PROJECT PROCESSING SHEET

PIF ID: 00007123 7/16/98

Area Team: 02
SubTeam: BOT

Wellname: BROOKHAVEN COM 8
Location: 36-027N-008W
Operator: BR OIL & GAS CO
Procedure: NewDrill

Budget Type: Discretionary
Budget Year: 1998

Formation	DP	Property	AFE Type	AFE Net ($)
Chacra		0125828000	01, Capital New Drill	97,524
Mesaverde		071603200	01, Capital New Drill	150,712
			Total Net Amount ($)	248,236

Approval Level: Regional Team Leader

ROBERTS, N. NRoberts
Reservoir Engineer

PIPPIN, M. MPippin 7/17/98
Production Engineer

WHITE, L. LCWhite 7/17/98
Drilling Engineer

CHRISTIANSEN, G.
Geologist

~~ELLIS, J.~~ 7/20/98
Foreman

~~PRICE, D.~~ Nichol S. Shannon Nichol
Landman
7-17-98

Area Team Leader Associate ______ Initial/Date Copies for Review

Regional or Superintendent 7/20/98 Initial/Date Review/Approve AFE

**** Original to PIF Coordinator for Processing **** ✓7/28/98

~~PRICE, D.~~
NICHOLS, S. ______ Initial/Date Clearance Process/Release

~~GARRETSON, B.~~
C. JIM ______ Initial/Date Logout from Land

ORIGINAL PACKET
(For Original Well File)
Peggy Bradfield, Types 01, 05, 14, 18

COPIES:
Area Team Leader Associate - 3 Copies — Entire Packet for Area File
Mae Benallyson - Accounting — Packet Cover, Memo., AFE w/detail, LWR
Land Base Well File (All Packages) — Packet cover, Memo., AFE w/detail, LWR

BEFORE THE
OIL CONSERVATION DIVISION
Case No.12276 & 12277 Exhibit No. 7
Submitted By:
Burlington Resources
Hearing Date: January 20, 2000

BURLINGTON RESOURCES

Memorandum

TO: Area 12 Team

FROM: N. Roberts/G. Christiansen

DATE: July 16, 1998

RE: Brookhaven Com #8
1998 Discretionary Chacra/Mesaverde New Drill
NW/4 Sec. 36 T27N-R08W
San Juan Co., NM

Recommendation

Approve AFE to drill and equip the Brookhaven Com #8 as a dually completed Chacra/Mesaverde producer. This well is proposed to develop 1.13 bcf and 4.5 mbo gross additional reserves for a cost of $428M, or $0.38/mcf. Net anticipated reserve adds and investments are 0.554 bcf, 2.4 mbo and $250M, respectively. These unrisked prospect reserves are based on the results of the Brookhaven Com #7A, completed in the SE/4 of section 36 in 1996. BROG WI/NRI is 52.11%/42.43% and 63.43%/54.10% for the Chacra and Mesaverde reservoirs, respectively.

Economics

This well is proposed as one of two newdrill follow-ups to the Brookhaven Com #7A, (the other being the Brookhaven Com #11). Economic assumptions include budget default values of $700/mo gross operating expense, including G&G, and flat sales prices of $1.45/mcf and $17/bbl. Initial production rates, declines and EUR's are based on the Brookhaven Com #7A. A 90% probability of success is assumed. Dry hole costs are estimated at $119M.

AFIT results of the economic calculations are summarized below.

	risked	unrisked
ROR, %	73.2	77.8
P/I @10%, $/$	0.70	0.74
Payout @ 10%, yrs	1.75	1.68
NPV @ 10%, M$	160	183
Net reserves, MMcfe	512	569
Net Investment, M$	232	250

Discussion

Reserves for this evaluation are based on the performance of the Brookhaven Com #7A, as follows (see attached production profiles):

	Chacra	Mesaverde
Qi, mcfd	650	600
D, %/yr	38	74
n	0	1
Yield, bbl/mmcf	0	7
Gas EUR, mmcf	485	645
Condensate EUR, mbo	0	4.5

The attached nine section plats support these estimates as being reasonable to conservative for each zone.

The NMOCD Chacra designation applies to the entire Lewis interval in this area, thus allowing eventual testing and/or completions in other intervals of the Lewis shales.

Geology

The Chacra reservoir is generally a sequence of clean, marine-influenced sandstones, deposited as a distal shoreface equivalent of the La Ventana still-stand event. The reservoir is a package of overall coarsening upward sandstones with good porosity (10%-14%) and resistivity (10-50 ohm-m). In addition, several sandstones show gas cross-over response as shown by the attached type log and cross section.

The subject well lies generally along depositional strike to the offset Brookhaven Com #7-A and therefore is expected to have similar Chacra development. As observed from the cross section, there are generally two distinct reservoirs which are typically completed. These two reservoirs occur at the lower level and middle level of the Chacra interval. In addition to the lower two units, an upper sandstone is also present. This unit has good porosity but has distinctly lower resistivity and therefore is often interpreted as water-bearing and not completed. However, the Brookhaven Com #7-A was completed in this interval along with the lower two units. This well is the best well in the nine section area and has produced water-free. Following completion, a perforation efficiency log (noise log) was run in this well and it was discovered that this upper sandstone was contributing approximately 18% (~460 mcf/d) of total well flow (~2.5 mmcf/d). As a result of this favorable completion, all three intervals will also be completed in the Brookhaven Com #11.

The Mesaverde Formation, which includes the Point Lookout and Menefee formations, will also be completed in the subject well. The Point Lookout Formation is characterized by an upward coarsening profile from very fine grain, thin bedded units in the lower portion to fine grain, thicker beds in the upper or massive portion. During the regression of the Mancos sea, the Point Lookout was deposited as a regressive shoreface environment typical of beach deposition. The Menefee Formation was deposited in a fluvial environment which existed behind the Point Lookout beach and is characterized by isolated channel sandstones interbedded with overbank shale and coal.

Historically, only the massive Point Lookout was completed as the massive Cliff House is water-bearing. Due to recent successes however, the Menefee, in addition to the Point Lookout, will also be completed in the subject well. Generally, the Menefee is wet in the upper portion and is gas-bearing in the lower portion. Until recently the transition from water to gas was interpreted from resistivity logs. This technique was not accurate enough and several squeeze jobs have been performed to stop water flow from wet intervals which were inadvertently stimulated. To answer this problem, magnetic resonance imaging (MRI) technology was utilized. Thus far, the MRI log has done an excellent job in identifying zones with movable and immovable water saturations and will be employed to maximize our gas production without sustaining water production.

