

SINCLAIR OIL & GAS COMPANY
P. O. Box 1470
Midland, Texas

OIL RESERVES & ECONOMICS

PENNSYLVANIAN ZONE

I. Factors used in computing Pennsylvanian Reserves:

- 3.4%
7.3%
- a. Porosity of 5.03% (weighted average of core analysis on eight wells)
 - b. Effective pay thickness of 37.7 feet (from electric-micro-radio active logs and/or core analysis on 15 wells.)
 - c. Formation volume factor of 2.315 barrels reservoir oil per barrel of Stock Tank Oil (EH sample analysis Sinclair State 735 #1.)
 - d. Connate water of 16%.
 - e. Oil recovery of 20%.

II. Pennsylvanian Oil in place equals 5350 ST barrels per acre.

III. Pennsylvanian Stock Tank Oil reserves:

- a. Gross barrels per acre equals 1,070
- b. Gross barrels for 40 acres equals 42,800
- c. Gross barrels for 80 acres equals 85,600

IV. Price of Stock Tank Oil equals \$2.83 per barrel.

V. Economics of Pennsylvanian Well:

	40 acre	80 acre
a. Gross value of recoverable STO	\$ 121,120	\$ 242,240
b. Charges against well		
Royalty	\$ 15,140	\$ 30,280
Direct tax	6,056	12,112
Operating expense	28,800	30,000
Cost of well	221,076	221,076
Total charges	\$ 271,072	\$ 293,468
c. Net loss to Operator	(\$ 149,948)	(\$ 51,220)

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
SINCLAIR EXHIBIT 1102
CASE

SINCLAIR OIL & GAS COMPANY
P. O. Box 1170
Midland, Texas

OIL RESERVES & ECONOMICS
WOLF CAMP ZONE
DEAN AREA, LEA COUNTY, N.M.

I. Factors used in computing Wolfcamp reserves:

- a. Porosity of 5.3% (core analysis, Magnolia Owens #1) 10'
- b. Effective pay thickness of 11.4 ft. (electric-micro-radio active logs and/or core analysis on 13 wells)
- c. Formation volume factor of 1.880 barrels reservoir oil per barrel stock tank oil.
- d. Connate water of 27% *see core analysis*
- e. Oil Recovery of 20% *gladstone Wolfcamp gas-UC*

II. Wolfcamp oil-in-place equals 1820 ST barrels per acre.

III. Wolfcamp Stock Tank Oil Reserves:

- a. Gross barrels per acre equals 364
- b. Gross barrels per 40 acres equals 14,560
- c. Gross barrels per 80 acres equals 29,120

IV. Price of Stock Tank Oil equals \$2.83 per barrel.

V. Economics of Wolfcamp well (80 acre)

	Wolfcamp Single Well	Pennsylvanian Wolfcamp Dual Completion
a. Gross value of recoverable STO	\$ 82,410	\$ 82,410
b. Charges against well		
Royalty	10,301	10,301
Direct taxes	4,120	4,120
Operating expense	17,800	17,800
Cost of developing	202,314	49,905
Total charges	\$ 234,535	\$ 82,126
c. Net profit (or loss) to Operator	(\$ 152,125)	\$ 284

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SINCLAIR OIL & GAS COMPANY
P. O. BOX 1470
Midland, Texas

ECONOMICS OF THE PROPOSED
PERMO-PENNSYLVANIAN POOL

I. Total recoverable reserves:

a. Pennsylvanian Zone equals	1070 ST barrels/acre
b. Wolfcamp Zone equals	<u>364</u> ST barrels/acre
Total equals	1434 ST barrels/acre

