

Case Number
3520

Large
Exhibits



SOUTHERN NATURAL GAS COMPANY
PROSPECT EVALUATION - DETAIL
1-19-67

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 10
CASE NO. 3520

PROSPECT NAME NORTH BAGLEY-WOLF CAMP 80 AC SPACING
LOCATION LEA COUNTY NEW MEXICO

660

	ANNUAL PRODUCTION 100%	TOTAL	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25
1 GAS- MCF	635	190	167	173	105	0	0	0	0	0	0	0	0	0	0
2 CONDENSATE- MBBL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 OIL- MBBL	96.5	45.7	27.9	16.4	6.5	0	0	0	0	0	0	0	0	0	0
4 ANNUAL PRODUCTION- (GAS NET)	497	152	132	132	80	0	0	0	0	0	0	0	0	0	0
5 GAS- MCF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 CONDENSATE- MBBL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 OIL- MBBL	76.3	36.7	22.1	12.6	5.0	0	0	0	0	0	0	0	0	0	0

INCOME STATEMENT IN \$ DOLLARS- SNG INTEREST

	REVENUE- AFTER ROYALTIES	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25
1 GAS- \$.610 /MCF	30.3	9.3	8.1	8.1	4.9	0	0	0	0	0	0	0	0	0
2 CONDENSATE- \$2.99 /MBL	228.1	109.6	66.0	37.5	16.9	0	0	0	0	0	0	0	0	0
3 OIL- \$2.99 /MBL	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 OTHER REVENUE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 TOTAL REVENUE	258.4	118.9	74.1	45.6	19.8	0	0	0	0	0	0	0	0	0
6 (OPERATING EXPENSES)	14.4	3.6	3.6	3.6	3.6	0	0	0	0	0	0	0	0	0
7 DIRECT OPERATION & MAINT	13.7	6.3	3.9	2.4	1.0	0	0	0	0	0	0	0	0	0
8 SEVERANCE TAXES	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 ADMINISTRATIVE & GENERAL	4.8	1.2	1.2	1.2	1.2	0	0	0	0	0	0	0	0	0
10 DELAY RENT & DEV. DRY HOLES	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 WORKOVERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 DEPRECIATION & DEPLETION	157.9	71.3	44.4	27.4	11.9	0	0	0	0	0	0	0	0	0
13 TOTAL OPERATING EXPENSES	187.9	82.4	53.2	34.6	17.7	0	0	0	0	0	0	0	0	0
14 NET INCOME BEFORE FIT	70.5	36.5	20.9	11.1	2.1	0	0	0	0	0	0	0	0	0
15 FEDERAL INCOME TAX	16.0	4.7	12.1	6.6	2.1	0	0	0	0	0	0	0	0	0
16 NET INCOME AFTER FIT	54.5	31.8	8.8	4.5	0	0	0	0	0	0	0	0	0	0

CASH ANALYSIS

	ACTUAL CASH	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25
1 CASH FROM OPERATIONS	209.5	112.6	53.3	31.8	11.9	0	0	0	0	0	0	0	0	0
2 COST OF CAPITAL INVESTMENT	155.0	155.0	0	0	0	0	0	0	0	0	0	0	0	0
3 NET CASH RECOVERY PER YEAR	54.5	44.3	53.3	31.8	11.9	0	0	0	0	0	0	0	0	0
4 CUMULATIVE CASH RECOVERY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 PRESENT VALUE OF CASH- ACTUAL DISCOUNTED @ 10.0%	186.6	107.2	44.0	25.0	8.4	0	0	0	0	0	0	0	0	0
6 CASH FROM OPERATIONS	147.6	147.6	0	0	0	0	0	0	0	0	0	0	0	0
7 COST OF CAPITAL INVESTMENT	39.0	40.3	46.0	25.0	8.4	0	0	0	0	0	0	0	0	0
8 NET CASH RECOVERY PER YEAR	0	0	0	0	0	0	0	0	0	0	0	0	0	0

