

ECONOMIC EVALUATIONHIGH PLAINS UNIT WELL NO. 1
HIGH PLAINS PENN POOL
(Revised)BASIC DATA

1. Oil Value	\$3.01 per barrel less \$0.14 per barrel trucking
2. Oil Purchaser	McWood Corporation
3. Gas Value	\$0.12 per MCF
4. Gas Purchaser	Atlantic Refining Company within sixty days
5. Net Interest	87.5%
6. Production Taxes	6.1%
7. Lifting Costs	\$0.20 per barrel
8. Per Well Investment Costs	\$145,000 for flowing well 15,000 for artificial lift \$160,000 Total Costs

ECONOMICS FOR ONE WELL

	Well Spacing		
	<u>*40 Acre</u>	<u>80 Acre</u>	<u>160 Acre</u>
1. Recoverable Oil, Barrels	71,500	143,000	286,000
2. Recoverable Gas, MMCF	128	258	515
3. Oil Revenue	\$ 205,000	\$ 411,000	\$ 820,000
4. Gas Revenue	15,400	30,900	51,800
5. Total Revenue	220,400	441,900	881,800
6. Net Revenue after Royalty and Taxes	181,000	362,500	724,000
7. Operating Costs	14,300	28,600	57,200
8. Net Income	166,700	333,900	666,800
9. Investment	160,000	160,000	160,000
10. Profit	6,700	173,900	506,800
11. Profit-to-Investment Ratio	0.042 to 1	1.08 to 1	3.17 to 1

*The High Plains Unit No. 1 well has already drained more than is recoverable under forty acre spacing.