

Costs & Economic Information

SE/4 Section 25 - T25NR03W

New Drill Gallup Dakota

\$ 658,153 Investment, 326 MMCF & 11.9 MBO Gross

15.5 % ROR

204 M\$ NPV @ 10%

Incremental Mesaverde, 66 MMCF & 9.6 MBO

Uneconomic to Recover at the present time.

Well Logs and Mud Logs from new drill may improve confidence in the Mesaverde.

PV Date 09/2001

100% WI

82.5 % NRI

\$ 4.50 / MCF

\$ 26.90 / Bbl

\$ 0.50 / MCF transport

\$ 350 / Mo Overhead

\$ 600 / Mo Direct

Monthly

\$ 545 McElvain

Overhead Rate Difference

\$ 350 DJ Simmons

\$ 245 Difference

DJ Simmons