# Santa Fe, New Mexico

FASKEN OIL AND RANCH, LTD.

Case No. 14116 Exhibit No. 23 Submitted by:

FASKEN OIL & RANCH, LTD Hearing Date: June 27, 2008

OPERATOR: Fasken Oil and Ranch, Ltd.
LEASE NAME: Laguna "16" State
FIELD: Salt Lake, West (Morrow)
2135' FNL & 2455' FWL
Sec. 16, T20S, R32E

DATE: June 19, 2008 WELL NO.: 2 COUNTY: Lea

COST ESTIMATE

AFE NO: 1291

STATE: New Mexico

## **TANGIBLES**

TUBULAR GOODS	SIZE	FOOTAGE	PRICE	SUB	TOTAL	DRY HOLE
	[IN]	[FT]	[\$/FT]		<del></del>	_ <del></del>
Conductor Pipe	36.000	<u>40</u>	\$30.00	. \$1,200	Γ	\$1,200
Surface Casing	20.000	<u>920</u>	\$175.00	\$161,000		\$161,000
Salt String Casing	13.375	2,600	\$53.00	\$137,800		\$137,800
Inter. Casing	9.625	4,500	\$47.00	\$211,500		\$211,500
Oil string	5,500	<u>13,200</u>	\$21.75	\$287,100	[-	\$0
Tubing	2.875	13,200	\$7:20	\$95,000	\$893,600	\$0
WELLHEAD EQUIPMENT	•					
Starting Head				\$10,300		\$4,000
Salt String Head				\$13,400		\$6,000
Inter. Head				\$8,100		\$4,000
Tubing Head				\$12,600		\$0
Christmas Tree				\$28,400	\$72,800	\$0
SUB SURFACE PRODUC		JIPMENT				
Tubing Anchor and/or Pac				\$8,000		\$0
Sucker Rods, Pump, BHA,				\$0	\$8,000	\$0
SURFACE PRODUCTION	-	ENT				
Pumping Unit c/w Prime M	over			\$0		\$0
Production Unit				\$30,000	L	\$0
Tanks, Treaters, Separato	rs, Circ. P	ump		\$113,300		\$0
Labor				\$50,800	\$194,100	\$0
		TOTAL TANG	SIDI ES	\$1,168,500	¢1 160 500 T	<b>\$</b> E3E E00
		IOIAL IANG	JIDLLS	φ1,100,500	\$1,168,500	\$525,500

