

Case No.

608

Large Exhibits

ESTIMATED WELL PAYOUT PERIODS - STATE OF NEW MEXICO

Total Depth of Well	Cost of Well	Present Status			Plan I			Plan II		
		Depth	Top Per	Payout	Depth	Top Per	Payout	Depth	Top Per	Payout
		Factor	Allow.	(Mo's)	Factor	Allow.	(Mo's)	Factor	Allow.	(Mo's)
2,000'	\$ 20,000	1.00	40	9.3	1.00	40	9.3	0.40	16	23.2
3,000'	31,000	1.00	40	14.4	1.00	40	14.4	1.00	39	14.7
4,000'	50,000	1.00	40	27.2	1.00	40	23.2	1.00	39	23.0
5,000'	73,000	1.00	40	33.8	1.00	40	33.8	1.46	57	23.8
6,000'	95,000	1.33	56	32.6	1.90	76	23.2	1.90	74	23.8
7,000'	117,500	1.77	71	30.7	2.35	94	23.2	2.35	92	23.7
8,000'	140,000	2.33	94	27.6	2.60	112	23.2	2.60	109	23.8
9,000'	162,000	3.00	120	25.1	3.25	130	23.1	3.25	127	23.7
10,000'	185,000	3.77	151	22.8	3.70	149	23.2	3.70	144	23.8
11,000'	218,000	4.67	187	21.6	4.36	174	23.2	4.36	170	23.8
12,000'	266,500	5.67	227	21.8	5.33	213	23.2	5.33	208	23.8
13,000'	327,500	6.75	270	22.5	6.55	262	23.2	6.55	255	23.8
14,000'	400,000	8.00	320	23.2	8.00	320	23.2	8.00	312	23.8

Note: Above Payout Periods calculated on basis of a net working interest value of \$1.77 per barrel of oil computed as follows:

Gross Price of 40 Gravity Oil per barrel	\$ 2.77
Less:	
Royalty Interest	\$.36
Lifting Cost	.40
Overhead	.10
Miscellaneous Administrative Cost	.05
Net Working Interest Price per bbl.	\$ 1.77

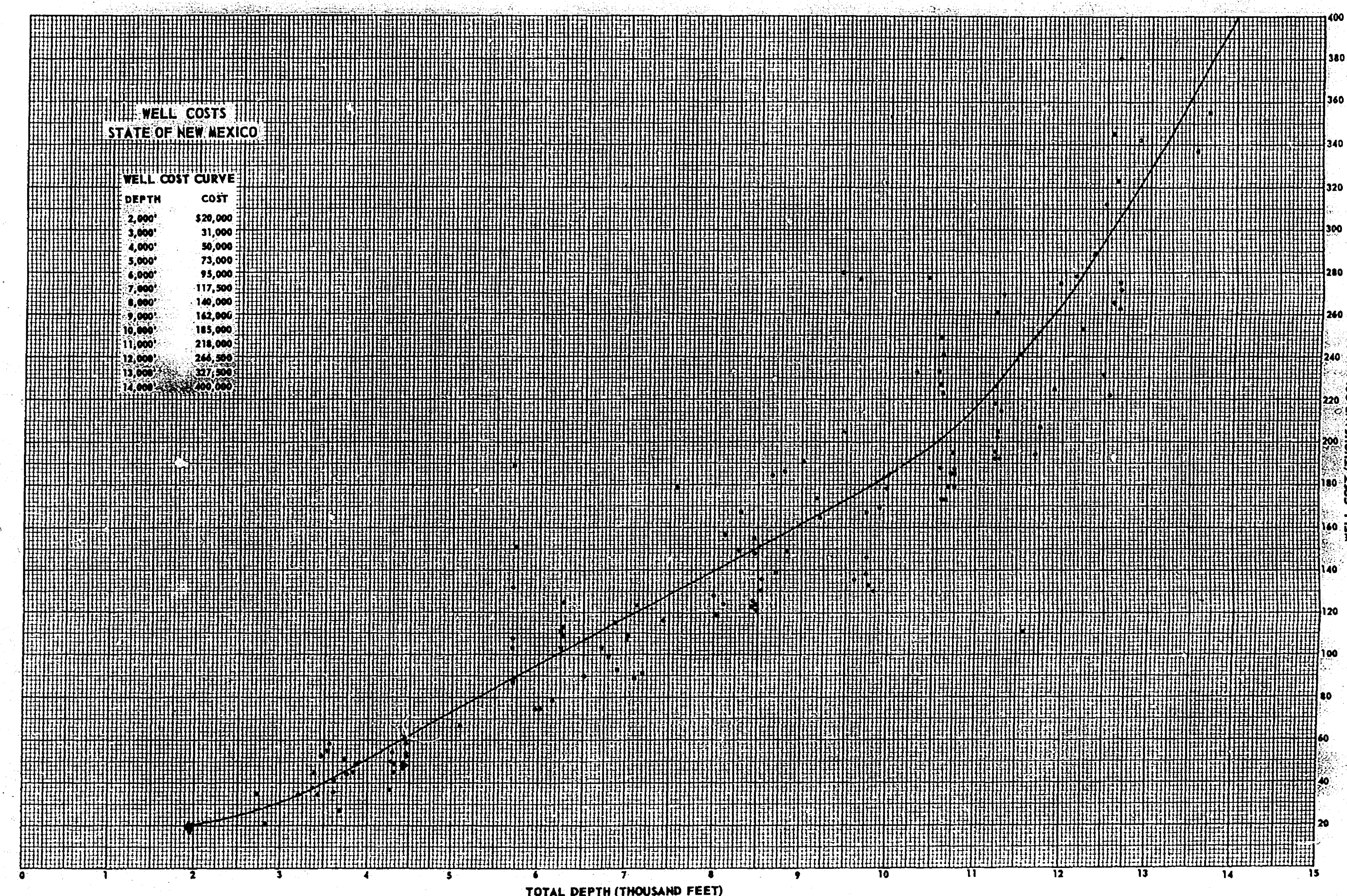
DEPTH BRACKET ALLOWANCES - STATE OF NEW MEXICO

1. Effect of Proposed Plans on Top Allowable Wells

Depth Bracket	Number of Top Allow. Wells	Present Status			Plan I			Plan II					
		Depth Bracket	Top Per Well	Total Allow. Assigned Top Allow. Wells	Average Depth Cost	Depth Bracket	Top Per Well	Total Allow. Assigned Top Allow. Wells	Average Depth Cost	Depth Bracket	Top Per Well	Total Allow. Assigned Top Allow. Wells	
0 - 2000	11												
2000 - 4000	630												
4000 - 5000	252												
5000 - 6000	1104	1.00	40	44,160	50,000	1.00	40	44,160	20,000	0.40	16	176	
6000 - 7000	51	1.33	56	2,808	95,000	1.90	76	3,192	50,000	1.00	39	35,682	
7000 - 8000	94	1.77	71	5,621	117,500	2.35	94	7,721	25,000	1.46	57	11,535	
8000 - 9000	42	2.33	94	8,856	140,000	2.60	112	10,528	117,500	2.35	92	3,108	
9000 - 10000	189	3.00	120	22,680	162,000	3.25	130	20,520	140,000	2.90	109	4,692	
10000 - 11000	41	3.77	151	20,539	185,000	3.70	149	20,520	162,000	3.25	127	10,246	
11000 - 12000	114	4.67	187	21,037	218,000	4.36	174	21,032	185,000	3.70	144	5,534	
12000 - 13000	17	5.67	227	25,878	266,500	5.33	213	24,292	218,000	4.36	170	27,216	
13000 - 14000	3	6.75	270	4,950	327,500	6.55	262	4,454	266,500	5.33	208	6,370	
Totals	1697			131,559				132,956					133,842
									400,000	8.00	312	836	

