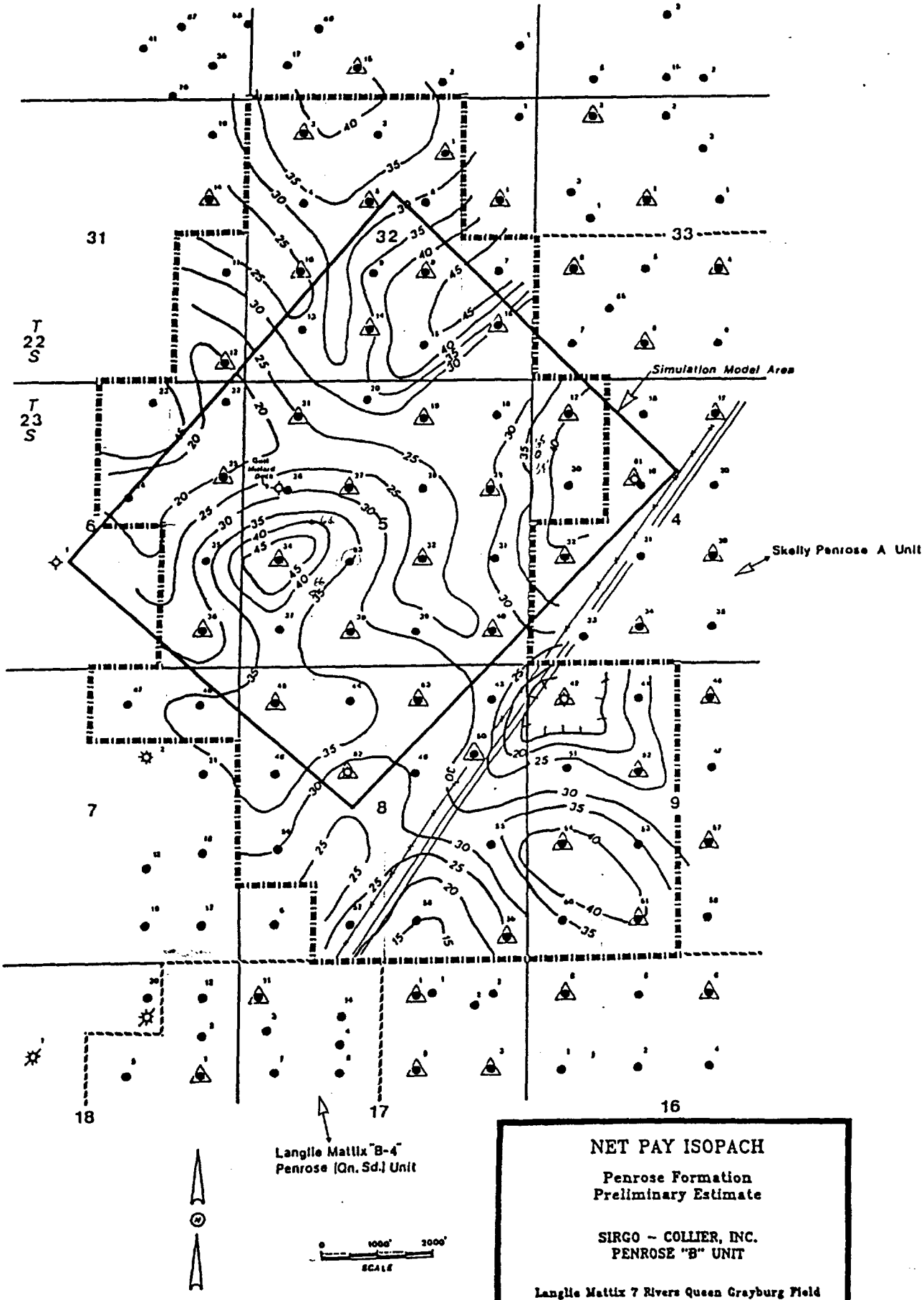
Langlie Mattix 7 Rivers Queen Grayburg Field
Lea County, New Mexico

Penrose Producer
Queen-Penrose Producer
Queen-Penrose Injector

Figure 2

T. SCOTT HICKMAN & ASSOCIATES INC.
petroleum consultants

R37E



NET PAY ISOPACH

Penrose Formation
Preliminary Estimate

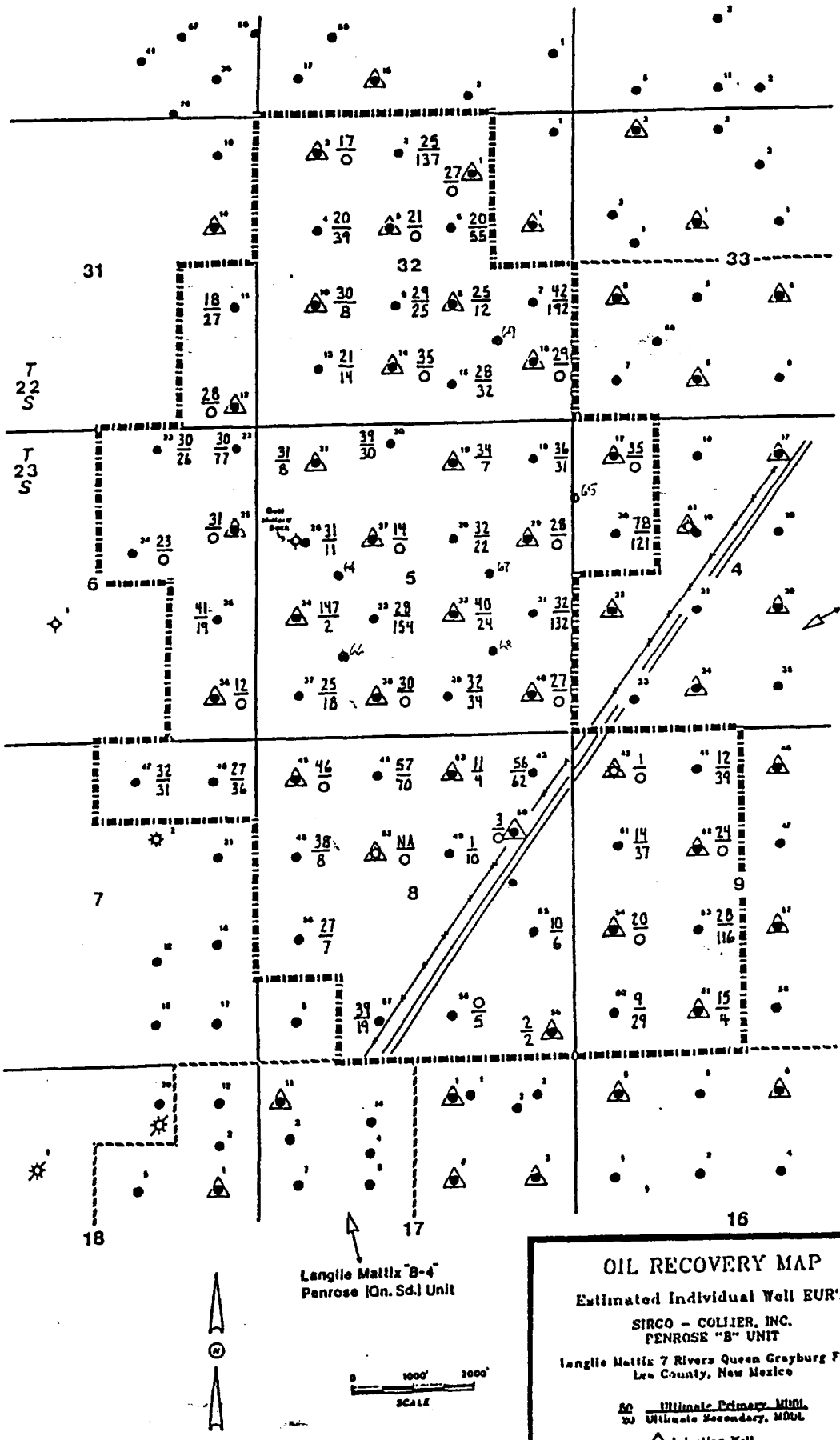
SIRGO – COLLIER, INC.
PENROSE "B" UNIT

Langlie Mattix 7 Rivers Queen Grayburg Field
Lea County, New Mexico

Figure 3

T. SCOTT HICKMAN & ASSOCIATES INC.
PETROLEUM CONSULTANTS

R 37 E



OIL RECOVERY MAP

Estimated Individual Well EUR's

SIRGO – COLLIER, INC.
PENROSE "B" UNIT

Langlie Mattix 7 Rivers Queen Greyburg Field
Lea County, New Mexico

80 Ultimate Primary, MBBL
100 Ultimate Secondary, MBBL

△ Injection Well

N.A. = Data Not Available

Figure 4

T. SCOTT HICKMAN & ASSOCIATES, INC.
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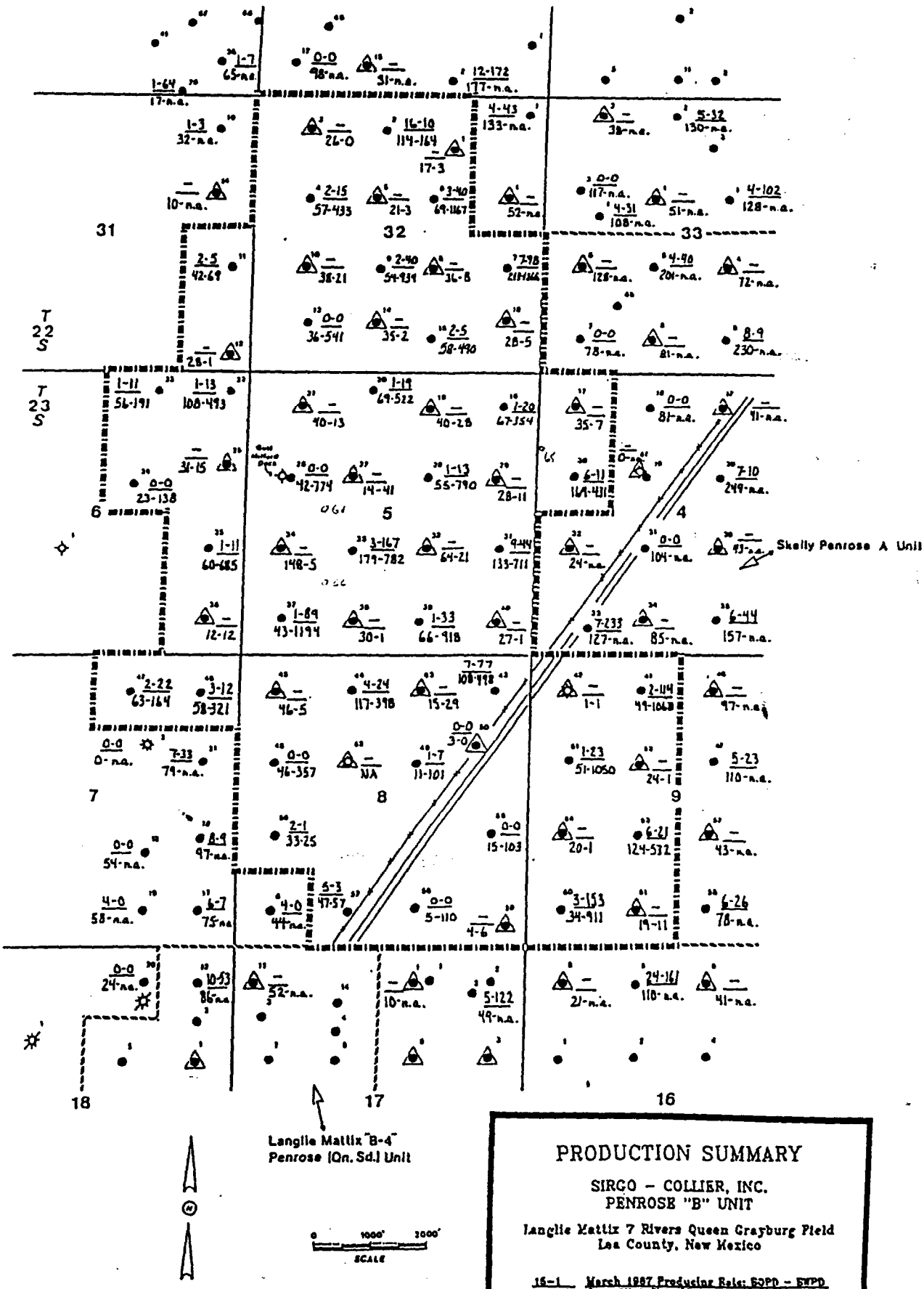