Burlington Resources
San Juan Division
Post Office Box 4289
Farmington, New Mexico, 87499
(505) 326-9700

AUTHORITY FOR EXPENDITURE

AFE No.: 5R79 Property Number 0125828000 Date: 7/2/98

Lease/Well Name: BROOKHAVEN COM #8 DP Number:

Field Prospect: BLANCO MV & LARGO CHACRA Region: Farmington

Location: C SEC 36 T27N R8W County: SAN JUAN State: NM

AFE Type: DEVELOPMENT 01 Original X Supplement ___ Addendum ___ API Well Type

Operator: BURLINGTON RESOURCES

Objective Formation: OTERO CHACRA Authorized Total Depth (Feet): 4850'

Project Description: Drill,Comp., & set Facilities for this dual **Chacra**/Mesaverde

Estimated Start Date: Sept., 1998 Prepared By: Tap Harris

Estimated Completion Date: Oct., 1998

GROSS WELL DATA

	Drilling		Workover/	Construction	
	Dry Hole	Suspended	Completion	Facility	Total
Days:		6	9		15
This AFE:		$80,695	$86,640	$22,680	$190,015
Prior AFE's:					$0
Total Costs:	$0	$80,695	$86,640	$22,680	$190,015

JOINT INTEREST OWNERS

Company:	Working Interest Percent	Dry Hole $	Completed $
BROG	51.32445 %	$0	$97,524
TRUST		$0	$0
Others:	48.67555 %	$0	$92,491
AFE TOTAL:	100.00000 %	$0	$190,015

BURLINGTON RESOURCES

Recommend: NBhuts Reservoir Engineer Date: 7/16/98 Approved: JW Caldwell/pmp Division Team Leader Date: 7/17/98

Recommend: [signature] Geologist Date: 7/17/98 Approved: [signature] Division Landman Date: 7.23.98

PARTNER APPROVAL

Company Name:

Authorized By: Date:

Title:

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Burlington Resources
San Juan Division
Post Office Box 4289
Farmington, New Mexico, 87499
(505) 326-9700

AUTHORITY FOR EXPENDITURE

AFE No.: 5R80 | Property Number 071603200 | Date: 7/2/98

Lease/Well Name: BROOKHAVEN COM #8 | DP Number:

Field Prospect: BLANCO MV & LARGO CHACRA | Region: Farmington

Location: C SEC 36 T27N R8W | County: SAN JUAN | State: NM

AFE Type: DEVELOPMENT 01 | Original X | Supplement ___ | Addendum ___ | API Well Type

Operator: BURLINGTON RESOURCES

Objective Formation: BLANCO MESAVERDE | Authorized Total Depth (Feet): 4850'

Project Description: Drill,Comp., & set Facilities for this dual **Mesaverde**/Chacra

Estimated Start Date: Sept., 1998 | Prepared By: Tap Harris

Estimated Completion Date: Oct., 1998

GROSS WELL DATA

	Drilling		Workover/	Construction	
	Dry Hole	Suspended	Completion	Facility	Total
Days:		6	9		15
This AFE:		$80,695	$125,940	$30,980	$237,615
Prior AFE's:					$0
Total Costs:	$0	$80,695	$125,940	$30,980	$237,615

JOINT INTEREST OWNERS

Company:	Working Interest Percent	Dry Hole $	Completed $
BROG	63.42712 %	$0	$150,712
TRUST		$0	$0
Others:	36.57288 %	$0	$86,903
AFE TOTAL:	100.00000 %	$0	$237,615

BURLINGTON RESOURCES

Recommend: [signature] Reservoir Engineer | Date: 7/16/98 | Approved: [signature] Division Team Leader | Date: 7/17/98

Recommend: [signature] Geologist | Date: 7/17/98 | Approved: [signature] Division Landman | Date: 7-23-98

PARTNER APPROVAL

Company Name:

Authorized By: | Date:

Title:

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Burlington Resources

Well Name:	**Brookhaven Com #8**	Prepared By:	**Leslie C. White**
Location:	**NW Sec 36, T27N R08W**	Date:	07/02/98
Cty, State:	**San Juan, NM**	Approved By:	Leslie C. White 7/16/98
Field:	**Otero Chacra / Blanco Mesa Verde**	AFE Type:	**01**
Formation:	**Otero Chacra / Blanco Mesa Verde**	Total Days:	**6**
Proposed TD:	**4850**	Intermediate TD:	**NA**
		Est $/ft:	$33.28

DRLG-248	**INTANGIBLE DRILLING COST**						**MV COST**	**CH COST**	**TOTAL COST**
03	Location						$4,250	$4,250	$8,500
05	~~Move in/Move out~~						$3,750	$3,750	$7,500
07	Rig Cost	6	days @ $	5671	per day		$17,013	$17,013	$34,026
08	Safety Equipment						$0	$0	$0
10	Gas & Air Drilling						$0	$0	$0
16	Stimulation Fluids						$5,000	$5,000	$10,000
17	Bits						$5,500	$5,500	$11,000
18	Cementing						$7,500	$7,500	$15,000
22	Coring & Analysis						$0	$0	$0
23	Fuel/Electricity						$0	$0	$0
25	Rentals						$0	$0	$0
26	Fishing Tool						$0	$0	$0
28	Other Rentals						$0	$0	$0
29	Transportation						$375	$375	$750
32	Directional Services						$0	$0	$0
33	Tubular Inspection & Repair						$700	$700	$1,400
34	Logging Services						$12,500	$12,500	$25,000
43	Consultants	6	days @ $	400	per day		$1,200	$1,200	$2,400
44	Technical Contract Services						$0	$0	$0
45	Roustabout Labor						$500	$500	$1,000
46	Miscellaneous						$250	$250	$500
49	Packer Rental						$0	$0	$0
53	Env. Cost						$250	$250	$500
54	Disposal Cost						$0	$0	$0
60	District Tools						$250	$250	$500
72	Company Supervision & Overh	6	days @ $	141	per day		$423	$423	$846
	Total Intangibles						**$59,461**	**$59,461**	**$118,922**
	TANGIBLE DRILLING COST								
80	Casing (COPAS Price)								
	200 FT	8 5/8 "	24.0 #	K55	$	$12.46 /ft*	$1,246	$1,246	$2,492
	4850 FT	5 1/2 "	15.5 #	K55	$	$7.83 /ft*	$18,988	$18,988	$37,976
81	Tubing (COPAS Price)						$0	$0	$0
82	Packers, Screens, & Bridge Plugs						$0	$0	$0
84	Casing/Tubing Equipment						$0	$0	$0
86	Wellhead Equip & Xmas Tree						$1,000	$1,000	$2,000
	Total Tangibles						**$21,234**	**$21,234**	**$42,468**
	TOTAL DRILLING COST ESTIMATE						**$80,695**	**$80,695**	**$161,390**

* All costs include tax where applicable.

Burlington Resources Oil & Gas
Completion Estimate

Well Name: BROOKHAVEN COM #8
Location: C SEC 36 T27N R8W
AFE Type: DEVELOPMENT 01
Formation: BLANCO MV & LARGO CHACRA

Prepared By: P.M. PIPPIN
Date: 7/2/98
Approved By:

Intangible Costs

Account Number		Estimated Days:	MV Cost	CHACRA Cost	Total Estimated Cost
249					
02	Location, Roads or Canals		500	500	1,000
03	Construction and Maintenance				0
~~04~~	~~Surface Restoration~~		~~500~~	~~500~~	~~1,000~~
05	Move-in, Move-out		1,500	1,500	3,000
07	Fees of Contractor - Daywork	9 DAYS	10,130	10,130	20,260
09	Drilling Fluid System - Liquids				0
10	Gas and Air Drilling		5,000	5,000	10,000
12	Specialty Fluids and Chemicals		500	500	1,000
15	Onsite Disposal Svc.				0
16	Fresh Water		3,000	1,000	4,000
17	Bits		300	300	600
18	Primary Cement				0
19	Remedial Cementing				0
23	Fuel/Electricity		1,000	1,000	2,000
25	Drill Work String Rentals (Surface)				0
26	Fishing Tool Rentals				0
27	Tank Rentals		2,700	300	3,000
28	Other Rental		500	500	1,000
29	Transportation		500	500	1,000
30	Offsite Disposal Service				0
33	Tubular Inspection				0
34	Cased Hole Services		6,200	5,200	11,400
37	Swabbing & Coiled Tubing				0
38	Stimulation		2,000	2,000	4,000
39	Fracturing		60,000	32,000	92,000
43	Consultants				0
44	Technical Contract Svc.		3,800	2,500	6,300
45	Roustabout Labor				0
46	Miscellaneous				0
49	Packer Rental		1,500	1,500	3,000
72	Overhead (Contingency 5%)		6,000	4,130	10,130
74	Employee Expense		3,380	3,380	6,760
	Total Intangibles		**109,010**	**72,440**	**181,450**

