

Affect of Proposed Rule 50 on New Mexico well economics

John Byrom

Independent Petroleum Association of New Mexico

Exhibit Submission for OCC Hearing on Nov 5th,
2007 - John Byrom (IPANM)

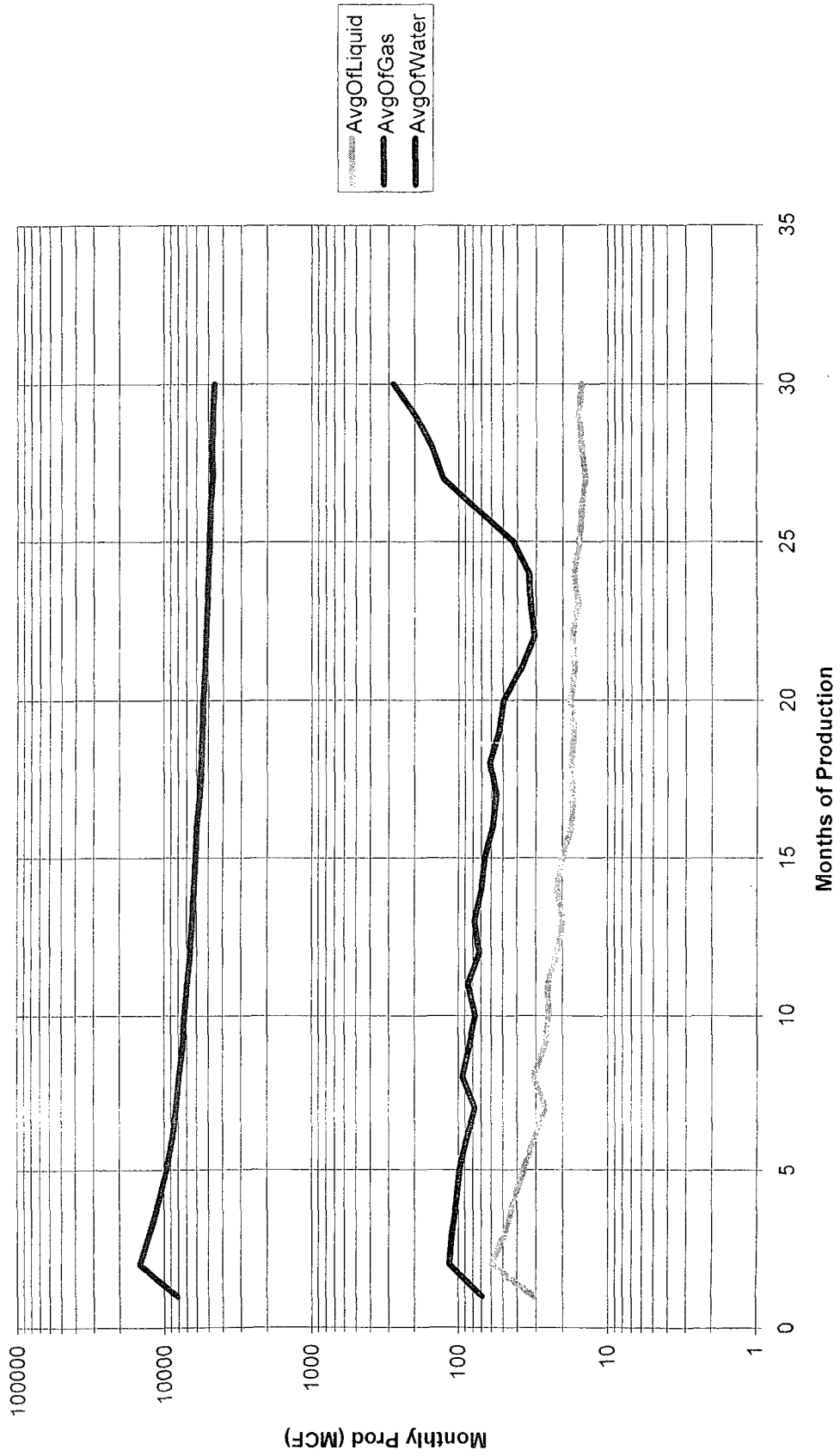
1

32-1

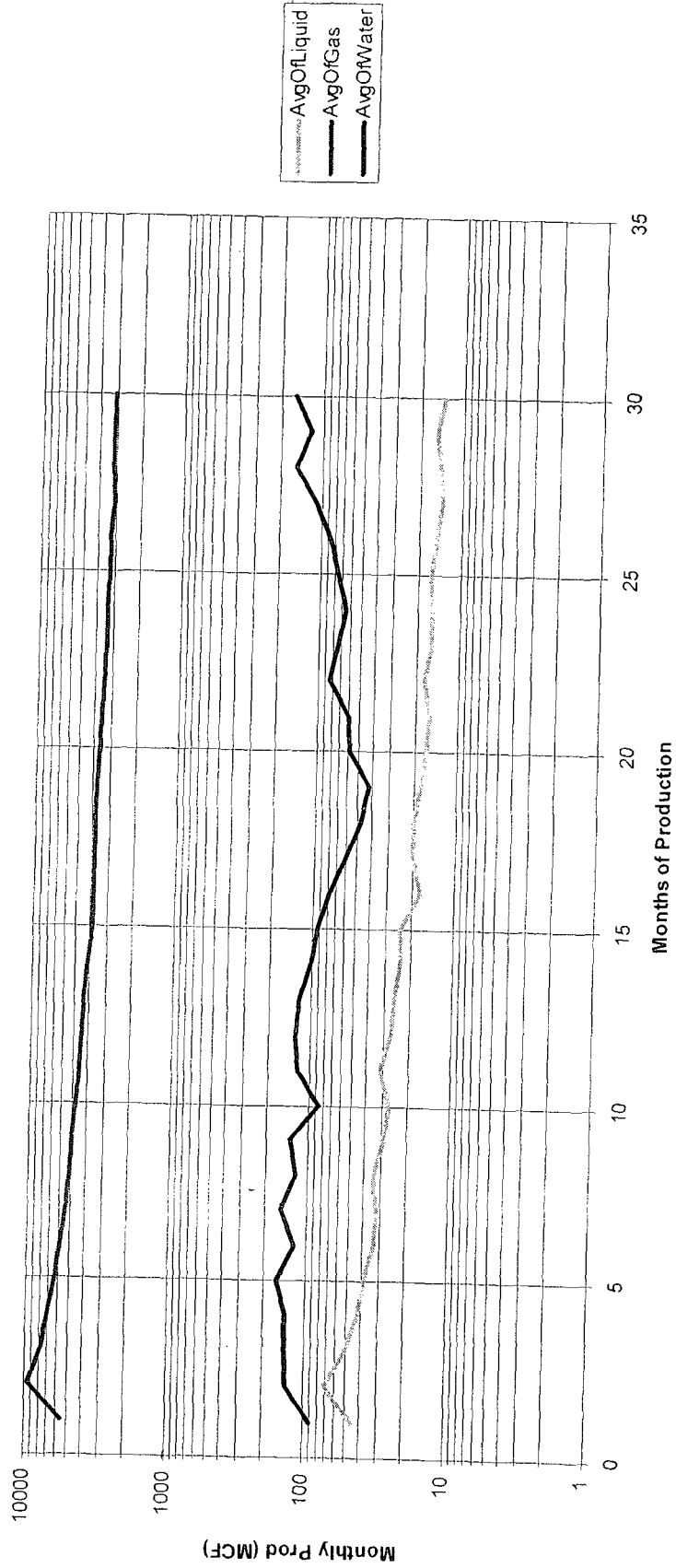
Exhibit 32

IPANM

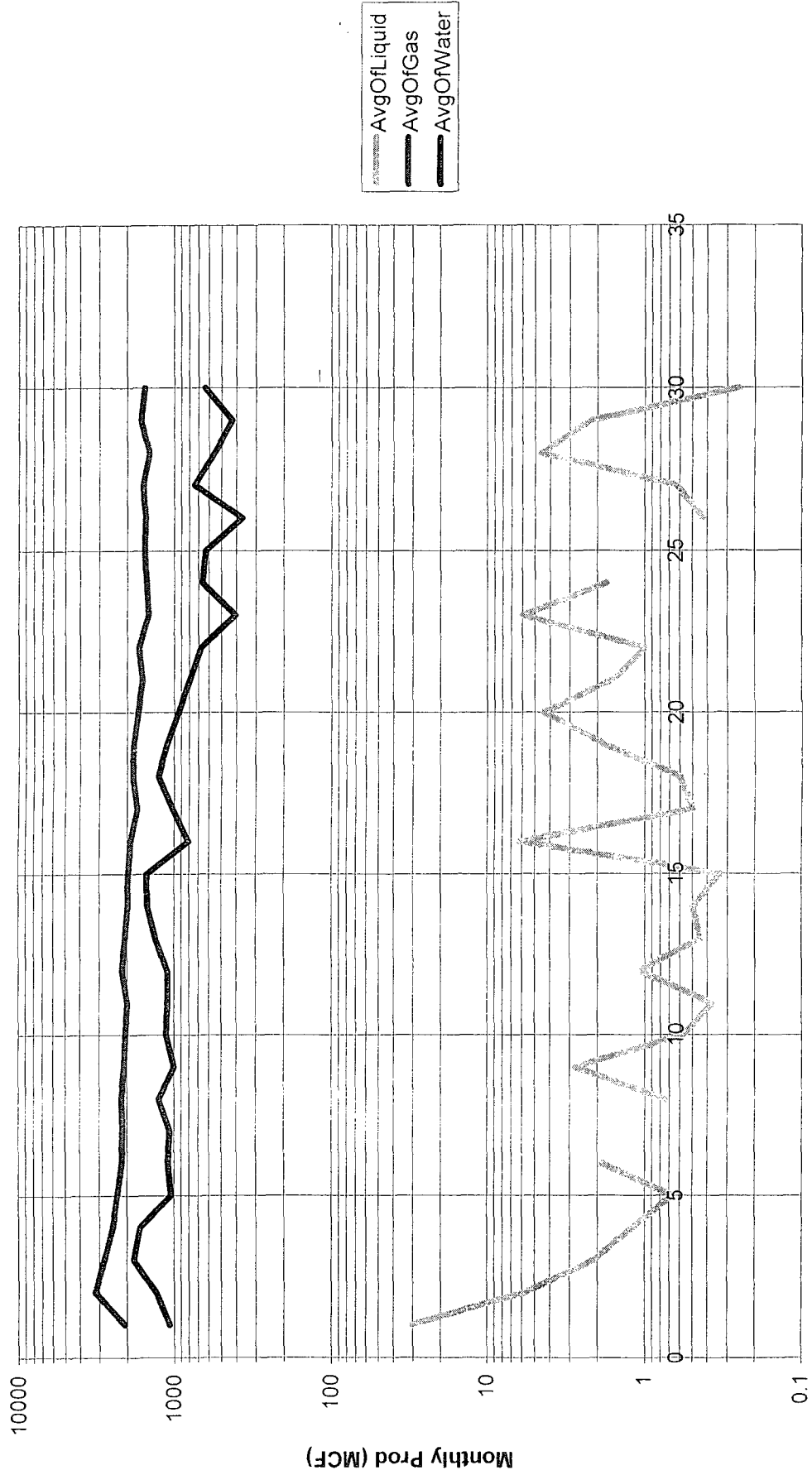
Mesaverde 2004 Type Curve 285 Wells



Dakota 2004 Type Curve
189 Wells



Pictured Cliffs 2004 Type Curve 61 Wells



Months of Production

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Fruitland Coal 2004 Type Curve 506 Wells