PRODUCTION SUMMARY

SIRGO – COLLIER, INC.
PENROSE "B" UNIT

Langlie Mattix 7 Rivers Queen Grayburg Field
Lea County, New Mexico

16-1 March 1987 Producing Rate: BOPD – BWPD
114-164 Cum Oil & Water Production: MBBL – MBBL

N.A. = Data Not Available

Figure 8

T. SCOTT HICKMAN & ASSOCIATES INC.
PETROLEUM CONSULTANTS

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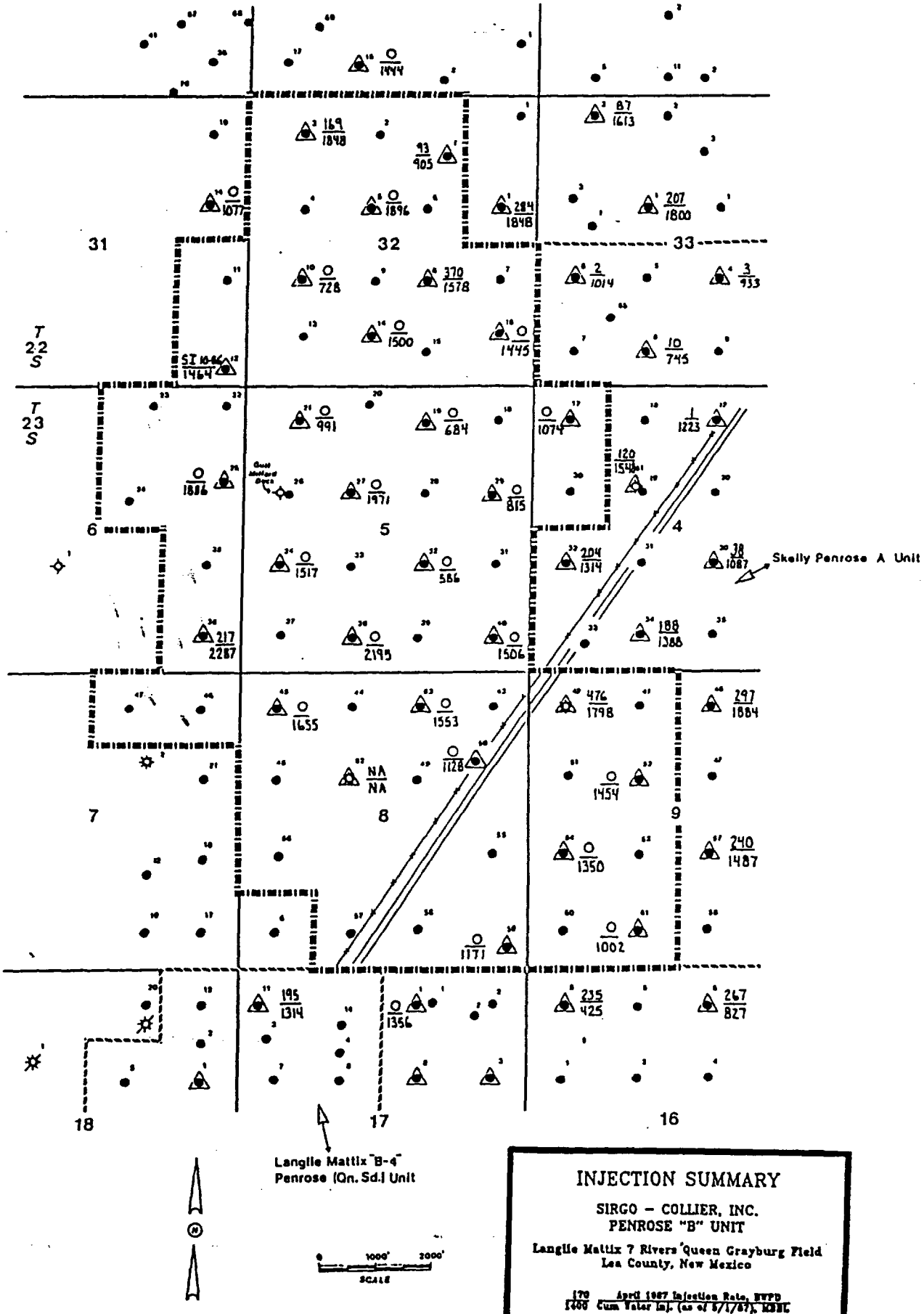


INJECTION SUMMARY

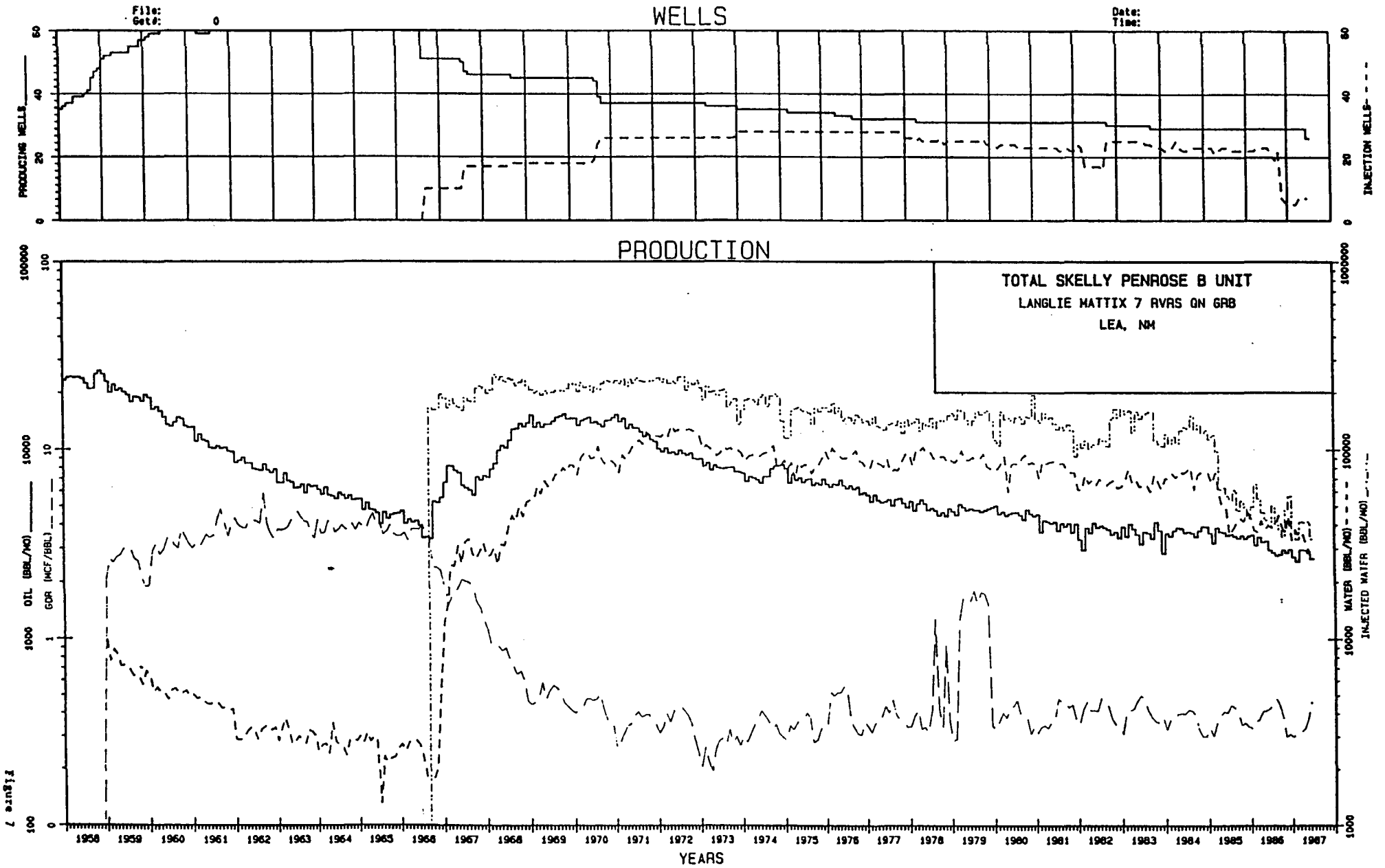
SIRGO – COLLIER, INC.
PENROSE "B" UNIT

Langlie Mattix 7 Rivers Queen Grayburg Field
Lea County, New Mexico

170 / 1400 — April 1987 Injection Rate, BWPD / Cum Water Inj. (as of 5/1/87), MBBL

Figure 6

T. SCOTT HICKMAN & ASSOCIATES INC.
PETROLEUM CONSULTANTS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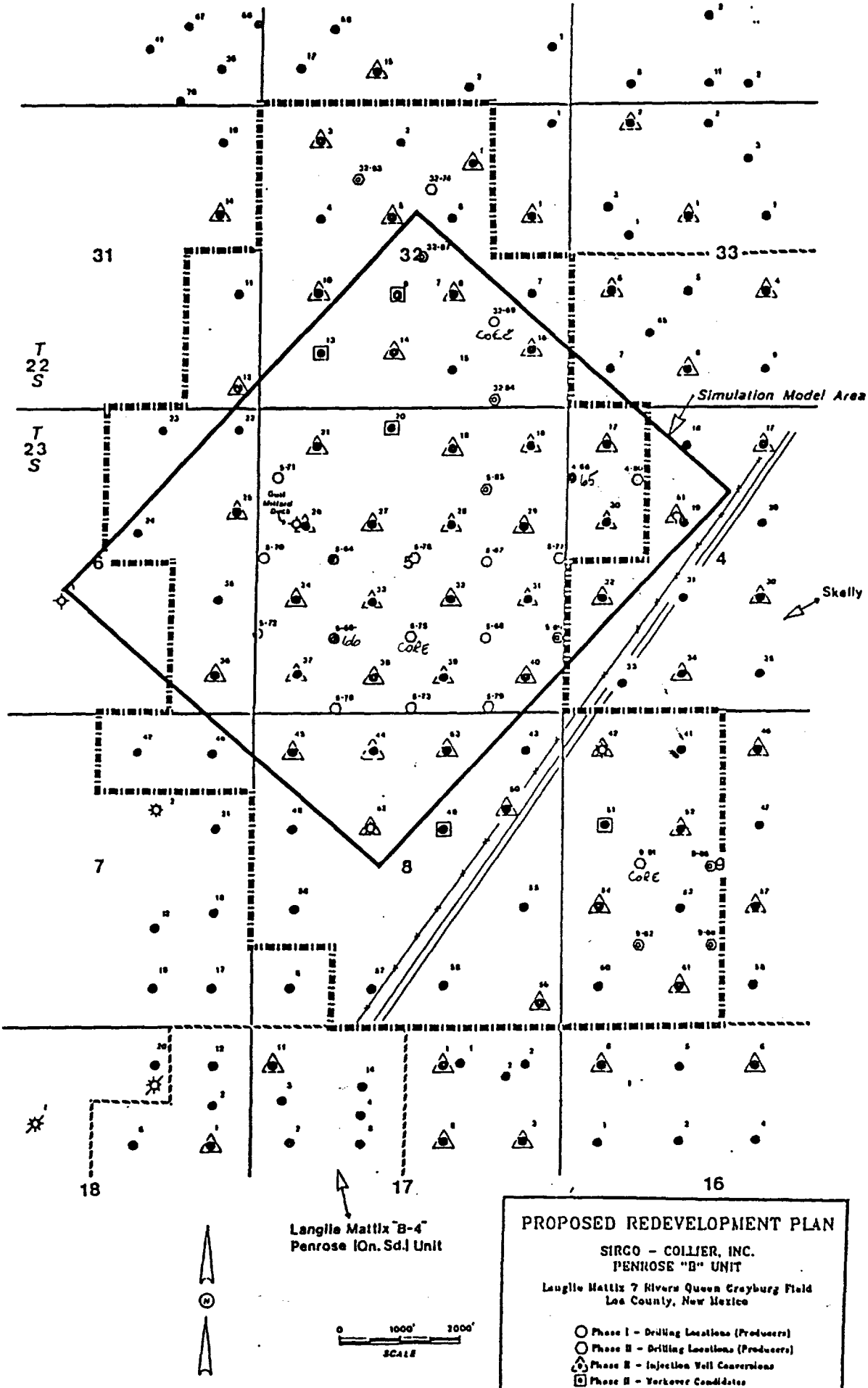
PRODUCING WELLS
INJECTION WELLS
PRODUCTION
TOTAL SKELLY PENROSE B UNIT
LANGLIE MATTIX 7 RVRS QN GRB
LEA, NM
OIL (BBL/MO)
GOR (MCF/BBL)
WATER (BBL/MO)
INJECTED WATER (BBL/MO)
1958 1959 1960 1961 1962 1963 1964 1965 1966 1967 1968 1969 1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987
YEARS

