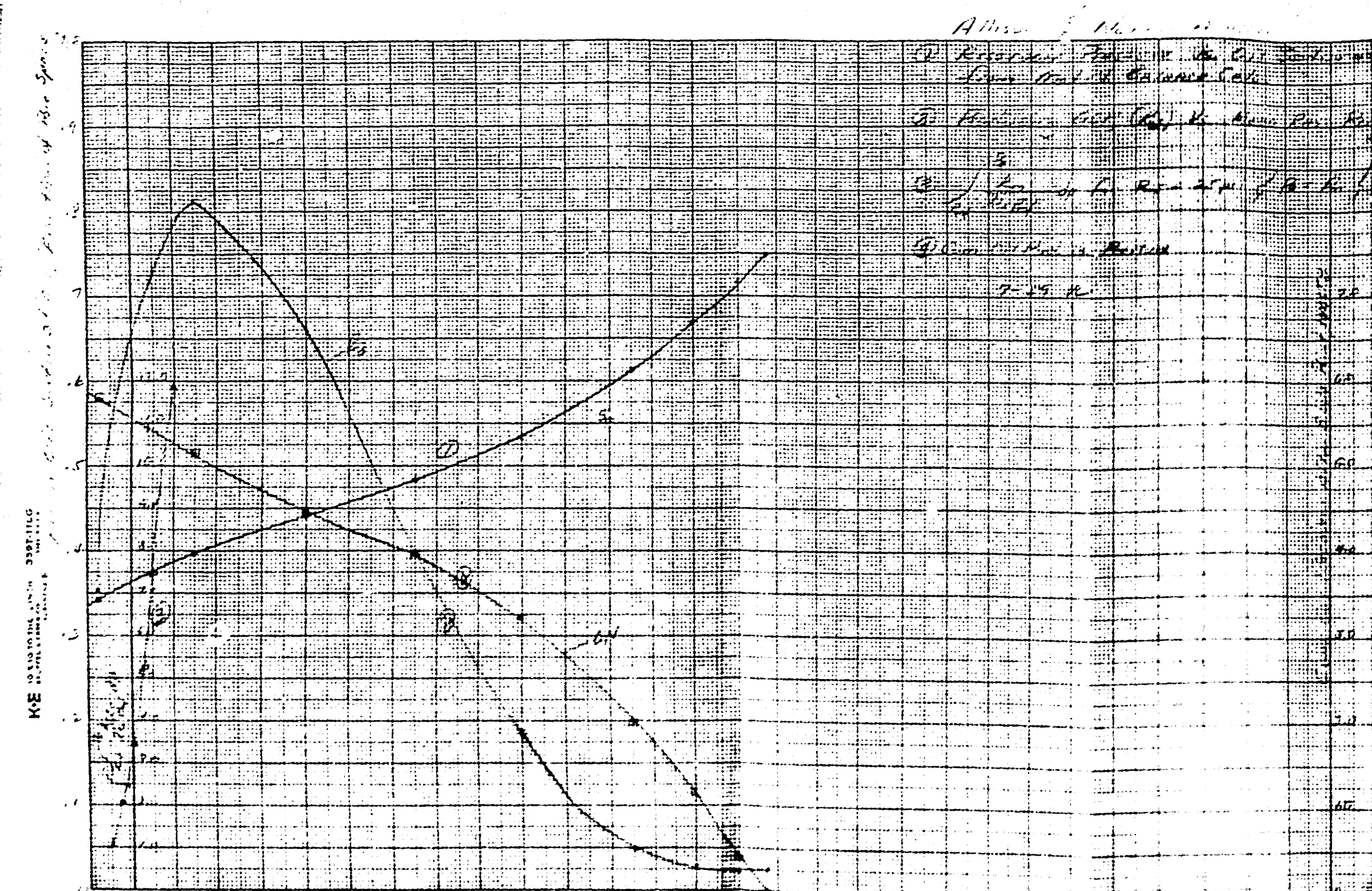
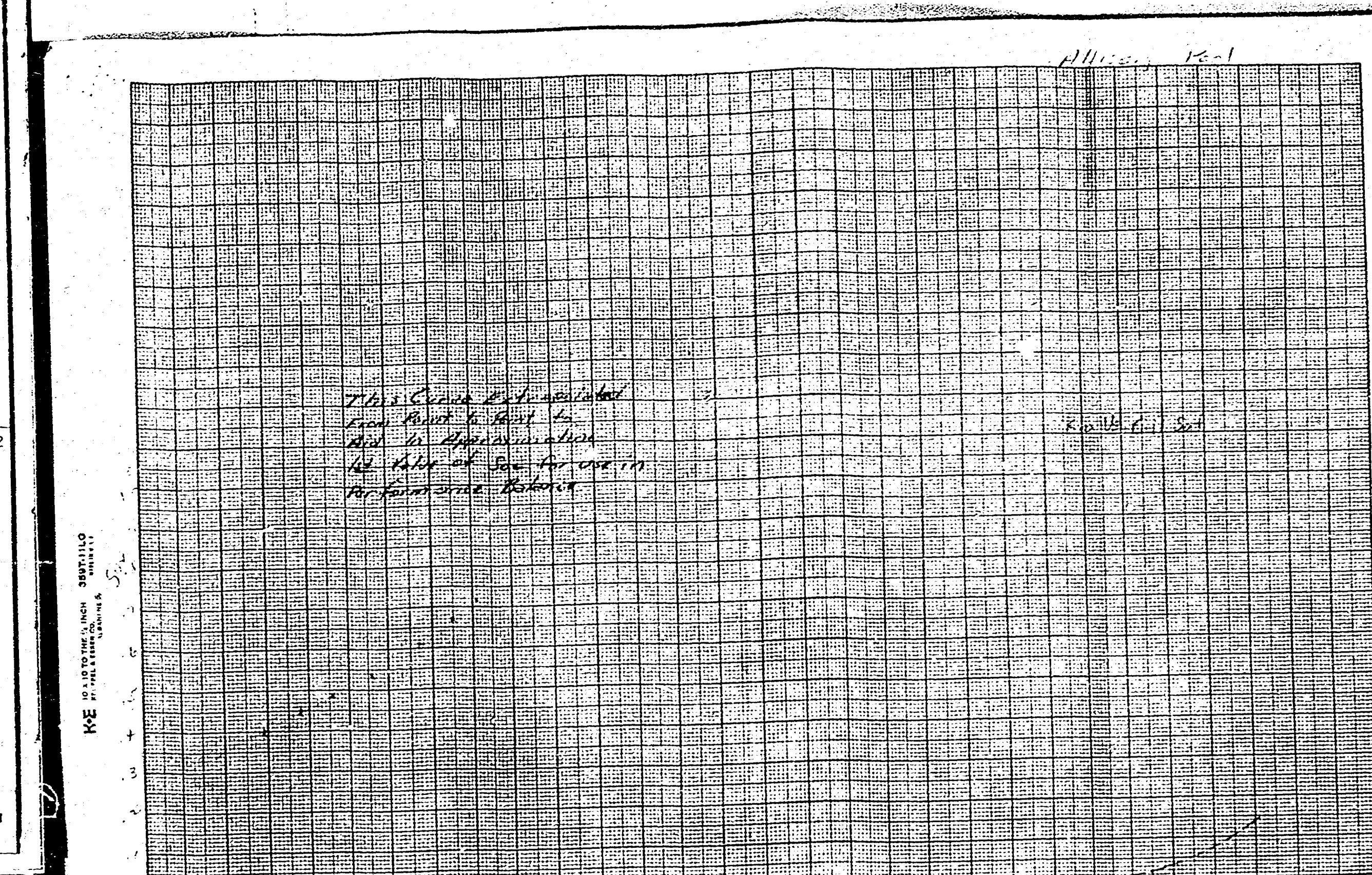
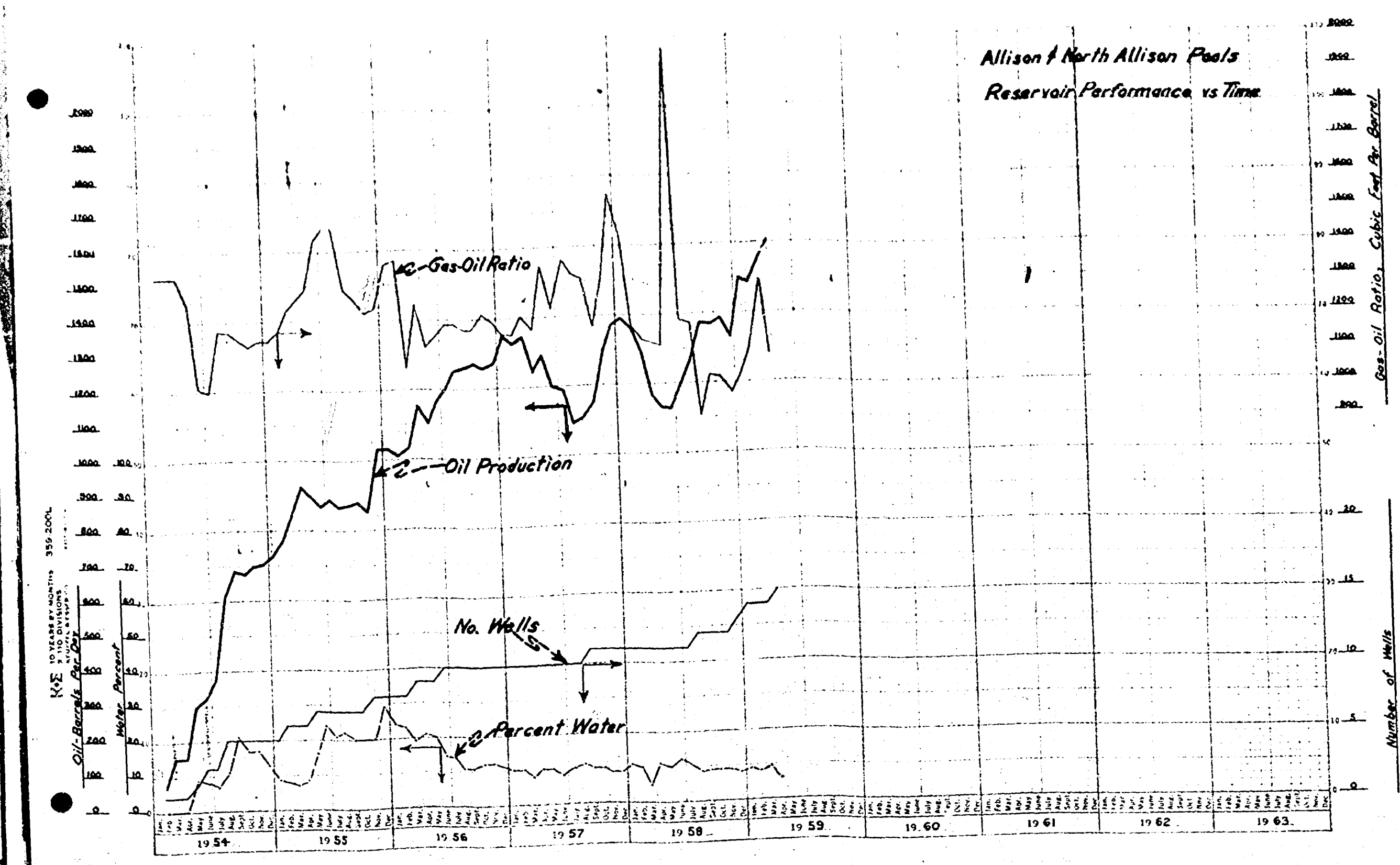
