

Annual CashFlow Report

Project: P:\IHS Energy\PTOOLS FILES\JHC\Teas-W. Teas

Lease Name: West Teas Unit - Devel. Type Well (Operator: Sapient Energy Corp.
 County, ST: Lea, NM Field Name: Teas West
 Location: 0-0-0

Date	Well Count	Gross Production		Net Production		Average Prices		Sales Total (\$)
		Oil (Bbl)	Gas (Mcf)	Oil (Bbl)	Gas (Mcf)	Oil (\$/Bbl)	Gas (\$/Mcf)	
12/2000	1	0	0	0	0	0.00	0.00	0
12/2001	1	3,759	1,609	2,934	1,256	20.00	2.40	61,700
12/2002	1	2,804	1,194	2,189	932	20.00	2.40	46,020
12/2003	1	2,473	1,053	1,931	822	20.00	2.40	40,590
12/2004	1	2,926	1,247	2,284	973	20.00	2.40	48,022
12/2005	1	4,280	1,843	3,341	1,439	20.00	2.40	70,276
12/2006	1	5,111	2,176	3,990	1,699	20.00	2.40	83,869
12/2007	1	5,111	1,888	3,990	1,474	20.00	2.40	83,330
12/2008	1	4,966	1,604	3,877	1,252	20.00	2.40	80,540
12/2009	1	4,574	1,363	3,571	1,064	20.00	2.40	73,970
12/2010	1	4,208	1,158	3,285	904	20.00	2.40	67,872
12/2011	1	3,872	984	3,022	768	20.00	2.40	62,289
12/2012	1	3,562	836	2,781	652	20.00	2.40	57,176
12/2013	1	3,277	710	2,558	554	20.00	2.40	52,491
12/2014	1	3,015	603	2,353	471	20.00	2.40	48,198
Remainder:		27,450	3,148	21,428	2,457	20.00	2.40	434,460
Grand Total:		81,390	21,416	63,534	16,718	20.00	2.40	1,310,802

Date	Operating Expenses (\$)	Taxes (\$)	Operating Income (\$)	Other Costs (\$)	Periodic Cash Flow (\$)	Cumulative Cash Flow (\$)	10% Cash Flow (\$)
12/2000	0	0	0	0	0	0	0
12/2001	13,376	5,001	43,323	239,000	-195,677	-195,677	-176,380
12/2002	14,592	3,730	27,697	0	27,697	-167,980	21,812
12/2003	14,592	3,290	22,708	0	22,708	-145,272	16,192
12/2004	14,592	3,893	29,537	0	29,537	-115,735	19,114
12/2005	14,592	5,697	49,988	0	49,988	-65,747	29,330
12/2006	14,592	6,798	62,479	0	62,479	-3,268	33,507
12/2007	14,592	6,752	61,985	0	61,985	58,717	30,221
12/2008	14,592	6,524	59,423	0	59,423	118,140	26,357
12/2009	14,592	5,991	53,387	0	53,387	171,527	21,529
12/2010	14,592	5,497	47,783	0	47,783	219,310	17,518
12/2011	14,592	5,044	42,653	0	42,653	261,964	14,216
12/2012	14,592	4,629	37,955	0	37,955	299,918	11,500
12/2013	14,592	4,249	33,650	0	33,650	333,568	9,269
12/2014	14,592	3,901	29,705	0	29,705	363,273	7,439
Remainder:	231,040	35,149	168,271	0	168,271	531,544	27,061
Grand Total:	434,112	106,146	770,544	239,000	531,544	531,544	108,685

Discount Present Worth:

0.00 %	531,544
10.00 %	108,685
20.00 %	-16,817
30.00 %	-62,986
40.00 %	-81,295
50.00 %	-88,081
60.00 %	-89,614
70.00 %	-88,623
80.00 %	-86,407
90.00 %	-83,618
100.00 %	-80,600

Economic Dates:

Effective Date	01/2000
Calculated Limit	10/2030
Economic Life	370 Months
	30 Years 10 Months
Economics Information:	
Net Payout Date:	01/2000
Rate of Return:	17.89 %
Return on Investment:	3.22
Disc Return on Invest:	1.45
Initial Division of Interest:	

Economics Summary:

	Bbl Oil	Mcf Gas
Ultimate Gross	81,390	21,416
Prior Gross	0	0
Gross at Eff Date	0	0
Remaining Gross	81,390	21,416
Remaining Net	63,534	16,718

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 12506Exhibit No. 2

Reversion Date: 01/2001

	NRI	ORI
Oil:	0.000000	0.000000
Gas:	0.000000	0.000000
Injection:	0.000000	0.000000

Submitted by:

Sapient Energy CorporationHearing Date: October 19, 2000