INCOME TAX CALCULATION

	NET INCOME BEFORE FIT	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25
1 NET INCOME BEFORE FIT <td>70.5</td> <td>36.5</td> <td>20.9</td> <td>11.1</td> <td>2.1</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td>	70.5	36.5	20.9	11.1	2.1	0	0	0	0	0	0	0	0	0
2 ADD DPM & DEPR. PER BOOKS	155.0	71.3	44.4	27.4	11.9	0	0	0	0	0	0	0	0	0
3 DEDUCT INTANG. DRILLING COST	86.0	86.0	0	0	0	0	0	0	0	0	0	0	0	0
4 DEDUCT DEPR. ON TANG. EQUIP.	60.0	31.7	15.8	12.2	5.3	0	0	0	0	0	0	0	0	0
5 DEDUCT DEPLETION	37.3	0	20.4	12.5	4.3	0	0	0	0	0	0	0	0	0
6 NET TAXABLE INCOME	32.2	9.9	25.2	13.7	4.3	0	0	0	0	0	0	0	0	0
7 FEDERAL INCOME TAX	16.0	4.7	12.1	6.6	2.1	0	0	0	0	0	0	0	0	0



SOUTHERN NATURAL GAS COMPANY PROSPECT EVALUATION - DETAIL 1-13-57														6/11/70									
PROSPECT NAME NORTH EAGLEY-WOLF CAMP 80 AC SPACING														F&O									
LOCATION LEA COUNTY NEW MEXICO																							
ANNUAL PRODUCTION- 100% TOTAL																							
1 GAS- MCF	435	100	147	173	105	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 CONDENSATE- MBBL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 OIL- MBBL	96.5	45.7	27.9	16.4	6.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ANNUAL PRODUCTION- SNG NET																							
4 GAS- MCF	497	132	132	132	80	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 CONDENSATE- MBBL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 OIL- MBBL	76.3	36.7	22.1	12.6	5.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INCOME STATEMENT IN \$ DOLLARS- SNG INTEREST																							
REVENUE- AFTER ROYALTIES																							
7 GAS	30.3	9.3	8.1	8.1	4.9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 CONDENSATE	\$2.99 / BBL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 OIL	\$2.99 / BBL	228.1	109.6	66.0	37.5	14.9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 OTHER REVENUE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 TOTAL REVENUE		258.4	118.9	74.1	45.6	19.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OPERATING EXPENSES																							
12 DIRECT OPERATION & MAINT	14.4	3.6	3.6	3.6	3.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 SEVERANCE TAXES	13.7	6.3	3.6	3.6	3.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 ADMINISTRATIVE & GENERAL	4.0	1.2	1.2	1.2	1.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 DELAY RENT & DEV. DRY HOLES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 WORKOVERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 DEPRECIATION & DEPLETION	155.0	71.3	44.2	27.4	11.9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 TOTAL OPERATING EXPENSES	187.9	82.4	53.2	34.6	17.7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 NET INCOME BEFORE FIT	70.5	36.5	20.9	11.1	2.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 FEDERAL INCOME TAX	16.0	4.7	12.1	6.6	2.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 NET INCOME AFTER FIT	54.5	41.2	8.8	4.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH ANALYSIS																							
ACTUAL CASH																							
22 CASH FROM OPERATIONS	209.5	112.6	53.3	31.8	11.9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 COST OF CAPITAL INVESTMENT	155.0	155.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 NET CASH RECOVERY PER YEAR	54.5	42.3	53.3	31.8	11.9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 CUMULATIVE CASH RECOVERY	54.5	42.3	10.8	42.7	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5
PRESENT VALUE OF CASH- ACTUAL DISCOUNTED @ 10.0%																							
26 CASH FROM OPERATIONS	186.0	107.2	46.0	25.0	8.4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27 COST OF CAPITAL INVESTMENT	147.8	147.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28 NET CASH RECOVERY PER YEAR	38.0	40.3	46.0	25.0	8.4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INCOME TAX CALCULATION																							
29 NET INCOME BEFORE FIT	70.5	36.5	20.9	11.1	2.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 ADD DRP & DEPL. PER BOOKS	155.0	71.3	44.2	27.4	11.9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31 DEDUCT INTANG. DRILLING COST	88.0	88.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32 DEDUCT DEPR. ON TANG. EQUIP.	60.0	31.7	19.8	12.2	5.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33 DEDUCT DEPLETION	37.3	0	20.4	12.5	4.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34 NET TAXABLE INCOME	232.2	91.9	29.2	15.7	8.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35 FEDERAL INCOME TAX	16.0	4.7	12.1	6.6	2.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0



