

WELL ECONOMICS
NORTH MESCALERO (CISCO) FIELD

Calculation of Gross Income for an Average Well with an 87.5 %
Working Interest

Ultimate Field Recovery, STB	73,000
Number of Wells	2
Average Ultimate Recovery per Well, STB	36,500
Oil Price, \$/STB	3.16
Gross Revenue, \$	96,360
Economic Life, Years	2
Operating Costs @ \$1500/month	36,000
Total Net Revenue, \$	60,360
Development Cost, \$	205,000
Net Profit (Loss), \$	(144,640)

28000
5900
34900

BAILEY, SIPES, WILLIAMSON & RUNYAN, INC.
1100 V & J TOWER MIDLAND, TEXAS 79701
L. D. SIPES, JR., P.E./zt JULY 7, 1969

#6

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 6

CASE NO. 4161

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4161
Order No. R-3798

APPLICATION OF ROGER C. HANKS
FOR SPECIAL POOL RULES, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 9, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of July, 1969, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Roger C. Hanks, seeks the promulgation of special rules and regulations for the North Mescalero-Cisco Pool, Lea County, New Mexico, including a provision for 160-acre spacing and proration units and the assignment of 80-acre allowables.

(3) That the applicant has not established that the wells in the North Mescalero-Cisco Pool can efficiently and economically drain and develop 160 acres or that the establishment of special rules and regulations, even on a temporary basis, would prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, prevent reduced recovery which might result from the drilling to too few wells, or otherwise prevent waste or protect correlative rights.

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(6) That the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

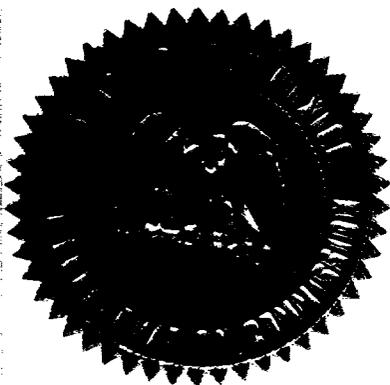
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ABMIJO, Member

A. L. PORTER, Jr., Member & Secretary



esr/