

AMMEX PETROLEUM, INC.

MELVA NO. 1

660 FSL & 660 FEL
Sec. 28, T23S, R28E
Eddy County, NM

BARRELS REQUIRED TO PAYOUT: BEFORE TAX

Completed Well Cost	\$ 521,000
Oil Price	\$ 30.00/bbl
Net Revenue	.75

WOM
150 BOPM

$$\begin{aligned} \text{BBLs} &= \frac{\text{Well Cost}}{\text{Oil Price} \times \text{Net Revenue}} \\ &= \frac{521,000}{30 \times .75} \\ &= \underline{\underline{23,156 \text{ bbls}}} \end{aligned}$$

over what time? 2 yr.
payout

Assume gas sales will pay for operations and time value of money.

BEFORE EXAMINER STOGNER OIL CONSERVATION DIVISION <i>AMMEX</i> EXHIBIT NO. <u>16</u> CASE NO. <u>8048</u>
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