

OPERATOR: LATIGO PETROLEUM INC.**LSE & WELL: Federal "A" 13 No 2****Drainage Area Calculated for Federal "A" 13 No 2****Federal "A" 13 No 2 & Federal "A" No 5 Log Data Combined****FIELD: Bough San Andres****LOCATION: 13-19S-35E Lea County, New Mexico****Black Input Data****Green Calculated Data**

Rw (Surf) = 0.0475	BHT °F = 110	Zi = 0.6731
Rw (BH) = 0.031	BHT °R = 570	Zc = 0.9051
m = 2.0	Surf Temp °F = 70	Za = 0.928
n = 0.5	PI = 2074	Bgi = 191.1
AREA (Ac) = 73.8	Pcrr = 450	Bga = 16.7
SP GR = 0.8	Pa = 250	% Rec = 0.913

Type "1" for Carbonate, "0" for Sand		
LITHOLOGY		1

Max %Sw for pay =	25
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Minimum % Porosity =	10.0
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Calculated Est Ultimate Recovery = 1,700,006 MCF

VOLUMETRIC GAS RECOVERY PER ZONE IN MCF

DEPTH		%	FR	FR	% Sw	% Sw	% Sw	NET	EST GAS	REMARKS
		Φ	Rt	LM	SND	SND	LM	USED	PAY	
4,768	4,769	13.2	60.46	57.4	35.6	13.6	17.2	17.2	1	61,237
4,769	4,770	12.1	40.09	68.3	42.3	18.2	23.1	23.1	1	52,168
4,770	4,771	12.5	37.00	64.0	39.7	18.3	23.2	23.2	1	53,770
4,771	4,772	13.0	45.57	59.2	36.7	15.9	20.1	20.1	1	58,182
4,772	4,773	14.6	68.46	46.9	29.1	11.5	14.6	14.6	1	69,850
4,773	4,774	14.4	92.96	48.2	29.9	10.0	12.7	12.7	1	70,427
4,774	4,775	16.7	81.46	35.9	22.2	9.2	11.7	11.7	1	82,615
4,775	4,776	16.0	67.16	39.1	24.2	10.6	13.5	13.5	1	77,580
4,776	4,777	17.1	73.91	34.2	21.2	9.5	12.0	12.0	1	84,310
4,780	4,781	17.0	52.55	34.6	21.5	11.3	14.3	14.3	1	81,607
4,781	4,782	16.1	37.93	38.6	23.9	14.0	17.8	17.8	1	74,146
4,782	4,783	16.8	43.36	35.4	22.0	12.6	16.0	16.0	1	79,109
4,783	4,784	17.5	76.71	32.7	20.2	9.1	11.5	11.5	1	86,763
4,789	4,790	15.6	94.55	41.1	25.5	9.2	11.7	11.7	1	77,238
4,790	4,791	15.3	51.27	42.7	26.5	12.7	16.1	16.1	1	71,912
4,791	4,792	14.5	27.25	47.6	29.5	18.4	23.3	23.3	1	62,288
4,792	4,793	14.7	25.05	46.3	28.7	18.9	24.0	24.0	1	62,591
4,793	4,794	13.8	37.96	52.5	32.6	16.4	20.8	20.8	1	61,261
4,794	4,795	14.0	92.27	51.0	31.6	10.3	13.1	13.1	1	68,147
4,800	4,801	14.0	97.59	51.0	31.6	10.1	12.8	12.8	1	68,432
4,801	4,802	16.2	71.84	38.1	23.6	10.1	12.9	12.9	1	79,102
4,802	4,803	16.3	59.73	37.6	23.3	11.0	14.0	14.0	1	78,532
4,803	4,804	14.4	56.82	48.2	29.9	12.8	16.3	16.3	1	67,560
4,804	4,805	14.8	70.91	45.7	28.3	11.2	14.2	14.2	1	71,179
Avg		15.0					16.1	24		1,700,006

Note: In order to approximate drainage area the following was done:

1) Since these two wells are located ± 1250' apart the porosity log from the Federal "A" No 5 and the resistivity log from the Federal "A" 13 No 2 were used to perform these calculations. Neither well had both a porosity log and a resistivity log.

5/17/2005 2:35 PM:**Log Analysis Gas Comb "A"13-2**

NMOCD CASE NO. 13408

MAY 19, 2005

LATIGO PETROLEUM, INC.