2. Effect of Proposed Plans on Total Statewide Allowables

	Present Status	Plan I	Plan II
Allowable Assigned Top Allowable Wells (40 Acre Units)	131,559	132,296	133,942
Allowable Assigned Top Allowable Wells (80 Acre Units)	5,505	5,278	5,448
Allowable Assigned Limited Capacity and Limited Wells	10,558	76,358	76,358
Allowable Assigned Wells with Special Allowables	4,525	4,525	4,525
Additional Allowable Assigned Wells with Excess Acreage Credit	657	642	627
Total Assigned Allowables - State of New Mexico	213,605	219,739	220,600



[illegible]

3000' 4000'									
Co.	Run	Dist. Well	S-T-R	TO	COMPARISON	DATA	Per. Rev. Bon.	Rev. Rev. \$	Rev. Annals
FOOT	GRANDS - JOURNAL								
	From Union Hill's J. JOURNAL	N	13-7-30	3280	AY 2479-3505		1230,000	12,144,000.00	1560
	GRISBORG - KELLEY								
	Western "2" KELLEY	D	26-7-29	3407	P.B. 3322 AY 3281-3322		149,000	10,104,000	240
	LEE								
	MARTIN "1" GATES	N	15-12-30	3345	AY 3204-V1		49,000	12,200,000	210
	ROBINSON								
	Town Co. "1" ROBINSON	K	25-12-31	3306	D.O. 4061 AY 3384-05		841,000	6,245,000.00	1250
	SHUTO LIND								
	ROBINSON "1" KLOHNE	D	7-12-30	3622	7.07 3370-100 3308-4022		15,000	10,250,000	120
	SEALERT								
	SHOOTER "1" COUNTRYMAN	L	35-18-31	3451	P.B. 3920 AY 3462-3500		531,000	1,400,000.00	440
600	ABRUSHEAD								
	OUR STATE 5-2 "1"	B	2-22-31	3800	DD 3747 AY 3796		1,600,000	4,204,000.00	5750
	BOWERS								
	TOWNSHIP "1" STATE B	H	14-18-29	3465	P.B. 3460 AY 3353-59		1,200,000	4,533,000.00	5760
	CORBIN								
	LIVERMORE "1" STATE D	P	30-12-32	4285	P.B. 3052 AY 3029		3,400,000	2,614,000.00	6400
	CORBIN JAL 1000								
	SHOOT "1" BOWERS	I	16-22-31	3389	AY 3297-3331		13,500,000	26,305,000.00	12,870
	SHOOT "1" CORBIN		12-24-31	3407	AY 3375				
	CORBIN JAMES								
	CORBIN "5" CORBIN	I	9-1-33	4305	P.B. 3460 AY 2403-59		2600	6774,000	40
	DELAWARE QUEEN								
	SHOOT "1" MEXICO	O	6-25-38		AY 3670-3753		2,100,000	2,800,000.00	1040
	ELMER (MOUNTAIN)								
	OUR MEXICO A-7 "1"		12-21-31	4001	556 to 3508		105,000,000	204,600,000.00	41,400

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C.	Ref.	Disc Well	S-T-R	T.O.	COMPARISON	Dr.	
✓	164	MOUNTAIN MIDLAND "D" SINE	1-10-36	3254	AB. 3145	AY 3141	3124
		So. EUNICE					
		CR. LEONARD 8-31 "	31-21-36	3430	AY 3425-3435	CR. To 3144	
		FALBY JAMES MIDLAND "1" FALBY	19-24-29	3224	TOP PLAYS. 3045	CR. To 3136	
✓		HONEY TENS Co. "9" MIDLAND	5-11-37	3728	AY 3705		
		HOBBS (1-11) STANDARD "1" SINE	5-19-38	3415	AY 3450-4314		
		F. HOBBS 7-R MIDLAND "MIDLAND "9" FALBY	25-18-38	3389	TOP PLAYS. 3050	AY 3052	
		LEWIS-ARTER CR. JAMES A-9 "	17-25-37	3446	AY 3040-30	TO 3025(1)	
		H.G. CRICK "ARTER	2-24-34	3319	AB. 3341	AY 3343-3652	
		LEONARD LEONARD "1" LEONARD FID.	1-26-37	3511	AY 3400-3442		
		S. LEONARD PENS. PROD. "S. STANDARD	24-28-34	3440	AY 3428-3446		
		LYNN TENS Co. "1" LYNN H	30-20-34	3731	AY 3728-3731		
✓		N. LYNN MID. DEVIC. "Bank "9, M.D. JAMES	18-20-34	3632	AY 3722-3544		
		MIDLAND MID. O. G. "1" BISH	21-7-32	4146	AY 3885	CR. To 3150	
✓		N. MIDLANDS CHAP. MIDLAND "1" THUR	30-16-32	4697	PA. 4045	AY 3880	