CONTRACTOR	DRILLING	COST

INTANCIDLES					
INTANGIBLES					
CONTRACTOR DRILLING COST	500TA05	n azei			
Drilling Cost	FOOTAGE 13,200	RATE \$0.00	\$0	r	\$0
Day Work	<u>13,200</u> 70	\$18,500	\$1,295,000	}	\$1,295,000
Mobilization	10	<u> </u>	\$100,000	}	\$100,000
Pulling Unit for Completion	<u>60</u>	<u>\$350</u>	\$21,000	<u> </u>	\$0
Reverse Drilling Equipment			\$10,000	\$1,426,000	\$0
CEMENTING SERVICES & EQUIPM	1ENT				
Surface			\$36,400	-	\$36,400
Intermediates Oil String			\$81,400 \$75,600	-	\$81,400
Other			\$2,000	\$195,400	\$0 \$20,000
FORMATION TREATMENT			\$2,000	ψ195,400 [	\$20,000
Acidizing Services & Material			\$15,000	Г	\$0
Fracturing Services & Material			\$150,000		\$0
Tank Rental & Hauling			\$20,000	\$185,000	\$0
SPECIAL SERVICES			445.000	_	
Perforating & Wireline Services	DAYS	RATE	\$15,000	<b> -</b>	\$0
Mud Logging	60	\$1,200	\$72,000	}-	\$72,000
Open Hole Logging	<u> </u>	<u> </u>	\$40,000	-	\$40,000
Cores, DST's, etc.			\$15,000	ļ	\$15,000
Packer & BP Rental			\$0	\$142,000	\$0
DRILLING FLUIDS				_	
Mud & Chemicals			\$85,000	-	\$85,000
Fresh & Brine Water Oil for Drilling Mud			\$50,000 \$2,500	¢127 E00	\$50,000
MATERIALS & SERVICES OTHER			\$2,500	\$137,500	\$2,500
Bits & Reamers			\$140,000	Γ	\$140,000
Fuel			\$280,000		\$280,000
Hauling - Trucking, Transport, & Pmp	Truck		\$22,000		\$10,000
Tubular Inspection & Testing	• I- I N		\$6,000	Ĺ	\$4,000
Casing Expense (Run Csg., PU/LD N Valves, Piping, & Connections	nachine)		\$35,000	-	\$24,000
Pit Liners			\$500 \$10,000	-	\$500 \$10,000
Rental Equipment			\$165,500	<u> </u>	\$137,750
Welding & Roustabout Labor			\$4,300		\$3,500
Cattleguard & Fencing		2	\$1,000		\$1,000
Misc. Services & Supplies		ř	\$30,000	\$694,300	\$28,000
LOCATION ACCESS & CLEAN UP		•			
Surveying ROAD, LOCATION, PITS, & CLEAN	l ID		\$2,500	504.000	\$2,500
SUPERVISION & LEGAL, ETC.	OF		\$88,500	\$91,000	\$88,500
Geological, Engr. & Supervisory Expe	ense		\$160,200	\$160,200	\$149,000
Well Control Insurance	-		\$9,200	\$9,200	\$9,200
CONTINGENCIES 10%			\$287,100	\$287,100	\$252,700
7	TOTAL INTAN	IGIBLES	\$3,327,700	\$3,327,700	\$2,938,000
	OTAL COST		\$4,496,200	\$4,496,200	\$3,463,500

## FASKEN OIL AND RANCH, LTD.

COST ESTIMATE

OPERATOR: Fasken Oil and Ranch, Ltd. LEASE NAME: Laguna "16" State

FIELD: Salt Lake, West (Morrow)

