H. L. BROWN, JR.
UTP NORTH MORROW PROSPECT
LEA COUNTY, NEW MEXICO

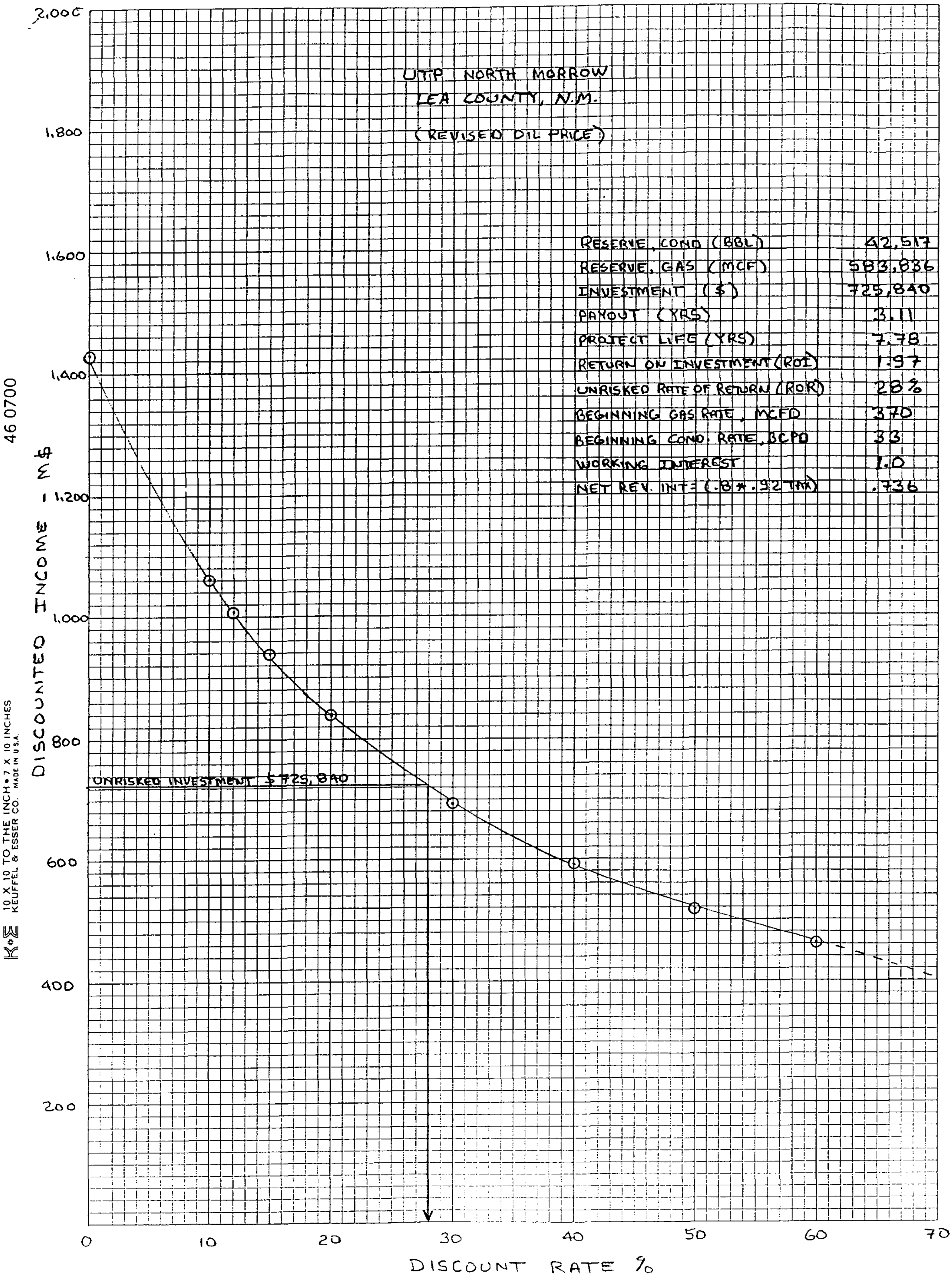
-ECONOMIC EVALUATION FOR GAS WELL - 0.575 BCF