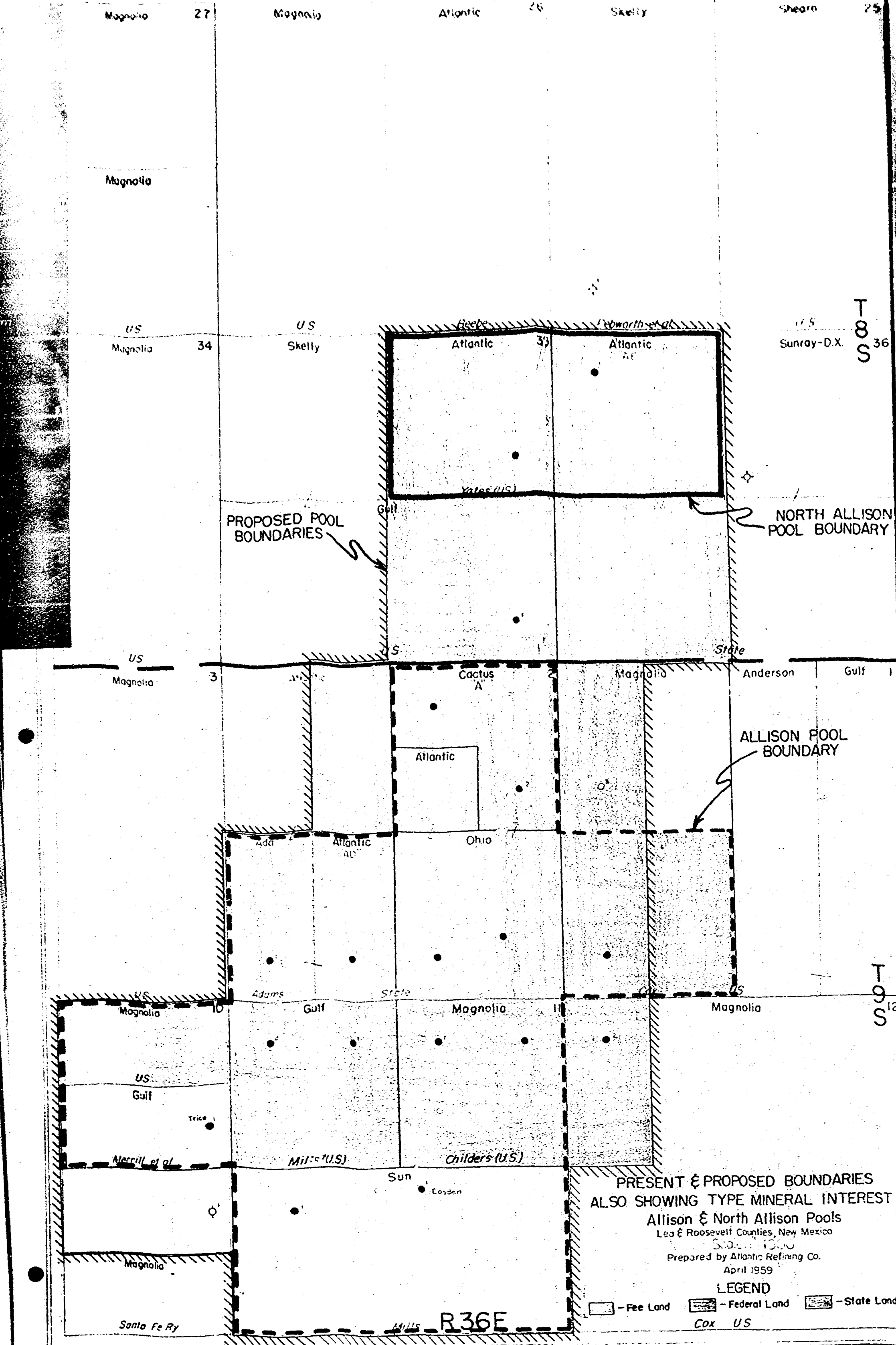
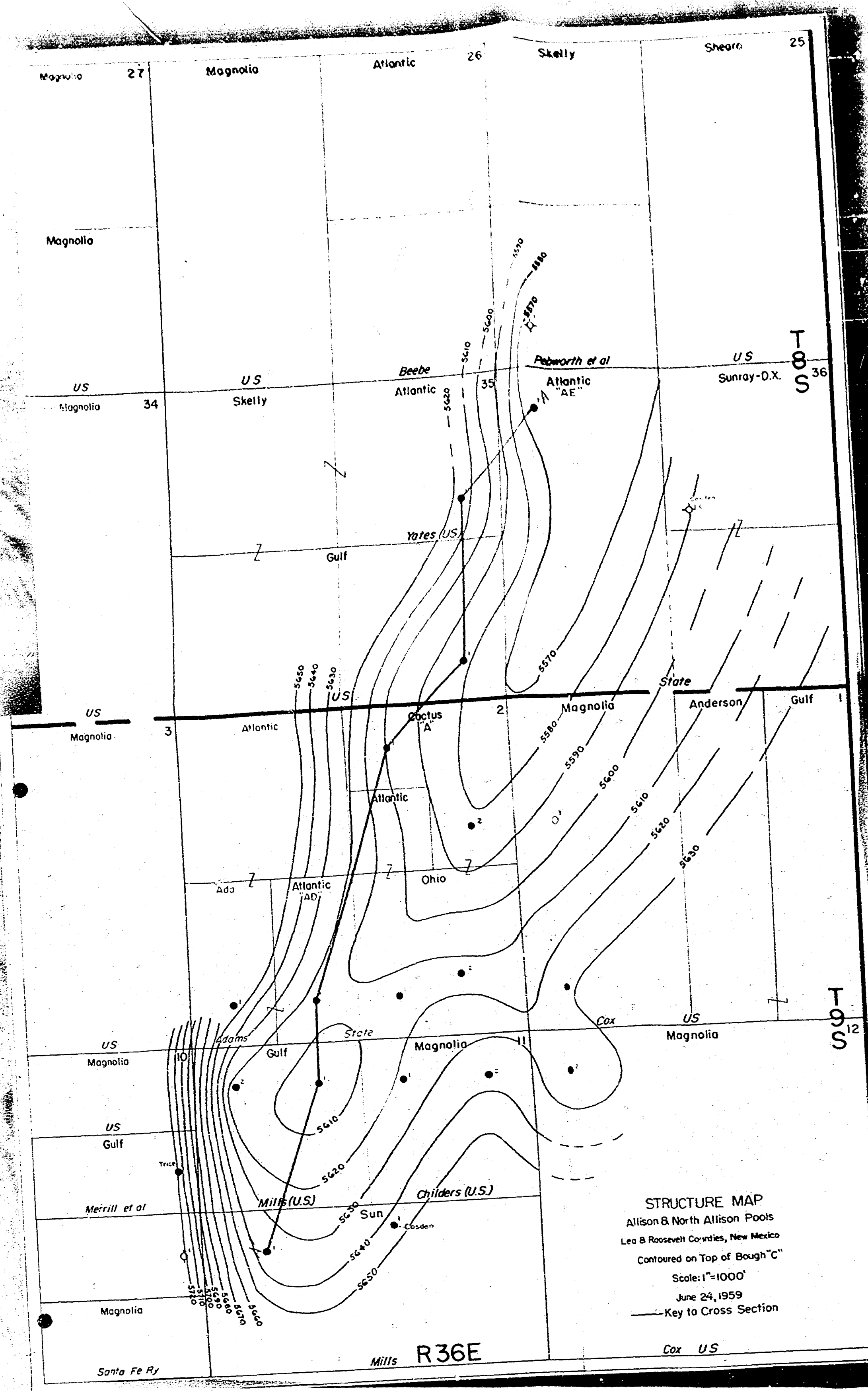




