

III. APPROXIMATE ECONOMICS FOR 1920-ACRE PARTICIPATING AREA

Recoverable gas	25,245,000 Mcf
Revenue*	\$ 2,633,000
Development Costs	
Drilling and Lease Facilities**	898,000
Lease Bonuses**	324,500
Lease Rentals and Cost of Forming Unit	<u>38,800</u>
	\$ 1,261,300
Ultimate Profit (Before Federal Income Tax)	\$ 1,642,000
Ratio of Profit to Investment (Before Federal Income Tax)	1.09
Estimated Life of Project	14 Years

*Net of \$0.1043 per Mcf, including value of liquids produced, after royalty, state taxes and operating expenses.

**Investment costs.