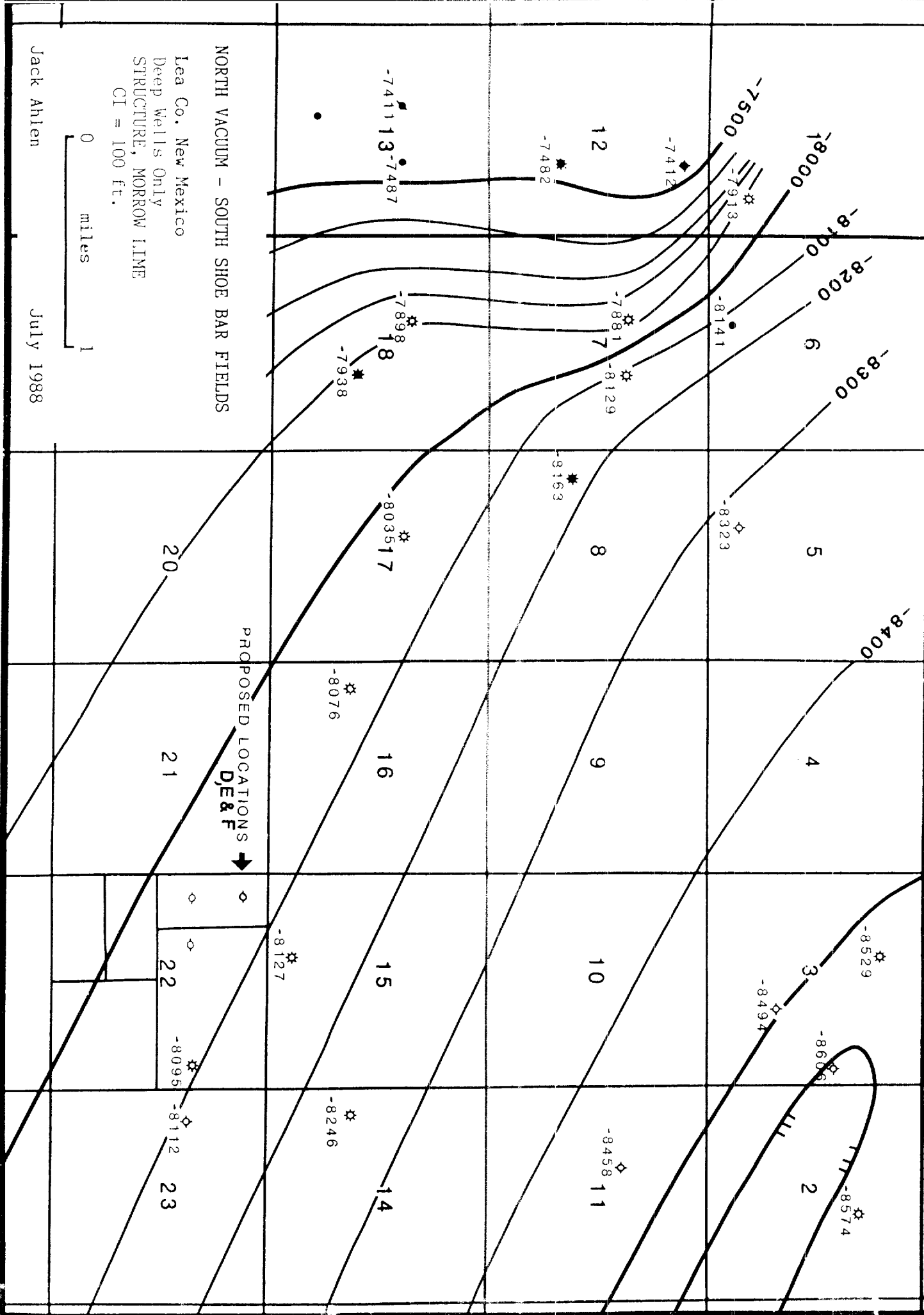


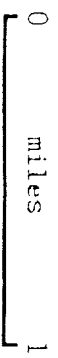
T17S R34E

T17S R35E



NORTH VACUUM - SOUTH SHOE BAR FIELDS

Lea Co. New Mexico
Deep Wells Only
STRUCTURE, MORROW LIME
CI = 100 ft.