Figure 7

(17)

R 37 E



PROPOSED REDEVELOPMENT PLAN

SIRGO – COLLIER, INC.
PENROSE "B" UNIT

Langlie Mattix 7 Rivers Queen Greyburg Field
Lea County, New Mexico

- Phase I – Drilling Locations (Producers)
- Phase II – Drilling Locations (Producers)
- Phase II – Injection Well Conversions
- Phase II – Workover Candidates
- Phase III – Drilling Locations (Producers)

Figure 8

T. SCOTT HICKMAN & ASSOCIATES, INC.

TABLE 1

GEOLOGIC STRUCTURE SUMMARY
PENROSE SAND
LANGLIE MATTIX
LEA COUNTY, NEW MEXICO

LOCATION	UNIT WELL NO.	ELEV. (KB)	OPERATOR-LEASE-WELL	COMP. DATE	SUBSEA ELEVATION (FEET) ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE A	ZONE 7	ZONE 8	ZONE 9	ZONE 10	COMPLETION DEPTH TOP (FEET)	BOTTOM (FEET)	TD SUBSEA ELEV. (FEET)	GROSS COMP. (FEET)	REMARKS
SEC 5 T23S-R37E																			
660 FN & EL	18	3362	R.LOWE-KING #3	04-57	-246 3608	-257 3619	-275 3637	-295 3657	-305 3667	-325 3687	-337 3699	-361 3723	-385 3747		-252 3614	-382 3744	-408 3770	130	
660 FNL & 1980 FEL	19	3366	R.LOWE-KING #5	06-57	-276 3642	-286 3652	-304 3670	-324 3690	-338 3704	-351 3717					-279 3645	-367 3733	-384 3750	88	
330 FNL & 2310 FWL	20	3376	R.LOWE-KING "B" #2	10-57	-272 3648	-283 3659	-305 3681	-326 3702	-335 3711	-362 3738	-374 3750	-392 3768			-280 3656	-399 3775	-404 3780	119	
660 FNL & 990 FWL	21	3368	R.LOWE-KING "B" #3	01-58	-269 3637	-278 3646	-299 3667	-310 3678	-330 3698	-345 3713	-364 3732	-386 3754			-275 3643	-400 3768	-382 3750	125	
1980 FNL & 990 FWL	26	3369	R.LOWE-KING "B" #4	02-58	-277 3646	-297 3666	-307 3676	-327 3696	-337 3706	-355 3724	-377 3746	-388 3757			-290 3659	-399 3768	-411 3780	109	
1980 FNL & WL	27	3357	R.LOWE-KING "B" #1	09-57	-293 3650	-303 3660	-321 3678	-339 3696	-352 3709	-372 3729	-383 3740				-303 3660	-404 3761	-413 3770	101	
1980 FNL & EL	28	3350	R.LOWE-KING "B" #6	07-57	-278 3628	-289 3639	-307 3657	-327 3677	-338 3688	-358 3708	-368 3718	-389 3739			-278 3628	-374 3724	-400 3750	96	
2112 FNL & 660 FEL	29	3349	R.LOWE-KING #2	05-57	-237 3586	-249 3598	-269 3618	-289 3638	-302 3651	-325 3674	-337 3686	-359 3708	-384 3733		-241 3590	-374 3723	-451 3800	133	
1980 FSL & 660 FEL	31 *	3349	SKELLY-HARRISON B-3	09-57	-216 3565	-227 3576	-243 3592	-264 3613	-279 3628	-299 3648	-312 3661	-329 3678			-231 3580	-349 3698	-361 3710	118	
1980 FS & EL	32	3345	SKELLY-HARRISON B-4	10-57	-235 3580	-243 3588	-265 3610	-284 3629	-295 3640	-316 3661	-330 3675	-351 3696			-239 3584	-344 3689	-365 3710	105	
1980 FSL & WL	33	3349	SKELLY-HARRISON A-2	12-57	-246 3595	-257 3606	-275 3624	-294 3643	-303 3652	-324 3673	-334 3683	-356 3705			-261 3610	-370 3719	-375 3724	109	
1980 FS & WL	34 *	3353	SKELLY-HARRISON #1	01-36	-259 3612	-265 3618	-281 3634	-302 3655	-314 3667	-330 3683	-347 3700				-137 3490	-409 3762	-441 3794	272	(QUEEN SAND OPEN)
660 FSL & WL	37	3353	SKELLY-HARRISON A-4	03-58	-252 3605	-261 3614	-283 3636	-295 3648	-309 3662	-327 3680	-344 3697	-363 3716			-253 3606	-377 3730	-372 3725	124	3/58 IPOT P-105 BOPD 975 CF/BBL

(61)

TABLE 1

GEOLOGIC STRUCTURE SUMMARY
PENROSE SAND
LANGLIE MATTIX
LEA COUNTY, NEW MEXICO

LOCATION	UNIT WELL NO.	ELEV. (KB)	OPERATOR-LEASE-WELL	COMP. DATE	SUBSEA ELEVATION (FEET) ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6	ZONE 7	ZONE 8	ZONE 9	ZONE 10	COMPLETION DEPTH TOP (FEET)	COMPLETION DEPTH BOTTOM (FEET)	TD SUBSEA ELEV. (FEET)	GROSS COMP. (FEET)	REMARKS
SEC 5 T23S-R37E																			
660 FSL & 1980 FWL	38	3343	SKELLY-HARRISON A-3	01-58	-233 3576	-248 3591	-265 3608	-285 3628	-291 3634	-317 3660	-331 3674	-351 3694			-236 3579	-341 3684	-377 3720	105	
1980 FN & 660 FEL	39	3339	SKELLY-HARRISON B-7	12-57	-197 3536	-205 3544	-226 3565	-245 3584	-254 3593	-277 3616	-288 3627	-313 3652	-337 3676		-215 3554	-346 3685	-366 3705	131	12/57 IPOT F-150 BOPD 1300 CF/BBL
660 FSL & EL	40	3334	SKELLY-HARRISON B-6	11-57	-176 3510	-190 3524	-206 3540	-227 3561	-236 3570	-259 3593	-273 3607	-292 3626	-317 3651		-192 3526	-327 3661	-346 3680	135	
SEC 6 T23S-R37E																			
330 FNL & EL	22	3384	R.LOWE-KING "B" #5	04-58	-284 3668	-292 3676	-320 3704	-328 3712	-343 3727	-356 3740	-375 3759	-385 3769			-294 3678	-402 3786	-414 3798	108	
330 FNL & 1650 FEL	23	3390	R.LOWE-KING "B" #7	10-58	-297 3687	-306 3696	-332 3722	-347 3737	-362 3752	-382 3772	-390 3780				-293 3683	-403 3793	-410 3800	110	
2113 FNL & 1980 FEL	24	3392	R.LOWE-KING "B" #8	07-51	-306 3698	-317 3709	-340 3732	-356 3748	-370 3762	-384 3776					-308 3700	-412 3804	-423 3815	104	
1788 FNL & 330 FEL	25	3384	R.LOWE-KING "B" #6	09-58	-288 3672	-301 3685	-321 3705	-342 3726	-354 3738	-379 3763	-393 3777				-293 3677	-409 3793	-416 3800	116	
1980 FSL & 660 FWL	35	3371	SUN-RICHARDS #1	06-36	-239 3610										-185 3556	-427 3798	-427 3798	242	1/59 7 BOPD 72MCFD(10068 CF/B) 54IWC OH 3556-3798 QN SD OPEN
660 FSL & EL	36	3365	SUN-RICHARDS #3	12-58	-283 3648	-297 3662	-315 3680	-338 3703	-350 3715	-370 3735	-381 3746				-164 3529	-403 3768	-415 3780	239	9/72 BP 3664 AS WIW 3529-3616 (QUEEN & PENROSE COMP/QNSD OPEN)
660 FNL & 1880 FSL			DOYLE HARTMAN-KING #3														3430		
SEC 7 T23S-R37E																			
660 FNL & EL	46	3362	SUN-RICHARDS #2	12-56	-226 3588	-233 3595	-257 3619	-265 3627	-286 3648	-307 3669	-320 3682	-342 3704			-244 3606	-374 3736	-408 3770	130	

(20)

