

MW PETROLEUM
ACREAGE FACTOR CALCULATION
PROPOSED FEDERAL C #2

MW Petroleum is requesting that the NMOCD approve an acreage factor of 0.62 for gas allowable purposes. This number is calculated by the average of three different techniques as follows:

- (1) Productive acreage - Based on a detailed geologic evaluation, Section 35 is estimated to have 440 productive acres:

$$440/640 = 0.69 \text{ (69\% of Section)}$$

- (2) Two Circle Method - The % difference in acreage lying outside the 640-acre unit for a 440-acre circle with its center at the proposed location and the same size circle with the center at the nearest regular location:

$$(226/440) - (96/440) = 0.30$$

$1 - 0.30 = 0.70$ or 70% of the proposed drainage pattern is within the correlative rights of the gas unit.

- (3) Distance Ratio Method - The % distance from the lease line for the proposed unorthodox location compared to a regular location:

$$800'/1650' = 0.48 \text{ (48\% of Distance)}$$

The average of the three factors is 0.62.

NMOCD Hearing of June 3, 1993

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION
<i>MW Petro Corp.</i> EXHIBIT NO. <u>5</u>
CASE NO. <u>10736</u>