SHL: 660' FSL and 660' FEL

BHL: 2135' FNL & 2455' FWL

Sec. 16, T20S, R32E

DATE: June 19, 2008 WELL NO.: 2 Directional COUNTY: Lea

AFE NO: 1291

STATE: New Mexico

## **TANGIBLES**

TUBULAR GOODS SIZE	FOOTAGE PRICE	SUB TOTAL DRY HOLE	囙
[IN]	[FT] [\$/FT]		
Conductor Pipe 36,000 Surface Casing 20.000	. —	\$1,200 \$161,000 \$161,000	
Salt String Casing 13.375		\$137,800 \$137,800	
Inter. Casing 9.625		\$211,500 \$211,500	
Oil string 5.500		\$324,300	
Tubing <u>2.875</u>	<u>14,100</u> <u>\$7.20</u>	\$101,500 \$937,300 \$0	0
WELLHEAD EQUIPMENT			
Starting Head Salt String Head		\$10,300 \$4,000	
Inter. Head		\$13,400 \$6,000 \$8,100 \$4,000	
Tubing Head		\$12,600	_
Christmas Tree			0
SUB SURFACE PRODUCTION E	QUIPMENT		
Tubing Anchor and/or Packer			0
Sucker Rods, Pump, BHA, etc. SURFACE PRODUCTION EQUIP	NACAIT	\$0 \$8,000 \$6	0
Pumping Unit c/w Prime Mover	MICINI	\$0 \$1	<u>n</u>
Production Unit		\$30,000	
Tanks, Treaters, Separators, Circ.	Pump	\$113,300	_
Labor		\$50,800 \$194,100 \$0	0
	TOTAL TANGIBLES	\$1.212.200 \$1.212.200 \$525.500	$\overline{a}$
	TOTAL TANGIBLES	\$1,212,200   \$1,212,200   \$525,500	0
INTANGIBLES			
CONTRACTOR DRILLING COST			
CONTINUE OF DIVIDENT OF THE COST	FOOTAGE RATE		
Drilling Cost	14,100 \$0.00	\$0 \$1	0
Day Work	<u>95</u> \$18,500	\$1,757,500 \$1,757,500	
Mobilization	00 0050	\$100,000	— ↑
Pulling Unit for Completion Reverse Drilling Equipment	<u>60</u> \$350	\$21,000 \$10,000 \$1,888,500 \$0	_
CEMENTING SERVICES & EQUIPMENT	PMENT	\$1,000,000 \$1,000,000 \$	<u> </u>
Surface		\$36,400	0
Intermediates		\$81,400 \$81,400	0
Oil String		\$75,600 \$0	_
Other FORMATION TREATMENT		\$2,000 \ \$195,400 \ \$20,000	0
Acidizing Services & Material		\$15,000	<u></u>
Fracturing Services & Material		\$150,000	
Tank Rental & Hauling		\$20,000 \$185,000 \$0	
SPECIAL SERVICES			
Perforating & Wireline Services	5.000 5.475	\$15,000	0
Mudlossins	DAYS RATE	6100,000	=
Mud Logging Open Hole Logging	<u>85</u> \$1,200	\$102,000 \$40,000 \$40,000	_
Cores, DST's, etc.	i	\$15,000 \$15,000	
Directional Services	•.	\$400,000 \$572,000 \$400,000	
DRILLING FLUIDS	•		
Mud & Chemicals Fresh & Brine Water		\$110,000 \$110,000 \$50,000 \$50,000	
Oil for Drilling Mud		\$50,000 \$50,000 \$2,500 \$162,500 \$2,500	_
MATERIALS & SERVICES OTHE	R		ت
Bits & Reamers		\$140,000 \$140,000	
Fuel	mam Turrale	\$380,000	_
Hauling - Trucking, Transport, & Praction & Testing	mp Iruck	\$47,000 \$35,000 \$6,000 \$4,000	_
Casing Expense (Run Csg., PU/LE	) Machine)	\$35,000 \$24,000	_
Valves, Piping, & Connections	,	\$500 \$500	
Pit Liners		\$10,000 \$10,000	0
Rental Equipment		\$307,600 \$307,400	
Welding & Roustabout Labor		\$4,300 \$3,500	_
Cattleguard & Fencing Misc. Services & Supplies		\$1,000 \$44,500 \$975,900 \$43,500	
LOCATION ACCESS & CLEAN U	Р	<u> </u>	لٽ
Surveying		\$2,500	0
ROAD, LOCATION, PITS, & CLEA	N UP	\$88,500 \$91,000 \$88,500	
SUPERVISION & LEGAL, ETC.	vnanca	6313 300	$\overline{}$
Geological, Engr. & Supervisory E: Well Control Insurance	xpense	\$213,200 \$213,200 \$202,000 \$9,200 \$9,200 \$9,200	
CONTINGENCIES 10%	, 0	\$407,000 \$407,000 \$375,500	_
	TOTAL INTANGIBLES	\$4,699,700 \$4,699,700 \$4,341,400	
	TOTAL COST	\$5,911,900 \$5,911,900 \$4,866,900	
		+-11 <del>+-11</del> +-11	

Working Interest Net Revenue Interest Operating Expense 50.00%

33.3%

\$1,200 per month

+\$2.20/bw + \$0.37/mcf

Initial Gas Price Initial Oil Price

**Drilling Cost** 

Dry Hole Cost

\$13.23 per mcf \$131.42 per bbl

per month +\$2.20/bW + \$0.37/

Morrow Only (0.5 BCF + 26,000 BO)