TABLE 1

GEOLOGIC STRUCTURE SUMMARY
PENROSE SAND
LANGLIE MATTIX
LEA COUNTY, NEW MEXICO

LOCATION	UNIT WELL NO.	ELEV. (KB)	OPERATOR-LEASE-WELL	COMP. DATE	SUBSEA ELEVATION (FEET) ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6	ZONE 7	ZONE 8	ZONE 9	ZONE 10	COMPLETION DEPTH TOP (FEET)	BOTTOM (FEET)	TD SUBSEA ELEV. (FEET)	GROSS COMP. (FEET)	REMARKS
SEC 7 T23S-R37E																			
660 FNL & 1980 FEL	47	3379	SUN-RICHARDS #4	01-59	-268 3647	-291 3670	-318 3697	-328 3707	-346 3725	-345 3724	-357 3736				-283 3662	-353 3732	-411 3790	70	
SEC 8 T23S-R37E																			
660 FN & EL	43	3324	GULF-DAVIS #1	NA											-78 3402	-388 3712	-388 3712	310	LOGS NOT AVAILABLE (QUEEN SAND OPEN)
660 FNL & 1980 FWL	44 *	3346	GOLDEN-FLORA #1	03-40											-94 3440	-334 3680	-334 3680	240	(QN SD OPEN)IPOT F-100BOPD 155MCFPD HIGH H20 PROD DURING WF
660 FNL & WL	45 *	3349	BLACK-REDFERN #1	08-57	-222 3571	-234 3583	-263 3612	-274 3623	-287 3636	-298 3647	-310 3659	-327 3676	-359 3708	-385 3734	-249 3598	-376 3725	-401 3750	127	
660 FWL & 1980 FNL	48	3348	BLACK-REDFERN #2	09-57	-210 3558	-236 3584	-250 3598	-258 3606	-270 3618	-290 3638	-299 3647	-314 3662	-350 3698	-365 3713	-212 3560	-336 3684	-392 3740	124	
1780 FNL & EL	49 *	3331	BYRON-FLORA DAVIS #2	11-56	-151 3482	-162 3493	-181 3512	-201 3532	-212 3543	-227 3558	-238 3569	-259 3590	-283 3614	-301 3632	-221 3552	-330 3661	-359 3690	109	HIGH GOR=NOV56 12 BOPD 250 MCFPD 20 BWPD
990 FSL & 1650 FEL	50	3327	BYRON-DAVIS #1	08-56											-215 3542	-263 3590	-373 3700	48	LOGS NOT AVAILABLE
1980 FSL 660 FEL	55 *	3324	OLSON-CLIFT #2	02-48	-161 3485	-173 3497	-187 3511	-202 3526	-215 3539	-230 3554	-248 3572	-270 3594	-293 3617	-314 3638	-96 3420	-365 3689	-365 3689	269	(QN SD OPEN)NO REPORT OF INITIAL GAS RATES
1980 FSL & 660 FWL	56	3341	TP-CLIFT #5	08-61											-195 3536	-239 3580	-353 3694	44	1/62 RATE=11 BOPD 260 MCFPD 15Z WC LOGS NA
660 FSL & 1980 FWL	57	3334	OLSON-CLIFT #3	02-56	-152 3486	-157 3491	-175 3509	-196 3530	-209 3543	-224 3558	-232 3566	-256 3590	-299 3633		-267 3601	-284 3618	-334 3668	17	8/61 RATE=2 BOPD 356 MCFPD
660 FSL & 1980 FEL	58	3337	USCON-CLIFT #1	07-46											-75 3412	-316 3653	-316 3653	241	(QN SD OPEN)7/46 IPOT 20 BOPD 50 MCFPD NO WAT
330 FSL & EL	59 *	3339	OLSON-CLIFT #4	09-60	-135 3474	-148 3487	-168 3507	-186 3525	-196 3535	-215 3554	-228 3567	-252 3591			-141 3490	-273 3612	-296 3635	132	

TABLE 1

GEOLOGIC STRUCTURE SUMMARY
PENROSE SAND
LANGLIE MATTIX
LEA COUNTY, NEW MEXICO

LOCATION	UNIT WELL NO.	ELEV. (KB)	OPERATOR-LEASE-WELL	COMP. DATE	SUBSEA ELEVATION (FEET) ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6	ZONE 7	ZONE 8	ZONE 9	ZONE 10	COMPLETION DEPTH TOP (FEET)	COMPLETION DEPTH BOTTOM (FEET)	TD SUBSEA ELEV. (FEET)	GROSS COMP. (FEET)	REMARKS
SEC 8 T23S-R37E																			
1980 FNL & WL	62	3337	BLACK-DAVIS #1	11-57	-168 3505	-176 3513	-207 3544	-219 3556	-236 3573	-250 3587	-258 3595	-280 3617	-310 3647	-334 3671	-259 3596	-343 3680	-388 3725	84	'57 GW 3596-3680 IPOT 1680MCFD WIW 7/67 SAME INTERVAL
660 FNL & 1980 FEL	63	3343	BLACK-DAVIS #2	11-57	-199 3542	-214 3557	-232 3575	-247 3590	-257 3600	-279 3622	-297 3640	-310 3653	-342 3685		-164 3507	-319 3662	-387 3730	155	QUEEN SAND OPEN
660 FS & WL		3342	TP-CLIFT #6		-196 3538	-206 3548	-232 3574	-259 3601	-275 3617	-285 3627	-306 3648	-328 3670	-353 3695				-408 3750		
SEC 9 T23S-R37E																			
660 FNL & 1980 FWL	41 *	3316	SKELLY-HARRISON B-1	07-37											-74 3390	-374 3690	-374 3690	300	GW (OH 3390-3690)(QN SD OPEN)
660 FN & WL	42 *	3320	SKELLY-HARRISON B-2	08-37											-130 3450	-362 3682	-362 3682	232	RE-SPUD AUG 68 AS WIW 3586-3618(QN SD MAY BE OPEN)
1980 FNL & 760 FWL	51	3319	SKELLY-HARRISON B-8	12-57	-147 3466	-159 3478	-179 3498	-197 3516	-209 3528	-231 3550	-251 3570	-268 3587	-295 3614		-161 3480	-304 3623	-311 3630	143	
1980 FNL & WL	52	3316	SKELLY-HARRISON B-5	10-57	-165 3481	-176 3492	-194 3510	-213 3529	-223 3539	-234 3550	-256 3572	-274 3590	-302 3618	-322 3638	-196 3512	-317 3633	-338 3654	121	
1980 FSL & WL	53	3317	SKELLY-HARRISON B-10	05-58	-165 3482	-180 3497	-194 3511	-213 3530	-222 3539	-243 3560	-255 3572	-274 3591	-292 3609	-322 3639	-199 3516	-319 3636	-343 3660	120	
1980 FSL & 660 FWL	54	3325	SKELLY-HARRISON B-9	12-57	-151 3476	-163 3488	-181 3506	-201 3526	-213 3538	-236 3561	-247 3572	-266 3591	-295 3620		-198 3523	-311 3636	-320 3645	113	
660 FS & WL	60	3332	SKELLY-HARRISON B-12	03-60	-146 3478	-157 3489	-184 3516	-203 3535	-215 3547	-232 3564	-246 3578	-268 3600	-297 3629		-294 3626	-304 3636	-338 3670	10	
660 FSL & 1980 FWL	61	3328	SKELLY-HARRISON B-11	02-60	-146 3474	-157 3485	-179 3507	-200 3528	-210 3538	-228 3556	-242 3570	-259 3587	-285 3613	-306 3634	-183 3511	-301 3629	-372 3700	118	
1980 FS & EL		3301	SAMEDAN-HUGHES A-2 #7		-167 3468	-176 3477	-202 3503	-221 3522	-233 3534	-255 3556	-266 3567	-292 3593					-342 3643		

TABLE 1

GEOLOGIC STRUCTURE SUMMARY
PENROSE SAND
LANGLIE MATTIX
LEA COUNTY, NEW MEXICO

LOCATION	UNIT WELL NO.	ELEV. (KB)	OPERATOR-LEASE-WELL	COMP. DATE	SUBSEA ELEVATION (FEET) ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6	ZONE 7	ZONE 8	ZONE 9	ZONE 10	COMPLETION DEPTH TOP (FEET)	COMPLETION DEPTH BOTTOM (FEET)	TD SUBSEA ELEV. (FEET)	GROSS COMP. (FEET)	REMARKS
SEC 9 T23S-R37E																			
NW/4 NW/4		* 3316	SKELLY-PENROSE A-46		-159 3475												-313 3629		
660 FSL & 1980 FEL		3292	SAMEDAN-HUGHES B-2 #9		-153 3445	-163 3455	-186 3478	-207 3499	-219 3511	-232 3524	-247 3539	-268 3560	-295 3587				-342 3634		
SEC 31 T22S-R37E																			
1980 FSL & 330 FEL	11	3400	DALPORT-KING A-2	01-59	-254 3654	-264 3664	-287 3687	-310 3710	-322 3722	-343 3743	-357 3757	-377 3777	-398 3798		-258 3658	-382 3782	-424 3824	124	RE-ENTRY 11/74 P-24BOPD NM 3658-3810
330 FS & WL	12	3351	DALPORT-KING A-1	09-58	-237 3588	-251 3602	-269 3620	-289 3640	-303 3654	-317 3668	-333 3684	-356 3707	-383 3734		-333 3684	-440 3791	-447 3798	107	
1980 FNL & 660 FEL		3400	HUMBLE-NM STATE M-14		-236 3636	-254 3654	-279 3679	-292 3692	-305 3705	-328 3728	-350 3750	-366 3766	-402 3802				-420 3820		
660 FN & EL		3396	HUMBLE-NM STATE M-19		-214 3610	-225 3621	-252 3648	-265 3661	-284 3680	-306 3702	-314 3710	-328 3724	-357 3753				-288 3684		
SEC 32 T22S-R37E																			
990 FNL & 1250 FEL	1	3368	OPERATORS SERV-COLE STATE #1	04-59	-188 3556	-198 3566	-218 3586	-232 3600	-243 3611	-264 3632	-275 3643	-296 3664	-322 3690		-192 3560	-310 3678	-359 3727	118	
660 FNL & 2310 FWL	2	3364	COMPASS-STATE 2-32	08-59	-210 3574	-220 3584	-240 3604	-262 3626	-270 3634	-290 3654	-306 3670	-326 3690	-355 3719	-374 3738	-206 3570	-352 3716	-442 3806	146	
660 FNL & 990 FWL	3	3375	COMPASS-STATE 4-32	12-59	-211 3586	-223 3598	-245 3620	-267 3642	-280 3655	-293 3668	-308 3683	-327 3702	-357 3732		-219 3594	-334 3709	-425 3800	115	QUEEN SAND OPEN
1900 FNL & 990 FWL	4	3374	COMPASS-3-32	11-59	-231 3605	-244 3618	-268 3642	-280 3654	-291 3665	-318 3692	-329 3703	-346 3720	-376 3750	-393 3767	-234 3608	-375 3749	-446 3820	141	
1980 FNL & 2310 FWL	5 *	3372	COMPASS-STATE 1	12-48	-198 3570	-218 3590	-278 3650	-338 3710	-363 3735	-420 3792	-460 3832	-494 3866	-540 3912		-216 3588	-354 3726	-435 3807	138	11/72 CONV WIW-3592-3653

TABLE 1

GEOLOGIC STRUCTURE SUMMARY
PENROSE SAND
LANGLIE MATTIX
LEA COUNTY, NEW MEXICO

LOCATION	UNIT WELL NO.	ELEV. (KB)	OPERATOR-LEASE-WELL	COMP. DATE	SUBSEA ELEVATION (FEET) ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6	ZONE 7	ZONE 8	ZONE 9	ZONE 10	COMPLETION DEPTH TOP (FEET)	COMPLETION DEPTH BOTTOM (FEET)	TD SUBSEA ELEV. (FEET)	GROSS COMP. (FEET)	REMARKS
SEC 32 T22S-R37E																			
1980 FNL & EL	6	3370	O.BOURG-STATE A-5	10-58	-194 3564	-202 3572	-217 3587	-236 3606	-245 3615	-266 3636	-278 3648	-297 3667	-323 3693	-343 3713	-196 3566	-336 3706	-505 3875	140	
1980 FSL & 660 FEL	7	3370	O.BOURG-KING #1	09-56	-195 3565	-202 3572	-222 3592	-242 3612	-244 3614	-268 3638	-290 3660	-310 3680			-208 3578	-306 3676	-326 3696	98	
1980 FS & EL	8	3378	O.BOURG-KING #3	11-58	-222 3600	-234 3612	-260 3638	-278 3656	-292 3670	-300 3678	-320 3698	-348 3726	-382 3760		-222 3600	-300 3678	-507 3885	78	
1980 FSL & 2310 FWL	9	3388	O.BOURG-STATE #2	01-58	-252 3640	-262 3650	-282 3670	-302 3690	-313 3701	-330 3718	-345 3733	-366 3754	-394 3782		-256 3644	-390 3778	-412 3900	134	
1980 FSL & 990 FWL	10	3394	O.BOURG-STATE #3	09-58	-260 3654	-270 3664	-287 3681	-306 3700	-316 3710	-338 3732	-346 3740	-366 3760	-396 3790		-272 3666	-404 3798	-577 3971	132	
990 FSL & WL	13 *	3391	O.BOURG-STATE B-2	10-58	-258 3649	-269 3660	-288 3679	-310 3701	-321 3712	-344 3735	-361 3752	-381 3772	-410 3801	-431 3822	-269 3660	-401 3792	-612 4003	132	
990 FSL & 2310 FWL	14	3385	R.FURR-STATE #1	09-57	-270 3655	-277 3662	-297 3682	-316 3701	-327 3712	-349 3734	-360 3745	-381 3766			-277 3662	-399 3784	-406 3791	122	
1980 FSL & 660 FWL	15 *	3370	SKELLY-KING 1	05-36											-82 3452	-380 3750	-380 3750	298	(ON SD OPEN) LOGS NOT AVAILABLE
990 FSL & 660 FEL	16	3375	O.BOURG-KING #2	01-57	-223 3598	-236 3611	-255 3630	-274 3649	-286 3661	-305 3680	-317 3692	-336 3711			-235 3610	-283 3658	-350 3725	48	
SEC 4 T23S-R37E																			
660 FN & WL	17	3354	R.LOWE-KING #4	05-57	-204 3558	-216 3570	-236 3590	-256 3610	-318 3672	-286 3640	-296 3650	-322 3676	-342 3696		-212 3566	-338 3692	-374 3728	126	
1980 FNL & 660 FWL	30	3337	R.LOWE-KING #1	01-49											-168 3505	-350 3687	-350 3687	182	PROBABLE QUEEN SAND OPEN
1980 FSL & 660 FWL		3324	SAMEDAN-HUGHES A-1 #6 (A-32)		-188 3512	-196 3520	-219 3543	-241 3565	-256 3580	-274 3598	-288 3612	-314 3638	-336 3660				-352 3676		

