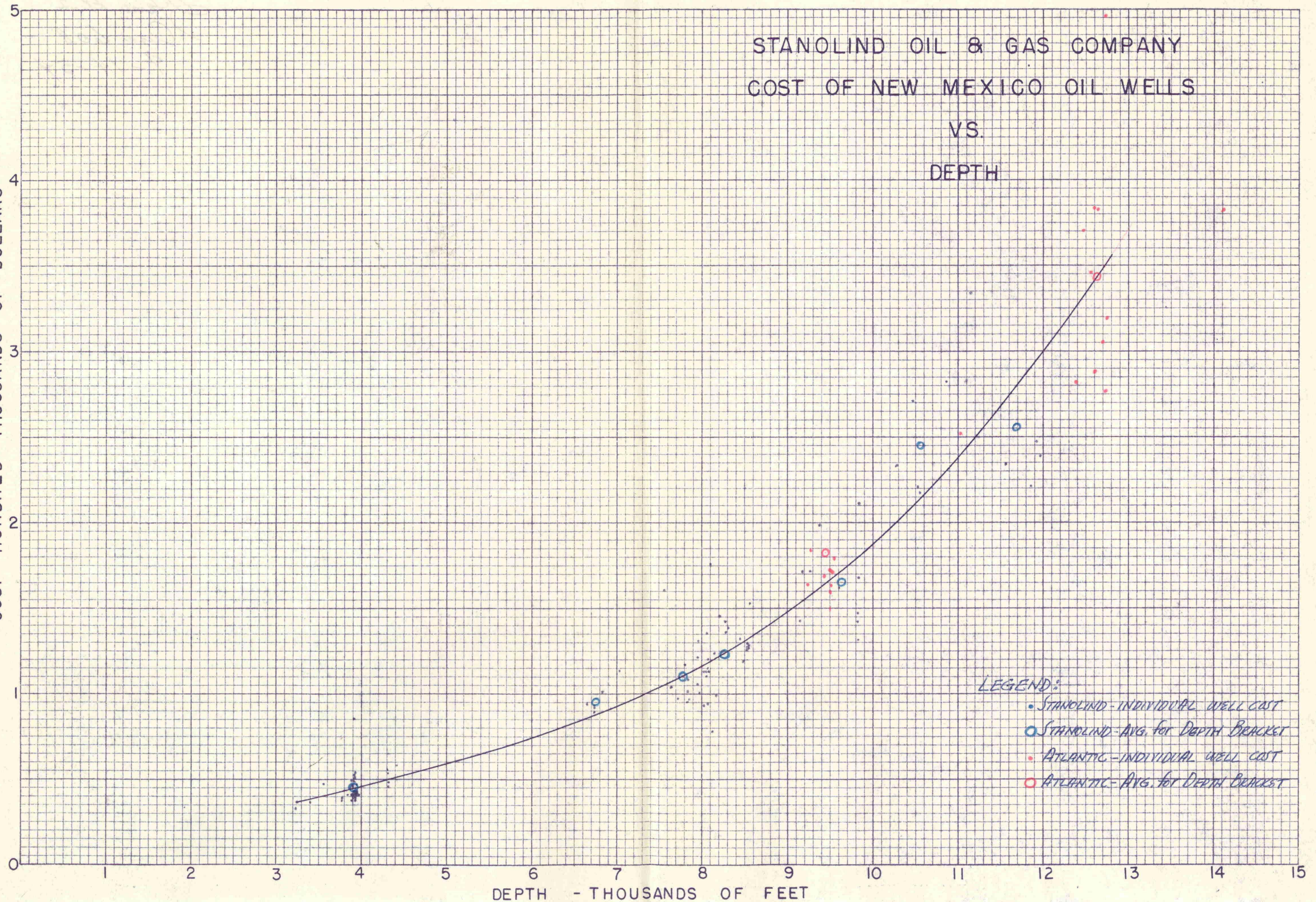


COST - HUNDRED THOUSANDS OF DOLLARS

STANOLIND OIL & GAS COMPANY
COST OF NEW MEXICO OIL WELLS
VS.
DEPTH

LEGEND:

- STANOLIND-INDIVIDUAL WELL COST
- STANOLIND-AVG. for DEPTH BRACKET
- ATLANTIC-INDIVIDUAL WELL COST
- ATLANTIC-AVG. for DEPTH BRACKET