8/8ths Vertical Well Cost

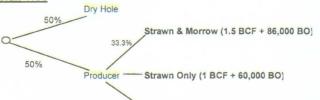
\$3,463,500

\$4,496,200

Net Vertical Well Cost \$1,731,750 \$2,248,100 8/8ths Directional Well Cost \$4,866,900 \$5,911,900 Net Directional Well Cost \$2,433,450.00 \$2,955,950

Completed Well Cost

Decision Tree



Probability of Outcomes:

 ONE WELL PROGRAM
 0.5 x 1.0
 0.50000

 Dry Hole
 0.5 x 1.0
 0.50000

 Strawn & Morrow
 0.33 x 0.5
 0.16667

 Strawn Only
 0.33 x 0.5
 0.16667

 Morrow Only
 0.33 x 0.5
 0.16667

 1.0000
 0.000

NOTE: EXPECTED VALUES > 0 MEET ECONOMIC REQUIREMENTS

			NET BFIT:		
VERTICAL WELL	Outcome Prob.		PW7,BFIT		Expected Value
Dry Hole	0.5000	X	(\$1,731,750)	=	(\$865,875)
Strawn & Morrow	0.1667	X	\$5,162,278	=	\$860,380
Strawn Only	0.1667	X	\$2,709,218	=	\$451,536
Morrow Only	0.1667	X	\$111,813	=	\$18,636
	1.00			VERTICAL WELL	\$464,677
DIRECTIONAL WELL	Outcome Prob		PW7,BFIT		Expected Value
Dry Hole	0.5000	X	(\$2,433,450)	=	(\$1,216,725)
Strawn & Morrow	0.1667	X	\$4,454,428	=	\$742,405
Strawn Only	0.1667	X	\$2,546,868	=	\$424,478
Morrow Only	0.1667	X	(\$519,037)	=	(\$86,506)
	1.00			DIRECTIONAL WELL	(\$136,349)
Market Company		era total	NET AFIT:		
VERTICAL WELL	Outcome Prob.		PW7,AFIT		Expected Value
Dry Hole	0.5000	X	(\$960,977)	=	(\$480,489)
Strawn & Morrow	0.1667	X	\$2,665,719	=	\$444,287
Strawn Only	0.1667	X	\$1,310,649	=	\$218,442
Morrow Only	0.1667	X	(\$124,158)	=	(\$20,693)
	1.00			VERTICAL WELL	\$161,547
DIRECTIONAL WELL	Outcome Prob.		PW7,AFIT		Expected Value
Dry Hole	0.5000	X	(\$1,350,362)	=	(\$675,181)
Strawn & Morrow	0.1667	X	\$2,216,162	=	\$369,360
Strawn Only	0.1667	X	\$1,207,540	=	\$201,257
Morrow Only	0.1667	X	(\$573,715)	=	(\$95,619)
	1.00		,	DIRECTIONAL WELL	(\$200,183)

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 14116 Exhibit No. 24
Submitted by:

FASKEN OIL & RANCH, LTD Hearing Date: June 27, 2008

Working Interest Net Revenue Interest Operating Expense

50.00% 40.00%

\$1,200 per month

+\$2.20/bw + \$0.37/mcf

Initial Gas Price Initial Oil Price

**Drilling Cost** 

Dry Hole Cost

\$13.23 per mcf

8/8ths Vertical Well Cost

\$3,463,500

\$4,496,200

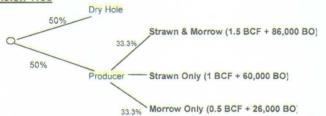
\$131.42 per bbl

Net Vertical Well Cost \$1,731,750 \$2,248,100

8/8ths Directional Well Cost \$4,866,900 \$5,911,900

Net Directional Well Cost \$2,433,450.00 \$2,955,950

Completed Well Cost **Decision Tree** 



# Probability of Outcomes:

1.000	bility of outcomes.	
ONE WELL PROGRAM		
Dry Hole	0.5 x 1.0	0.50000
Strawn & Morrow	0.33 x 0.5	0.16667
Strawn Only	0.33 x 0.5	0.16667
Morrow Only	0.33 x 0.5	0.16667
		1.0000