TABLE 1

GEOLOGIC STRUCTURE SUMMARY
PENROSE SAND
LANGLIE MATTIX
LEA COUNTY, NEW MEXICO

LOCATION	UNIT WELL NO.	ELEV. (KB)	OPERATOR-LEASE-WELL	COMP. DATE	SUBSEA ELEVATION (FEET) ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6	ZONE 7	ZONE 8	ZONE 9	ZONE 10	COMPLETION DEPTH TOP (FEET)	COMPLETION DEPTH BOTTOM (FEET)	TD SUBSEA ELEV. (FEET)	GROSS COMP. (FEET)	REMARKS
SEC 4 T23S-R37E																			
SW/4 SE/4		3316	SKELLY-PENROSE A-35		-189 3505												-285 3601		
SW/4 SW/4		* 3312	SKELLY-SIMS #8 (A-33)		-173 3485												-340 3652		

* KB ELEVATION ESTIMATED

TABLE 2

PERFORMANCE DATA
PENROSE "B" UNIT
LEA COUNTY, NEW MEXICO

Total Completions:	Producers	35
	Injectors	28
	Total	63
Active Completions:	Producers	29
	Injectors	5
	Total	34
Unitized Area (Acres)		2,612.16
Average Spacing (Acres/Well)		41.46
Cumulative Oil Production at April 1, 1987 (MBBL)		3310
Average Oil Cumulative Per Well (MBBL/Well)		52.5
Current Oil Rate Per Producer - 29 Wells (BOPD/Well)		3.3
Ultimate Primary Oil Recovery (MBBL)		1,775
Average Oil Recovery Per Well (MBBL/Well)		28.2
Ultimate Secondary Oil Recovery Under Current Operations (MBBL)		1,742
Average Oil Recovery Per Well (MBBL/Well)		49.8
Range in Well Recoveries (MBBL/Well)		5-192
Cumulative Gas Production at April 1, 1987 (MMCF)		3,875
Cumulative GOR (MCF/BBL)		1.171
Current Gas Rate (MCFD/Well)		1.1
Current GOR (MCF/BBL)		0.320
Cumulative Water Production at April 1, 1987 (MBBL)		18,989
Cumulative WOR (Volume/Volume)		5.7
Current WOR (Volume/BBL)		11.5
Cumulative Water Injection at April 1, 1987 (MBBL)		38,821
Cumulative Injection : Secondary Oil Recovery Ratio		22.3

TABLE 3

PRODUCTION AND ULTIMATE RECOVERY
SIRGO-COLLIER INC.
PENROSE "B" UNIT
LEA COUNTY, NEW MEXICO

UNIT WELL NO.	MARCH '87 PRODUCTION OIL (BOPD)	GAS (MCFD)	WATER (BWPD)	CUM PRODUCTION @ 4-1-87 OIL (MBBL)	GAS (MMCF)	WATER (MBBL)	EUR PRIMARY (MBBL)	SECONDARY (MBBL)	TOTAL (MBBL)
1	WIW CONV. DATE 08/66			26.822	173.551	0.000	26.822	0.000	26.822
2	15.8	0.8	9.5	113.571	117.889	163.834	25.075	136.996	162.071
3	WIW CONV. DATE 08/66			17.094	57.907	2.922	17.094	0.000	17.094
4	2.4	0.0	15.1	57.413	88.560	433.227	20.409	39.364	59.773
5	WIW CONV. DATE 08/66			20.642	57.287	2.624	20.642	0.000	20.642
6	3.2	0.8	39.5	69.155	82.309	1166.784	20.403	55.241	75.644
7	7.1	1.7	98.2	213.361	56.792	1266.503	42.482	192.329	234.811
8	WIW CONV. DATE 10/70			36.360	51.689	8.075	24.760	11.600	36.360
9	1.5	0.0	39.5	54.453	71.439	938.864	29.365	25.088	54.453
10	WIW CONV. DATE 09/70			38.151	60.883	21.069	30.108	8.043	38.151
11	2.4	3.4	4.8	42.446	61.359	69.055	18.084	26.722	44.806
12	WIW CONV. DATE 08/66			28.207	42.508	0.318	28.207	0.000	28.207
13	0.0	0.0	0.0	35.955	76.797	541.347	21.567	14.388	35.955
14	WIW CONV. DATE 08/66			35.449	43.263	2.585	35.449	0.000	35.449
15	2.4	0.0	4.8	58.340	10.344	490.364	27.807	32.284	60.091
16	WIW CONV. DATE 08/67			28.680	35.009	4.789	28.680	0.000	28.680
17	WIW CONV. DATE 07/67			35.380	47.990	7.156	35.380	0.000	35.380
18	1.3	0.0	19.9	66.843	81.684	354.218	36.120	30.723	66.843
19	WIW CONV. DATE 09/70			40.402	36.941	27.891	33.517	6.885	40.402
20	1.0	0.5	18.6	68.781	36.812	521.622	39.216	29.565	68.781

TABLE 3

PRODUCTION AND ULTIMATE RECOVERY
SIRGO-COLLIER INC.
PENROSE "B" UNIT
LEA COUNTY, NEW MEXICO

UNIT WELL NO.	MARCH '87 PRODUCTION OIL (BOPD)	GAS (MCFD)	WATER (BWPD)	CUM PRODUCTION @ 4-1-87 OIL (MBBL)	GAS (MMCF)	WATER (MBBL)	EUR PRIMARY (MBBL)	SECONDARY (MBBL)	TOTAL (MBBL)
21	WIW CONV. DATE 09/70			39.879	23.163	13.364	31.482	8.397	39.879
22	1.3	0.0	13.4	107.515	41.097	493.363	30.029	77.486	107.515
23	1.3	0.0	11.4	55.924	50.198	190.509	29.527	26.397	55.924
24	0.0	0.0	0.0	23.539	21.575	137.771	23.539	0.000	23.539
25	WIW CONV. DATE 08/66			31.300	37.121	15.390	31.300	0.000	31.300
26	0.0	0.0	0.0	41.956	38.685	773.909	31.087	10.869	41.956
27	WIW CONV. DATE 08/66			13.881	9.070	41.267	13.881	0.000	13.881
28	0.5	0.0	13.4	54.502	74.407	790.270	32.237	22.265	54.502
29	WIW CONV. DATE 08/67			28.179	27.599	10.511	28.179	0.000	28.179
30	6.3	0.8	11.0	169.037	80.637	431.490	77.629	121.295	198.924
31	9.4	0.6	43.9	132.947	76.208	710.782	31.963	131.626	163.589
32	WIW CONV. DATE 10/70			63.613	89.932	20.809	39.509	24.104	63.613
33	3.2	3.4	166.7	178.894	74.507	782.003	28.240	153.558	181.798
34	WIW CONV. DATE 09/70			148.575	31.305	4.819	146.869	1.706	148.575
35	0.5	0.6	10.6	59.902	46.054	684.827	40.969	18.933	59.902
36	WIW CONV. DATE 08/66			11.923	37.677	12.424	11.923	0.000	11.923
37	0.3	0.8	88.5	43.520	52.932	1193.605	25.543	17.977	43.520
38	WIW CONV. DATE 08/66			30.080	58.876	0.072	30.080	0.000	30.080
39	0.8	0.0	33.1	66.212	73.008	918.493	32.430	33.782	66.212
40	WIW CONV. DATE 08/67			27.056	58.896	0.085	27.056	0.000	27.056

TABLE 3

PRODUCTION AND ULTIMATE RECOVERY
SIRGO-COLLIER INC.
PENROSE "B" UNIT
LEA COUNTY, NEW MEXICO

UNIT WELL NO.	MARCH '87 PRODUCTION OIL (BOPD)	GAS (MCFD)	WATER (BWPD)	CUM PRODUCTION @ 4-1-87 OIL (MBBL)	GAS (MMCF)	WATER (MBBL)	EUR PRIMARY (MBBL)	SECONDARY (MBBL)	TOTAL (MBBL)
41	2.4	0.0	113.8	49.332	44.284	1060.326	12.462	38.621	51.083
42	WIW CONV. DATE 09/67			0.099	111.866	0.093	0.099	0.000	0.099
43	7.1	1.2	77.3	107.796	17.845	497.882	56.137	62.126	118.263
44	3.9	0.0	24.4	117.295	12.646	393.297	57.246	69.679	126.925
45	WIW CONV. DATE 08/70			45.910	44.038	4.628	45.910	0.000	45.910
46	3.2	2.5	11.8	58.147	98.746	320.716	27.030	36.370	63.400
47	1.5	0.0	21.7	62.992	69.439	163.636	31.840	31.152	62.992
48	0.0	0.0	0.0	46.113	38.132	357.280	37.615	8.498	46.113
49	0.5	0.0	7.2	10.849	40.016	100.568	1.249	9.600	10.849
50	WIW CONV. DATE 08/66			3.083	0.000	0.000	3.083	0.000	3.083
51	1.0	0.8	23.2	51.013	62.453	1050.408	13.698	37.315	51.013
52	WIW CONV. DATE 07/67			23.897	69.631	0.470	23.897	0.000	23.897
53	5.5	0.0	20.5	124.839	152.328	531.553	27.792	115.923	143.715
54	WIW CONV. DATE 09/68			20.014	89.520	0.853	20.014	0.000	20.014
55	0.0	0.0	0.0	15.287	38.615	103.345	9.586	5.701	15.287
56	1.5	0.2	0.8	33.136	266.433	25.485	26.596	6.570	33.166
57	4.7	10.8	3.2	46.770	196.954	56.937	39.282	19.307	58.589
58	0.0	0.0	0.0	4.832	7.060	110.473	0.000	4.836	4.836
59	WIW CONV. DATE 04/73			4.345	24.335	5.902	2.016	2.329	4.345
60	3.2	1.6	153.3	34.087	89.514	911.193	8.823	28.690	37.513

TABLE 3

PRODUCTION AND ULTIMATE RECOVERY
SIRGO-COLLIER INC.
PENROSE "B" UNIT
LEA COUNTY, NEW MEXICO

UNIT WELL NO.	MARCH '87 PRODUCTION OIL (BOPD)	GAS (MCFD)	WATER (BWPD)	CUM PRODUCTION @ 4-1-87 OIL (MBBL)	GAS (MMCF)	WATER (MBBL)	EUR PRIMARY (MBBL)	SECONDARY (MBBL)	TOTAL (MBBL)
61	WIW CONV. DATE 01/74			19.137	82.545	10.737	15.238	3.899	19.137
62	WIW CONV. DATE 09/66			0.000	0.000	0.000	0.000	0.000	0.000
63	WIW CONV. DATE 09/70			15.244	24.692	29.117	11.016	4.228	15.244
*** Total ***	95.2	30.5	1099.1	3310.156	3875.052	18988.909	1775.288	1742.467	3517.755

		PRODUCERS	INJECTORS	TOTAL
MARCH 1987 STATUS:	ACTIVE	29	5	34
	SHUT-IN	6	23	29
	TOTAL	35	28	63

NOTE: ULTIMATE RECOVERIES ARE BASED ON ESTIMATED ABANDONMENT OIL RATES. ACTUAL ULTIMATE OIL RECOVERIES ARE SUBJECT TO MINIMUM COMMERCIAL RATES IMPOSED BY ACTUAL PREVAILING ECONOMIC CONDITIONS.

