

EAST LUSK (BONE SPRING) FIELD
TYPICAL DEVELOPMENT ECONOMICS

ASSUMPTIONS:

Expense Interest
Revenue Interest
Oil Price
Gas Price
Prod. Tax
Oper. Exp.
Cost Per Completed Well
* Ultimate Recovery

100%
87.5%
\$12.08
\$ 0.519/MCF
7.5%
\$1,050/Well-Month
\$349,000
158,464 BBLS + 300 MMCF

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\$12.08
\$ 0.519/MCF
7.5%
\$1,050/Well-Month
\$349,000
158,464 BBLS + 300 MMCF

TOTAL INCOME TO FULL W.I.:

Gross Revenue
Less Royalty Burdens
Less Prod. Tax (7.5%)

\$2,069,945
1,811,202
1,675,362

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1,811,202
1,675,362

TOTAL INVESTMENT

\$ 349,000

\$ 698,000 (2 Wells)

\$1,396,000 (4 Wells)

TOTAL OPER. EXP.

\$ 100,800

\$ 100,800

\$ 100,800

TOTAL PROFIT TO FULL W.I.

\$1,225,562

\$ 876,562

\$ 178,562

UNDISC. PROFIT/INVESTMENT RATIO

3.51/1

1.26/1

0.13/1

* 160 Acres @ 24.0% Recov. (61.9 B/A-F)
61.9 x 16 x 160 acres = 158,464 ST Bbls.

SUN

5443

9

28 Apr 76

SUN OIL COMPANY	
DALLAS REGION	
EAST LUSK (BONE SPRING) FIELD	
LEA COUNTY, NEW MEXICO	
TYPICAL DEVELOPMENT ECONOMICS	
Case No. 5443	Ex. No. 9
April 28, 1976	