

**OIL CONSERVATION
DIVISION**

CASE #: 14287

EXHIBIT

14

Carracas Canyon Production Area
Economics for Incremental Length and Reserves

Exhibit No. # 14

Example - Case 3

Incremental Length (ft)	650
Incremental Reserves (bcf)	0.18
Incremental Capital (\$)	\$110,000
Effective Pricing (\$/mcf)	2.33
<i>based upon 2009 Gas Daily, El Paso San Juan Midpoint as of 3/17/2009</i>	
Rate of Return (%)	20.23
Net Present Value @ 10% (\$)	15,497
Discounted Payout (yrs)	2.83