Tangible Costs

Account Number		MV Cost	CHACRA Cost	Total Estimated Cost
81	Tubing 1-1/2" 2.76# J-55 IJ @ $2.33/FT (3000 ft		6,700	6,700
81	Tubing 1-1/2" 2.9# shavedEUE @ $2.051 (4450 ft	9,130		9,130
82	Packers and Bridge Plugs	2,100	2,100	4,200
84	Casing/Liner Equipment			0
85	Tubing Equipment	500	200	700
86	Wellhead Equipment & Tree	5,200	5,200	10,400
	Total Tangibles	**16,930**	**14,200**	**31,130**
	Total Completion Cost	**125,940**	**86,640**	**212,580**

Burlington Resources Oil & Gas
Facilities Estimate

Well Name:	BROOKHAVEN COM #8	Prepared By:	P.M. PIPPIN
Location:	C SEC 36 T27N R8W	Date:	7/2/98
AFE Type:	DEVELOPMENT 01	Approved By:	
Formation:	BLANCO MV & LARGO CHACRA		

Tangible Costs

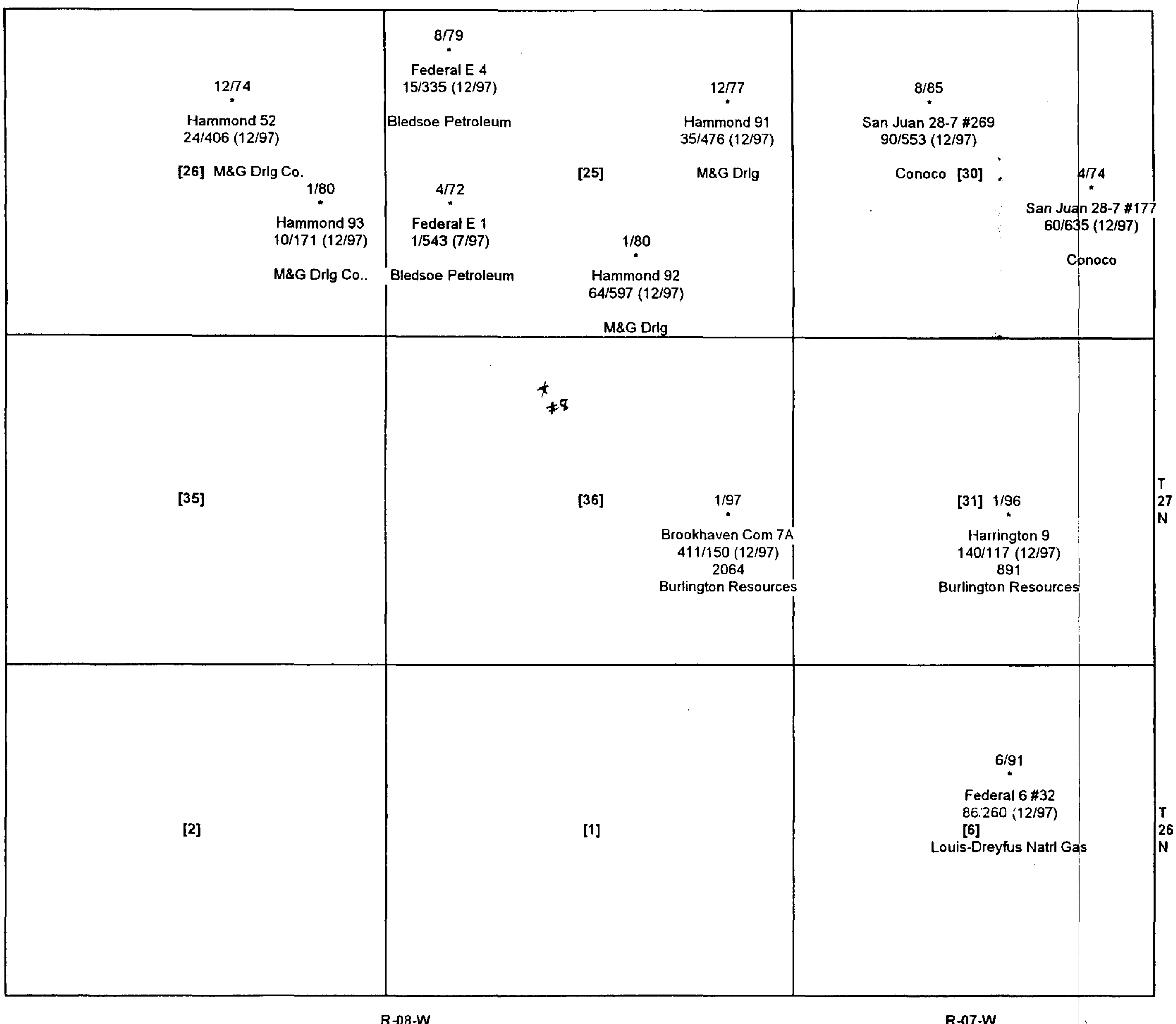
Account Number	Estimated Days:	MV Cost	CH Cost	Total Estimated Cost
247				
02	Labor-Contract, Roustabout, Consultants	2,000	2,000	4,000
~~03~~	~~Company Vehicles~~			~~0~~
08	Location, Roads & Canals			0
12	Overhead			0
17	Damages, Property Losses			0
20	Equip. Coating and Insulation			0
26	SWD Filtering			0
27	Separators	14,000	9,600	23,600
28	Gas Sweetening			0
29	Pumping Units			0
31	Prime Mover			0
32	Tanks	4,500	1,000	5,500
33	Metering Equipment			0
34	Flow Line			0
36	Building			0
39	Flowlines, Piping, Valves & Fittings	1,500	1,500	3,000
35	Compressors (Screw w/200# dis.)			0
44	Technical Contract Svc.			0
47	Rental Compressors & Maintenance			0
48	Rental Equipment			0
49	Cathodic Protection	3,000	3,000	6,000
50	Right Of Way			0
51	Minor Pipelines			0
53	Surface Pumps			0
54	Electrical Accessories	3,000	3,000	6,000
55	Miscellaneous-Facility Expense	1,000	1,000	2,000
57	Pulling Unit Costs			0
60	Oper. Owned Equip/Facilities			0
62	Env. Compliance-Assessment			0
63	Env. Compliance (Remediation)			0
68	Direct Labor			0
69	Benefits			0
73	Freight /Transportation	500	500	1,000
72	Overhead (Contingency 5%)	1,480	1,080	2,560
81	Tubing			0
82	Rods			0
83	Downhole Pumps			0
84	Alternative Artificial Lift Equip.			0
86	Convent Artificial Lift Wellhead Equip.			0
88	Communication Systems			0
95	Employee Meals			0
96	Gas Dehydrator			0
	Total Facility Cost	**30,980**	**22,680**	**53,660**