TABLE 4

INJECTION SUMMARY
SIRGO-COLLIER, INC.
PENROSE "B" UNIT
LEA COUNTY, NEW MEXICO

UNIT WELL #	MARCH 1987 WATER INJECTION (BWPD)	MARCH 1987 WHP (Psi)	CUM WATER INJECTION @ 4-1-87 (MBBLS)
01	52.4	1650	902743
03	149.8	1650	1843352
05	INACTIVE		1895528
08	320.2	1775	1568067
10	INACTIVE		728087
12	INACTIVE		1464354
14	INACTIVE		1499626
16	INACTIVE		1444523
17	INACTIVE		1074299
19	INACTIVE		683615
21	INACTIVE		991015
25	INACTIVE		1886149
27	INACTIVE		1971140
29	INACTIVE		815050
32	INACTIVE		585681
34	INACTIVE		1517385
36	395.5	1725	2293149
38	INACTIVE		2194819
40	INACTIVE		1505760
42	415.0	1675	1786178
45	INACTIVE		1654722
50	INACTIVE		1127768
52	INACTIVE		1454485
54	INACTIVE		1349675
59	INACTIVE		1161547
61	INACTIVE		1001935
63	INACTIVE		1551924
TOTAL	1332.9		37952576

MARCH 1987 WELL STATUS:		
	ACTIVE	5
	SHUT-IN	23
	TOTAL	28

TABLE 5

SIMULATION MODEL PARAMETERS
PENROSE "B" UNIT
LEA COUNTY, NEW MEXICO

Model Configuration

Number of Layers	Single-Layer
Layer Thickness (Feet)	20
Number of Blocks and Dimension/Block	72 @ 933' x 933'
Area/Block (Acres)	20
Size: X times Y (Feet)	8,397 x 7,464
Model Area (Acres)	1,438.8
Mid-Point Elevation (Feet)	3,600

Rock Properties

Permeability Range (md)	0.5 - 50.0
Porosity Range (%)	9 - 23

Fluid Properties

Residual Oil Saturation, %	32.0
Immobile Water Saturation, %	34.0
Critical Gas Saturation, %	1.0
Oil Gravity, Degree API	37
Estimated Gas Gravity	0.8
Initial Bottom-Hole Pressure (Psia)	1,730
Initial Formation - Volume Factor	1.16
Oil Viscosity At Initial Bottom-Hole Pressure (cp)	1.97
Solution Gas-Oil Ratio (SCF/BBL)	300
Initial Oil Saturation, So (Decimal)	0.66
Initial Water Saturation, Sw (Decimal)	0.34

Initial Fluid Volume

Oil-In-Place (MMSTB)	17.749
Water-In-Place (MMSTB)	11.255
Solution Gas-In-Place (BSCF)	5.246
Free Gas-In-Place (BSCF)	0.304

TABLE 6

SIMULATION MODEL DEPLETION RESULTS
PENROSE "B" UNIT
LEA COUNTY, NEW MEXICO

	Model Results	Actual Results
Primary Depletion		
Pressure (Psia)	637	Not Available
Average So (Decimal)	0.558	Not Available
Average Sw (Decimal)	0.350	Not Available
Average Sg (Decimal)	0.092	Not Available
Cumulative Oil (MBBL)	1,198	1,083
Primary Recovery (Percent of OOIP)	7.3	Not Available
Cumulative GOR (MCF/BBL)	1.964	1.066
Cumulative Water (MBBL)	62	216
Final Oil Rate (BPD)	73	63
Final GOR (MCF/BBL)	5.630	2.476
Final Water Rate (BWPD)	9	45
Producing Time (Years)	10.0	9.0
Number of Wells	34	34
End of Waterflood (Current Operations)		
Pressure (Psia)	3,763	Not Available
Average So (Decimal)	0.514	Not Available
Average Sw (Decimal)	0.486	Not Available
Average Sg (Decimal)	0	Not Available
Cumulative Oil (MBBL)	1,952	2,070
Total Recovery (Percent of OOIP)	11.0	Not Available
Cumulative Secondary Oil (MBBL)	754	987
Secondary Oil (Percent of OOIP)	4.6	Not Available
Secondary/Primary (Ratio)	0.63	0.91
Cumulative GOR (MCF/BBL)	1.644	0.757
Cumulative Water (MBBL)	1,241	10,368
Cumulative WOR (Volume/Volume)	0.59*	5.01
Cumulative Injection (MBBL)	5,602*	27,355
Estimated Economic Floodout (Years)	26	29.5 @ 4/1/87
Number of Producers	16	16
Number of Injectors	18	18

* Reflects effective injection, i. e., all injection restricted to confines of single layer.

TABLE 6

SIMULATION MODEL DEPLETION RESULTS
PENROSE "B" UNIT
LEA COUNTY, NEW MEXICO

Infill Drilling and 40-Acre, 5-Spot Injection Support	Model Results
Pressure (Psia)	2,977
Average So (Decimal)	0.469
Average Sw (Decimal)	0.531
Average Sg (Decimal)	0
Cumulative Oil (MBBL)	3,229
Total Recovery (Percent of OOIP)	18.2
Cumulative Secondary Oil (MBBL)	1,925
Secondary Oil (Percent of OOIP)	10.8
Secondary/Primary (Ratio)	1.48
Incremental Oil Recovery (MBBL)	1,277
Cumulative GOR (MCF/BBL)	1,155
Cumulative Water (MBBL)	13,420
Cumulative WOR (Volume/Volume)	4.02
Cumulative Injection (MBBL)	19,290
Cumulative Economic Floodout (Years)	40
Number of Producers	29
Number of Injectors	20

TABLE 7

PROPOSED INVESTMENT SCHEDULE
PENROSE "B" UNIT
LEA COUNTY, NEW MEXICO

Phase	Date	Description	Gross Investment (M$)	(M$)
I	October 1987	Drill 3 Producing Wells (1 Cored)	465.0	
	November 1987	Drill 3 Producing Wells	450.0	
		Install Satellite Producing Facility	10.0	
		Install Injection Facility	120.0	
	December 1987	Drill 3 Producing Wells	450.0	
		Install Satellite Producing Facility	10.0	
	January 1988	Drill 1 Producing Well	150.0	
		Install Satellite Producing Facility	5.0	
		Total Phase		1,660.0
II	January 1988	Drill 2 Producing Wells	300.0	
	February 1988	Drill 3 Producing Wells	450.0	
		Workover 5 Producing Wells	250.0	
		Convert 9 Wells to Injection	337.5	
		Install Injection Facility Expansion	150.0	
	March 1988	Drill 3 Producing Wells	450.0	
		Total Phase		1,937.5
III	April 1988	Drill 3 Producing Wells	450.0	
	May 1988	Drill 3 Producing Wells	450.0	
	June 1988	Drill 2 Producing Wells	300.0	
		Total Phase		1,200.0
		Total Project		4,797.5

TABLE 8

WELL COUNT SUMMARY
PENROSE "B" UNIT
LEA COUNTY, NEW MEXICO

		Producers			Injectors			Project Total		
Date	Phase	Active	In-Active	Total	Active	In-Active	Total	Active	In-Active	Total
Existing										
September 1987		29	6	35	5	23	28	34	29	63
Planned										
October 1987	I	32	6	38	9	19	28	41	25	66
November 1987	I	35	6	41	13	15	28	48	21	69
December 1987	I	38	6	44	17	11	28	55	17	72
January 1988	I	39	6	45	17	11	28	56	17	73
January 1988	II	41	6	47	17	11	28	58	17	75
February 1988	II	37	4	41	26	11	37	63	15	78
March 1988	II	40	4	44	26	11	37	66	15	81
April 1988	III	43	4	47	26	11	37	69	15	84
May 1988	III	46	4	50	26	11	37	72	15	87
June 1988	III	48	4	52	26	11	37	74	15	89

Note: The projected active well count will be dependent upon success of each phase and as dictated by mechanical conditions and/or activation or de-activation of wells in the interest of more efficient operations.

TABLE 9

SUMMARY OF ECONOMICS
PROJECT WATERFLOOD REDEVELOPMENT
PENROSE "B" UNIT
LEA COUNTY, NEW MEXICO

Effective Date:	Proved Developed Producing	Proved Undeveloped Phase I	Proved Undeveloped Phase II	Proved Undeveloped Phase III	Proved Undeveloped Total	Total Proved
			September 15, 1987			
Gross Reserves:						
Oil (MBBL)	191	752	608	345	1,705	1,896
Gas (MMCF)	57	225	183	103	511	568
Net Reserves:						
Oil (MBBL)	143	564	456	259	1,279	1,422
Gas (MMCF)	43	169	137	78	384	427
Net Operating Revenues:						
Oil (M$)	3,301	14,297	11,506	6,485	32,288	35,589
Gas (M$)	71	322	259	141	722	793
Total (M$)	3,372	14,619	11,765	6,626	33,010	36,382
Expenses:						
Wellhead Taxes (M$)	252	1,091	878	494	2,463	2,715
Operating Costs (M$)	1,659	2,739	2,891	1,517	7,147	8,806
Total (M$)	1,911	3,830	3,769	2,011	9,610	11,521
Investments (M$)	0	1,660	1,937	1,200	4,797	4,797
Future Net Revenue:						
Undiscounted (M$)	1,461	9,129	6,058	3,415	18,602	20,063
Discounted @ 10$ (M$)	1,030	4,524	2,758	1,553	8,835	9,865
Payout* (Years)	-	1.3	2.3	3.0	2.0	-
Annualized Rate of Return (%)	-	100	56.3	47.7	71.7	-
Profit/Investment Ratio:						
Undiscounted	-	6.5	4.1	3.9	4.9	-
Discounted @ 10%	-	3.8	2.5	2.4	2.9	-

* Payout based on project effective date.

