

# TIN CUP MESA DEVELOPMENT



Further develop an oil field to recover 1 million barrels of oil

Dan Green

- Install a liner in an existing Horizontal well
- Horizontally drill 6 additional wells

## THE PROJECT OVERVIEW



# THE ISSUE

## FEDERAL 4-26

This well was drilled in 2012.  
A water zoned was encountered  
Thus restricting production of oil

## CUSTOMERS

Tin Cup sells to Marathon Oil Company

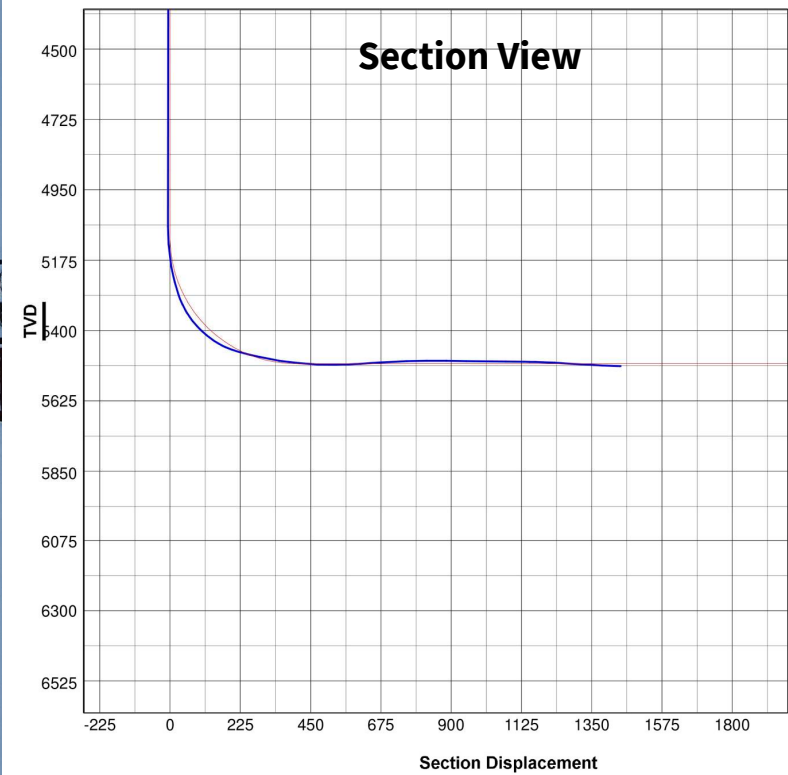
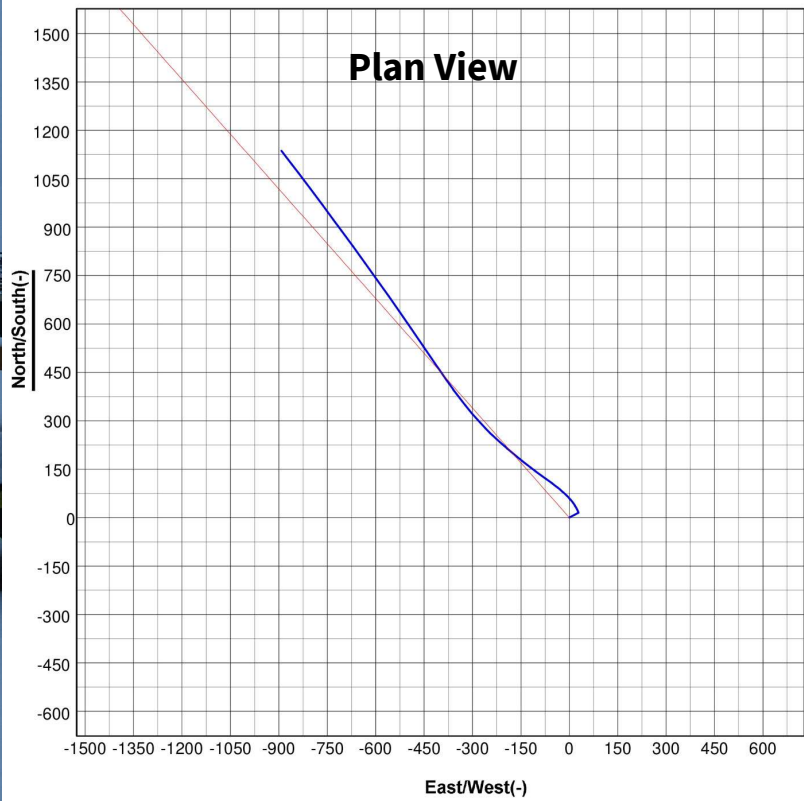
## COSTS