DATE: July 14,1998

NAME: T27N R8W SEC. 36

FMT: Chacra

LOCATION
UNIT:
SEC: 36
TWN: 27N
RNG: 08W



LEGEND
FIRST DELIVERY DATA
WELL NAME
MCF/D-CUM(MMCF) (Eff Date)
EUR(MMCF)
OPERATOR

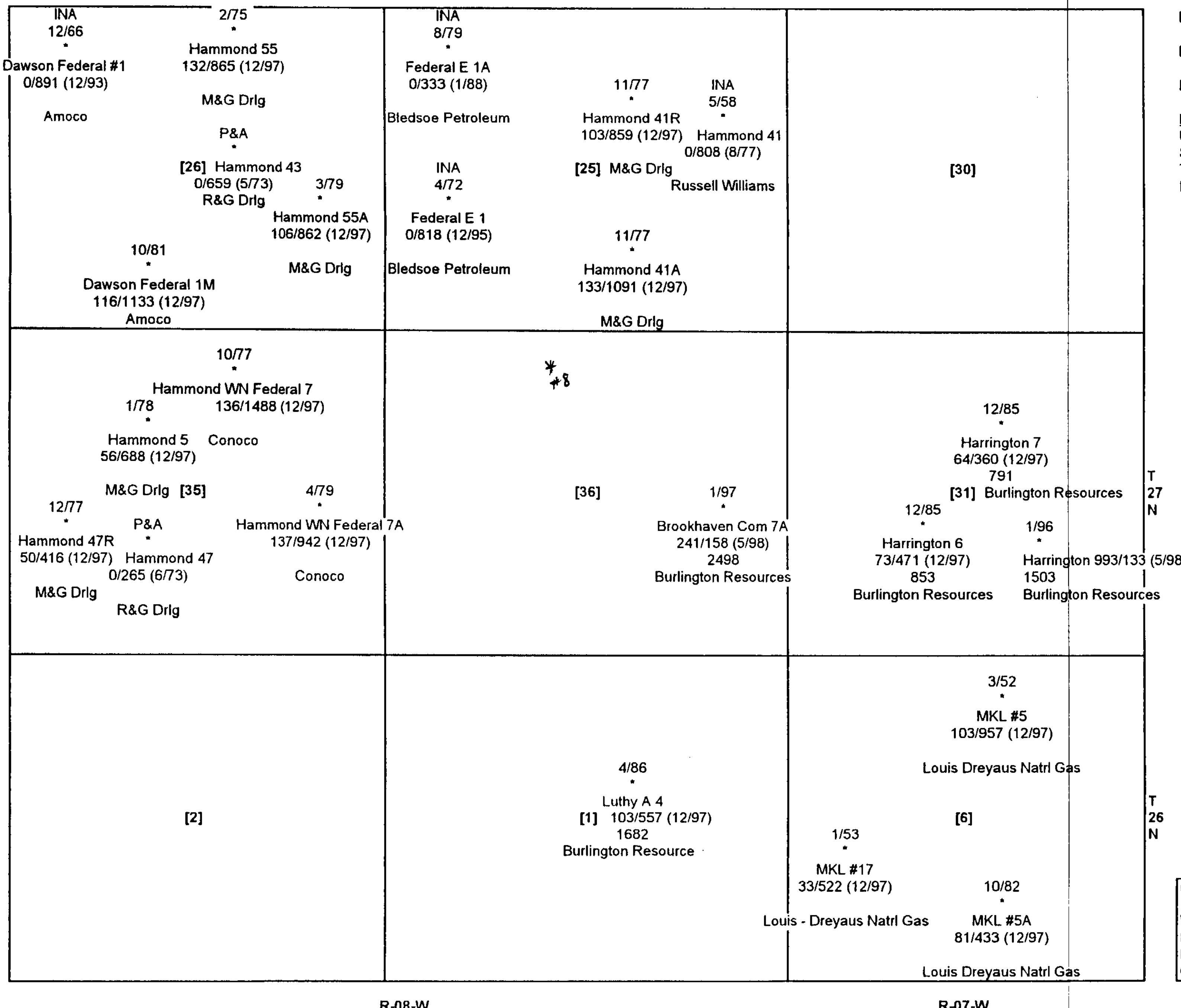
9

DATE: July 14,1998

NAME: T27N R8W SEC. 36

FMT: Mesaverde

LOCATION
UNIT:
SEC: 36
TWN: 27N
RNG: 08W

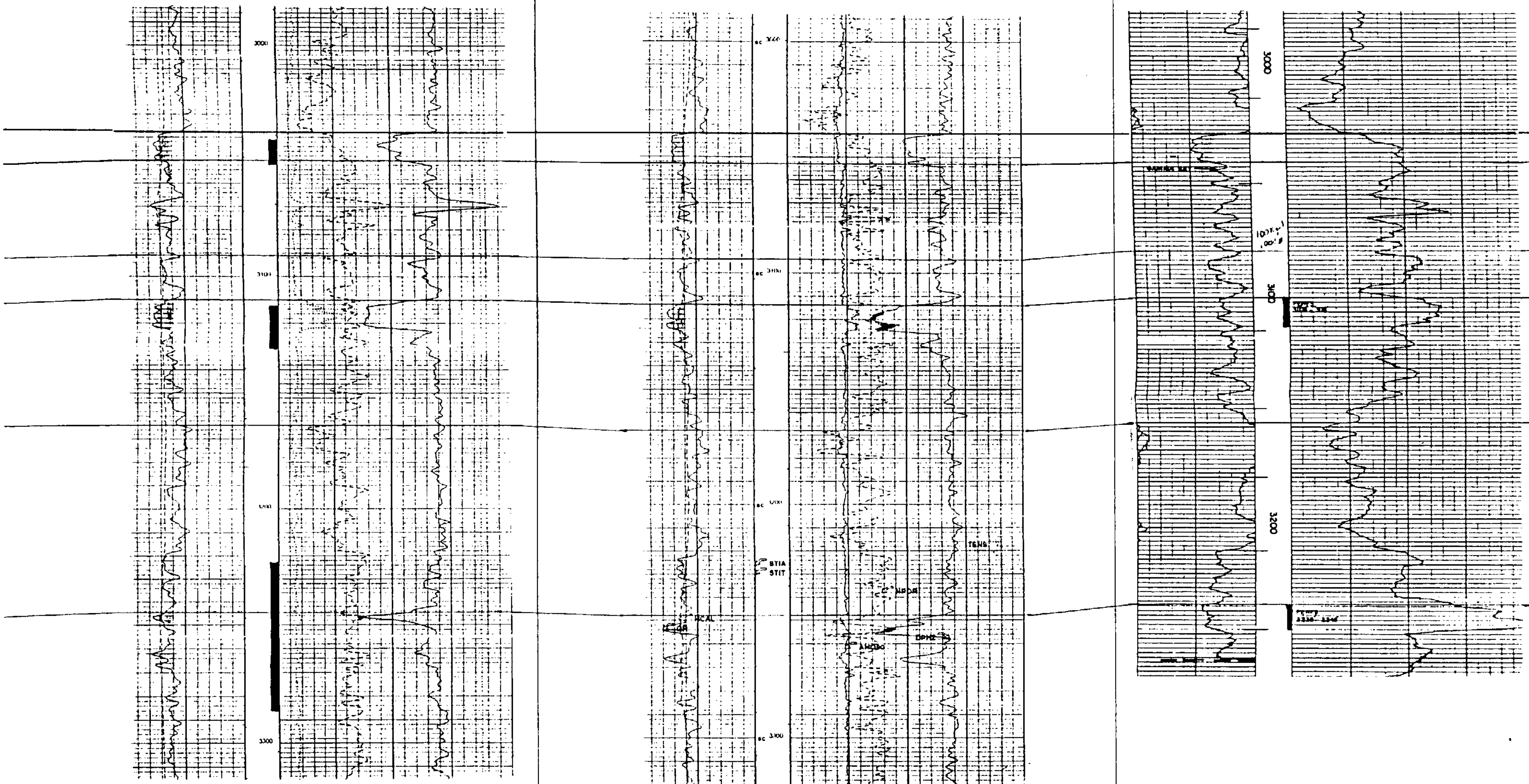


LEGEND
