

1102

SINCLAIR OIL & GAS COMPANY
P. O. Box 1470
Midland, Texas

OIL RESERVES & ECONOMICS

PENNSYLVANIAN ZONE

I. Factors used in computing Pennaylvanian Reserves:

- a. Porosity of 5.03% (weighted average of core analysis on eight wells)
- b. Effective pay thickness of 37.7 feet (from electric-micro-radio active logs and/or core analysis on 15 wells.)
- c. Formation volume factor of 2.315 barrels reservoir oil per barrel of Stock Tank Oil (BH sample analysis Sinclair State 735 #1.)
- d. Connate water of 16%.
- e. Oil recovery of 20%.

II. Pennaylvanian Oil in place equals 5350 ST barrels per acre.

III. Pennaylvanian Stock Tank Oil reserves:

- a. Gross barrels per acre equals 1,070
- b. Gross barrels for 40 acres equals 42,800
- c. Gross barrels for 80 acres equals 85,600

IV. Price of Stock Tank Oil equals \$2.83 per barrel.

V. Economics of Pennaylvanian Well:

	40 acre	80 acre
a. Gross value of recoverable STO	\$ 121,124	\$ 242,248
b. Charges against well		
Royalty	\$ 15,140	\$ 30,280
Direct tax	6,056	12,112
Operating expense	28,800	30,000
Cost of well	221,076	221,076
Total charges	\$ 271,072	\$ 293,468
c. Net loss to Operator	(\$ 149,948)	(\$ 51,220)

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

SINCLAIR EXHIBIT No. 6
CASE 1102