To install a liner into the 4-26:	\$500,000
To post a new bond (estimated):	\$300,000
To drill new wells (each):	\$2,000,000

## FINANCIALS

The Federal 4-26 estimated "Payout": 2 months  
The New Horizontal Wells Payout: 6 months

# Tin Cup Federal 4-26 Survey







# THE SOLUTION

## RECOMPLETE FEDERAL 4-26

- Run a 5” liner from the toe to surface.
- Run a DV (differential valve) tool at 5,000 ft. Which is the top of the window.
- Cement liner from the toe to the surface.
- Perforate horizontally

# THE REVENUE MODEL

## FEDERAL 4-26

Drilled in 2012 to 1350 ft

## DRILL SIX WELLS

Currently have six wellbores available for horizontally drilling.



# THE CURRENT STATUS



- Two wells producing
- One well drilled horizontally
- Disposal well recently cleaned out and working properly
- Disposal Well Recently passed MIT with the State of Utah

# Tin Cup Mesa 2-25

## API: 43-037-30983

- 456 Pumping Unit
- Gas Ajax engine





# Federal 4-26

## API: 43-037-30941

- Lufkin 320-250-100 Pumping Unit
- Ajax natural gas engine



# Tin Cup Mesa 5-26

## API: 43-037-31368

- Lufkin 456-256-120 Pumping Unit
- Electric motor





# Tin Cup Mesa 6-26

## API: 43-037-31540

- Pumping Unit 320-298L-100