FIRST DELIVERY DATA
*
WELL NAME
MCF/D-CUM(MMCF) (Eff Date)
EUR(MMCF)
OPERATOR

10

Along strike to [illegible] Com # 8

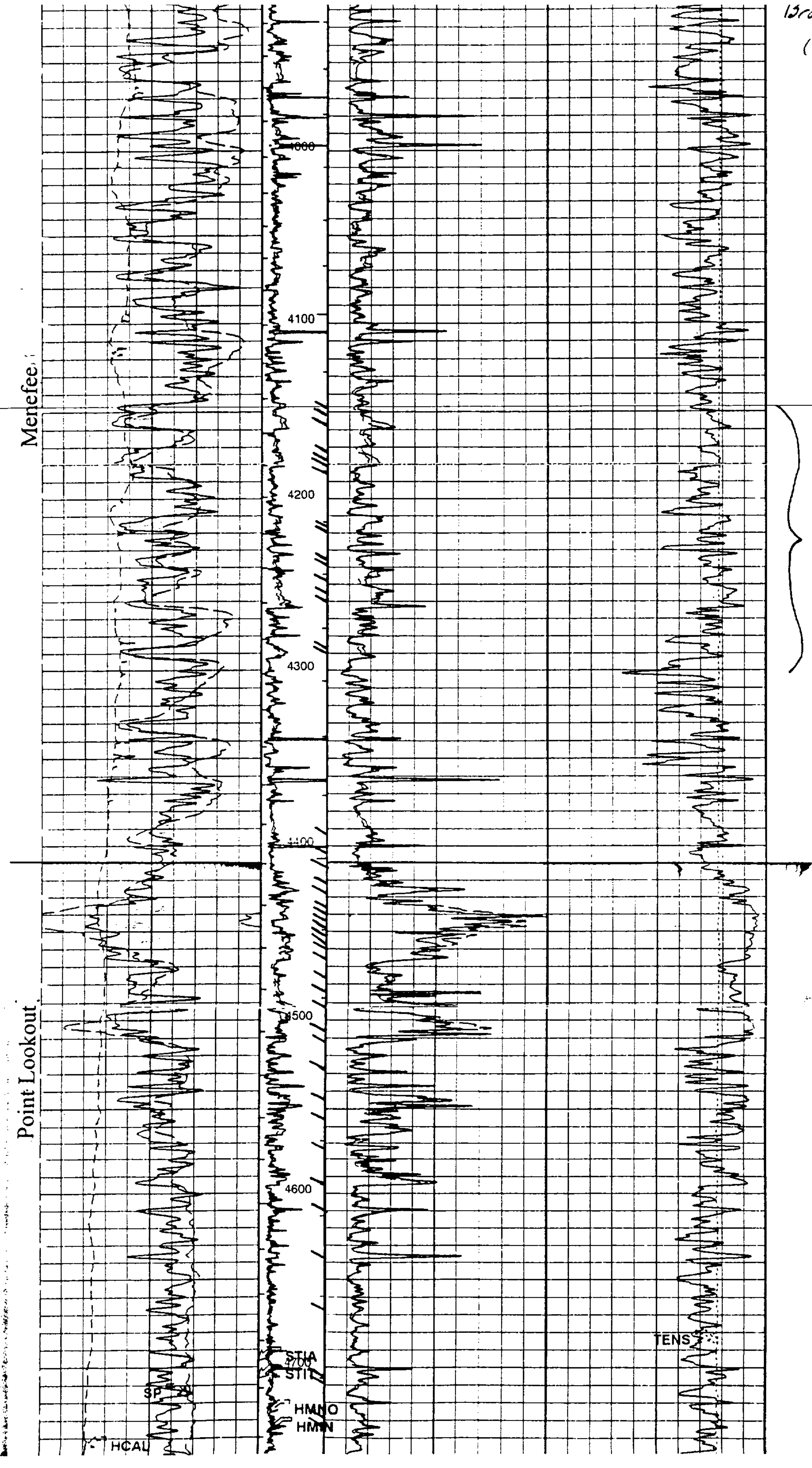
Brookhaven Com #7-A SE 36-27-8	Brookhaven Com # 7 NE 36-27-8	Hammond #92 SE 25-27-8



EUR = 2655 MM		EUR = 569 MM

Chacra Cross Section

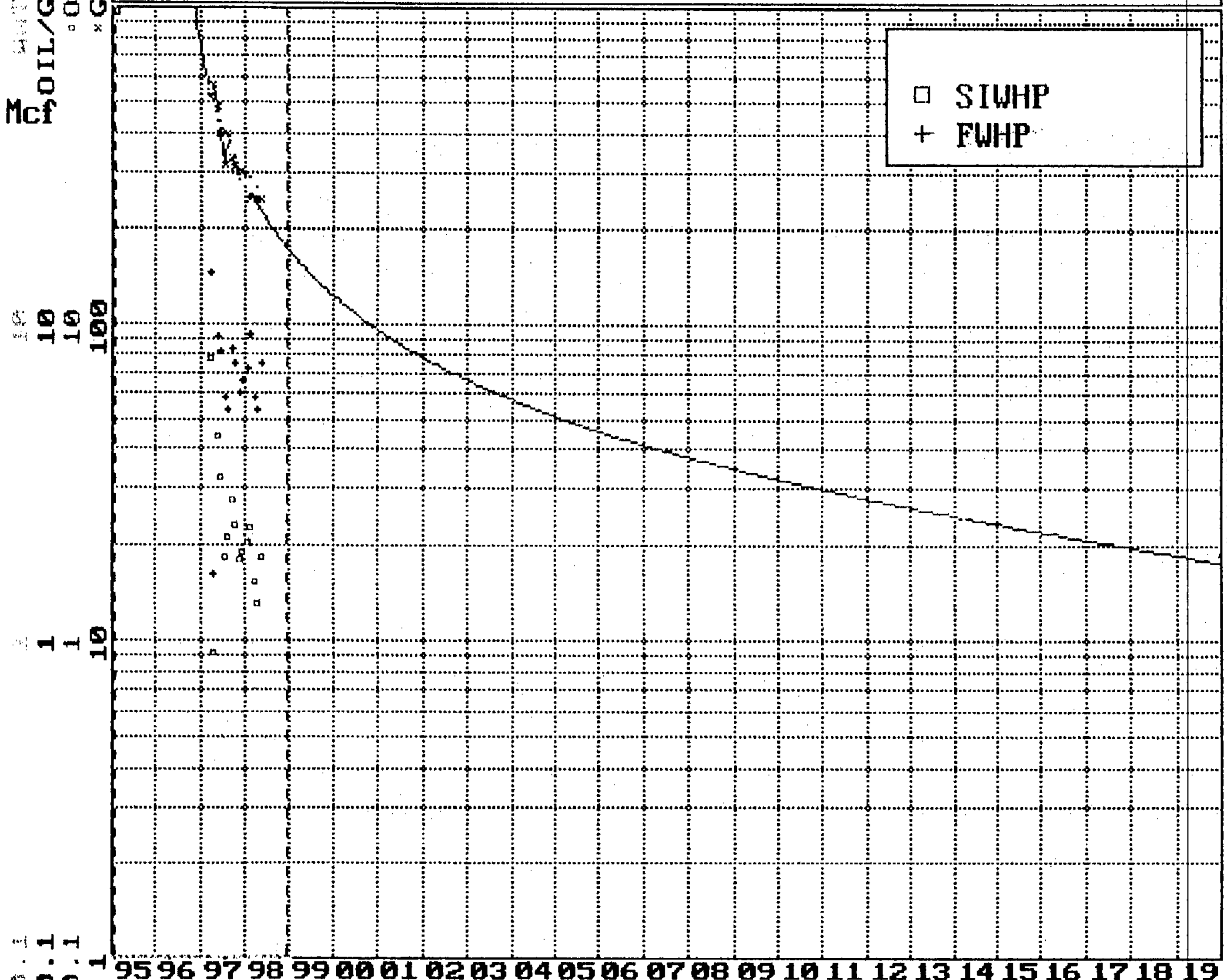
Brookhaven Com # 7-A
(SE 36-27N-8W)



