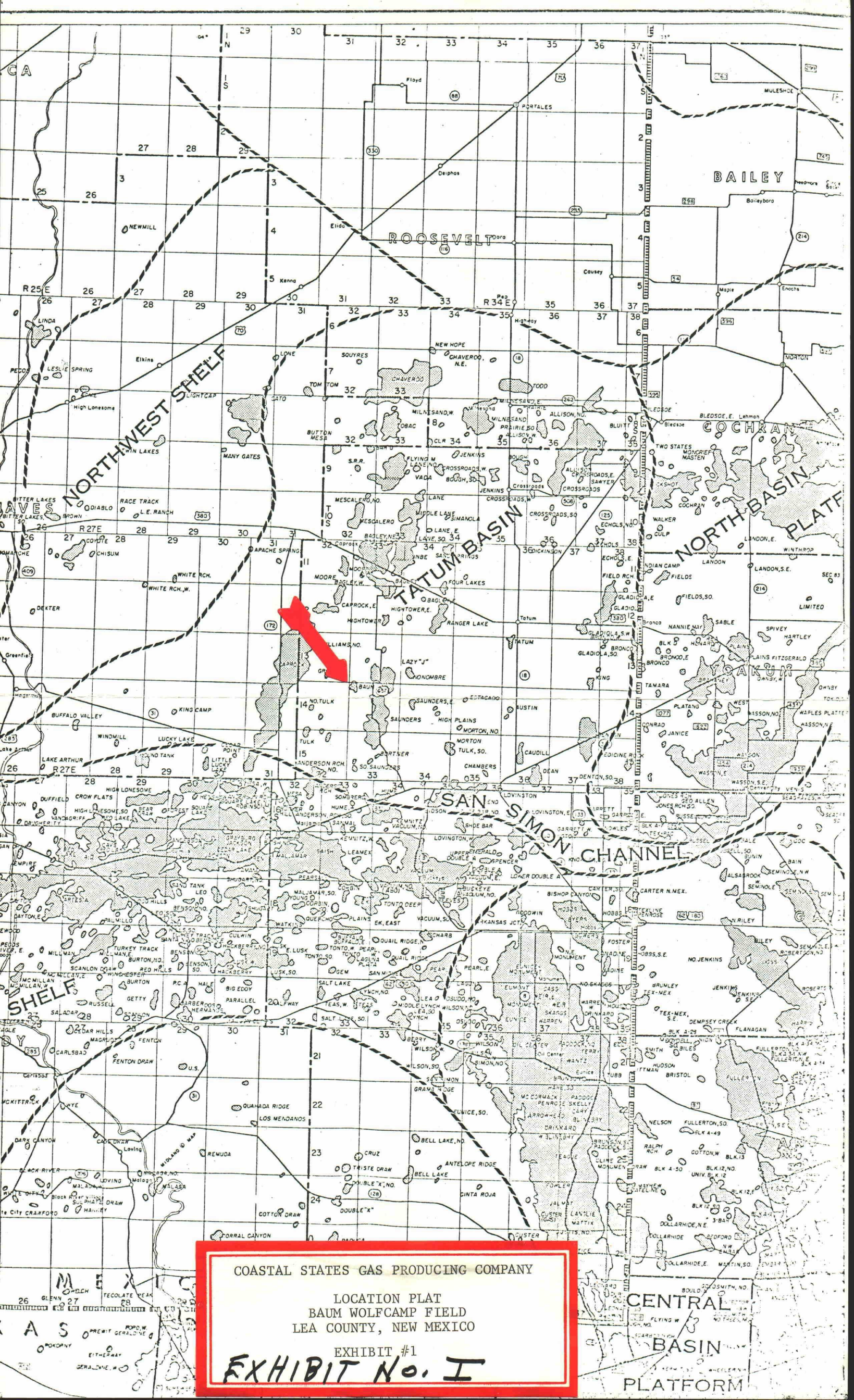




COASTAL STATES GAS PRODUCING COMPANY

LOCATION PLAT
BAUM WOLFCAMP FIELD
LEA COUNTY, NEW MEXICO

EXHIBIT #1

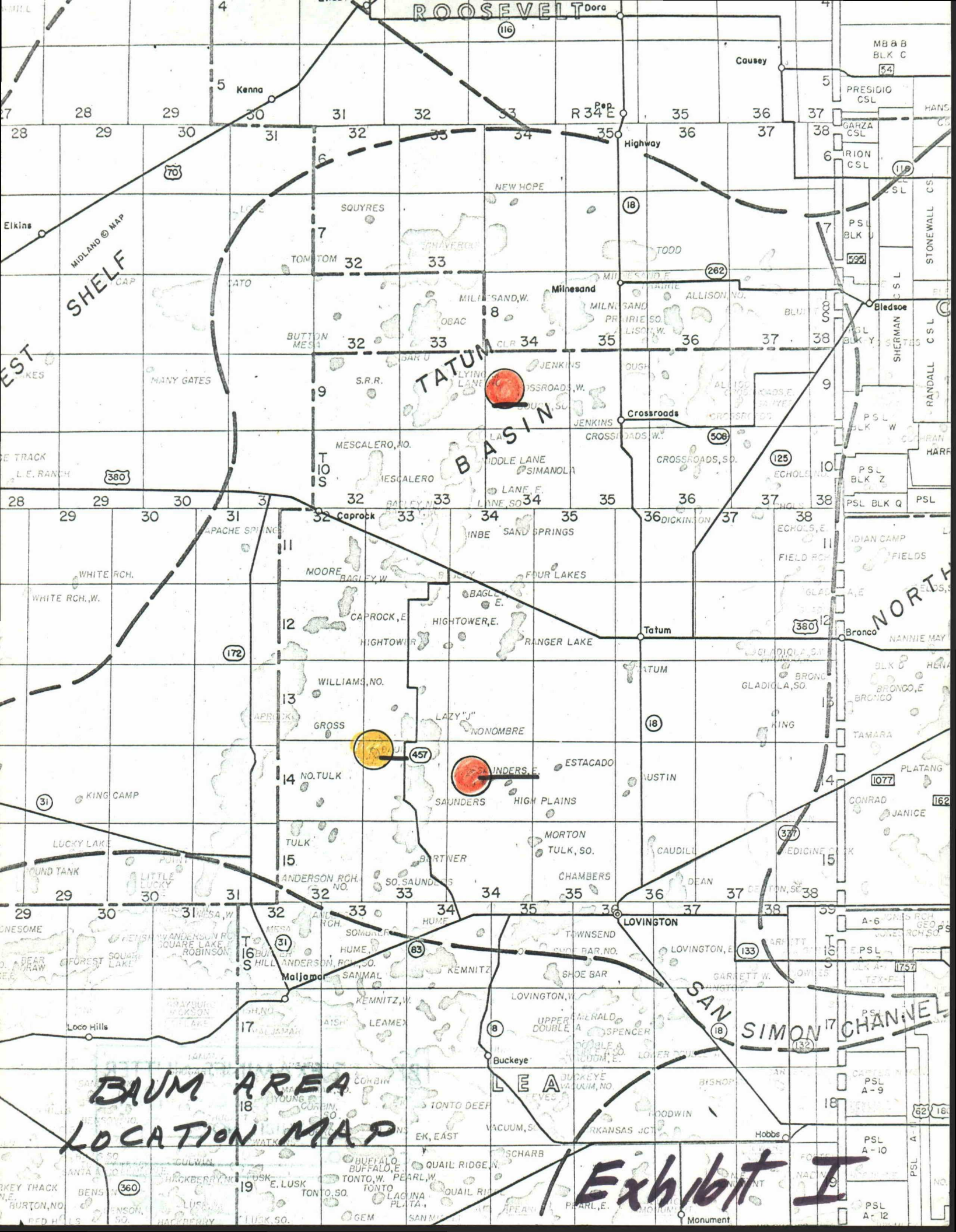
EXHIBIT No. I

BEFORE EXAMINER NUTTER

ILLINOIS CONSERVATION COMMISSION

Quail EXHIBIT NO. 1

CASE NO. 3701



BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

Apple EXHIBIT NO. 1

CASE NO. 3901

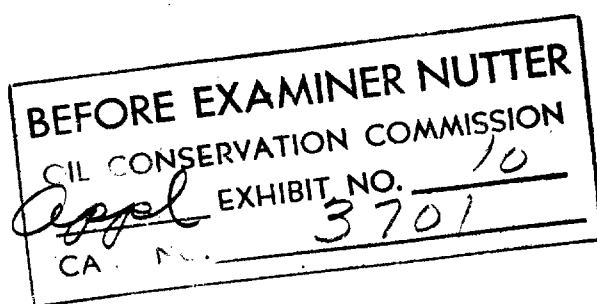
EXHIBIT

X

BAUM PERMO-PENN FIELD
ECONOMICS

Gross Income	\$ 3.11 per bbl.
Trucking Charge	0.11 per bbl.
Mineral Interest Income at .8125	2.44 per bbl.
Operating Cost and Taxes	0.50 per bbl.
Net Working Interest Income	1.94 per bbl.

Estimated Recovery	<u>40 Acres</u>	<u>80 Acres</u>	<u>160 Acres</u>
	37,800	75,500	151,000
Total Net Income	\$ 73,300	\$146,000	\$293,000
Development Cost per Well	\$180,000	\$180,000	\$180,000
Ratio of Income to Investment	0.41	0.81	1.63



~~Exhibit~~ 6

BAUM PERMO-PENN FIELD
RESERVOIR DATA AND RESERVE ESTIMATES

Porosity	9.0%
Water Saturation	38.0%
Formation Volume Factor	1.45
Recovery Factor (estimate)	35%
Net Pay.	9'

$$\begin{aligned}\text{Oil-in-Place} &= \frac{7758 \times 0.09 \times 0.62}{1.45} \\ &= 299 \text{ barrels per acre foot}\end{aligned}$$