- Electric motor



# Tin Cup Mesa 3-26

## API: 43-037-30762

- Pumping Unit 228-212-86
- Ajax natural gas engine





# Tin Cup Mesa 2-23

## API: 43-037-30808

- CMI 320-256-100 Pumping Unit
- Ajax natural gas engine



# Tin Cup Mesa 1-25 API: 43-037-30690





**WDW #1**  
**API: 43-037-31761**



# **Tin Cup Mesa 3-25**

## **API: 43-037-31020**

Pumping Unit

Natural Gas engine

IMAGE NOT AVAILABLE



# Tin Cup Mesa Tank Battery

- 8 – 400 bbl tanks



# Tin Cup Mesa Water Tank Battery

- 3 – 400 bbl fiberglass tanks
- Triplex injection pump

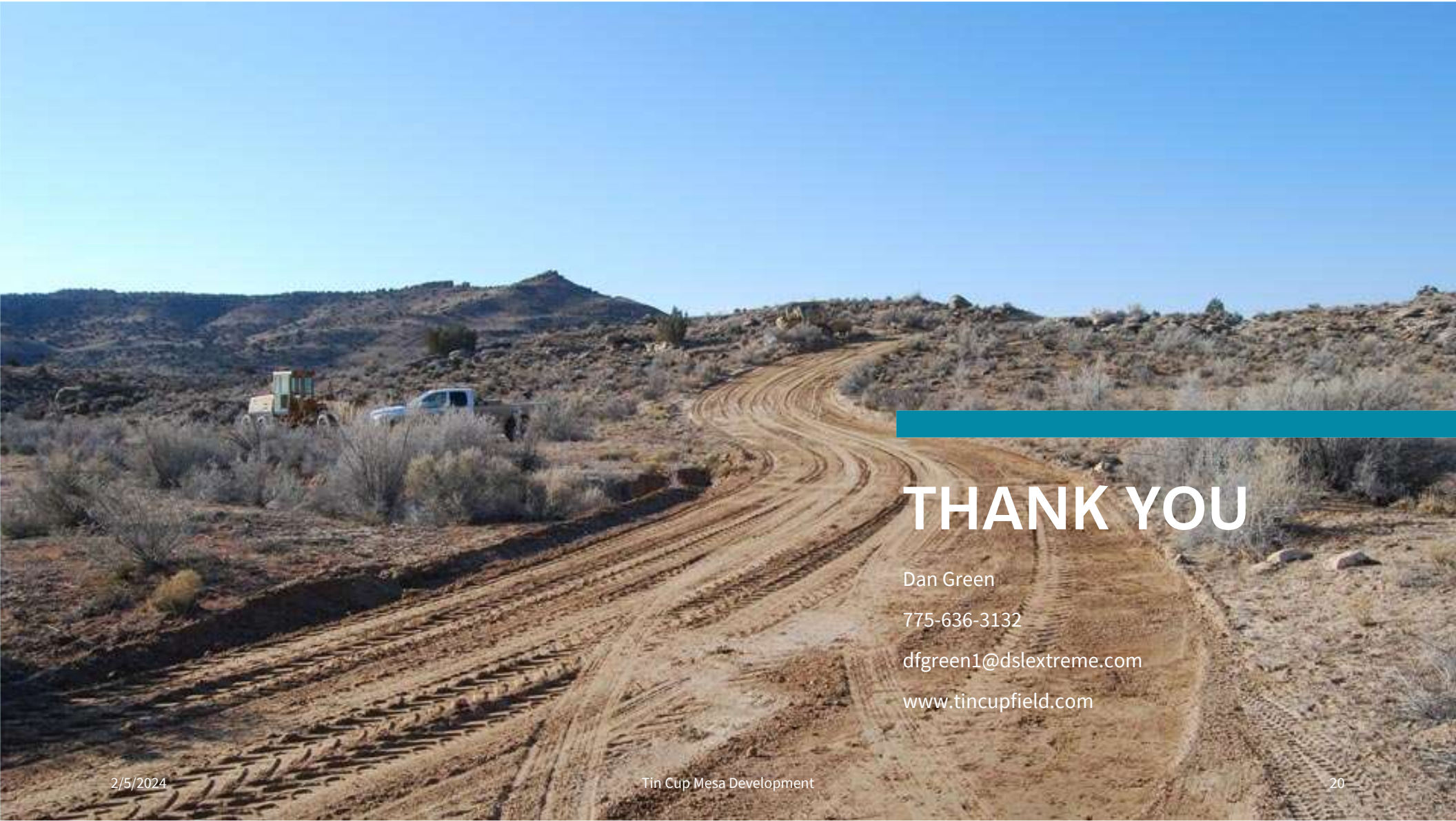




# REVENUE PROJECTIONS

	Year 1 (Fed 4-26)	Year 2	Year 3
<b>Income</b>			
Oil, bbl	100,000	486,000	569,000
Sales	5,940,000	29,000,000	34,200,000
Average price per \$/bbl	60	60	60
Net Operating Income	4,277,000	21,000,000	24,600,000
<b>Gross profit</b>	<b>4,277,000</b>	<b>21,000,000</b>	<b>24,600,000</b>
<b>Expenses</b>			
Well Operating Expense	350,000	1,100,000	1,300,000
Workover Expense	50,000	100,000	200,000
Drilling Expense	500,000	12,000,000	0
<b>Total costs</b>	<b>900,000</b>	<b>13,200,000</b>	<b>1,500,000</b>





# THANK YOU

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