Jack Ahlen

July 1988

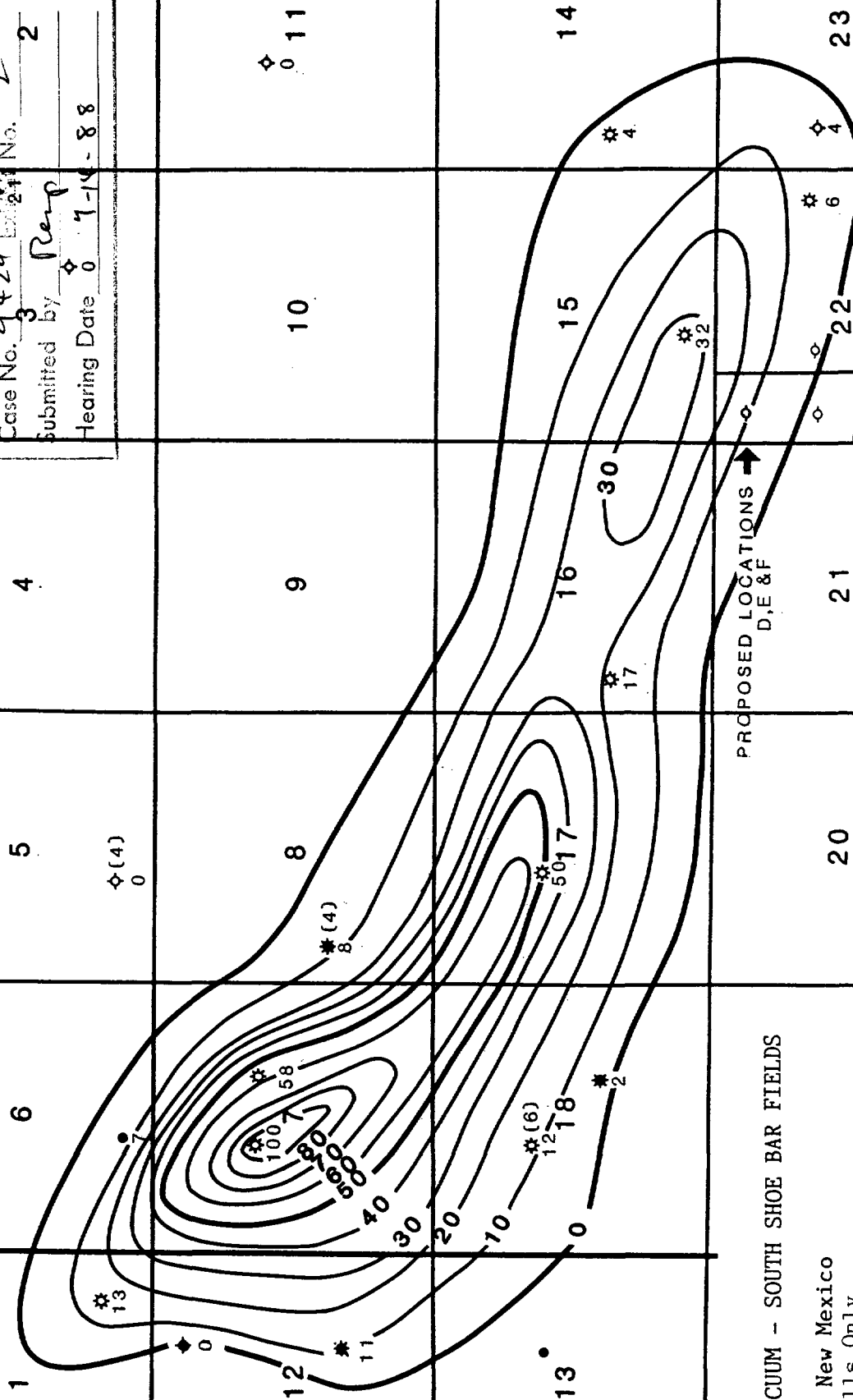
9429
Ray
7-14-88

T17S R34E

T17S R35E

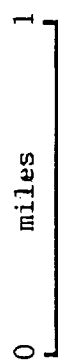
BEFORE THE
 OIL CONSERVATION COMMISSION
 Santa Fe, New Mexico *

Case No. 9429 Exhibit No. 2
 Submitted by Reep
 Hearing Date 7-19-88



NORTH VACUUM - SOUTH SHOE BAR FIELDS

Lea Co. New Mexico
 Deep Wells Only
 ISOPACH ATOKA SAND
 CI = 10 ft.



