

ELVIS NO. 1

ESTIMATED PRODUCTION RATES

I. ALLOWABLE RESTRICTIONS

ALLOWABLE	RATE
Depth Bracket Allowable – 40 Acre Spacing Unit	455 BOPD
Depth Bracket Allowable – 80 Acre Spacing Unit	535 BOPD
Depth Bracket Allowable – 160 Acre Spacing Unit	695 BOPD
NMOCD Order R-10854	900 BOPD

II. CURRENT PRODUCING CONDITIONS

Rate (@7/99): 280 BOPD/2,018BWPD/617 MCFD
(Producing Oil Cut = 12.2%)

Submersible Depth: 7,994'

Fluid Column Pressure: 2,460 psi ±

Reservoir Pressure: 4,210 psi

Formation Transmissibility (kh): 8,100 md-ft

Skin Factor: 100+

III. PRODUCTION ENHANCEMENT OPPORTUNITIES

ACTION	BENEFIT
Lower Submersible Pump	Reduce formation back pressure
Isolate Water Channel	Increase producing oil cut from 12% to 36%
Perforate Additional Interval	Eliminate convergent flow Skin Factor

IV. POTENTIAL PRODUCTION RATES

ACTION	RESULTING OIL RATE, BOPD
Lower Submersible Pump	400 BOPD
Isolate Water Channel	830 BOPD
Perforate Additional Interval	1,650 BOPD *

* = Assumes total daily produced fluid volume will average 4,600 BFPD.