Drilling Economics - David Petroleum Corp.

DRILLING ECONOMICS																							
Prospect Economics																							
Prospect	Loc's	MCF/day	BO/day	Cum. MCF	Cum. BO	Gas Decl	Oil Decl	Risk	NRI	WI	$Gas	$Oil	Tax	AFE(100%)	Pros. Fee	Payout/mo.	ROI	Location	Target	Total Cost	Dry Hole	Comp. Cost	Spud Date
Outside Deals																							
#1	1									0.05				$600,460									
#2	1									0.05				$689,260									
In-House																							
#3	1	0	107	0	226,000	0	24	0.9	0.812	0.2373649	$1.90	20	0.95	$672,200	$0	15.02	4.69		L. Clfk.	$159,557	$325,000	$347,200	8-7-99
#4	1	1,034	757	831,000	377,000	0	24	0.95	0.783	0.2279436	$1.90	20	0.95	$899,500	$0	2.48	7.16		Cl/ST	$205,035	$693,500	$206,000	6-7-99
#5	1	1,500	50	2,000,000	50,000	0	24	0.8	0.79	0.05	$1.90	20	0.95	$920,400	$0	13.27	3.13		Morrow	$46,020	$534,800	$385,600	10-1-99
#6	1	0	118	0	226,000	0	24	0.9	0.812	0.2373649	$1.90	20	0.95	$672,200	$0	13.62	4.69		L. Clfk.	$159,557	$325,000	$347,200	11-5-99
#7	1	1,034	757	831,000	377,000	0	24	0.95	0.865	0.2279436	$1.90	20	0.95	$1,251,500	$0	3.12	5.69		Strawn	$285,271	$1,137,500	$114,000	11-15-99
#8	1	1,000	107	1,500,000	150,000	0	24	0.75	0.797	0.2289005	$1.90	20	0.95	$774,500	$0	11.21	4.30		Morrow	$177,283	$332,000	$442,500	12-25-99
#9	1	1,000	107	1,500,000	150,000	0	24	0.75	0.797	0.2289005	$1.90	20	0.95	$1,289,200	$0	18.67	2.59		Morrow	$295,099	$633,700	$655,500	12-25-99
#10	1	1,000	300	831,000	377,000	0	24	0.9	0.812	0.2344761	$1.90	20	0.95	$688,700	$0	4.17	9.23		Cl/St	$161,484	$405,300	$283,400	1-15-00
#11	1	484	312	831,000	377,000	0	24	0.9	0.865	0.2279436	$1.90	20	0.95	$978,650	$0	6.14	6.92		Morrow	$223,077	$606,450	$372,200	1-30-00
#12	1	484	312	831,000	377,000	0	24	0.9	0.911	0.1093113	$1.90	20	0.95	$850,000	$0	5.06	8.39		Strawn	$92,915	$500,000	$350,000	2-15-00
#13	1	0	150	335,160	196,000	0	24	0.9	0.799	0.25	$1.90	20	0.95	$515,950	$0	8.36	6.05		1st BS	$128,988	$233,500	$282,450	2-15-00
#14	1	0	105	0	275,000	0	24	0.9	0.78	0.375	$1.90	20	0.95	$985,000	$103,000	29.87	2.92		Dev.	$408,000	$635,000	$350,000	3-1-00
#15	1	0	118	0	226,000	0	24	0.9	0.812	0.2373649	$1.90	20	0.95	$672,200	$0	13.62	4.69		L. Clfk.	$159,557	$325,000	$347,200	4-1-00
#16	1	484	312	831,000	300,000	0	24	0.9	0.823	0.12	$1.90	20	0.95	$800,000	$451,097	30.04	1.17		WC	$150,132	$450,000	$350,000	5-1-00
Note: Pleasant Hill NRI, WI, and AFE values are estimated																							
GRAND TOTAL																				ERR			
Economic Comparison Re-Entry vs. New Drill																							
#8	1	1,000	107	1,500,000	150,000	0	24	0.75	0.797	0.2289005	$1.90	20	0.95	$774,500	$0	11.21	4.30		Morrow	$177,283	$332,000	$442,500	12-25-99
#9	1	1,000	107	1,500,000	150,000	0	24	0.75	0.797	0.2289005	$1.90	20	0.95	$1,200,000	$0	17.37	2.78		Morrow	$274,681	$332,000	$868,000	12-25-99
2nd Half 1999 Drilling Schedule:																							
#3	1	0	107	0	226,000	0	24	0.9	0.812	0.2373649	$1.90	20	0.95	$672,200	$0	15.02	4.69		L. Clfk.	$159,557	$325,000	$347,200	8-7-99
#4	1	1,034	757	831,000	377,000	0	24	0.95	0.783	0.2279436	$1.90	20	0.95	$899,500	$0	2.48	7.16		Cl/ST	$205,035	$693,500	$206,000	6-7-99
#5	1	1,500	50	2,000,000	50,000	0	24	0.8	0.79	0.05	$1.90	20	0.95	$920,400	$0	13.27	3.13		Miss.	$46,020	$534,800	$385,600	10-1-99
#6	1	0	118	0	226,000	0	24	0.9	0.812	0.2373649	$1.90	20	0.95	$672,200	$0	13.62	4.69		L. Clfk.	$159,557	$325,000	$347,200	11-5-99
#7	1	1,034	757	831,000	377,000	0	24	0.95	0.865	0.2279436	$1.90	20	0.95	$1,251,500	$0	3.12	5.69		Strawn	$285,271	$1,137,500	$114,000	11-15-99
#8	1	1,000	107	1,500,000	150,000	0	24	0.75	0.797	0.2289005	$1.90	20	0.95	$774,500	$0	11.21	4.30		Morrow	$177,283	$332,000	$442,500	12-25-99
TOTAL																				$1,032,724			
2nd Half 1999 Drilling Budget ($1,100,000)																				$1,100,000	Drilling Budget		
																				$67,276	99' Drilling Budget Surplus		

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12291 Exhibit No. 7
Submitted by: David Petroleum Corporation
Hearing Date: December 16, 1999

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