Jack Ahlen

July 1988

NEW MEXICO "AC" STATE #1
SOUTH SHOE BAR ATOKA
WELL COSTS

Billing Date	Pipeline	Equipment	Workover	Lease Operating Expense	All Categories
01/20/86			\$353,684.34		\$353,684.34
04/10/86			10,659.87		10,659.87
04/10/86				\$4,863.74	4,863.74
04/30/86		\$595.86		2,346.54	2,942.40
05/31/86				1,969.46	1,969.46
06/13/86	\$45,725.03				45,725.03
06/30/86				1,346.28	1,346.28
07/31/86		520.10		1,723.16	2,243.26
08/31/86		165.01		884.11	1,049.12
09/30/86				3,981.04	3,981.04
10/31/86				2,468.59	2,468.59
11/30/86				2,634.42	2,634.42
12/31/86				1,811.46	1,811.46
01/31/87				2,682.17	2,682.17
02/28/87				3,875.67	3,875.67
03/31/87	2,116.38			700.56	2,816.94
04/30/87				680.00	680.00
05/31/87				1,341.52	1,341.52
06/30/87		1,840.56		680.00	2,520.56
07/31/87				963.10	963.10
08/06/87	99,303.87				99,303.87
08/31/87		1,121.19		680.00	1,801.19
09/30/87				7,870.67	7,870.67
10/31/87				6,265.46	6,265.46
11/30/87		17,713.61		680.00	18,393.61
12/31/87		2,834.94		27,526.60	30,361.54
01/31/88		463.29		2,739.21	3,202.50
02/28/88				680.00	680.00
03/31/88		1,158.18		891.65	2,049.83
04/30/88				1,230.38	1,230.38
05/31/88				673.42	673.42
TOTALS	\$147,145.28	\$26,412.74	\$364,344.21	\$84,189.21	\$622,091.44