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	Co.	Tract	District	Well	S-T-R	T.D.	Completion	Date	Per. Rec. Bar. Rec. P. S. F.	Prod. Acres	
Oil	CHISUM	J.A.									
		Keller; Anderson Sr. H.	J	13-14-27	2455	P.O. 2455	Pay	1253-56	1/2 100.00 - 131, 210.00	120 -	
		Deputy Queen									
		Purcell "1. RANDELM		10-14-31	2531	Pay	2725	Exp. 10 to 2824			
Eng.	ANDERSON	M. ANDERSON "1. RAY		12-17-29	2523	Pay	2570 - 57		570 000. - 1,260, 210.00	200 -	
		Atessa									
		Furness; Haines "1. STATE		31-18-28	2072	Pay	2072		2,730, 000 - 7,610, 700.00	900 -	
		Furness									
		Furness "1. Levers	H	31-14-30	3047	P.O. 2625 -	Pay	2460-67	388 000. - 1,045, 330.00	700 -	
		Local Hills									
		Hills "1. Yates	L	6-19-30	2891	Pay	2804-38		8,000, 000 - 15,011, 700.00	10,500 -	
		Local Hills (Swell)									
		Waller "1. Waller	D	29-17-30	2781	P.O. 2239	2.0. 3000 -	Pay	2205-19	6 000. - 10, 400.00	16 -
		West Creek									
		Furness "1. Furness	A	29-13-31	2539	Pay	2380-2469		3 000. - 10, 490.00	30 -	
		Molina									
		So. Cal. "1. Valley Land	F	7-24-29	2797	Pay	2921-26		677 900 - 1,879, 350.00	800 -	
		Nichols									
		M. Yates "1. Ohio State	K	13-18-28	2938	Pay	2949		135 500. - 360, 150.00	360 -	
		Square Lake									
		Shawnee "1. Leonard-Ped	L	24-14-30	2780	2.0. 3110	Pay	2912 - 3110	5,630, 000 - 11, 470, 700.00	9 600 -	
		TURKEY TRACK									
		M. Lee "1. State	P	3-15-29	2815	P.O. 2910	Pay	2525	205 000 - 546, 070.00	640 -	
		EAST TURKEY TRACK									
		Leonard "1. Leonard	M	6-17-30	2930	P.O. 2244	Pay	2200-04	44, 100 - 118, 620.00	120 -	
		WEST TURKEY TRACK									
		Leonard "1. Leonard	F	24-12-29	2885	P.O. 2725	Pay	2700-50	2 000. - 5 300.00	120 -	

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Roll	Rec. Retives - AAC	Rec. Ret. - ?	20,000 - 1,000	200,000 - 1,000
BALLET 1/0	31,000.00 -	70,000.00	100 -	100 -
CANON, EAST DENN.	25,000 -	67,250.00	500 -	500 -
DALLASIDE ELEVATOR	1,000,000 -	3,000,000.00	100 -	100 -
ELIOT, DENN	1,000,000 -	3,000,000.00	100 -	100 -
HARTMAN, DENN	300,000 -	117,000.00	100 -	100 -
KING, DENN	200,000 -	64,000.00	100 -	100 -
LEVITT, DENN	600,000 -	1,000,000.00	100 -	100 -
MAKER, DENN	2,500,000 -	6,750,000.00	100 -	100 -
SAUNDERS, DENN	70,000 -	246,000.00	100 -	100 -
TOWNSEND, DENN	310,000 -	850,000.00	100 -	100 -
TOTAL RECAPITULATIVE	1000	10,000,000.00	100 -	100 -
Rec. Ret. - DENN	35,000,000			
Rec. Ret. - ?	15,000,000.00			
Rec. Ret. - DENN - BAL	350,000			
Rec. Ret. - DENN - ?	350,000.00	NET 350,000.00		
Net Cost of Work	170,000.00			
Net Cost	170,000.00			

Pool	Rec. Res. - Bal	Rec. Res. - f	Prod. Accruals
BRUNCO 3/0	7,200,000 -	2,225,000.00	320 -
CHICKASAW EAST DEV.	6,750,000 -	16,634,000.00	720 -
DEWITT DEV.	5,000,000 -	145,774,000.00	3,670 -
EDWARDS DEV.	2,200,000 -	6,744,000.00	240 -
LEWISTON, EAST PENN.	650,000 -	1,240,600.00	240 -
TOTAL PRODUCE DEDUCT	3,000	10,469,600.00	4,490
Rec. Res. - Bal	71,770,000		
Rec. Res. - f	114,215,200.10		
Re. Res. per 90 Ac. - 90	270,582		
Re. Res. per 90 Ac. - f	1,553,222.44	1,679,859.17	
Re. cost of well	230,750.00		
Min. inc.	5,814		

