

ANALYSIS (Total Project)

Operator: GDM  
 Lease: Viejo 1 U  
 Field: Wildcat  
 Location: Delaware Basin  
 Comments: Using method 1

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\*\*\*Undiscounted Yardsticks\*\*\*  
 Mid Case Payout Year = 2008  
 UNIR = 7.58  
 Before Tax ROI = 40.69

\*\*\*Discounted Yardsticks\*\*\*  
 NPV = 10,095,935.83  
 IRR = 46 %  
 GROR = 38.82 %  
 Invest.Eff.Index = 2.95

Year	Mean Cash Flow	Cash Flow X Probability of Success	Dry Case Costs	Dry Case X Probability of Failure	Risk Weighted Cash Flow	Discounted Cash Flow
2006	\$(1,500,000.00)	\$(178,605.00)	\$(4,500,000.00)	\$(3,964,185.00)	\$(4,142,790.00)	\$(3,423,793.39)
2007	\$995,720.27	\$118,560.41	\$0.00	\$0.00	\$118,560.41	\$89,076.19
2008	\$22,816,513.77	\$2,716,762.29	\$0.00	\$0.00	\$2,716,762.29	\$1,855,585.20
2009	\$25,816,637.82	\$3,073,987.07	\$0.00	\$0.00	\$3,073,987.07	\$1,908,704.12
2010	\$25,768,911.16	\$3,068,304.25	\$0.00	\$0.00	\$3,068,304.25	\$1,731,977.76
2011	\$23,301,633.59	\$2,774,525.51	\$0.00	\$0.00	\$2,774,525.51	\$1,423,770.29
2012	\$21,070,083.74	\$2,508,814.87	\$0.00	\$0.00	\$2,508,814.87	\$1,170,380.65
2013	\$19,051,739.78	\$2,268,490.66	\$0.00	\$0.00	\$2,268,490.66	\$962,061.48
2014	\$17,226,231.69	\$2,051,127.41	\$0.00	\$0.00	\$2,051,127.41	\$790,798.41
2015	\$15,575,135.61	\$1,854,531.40	\$0.00	\$0.00	\$1,854,531.40	\$650,001.94
2016	\$14,081,787.93	\$1,676,718.49	\$0.00	\$0.00	\$1,676,718.49	\$534,254.18
2017	\$12,731,117.12	\$1,515,894.12	\$0.00	\$0.00	\$1,515,894.12	\$439,100.53
2018	\$11,509,491.59	\$1,370,435.16	\$0.00	\$0.00	\$1,370,435.16	\$360,878.41
2019	\$10,404,582.16	\$1,238,873.60	\$0.00	\$0.00	\$1,238,873.60	\$296,576.49
2020	\$9,405,237.56	\$1,119,881.64	\$0.00	\$0.00	\$1,119,881.64	\$243,718.87
2021	\$8,501,371.98	\$1,012,258.36	\$0.00	\$0.00	\$1,012,258.36	\$200,269.92
2022	\$7,683,863.18	\$914,917.59	\$0.00	\$0.00	\$914,917.59	\$164,555.97
2023	\$6,944,460.50	\$826,876.91	\$0.00	\$0.00	\$826,876.91	\$135,200.98
2024	\$6,275,701.56	\$747,247.78	\$0.00	\$0.00	\$747,247.78	\$111,073.62
2025	\$5,670,836.93	\$675,226.55	\$0.00	\$0.00	\$675,226.55	\$91,243.75
2026	\$5,123,762.05	\$610,086.35	\$0.00	\$0.00	\$610,086.35	\$74,946.65
2027	\$4,628,955.60	\$551,169.74	\$0.00	\$0.00	\$551,169.74	\$61,553.62
2028	\$4,181,423.75	\$497,882.13	\$0.00	\$0.00	\$497,882.13	\$50,547.78
2029	\$3,776,649.83	\$449,685.70	\$0.00	\$0.00	\$449,685.70	\$41,504.19
2030	\$3,410,548.67	\$406,094.03	\$0.00	\$0.00	\$406,094.03	\$34,073.50
2031	\$3,079,425.41	\$366,667.18	\$0.00	\$0.00	\$366,667.18	\$27,968.52
2032	\$2,779,938.20	\$331,007.24	\$0.00	\$0.00	\$331,007.24	\$22,953.15
2033	\$2,509,064.49	\$298,754.31	\$0.00	\$0.00	\$298,754.31	\$18,833.29
2034	\$2,264,070.49	\$269,582.87	\$0.00	\$0.00	\$269,582.87	\$15,449.40
2035	\$2,042,483.61	\$243,198.52	\$0.00	\$0.00	\$243,198.52	\$12,670.32
<b>Tota</b>	<b>\$297,127,380.05</b>	<b>\$35,378,957.14</b>	<b>\$(4,500,000.00)</b>	<b>\$(3,964,185.00)</b>	<b>\$31,414,772.14</b>	<b>\$10,095,935.83</b>