

ECONOMIC EVALUATION OF A GAS PROPERTY

Well Name:

Prospect:

GAS PRICE

OIL PRICE

WORKING INT.

REVENUE INT.

---- GROSS --- FIRST WELL ----

RESERVES

INITIAL RATE

YIELD

PROD. TAX RATE

LEASE AND SEISMIC

DRILLING COSTS

COMPLETION COSTS

OPERATING COSTS

DRILLING PROMOT

TIME TILL DRILLED

RISK COMPLETION

NUMBER OF WELLS

-----  
LEASE AND SEISMIC

DRILLING COSTS

COMPLETION COSTS

OPERATING COSTS

RESERVES

INITIAL RATE

---- RISKED --- TOTAL WELLS ---

RESERVES

GAS RATE

OIL RESERVES

RESERVE LIFE

ECON LIMIT

DECLINE RATE

OPERATING COSTS

NET DRILL. COSTS

NET COMP. COSTS

PROGRAM DESCRIPTION

This program is to be used in estimating drilling economics.

It has been designed to allow the user to 'test the economic waters' and to determine if the proposed well will meet minimum economic conditions. Once it has passed this test it should be run on a detailed economic evaluation system.

## Sheet1

This PROGRAM DESCRIPTION is on two screens. After reading this screen press [PgDn] key to read the remaining instructions.

Every program has limitations. This one assumes the following:

- 1) Exponential decline
- 2) All prices and costs remain constant
- 3) All risk factors are made by adjusting reserves and costs  
( with the help of the RISK TABLE )
- 4) The production taxes are the same for oil and gas
- 5) No WPT is calculated for oil.
- 6) It assumes that investments and production starts at the same time. ( time zero )

There are required two screens to enter data. Data can only be entered in the highlighted cells. All other cells and the economic factors will be calculated once you exit the cell with the arrow keys or the [Enter] key. The second data entry screen can be seen by pressing the down arrow key or [PgDn] key. The second data screen is only needed for doing risked analysis.

To print out the cash flow press the [Alt] key and [P] key.

To see a plot of PW vs costs press the [F10] key.

\*\*\*\* press the [Home] key to start \*\*\*\*

Sheet1

Test Well #1

Written by  
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Version 1.0

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\*\*RISKED ECONOMICS\*\*

01/28/2023	FNR	\$187,631.75
\$1.35 (\$/MCF)	PW(10)	\$80,520.68
\$16.25 (\$/BBL)	PW(20)	\$12,678.29
0.50000 (FRACTION)	PW(30)	-\$32,765.75
0.40000 (FRACTION)	PW(40)	-\$64,535.07
	PW(50)	-\$87,487.33
2,200,000 (MCF)	PW(60)	-\$104,495.53
2,000 (MCFD)	Total Costs	\$321,500.00
0 (Bbl/MMCF)	First Year	\$157,248.52 Rev
0.0500 (FRACTION)	Two Years	\$269,639.39 Rev
\$100000	Five Years	\$444,854.73 Rev
\$300000		
\$300000	Payout	2.35 Yrs
\$2000 (\$/MO)	ROR	22.55%
1.000	ROI	1.58
0.00 YR	DROI(10)	1.25

TIER 1	TIER 2	TIER 3	TOTAL
30.00%	70.00%	80.00%	
1	1	0	2

RISKED NUMBERS-----

\$100000	0	0	100,000
\$300,000.00	\$90000	\$0	\$390000
\$90000	\$63000	\$0	\$153000
\$600	\$420	\$0.00	\$1,020.00
660,000	462,000	0	1,122,000
600	420	0	1,020

1,122,000 (MCF)
1,020 (MCF/DAY)
0 (Bbls)
10.86 (YEARS)
33 (MCF/DAY)
27.46% (PER YR)
\$1,020.00 (\$/Mo)
\$245,000.00 (NET \$)
\$76500 (NET \$)

