

Annual CashFlow Report

Lease Name: UNION TEXAS STATE (1)
State, County: NM, EDDY
Location: 17/19S/29E

Field Name: TURKEY TRACK (MORROW) PM
Operator: SOUTHWEST ROYALTIES INC

Date	Well Count	Gross Production		Net Production		Average Prices		Sales Total (\$)
		Oil (Bbl)	Gas (Mcf)	Oil (Bbl)	Gas (Mcf)	Oil (\$/Bbl)	Gas (\$/Mcf)	
12/98	1	290	82,381	238	67,552	20.00	2.00	139,861
12/99	1	389	117,974	319	96,739	20.00	2.00	199,864
12/00	1	341	111,582	279	91,497	20.00	2.00	188,583
12/01	1	298	105,536	244	86,540	20.00	2.00	177,969
12/02	1	261	99,818	214	81,851	20.00	2.00	167,980
12/03	1	228	94,410	187	77,416	20.00	2.00	158,576
12/04	1	200	89,294	164	73,221	20.00	2.00	149,719
12/05	1	175	84,456	143	69,254	20.00	2.00	141,375
12/06	1	153	79,880	125	65,502	20.00	2.00	133,512
12/07	1	134	75,552	110	61,953	20.00	2.00	126,100
12/08	1	117	71,458	96	58,596	20.00	2.00	119,112
12/09	1	102	67,587	84	55,421	20.00	2.00	112,522
12/10	1	90	63,925	74	52,418	20.00	2.00	106,307
12/11	1	78	60,461	64	49,578	20.00	2.00	100,443
12/12	1	69	57,185	56	46,892	20.00	2.00	94,909
Remainder:		476	856,162	390	702,054	20.00	2.00	1,411,915
Grand Total:		3,401	2,117,662	2,789	1,736,484	20.00	2.00	3,528,748

Date	Operating Expenses (\$)	Taxes (\$)	Operating Income (\$)	Other Costs (\$)	Periodic Cash Flow (\$)	Cumulative Cash Flow (\$)	10.00 % Cash Flow (\$)
12/98	8,000	10,524	121,337	0	121,337	121,337	117,122
12/99	12,000	15,041	172,823	0	172,823	294,160	154,157
12/00	12,000	14,194	162,389	0	162,389	456,549	131,681
12/01	12,000	13,397	152,573	0	152,573	609,122	112,474
12/02	12,000	12,646	143,334	0	143,334	752,456	96,058
12/03	12,000	11,940	134,636	0	134,636	887,092	82,026
12/04	12,000	11,274	126,445	0	126,445	1,013,537	70,032
12/05	12,000	10,647	118,728	0	118,728	1,132,265	59,781
12/06	12,000	10,055	111,456	0	111,456	1,243,721	51,018
12/07	12,000	9,498	104,602	0	104,602	1,348,323	43,527
12/08	12,000	8,972	98,140	0	98,140	1,446,463	37,126
12/09	12,000	8,477	92,046	0	92,046	1,538,509	31,655
12/10	12,000	8,009	86,298	0	86,298	1,624,806	26,980
12/11	12,000	7,568	80,875	0	80,875	1,705,681	22,986
12/12	12,000	7,151	75,758	0	75,758	1,781,440	19,575
Remainder:	420,000	106,423	885,492	0	885,492	2,666,932	107,899
Grand Total:	596,000	265,817	2,666,932	0	2,666,932	2,666,932	1,164,098

Discount Present Worth:**Economic Dates:****Economics Summary:**

					Bbl Oil	Mcf Gas
0.00 %	2,666,932	Effective Date	5/1998	Ultimate Gross	67,484	7,308,760
10.00 %	1,164,098	Economic Limit	12/2047	Cumulative Gross	64,083	5,191,096
20.00 %	752,285	Economic Life Months	596	Remaining Gross	3,401	2,117,664
30.00 %	565,639			Remaining Net	2,789	1,736,482
40.00 %	459,283	Economics Information:				
50.00 %	390,478	Payout:	05/1998			
60.00 %	342,237	Rate of Return:	>100 %			
70.00 %	306,478	Return on Investment:	0.00			
80.00 %	278,868	Division of Interest:	WI	NRI	ORI	Date
90.00 %	256,876		100.000000	82.000000	0.000000	None
100.00 %	238,921					

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