

COSTS TO
DRILL & COMPLETE
CASEY STRAWN FIELD
LEA COUNTY, NEW MEXICO

Surface Assembly	25,000
350' 13 3/8" O.D. Casing	10,000
4800' 8 5/8" O.D. Casing	80,300
11500' 5 1/2" O.D. Casing	145,800
Production Packer	8,000
11500' 2 3/8" Tubing	55,400
13,900' 2 7/8" Linepipe	13,900
Linepipe Installation	9,000
Miscellaneous Trucking	15,000
Roads, Dirt Work, Pits	15,000
Contract Drilling 11500' @16.5 \$/Ft.	189,750
Contract Drilling 3 Days @ 5000 \$/Day	15,000
Completion Unit 10 Days @ \$1,500	15,000
Bits	50,000
Salaries & Wages	5,000
Mud & Additives	75,000
Cementing & Services	65,000
Water	30,000
Perforating	10,000
Acidizing	20,000
Electric Logging & Surveys	30,000
Miscellaneous Other Drilling Costs	90,000
Tubing Inspection	10,000
Casing Crews	15,000
Total	\$997,150

BEFORE THE	
OIL CONSERVATION COMMISSION	
Santa Fe, New Mexico	
Case No.	<u>7730</u> <u>10</u>
Submitted by	<u>TEXACO INC.</u>
Hearing Date	<u>11-29-82</u>

ECONOMICS
DRILL AND COMPLETE
CASEY STRAWN FIELD
LEA COUNTY, NEW MEXICO

Drilling Costs - Tangible	\$453,700
Drilling Costs - Intangible	\$543,450
Reserves - Oil (BBLs)	214,000
Reserves - Gas (MCF)	214,000
Project Life (yrs)	24
Payout (yrs)	2.11
Present Worth Net Profit	\$2,101,087
Present Worth Index	3.11
Discounted Cash Flow Rate of Return (%)	46.33

BEFORE THE	
OIL CONSERVATION COMMISSION	
San Antonio, New Mexico	
Case No. <u>7730</u>	<u>11</u>
Submitted by <u>TEXACO INC.</u>	
Hearing Date <u>11-29-82</u>	