ECONOMIC FOR VARIOUS SPACING SCHEMES
E. Saunders Permo-Penn Pool
Lea County, New Mexico

Case No. 2678
Exhibit No.12 (Rev)
10/30/63

BASIC DATA:

1.	Oil Value	$ 3.01/bbl
2.	Oil Purchaser	Indiana Oil Purchasing Company
3.	Gas Value	$ 0.118/MCF
4.	Gas Purchaser	Warren Petroleum Corporation
5.	Net Interest	87.5%
6.	Production Taxes	6.2% of net revenue
7.	Lifting Costs	$ 0.10/bbl
8.	Investment (Well lease facilities and pumping unit)	$ 195,200

ECONOMICS:

		WELL SPACING		
	Item	40 acre	80 acre	160 acre
1.	Recoverable oil, bbl.	52,800	105,500	211,000
2.	Recoverable gas, MCF	145,600	290,900	581,700
3.	Oil Revenue, $ 3.01 X (1)	158,900	317,600	635,100
4.	Gas Revenue, $ 0.118 X (2)	17,200	34,300	68,600
5.	Total Revenue, $ (3) + (4)	176,100	351,900	703,700
6.	Total Net Revenue after Royalty, $ 0.875 X (5)	154,100	307,900	615,700
7.	Operating Costs, $ .10 X (1)	5,300	10,600	21,100
8.	Production Taxes, $ .062 X (6)	9,600	19,100	38,200
9.	Net Income, $ (6)-(7)-(8)	139,200	278,200	556,400
10.	Investment, $	195,200	195,200	195,200
11.	Profit, $ (9)-(10)	(56,000)	83,000	361,200
12.	Profit-to-Investment Ratio (11) ÷ (10)	Loss	0.43:1	1.85:1

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 10
CASE NO. 2678