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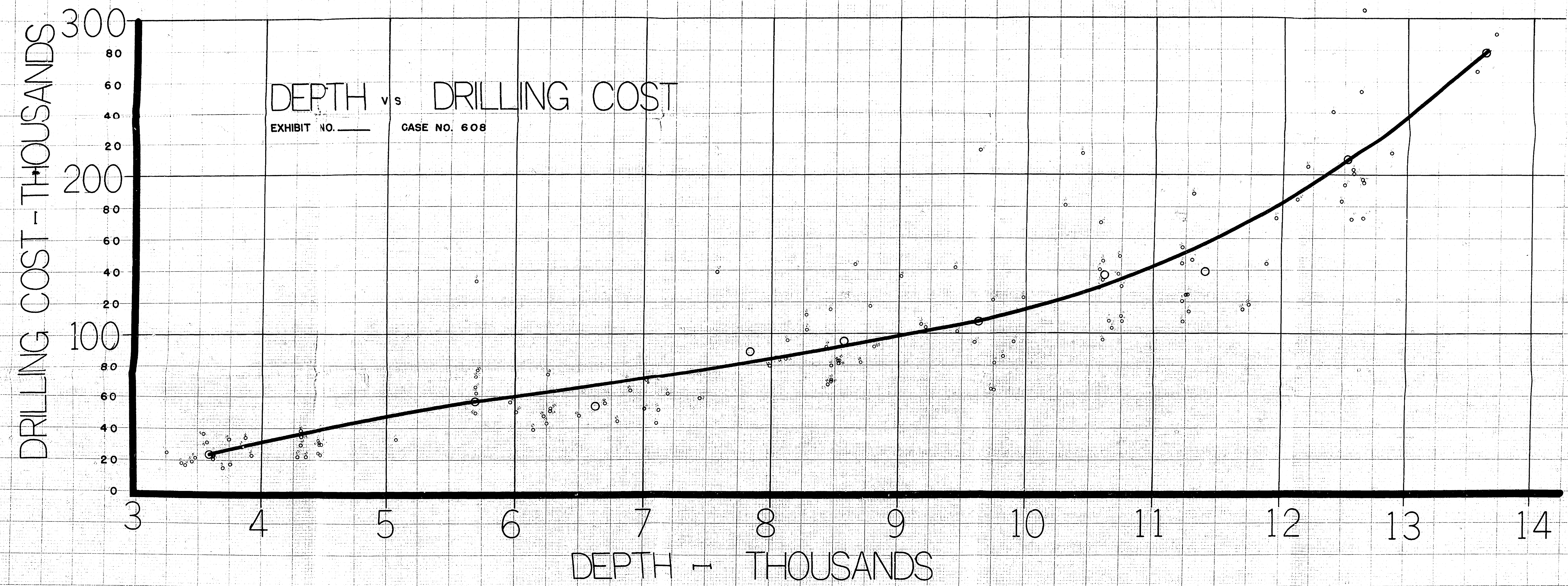
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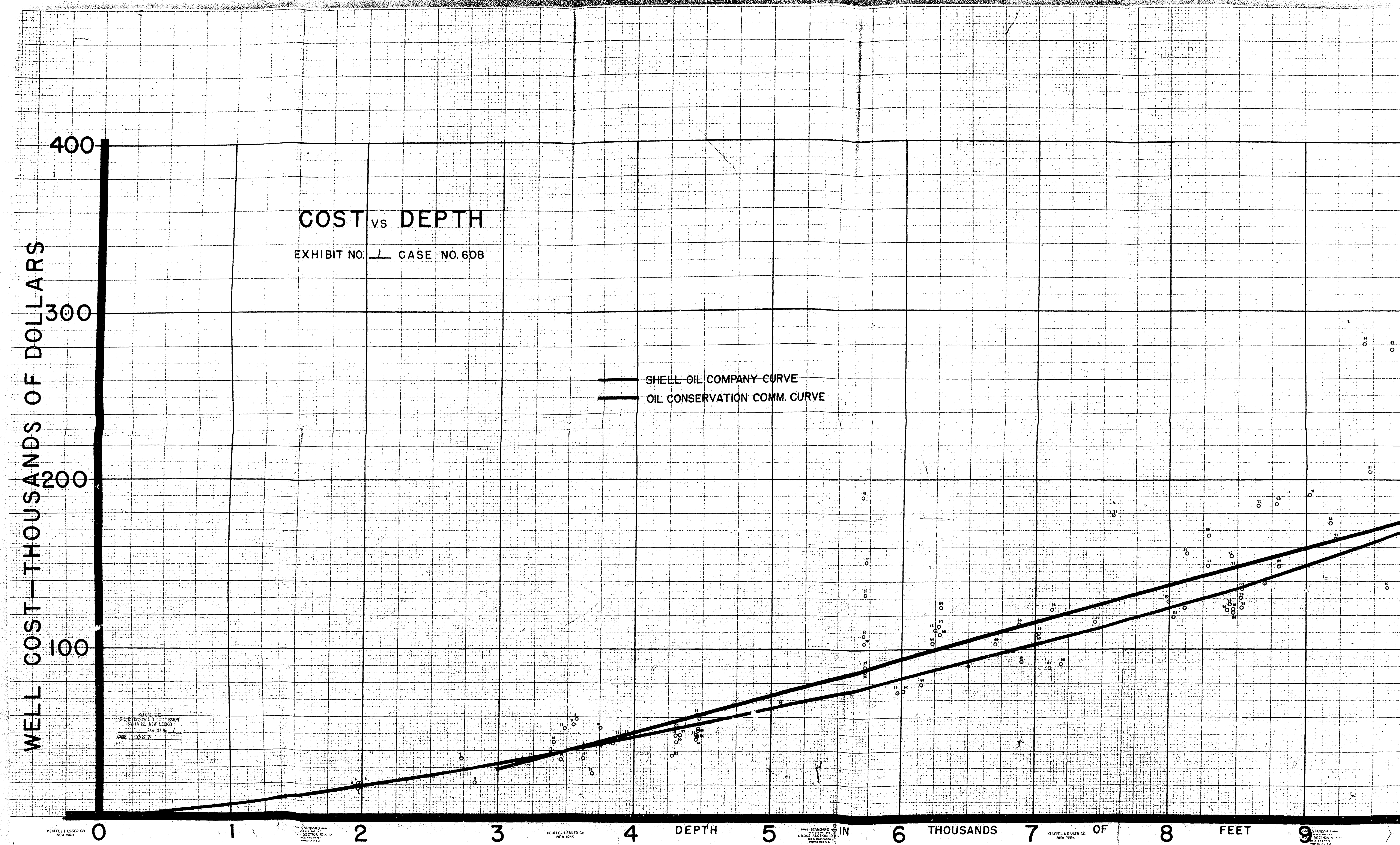
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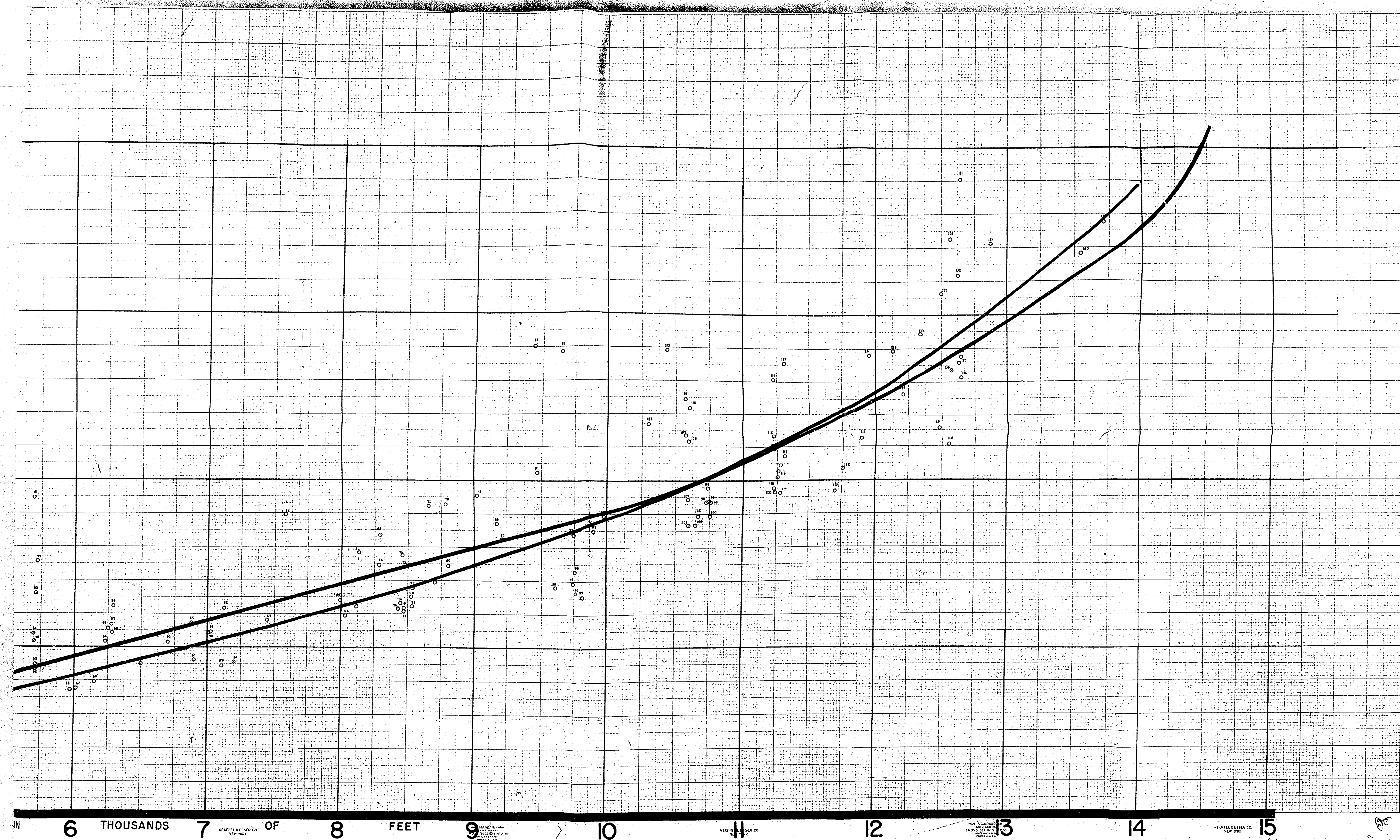
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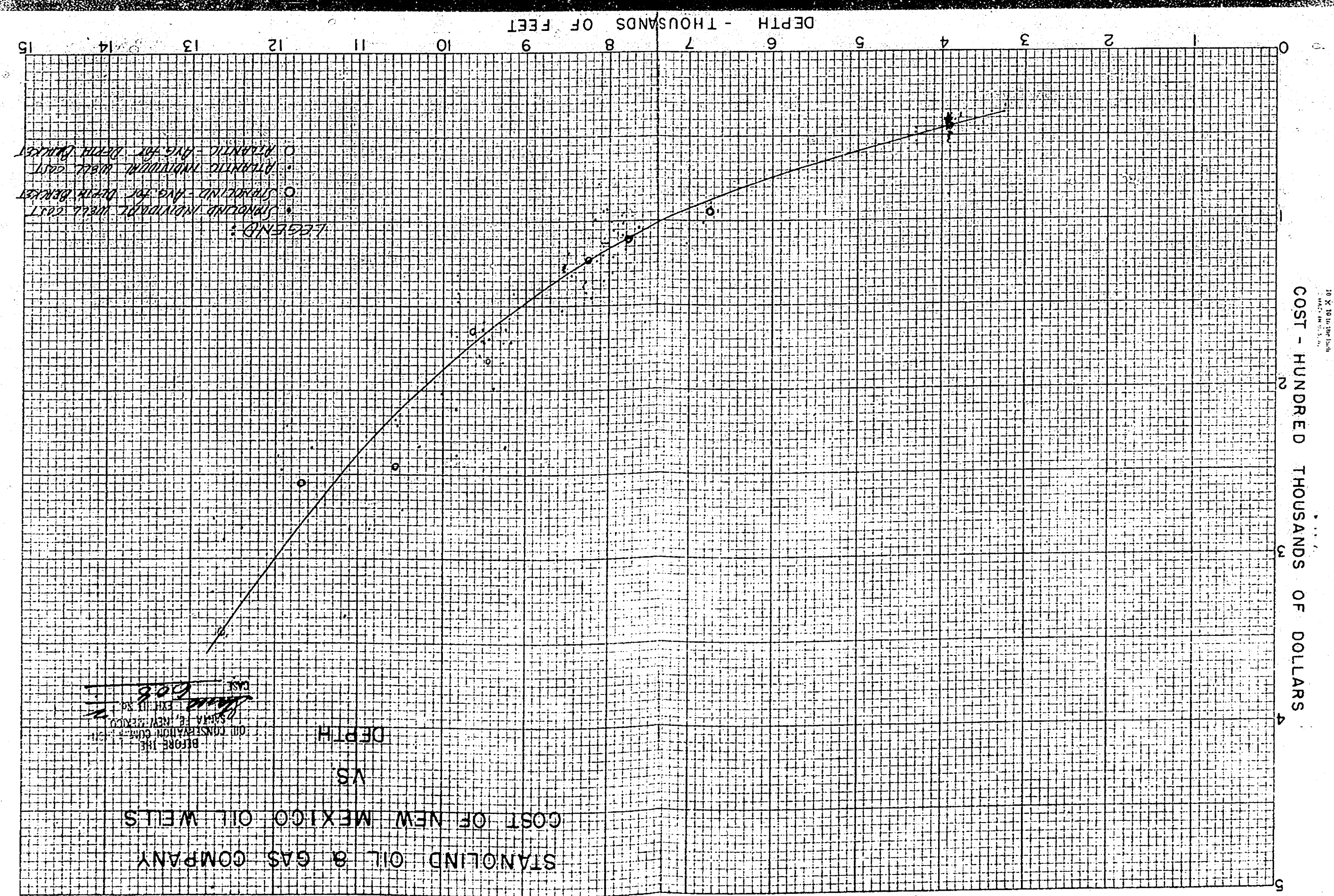
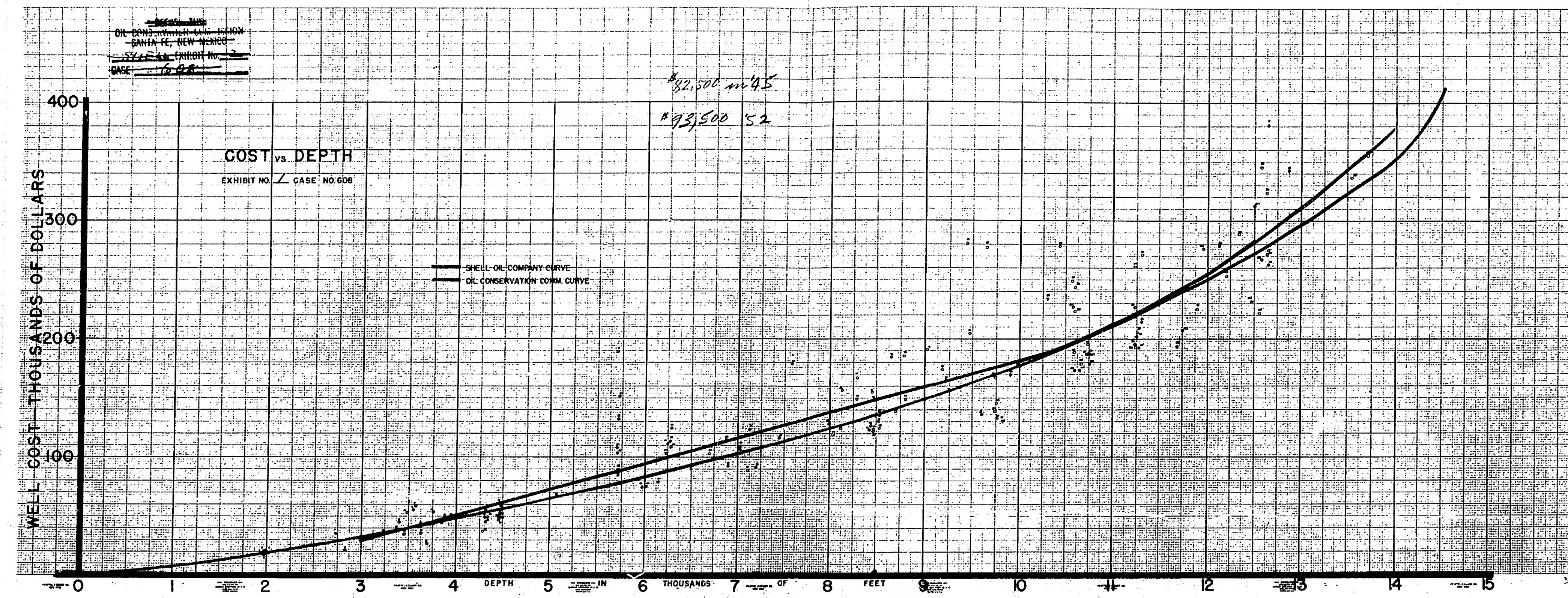
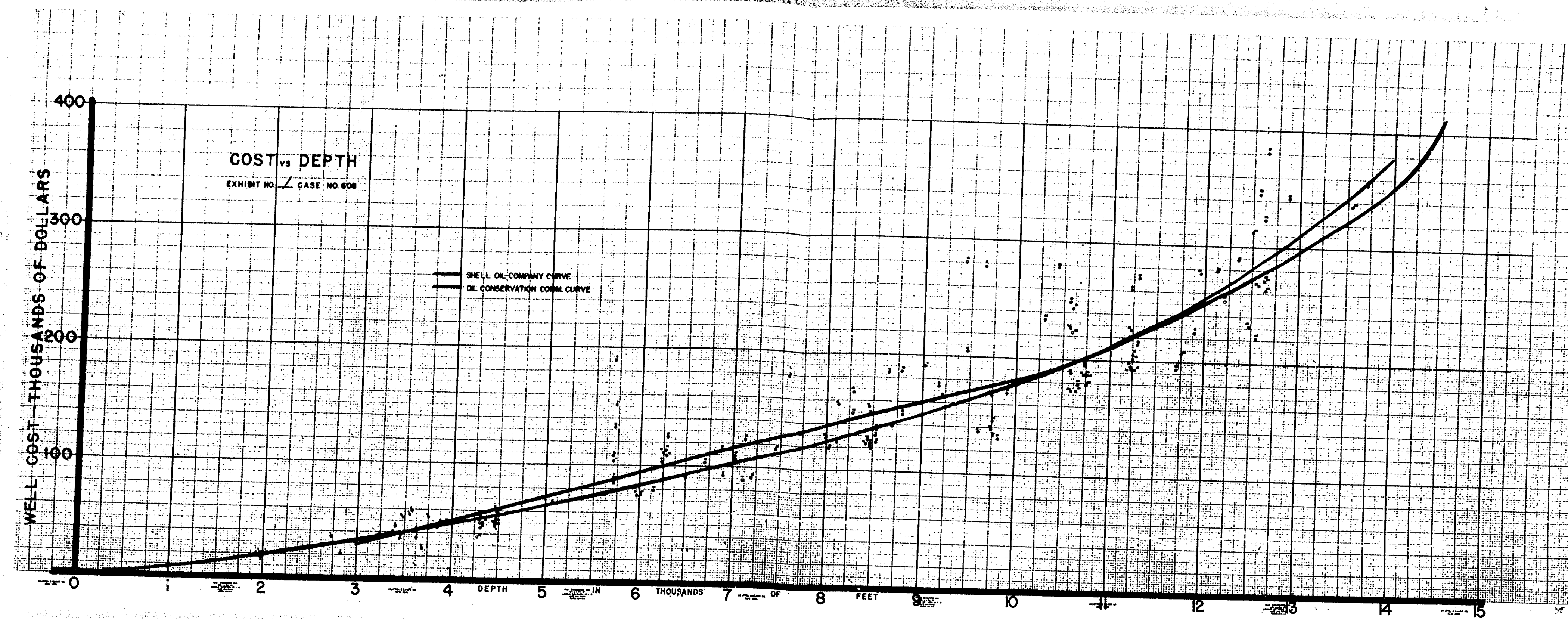
County	Pool	Date	Company	Lease	Well	N. S. T. R.	T.O.	Perm. Poles	0-5000'	
Santa Fe	✓	11-41	Sandoz Bros	#1 Sandoz	L	34-16-30	262.0	2100-2722-4499, misc	2085-3110 after D.D. (1945)	2000-3000
Texas	✓	1943	McKee	#2 STATE	P	3-19-29	215.23	2575	2000-3000	
Elmendorf	✓	4-50	Lozano	#1 Lozano	M	6-19-30	177.0	2244-2221-44	2000-3000	
Texas	✓	7-19-50	Jones	#1 Jones	B	10-19-29	137	1625-97	1000-2000	
Texas	✓	5-51	Miller Bros	#1 Jones	F	5-19-29	215.5	2757-2745-57	2000-3000	
LEA										
Harmon	✓	5-38	Continental	State #1	B	2-22-36	3800	3034 TP 3774	2000-3000	
