

ECONOMIC INPUT & ASSUMPTIONS

DRILLING COSTS (\$M):

WELL	158M	175M	192E	SINGLE DK	SINGLE MV
Dakota	\$444	476	384	568	
Mesaverde	296	324			420
Gallup			383		
Totals	\$739	800	767	568	420

OPERATING COSTS:

\$430 per well per month (\$215/interval)

GAS PRICE:

1991 - \$1.00/mmBTU - wellhead collected
 1991 - 1995 4% escal
 1996 - 2000 6% escal
 2000 + 4% escal

SECTION 17 - OIL CONSERVATION DIVISION

UNocal EXHIBIT NO. 8

CASE NO. 10309