Case #10969
NMOCD Examiner Hearing
May 12, 1994
Merrion Oil & Gas

EXHIBIT 4

BLUEBERRY BUCKLE #1 FRUITLAND COAL - 500 MCFD IP

PRODUCTION FORECAST AND ECONOMICS

Economic Data

Working Interest	100.00%	
Net Revenue Interest	70.00%	
Production Tax- Ga	9.10%	
Oil	8.28%	
Operating Cost	3,000	$/mo
Gas btu Value	980	btu/scf
Prod Price Escalator	4.0%	%/yr
Op Cost Escalator	4.0%	per yr
P&A cost	15	M$
Constant Prices:	NO	(yes/no)
Beg Oil Price	14.00	$/bbl
Beg Gas Price	1.65	$/mmbtu

Well Type (Oil,Gas): GAS

Economic Indicators

Payout =	1.8	Years
DctROR =	51.4%	
IROI =	4.52	$/$
EROI =	5.52	$/$
Interest rate =	20%	
Investment =	250.0	M$
Project Risk Factor -		
Average Oil Price-	$21.79	/bbl
Average Gas Price-	$2.57	/mmbtu

Present Worth Profile

% Disc	Value M$
	1,176.8
6%	730.7
8%	631.1
10%	547.6
12%	477.0
14%	416.8
16%	365.0
18%	320.1
20%	280.9
35%	96.7
50%	6.0

Oil Production

1-1-94 Reserves	0	stb
1-1-94 Qo	0.00	bopd
Qel	0.00	bopd
Decline Fraction	0.080	per yr
Life	29.00	years

Gas Production

1-1-94 Reserves	1888773	mcf
1-1-94 Qg	500	mcfd
Qel	86	mcfd
Decline Fraction	0.080	per yr
Life	22.00	years

		OIL PRODUCTION					GAS PRODUCTION					PRICE	
	Year	Begin Qo bopd	End Qo bopd	Avg Prod bopd	Yearly Prod stb	Cum Prod stb	Begin Qg mcfd	End Qg mcfd	Avg Prod mcfd	Yearly Prod mcf	Cum Prod mcf	Oil Price $/Bbl	Gas Price $/mmbtu
	1/1/94												
1	1994	0.0	0.0	0.0	0	0	500	462	481	175,391	175,391	14.00	1.65
2	1995	0.0	0.0	0.0	0	0	462	426	444	161,906	337,297	14.56	1.72
3	1996	0.0	0.0	0.0	0	0	426	393	409	149,458	486,755	15.14	1.78
4	1997	0.0	0.0	0.0	0	0	393	363	378	137,967	624,723	15.75	1.86
5	1998	0.0	0.0	0.0	0	0	363	335	349	127,360	752,082	16.38	1.93
6	1999	0.0	0.0	0.0	0	0	335	309	322	117,568	869,650	17.03	2.01
7	2000	0.0	0.0	0.0	0	0	309	286	297	108,529	978,179	17.71	2.09
8	2001	0.0	0.0	0.0	0	0	286	264	274	100,185	1,078,364	18.42	2.17
9	2002	0.0	0.0	0.0	0	0	264	243	253	92,482	1,170,846	19.16	2.26
10	2003	0.0	0.0	0.0	0	0	243	225	234	85,372	1,256,218	19.93	2.35
11	2004	0.0	0.0	0.0	0	0	225	207	216	78,808	1,335,026	20.72	2.44
12	2005	0.0	0.0	0.0	0	0	207	191	199	72,749	1,407,776	21.55	2.54
13	2006	0.0	0.0	0.0	0	0	191	177	184	67,156	1,474,932	22.41	2.64
14	2007	0.0	0.0	0.0	0	0	177	163	170	61,993	1,536,924	23.31	2.75
15	2008	0.0	0.0	0.0	0	0	163	151	157	57,226	1,594,151	24.24	2.86
16	2009	0.0	0.0	0.0	0	0	151	139	145	52,827	1,646,977	25.21	2.97
17	2010	0.0	0.0	0.0	0	0	139	128	134	48,765	1,695,743	26.22	3.09
18	2011	0.0	0.0	0.0	0	0	128	118	123	45,016	1,740,759	27.27	3.21
19	2012	0.0	0.0	0.0	0	0	118	109	114	41,555	1,782,314	28.36	3.34
20	2013	0.0	0.0	0.0	0	0	109	101	105	38,360	1,820,674	29.50	3.48
21	2014	0.0	0.0	0.0	0	0	101	93	97	35,411	1,856,084	30.68	3.62
E 22	2015	0.0	0.0	0.0	0	0	93	86	90	32,688	1,888,773	31.90	3.76

