

MANZANO OIL CORPORATION

**APPLESEED FEDERAL #1
Section 17, T20S, R35E
Lea County, New Mexico**

A. Data:

Completion Interval: Bone Spring Carbonate 10,448-466'
Current Production: 50 BOPD + 11 BSWPD
Sweet Crude Oil: 33° API Gravity
Bottom Hole Pressure: 4600 psi
Bottom Hole Temperature: 155° F
Formation Volume Factor: 1.3562
Gas - Oil Ratio: 700 cu.ft. per bbl
Net Pay: 22'
Porosity: 8%
Water Saturation: 35%
Type of Drive: Solution Gas Drive

B. Percent Recovery vs Areal Drainage:

| <u>Areal Drainage</u> <u>Acres</u> | <u>Original Oil</u> <u>In Place, Bbls</u> | <u>Recovered by</u> <u>Decline, Bbls</u> | <u>% Recovery</u> <u>Primary</u> |
|---------------------------------------|--|---|-------------------------------------|
| 40 | 261,770 | 123,526 | 47.19 |
| 80 | 523,541 | 123,526 | 23.59 |

C. Scharb Bone Spring - Sections 5-8, T19S, R35E:

Spacing: 80 acres
Primary Recovery: 13,700,000 bbls from 44 wells
311,400 bbls/well
Average Gross Pay: 50'
Average Recovery per well
based on 22' net pay: (311,400 bbls/well) (22'/50') = 137,000 bbls/well

**BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico**

Case No. 12003 Exhibit No. 7

Submitted by: Manzano Oil Corporation

Hearing Date: August 6, 1998