

Drilling Economics - David Petroleum Corp.

DRILLING ECONOMICS																							
Prospect Economics	Loc's. MCF/day	BO/day	Cum. MCF	Cum. BO	Gas Decd	Oil Decd	Risk	NRI	WVI	\$Gas	\$Oil	Tax	AFE(100%)	Pros. Fee	Payout/mo	ROI	Location	Target	Total Cost	Dry Hole	Comp. Cost	Spud Date	
Outside Deals																							
#1	1								0.05				\$600,460										
#2	1								0.05				\$689,260										
In-House																							
#3	1	107	0	226,000	0	24	0.9	0.612	0.2379649	\$1.90	20	0.95	\$672,200	\$0	15.02	4.69	L. Clrk.	\$159,557	\$325,000	\$347,200	\$206,000	8-7-99	
#4	1	1,034	757	831,000	377,000	0	24	0.95	0.783	\$1.90	20	0.95	\$899,500	\$0	2.48	7.16	Cl/ST	\$205,035	\$693,500	\$206,000	\$206,000	6-7-99	
#5	1	1,500	50	2,000,000	50,000	0	24	0.8	0.79	\$1.90	20	0.95	\$920,400	\$0	13.27	3.13	Morrow	\$46,020	\$534,800	\$365,600	\$365,600	10-1-99	
#6	1	0	118	0	226,000	0	24	0.9	0.812	\$1.90	20	0.95	\$672,200	\$0	13.62	4.69	L. Clrk.	\$159,557	\$325,000	\$347,200	\$347,200	11-5-99	
#7	1	1,034	757	831,000	377,000	0	24	0.95	0.865	\$1.90	20	0.95	\$1,251,500	\$0	3.12	5.69	Strawn	\$285,271	\$1,137,500	\$114,000	\$114,000	11-15-99	
#8	1	1,000	107	1,500,000	150,000	0	24	0.75	0.797	\$1.90	20	0.95	\$774,500	\$0	11.21	4.30	Morrow	\$177,283	\$332,000	\$442,500	\$442,500	12-25-99	
#9	1	1,000	107	1,500,000	150,000	0	24	0.75	0.797	\$1.90	20	0.95	\$1,289,200	\$0	18.67	2.59	Morrow	\$295,099	\$633,700	\$655,500	\$655,500	12-25-99	
#10	1	1,000	300	831,000	377,000	0	24	0.9	0.812	\$1.90	20	0.95	\$688,700	\$0	4.17	9.23	Cl/ST	\$161,484	\$405,300	\$283,400	\$283,400	1-15-00	
#11	1	484	312	831,000	377,000	0	24	0.9	0.865	\$1.90	20	0.95	\$978,650	\$0	6.14	6.92	Morrow	\$223,077	\$606,450	\$372,200	\$372,200	1-30-00	
#12	1	484	312	831,000	377,000	0	24	0.9	0.911	\$1.90	20	0.95	\$850,000	\$0	5.06	8.39	Strawn	\$92,915	\$500,000	\$350,000	\$350,000	2-15-00	
#13	1	0	150	335,160	196,000	0	24	0.9	0.799	\$1.90	20	0.95	\$515,950	\$0	8.36	6.05	1st BS	\$128,988	\$233,500	\$282,450	\$282,450	2-15-00	
#14	1	0	105	0	275,000	0	24	0.9	0.78	\$1.90	20	0.95	\$985,000	\$103,000	29.87	2.92	Dev.	\$408,000	\$635,000	\$350,000	\$350,000	3-1-00	
#15	1	0	118	0	226,000	0	24	0.9	0.812	\$1.90	20	0.95	\$672,200	\$0	13.62	4.69	L. Clrk.	\$159,557	\$325,000	\$347,200	\$347,200	4-1-00	
#16	1	484	312	831,000	300,000	0	24	0.9	0.823	\$1.90	20	0.95	\$800,000	\$451,097	30.04	1.17	WC	\$150,132	\$450,000	\$350,000	\$350,000	5-1-00	
Note: Pleasant Hill NRI, WVI, and AFE values are estimated																							
GRAND TOTAL																							
ERR																							
Economic Comparison Re-Entry vs. New Drill																							
#8	1	1,000	107	1,500,000	150,000	0	24	0.75	0.797	\$1.90	20	0.95	\$774,500	\$0	11.21	4.30	Morrow	\$177,283	\$332,000	\$442,500	\$442,500	12-25-99	
#9	1	1,000	107	1,500,000	150,000	0	24	0.75	0.797	\$1.90	20	0.95	\$1,200,000	\$0	17.37	2.78	Morrow	\$274,681	\$332,000	\$868,000	\$868,000	12-25-99	
2nd Half 1999 Drilling Schedule:																							
#3	1	0	107	0	226,000	0	24	0.9	0.812	\$1.90	20	0.95	\$672,200	\$0	15.02	4.69	L. Clrk.	\$159,557	\$325,000	\$347,200	\$347,200	8-7-99	
#4	1	1,034	757	831,000	377,000	0	24	0.95	0.783	\$1.90	20	0.95	\$899,500	\$0	2.48	7.16	Cl/ST	\$205,035	\$693,500	\$206,000	\$206,000	6-7-99	
#5	1	1,500	50	2,000,000	50,000	0	24	0.8	0.79	\$1.90	20	0.95	\$920,400	\$0	13.27	3.13	Miss	\$46,020	\$534,800	\$365,600	\$365,600	10-1-99	
#6	1	0	118	0	226,000	0	24	0.9	0.812	\$1.90	20	0.95	\$672,200	\$0	13.62	4.69	L. Clrk.	\$159,557	\$325,000	\$347,200	\$347,200	11-5-99	
#7	1	1,034	757	831,000	377,000	0	24	0.95	0.865	\$1.90	20	0.95	\$1,251,500	\$0	3.12	5.69	Strawn	\$285,271	\$1,137,500	\$114,000	\$114,000	11-15-99	
#8	1	1,000	107	1,500,000	150,000	0	24	0.75	0.797	\$1.90	20	0.95	\$774,500	\$0	11.21	4.30	Morrow	\$177,283	\$332,000	\$442,500	\$442,500	12-25-99	
TOTAL																							
2nd Half 1999 Drilling Budget (\$1,100,000)																							
\$1,000,000																							
Drilling Budget																							
\$67,276																							
99 Drilling Budget Surplus																							

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 12291
Exhibit No. 7

Submitted by: David Petroleum Corporation
Hearing Date: December 16, 1999