BLUEBERRY BUCKLE #1 FRUITLAND COAL - 200 MCFD IP

PRODUCTION FORECAST AND ECONOMICS

Well Type (Oil,Gas): GAS

Economic Data

Working Interest	100.00%	
Net Revenue Interest	70.00%	
Production Tax- Gas	9.10%	
Oil	8.28%	
Operating Cost	3,000	$/mo
Gas btu Value	980	btu/scf
Prod Price Escalator	4.0%	%/yr
Op Cost Escalator	4.0%	per yr
P&A cost	15	M$
Constant Prices:	NO	(yes/no)
Beg Oil Price	14.00	$/bbl
Beg Gas Price	1.65	$/mmbtu

Economic Indicators

Payout =	#REF!	Years
DcfROR =	#NUM!	
IROI =	(0.29)	$/$
EROI =	0.71	$/$
Interest rate =	20%	
Investment =	250.0	M$
Project Risk Factor -		
Average Oil Price-	$17.16	/bbl
Average Gas Price-	$2.02	/mmbtu

Present Worth Profile	
% Disc	Value M$
	(97.5)
6%	(118.9)
8%	(125.3)
10%	(131.2)
12%	(136.7)
14%	(141.9)
16%	(146.7)
18%	(151.2)
20%	(155.4)
35%	(179.3)
50%	(194.3)

Oil Production

1-1-94 Reserves	0	stb
1-1-94 Qo	0.00	bopd
Qel	0.00	bopd
Decline Fraction	0.080	per yr
Life	29.00	years

Gas Production

1-1-94 Reserves	534011	mcf
1-1-94 Qg	200	mcfd
Qel	86	mcfd
Decline Fraction	0.080	per yr
Life	11.00	years

		OIL PRODUCTION					GAS PRODUCTION					PRICE	
	Year	Begin Qo bopd	End Qo bopd	Avg Prod bopd	Yearly Prod stb	Cum Prod stb	Begin Qg mcfd	End Qg mcfd	Avg Prod mcfd	Yearly Prod mcf	Cum Prod mcf	Oil Price $/Bbl	Gas Price $/mmbtu
	1/1/94												
1	1994	0.0	0.0	0.0	0	0	200	185	192	70,156	70,156	14.00	1.65
2	1995	0.0	0.0	0.0	0	0	185	170	177	64,762	134,919	14.56	1.72
3	1996	0.0	0.0	0.0	0	0	170	157	164	59,783	194,702	15.14	1.79
4	1997	0.0	0.0	0.0	0	0	157	145	151	55,187	249,889	15.75	1.86
5	1998	0.0	0.0	0.0	0	0	145	134	140	50,944	300,833	16.38	1.93
6	1999	0.0	0.0	0.0	0	0	134	124	129	47,027	347,860	17.03	2.01
7	2000	0.0	0.0	0.0	0	0	124	114	119	43,412	391,272	17.71	2.09
8	2001	0.0	0.0	0.0	0	0	114	105	110	40,074	431,346	18.42	2.17
9	2002	0.0	0.0	0.0	0	0	105	97	101	36,993	468,339	19.16	2.26
10	2003	0.0	0.0	0.0	0	0	97	90	94	34,149	502,487	19.93	2.35
E 11	2004	0.0	0.0	0.0	0	0	90	83	86	31,523	534,011	20.72	2.44