EXHIBIT NO. 7

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OPERATOR: LATIGO PETROLEUM INC.**LSE & WELL: Federal "A" No 5****Drainage Area Calculated for Federal "A" No 5****Federal "A" 13 No 2 & Federal "A" No 5 Log Data Combined****FIELD: Bough San Andres****LOCATION: 13-19S-35E Lea County, New Mexico****Black Input Data****Green Calculated Data**

Rw (Surf) = 0.0475	BHT "F" = 110	ZI = 0.6731
Rw (BH) = 0.031	BHT "R" = 570	Zc = 0.9051
m = 2.0	Surf Temp "F" = 70	Za = 0.928
n = 0.6	PI = 2074	Bgl = 191.1
AREA (Ac) = 11.4	Perr = 460	Bga = 16.7
SP GR = 0.8	Pa = 260	% Rec = 0.913

Type "1" for Carbonate, "0" for Sand		
LITHOLOGY		1

Max %Sw for pay =	25
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Minimum % Porosity =	10.0
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Calculated Est Ultimate Recovery =

262,298

MCF

VOLUMETRIC GAS RECOVERY PER ZONE IN MCF

DEPTH		%	Rt	FR	FR	% Sw	% Sw	% Sw	NET	EST GAS	REMARKS
		Φ		LM	SND	SND	LM	USED	PAY	REC-MCF	
4,768	4,769	13.2	60.46	57.4	35.6	13.6	17.2	17.2	1	9,448	
4,769	4,770	12.1	40.09	68.3	42.3	18.2	23.1	23.1	1	8,049	PROD
4,770	4,771	12.6	37.00	64.0	39.7	18.3	23.2	23.2	1	8,296	PROD
4,771	4,772	13.0	46.67	59.2	36.7	15.9	20.1	20.1	1	8,977	PROD
4,772	4,773	14.6	68.46	46.9	29.1	11.5	14.6	14.6	1	10,777	PROD
4,773	4,774	14.4	92.96	48.2	29.9	10.0	12.7	12.7	1	10,866	PROD
4,774	4,775	16.7	81.46	35.9	22.2	9.2	11.7	11.7	1	12,747	PROD
4,775	4,776	16.0	67.16	39.1	24.2	10.6	13.5	13.5	1	11,970	
4,776	4,777	17.1	73.91	34.2	21.2	9.5	12.0	12.0	1	13,008	
4,780	4,781	17.0	62.66	34.6	21.5	11.3	14.3	14.3	1	12,591	PROD
4,781	4,782	16.1	37.93	38.6	23.9	14.0	17.8	17.8	1	11,440	PROD
4,782	4,783	16.8	43.36	35.4	22.0	12.6	16.0	16.0	1	12,206	PROD
4,783	4,784	17.6	76.71	32.7	20.2	9.1	11.5	11.5	1	13,387	PROD
4,789	4,790	16.6	94.66	41.1	25.5	9.2	11.7	11.7	1	11,917	PROD
4,790	4,791	16.3	61.27	42.7	26.5	12.7	16.1	16.1	1	11,095	PROD
4,791	4,792	14.6	27.25	47.6	29.5	18.4	23.3	23.3	1	9,610	PROD
4,792	4,793	14.7	26.06	46.3	28.7	18.9	24.0	24.0	1	9,657	PROD
4,793	4,794	13.8	37.96	52.5	32.6	16.4	20.8	20.8	1	9,452	PROD
4,794	4,795	14.0	92.27	51.0	31.6	10.3	13.1	13.1	1	10,515	PROD
4,800	4,801	14.0	97.69	51.0	31.6	10.1	12.8	12.8	1	10,559	PROD
4,801	4,802	16.2	71.84	38.1	23.6	10.1	12.9	12.9	1	12,205	PROD
4,802	4,803	16.3	69.73	37.6	23.3	11.0	14.0	14.0	1	12,117	PROD
4,803	4,804	14.4	66.82	48.2	29.9	12.8	16.3	16.3	1	10,424	PROD
4,804	4,805	14.8	70.91	45.7	28.3	11.2	14.2	14.2	1	10,982	PROD
Avg		15.0						16.1	24	262,298	

Note: In order to approximate drainage area the following was done:

1) Since these two wells are located ± 1260' apart the porosity log from the Federal "A" No 5 and the resistivity log from the Federal "A" 13 No 2 were used to perform these calculations. Neither well had both a porosity log and a resistivity log.

5/17/2005 2:35 PM:

Log Analysis Gas Comb "A" 5

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