

**QUERECHO PLAINS BONE SPRING SAND UNIT**

**LEA COUNTY, NEW MEXICO**

**INITIAL CAPITAL INVESTMENT**

Installation	\$2,050,000
Pre-Unitization	422,000
Government K #2 Injection Test	180,000
Federal E #11 Injection Test	<u>148,000</u>
	\$2,850,000

**INCREMENTAL ECONOMIC EVALUATION**

	<u>Present Worth</u> <u>Undisc. (M\$)</u>	<u>ROI</u> <u>Undiscounted</u>	<u>Present Worth</u> <u>Discounted @</u> <u>10% (M\$)</u>	<u>ROI</u> <u>Disc. @ 10%</u>	<u>IRR (%)</u>
Working Int. (Total Group)	13,820	5.9:1	7,030	3.5:1	52
Royalty Int. (BLM)	2,410	N/A	1,270	N/A	N/A
ORRI Interests (Total Group)	3,020	N/A	1,590	N/A	N/A

NEW MEXICO  
OIL CONSERVATION DIVISION

EXHIBIT 23  
CASE NO. 10761 / 10762