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 9429-19430 Exhibit No. 3

Submitted by Respondent

Hearing Date 7/14/88

NEW MEXICO "AC" STATE #1
SOUTH SHOE BAR ATOKA
SALES RECORD MAY 1986 THRU MAY 1988

Prod Month	MCF Sold @15.025psi	Barrels Sold	Gross Proceeds	State Royalty @1/8	State Royalty @1/8	Royalty Difference	Loss to State if Phillips gets 1/4 from DOPP	Loss to State if Mobil gets 1/2 from DOPP
Mar-86		1,116.44	\$14,792.67	\$2,465.45	\$1,849.08	\$616.37	\$154.09	\$308.18
Apr-86		2,601.12	30,163.67	5,027.28	3,770.46	1,256.82	314.20	628.41
May-86		2,711.17	34,471.17	5,745.20	4,308.90	1,436.30	359.08	718.15
Jun-86		3,088.86	39,414.14	6,569.02	4,926.77	1,642.25	410.56	821.13
Jul-86		2,199.92	23,092.49	3,848.75	2,886.58	962.19	240.55	481.10
Aug-86		1,666.29	19,442.07	3,240.35	2,430.26	810.09	202.52	405.04
Sep-86		1,943.98	25,502.01	4,250.34	3,187.75	1,062.59	265.65	531.30
Oct-86		1,987.09	25,538.44	4,256.41	3,192.31	1,064.10	266.02	532.05
Nov-86		2,001.03	26,195.36	4,365.89	3,274.42	1,091.47	272.87	545.74
Dec-86		2,047.73	27,760.02	4,626.67	3,470.00	1,156.67	289.17	578.34
Jan-87		1,283.11	20,938.13	3,489.69	2,617.27	872.42	218.11	436.21
Feb-87		1,863.78	30,330.50	5,055.08	3,791.31	1,263.77	315.94	631.89
Mar-87		2,538.65	40,654.14	6,775.69	5,081.77	1,693.92	423.48	846.96
Apr-87		2,005.92	32,978.47	5,496.41	4,122.31	1,374.10	343.52	687.05
May-87		1,784.07	30,017.40	5,002.90	3,752.18	1,250.72	312.68	625.36
Jun-87		2,322.29	40,117.64	6,686.27	5,014.71	1,671.56	417.89	835.78
Jul-87		2,301.25	41,988.64	6,998.11	5,248.58	1,749.53	437.38	874.76
Aug-87		2,140.93	38,919.45	6,486.58	4,864.93	1,621.65	405.41	810.82
Sep-87		1,744.48	29,950.00	4,991.67	3,743.75	1,247.92	311.98	623.96
Oct-87		1,972.65	33,834.37	5,639.06	4,229.30	1,409.76	352.44	704.88
Nov-87		1,576.65	26,645.27	4,440.88	3,330.66	1,110.22	277.56	555.11
Dec-87		1,815.02	29,749.40	4,958.23	3,718.68	1,239.55	309.89	619.77
Jan-88		1,622.12	26,765.00	4,460.83	3,345.63	1,115.20	278.80	557.60
Feb-88		1,281.08	20,862.20	3,477.03	2,607.78	869.25	217.31	434.63
Mar-88		1,276.22	19,871.16	3,311.86	2,483.90	827.96	206.99	413.98
Apr-88		1,277.51	21,076.70	3,512.78	2,634.59	878.19	219.55	439.10
May-88		1,084.12	18,430.04	3,071.67	2,303.75	767.92	191.98	383.96
Oil (Cond) Subtotals		51,253.48	\$769,500.55	\$128,250.10	\$96,187.61	\$32,062.49	\$8,015.62	\$16,031.26
Mar-86	81,195		\$187,415.82	\$31,235.97	\$23,426.98	\$7,808.99	\$1,952.25	\$3,904.50
Apr-86	156,094		360,444.81	60,074.14	45,055.60	15,018.54	3,754.64	7,509.27
May-86	188,224		432,344.66	72,057.44	54,043.08	18,014.36	4,503.59	9,007.18
Jun-86	190,465		210,020.36	35,003.39	26,252.55	8,750.84	2,187.71	4,375.42
Jul-86	185,117		189,735.07	31,622.51	23,716.88	7,905.63	1,976.41	3,952.81
Aug-86	122,275		128,196.69	21,366.12	16,024.59	5,341.53	1,335.38	2,670.76
Sep-86	135,272		144,163.99	24,027.33	18,020.50	6,006.83	1,501.71	3,003.42
Oct-86	143,491		155,166.79	25,861.13	19,395.85	6,465.28	1,616.32	3,232.64
Nov-86	159,183		159,192.80	26,532.13	19,899.10	6,633.03	1,658.26	3,316.52
Dec-86	147,872		149,989.28	24,998.21	18,748.66	6,249.55	1,562.39	3,124.77
Jan-87	96,008		101,881.93	16,980.32	12,735.24	4,245.08	1,061.27	2,122.54
Feb-87	162,260		231,996.82	38,666.14	28,999.60	9,666.54	2,416.64	4,833.27
Mar-87	186,833		195,949.72	32,658.29	24,493.72	8,164.57	2,041.14	4,082.28
Apr-87	193,134		249,442.21	41,573.70	31,180.28	10,393.42	2,598.35	5,196.71
May-87	139,799		223,333.80	37,222.30	27,916.73	9,305.57	2,326.39	4,652.79
Jun-87	190,080		304,765.03	50,794.17	38,095.63	12,698.54	3,174.64	6,349.27
Jul-87	174,579		270,752.76	45,125.46	33,844.10	11,281.36	2,820.34	5,640.68
Aug-87	189,086		273,280.80	45,546.80	34,160.10	11,386.70	2,846.68	5,693.35
Sep-87	152,859		219,058.32	36,509.72	27,382.29	9,127.43	2,281.86	4,563.72
Oct-87	190,622		283,090.87	47,181.81	35,386.36	11,795.45	2,948.86	5,897.72
Nov-87	145,823		227,533.11	37,922.19	28,441.64	9,480.55	2,370.14	4,740.28
Dec-87	184,293		349,593.10	58,265.52	43,699.14	14,566.38	3,641.59	7,283.19
Jan-88	177,406		395,916.00	65,986.00	49,489.50	16,496.50	4,124.13	8,248.25
Feb-88	158,505		348,431.93	58,071.99	43,553.99	14,518.00	3,629.50	7,259.00
Mar-88	166,815		285,208.93	47,534.82	35,651.12	11,883.70	2,970.92	5,941.85
Apr-88	156,964		242,685.75	40,447.63	30,335.72	10,111.91	2,527.98	5,055.95
May-88	154,763		219,380.13	36,563.36	27,422.52	9,140.84	2,285.21	4,570.42
6-12/86	adjustments		1,375,000.00	229,166.68	171,875.00	57,291.68	14,322.92	28,645.84
Gas Subtotals		4,329,017	\$7,913,971.48	\$1,318,995.27	\$989,246.47	\$329,748.80	\$82,437.22	\$164,874.40
TOTALS	4,329,017	51,253.48	\$8,683,472.03	\$1,447,245.37	\$1,085,434.08	\$361,811.29	\$90,452.84	\$180,905.66

NEW MEXICO "AC" STATE #1
SOUTH SHOE BAR ATOKA
POTENTIAL LOSS TO STATE OF NEW MEXICO
POTENTIAL WINDFALL TO PHILLIPS PETROLEUM CO
POTENTIAL WINDFALL TO MOBIL PRODUCING

