

BEFORE THE
OIL CONSERVATION-COMMISSION
Santa Fe, New Mexico

Case No. 8287 Exhibit No. 5

Submitted by Bans

Hearing Date 8/24/84

ANALYSIS OF STATE AND FEDERAL REVENUE
FROM PRODUCTION OF MORROW GAS RESERVES
UNDER R-111 AREA BY DIRECTIONALLY DRILLED WELLS

CASE:

BASED ON MINIMUM OF 15 DIRECTIONALLY DRILLED MORROW GAS
WELLS WITH AN AVERAGE ULTIMATE GAS PRODUCTION OF 1,600,000
MCF PER WELL.

67
1680000
 .19
15120000
1680000

2/ 31920000
159600

- | | | |
|--|---------------|----------------------|
| 1. STATE AND FEDERAL ROYALTY INCOME
(Based on Average Royalty of 12.5%) | \$ 10,500,000 | |
| 2. STATE SEVERANCE TAX
(Based on \$.139/MCF) | \$ 3,336,000 | $\frac{.19}{X} = .2$ |
| 3. AD VALOREM TAX
(Based on 2% of Revenue) | \$ 1,680,000 | |
| 4. Conservation Tax | \$ 159,600 | |