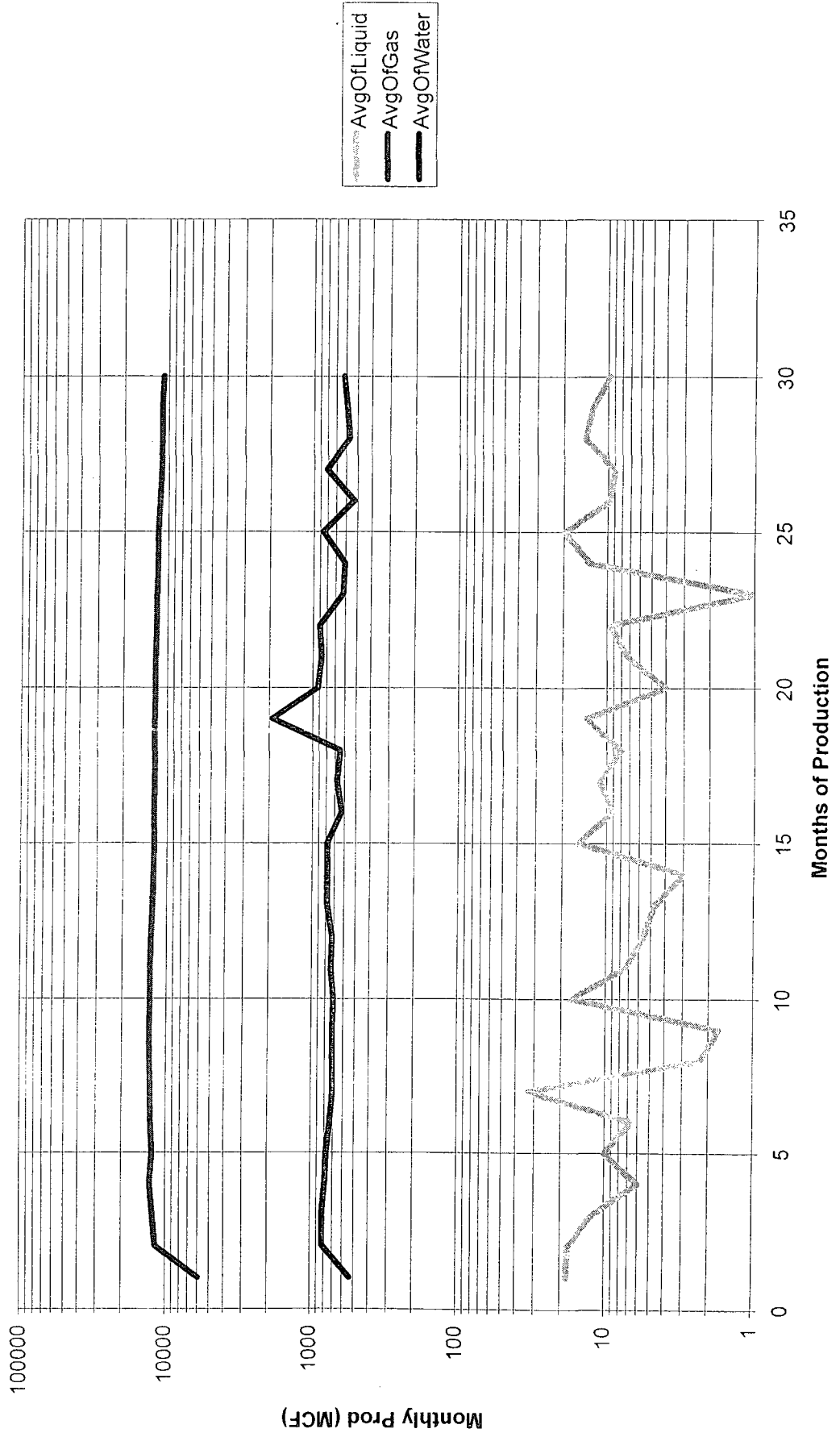


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San Juan Basin Dakota Formation - 1st Year Production Average