TOTAL PROVED

TABLE 10

DATE: 08/31/87
TIME: 14:08.23
FILE: PEN
SET#: 0

RESERVES AND ECONOMICS

PENROSE "B"
ESCALATED CASE

AS OF SEPTEMBER 15, 1987

T. SCOTT HICKMAN & ASSOC
PETROLEUM CONSULTANTS

-END-	---GROSS PRODUCTION---		----NET PRODUCTION----		--PRICES---		--------OPERATIONS, M$--------					10.00 PCT
MO-YR	OIL, MBBL	GAS, MMCF	OIL, MBBL	GAS, MMCF	OIL $/B	GAS $/M	NET OPER REVENUES	SEV+ADV+ WF TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	CUM. DISC BTAX, M$
12-87	22.421	6.728	16.816	5.047	18.40	1.40	316.481	29.827	80.474	1505.000	-1292.820	-1275.257
12-88	252.215	75.664	189.166	56.752	19.40	1.40	3749.277	281.959	443.489	3292.500	-268.671	-1621.410
12-89	229.281	68.783	171.966	51.590	19.94	1.44	3502.760	263.198	473.130	.000	2766.432	710.898
12-90	188.171	56.454	141.133	42.346	20.96	1.51	3022.706	226.792	496.800	.000	2299.114	2473.007
12-91	160.101	48.026	120.079	36.021	22.04	1.59	2703.963	202.587	482.736	.000	2018.640	3879.504
12-92	139.472	41.843	104.607	31.387	23.17	1.66	2476.488	185.296	506.862	.000	1784.330	5009.721
12-93	123.559	37.067	92.672	27.804	24.36	1.75	2306.410	172.341	532.207	.000	1601.862	5932.121
12-94	110.855	33.258	83.145	24.947	25.61	1.83	2175.267	162.350	558.821	.000	1454.096	6693.313
12-95	100.454	30.132	75.342	22.601	26.92	1.93	2071.930	154.453	586.750	.000	1330.727	7326.595
12-96	91.778	27.535	68.838	20.654	28.30	2.02	1989.795	148.167	616.098	.000	1225.530	7856.795
12-97	84.389	25.317	63.295	18.991	29.74	2.12	1922.950	143.043	646.600	.000	1133.307	8302.537
12-98	73.304	21.992	54.980	16.498	31.26	2.23	1755.502	130.456	634.302	.000	990.744	8657.078
12-99	56.464	16.938	42.351	12.708	32.85	2.34	1421.143	105.503	448.183	.000	867.457	8939.275
12- 0	48.351	14.505	36.265	10.883	34.24	2.46	1268.642	94.107	421.313	.000	753.222	9161.847
12- 1	42.113	12.634	31.587	9.478	34.40	2.58	1111.060	82.374	385.167	.000	643.519	9334.914
S TOT	1722.928	516.876	1292.242	387.707	24.08	1.73	31794.374	2376.453	7312.932	4797.500	17307.489	9334.914
REM.	173.105	51.935	129.839	38.962	34.40	3.12	4588.113	339.374	1493.545	.000	2755.194	9865.042
TOTAL	1896.033	568.811	1422.081	426.669	25.03	1.86	36382.487	2715.827	8806.477	4797.500	20062.683	9865.042
CUM.	3339.303	1003.691										
ULT.	5235.336	1572.502										

NET OIL REVENUES (M$)	35589.096		
NET GAS REVENUES (M$)	793.391		
TOTAL REVENUES (M$)	36382.487		
BTAX RATE OF RETURN (PCT)	83.54	PROJECT LIFE (YEARS)	24.232
BTAX PAYOUT YEARS	1.86	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT YEARS (DISC)	1.99	GROSS OIL WELLS	48
BTAX NET INCOME/INVEST	5.18	GROSS GAS WELLS	.000
BTAX NET INCOME/INVEST (DISC)	3.14	GROSS WELLS	48

--------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	20062.683	30.0	3549.760
2.0	17077.937	35.0	2836.053
5.0	13682.306	40.0	2269.103
8.0	11182.382	45.0	1809.371
10.0	9865.042	50.0	1430.120
12.0	8757.057	60.0	843.856
15.0	7396.381	70.0	414.734
18.0	6308.070	80.0	89.541
20.0	5698.037	90.0	-163.603
25.0	4471.126	100.0	-364.921

TOTAL PROVED DEVELOPED PRODUCING

TABLE 11

DATE: 08/31/87
TIME: 14:08.23
FILE: PEN
GET#: 0

RESERVES AND ECONOMICS

PENROSE "B"
ESCALATED CASE

AS OF SEPTEMBER 15, 1987

T. SCOTT HICKMAN & ASSOC
PETROLEUM CONSULTANTS

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	-------OPERATIONS, M$------- NET OPER REVENUES	SEV+ADV+ WF TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-87	9.169	2.751	6.877	2.063	18.40	1.40	129.425	9.744	71.050	.000	48.631	47.946
12-88	28.964	8.689	21.723	6.517	19.40	1.40	430.550	32.378	184.800	.000	213.372	245.823
12-89	25.489	7.646	19.117	5.735	19.94	1.44	389.393	29.259	141.120	.000	219.014	430.468
12-90	22.430	6.729	16.823	5.047	20.96	1.51	360.305	27.034	148.176	.000	185.095	572.330
12-91	19.739	5.922	14.804	4.442	22.04	1.59	333.362	24.976	116.689	.000	191.697	705.896
12-92	17.369	5.211	13.027	3.908	23.17	1.66	308.403	23.075	122.523	.000	162.805	809.019
12-93	15.286	4.586	11.465	3.440	24.36	1.75	285.340	21.322	128.649	.000	135.369	886.969
12-94	13.451	4.035	10.088	3.026	25.61	1.83	263.924	19.697	135.082	.000	109.145	944.104
12-95	11.837	3.551	8.878	2.663	26.92	1.93	244.147	18.200	141.836	.000	84.111	984.132
12-96	10.417	3.125	7.813	2.344	28.30	2.02	225.838	16.817	148.928	.000	60.093	1010.130
12-97	9.166	2.750	6.875	2.063	29.74	2.12	208.868	15.536	156.374	.000	36.958	1024.666
12-98	8.067	2.420	6.050	1.815	31.26	2.23	193.175	14.355	164.193	.000	14.627	1029.896
12-99												
12- 0												
12- 1												
S TOT	191.384	57.415	143.540	43.063	23.00	1.66	3372.730	252.393	1659.420	.000	1460.917	1029.896
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	1029.896
TOTAL	191.384	57.415	143.540	43.063	23.00	1.66	3372.730	252.393	1659.420	.000	1460.917	1029.896
CUM.	3339.303	1003.691										
ULT.	3530.687	1061.106										

NET OIL REVENUES (M$)	3301.444		
NET GAS REVENUES (M$)	71.286		
TOTAL REVENUES (M$)	3372.730		
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	11.292
BTAX PAYOUT YEARS	.00	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT YEARS (DISC)	.00	GROSS OIL WELLS	29
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	.000
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	29

--------PRESENT WORTH PROFILE--------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	1460.917	30.0	632.917
2.0	1351.838	35.0	577.290
5.0	1212.497	40.0	531.067
8.0	1096.609	45.0	492.159
10.0	1029.896	50.0	459.020
12.0	970.245	60.0	405.735
15.0	891.959	70.0	364.888
18.0	824.816	80.0	332.653
20.0	785.223	90.0	306.599
25.0	700.858	100.0	285.112

TOTAL PROVED UNDEVELOPED

TABLE 12

DATE: 08/31/87
TIME: 14:08.23
FILE: PEN
GET#: 0

RESERVES AND ECONOMICS

PENROSE "B"
ESCALATED CASE

AS OF SEPTEMBER 15, 1987

T. SCOTT HICKMAN & ASSOC
PETROLEUM CONSULTANTS

-END- MO-YR	GROSS PRODUCTION OIL, MBBL	GROSS PRODUCTION GAS, MMCF	NET PRODUCTION OIL, MBBL	NET PRODUCTION GAS, MMCF	PRICES OIL $/B	PRICES GAS $/M	OPERATIONS, M$ NET OPER REVENUES	OPERATIONS, M$ SEV+ADV+ WF TAXES	OPERATIONS, M$ NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-87	13.252	3.977	9.939	2.984	18.40	1.40	187.056	14.083	9.424	1505.000	-1341.451	-1323.203
12-88	223.251	66.975	167.443	50.235	19.40	1.40	3318.727	249.581	258.689	3292.500	-482.043	-1867.233
12-89	203.792	61.137	152.849	45.855	19.94	1.44	3113.367	233.939	332.010	.000	2547.418	280.430
12-90	165.741	49.725	124.310	37.299	20.96	1.51	2662.401	199.758	348.624	.000	2114.019	1900.677
12-91	140.362	42.104	105.275	31.579	22.04	1.59	2370.601	177.611	366.047	.000	1826.943	3173.608
12-92	122.103	36.632	91.580	27.479	23.17	1.66	2168.085	162.221	384.339	.000	1621.525	4200.702
12-93	108.273	32.481	81.207	24.364	24.36	1.75	2021.070	151.019	403.558	.000	1466.493	5045.152
12-94	97.404	29.223	73.057	21.921	25.61	1.83	1911.343	142.653	423.739	.000	1344.951	5749.209
12-95	88.617	26.581	66.464	19.938	26.92	1.93	1827.783	136.253	444.914	.000	1246.616	6342.463
12-96	81.361	24.410	61.025	18.310	28.30	2.02	1763.957	131.350	467.170	.000	1165.437	6846.663
12-97	75.223	22.567	56.420	16.928	29.74	2.12	1714.082	127.507	490.226	.000	1096.349	7277.871
12-98	65.237	19.572	48.930	14.683	31.26	2.23	1562.327	116.101	470.109	.000	976.117	7627.182
12-99	56.464	16.938	42.351	12.708	32.85	2.34	1421.143	105.503	448.183	.000	867.457	7909.379
12- 0	48.351	14.505	36.265	10.883	34.24	2.46	1268.642	94.107	421.313	.000	753.222	8131.951
12- 1	42.113	12.634	31.587	9.478	34.40	2.58	1111.060	82.374	385.167	.000	643.519	8305.018
S TOT	1531.544	459.461	1148.702	344.644	24.22	1.74	28421.644	2124.060	5653.512	4797.500	15846.572	8305.018
REM.	173.105	51.935	129.839	38.962	34.40	3.12	4588.113	339.374	1493.545	.000	2755.194	8835.146
TOTAL	1704.649	511.396	1278.541	383.606	25.25	1.88	33009.757	2463.434	7147.057	4797.500	18601.766	8835.146
CUM.	.000	.000										
ULT.	1704.649	511.396										

NET OIL REVENUES (M$)	32287.652		
NET GAS REVENUES (M$)	722.105		
TOTAL REVENUES (M$)	33009.757		
BTAX RATE OF RETURN (PCT)	71.70	PROJECT LIFE (YEARS)	24.232
BTAX PAYOUT YEARS	2.01	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT YEARS (DISC)	2.16	GROSS OIL WELLS	19
BTAX NET INCOME/INVEST	4.88	GROSS GAS WELLS	.000
BTAX NET INCOME/INVEST (DISC)	2.91	GROSS WELLS	19

PRESENT WORTH PROFILE

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	18601.766	30.0	2916.843
2.0	15726.099	35.0	2258.763
5.0	12469.809	40.0	1738.036
8.0	10085.773	45.0	1317.212
10.0	8835.146	50.0	971.100
12.0	7786.812	60.0	438.121
15.0	6504.422	70.0	49.846
18.0	5483.254	80.0	-243.112
20.0	4912.814	90.0	-470.202
25.0	3770.268	100.0	-650.033

