

Economic Analysis

South Corbin Wolfcamp Field

		1 Well (80 Acre Spacing)	New Well (40 Acre Spacing)	2 Wells To Drain 80 Acres (40 Acre Spacing)
Gross Reserves,	MBO	100.0	50.0	100.0
	MMCFG	100.0	50.0	100.0
Net Reserves,	MBO	87.5	43.8	87.5
	MMCFG	87.5	43.8	87.5
Investment,	M\$	760.0	760.0	1,520.0
Payout,	Yrs	1.81	0.0	0.0
Rate of Return,	%	39.74	0.0	0.0
P/I @ 12%	\$/ \$	0.36	-0.16	-0.16
PV @ 12%	M\$	276.0	-121.6	-243.3

Economic Assumptions:

Oil Price = \$20.00/Bbl
 Gas Price = \$1.50/MCF
 Initial Production Rate = 130 BOPD
 Working Interest = 100.00%
 Net Revenue Interest = 87.50%

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<p>BEFORE EXAMINER SIGNATURE</p> <p>Oil Properties Division</p> <p>Meridian Energy, Inc.</p> <p>Case No. 8802</p>