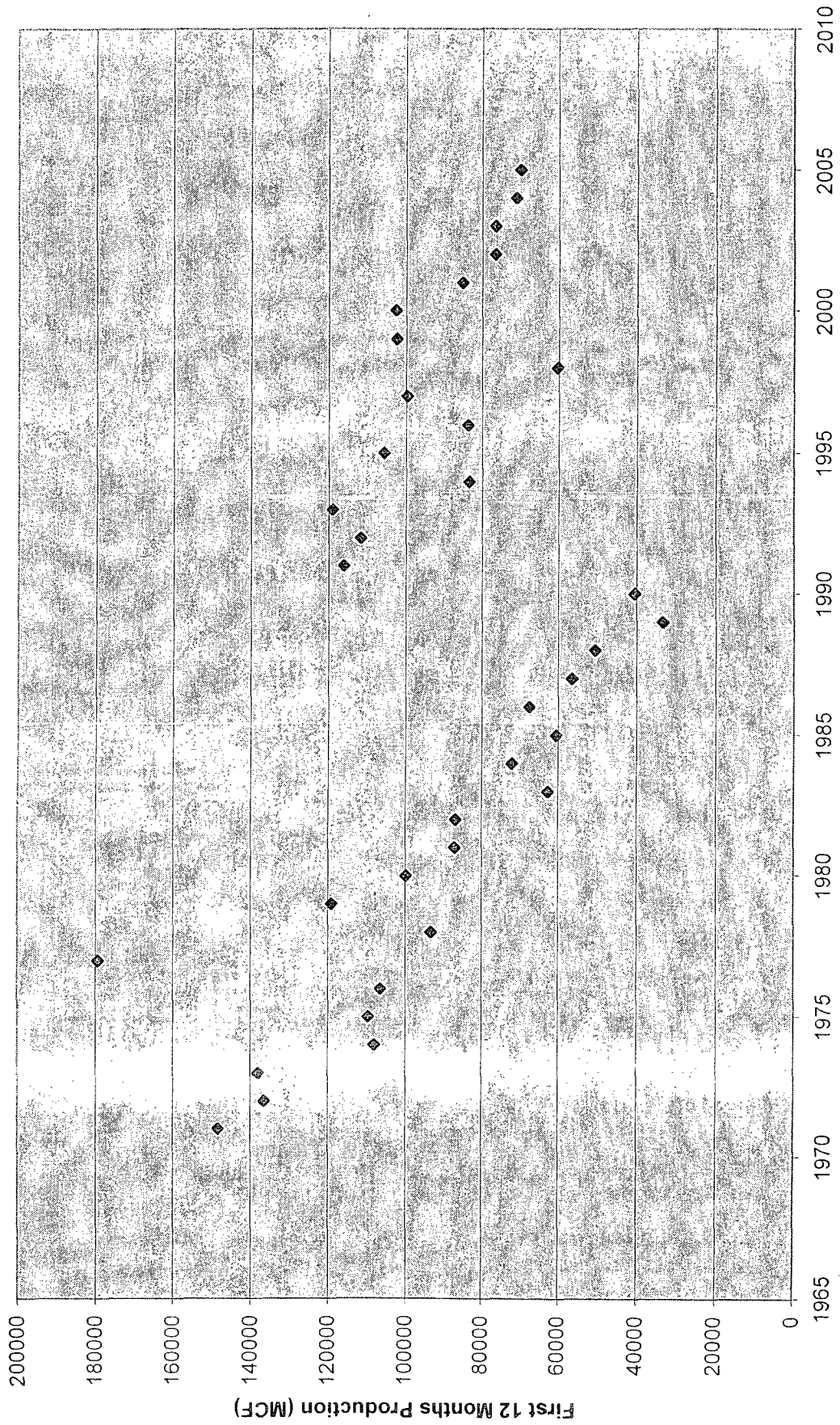


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San Juan Basin Mesaverde Formation - 1st Year Production Average