Sqzd due to water production

12

BROOKHAVEN COM | 7A | 34572A-1 MV



Prop 1 *

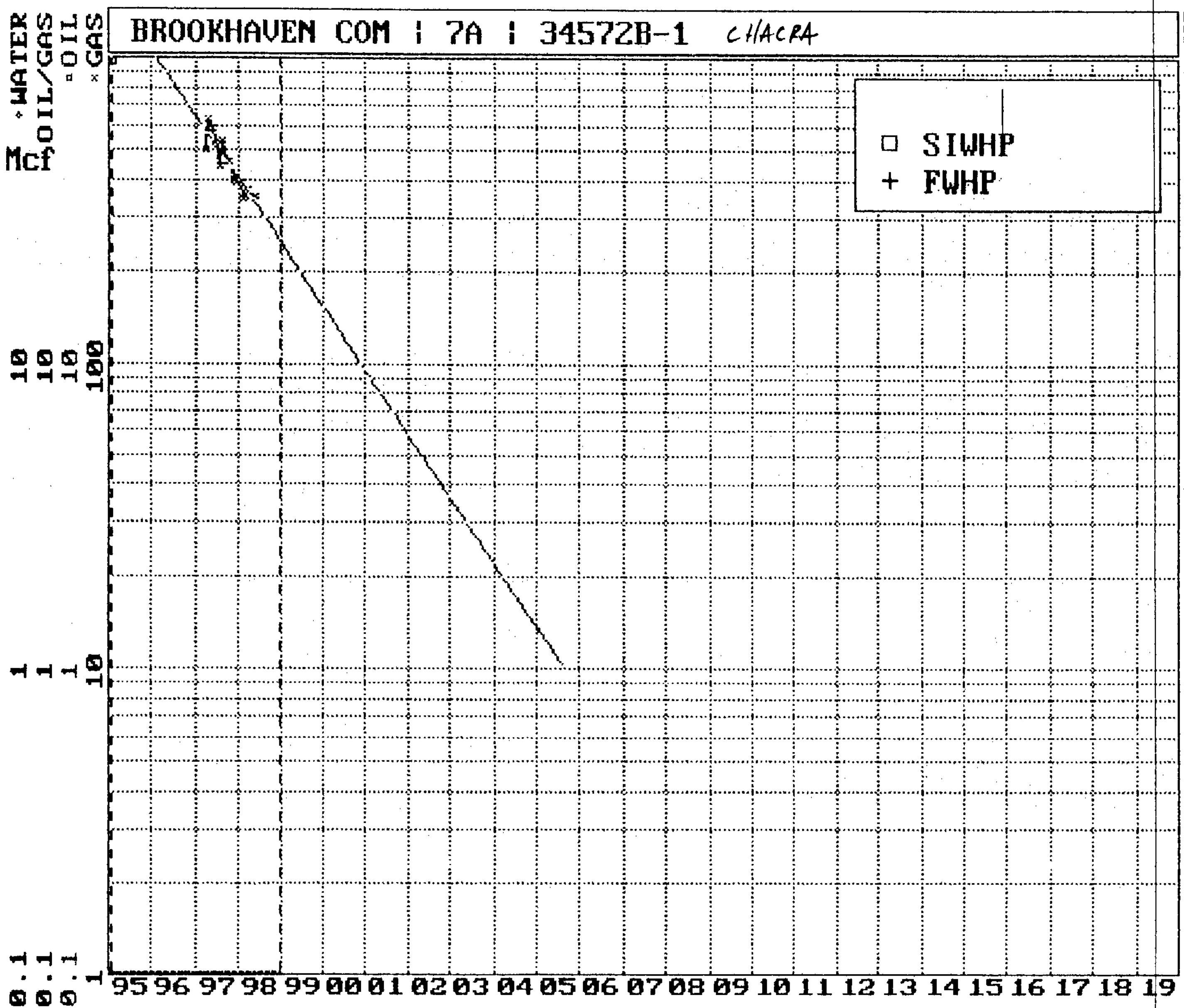
GAS Mcf/d
OIL Bbl/d
OIL/GAS Bbl/M
WATER Bbls/d

RateTime
Semi Log

EUR	602,844
Cum	0
Rem	602,844
Rem%	100.0%
Yrs	33
Date	3/1/1997
Act	16,287
Qmo	17,285
Q	588.5
n	0.995
De	73.567
Qab	10

Major = GAS

13



Prop 2 *

- ◉ ×GAS Mcf/d
- ○ ▫OIL Bbl/d
- ○ ·OIL/GAS Bbl/M
- ○ ·WATER Bbls/d

RateTime
Semi Log

EUR	444,639
Cum	0
Rem	444,639
Rem%	100.0%
Yrs	8.67
Date	1/1/1997
Act	0
Qmo	19,548
Q	643.5
n	0
De	38.175
Qab	10

Major = GAS

BROOKHAVEN COM # 8
DRILL A CHACRA/MESAVERDE WELL
THIS IS MV FILE
MV = 63.43/54.10
PRE: WORK:TOT:WORK (RISKED
POST: 99POST:TOT:99POST

DATE : 07/15/98
TIME : 14:11:21
DBS FILE : FD98AR12
SETUP FILE : BUDGET98
SEQ NUMBER : 6

INPUT DATA / CALCULATED DATA

ITEM	SCHEDULING RATES			SCHEDULE UNTIL		PROCEDURE		ULTIMATE	LAST	EFF. DECL	INIT. RATE	FINAL RATE
405 START	11/98											
410 GAS	17900.00	300.00	M/M	X	YRS	H/.995	74.00	645.534	9/41	74.00	17900.	300.
415 OIL/GAS	7.00	7.00	B/MM	TO	LIFE	LIN	TIME		9/41			
505 OPC/W	150.00	X	$/M	TO	LIFE	SCH	INF		9/41		150.000	150.000
510 OPC/T	200.00	X	$/M	TO	LIFE	SCH	INF		9/41		200.000	200.000
511 PRI/GAS	1.4500	X	$/M	TO	LIFE	ESC	CONVGAS		9/41		1.450	1.450
512 PRI/OIL	17.0000	X	$/B	TO	LIFE	ESC	SJDOIL		9/41		17.000	17.000
513 ATX	1.35	X	%	TO	LIFE	PC/Y	.00		9/41		.013	.013
514 STX/OIL	7.08	X	%	TO	LIFE	PC/Y	.00		9/41		.071	.071
515 STX/GAS	7.93	X	%	TO	LIFE	PC/Y	.00		9/41		.079	.079
700 NET/WI	63.4271	D	%	TO	LIFE	FLAT	.00		9/41		.634	.634
720 NET/NIC	54.1039	D	%	TO	LIFE	FLAT	.00		9/41		.541	.541
740 NET/NIG	54.1039	D	%	TO	LIFE	FLAT	.00		9/41		.541	.541