Baish	✓	12-35	Malamud	#5 Baish A	G	21-17-32	2270	4111 18 4113 2100-3000	2074-4111	
Bowers	✓	10-35	Tidewater	#1 STATE	H	14-18-37	4365	18 2840 3355-59	2000-3000	
Caprock	✓	10-40	Livestock	#1 STATE	P	30-12-32	4285	18 2652 TP 3024	2000-3000	
Caprock	✓	5-29	Skelly	#1 Livestock	I	28-25-36	3377	3321 3358	3000-4000	
Corbin	✓	6-38	Helmuths Payne	#1 Corbin	L	14-18-33	5114	18 4320 18 4328-4325	1000-2000	
Corbin	✓	4-52	Corbin	#5 Corbin	F	7-18-33	4365	18 3464 18 3443-59	2000-3000	
Delacorte	✓	4-52	Skelly	#1 Mexico	O	6-25-38	3420	2153	2000-3000	
Eaves	✓	6-28	Continental	#1 Eaves	O	19-26-37	3000	1955-2427	2000-3000	
Funice	✓	3-27	Ent. Wayne	#1 Funice		7-21-32	3601	19 3508	2000-3000	
Monument	✓		Continental	#1 D. St.	O	1-10-36	3554	18 2945 18 2918-3929	2000-3000	
S. Funice	✓	5-30	Ent. Wayne	#1 Funice		21-17-36	3770	18 3425 3459	2000-3000	
Falby Yates	✓		Alexander	#1 Falby		37-4	1605	3085 3350	2000-3000	
Halfway	✓	6-39	Algo	#1-15 Texas State		16-10-32	3763	TP 2627	2000-3000	
Hardy	✓	3-39	Texas Co.	#1 Alexander		5-11-37	3768	TP 2705	2000-3000	