Sheet1

	\$		FNR		\$509,131.75
FNR	\$187,631.75	0	0 CONST(0)	0.00	4.0609
PW(05)	\$127,579.71	0	0 CONST(5)	0.05	4.2212
PW(10)	\$80,520.68	0	0 CONST(10)	0.10	4.3815
PW(15)	\$43,014.19	0	0 CONST(15)	0.15	4.5418
PW(20)	\$12,678.29	0	0 CONST(20)	0.20	4.7021
PW(25)	-\$12,174.74	0.225506518925504	0.225506518925504 CONST(25)	0.25	4.8624
PW(30)	-\$32,765.75	0	0.225506518925504 CONST(30)	0.30	5.0227
PW(35)	-\$49,994.43	0	0.225506518925504 CONST(35)	0.35	5.1830
PW(40)	-\$64,535.07	0	0.225506518925504 CONST(40)	0.40	5.3433
PW(45)	-\$76,900.75	0	0.225506518925504 CONST(45)	0.45	5.5036
PW(50)	-\$87,487.33	0	0.225506518925504 CONST(50)	0.50	5.6639
PW(55)	-\$96,604.09	0	0.225506518925504 CONST(55)	0.55	5.8242
PW(60)	-\$104,495.53	0	0.225506518925504 CONST(60)	0.60	5.9845
PW(65)	-\$111,356.97	0	0.225506518925504 CONST(65)	0.65	6.1448
PW(70)	-\$117,345.97	0	0.225506518925504 CONST(70)	0.70	6.3051
PW(75)	-\$122,590.83	0	0.225506518925504 CONST(50)	0.75	6.4655
PW(80)	-\$127,196.85	0	0.225506518925504 CONST(50)	0.80	6.6258
PW(85)	-\$131,251.16	0	0.225506518925504 CONST(50)	0.85	6.7861
PW(90)	-\$134,826.39	0	0.225506518925504 CONST(50)	0.90	6.9464
PW(95)	-\$137,983.45	0	0.225506518925504 CONST(50)	0.95	7.1067
PW(100)	-\$140,773.78	0	0.225506518925504 CONST(50)	1.00	7.2670
		0.225506518925504			
D (DECLINE)	0.321				
IRR	22.55%				
IP(MCF/MO)	31,008				
R(BBL/MCF)	0.000				
EFF GAS	\$1.35				
EC MCF/MO	994				

Sheet1

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		Initial	Yearly	Yearly	Revenue
		Year	Prod	Gas	Oil
					Net
0	0	1	1,020	318,457	0 \$171,966.86
5	0	2	740	231,015	0 \$124,748.29
10	0	3	537	167,583	0 \$90,494.98
15	0	4	389	121,568	0 \$65,646.92
20	0	5	282	88,188	0 \$47,621.62
25	0	6	205	63,974	0 \$34,545.70
30	0	7	149	46,408	0 \$25,060.16
35	0	8	108	33,665	0 \$18,179.16
40	0	9	78	24,421	0 \$13,187.53
45	0	10	57	17,716	0 \$9,566.51
50	0	11	41	12,851	0 \$6,939.74
55	0	12	30	9,323	0 \$5,034.23
60	0	13	22	6,763	0 \$3,651.93
65	0	14	16	4,906	0 \$2,649.19
70	0	15	11	3,559	0 \$1,921.78
75	0	16	8	2,582	0 \$1,394.10
80	0	17	6	1,873	0 \$1,011.31
85	0	18	4	1,359	0 \$733.62
90	0	19	3	986	0 \$532.18
95	0	20	2	715	0 \$386.06
100	0	21	2		

1157910.86396747

Sheet1

Costs	Net Cash	FNR	Payout
Net		<b>-\$321,500.00</b>	1.00
\$14,718.34	\$157,248.52	<b>-\$164,251.48</b>	1.00
\$12,357.41	\$112,390.88	<b>-\$51,860.61</b>	1.00
\$10,644.75	\$79,850.23	\$27,989.62	0.35
\$9,402.35	\$56,244.57	\$84,234.19	0.00
\$8,501.08	\$39,120.54	\$123,354.73	0.00
\$7,847.29	\$26,698.42	\$150,053.15	0.00
\$7,373.01	\$17,687.15	\$167,740.30	0.00
\$7,028.96	\$11,150.20	\$178,890.50	0.00
\$6,779.38	\$6,408.16	\$185,298.66	0.00
\$6,598.33	\$2,968.18	\$188,266.84	0.00
\$6,466.99	\$472.75	\$188,739.60	0.00
\$6,371.71	<b>-\$1,337.48</b>	\$187,402.12	0.00
\$6,302.60	<b>-\$2,650.66</b>	\$184,751.46	0.00
\$6,252.46	<b>-\$3,603.27</b>	\$181,148.18	0.00
\$6,216.09	<b>-\$4,294.31</b>	\$176,853.87	0.00
\$6,189.70	<b>-\$4,795.61</b>	\$172,058.26	0.00
\$6,170.57	<b>-\$5,159.26</b>	\$166,899.00	0.00
\$6,156.68	<b>-\$5,423.06</b>	\$161,475.94	0.00
\$6,146.61	<b>-\$5,614.42</b>	\$155,861.52	0.00
\$6,139.30	<b>-\$5,753.25</b>	\$150,108.27	0.00
			2.35