		INVESTMENT		EXPENSE	NET CASH FLOW					Discounted	
	Year	Gross Invest M$	Net Invest M$	Operating M$	Annual Revenue Oil M$	Annual Revenue Gas M$	Annual Profit M$	Cum Profit M$	20% Discount Factor	Annual Profit M$	Cum Profit M$
	1/1/94	250.0	250.0				(250.0)	(250.0)	1.00	(250.0)	(250.0)
1	1994			36.0	0.0	72.2	36.2	(213.8)	0.83	30.2	(219.8)
2	1995			37.4	0.0	69.3	31.9	(182.0)	0.69	22.1	(197.7)
3	1996			38.9	0.0	66.5	27.6	(154.4)	0.58	16.0	(181.8)
4	1997			40.5	0.0	63.9	23.4	(131.0)	0.48	11.3	(170.5)
5	1998			42.1	0.0	61.3	19.2	(111.8)	0.40	7.7	(162.8)
6	1999			43.8	0.0	58.9	15.1	(96.7)	0.33	5.0	(157.7)
7	2000			45.6	0.0	56.5	11.0	(85.7)	0.28	3.1	(154.7)
8	2001			47.4	0.0	54.3	6.9	(78.9)	0.23	1.6	(153.1)
9	2002			49.3	0.0	52.1	2.8	(76.0)	0.19	0.5	(152.5)
10	2003			51.2	0.0	50.0	(1.2)	(77.3)	0.16	(0.2)	(152.7)
E 11	2004	15	15.0	53.3	0.0	48.0	(20.3)	(97.5)	0.13	(2.7)	(155.4)

			INVESTMENT		EXPENSE	NET CASH FLOW					Discounted	
		Year	Gross Invest M$	Net Invest M$	Operating M$	Annual Revenue Oil M$	Annual Revenue Gas M$	Annual Profit M$	Cum Profit M$	20% Discount Factor	Annual Profit M$	Cum Profit M$
		1/1/94	250.0	250.0				(250.0)	(250.0)	1.00	(250.0)	(250.0)
	1	1994			36.0	0.0	180.5	144.5	(105.5)	0.83	120.4	(129.6)
	2	1995			37.4	0.0	173.2	135.8	30.3	0.69	94.3	(35.3)
	3	1996			38.9	0.0	166.3	127.4	157.7	0.58	73.7	38.4
	4	1997			40.5	0.0	159.7	119.2	276.8	0.48	57.5	95.9
	5	1998			42.1	0.0	153.3	111.2	388.0	0.40	44.7	140.6
	6	1999			43.8	0.0	147.2	103.4	491.4	0.33	34.6	175.2
	7	2000			45.6	0.0	141.3	95.7	587.1	0.28	26.7	201.9
	8	2001			47.4	0.0	135.6	88.3	675.4	0.23	20.5	222.4
	9	2002			49.3	0.0	130.2	81.0	756.4	0.19	15.7	238.1
	10	2003			51.2	0.0	125.0	73.8	830.2	0.16	11.9	250.0
	11	2004			53.3	0.0	120.0	66.7	896.9	0.13	9.0	259.0
	12	2005			55.4	0.0	115.2	59.8	956.7	0.11	6.7	265.7
	13	2006			57.6	0.0	110.6	53.0	1,009.7	0.09	5.0	270.7
	14	2007			59.9	0.0	106.2	46.3	1,056.0	0.08	3.6	274.3
	15	2008			62.3	0.0	102.0	39.6	1,095.6	0.06	2.6	276.9
	16	2009			64.8	0.0	97.9	33.1	1,128.6	0.05	1.8	278.7
	17	2010			67.4	0.0	94.0	26.5	1,155.2	0.05	1.2	279.9
	18	2011			70.1	0.0	90.2	20.1	1,175.3	0.04	0.8	280.6
	19	2012			72.9	0.0	86.6	13.7	1,189.0	0.03	0.4	281.0
	20	2013			75.8	0.0	83.2	7.3	1,196.3	0.03	0.2	281.2
	21	2014			78.9	0.0	79.8	1.0	1,197.2	0.02	0.0	281.2
E	22	2015	15	15.0	82.0	0.0	76.6	(20.4)	1,176.8	0.02	(0.4)	280.9