County	Pool	Date	Company	Lease	Well	N. S. T. R.	T.O.	Perm. Poles	0-5000'
Chaves	✓	11-5-50	Lozano	#1-15 STATE		7-8-27	1990	1761-90	1000-2000
Chaves	✓	6-18-51	Miller Bros	State A-J		12-11-27	2065	18 2056 2023-56	2000-3000
Oriskany	✓		Miller Bros	#1 Oriskany		4-10-31	2731	2731 TP 2722	2000-3000
Eddy	✓	7-7-41	H. A. D.	#1 Eddy		24-12-28	2846	18 310 TP 342	0-1000
Anderson	✓	2-2-40	H. A. D.	#1 Anderson		12-17-29	2563	2512-57	2000-3000
Artesia	✓	8-23	FULLY	#1 STATE		31-10-28	272	TP 2072	2000-3000
Artesia	✓	3-30-41	Miller Bros	#1 Artesia		15-10-26	1984	TP 1985	1000-2000
Barro	✓	2-2-37	Miller Bros	#1 Barro		20-20-30	1515	141-43 1467-77	1000-2000
Bermea	✓	7-20-43	H. A. D.	#1 Bermea		11-19-30	1826	1826	1000-2000
Black River	✓	10-37	T. Collins	#1 Black River		11-24-26	1343	1343	1000-2000
Burton	✓	7-34	Griff	#1 Burton		8-20-29	1577	1577 1115-1120	1000-2000
Cedar Hill	(Years)	4-51	G. Hays	#1 Cedar Hill		5-21-27	551	345-355	0-1000
Dare Canyon	✓	7-50	M. Hays	#1 Dare Canyon		20-23-26	1811	TP 1876 1876	1000-2000
Daugherty	✓	11-38	English	#1 Daugherty		3-22-27	2014	1945-2000	1000-2000
Dayton	✓	7-40	Bellman	#1 Dayton		2-18-26	2545	18 1125 TP 330	0-1000
Empire	✓						2672		0-1000
Forest	✓	10-45	Flores	#1 Forest		3-16-29	3027	18 2672 18 2672	2000-3000
From									2000-3000
Getty	✓	11-27	Griff	#1 Getty		1-23-20-21	1576	1576 1576	1000-2000