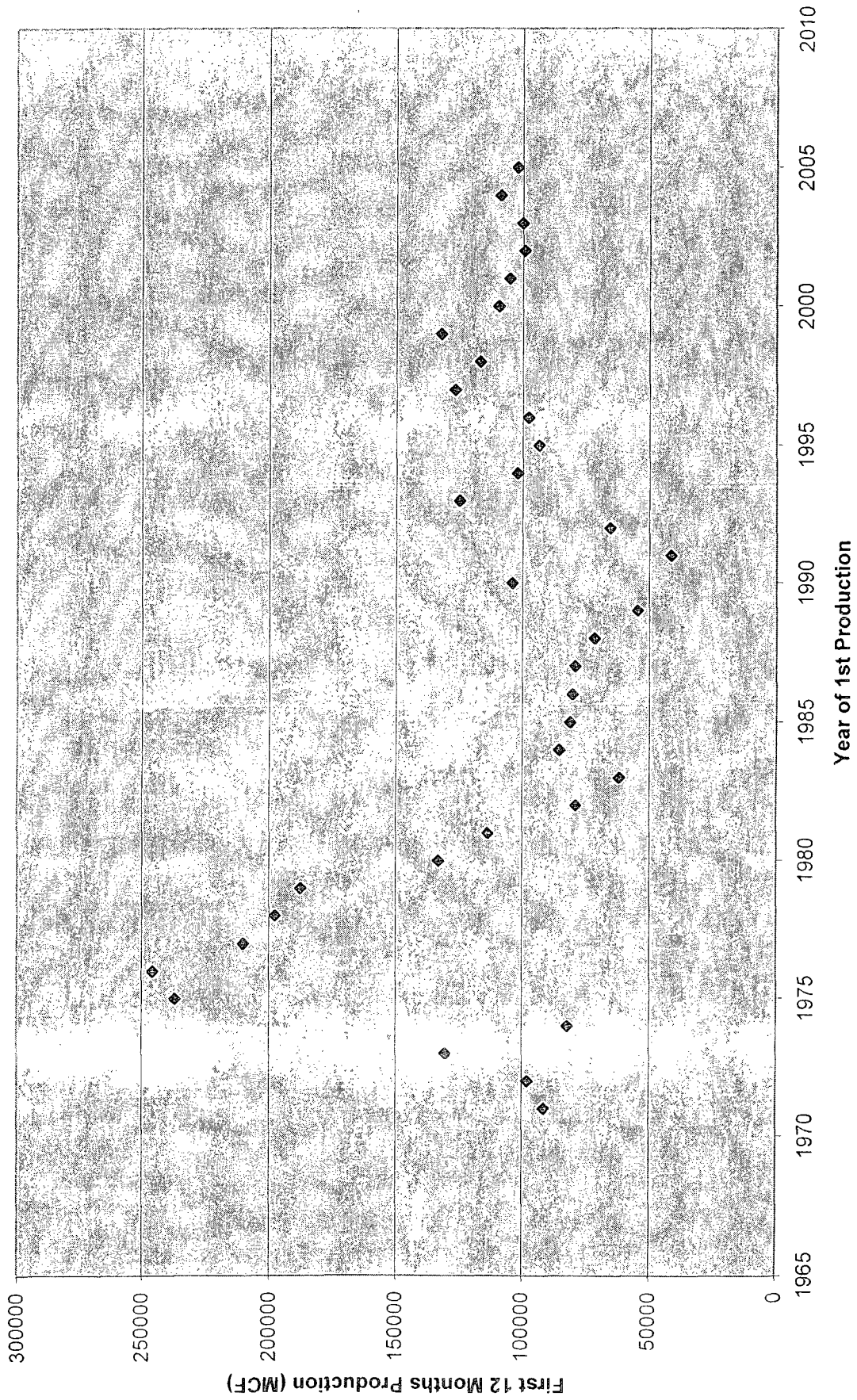