12/1/88

	Well Gross Revenues	State Royalty @ 1/6	State Royalty @ 1/8	Loss to State if Phillips gets 1/4 from DOFP to depletion	Loss to State if Mobil gets 1/2 from DOFP to depletion	Well Net Revenues	Windfall to Phillips from DOFP to depletion	Windfall to Mobil from DOFP to depletion
Mar 1986 - May 1988	\$8,683,472	\$1,447,245	\$1,085,434			8,683,472		
4 BCF X 1.50/MMBTU X 1094 BTU	6,564,000	1,094,000	820,500			6,564,000	(x 1/4)	(x 1/2)
33,333 BBL X 15.00	500,000	83,333	62,500			500,000		
PAYMENT OF 1/4 (OR 1/2) OF COSTS		-0-	-0-			(622,091)		
		\$2,624,578	\$1,968,434	\$164,036	\$328,072	\$15,125,381	\$3,781,345	\$7,562,691
Mar 1986 - May 1988	\$8,683,472	\$1,447,245	\$1,085,434			8,683,472		
4 BCF X 2.00/MMBTU X 1094 BTU	8,752,000	1,458,667	1,094,000			8,752,000	(x 1/4)	(x 1/2)
33,333 BBL X 15.00	500,000	83,333	62,500			500,000		
PAYMENT OF 1/4 (OR 1/2) OF COSTS		-0-	-0-			(622,091)		
		\$2,989,245	\$2,241,934	\$186,828	\$373,656	\$17,313,381	\$4,328,345	\$8,656,691
Mar 1986 - May 1988	\$8,683,472	\$1,447,245	\$1,085,434			8,683,472		
4 BCF X 3.00/MMBTU X 1094 BTU	13,128,000	2,188,000	1,641,000			13,128,000	(x 1/4)	(x 1/2)
33,333 BBL X 15.00	500,000	83,333	62,500			500,000		
PAYMENT OF 1/4 (OR 1/2) OF COSTS		-0-	-0-			(622,091)		
		\$3,718,578	\$2,788,934	\$232,411	\$464,822	\$21,689,381	\$5,422,345	\$10,844,691
				Loss to State if Phillips gets 1/4 from mid-1988 to depletion	Loss to State if Mobil gets 1/2 from mid-1988 to depletion		Windfall to Phillips from mid-1988 to depletion	Windfall to Mobil from mid-1988 to depletion
4 BCF X 1.50/MMBTU X 1094 BTU	\$6,564,000	\$1,094,000	\$820,500			\$6,564,000	(x 1/4)	(x 1/2)
33,333 BBL X 15.00	500,000	83,333	62,500			500,000		
PAYMENT OF 1/4 (OR 1/2) OF COSTS		-0-	-0-			(622,091)		
		\$1,177,333	\$883,000	\$73,583	\$147,167	\$6,441,909	\$1,610,477	\$3,220,955
4 BCF X 2.00/MMBTU X 1094 BTU	\$8,752,000	\$1,458,667	\$1,094,000			\$8,752,000	(x 1/4)	(x 1/2)
33,333 BBL X 15.00	500,000	83,333	62,500			500,000		
PAYMENT OF 1/4 (OR 1/2) OF COSTS		-0-	-0-			(622,091)		
		\$1,542,000	\$1,156,500	\$96,375	\$192,750	\$8,629,909	\$2,157,477	\$4,314,955
4 BCF X 3.00/MMBTU X 1094 BTU	\$13,128,000	\$2,188,000	\$1,641,000			\$13,128,000	(x 1/4)	(x 1/2)
33,333 BBL X 15.00	500,000	83,333	62,500			500,000		
PAYMENT OF 1/4 (OR 1/2) OF COSTS		-0-	-0-			(622,091)		
		\$2,271,333	\$1,703,500	\$141,958	\$283,917	\$13,005,909	\$3,251,477	\$6,502,955

SUMMARY OF EFFECT OF
CHANGING THE McELVAIN UNIT
TO INCLUDE
PHILLIPS (N/2 UNIT), OR
MOBIL (E/2 UNIT)

	Loss to State if Phillips gets 1/4	Loss to State if Mobil gets 1/2	Windfall to Phillips	Windfall to Mobil
INCEPTION TO DEPLETION*	\$186,828	\$373,656	\$4,328,345	\$8,656,691
CURRENT TO DEPLETION*	\$96,375	\$192,750	\$2,157,477	\$4,314,955

* Actual price of gas and oil to May 1988; from May 1988 to depletion, gas valued at \$2/MMBTU and oil valued at \$15/bbl.