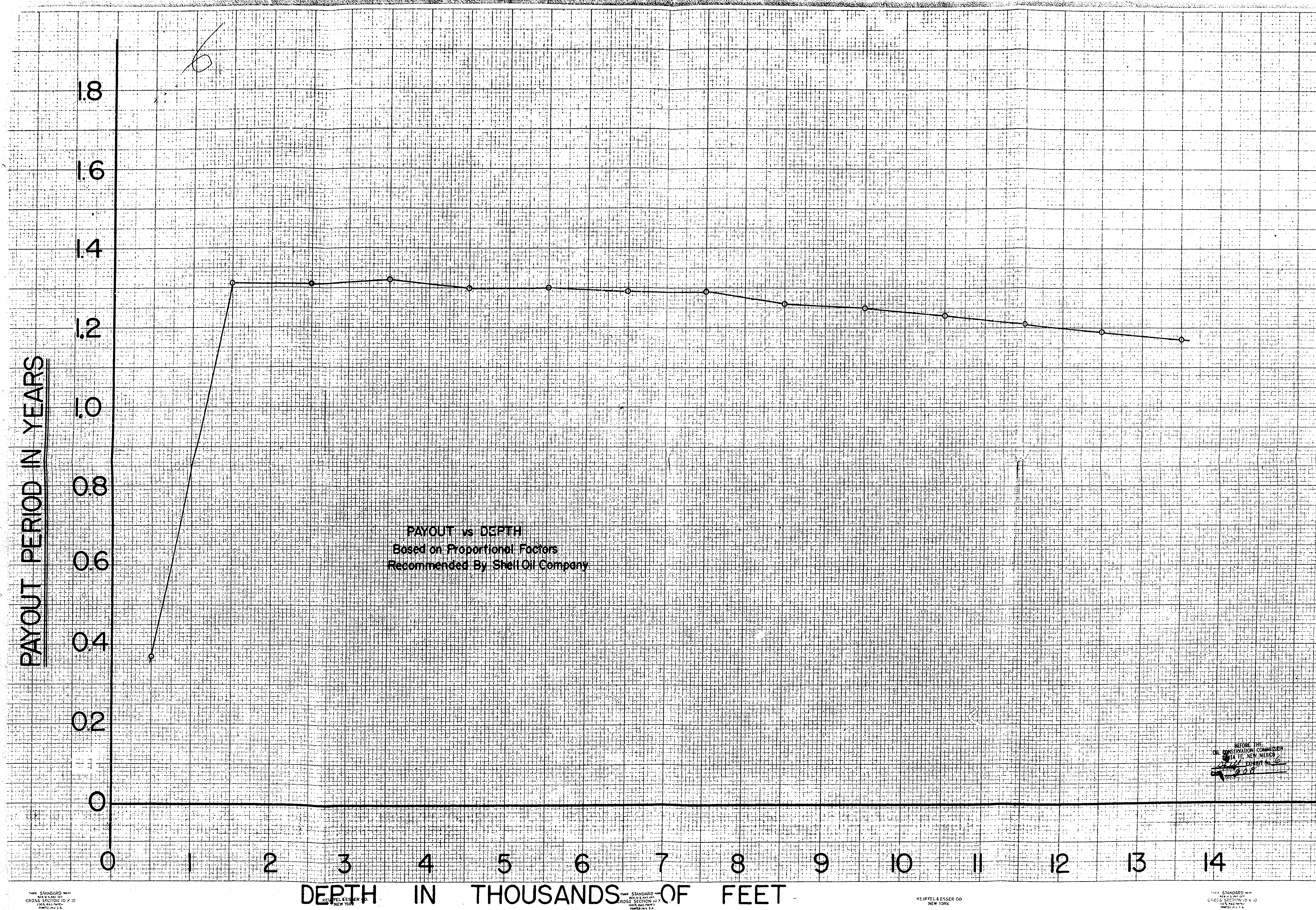
BEFORE THE
 THE COMMISSION ON CONSERVATION
 SANTA FE, NEW MEXICO
 SHELL EXHIBIT No. 2
 4.2.2

