

WEST LUSK DELAWARE FIELD
LEA COUNTY, NEW MEXICO

I Costs of Drilling and Completing

	Drilling	Completion Costs	Total
Mobil Federal #1	\$ 247,645.98	\$ 103,139.10	\$ 350,785.08
Mobil Federal #2	\$ 181,334.20	\$ 68,252.56	\$ 249,586.76
Amoco Federal #1	\$ 182,215.49	\$ 129,792.40	\$ 312,007.89
Amoco Federal #2	\$ 224,403.93	\$ 155,663.64	\$ 380,067.57
Mobil Federal #3	\$ 224,677.60	\$ 197,157.75	\$ 421,835.35
Mobil Federal #4	\$ 207,988.03	\$ 163,172.07	\$ 370,160.10

II Anticipated Cost Savings

Current Disposal Costs:

\$1.63 per barrel x 320 BPD = \$522 per day
\$522 x 365 days = \$ 190,530

Annual cost: 45% of most expensive well

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<u>Woodbine</u>	EXHIBIT NO. <u>2</u>
CASE NO. <u>10053</u>	