VOLUMETRIC CALCULATION
FOR OIL IN PLACE - 10 ACRE TRACT
ALLISON AND NORTH ALLISON POOLS
LEE AND ROOSEVELT COUNTIES,
NEW MEXICO

$$V_1 = \frac{7780 \times (1 - \phi) \times h \times A}{1.261}$$

$$= \frac{7780 \times .055 \times (1 - .25) \times 8.06 \times 10}{1.261}$$

$$= 59,814 \text{ barrels}$$

A recovery factor of 30% is believed to be reasonable for the Allison and North Allison Pools. Recoverable oil per 10-acre location would therefore be:

$$\text{Recoverable oil} = .30 \times V_1$$

$$= .30 \times 59,814 \text{ barrels}$$

$$= 17,944 \text{ barrels}$$

Definition of Symbols:

V_1 = Original oil in place per 10 acre tract, stock tank barrels
 ϕ = Porosity as a fraction, .055
 h = Interval thickness, feet = 8.06
 A = Area for which oil in place is being calculated - 10 acres
 V_2 = Original oil formation volume factor, barrels of reservoir space per barrel of stock tank oil = 1.261
 7780 = Number of barrels per acre-foot

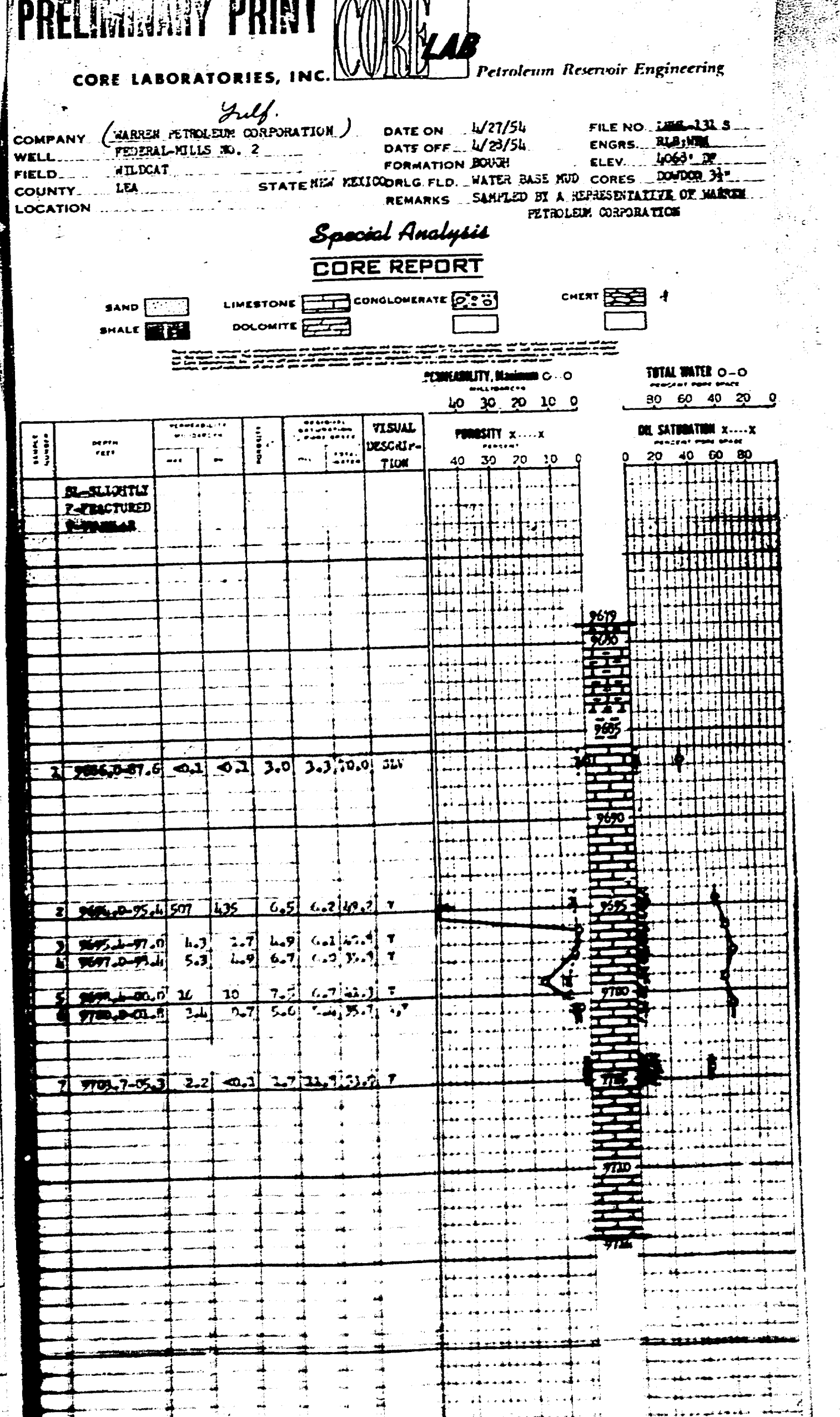
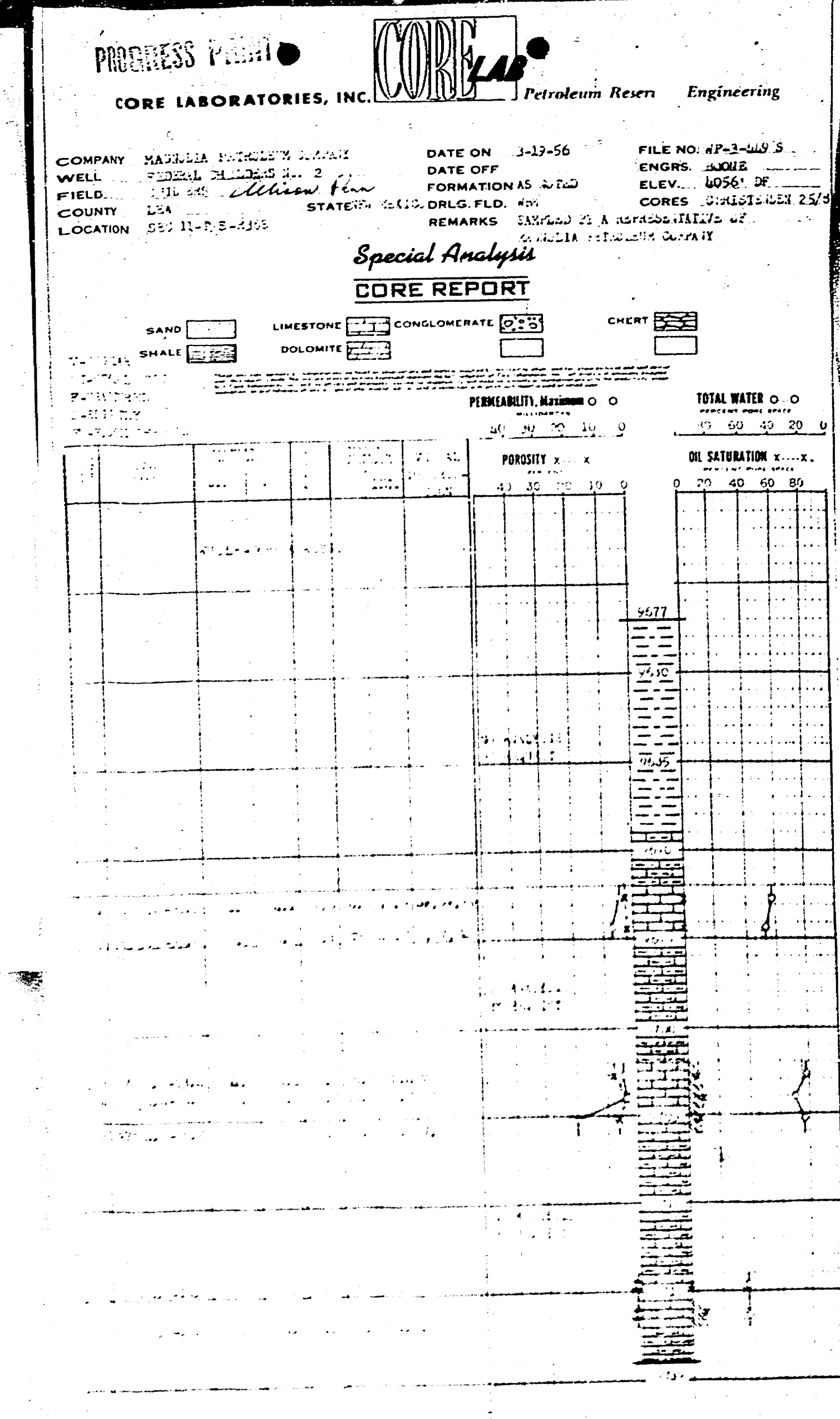
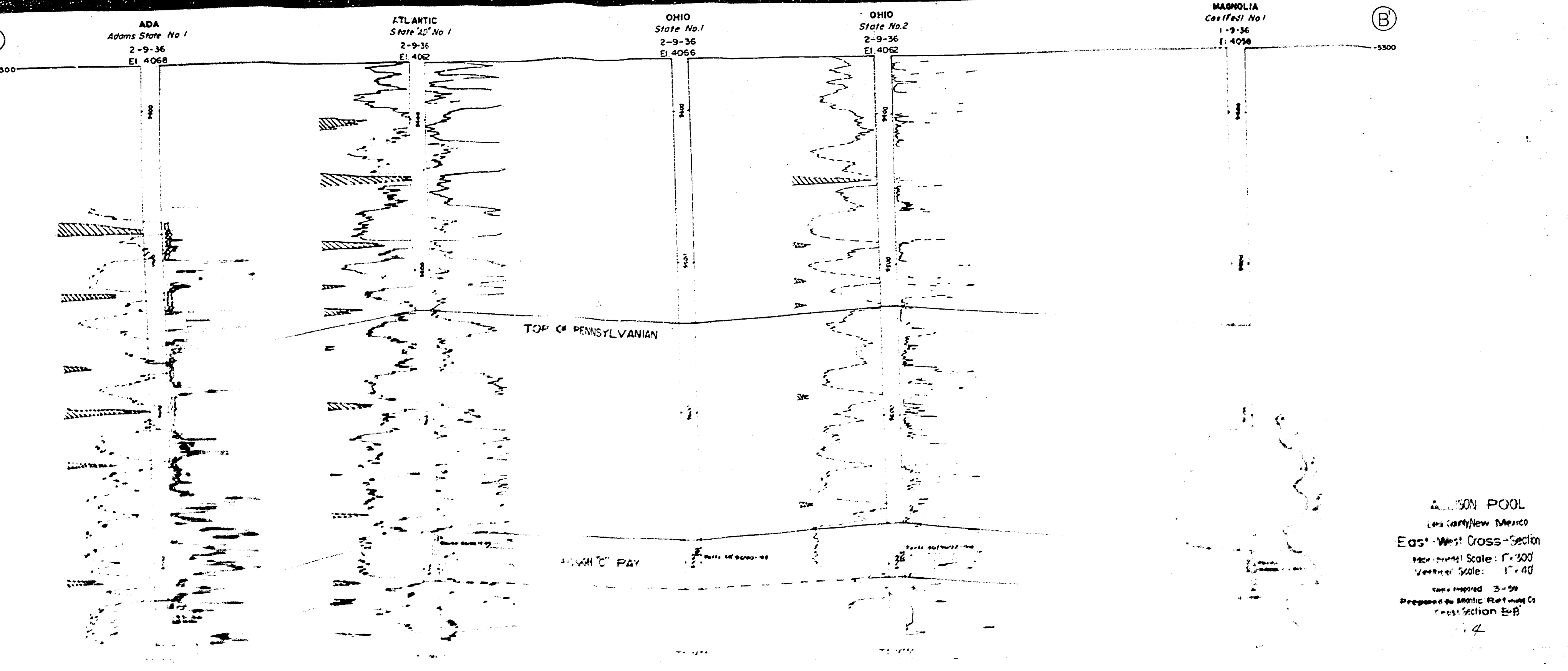
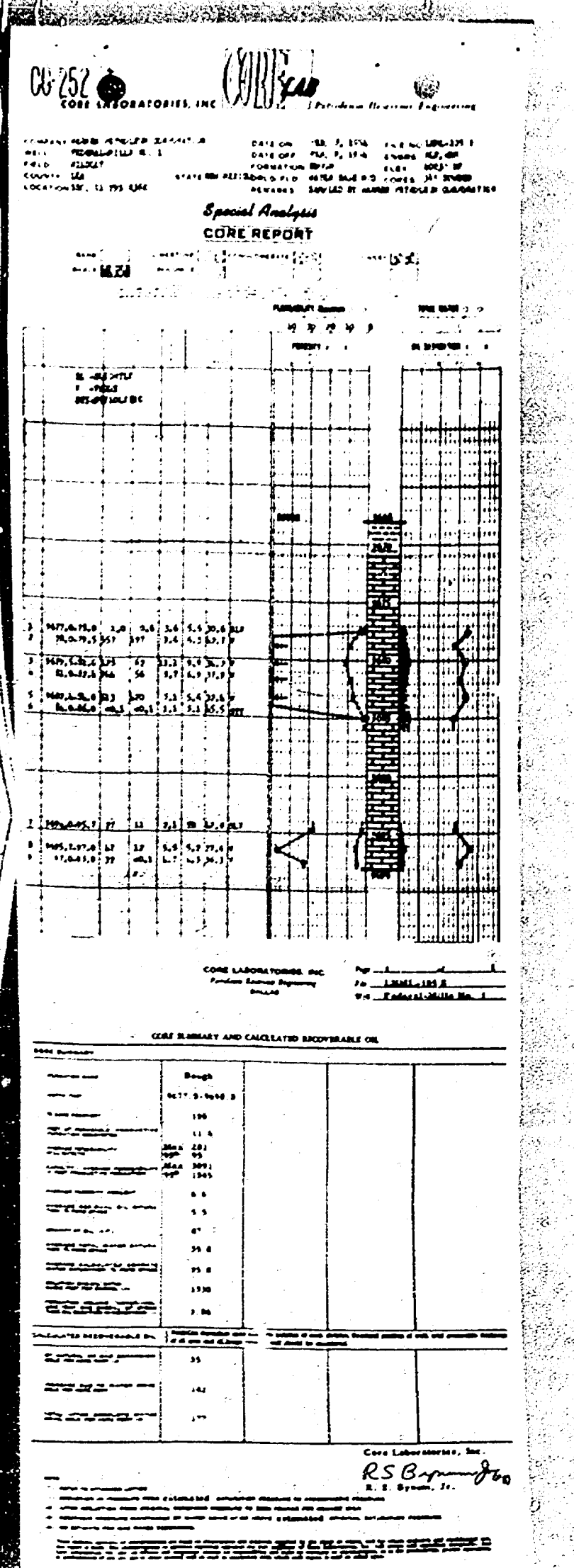
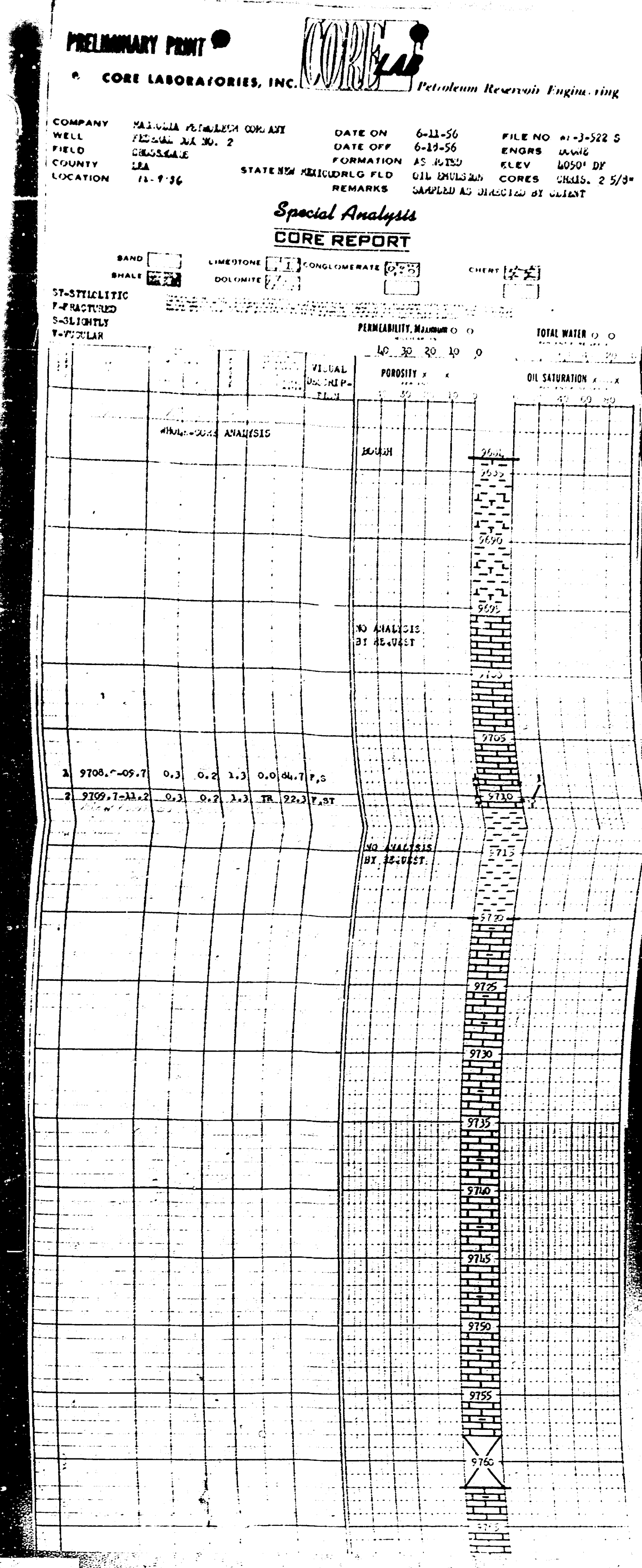
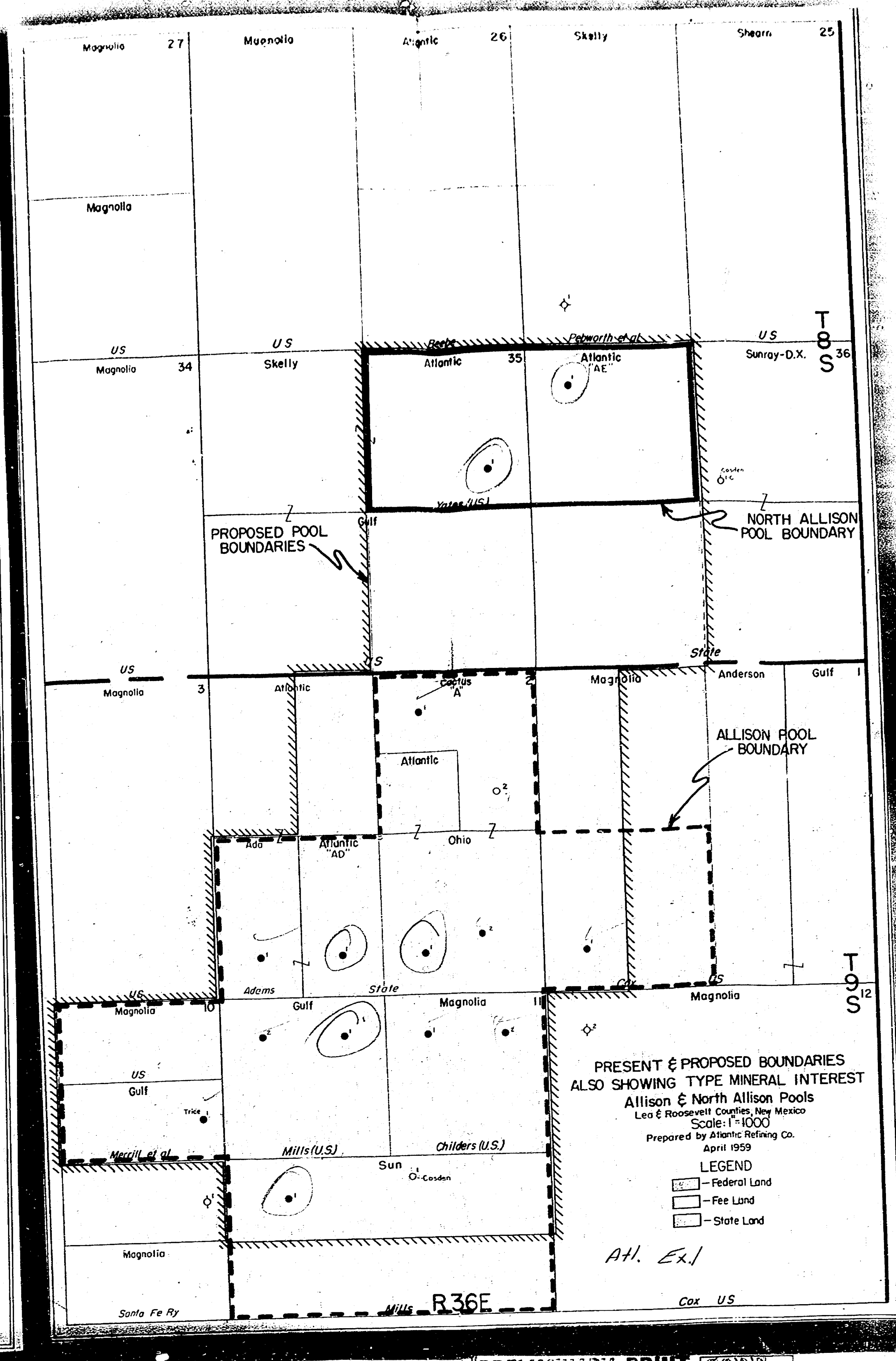
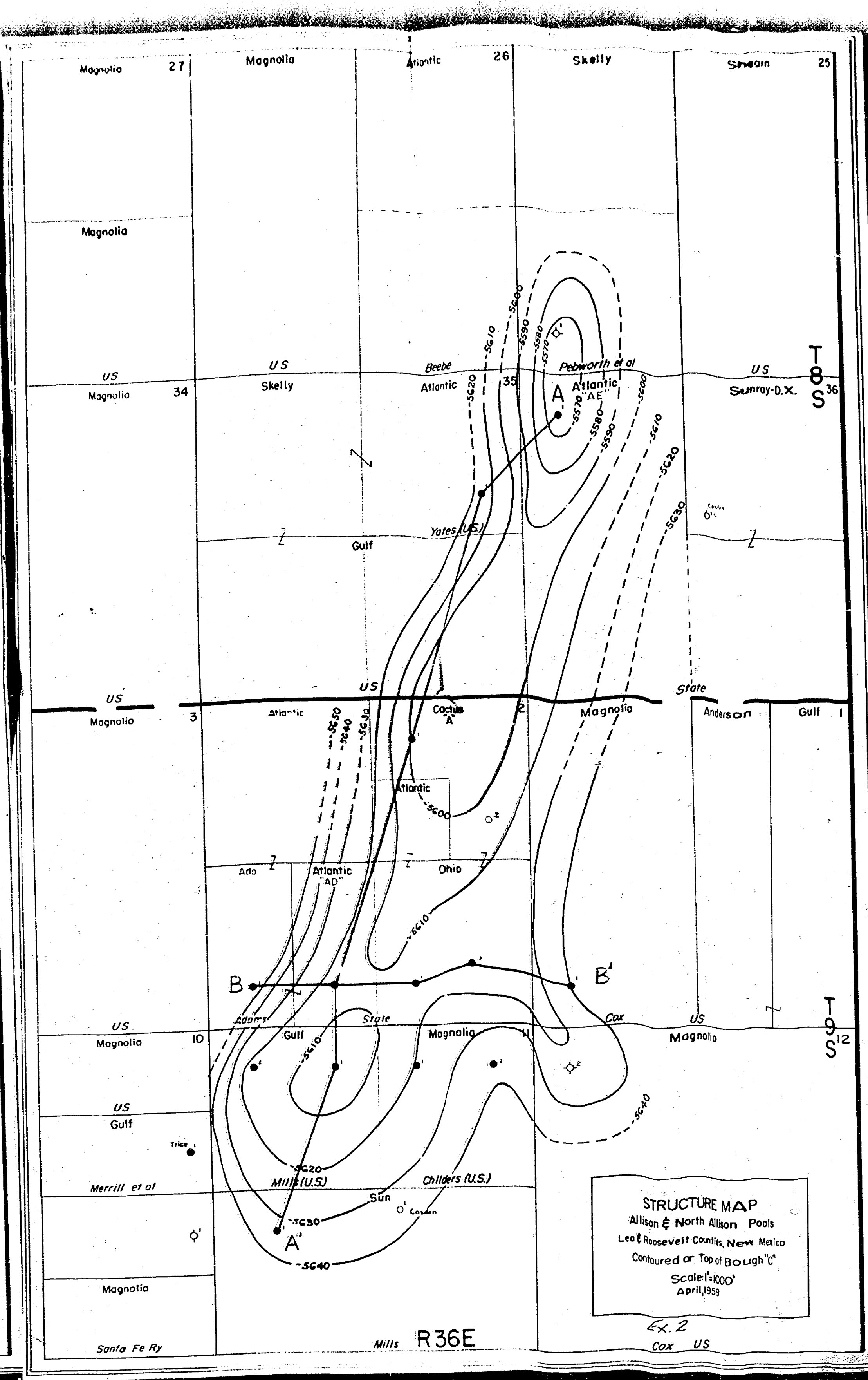
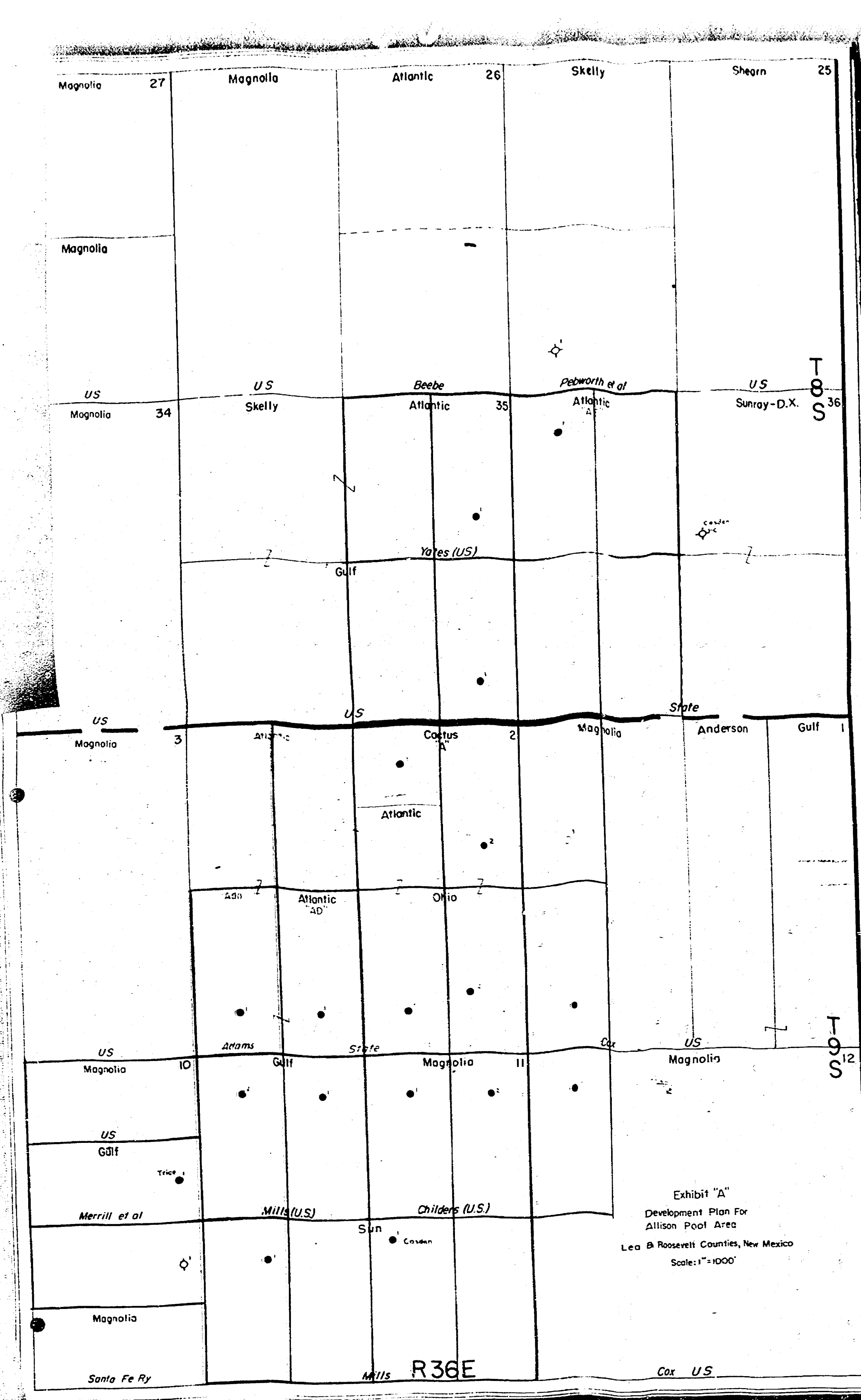
NUMBER OF BARRELS OF OIL PER ACRE
IN ALLISON AND NORTH ALLISON POOLS