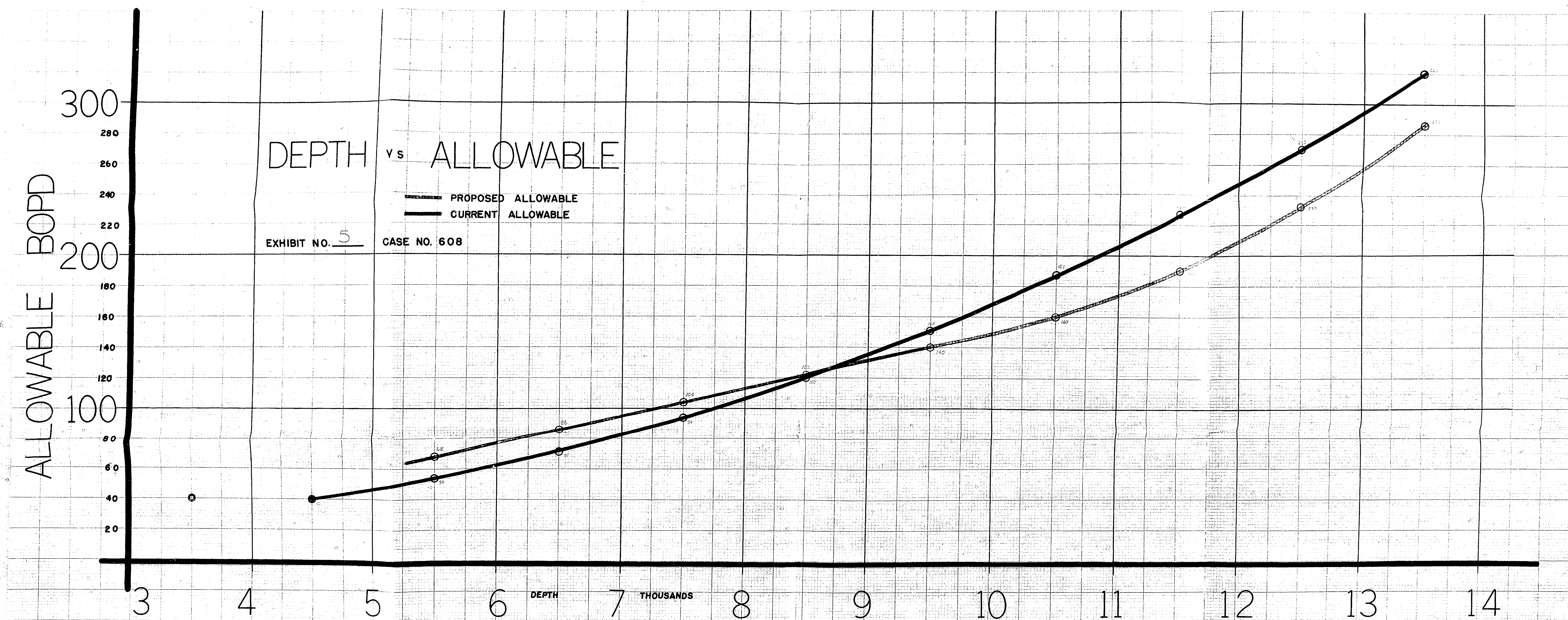
COMPARISON OF DEPTH FACTORS AND VARIATION IN PAYOUT TIME

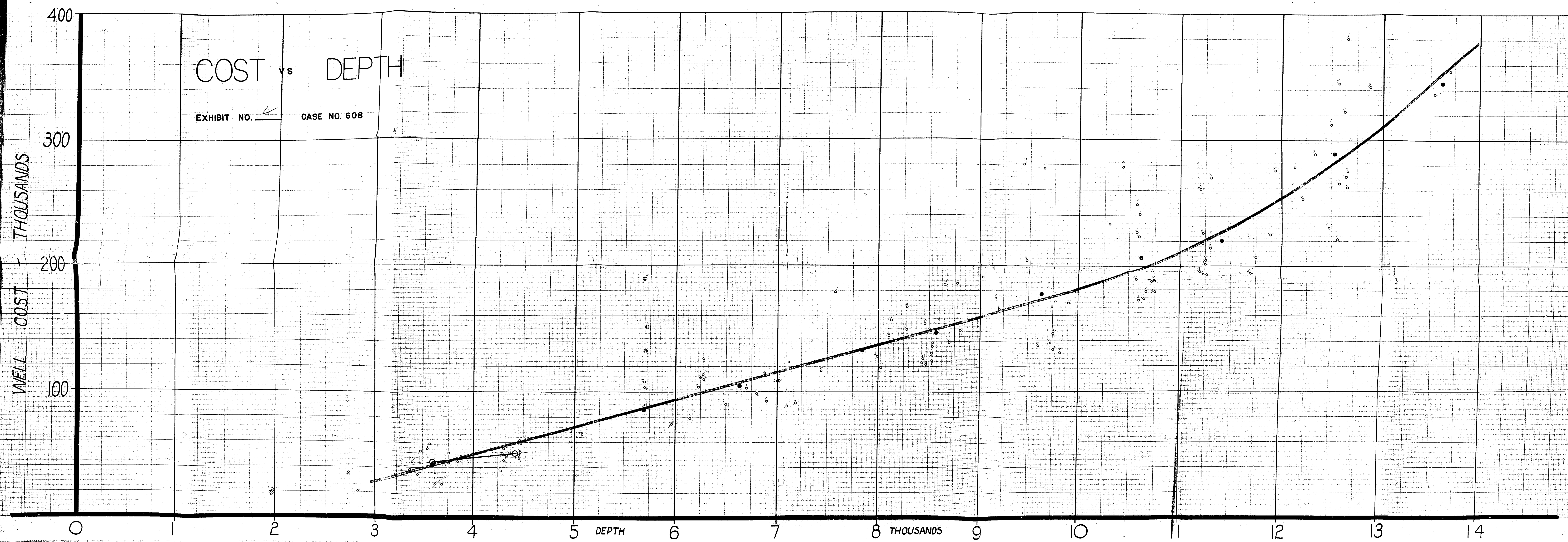
Depth Range	Present Adaptation Factor	Commission-Proposed Plan All Wells Pay Out in 1.406 Years		Shell Interpretation All Wells Pay Out in 1.406 Years	
		Average Cost	Factor*	Average Cost	Factor*
0 - 1000	1.00	No Cost	-	3200	0.07
1 - 2000	1.00	Curve in	-	12400	0.26
2 - 3000	1.00	0-3000' Range	-	24800	0.51
3 - 4000	1.00	39500	0.82	39600	0.82
4 - 5000	1.00	61000	1.27	56000	1.16
5 - 6000	1.33	81700	1.66	73500	1.52
6 - 7000	1.77	104400	2.15	92300	1.91
7 - 8000	2.33	126000	2.59	111700	2.33
8 - 9000	3.00	148000	3.07	135600	2.81
9 - 10000	3.77	169700	3.51	161900	3.35
10 - 11000	4.67	194000	4.02	192600	3.99
11 - 12000	5.67	230800	4.76	228800	4.74
12 - 13000	6.75	280300	5.81	271600	5.62
13 - 14000	8.00	345000	7.17	322400	6.67

* These Factors Assume A Basic Unit of 40 Barrels of Oil Daily

** Minimum Allowable of 10 Barrels of Oil Daily for 0-2000 Foot Range







BEFORE THE
SECURITIES AND EXCHANGE COMMISSION
2000 F STREET, N.W.
WASHINGTON, D.C. 20549
EXHIBIT NO. 9
DATE 12-1-88

9