r	Annual Oil Prod	Price Per Barrel	Net Revenue Interest	Working Interest	Oil Revenue to W.I.	Annual Gas Prod	Price Per MCF	Gas Revenue to W.I.	Oil/Gas Revenue to W.I.	Annual Oprtng Costs	W.I. Oprtng Cost	W.I. Annual Income	W.I. Cum Income	PW 10 Annual Income	PW 20 Annual Income	W.I. Invest-ment
	(Bbl)	($/Bbl)			($)	(MCF)	($/MCF)	($)	($)	($)	($)	($)	($)	($)	($)	($)
1	10525	18.25	0.7360	1.0000	141376	124200	1.50	137117	278493	18000	18000	260493	260493	248370	237796	725840
2	8315	20.75	0.7360	1.0000	126987	104328	1.65	126696	253683	18000	18000	235683	496176	204286	179290	
3	6569	23.00	0.7360	1.0000	111198	87636	1.80	116100	227297	18000	18000	209297	705473	164923	132681	
4	5189	25.30	0.7360	1.0000	96631	73614	1.98	107276	203907	18900	18900	185007	890479	132530	97736	
5	4100	27.83	0.7360	1.0000	83972	61836	2.18	99123	183095	19845	19845	163250	1053729	106313	71868	
6	3239	30.61	0.7360	1.0000	72972	51942	2.40	91590	164561	20837	20837	143724	1197453	85088	52727	
7	2559	33.67	0.7360	1.0000	63412	43631	2.64	84629	148041	21879	21879	126162	1323616	67901	38570	
8	2021	35.00	0.7360	1.0000	52068	36650	2.90	78197	130265	21879	21879	108386	1432002	53031	27613	
	42517				748615	583836		840727	1589342	157340	157340	1432002	1432002	1062442	838282	725840

SENT WORTH 10% : $1,062,442.
SENT WORTH 12% : $1,008,887.
SENT WORTH 15% : $ 937,561.
SENT WORTH 20% : $ 838,232.
SENT WORTH 30% : $ 692,103.
SENT WORTH 40% : $ 591,017.
SENT WORTH 50% : $ 517,696.
SENT WORTH 60% : $ 462,398.

A) revenue interest = 0.8 * 0.92 = 0.736
B) working interest is 100 percent.
C) initial gas rate is 370 MCFD and declined at 16 percent per annum.
D) initial oil rate is 33 BOPD and declined at 21 percent per annum.
E) gas escalated at 10 percent per annum after three years.
F) oil escalated at 10 percent per annum after three years to max of $35/bbl.
G) LOE escalated at 5 percent per ammum after three years until oil $35/bbl.

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
EXHIBIT NO. 14
CASE NO.


UTP NORTH MORROW
LEA COUNTY, N.M.
(REVISED OIL PRICE)
RESERVE, COND (BBL) 42,517
RESERVE, GAS (MCF) 583,836
INVESTMENT ($) 725,840
PAYOUT (YRS) 3.11
PROJECT LIFE (YRS) 7.78
RETURN ON INVESTMENT (ROI) 1.97
UNRISKED RATE OF RETURN (ROR) 28%
BEGINNING GAS RATE, MCFD 370
BEGINNING COND. RATE, BCPD 33
WORKING INTEREST 1.0
NET REV. INT = (.8 * .92 TAX) .736
UNRISKED INVESTMENT $725,840
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
DISCOUNTED INCOME M$
0
10
20
30
40
50
60
70
DISCOUNT RATE %
46 0700
10 X 10 TO THE INCH • 7 X 10 INCHES
KEUFFEL & ESSER CO. MADE IN U.S.A.