### NOTE: EXPECTED VALUES > 0 MEET ECONOMIC REQUIREMENTS

			NET BFIT:		
VERTICAL WELL	Outcome Prob.		PW7.BFIT		Expected Value
Dry Hole	0.5000	X	(\$1,731,750)	=	(\$865,875)
Strawn & Morrow	0.1667	X	\$5,162,278	=	\$860,380
Strawn Only	0.1667	X	\$2,709,218	=	\$451,536
Morrow Only	0.1667	X	\$111,813	=	\$18,636
	1.00			VERTICAL WELL	\$464,677
DIRECTIONAL WELL	Outcome Prob		PW7,BFIT		Expected Value
Dry Hole	0.5000	X	(\$2,433,450)	=	(\$1,216,725)
Strawn & Morrow	0.1667	X	\$4,454,428	=	\$742,405
Strawn Only	0.1667	X	\$2,546,868	=	\$424,478
Morrow Only	0.1667	X	(\$519,037)	=	(\$86,506)
	1.00			DIRECTIONAL WELL	(\$136,349)
ar he was a back to the second of the second			NET AFIT:	AND AND THE PROPERTY OF	
VERTICAL WELL	Outcome Prob.		PW7,AFIT		Expected Value
Dry Hole	0.5000	X	(\$960,977)	=	(\$480,489)
Strawn & Morrow	0.1667	X	\$2,665,719	=	\$444,287
Strawn Only	0.1667	X	\$1,310,649	=	\$218,442
Morrow Only	0.1667	×	(\$124,158)	=	(\$20,693)
	1.00			VERTICAL WELL	\$161,547
DIRECTIONAL WELL	Outcome Prob.		PW7,AFIT		Expected Value
Dry Hole	0.5000	X	(\$1,350,362)	=	(\$675,181)
Strawn & Morrow	0.1667	×	\$2,216,162	<b>=</b>	\$369,360
Strawn Only	0.1667	×	\$1,207,540	=	\$201,257
Morrow Only	0.1667	×	(\$573,715)	=	(\$95,619)
	1.00			DIRECTIONAL WELL	(\$200,183)

Working Interest Net Revenue Interest Operating Expense Initial Gas Price

50.00% 40.00%

\$1,200 per month \$13.23 per mcf

+\$2.20/bw + \$0.37/mcf

Initial Oil Price \$131.42 per bbl

> 8/8ths Vertical Well Cost \$3,463,500 \$4,496,200

Net Vertical Well Cost \$1,731,750 \$2,248,100

8/8ths Directional Well Cost \$4,866,900 \$5,911,900

Net Directional Well Cost \$2,433,450.00 \$2,955,950

Dry Hole Cost Completed Well Cost **Decision Tree** 

**Drilling Cost** 



Probability of Outcomes: ONE WELL PROGRAM

0.50000 Dry Hole 0.5 x 1.0 Strawn & Morrow 0.33 x 0.5 0.16667 Strawn Only 0.33 x 0.5 0.16667 0.16667 Morrow Only 0.33 x 0.5