$$\begin{aligned}\text{Recoverable Reserves} &= 299 \times 35\% \\ &= 105 \text{ barrels per acre foot} \\ &= 105 \times 9' \\ &= 945 \text{ barrels per acre} \\ &= 37,800 \text{ barrels per 40 acres} \\ &= 75,500 \text{ barrels per 80 acres} \\ &= 151,000 \text{ barrels per 160 acres}\end{aligned}$$

Exhibit III

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
<i>Exhibit</i>	EXHIBIT NO. <u>7</u>
CASE NO.	<u>2901</u>

EXHIBIT 7

BAUM PERMO-PENN FIELD
ECONOMICS

Gross Income	\$ 3.11 per bbl.
Trucking Charge	0.11 per bbl.
Mineral Interest Income at .8125	2.44 per bbl.
Operating Cost and Taxes	0.50 per bbl.
Net Working Interest Income	1.94 per bbl.

Estimated Recovery	<u>40 Acres</u>	<u>80 Acres</u>	<u>160 Acres</u>
	37,800	75,500	151,000
Total Net Income	\$ 73,300	\$146,000	\$293,000
Development Cost per Well	\$180,000	\$180,000	\$180,000
Ratio of Income to Investment	0.41	0.81	1.63

Exhibit VIII

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
Appellate	EXHIBIT NO. <u>8</u>
CASE NO. <u>3701</u>	

Exhibit IX

PROPOSED SPECIAL RULES AND REGULATIONS
FOR THE
BAUM PERMO-PENNSYLVANIAN POOL
LEA COUNTY, NEW MEXICO

RULE 1. Each well completed or recompleted in the Baum Permo-Pennsylvanian Pool of the Permo-Pennsylvanian formation within one mile thereof, and not nearer to or within the limits of another designated Pennsylvanian oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 160 acres, more or less, substantially in the form of a square, which is a quarter section being a legal subdivision of the United States Public Land Surveys; provided, however, that nothing contained herein shall be construed as prohibiting the drilling a well on each half of the quarter section or proportionate part thereof upon the receipt of written waivers from all offset operators and approval of the Secretary-Director.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit consisting of less than 160 acres or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Directory may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. The first well drilled on every standard or non-standard unit shall be located in the NW/4 or SE/4 of a governmental quarter section or lot.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
<i>Applied</i>	EXHIBIT NO. <u>9</u>
CASE NO.	<u>3761</u>

RULE 5. (cont'd)

to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (158 through 162 acres) shall be assigned a proportional factor of 6.77 for allowable purposes, and in the event there is more than one well on a 160-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 160 acres.

Case Number

3701

Large

Exhibits