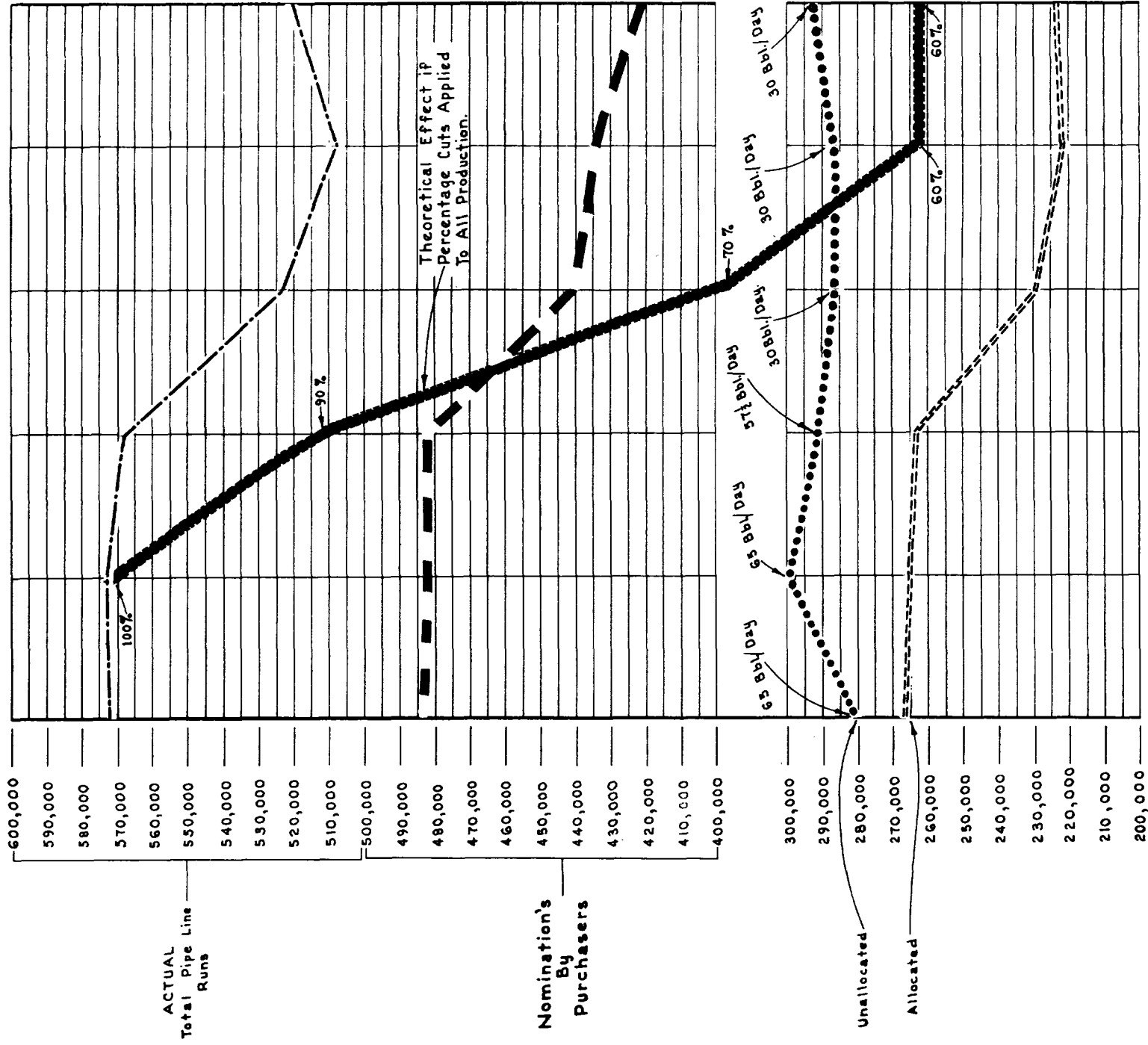


281
Sh. 11 Ave (C.C.)
0.14-50

COMPARISON OF DEPTH FACTORS
AND VARIATION IN PAYOUT TIME

Depth Range	Present Adaptation Factor	Commission-Proposed Plan All Wells Pay Out in 1.406 Years		Shell Interpretation All Wells Pay Out in 1.406 Years		Shell Recommended Plan Sliding Time Payout Payout Time In Years		Shell Recommended Plan Basic Unit 35 B/D For Wells in 3-4000' Range	
		Average Cost	Factor*	Average Cost	Factor*			Factor	Allowable
0 - 1000	1.00	No Cost	-	3200	0.07	0.07	0.37**	0.08	10**
1 - 2000	1.00	Curve in	-	12400	-0.26	0.27	1.31	0.31	11
2 - 3000	1.00	0-3000' Range	-	24800	0.51	0.54	1.31	0.62	22
3 - 4000	1.00	39500	0.82	39600	0.82	0.875	1.32	1.00	35
4 - 5000	1.00	61000	1.27	56000	1.16	1.25	1.30	1.42	50
5 - 6000	1.33	81700	1.66	73500	1.52	1.65	1.30	1.88	66
6 - 7000	1.77	104400	2.15	92300	1.91	2.08	1.29	2.38	83
7 - 8000	2.33	126000	2.59	111700	2.33	2.56	1.26	2.92	102
8 - 9000	3.00	148000	3.07	135600	2.81	3.12	1.25	3.57	125
9 - 10000	3.77	169700	3.51	161900	3.35	3.78	1.23	4.31	151
10 - 11000	4.67	194000	4.02	192600	3.99	4.57	1.21	5.22	183
11 - 12000	5.67	230800	4.76	22800	4.74	5.50	1.19	6.29	220
12 - 13000	6.75	280300	5.81	271600	5.62	6.63	1.17	7.58	265
13 - 14000	8.00	345000	7.17	322400	6.67	7.99		9.13	320

* These Factors Assume A Basic Unit of 40 Barrels of Oil Daily
** Minimum Allowable of 10 Barrels of Oil Daily for 0-2000 Foot Range



STATE OF OKLAHOMA

Comparison Between Daily Average Allowables And Pipe Line Runs In Allocated And Unallocated Pools, Last Half Of 1953

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Conrad EXHIBIT No. 1
CASE 62-15

MERADY
EXHIBIT 1
in Case 608