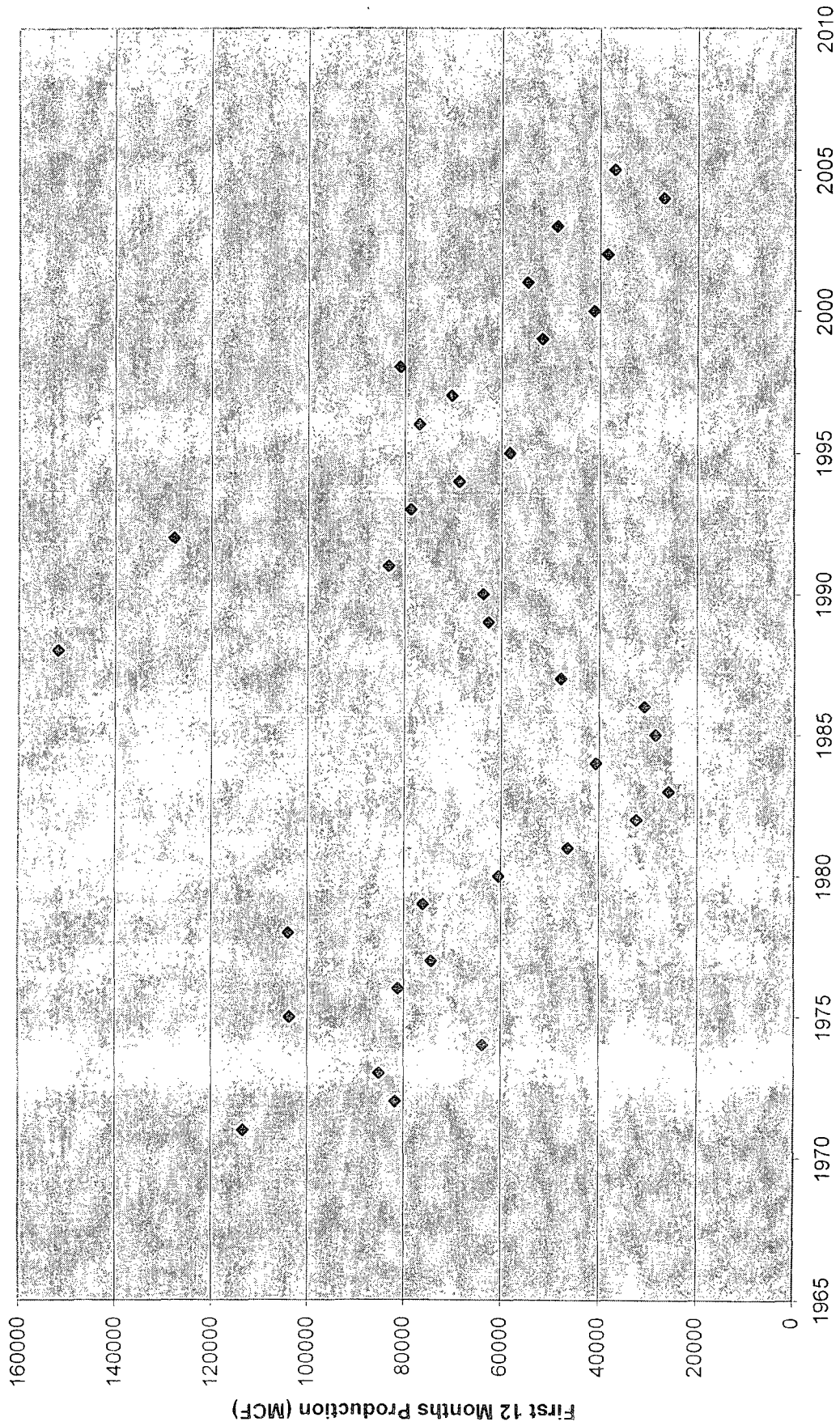