TOTAL PHASE I PROVED UNDEVELOPED

TABLE 13

DATE: 08/31/87
TIME: 14:08.23
FILE: PEN
GET#: 0

RESERVES AND ECONOMICS

PENROSE "B"
ESCALATED CASE

AS OF SEPTEMBER 15, 1987

T. SCOTT HICKMAN & ASSOC
PETROLEUM CONSULTANTS

-END-	---GROSS PRODUCTION---		----NET PRODUCTION----		--PRICES---		--------OPERATIONS, M$--------					10.00 PCT
MO-YR	OIL, MBBL	GAS, MMCF	OIL, MBBL	GAS, MMCF	OIL $/B	GAS $/M	NET OPER REVENUES	SEV+ADV+ WF TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	CUM. DISC BTAX, M$
12-87	13.252	3.977	9.939	2.984	18.40	1.40	187.056	14.083	9.424	1505.000	-1341.451	-1323.203
12-88	112.600	33.778	84.451	25.335	19.40	1.40	1673.819	125.876	101.050	155.000	1291.893	-132.353
12-89	84.288	25.288	63.218	18.967	19.94	1.44	1287.683	96.757	107.100	.000	1083.826	781.392
12-90	67.674	20.301	50.758	15.227	20.96	1.51	1087.102	81.565	112.460	.000	893.077	1465.873
12-91	56.814	17.043	42.612	12.782	22.04	1.58	959.544	71.890	118.080	.000	769.574	2002.077
12-92	49.118	14.735	36.839	11.053	23.17	1.66	872.133	65.255	123.980	.000	682.898	2434.632
12-93	43.348	13.006	32.511	9.755	24.36	1.75	809.132	60.459	130.180	.000	618.493	2790.778
12-94	38.854	11.656	29.143	8.743	25.61	1.83	762.447	56.905	136.690	.000	568.852	3088.561
12-95	35.244	10.573	26.434	7.930	26.92	1.93	726.945	54.193	143.520	.000	529.232	3340.418
12-96	32.283	9.685	24.215	7.265	28.30	2.02	699.946	52.121	150.700	.000	497.125	3555.488
12-97	29.801	8.940	22.351	6.706	29.74	2.12	679.040	50.511	158.240	.000	470.289	3740.453
12-98	27.691	8.308	20.770	6.232	31.26	2.23	663.182	49.284	166.150	.000	447.748	3900.543
12-99	24.536	7.360	18.404	5.521	32.85	2.34	617.566	45.847	161.329	.000	410.390	4034.011
12- 0	22.601	6.781	16.952	5.088	34.24	2.46	593.026	43.989	164.862	.000	384.175	4147.532
12- 1	19.985	5.995	14.991	4.498	34.40	2.58	527.301	39.094	151.327	.000	336.880	4238.095
S TOT	658.089	197.426	493.588	148.086	24.09	1.73	12145.922	907.829	1935.092	1660.000	7643.001	4238.095
REM.	93.320	27.997	69.995	21.003	34.40	3.12	2473.298	182.952	804.354	.000	1485.992	4524.578
TOTAL	751.409	225.423	563.583	169.089	25.37	1.91	14619.220	1090.781	2739.446	1660.000	9128.993	4524.578
CUM.	.000	.000										
ULT.	751.409	225.423										

NET OIL REVENUES (M$)	14296.944		
NET GAS REVENUES (M$)	322.276		
TOTAL REVENUES (M$)	14619.220		
PROJECT LIFE (YEARS)	24.232		
DISCOUNT RATE (PCT)	10.000		
GROSS OIL WELLS	10		
GROSS GAS WELLS	.000		
GROSS WELLS	10		

BTAX RATE OF RETURN (PCT)	100.00
BTAX PAYOUT YEARS	1.34
BTAX PAYOUT YEARS (DISC)	1.44
BTAX NET INCOME/INVEST	6.50
BTAX NET INCOME/INVEST (DISC)	3.77

--------PRESENT WORTH PROFILE--------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	9128.993	30.0	1801.730
2.0	7757.985	35.0	1496.608
5.0	6220.112	40.0	1252.934
8.0	5105.346	45.0	1053.843
10.0	4524.578	50.0	888.079
12.0	4039.842	60.0	627.766
15.0	3449.262	70.0	432.567
18.0	2980.442	80.0	280.755
20.0	2718.867	90.0	159.320
25.0	2194.710	100.0	60.019

TOTAL PHASE II PROVED UNDEVELOPED | TABLE 14 | DATE: 08/31/87
TIME: 14:08.23
FILE: PEN
GET#: 0

RESERVES AND ECONOMICS

PENROSE "B"
ESCALATED CASE

AS OF SEPTEMBER 15, 1987

T. SCOTT HICKMAN & ASSOC
PETROLEUM CONSULTANTS

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	-------OPERATIONS, M$------- NET OPER REVENUES	SEV+ADV+ WF TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-87	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	.000
12-88	81.561	24.468	61.174	18.353	19.40	1.40	1212.471	91.184	111.443	1937.500	-927.656	-932.403
12-89	75.320	22.596	56.492	16.948	19.94	1.44	1150.681	86.461	139.230	.000	924.990	-152.566
12-90	60.619	18.188	45.464	13.643	20.96	1.51	973.725	73.058	146.196	.000	754.471	425.683
12-91	50.959	15.285	38.220	11.465	22.04	1.59	860.646	64.484	153.503	.000	642.659	873.459
12-92	44.084	13.226	33.064	9.920	23.17	1.66	782.764	58.567	161.175	.000	563.022	1230.084
12-93	38.921	11.675	29.192	8.758	24.36	1.75	726.527	54.288	169.234	.000	503.005	1519.729
12-94	34.892	10.469	26.171	7.854	25.61	1.83	684.698	51.103	177.697	.000	455.898	1758.383
12-95	31.655	9.496	23.741	7.124	26.92	1.93	652.890	48.668	186.578	.000	417.644	1957.136
12-96	28.991	8.697	21.745	6.523	28.30	2.02	628.546	46.803	195.910	.000	385.833	2124.059
12-97	26.763	8.030	20.073	6.023	29.74	2.12	609.834	45.362	205.710	.000	358.762	2265.162
12-98	21.817	6.544	16.363	4.911	31.26	2.23	522.471	38.826	187.654	.000	295.991	2371.297
12-99	18.153	5.445	13.615	4.085	32.85	2.34	456.868	33.916	174.452	.000	248.500	2452.069
12- 0	17.051	5.114	12.789	3.836	34.24	2.46	447.387	33.189	183.179	.000	231.019	2520.334
12- 1	14.611	4.384	10.959	3.288	34.40	2.58	385.478	28.580	168.056	.000	188.842	2571.111
S TOT	543.397	163.617	409.062	122.731	24.16	1.74	10094.986	754.489	2360.017	1937.500	5042.980	2571.111
REM.	62.935	18.882	47.205	14.166	34.40	3.21	1669.267	123.429	530.886	.000	1014.952	2757.597
TOTAL	608.332	182.499	456.267	136.897	25.22	1.89	11764.253	877.918	2890.903	1937.500	6057.932	2757.597
CUM.	.000	.000										
ULT.	608.332	182.499										

NET OIL REVENUES (M$)	11505.633		
NET GAS REVENUES (M$)	258.620		
TOTAL REVENUES (M$)	11764.253		
PROJECT LIFE (YEARS)	23.182		
DISCOUNT RATE (PCT)	10.000		
GROSS OIL WELLS	8		
GROSS GAS WELLS	.000		
GROSS WELLS	8		

BTAX RATE OF RETURN (PCT)	56.31
BTAX PAYOUT YEARS	2.30
BTAX PAYOUT YEARS (DISC)	2.56
BTAX NET INCOME/INVEST	4.13
BTAX NET INCOME/INVEST (DISC)	2.48

--------PRESENT WORTH PROFILE--------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	6057.932	30.0	769.888
2.0	5079.771	35.0	547.697
5.0	3979.114	40.0	371.789
8.0	3177.277	45.0	229.690
10.0	2757.597	50.0	112.980
12.0	2406.082	60.0	-66.082
15.0	1976.132	70.0	-195.527
18.0	1633.510	80.0	-292.199
20.0	1441.925	90.0	-366.195
25.0	1057.596	100.0	-423.918

TOTAL PHASE III PROVED UNDEVELOPED

TABLE 15

DATE: 08/31/87
TIME: 14:08.23
FILE: PEN
GET#: 0

RESERVES AND ECONOMICS

PENROSE "B"
ESCALATED CASE

AS OF SEPTEMBER 15, 1987

T. SCOTT HICKMAN & ASSOC
PETROLEUM CONSULTANTS

-END-	---GROSS PRODUCTION---		----NET PRODUCTION----		--PRICES---		--------OPERATIONS, M$--------					10.00 PCT
MO-YR	OIL, MBBL	GAS, MMCF	OIL, MBBL	GAS, MMCF	OIL $/B	GAS $/M	NET OPER REVENUES	SEV+ADV+ WF TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	CUM. DISC BTAX, M$
12-87	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	.000
12-88	29.090	8.729	21.818	6.547	19.40	1.40	432.437	32.521	46.196	1200.000	-846.280	-802.477
12-89	44.184	13.253	33.139	9.940	19.94	1.44	675.003	50.721	85.680	.000	538.602	-348.396
12-90	37.448	11.236	28.088	8.429	20.96	1.51	601.574	45.135	89.968	.000	466.471	9.121
12-91	32.589	9.776	24.443	7.332	22.04	1.58	550.411	41.237	94.464	.000	414.710	298.072
12-92	28.901	8.671	21.677	6.506	23.17	1.66	513.188	38.399	99.184	.000	375.605	535.986
12-93	26.004	7.800	19.504	5.851	24.36	1.75	485.411	36.272	104.144	.000	344.995	734.645
12-94	23.658	7.098	17.743	5.324	25.61	1.83	464.198	34.645	109.352	.000	320.201	902.265
12-95	21.718	6.512	16.289	4.884	26.92	1.93	447.948	33.392	114.816	.000	299.740	1044.909
12-96	20.087	6.028	15.065	4.522	28.30	2.02	435.465	32.426	120.560	.000	282.479	1167.118
12-97	18.659	5.597	13.996	4.199	29.74	2.12	425.208	31.634	126.276	.000	267.298	1272.256
12-98	15.729	4.720	11.797	3.540	31.26	2.23	376.674	27.991	116.305	.000	232.378	1355.342
12-99	13.775	4.133	10.332	3.102	32.85	2.34	346.709	25.740	112.402	.000	208.567	1423.299
12- 0	8.699	2.610	6.524	1.959	34.24	2.46	228.229	16.929	73.272	.000	138.028	1464.085
12- 1	7.517	2.255	5.637	1.692	34.40	2.58	198.281	14.700	65.784	.000	117.797	1495.812
S TOT	328.058	98.418	246.052	73.827	24.59	1.77	6180.736	461.742	1358.403	1200.000	3160.591	1495.812
REM.	16.850	5.056	12.639	3.793	34.40	2.84	445.548	32.993	158.305	.000	254.250	1552.971
TOTAL	344.908	103.474	258.691	77.620	25.07	1.82	6626.284	494.735	1516.708	1200.000	3414.841	1552.971
CUM.	.000	.000										
ULT.	344.908	103.474										

NET OIL REVENUES (M$)	6485.075		
NET GAS REVENUES (M$)	141.209		
TOTAL REVENUES (M$)	6626.284		
BTAX RATE OF RETURN (PCT)	47.65		
BTAX PAYOUT YEARS	2.95		
BTAX PAYOUT YEARS (DISC)	3.27		
BTAX NET INCOME/INVEST	3.85		
BTAX NET INCOME/INVEST (DISC)	2.38		
PROJECT LIFE (YEARS)	17.298		
DISCOUNT RATE (PCT)	10.000		
GROSS OIL WELLS	8		
GROSS GAS WELLS	.000		
GROSS WELLS	8		

--------PRESENT WORTH PROFILE--------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	3414.841	30.0	345.225
2.0	2888.343	35.0	214.458
5.0	2270.583	40.0	113.313
8.0	1803.150	45.0	33.679
10.0	1552.971	50.0	-29.959
12.0	1340.888	60.0	-123.563
15.0	1079.028	70.0	-187.194
18.0	869.302	80.0	-231.668
20.0	752.022	90.0	-263.327
25.0	517.962	100.0	-286.134