NOTE: EXPECTED VALUES > 0 MEET ECONOMIC REQUIREMENTS

				NET BFIT:		
	VERTICAL WELL	Outcome Prob.		PW7.BFIT		Expected Value
	Dry Hole	0.5000	X	(\$1,731,750)	=	(\$865,875)
	Strawn & Morrow	0.1667	X	\$5,162,278	=	\$860,380
	Strawn Only	0.1667	X	\$2,709,218	=	\$451,536
	Morrow Only	0.1667	X	\$111,813	=	\$18,636
		1.00			VERTICAL WELL	\$464,677
	DIRECTIONAL WELL	Outcome Prob.		PW7,BFIT		Expected Value
	Dry Hole	0.5000	X	(\$2,433,450)	=	(\$1,216,725)
	Strawn & Morrow	0.1667	X	\$4,454,428	=	\$742,405
	Strawn Only	0.1667	X	\$2,546,868	=	\$424,478
	Morrow Only	0.1667	X	(\$519,037)	=	(\$86,506)
		1.00			DIRECTIONAL WELL	(\$136,349)
4-76-5				NET AFIT:		THE PARTY SERVICE PROPERTY OF THE PARTY OF T
	VERTICAL WELL	Outcome Prob.		PW7,AFIT		Expected Value
	Dry Hole	0.5000	X	(\$960,977)	=	(\$480,489)
	Strawn & Morrow	0.1667	X	\$2,665,719	=	\$444,287
	Strawn Only	0.1667	X	\$1,310,649	=	\$218,442
	Morrow Only	0.1667	X	(\$124,158)	=	(\$20,693)
		1.00			VERTICAL WELL	\$161,547
	DIRECTIONAL WELL	Outcome Prob.		PW7,AFIT		Expected Value
	Dry Hole	0.5000	X	(\$1,350,362)	=	(\$675,181)
	Strawn & Morrow	0.1667	X	\$2,216,162	=	\$369,360
	Strawn Only	0.1667	X	\$1,207,540	=	\$201,257
	Morrow Only	0.1667	X	(\$573,715)	=	(\$95,619)
		1.00			DIRECTIONAL WELL	(\$200,183)

Working Interest 50.00%

Net Revenue Interest 40.00% Operating Expense

\$1,200 per month Initial Gas Price \$13.23 per mcf Initial Oil Price

+\$2.20/bw + \$0.37/mcf

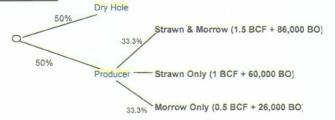
\$131.42 per bbl

8/8ths Vertical Well Cost **Drilling Cost** Dry Hole Cost \$3,463,500 Completed Well Cost \$4,496,200

8/8ths Directional Well Cost \$4,866,900 Net Vertical Well Cost \$1,731,750 \$2,248,100 \$5,911,900

Net Directional Well Cost \$2,433,450.00 \$2,955,950

**Decision Tree** 



# Probability of Outcomes:

ONE WELL PROGRAM		
Dry Hole	0.5 x 1.0	0.50000
Strawn & Morrow	0.33 x 0.5	0.16667
Strawn Only	0.33 x 0.5	0.16667
Morrow Only	0.33 x 0.5	0.16667
		1.0000
		1.000

NOTE: EXPECTED VALUES > 0 MEET ECONOMIC REQUIREMENTS

				NET BFIT:		
	VERTICAL WELL	Outcome Prob.		PW7.BFIT		Expected Value
	Dry Hole	0.5000	X	(\$1,731,750)	=	(\$865,875)
	Strawn & Morrow	0.1667	X	\$5,162,278	=	\$860,380
	Strawn Only	0.1667	X	\$2,709,218	=	\$451,536
	Morrow Only	0.1667	X	\$111,813	=	\$18,636
		1.00			VERTICAL WELL	\$464,677
	DIRECTIONAL WELL	Outcome Prob.		PW7,BFIT		Expected Value
	Dry Hole	0.5000	X	(\$2,433,450)	=	(\$1,216,725)
	Strawn & Morrow	0.1667	X	\$4,454,428	=	\$742,405
	Strawn Only	0.1667	X	\$2,546,868	=	\$424,478
	Morrow Only	0.1667	X	(\$519,037)	=	(\$86,506)
		1.00			DIRECTIONAL WELL	(\$136,349)
August	the property of the second			NET AFIT:		
	VERTICAL WELL	Outcome Prob.		PW7,AFIT		Expected Value
	Dry Hole	0.5000	X	(\$960,977)	=	(\$480,489)
	Strawn & Morrow	0.1667	X	\$2,665,719	=	\$444,287
	Strawn Only	0.1667	X	\$1,310,649	=	\$218,442
	Morrow Only	0.1667	X	(\$124,158)	=	(\$20,693)
		1.00			VERTICAL WELL	\$161,547
	DIRECTIONAL WELL	Outcome Prob.		PW7,AFIT		Expected Value
	Dry Hole	0.5000	X	(\$1,350,362)	=	(\$675,181)
	Strawn & Morrow	0.1667	X	\$2,216,162	=	\$369,360
	Strawn Only	0.1667	X	\$1,207,540	=	\$201,257
	Morrow Only	0.1667	X	(\$573,715)	=	(\$95,619)
		1.00			DIRECTIONAL WELL	(\$200,183)

