

Date : 08/17/2011 8:41:23AM

ECONOMIC PROJECTION

Project Name : New Mexico
 Partner : All Cases
 Case Type : LEASE CASE
 Archive Set : default

As Of Date : 07/01/2011
 Discount Rate (%) : 10.00
 Green-Eyed Squealy Worm

Case : Green-Eyed Squealy Worm - 1
 Reserve Cat. : Proved Producing
 Field : Eidson, North
 Operator : DHAOGI
 Reservoir : Morrow,
 Co., State : Lea, NM

Cum Oil (Mbbbl) : 10.97
 Cum Gas (MMcf) : 398.64

Year	Gross Oil (Mbbbl)	Gross Gas (MMcf)	Net Oil (Mbbbl)	Net Gas (MMcf)	Oil Price (\$/bbl)	Gas Price (\$/Mcf)	Oil Revenue (M\$)	Gas Revenue (M\$)	Misc. Revenue (M\$)
2011	1.28	44.17	0.96	33.12	90.00	4.00	86.45	132.50	0.00
2012	4.28	147.48	3.21	110.61	90.00	4.00	288.68	442.43	0.00
2013	3.37	116.15	2.53	87.11	90.00	4.00	227.36	348.44	0.00
2014	2.78	96.02	2.09	72.02	90.00	4.00	187.96	288.07	0.00
2015	2.37	81.85	1.78	61.39	90.00	4.00	160.23	245.56	0.00
2016	2.07	71.52	1.56	53.64	90.00	4.00	140.00	214.56	0.00
2017	1.83	63.20	1.37	47.40	90.00	4.00	123.71	189.59	0.00
2018	1.65	56.74	1.23	42.56	90.00	4.00	111.08	170.23	0.00
2019	1.49	51.49	1.12	38.62	90.00	4.00	100.79	154.46	0.00
2020	1.37	47.25	1.03	35.43	90.00	4.00	92.48	141.74	0.00
2021	1.26	43.43	0.94	32.57	90.00	4.00	85.02	130.29	0.00
2022	1.17	40.29	0.88	30.21	90.00	4.00	78.86	120.86	0.00
2023	1.09	37.56	0.82	28.17	90.00	4.00	73.53	112.69	0.00
2024	1.02	35.28	0.77	26.46	90.00	4.00	69.06	105.84	0.00
2025	0.96	33.09	0.72	24.82	90.00	4.00	64.77	99.27	0.00
Rem	9.14	315.16	6.85	236.37	90.00	4.00	616.93	945.48	0.00
Total	37.14	1,280.67	27.85	960.50	90.00	4.00	2,506.92	3,842.02	0.00
Ult	48.11	1,679.31							

Year	Well Count	Net Tax Production (M\$)	Net Tax Ad Valorem (M\$)	Net Investment (M\$)	Net Lease Costs (M\$)	Net Well Costs (M\$)	Other Costs (M\$)	Net Profits (M\$)	Annual Cash Flow (M\$)	Cum Disc. Cash Flow (M\$)
2011	1.00	16.98	10.95	161.00	0.00	9.00	0.00	0.00	21.02	17.18
2012	1.00	56.70	36.56	0.00	0.00	36.00	0.00	0.00	601.85	565.44
2013	1.00	44.66	28.79	0.00	0.00	36.00	0.00	0.00	466.35	951.45
2014	1.00	36.92	23.80	0.00	0.00	36.00	0.00	0.00	379.31	1,236.80
2015	1.00	31.47	20.29	0.00	0.00	36.00	0.00	0.00	318.03	1,454.28
2016	1.00	27.50	17.73	0.00	0.00	36.00	0.00	0.00	273.33	1,624.16
2017	1.00	24.30	15.67	0.00	0.00	36.00	0.00	0.00	237.34	1,758.24
2018	1.00	21.82	14.07	0.00	0.00	36.00	0.00	0.00	209.42	1,865.78
2019	1.00	19.80	12.76	0.00	0.00	36.00	0.00	0.00	186.69	1,952.94
2020	1.00	18.17	11.71	0.00	0.00	36.00	0.00	0.00	168.35	2,024.38
2021	1.00	16.70	10.77	0.00	0.00	36.00	0.00	0.00	151.85	2,082.95
2022	1.00	15.49	9.99	0.00	0.00	36.00	0.00	0.00	138.24	2,131.43
2023	1.00	14.44	9.31	0.00	0.00	36.00	0.00	0.00	126.47	2,171.75
2024	1.00	13.57	8.75	0.00	0.00	36.00	0.00	0.00	116.60	2,205.54
2025	1.00	12.72	8.20	0.00	0.00	36.00	0.00	0.00	107.12	2,233.75
Rem.		121.17	78.12	0.00	0.00	474.57	0.00	0.00	888.55	138.36
Total		492.40	317.45	161.00	0.00	987.57	0.00	0.00	4,390.52	2,372.11

