

ACTUAL PRESENT VALUE
HIXON DEVELOPMENT COMPANY
EVANS NO. 1
5D, T24N, R2W
RIO ARRIBA CO. NM

GAVILAN GREENHORN-GRANEROS-DAKOTA

Exhibit " 7 "

Application for for Downhole Commingling and a Non-Standard Oil
Proration Unit ~ Case No. 9969 June 27, 1990
Evans No. 1 Well
790'FNL, 790' FWL 5-T24N-R2W, N.M.P.M.
Rio Arriba County, New Mexico

Hixon Development Company
Post Office Box 2810
Farmington, New Mexico 87499
505-326-3325

SECTION 5D, T24N, R2W
 PRODUCING ONLY DAKOTA

* E C O N P R O G R A M *
 AS OF 7 / 1990

DATE: 06-24-1990
 TIME: 17:06:07
 FILE: EVANSDAK

END MO-YR WELLS	NO.	* GROSS PRODUCTION *		* NET PRODUCTION *		* PRICES *		* * * * N E T R E V E N U E * * * *			
		OIL	GAS	OIL	GAS	OIL	GAS	OIL	GAS	OTHER	TOTAL
12-90	0.5	0.484	0.967	0.393	0.786	15.50	1.30	6.089	1.021	0.000	7.111

REM.	0.0	0.000	0.000	0.000	0.000	0.00	0.00	0.000	0.000	0.000	0.000
TOT.	0.0	0.484	0.967	0.393	0.786	15.50	1.30	6.089	1.021	0.000	7.111

ADVALOREM YR & PROD TAX	WINDFALL TAXES	OPERATING EXPENSES	TOTAL EXPENSES	OPERATIONAL CASH FLOW	*** NET INVESTMENTS ***			CASH FLOW	10.0% CUM DISC C.F.	
					TANGIBLE	INTANGIBLE	LEASEHOLD			
90	0.675	0.000	6.000	6.675	0.435	0.000	0.000	0.000	0.435	0.425

REM	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOT	0.675	0.000	6.000	6.675	0.435	0.000	0.000	0.000	0.435	0.425

PROFITABILITY INDICATORS			REVERSION POINTS(YRS)		PRESENT WORTH PROFILE		
-----					%-	M\$-----	
PAYOUT (YRS)	0.00	INITIAL W.I.	100.0000	ULTIMATE OIL (MBBL)	0.5	5.0	0.430
DISCOUNTED PAYOUT (YRS)	0.00	FINAL W.I.	100.0000	ULTIMATE GAS (MMCF)	1.0	10.0	0.425
DCF RATE OF RETURN (%)	100.00	INITIAL NRI OIL	81.2500	BTU RATING	1000	15.0	0.421
INCOME/INVESTMENT	100.00	FINAL NRI OIL	81.2500	WINDFALL TIER	0	20.0	0.416
DISC INCOME/INVESTMENT	100.00	INITIAL NRI GAS	81.2500	MAJOR PHASE	OIL	25.0	0.412
PROJECT LIFE (YRS)	0.50	FINAL NRI GAS	81.2500	PROB. OF SUCCESS (%)	100.00	30.0	0.409
						40.0	0.402
GAVILAN		RIO ARRIBA				50.0	0.396
EVANS NO. 1		NM				70.0	0.386
GAVILAN GREENHORN-GRANEROS-DAK		HIXON DEVELOPMENT CO.				100.0	0.373

INPUT DATA REPORT

DATE : 06-24-1990
 TIME : 17:05:55
 FILE : EVANSDAK

LSE ID CODE HIXON
 LEASE NAME GAVILAN
 WELL NAME EVANS NO. 1

FIELD NAME GAVILAN GREENHORN-GRANEROS-DAK
 COUNTY/ST RIO ARRIBA,NM
 OPERATOR HIXON DEVELOPMENT CO.
 FOOTNOTE #1 SECTION 5D, T24N, R2W
 FOOTNOTE #2 PRODUCING ONLY DAKOTA

DECLINE TYPE	INITIAL RATE	FINAL RATE	DECLINE PERCENT	TIME MONTHS	CUMULATIVE PROD X1000
---N---	---	---	---	---	---
EXP	0.000	3.000	1.000	40.0000	25.81
OIL PROD UNITS B/MTH					
NUMBER OF WELLS 1					
GOR (SCF/BBL) 2000.0					

MAJOR PHASE OIL
 PROJECT START DATE 7/1990
 ENDING MONTH 12
 DISC RATE % 10.0
 SELECTION CODE 111
 ECONOMIC LIMIT YES
 CASH FLOW FACTOR % 100.00
 RESERVES FACTOR % 100.00

 GAS PROD START 7/90
 GAS PROD UNITS M/MTH
 NUMBER OF WELLS 0
 YIELD (B/MMCF) 0.0

LOCAL TAXES

OIL PROD. TAX %	7.37	ADVAL TAX %	2.30
		STEP WELL	NO
GAS PROD. TAX %	7.37	LEAP WELL	NO

GROSS CAPITAL INVESTMENTS							
MO/YR	TANG	INTAN	RISK %	MO/YR	TANG	INTAN	RISK %
1/	0	0.0	0.0	100.00			

PRODUCT PRICES

OIL PRICE				GAS PRICE-BTU RATING 1000			
\$/BBL	ESC %	ESC \$	YRS	\$/MCF	ESC %	ESC \$	YRS
15.500			30	1.300			30
			30				30
			30				30
			30				30
60.000			MAXIMUM PRICE	6.000			MAXIMUM PRICE

ESC 0.00% FOR 30 YRS

FEDERAL TAX INFORMATION

RATE TIME RATE			
FED TAX RATE	34.00	30	34.00
TAX LOSS CRRY.FWRD.	NO		
DEPREC. METHOD	DDBAL		
DEPREC. LIFE YRS	7		

OPERATING EXPENSES

RATE	ESC %	YEARS	ESC %	YEARS
\$/W/M	1000	0.00	30	0.00
				0

STAT. DEPL. NO B/O EQUIV. MCF/B 6.0

YR	WELLS	OIL MBBL	GAS MMCF	YR	WELLS	OIL MBBL	GAS MMCF
90	0.5	0.484	0.967				
91	1.0	0.665	1.329				
92	0.7	0.282	0.564				

WINDFALL PROFIT TAXES

WINDFALL CATEGORY IND B.P.INFLATOR % 0.00
 TIER 0 90% N.I. LIMIT NO
 WPT BASE PRICE \$/B 0.00

OWNERSHIP PERCENTAGES

W.I.	NRI OIL	NRI GAS	# OF YRS	CUM NOI	M\$ ROR%
100.0000	81.2500	81.2500	0.000	0.000	0.000
100.0000	0.0000	0.0000	0.000	0.000	0.000
100.0000	0.0000	0.0000	0.000	0.000	0.000
100.0000	0.0000	0.0000	0.000	0.000	0.000
100.0000	0.0000	0.0000	0.000	0.000	0.000

PRIOR PRODUCTION 0.000 0.000
 TOTAL 1.430 2.860