ECONOMIC FOR VARIOUS SPACING SCHEMES
E. Saunders Permo-Penn Pool
Lea County, New Mexico

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO.
CASE NO

BASIC DATA:

| | |
|---|---|
| 1. Oil Value | $ 3.01/bbl. |
| 2. Oil Purchaser | Indiana Oil Purchasing Company |
| 3. Gas Value | $ 0.108/MCF |
| 4. Gas Purchaser | Warren Petroleum Corporation |
| 5. Net Interest | 87.5% |
| 6. Production Taxes | 6.1% |
| 7. Lifting Costs | $ 0.25/bbl. |
| 8. Well Investment | $ 213,000 |

ECONOMICS:

| | Well Spacing | | |
|---|---|---|---|
| Item | 40 acre | 80 acre | 160 acre |
| 1. Recoverable oil, bbl. | 53,900 | 107,800 | 215,600 |
| 2. Recoverable gas, MMCF | 149,000 | 298,000 | 596,000 |
| 3. Oil Revenue, $ 3.01 x (1) | 162,239 | 324,478 | 648,956 |
| 4. Gas Revenue, $ 0.108 x (2) | 16,092 | 32,184 | 64,368 |
| 5. Total Revenue, $ (3) + (4) | 178,331 | 356,662 | 713,324 |
| 6. Total Net Revenue after Royalty, $ 0.875 x (5) | 156,040 | 312,079 | 624,158 |
| 7. Operating Costs, $ .25 x (1) | 13,475 | 26,950 | 53,900 |
| 8. Production Taxes, $ .061 x (6) | 9,518 | 19,037 | 38,074 |
| 9. Net Income, $ (6)-(7)-(8) | 133,047 | 266,092 | 532,184 |
| 10. Investment, $ | 213,000 | 213,000 | 213,000 |
| 11. Profit, $ (9)-(10) | (79,953) | 53,092 | 319,184 |
| 12. Profit-to-Investment Ratio (11) ÷ (10) | Loss | 0.25:1 | 1.50:1 |

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