II. Permo-Pennsylvanian Stock Tank Reserves:

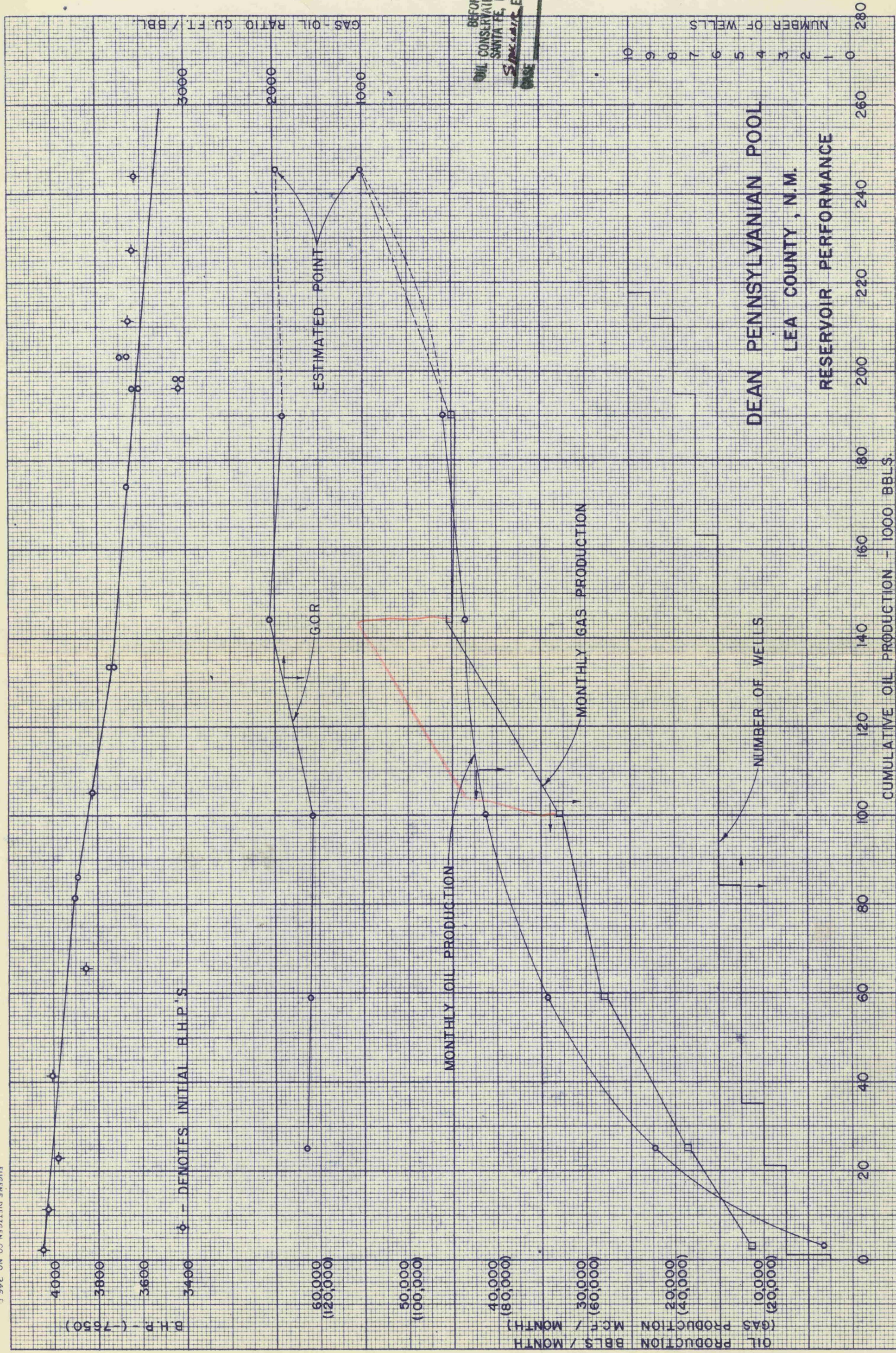
a. Gross barrels for 40 acres equals	57,360
b. Gross barrels for 80 acres equals	114,720