Working Interest Net Revenue Interest Operating Expense 50.00% 40.00%

\$1,200 per month

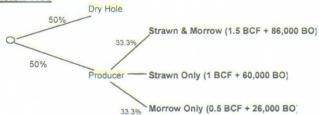
+\$2.20/bw + \$0.37/mcf

Initial Gas Price Initial Oil Price \$13.23 per mcf \$131.42 per bbl +\$2.20/bw + \$0.37/m

Drilling Cost
Dry Hole Cost
Completed Well Cost

8/8ths Vertical Well Cost \$3,463,500 \$4,496,200 Net Vertical Well Cost \$1,731,750 \$2,248,100 8/8ths Directional Well Cost \$4,866,900 \$5,911,900 Net Directional Well Cost \$2,433,450.00 \$2,955,950

**Decision Tree** 



Probability of Outcomes:

 ONE WELL PROGRAM
 0.5 x 1.0
 0.50000

 Dry Hole
 0.5 x 1.0
 0.50000

 Strawn & Morrow
 0.33 x 0.5
 0.16667

 Strawn Only
 0.33 x 0.5
 0.16667

 Morrow Only
 0.33 x 0.5
 0.16667

 1.0000
 0.000

			NET BFIT:		
VERTICAL WELL	Outcome Prob.		PW7,BFIT		Expected Value
Dry Hole	0.5000	X	(\$1,731,750)	=	(\$865,875)
Strawn & Morrow	0.1667	X	\$5,162,278	=	\$860,380
Strawn Only	0.1667	X	\$2,709,218	=	\$451,536
Morrow Only	0.1667	X	\$111,813	=	\$18,636
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DIRECTIONAL WELL	Outcome Prob.		PW7,BFIT		Expected Value
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Strawn & Morrow	0.1667	X	\$4,454,428	=	\$742,405
Strawn Only	0.1667	X	\$2,546,868	=	\$424,478
Morrow Only	0.1667	X	(\$519,037)	=	(\$86,506)
	1.00			DIRECTIONAL WELL	(\$136,349)
		411	NET AFIT:		
VERTICAL WELL	Outcome Prob.		PW7,AFIT		Expected Value
Dry Hole	0.5000	X	(\$960,977)	<b>=</b>	(\$480,489)
Strawn & Morrow	0.1667	X	\$2,665,719	=	\$444,287
Strawn Only	0.1667	X	\$1,310,649	=	\$218,442
Morrow Only	0.1667	X	(\$124,158)	=	(\$20,693)
50000000000000000000000000000000000000	1.00			VERTICAL WELL	\$161,547
DIRECTIONAL WELL	Outcome Prob.		PW7,AFIT		Expected Value
Dry Hole	0.5000	X	(\$1,350,362)	=	(\$675,181)
Strawn & Morrow	0.1667	X	\$2,216,162	=	\$369,360
Strawn Only	0.1667	X	\$1,207,540	=	\$201,257
Morrow Only	0.1667	X	(\$573,715)	=	(\$95,619)
The state of the s	1.00			DIRECTIONAL WELL	(\$200,183)