

## EXHIBIT 5

### CALCULATIONS SHOWING A LOW RECOVERY FACTOR FROM THE TWO EXISTING WELLS

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**OGIP = 4.55 BCF (Sec 20 original gas in place)**

**Qi = 500 MCFD (Initial rate of 2 wells)**

**Qel = 145 MCFD (Economic limit)**  $\Rightarrow$  *Revenue = Operating expense*  
*(\$5,000/m - operating costs)*

**D = 10%/yr (Assumed decline rate)**

$$\text{Reserves} = \frac{(Q_i - Q_{el}) * 365}{D} = 1.3 \text{ BCF}$$

$$\text{Recovery} = \frac{\text{Reserves}}{\text{OGIP}} = 29\%$$

**CONCLUSION: Additional wells are required for acceptable recoveries.**

<p>Merrion Oil &amp; Gas Corporation Case 10413 December 5, 1991</p>
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