Major Phase : Gas
 Perfs : 0 - 0
 Initial Rate : 15,208.33 Mcf/month
 Abandonment : 1,520.83 Mcf/month
 Initial Decline : 28.00 % year b = 1.000
 Log Ratio : 0.029
 End Ratio : 0.029

Abandonment Date : 03/09/2039
 Working Int : 1.00000000
 Revenue Int : 0.75000000
 Disc. Initial Invest. (M\$) : 158.42
 ROInvestment (disc/undisc) : 15.98 / 28.27
 Years to Payout : 0.47
 Internal ROR (%) : >1000

Present Worth Profile (M\$)

PW 5.00% : 3,079.27
 PW 8.00% : 2,610.39
 PW 10.00% : 2,372.11
 PW 12.00% : 2,175.67
 PW 15.00% : 1,938.36
 PW 20.00% : 1,645.76

Input Page

7/1/2011

Lease Name: Green-Eyed Squealy Worm - 1
 Operator : DHAOGI
 Field Name : Eidson, North
 Gas Proved Producing

Case Type : LEASE CASE
 Reservoir : Morrow
 Co., St. : Lea, NM

Discount Method: M

Annual Compoundings: 1

At AsOf Date

	Gas		Oil
Qi (AsOf) =	15.208 MMcf/month	0.441	Mbbl/month
Qf (ECL) =	1.521 MMcf/month	0.044	Mbbl/month
Dec. =	28.000 %	0.000	%
b =	1,000	-	
Unit Price =	4.00 /Mcf	90.00	/bbl
Unit Exp. =	0.00	0.00	
Hist. Cum	398.639 MMcf	10.971	Mbbl
Proj. Cum	398.639 MMcf	10.971	Mbbl
Reserves	1,280.672 MMcf	37.139	Mbbl
Ult.	1,679.311 MMcf	48.110	Mbbl

Abandonment Date: 3/9/2039

ID Codes List

<u>Id Label</u>	<u>IdCode</u>
Retrieval Code	
API Number	
PhdWin ID	00001
RRC Dist Code	
Operator Code	
Field Code	
Unique ID	1BF409B576900382104900001

Input Data

Projection Table

* Segment Volumes Adjusted for Historical Data.

Arps		Start	End	Life Years	Initial Rate	Final Rate	De (%/year)	b	Min. De (%/year)	Segment Volume
Gas	1	10/1/2011	3/9/2039	27.44	15,208.3	1,520.8 mcf	28.00	1,000	0.00	1,280,672 mcf

Formula

	Formula	Units
Oil	{GAS} X .029	bbl
Oil Cut	(({OIL} / ({OIL} + {WATER}))) X 100	%
GOR	(({GAS} X 1000) / {OIL})	scf/bbl
Yield	{OIL} / {GAS}	bbl/Mcf
Water Cut	(({WATER} / ({OIL} + {WATER}))) X 100	%

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 Operator : DHAOGI
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 Co., St. : Lea, NM

Product Model Table

	Base Units	Base Model [AsOf Price] Escalation Model	Model Adjustments				Base Cost Model [AsOf Cost] Escalation Model
			BTU	Differential %	\$	Shrinkage	
Gas	Mcf	\$4.00 Flat[4] Case Specific	0.00	0.00	0.00	0.00 %	Case Specific[0] Case Specific
Oil	bbl	\$90 Flat[90] Case Specific	0.00	0.00	0.00	0.00	Case Specific[0] Case Specific
Water	bbl	n/a n/a	0.00	0.00	0.00	0.00	Case Specific[0] Case Specific
Condensate	bbl	n/a n/a	0.00	0.00	0.00	0.00	n/a n/a
NGL	gal	n/a n/a	0.00	0.00	0.00	0.00	n/a n/a
Well Cost		n/a n/a	0.00	0.00	0.00	0.00	Case Specific[3000] Non-Escalated
Fixed Cost		n/a n/a	0.00	0.00	0.00	0.00	n/a Non-Escalated

Investment Table

Date	Linking	Gross Investment (M\$)		Net Investment (M\$)		Description	Depreciation Method	Net to Interest	Init. Invest ?
		Tangible	Intangible	Tangible	Intangible				
9/1/2011		* 120.00	* 41.00	120.00	41.00	Workover	N/A	100%	Y
		120.00	41.00	120.00	41.00	* red designates amount entered.			

Ownership Table

Owner	Rev. SR#	ReS Type	Trigger Value	WI (fract)	NRI (Fract)	Lease NRI	Net Profit Expense	Product Adjusted
"All Cases" Interest Loaded								
	2	Date	1/ 1/2011	1.00000000	0.75000000	0.75000000	0.00	No
	1	Initial	0	0.21242601	0.15880720	0.74758830	0.00	No

Lease Memo Table

Lease Memos