

TYPICAL VERTICAL WELL

Horseshoe Gallup Pool Allowables

Top Gas Allowable (40 acres):

$$A_g = 2000 \text{ SCF/STB0}$$

Top Oil Allowable (40 acres):

$$A_o = 80 \text{ BOPD}$$

HORIZONTAL WELL

Horseshoe Gallup Extension

$1 \times A_g$ = Standard Pool Allowable for Gas

$$A_g = 2000 \text{ SCF/STB0}$$

and

$$\begin{aligned} 8 \times A_o &= \text{Eight times the Pool Allowable for Oil} \\ &= 640 \text{ BOPD} \end{aligned}$$