INVESTMENT	TANGIBLES & INTANGIBLES			TIME		PROCEDURE	TOTAL T&I	MONTH	RISK INV.	TOT. T&I&R	ESC. T&I&R
800 EXPCOMP	69.22	168.47	M$G	09/98	AD		237.690	9/98	.	237.6	237.6
DHC	0	59.46					59.46				

RESERVE PARAMETERS ITEM ITEM

201 LOSS ZERO
202 BTU 1.00
205 BTU 1.20

PROJECT ASSUMPTIONS

BASE DATE : 1/98 TIME FRAMES : 25*12 15*60
P.W. DATE : 7/98 PW %-AGE : 10.0 DISC. FREQUENCY : MID
REPORT DATE : 1/98 PROD QUAL : WORK OWNER QUAL : TOT OTHER QUAL : WORK

BROOKHAVEN COM # 8
DRILL A CHACRA/MESAVERDE WELL
THIS IS CHACRA FILE
CHACRA = 52.11912/42.435423
PRE: WORK:TOT:WORK (RISKED
POST: 99POST:TOT:99POST

DATE : 07/15/98
TIME : 14:11:24
DBS FILE : FD98AR12
SETUP FILE : BUDGET98
SEQ NUMBER : 67

INPUT DATA / CALCULATED DATA

ITEM	SCHEDULING RATES				SCHEDULE UNTIL		PROCEDURE		ULTIMATE	LAST	EFF. DECL	INIT. RATE	FINAL RATE
405 START	11/98												
410 GAS	19600.00	300.00	M/M		X	YRS	EXP	38.00	484.507	7/07	38.00	19600.	299.
505 OPC/W	150.00	X	$/M		TO	LIFE	SCH	INF		7/07		150.000	150.000
510 OPC/T	200.00	X	$/M		TO	LIFE	SCH	INF		7/07		200.000	200.000
511 PRI/GAS	1.4500	X	$/M		TO	LIFE	ESC	CONVGAS		7/07		1.450	1.450
512 PRI/OIL	17.0000	X	$/B		TO	LIFE	ESC	SJDOIL		7/07		17.000	17.000
513 ATX	1.35	X	%		TO	LIFE	PC/Y	.00		7/07		.013	.013
514 STX/OIL	7.08	X	%		TO	LIFE	PC/Y	.00		7/07		.071	.071
515 STX/GAS	7.93	X	%		TO	LIFE	PC/Y	.00		7/07		.079	.079
700 NET/WI	52.1191	D	%		TO	LIFE	FLAT	.00		7/07		.521	.521
720 NET/NIC	42.4354	D	%		TO	LIFE	FLAT	.00		7/07		.424	.424
740 NET/NIG	42.4354	D	%		TO	LIFE	FLAT	.00		7/07		.424	.424

INVESTMENT	TANGIBLES & INTANGIBLES			TIME		PROCEDURE	TOTAL T&I	MONTH	RISK INV.	TOT. T&I&R	ESC. T&I&R
800 EXPCOMP	59.19	131.90	M$G	09/98	AD		191.090	9/98	.	191.0	191.0
DHC	0	59.46					59.46				

RESERVE PARAMETERS		ITEM	ITEM
201 LOSS	ZERO		
202 BTU	1.00		
205 BTU	1.20		

PROJECT ASSUMPTIONS

BASE DATE : 1/98 TIME FRAMES : 25*12 15*60
P.W. DATE : 7/98 PW %-AGE : 10.0 DISC. FREQUENCY : MID
REPORT DATE : 1/98 PROD QUAL : WORK OWNER QUAL : TOT OTHER QUAL : WORK

1998 BUDGET SETUP FILE - NO ESCA	MERIDIAN OIL INC. - ECONOMIC ANALYSIS	DATE : 07/15/98
		TIME : 14:11:25
	AS OF DATE: 7/98	DBS FILE : FD98AR12
		SETUP FILE : BUDGET98
		PROD. QUAL : DRY
RISKED TOTAL ; P_s = 90%		OWNER QUAL : TOT
		OTHER QUAL : DRY

-END- MO-YR	GROSS OIL PRODUCTION ----MBBLS---	GROSS GAS PRODUCTION ----MMCF----	NET OIL PRODUCTION ---MBBLS---	NET GAS PRODUCTION ----MMCF---	NET OIL PRICE ---$/BBL---	NET GAS PRICE ---$/MCF---	NET OIL SALES -----M$----	NET GAS SALES -----M$-----	TOTAL NET SALES -----M$-----
12-98	.203	62.977	.110	30.116	17.000	1.740	1.871	52.402	54.274
12-99	.745	261.772	.403	123.498	17.000	1.740	6.850	214.886	221.736
~~12-00~~	~~.422~~	~~156.623~~	~~.228~~	~~73.498~~	~~17.000~~	~~1.740~~	~~3.881~~	~~127.887~~	~~131.768~~
12-01	.296	101.956	.160	48.193	17.000	1.740	2.719	83.855	86.574
12-02	.228	69.549	.123	33.308	17.000	1.740	2.094	57.956	60.049
12-03	.185	49.403	.100	24.050	17.000	1.740	1.702	41.846	43.549
12-04	.156	36.516	.084	18.096	17.000	1.740	1.435	31.486	32.921
12-05	.135	28.076	.073	14.161	17.000	1.740	1.239	24.640	25.879
12-06	.119	22.417	.064	11.490	17.000	1.740	1.091	19.993	21.084
12-07	.106	17.305	.057	9.109	17.000	1.740	.974	15.850	16.825
S-TOT	2.594	806.596	1.403	385.519	17.000	1.740	23.857	670.802	694.659
AFTER	1.471	210.140	.796	113.694	17.000	1.740	13.530	197.828	211.357
TOTAL	4.065	1016.736	2.199	499.213	17.000	1.740	37.386	868.630	906.016

-END- MO-YR	ADV, WPT & PROD TAXES -----M$-----	DIRECT OPER EXPENSE -----M$-----	NET G&A EXPENSE -----M$-----	EQUITY INVESTMENT -----M$----	BFIT NET CASHFLOW -----M$----	DEPRECIATION & DEPLETION -----M$----	FED & STATE INCOME TAX -----M$-----	AFIT NET CASHFLOW -----M$-----	AFIT NET PRESENT VALUE -----M$-----
12-98	4.961	.809	.000	232.189	-183.686	9.607	-47.886	-135.800	-132.141
12-99	20.276	4.772	.000	.000	196.688	16.476	68.480	128.207	116.550
12-00	12.051	4.368	.000	.000	115.350	11.767	39.362	75.988	62.800
12-01	7.916	4.368	.000	.000	74.290	8.403	25.037	49.253	37.005
12-02	5.489	4.368	.000	.000	50.193	6.008	16.790	33.402	22.814
12-03	3.979	4.368	.000	.000	35.202	6.008	11.094	24.108	14.969
12-04	3.007	4.368	.000	.000	25.546	6.008	7.425	18.122	10.229
12-05	2.363	4.368	.000	.000	19.149	3.001	6.136	13.012	6.677
12-06	1.924	4.368	.000	.000	14.792	.000	5.621	9.171	4.278
12-07	1.535	3.547	.000	.000	11.743	.000	4.462	7.281	3.089
S-TOT	63.501	39.701	.000	232.189	359.267	67.277	136.521	222.746	146.273
AFTER	19.268	80.917	.000	.000	111.172	.000	42.245	68.926	13.803
TOTAL	82.770	120.618	.000	232.189	470.439	67.277	178.767	291.672	160.076