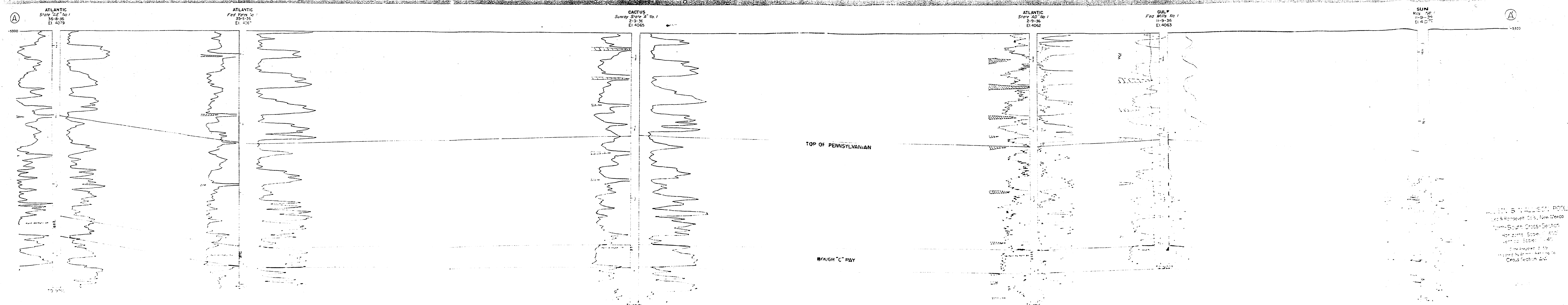
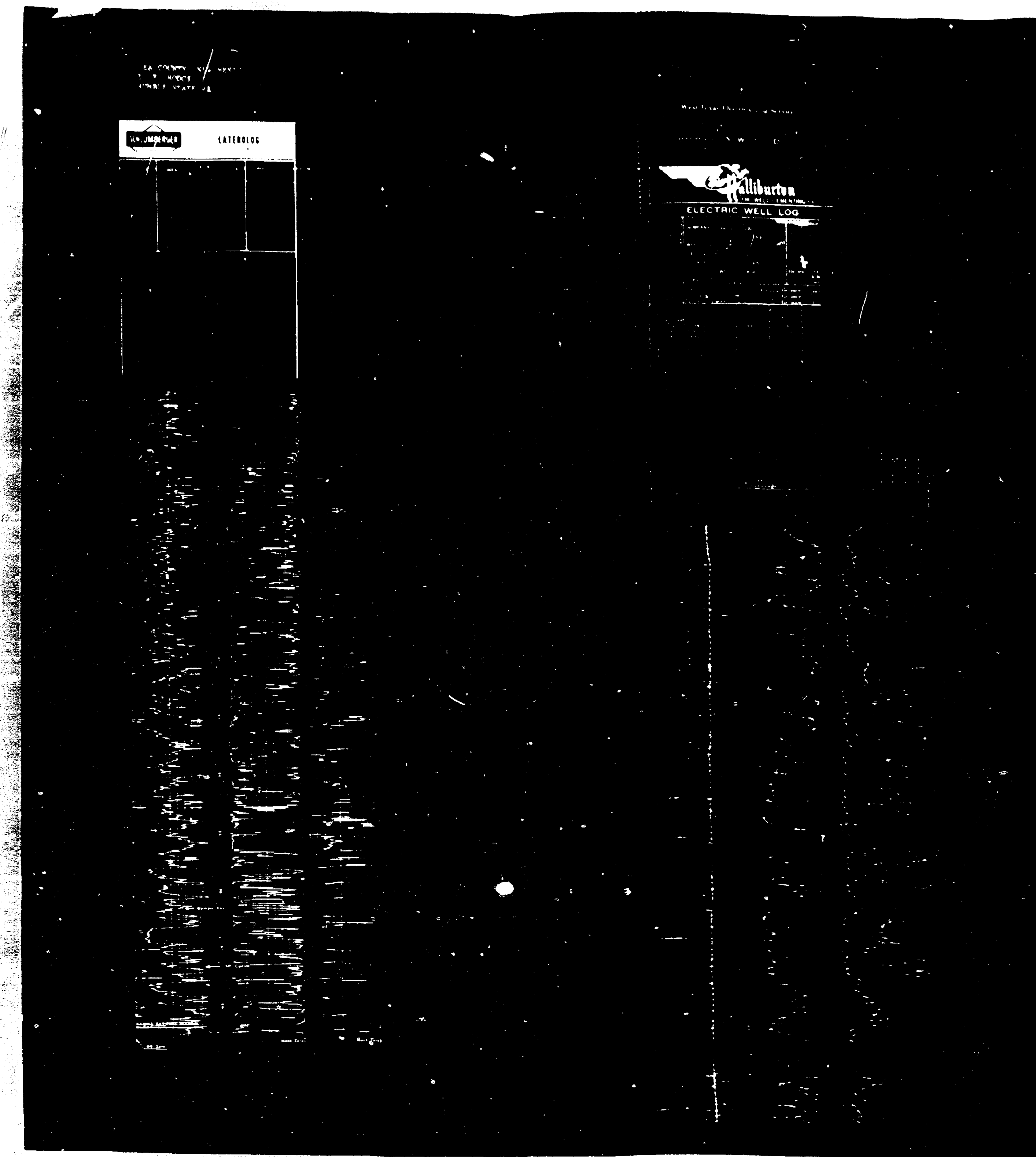
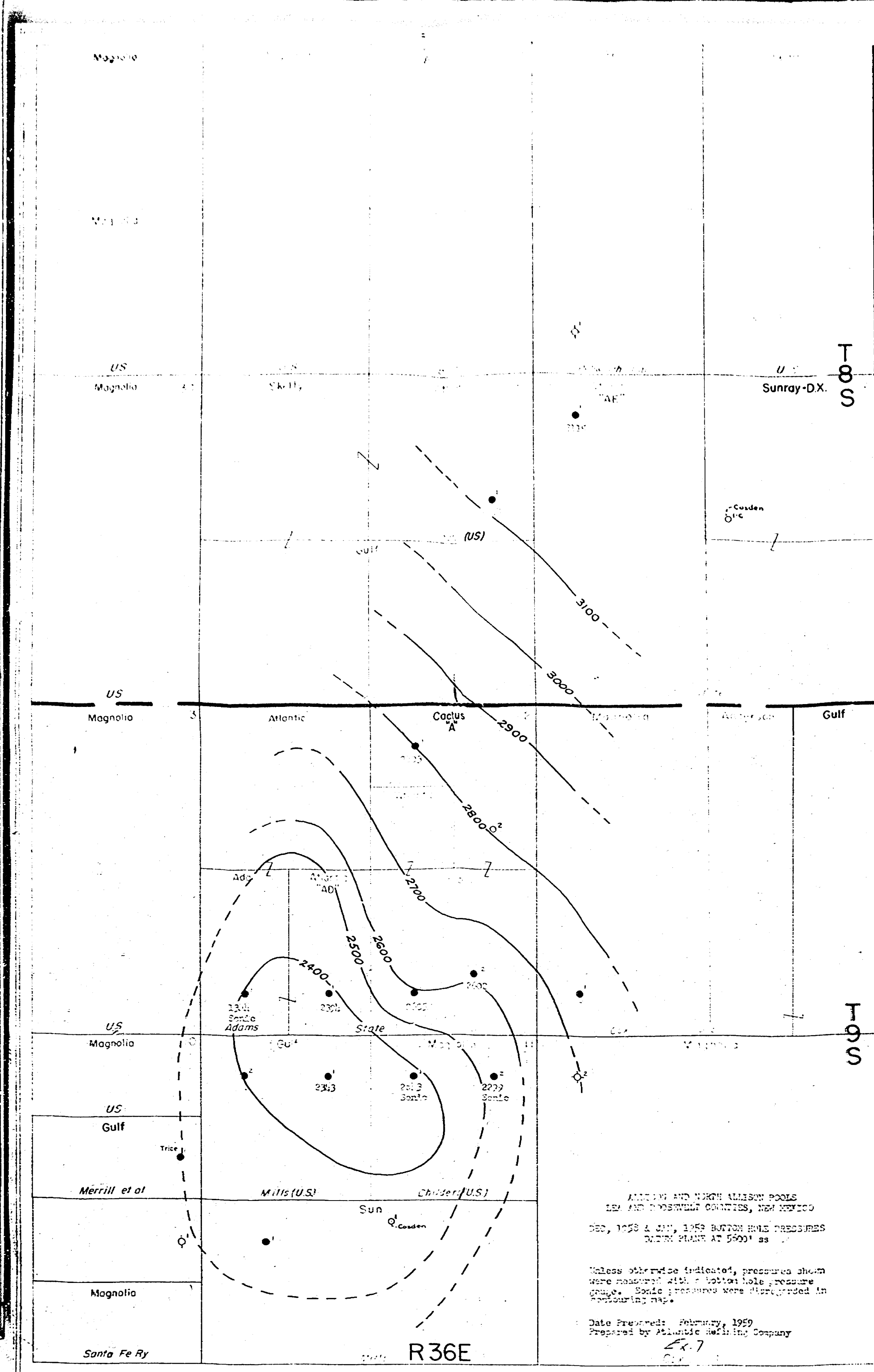
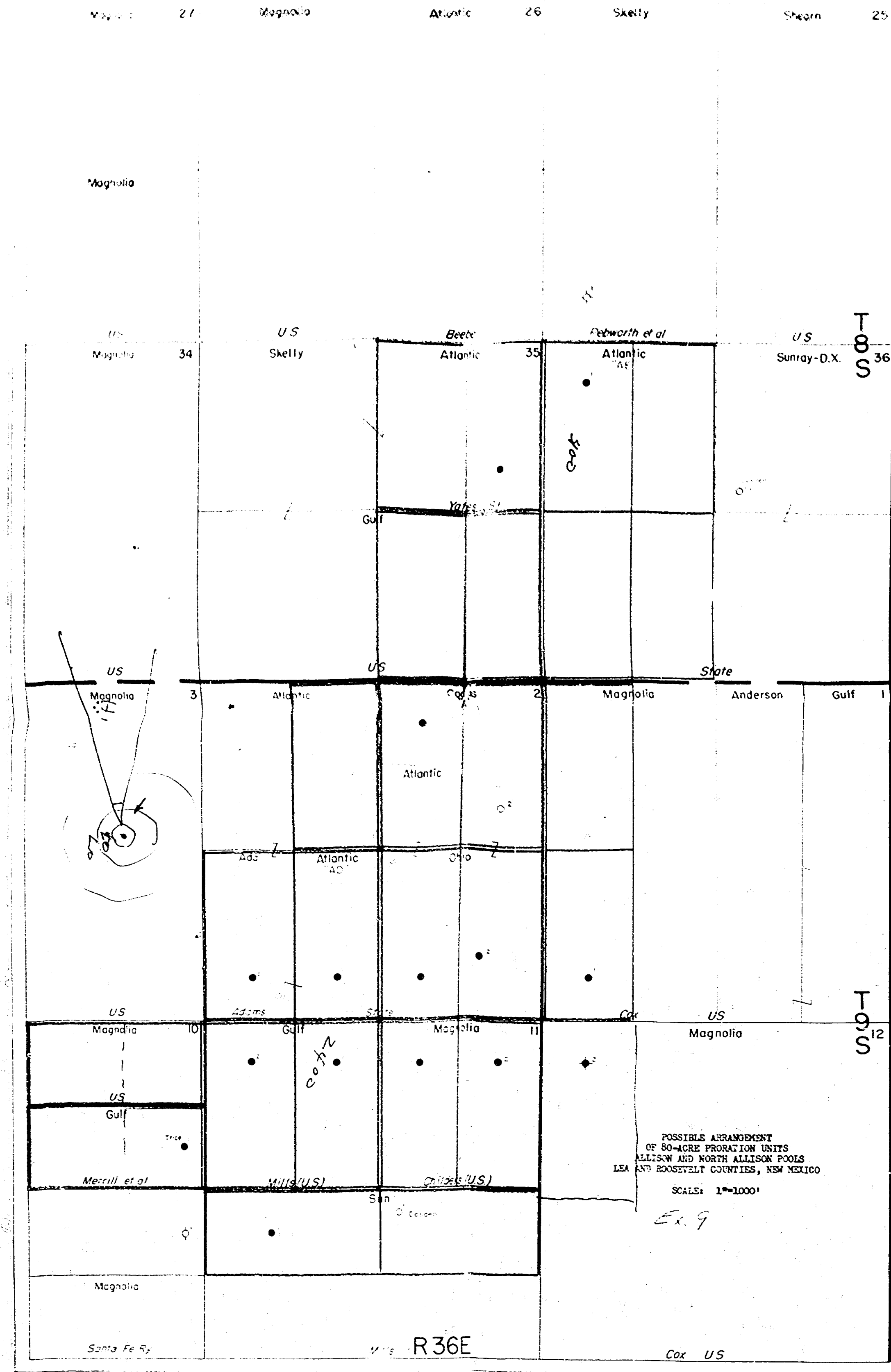
Oil (70,000) (2.0 - .35) (8.06) (10)	110,000
Less Seepage Loss at 50.150/acre	10,000
Gravel Oil Seepage Loss Seepage Loss	10,000
Oil	
Oil (70,000) (2.0 - .35) (8.06) (10)	110,000
Less Seepage Loss at 50.150/acre	10,000
Gravel Oil Seepage Loss Seepage Loss	10,000
Total Oil Seepage Loss Seepage Loss	10,000

