Case Number

3520

Large

Exhibits

Exhibit 4

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

SOUTHERN NATURAL GAS COMPANY
PROSPECT EVALUATION - DETAIL
1-13-67

E60

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

	TOTAL	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25
ANNUAL PRODUCTION- 100%														
1 GAS- MMCF	635	190	167	173	105	0	0	0	0	0	0	0	0	0
2 CONDENSATE- MBBLS	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3 OIL- MBBLS	96.5	45.7	27.9	16.4	6.5	.0	.0	.0	.0	.0	.0	.0	.0	.0
ANNUAL PRODUCTION- SNG NET														
4 GAS- MMCF	497	152	132	132	80	0	0	0	0	0	0	0	0	0
5 CONDENSATE- MBBLS	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6 OIL- MBBLS	76.3	36.7	22.1	12.6	5.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
INCOME STATEMENT IN M DOLLARS- SNG INTEREST														
REVENUE- AFTER ROYALTIES														
7 GAS $ .610 /MCF	30.3	9.3	8.1	8.1	4.9	.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
9 OIL $2.99 /BBL	228.1	109.6	66.0	37.5	14.9	.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
11 TOTAL REVENUE	258.4	118.9	74.1	45.6	19.8	.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
13 SEVERANCE TAXES	13.7	6.3	3.9	2.4	1.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14 ADMINISTRATIVE & GENERAL	4.8	1.2	1.2	1.2	1.2	.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
16 WORKOVERS	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17 DEPRECIATION & DEPLETION	155.0	71.3	44.4	27.4	11.9	.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
19 NET INCOME BEFORE FIT	$ 70.5	36.5	20.9	11.1	2.1	.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
21 NET INCOME AFTER FIT	54.5	41.2	8.8	4.5	.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
23 COST OF CAPITAL INVESTMENT	155.0	155.0	.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
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
PRESENT VALUE OF CASH- ACTUAL DISCOUNTED @ 10.0%														
26 CASH FROM OPERATIONS	186.6	107.2	46.0	25.0	8.4	.0	.0	.0	.0	.0	.0	.0	.0	.0
27 COST OF CAPITAL INVESTMENT	147.6	147.6	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
28 NET CASH RECOVERY PER YEAR	39.0	-40.3	46.0	25.0	8.4	.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
30 ADD DEPR & DEPL PER BOOKS	155.0	71.3	44.4	27.4	11.9	.0	.0	.0	.0	.0	.0	.0	.0	.0
31 DEDUCT INTANG DRILLNG COST	86.0	86.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
32 DEDUCT DEPR ON TANG EQUIPM	69.0	31.7	19.8	12.2	5.3	.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
34 NET TAXABLE INCOME	33.2	-9.9	25.2	13.7	4.3	.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

