

PROPOSED
TWIN LAKES SAN ANDRES UNIT
CHAVES COUNTY, NEW MEXICO

COMPARATIVE *ECONOMICS SUMMARY:

	Continued	Primary + Secondary	
	<u>Primary</u>	<u>Sec/Pri = 1.0</u>	<u>Sec/Pri = 0.6</u>
Total gross oil reserves - MB	298	5,713	3,784
Total gross gas reserves - MMcf	652	1,932	1,826
Net oil reserves - MB	242	4,639	3,073
Net gas reserves - MMcf	530	1,569	1,483
Net equivalent bbls (6 Mcf/Be) MBe	330	4,900	3,320
Ultimate Capital - \$M	0	8,300	8,300
Ultimate Capital - \$/Be	0	1.69	2.50
Undiscounted payout - years	---	4.7	5.9
Undiscounted profit - M\$	1,248	37,944	18,984
Discounted 10% profit - M\$	1,069	13,282	4,678
Rate of Return - %	---	26.7	17.5
Undiscounted Profit Index	---	4.6	2.3

* Working Interest: 1.000
 Average Net Revenue Interest: 0.812
 Oil Price: \$15.00/Bbl
 Gas Price: \$1.50/Mcf