III. Price of Stock Tank Oil equals \$2.83 per barrel.

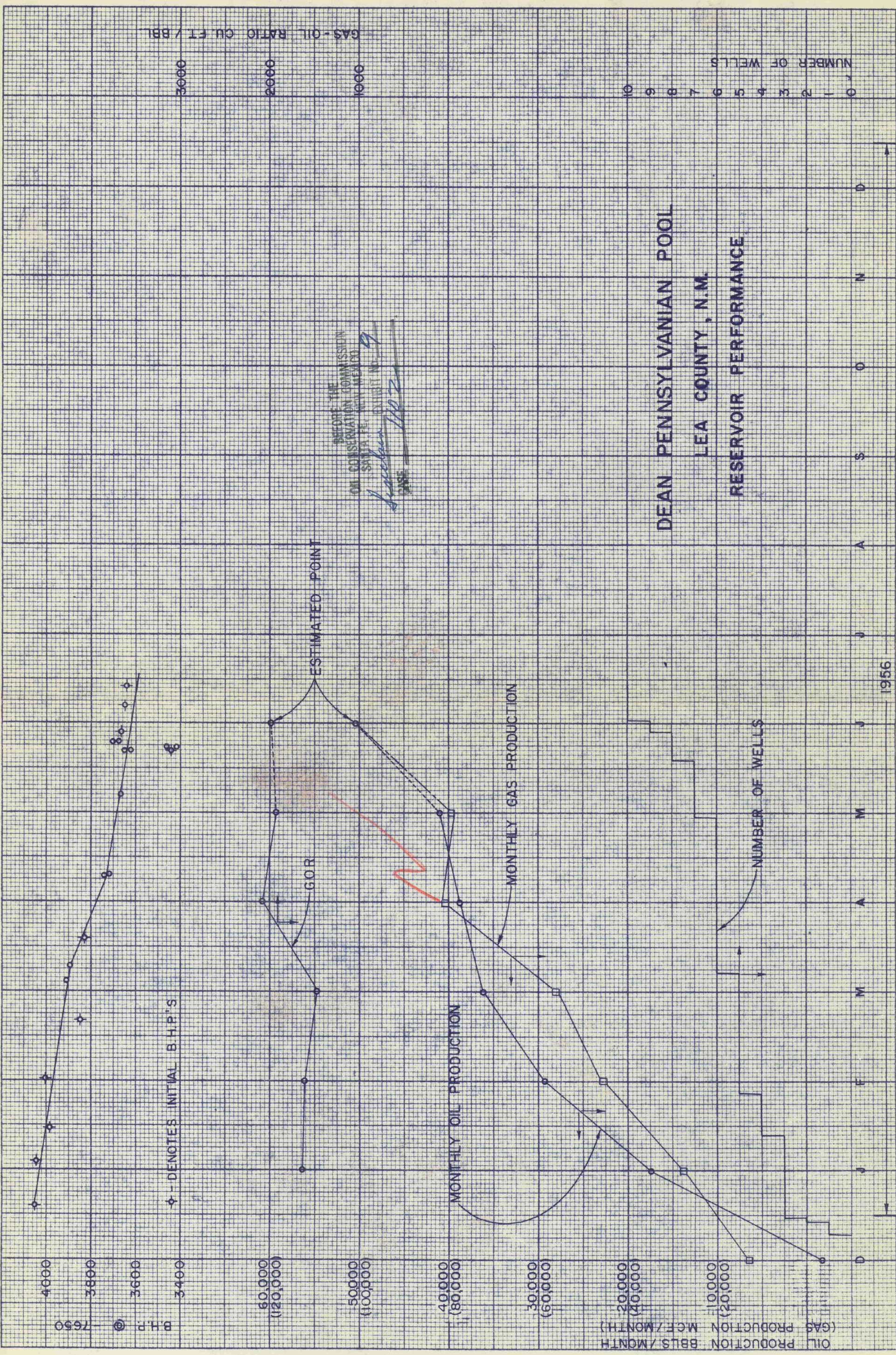
IV. Economics of single Permo-Pennsylvanian Well:

	40 acre	80 acre
a. Gross value of recoverable STO	\$ 162,329	\$ 324,658
b. Charges against well		
Royalty	\$ 20,291	\$ 40,582
Direct tax	8,116	16,232
Operating expense	33,800	35,000
Cost of well	221,076	221,076
Total Charges	\$ 283,283	\$ 312,890
c. Net profit (or loss) to Operator	(\$ 120,954)	\$ 11,768

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BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Subcase Exhibit No. 10
CASE 102



Stidman
**DEAN PENNSYLVANIAN POOL
 BOTTOM HOLE PRESSURES**

<u>Company Lease & Well No.</u>	<u>Completion Date</u>	<u>Date Run</u>	<u>BHP paid @ -7650</u>	<u>Start In Hours</u>	<u>Bottom Hole Gradient lbs./ft.</u>
<u>Humble</u> State "AJ" #1	12-29-55	1-3-56	4056*	58	.270
<u>Magnolia</u> Anderson Est. #1	12-30-55	1-18-56	4042*	19.25	.267
<u>Sinclair</u> State 735 #1	12-21-55	1-29-56	3981*	18	.300
State 758 #1	1-27-56	2-16-56	4008*	18	.270
<u>Atlantic</u> Fed. Dow #1	2-11-56	3-5-56	3856*	93	.300
<u>Humble</u> State "AJ" #1		3-19-56	3911	51	.260
<u>Sinclair</u> State 758 #1		3-23-56	3898	18	.275
<u>Humble</u> State "AJ" #2	3-22-56	4-3-56	3835*	72	.260
State "AJ" #1		4-21-56	3729	50	.280
State "AJ" #2		4-21-56	3724	50	.270
State "AJ" #2		5-21-56	3670	50	.280
<u>Magnolia</u> Barbara Owens #1	5-14-56	6-4-56	3440*	18	.268
<u>Humble</u> State "AJ" #2		6-4-56	3622	75	.270
State "AJ" #1		6-4-56	3642	73	.290
<u>Magnolia</u> Anderson Est. #1		6-5-56	3424	18	.262
<u>Atlantic</u> Fed. Dow #1		6-5-56	3447	216	.339
<u>Sinclair</u> State 735 #1		6-8-56	3678	72	.270
State 758 #1		6-8-56	3701	72	.279
<u>Tide Water</u> State "AE" #1	6-3-56	6-12-56	3666*	72	.304
<u>Humble</u> State "AP" #1	6-13-56	6-21-56	3648*	56	.360

* Indicates Initial BHP Run on Well

BEFORE THE
 OIL CONSERVATION COMMISSION
 SANTA FE, NEW MEXICO
Sinclair EXHIBIT No. 11
 CASE 1102