

NMOCD CASE #12000

EXHIBIT #8

ECONOMIC COMPARISON

40 ACRE SPACING

<u>YEAR</u>	<u>GROSS OIL</u>	<u>REVENUE</u>	<u>INVESTMENT</u>	<u>EXPENSES</u>	<u>PROFIT/LOSS</u>	<u>CUMULATIVE</u>
1	110000	\$1,155,000	\$1,950,000	\$95,000	(\$890,000)	(\$890,000)
2	88000	\$924,000	\$1,950,000	\$195,000	(\$1,221,000)	(\$2,111,000)
3	70400	\$739,200		\$195,000	\$544,200	(\$1,566,800)
4	56320	\$591,360		\$195,000	\$396,360	(\$1,170,440)
5	45056	\$473,088		\$195,000	\$278,088	(\$892,352)
6	36045	\$378,470		\$195,000	\$183,470	(\$708,882)
7	28836	\$302,776		\$195,000	\$107,776	(\$601,105)
8	23069	\$242,221		\$195,000	\$47,221	(\$553,884)
9	18455	\$193,777		\$195,000	(\$1,223)	(\$555,107)
10	14764	\$155,021		\$195,000	(\$39,979)	(\$595,086)
TOTALS	490944	\$5,154,914	\$3,900,000	\$1,850,000	(\$595,086)	

160 ACRE SPACING

<u>YEAR</u>	<u>GROSS OIL</u>	<u>REVENUE</u>	<u>INVESTMENT</u>	<u>EXPENSES</u>	<u>PROFIT/LOSS</u>	<u>CUMULATIVE</u>
1	75000	\$787,500	\$975,000	\$48,000	(\$235,500)	(\$235,500)
2	67500	\$708,750		\$48,000	\$660,750	\$425,250
3	54000	\$567,000		\$48,000	\$519,000	\$944,250
4	43200	\$453,600		\$48,000	\$405,600	\$1,349,850
5	34560	\$362,880		\$48,000	\$314,880	\$1,664,730
6	27648	\$290,304		\$48,000	\$242,304	\$1,907,034
7	22118	\$232,243		\$48,000	\$184,243	\$2,091,277
8	17695	\$185,795		\$48,000	\$137,795	\$2,229,072
9	14156	\$148,636		\$48,000	\$100,636	\$2,329,707
9	11325	\$118,909		\$48,000	\$70,909	\$2,400,616
10	9060	\$95,127		\$48,000	\$47,127	\$2,447,743
11	7248	\$76,101		\$48,000	\$28,101	\$2,475,844
12	5798	\$60,881		\$48,000	\$12,881	\$2,488,725
TOTALS	389307	\$4,087,725	\$975,000	\$624,000	\$2,488,725	

PARAMETERS FOR ABOVE ANALYSIS

OIL PRICE: \$14
 WELL COST: \$975,000
 LOE PER WELL/MONTH \$4,000
 NRI 75.00%
 DECLINE RATE:
 4 WELLS 20% PER YEAR TOTAL
 1 WELL 10% PER YEAR
 INITIAL PROD RATE
 4 WELLS = 300 BOPD
 1 WELL = 200 BOPD