Oil (70,000) (2.0 - .35) (8.06) (10)	110,000
Less Seepage Loss at 50.150/acre	10,000
Gravel Oil Seepage Loss Seepage Loss	10,000
Total Oil Seepage Loss Seepage Loss	10,000

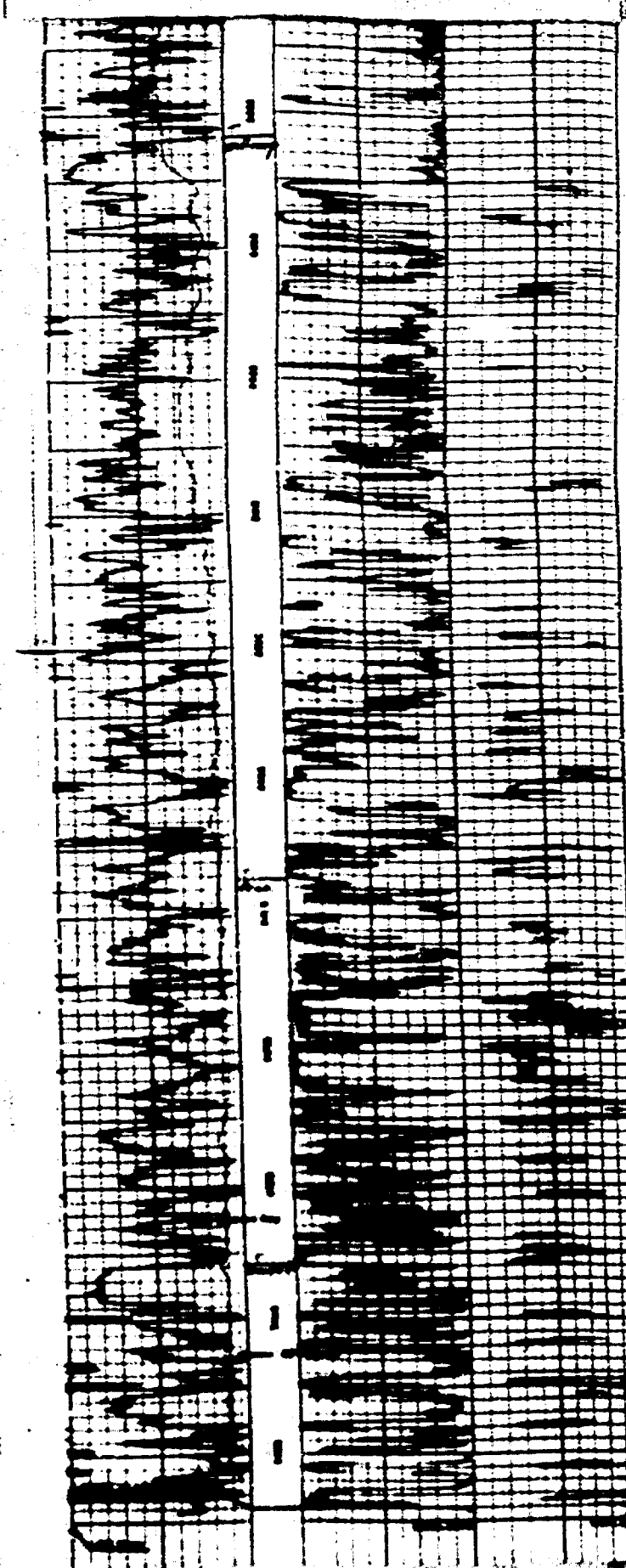
Oil (70,000) (2.0 - .35) (8.06) (10)	110,000
Less Seepage Loss at 50.150/acre	10,000
Gravel Oil Seepage Loss Seepage Loss	10,000
Total Oil Seepage Loss Seepage Loss	10,000

Recovery Factor has been used as 30%. To produce, recovery factor will range between 0.2 and 0.4. Oil and gas recovery and revenue will be based on proportionate operating expenses, which were neglected, will increase total costs.





ATLANTIC
State 22 No 1
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E1 4079

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