

SOUTHERN NATURAL GAS COMPANY
PROSPECT EVALUATION - DETAIL
1-13-47

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

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

| ANNUAL PRODUCTION | | 100% | | | | | | | | | | |
|--|--|--|-------|------|------|------|------|------|------|------|------|------|
| 1 GAS- MMCF | | TOTAL | | | | | | | | | | |
| 2 CONDENSATE- MMBLS | | 1 2 3 4 5 6 7 8 9 10 11-15 16-20 21-25 | | | | | | | | | | |
| 3 OIL- MMBLS | | 635 | 190 | 167 | 173 | 105 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 GAS- MMCF | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 5 CONDENSATE- MMBLS | | 96.5 | 45.7 | 27.9 | 16.4 | 6.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 6 OIL- MMBLS | | 96.5 | 45.7 | 27.9 | 16.4 | 6.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| ANNUAL PRODUCTION- SNG NET | | 100% | | | | | | | | | | |
| 7 GAS | | 497 | 152 | 132 | 132 | 80 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 CONDENSATE | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 9 OIL | | 76.3 | 36.7 | 22.1 | 12.6 | 5.0 | 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 |
| 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 |
| (OPERATING EXPENSES) | | 100% | | | | | | | | | | |
| 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 |
| 13 SEVERANCE TAXES | | 13.7 | 6.3 | 3.9 | 2.4 | 1.0 | 0.0 | 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 | 0.0 | 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 |
| 16 WORKOVERS | | 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 | 44.4 | 27.4 | 11.9 | 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 |
| 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 |
| 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 |
| 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 |
| CASH ANALYSIS | | 100% | | | | | | | | | | |
| 22 ACTUAL CASH | | 209.5 | 112.6 | 53.3 | 31.8 | 11.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 23 CASH FROM OPERATIONS | | 155.0 | 155.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 24 COST OF CAPITAL INVESTMENT | | 54.5 | -42.3 | 53.3 | 31.8 | 11.9 | 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 |
| PRESENT VALUE OF CASH- ACTUAL DISCOUNTED @ 10.0% | | 186.6 | 107.2 | 46.0 | 25.0 | 8.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 26 CASH FROM OPERATIONS | | 147.6 | 147.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 27 COST OF CAPITAL INVESTMENT | | 39.0 | -40.3 | 46.0 | 25.0 | 8.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 28 NET CASH RECOVERY PER YEAR | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| INCOME TAX CALCULATION | | 100% | | | | | | | | | | |
| 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 |
| 30 ADD DBPR & DEPL PER BOOKS | | 155.0 | 71.3 | 44.4 | 27.4 | 11.9 | 0.0 | 0.0 | 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 | 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 | 0.0 | 0.0 |
| 33 DEDUCT DEPLETION | | 37.3 | 0.0 | 20.4 | 12.5 | 4.3 | 0.0 | 0.0 | 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 | 0.0 | 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 |