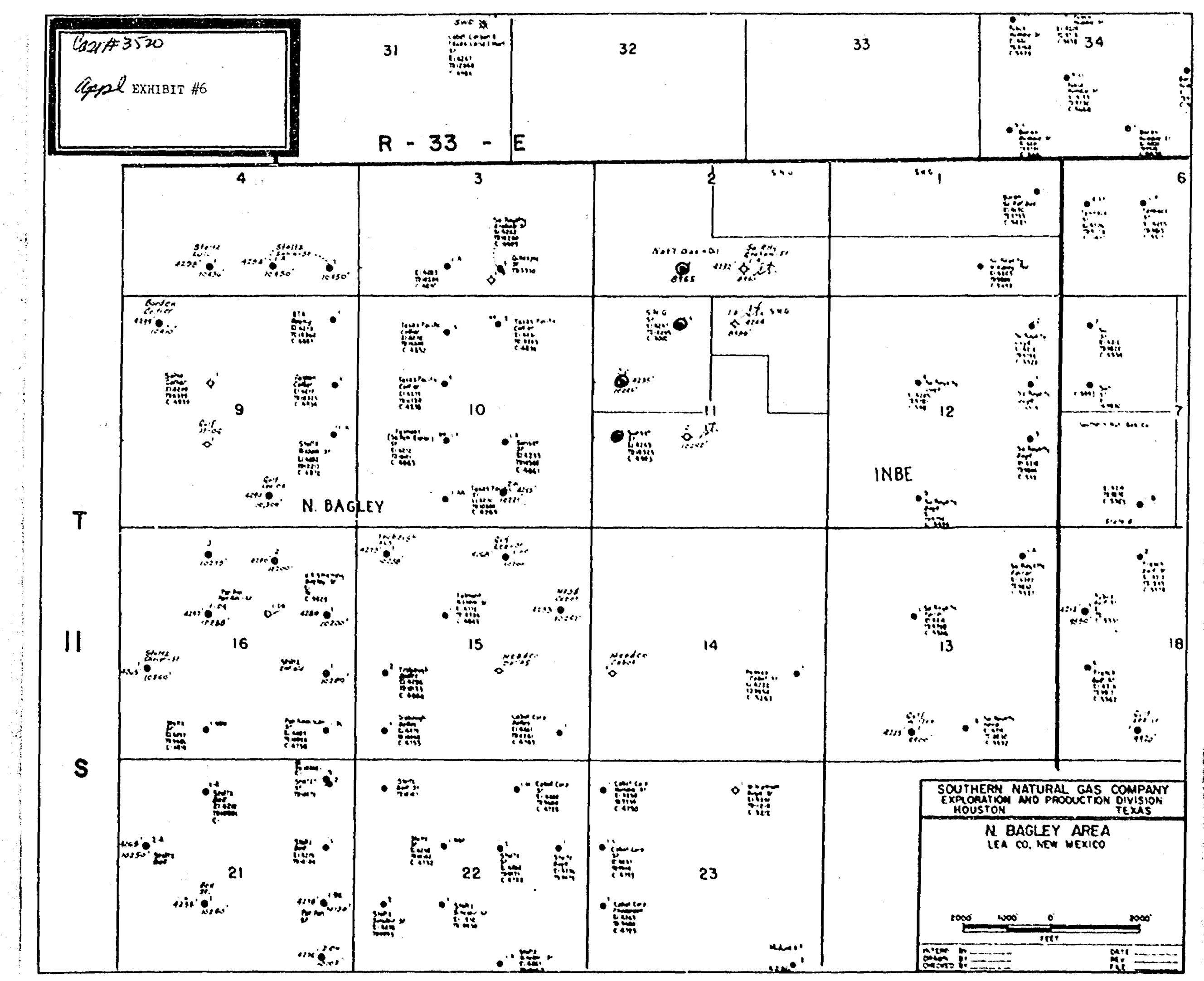
Exh. #10

SOUTHERN NATURAL GAS COMPANY
PROSPECT EVALUATION - DETAIL
1-13-67

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

E60

	TOTAL	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25
ANNUAL PRODUCTION- 100%														
1 GAS- MMCF	635	190	167	173	105	0	0	0	0	0	0	0	0	0
2 CONDENSATE- MBBLS	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3 OIL- MBBLS	96.5	45.7	27.9	16.4	6.5	.0	.0	.0	.0	.0	.0	.0	.0	.0
ANNUAL PRODUCTION- SNG NET														
4 GAS- MMCF	497	132	132	132	80	0	0	0	0	0	0	0	0	0
5 CONDENSATE- MBBLS	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6 OIL- MBBLS	76.3	36.7	22.1	12.6	5.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
INCOME STATEMENT IN M DOLLARS- SNG INTEREST														
REVENUE- AFTER ROYALTIES														
7 GAS $ .610 /MCF	30.3	9.3	8.1	8.1	4.9	.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
9 OIL $2.99 /BBL	228.1	109.6	66.0	37.5	14.9	.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
11 TOTAL REVENUE	258.4	118.9	74.1	45.6	19.8	.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
13 SEVERANCE TAXES	13.7	6.3	3.9	2.4	1.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14 ADMINISTRATIVE & GENERAL	4.8	1.2	1.2	1.2	1.2	.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
16 WORKOVERS	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17 DEPRECIATION & DEPLETION	155.0	71.3	44.4	27.4	11.9	.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
19 NET INCOME BEFORE FIT	70.5	36.5	20.9	11.1	2.1	.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
21 NET INCOME AFTER FIT	54.5	41.2	8.8	4.5	.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
23 COST OF CAPITAL INVESTMENT	155.0	155.0	.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
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
PRESENT VALUE OF CASH- ACTUAL DISCOUNTED @ 10.0%														
26 CASH FROM OPERATIONS	186.6	107.2	46.0	25.0	8.4	.0	.0	.0	.0	.0	.0	.0	.0	.0
27 COST OF CAPITAL INVESTMENT	147.6	147.6	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
28 NET CASH RECOVERY PER YEAR	39.0	-40.3	46.0	25.0	8.4	.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
30 ADD DEPR & DEPL PER BOOKS	155.0	71.3	44.4	27.4	11.9	.0	.0	.0	.0	.0	.0	.0	.0	.0
31 DEDUCT INTANG DRILLNG COST	86.0	86.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
32 DEDUCT DEPR ON TANG EQUIPM	69.0	31.7	19.8	12.2	5.3	.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
34 NET TAXABLE INCOME	33.2	-9.9	25.2	13.7	4.3	.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


Case #3520
Appl EXHIBIT #6
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N. BAGLEY
SOUTHERN NATURAL GAS COMPANY
EXPLORATION AND PRODUCTION DIVISION
HOUSTON TEXAS
N. BAGLEY AREA
LEA CO., NEW MEXICO
2000' 1000' 0' 2000'