	GROSS	W.I.	NET
INITIAL INTEREST	1.00000	.57608	.48099
TANGIBLES, M$	115.567	67.277	67.277
INTANGIBLES, M$	282.227	164.912	164.912
---TOTAL---, M$	397.794	232.189	232.189
G&A LOAD, M$	.000	.000	.0 %
FAC. LOAD, M$	1.217	.701	.3 %
LAND LOAD, M$	4.039	2.327	1.0 %
P&A COST, M$	.000	.000	.000

	BFIT	AFIT
RATE OF RETURN, PCT.	83.16	73.15
UNDISC. PAYOUT, YRS.	1.43	1.60
DISC. PAYOUT, YRS.	1.51	1.75
UNDISC. NET/INVESTMENT	2.03	1.26
DISC. NET/INVESTMENT	1.16	.70
DISC. NPV @ 10.0 %	264.46	160.08
DISCOUNT %	10.0	
LIFE, YRS.	43.8	

P.W. %	BFIT P.W. ----M$---	AFIT P.W. ----M$---
5.00	339.753	208.405
10.00	264.456	160.076
15.00	213.125	127.035
20.00	174.843	102.401
25.00	144.764	83.086
30.00	120.320	67.443
35.00	99.981	54.480
40.00	82.755	43.552
60.00	33.901	12.936
80.00	3.540	-5.656
100.00	-17.013	-17.931

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1998 BUDGET SETUP FILE - NO ESCA   MERIDIAN OIL INC. - ECONOMIC ANALYSIS

AS OF DATE: 7/98

DATE : 07/15/98
TIME : 14:11:27
DBS FILE : FD98AR12
SETUP FILE : BUDGET98
PROD. QUAL : WORK
OWNER QUAL : TOT
OTHER QUAL : WORK

UNRISKED TOTAL

-END- MO-YR	GROSS OIL PRODUCTION ----MBBLS---	GROSS GAS PRODUCTION ----MMCF----	NET OIL PRODUCTION ---MBBLS---	NET GAS PRODUCTION ----MMCF---	NET OIL PRICE ---$/BBL---	NET GAS PRICE ---$/MCF---	NET OIL SALES -----M$----	NET GAS SALES -----M$-----	TOTAL NET SALES -----M$-----
12-98	.226	69.975	.122	33.463	17.000	1.740	2.079	58.225	60.304
12-99	.827	290.857	.448	137.220	17.000	1.740	7.611	238.763	246.373
~~12-00~~	~~.469~~	~~174.026~~	~~.254~~	~~81.665~~	~~17.000~~	~~1.740~~	~~4.313~~	~~142.097~~	~~146.409~~
12-01	.328	113.285	.178	53.548	17.000	1.740	3.021	93.173	96.193
12-02	.253	77.277	.137	37.009	17.000	1.740	2.326	64.395	66.721
12-03	.206	54.892	.111	26.722	17.000	1.740	1.892	46.496	48.388
12-04	.173	40.573	.094	20.106	17.000	1.740	1.594	34.985	36.579
12-05	.150	31.196	.081	15.734	17.000	1.740	1.377	27.377	28.754
12-06	.132	24.908	.071	12.767	17.000	1.740	1.212	22.214	23.427
12-07	.118	19.228	.064	10.122	17.000	1.740	1.083	17.612	18.694
S-TOT	2.882	896.218	1.559	428.354	17.000	1.740	26.507	745.336	771.843
AFTER	1.634	233.489	.884	126.327	17.000	1.740	15.033	219.808	234.841
TOTAL	4.516	1129.707	2.444	554.681	17.000	1.740	41.540	965.144	1006.684

-END- MO-YR	ADV, WPT & PROD TAXES -----M$-----	DIRECT OPER EXPENSE -----M$-----	NET G&A EXPENSE -----M$-----	EQUITY INVESTMENT -----M$----	BFIT NET CASHFLOW -----M$----	DEPRECIATION & DEPLETION -----M$----	FED & STATE INCOME TAX -----M$-----	AFIT NET CASHFLOW -----M$-----	AFIT NET PRESENT VALUE -----M$-----
12-98	5.513	.809	.000	250.354	-196.372	10.675	-50.272	-146.100	-142.154
12-99	22.529	4.853	.000	.000	218.991	18.307	76.260	142.731	129.756
12-00	13.390	4.853	.000	.000	128.167	13.074	43.735	84.431	69.778
12-01	8.796	4.853	.000	.000	82.545	9.337	27.819	54.726	41.116
12-02	6.099	4.853	.000	.000	55.769	6.675	18.656	37.114	25.349
12-03	4.421	4.853	.000	.000	39.113	6.675	12.326	26.787	16.633
12-04	3.341	4.853	.000	.000	28.385	6.675	8.250	20.135	11.366
12-05	2.625	4.853	.000	.000	21.276	3.334	6.818	14.458	7.419
12-06	2.138	4.853	.000	.000	16.436	.000	6.246	10.190	4.754
12-07	1.705	3.941	.000	.000	13.048	.000	4.958	8.090	3.433
S-TOT	70.557	43.573	.000	250.354	407.358	74.752	154.796	252.562	167.449
AFTER	21.409	89.908	.000	.000	123.524	.000	46.939	76.585	15.337
TOTAL	91.966	133.481	.000	250.354	530.883	74.752	201.735	329.147	182.785

	GROSS ------	W.I. ------	NET ------
INITIAL INTEREST	1.00000	.57608	.48099
TANGIBLES, M$	128.408	74.752	74.752
INTANGIBLES, M$	300.372	175.602	175.602
---TOTAL---, M$	428.780	250.354	250.354
G&A LOAD, M$	.000	.000	.0 %
FAC. LOAD, M$	1.352	.779	.3 %
LAND LOAD, M$	4.450	2.563	1.0 %
P&A COST, M$	.000	.000	.000

	BFIT ------	AFIT ------
RATE OF RETURN, PCT.	88.96	77.79
UNDISC. PAYOUT, YRS.	1.40	1.54
DISC. PAYOUT, YRS.	1.47	1.68
UNDISC. NET/INVESTMENT	2.12	1.31
DISC. NET/INVESTMENT	1.23	.74
DISC. NPV @ 10.0 %	301.86	182.79
DISCOUNT %	10.0	
LIFE, YRS.	43.8	

P.W. % ------	BFIT P.W. ----M$---	AFIT P.W. ----M$---
5.00	385.595	236.554
10.00	301.856	182.785
15.00	244.748	146.008
20.00	202.146	118.574
25.00	168.660	97.055
30.00	141.439	79.618
35.00	118.782	65.161
40.00	99.587	52.968
60.00	45.108	18.768
80.00	11.207	-2.046
100.00	-11.775	-15.820