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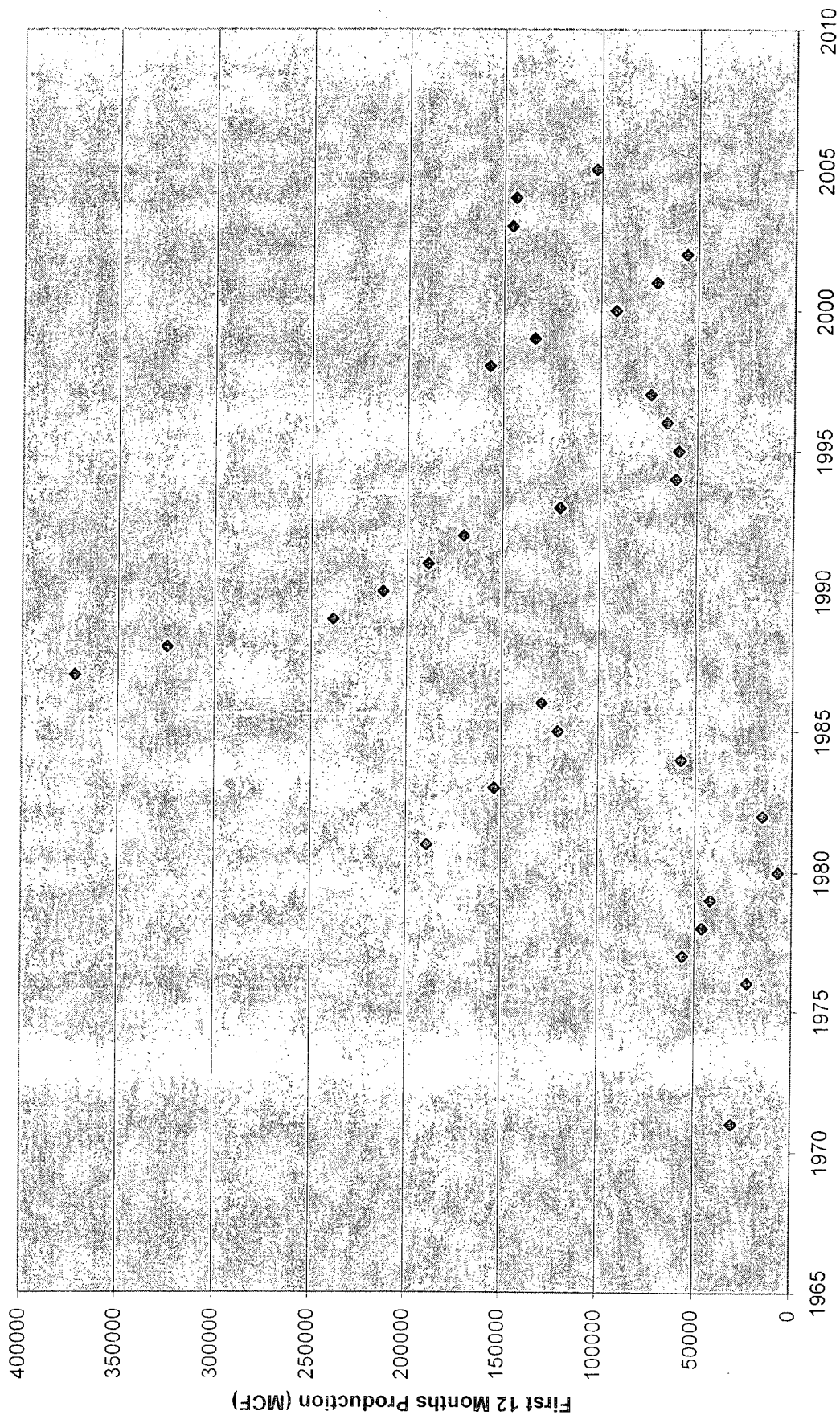
San Juan Basin Pictured Cliffs Formation - 1st Year Production Average



Year of 1st Production

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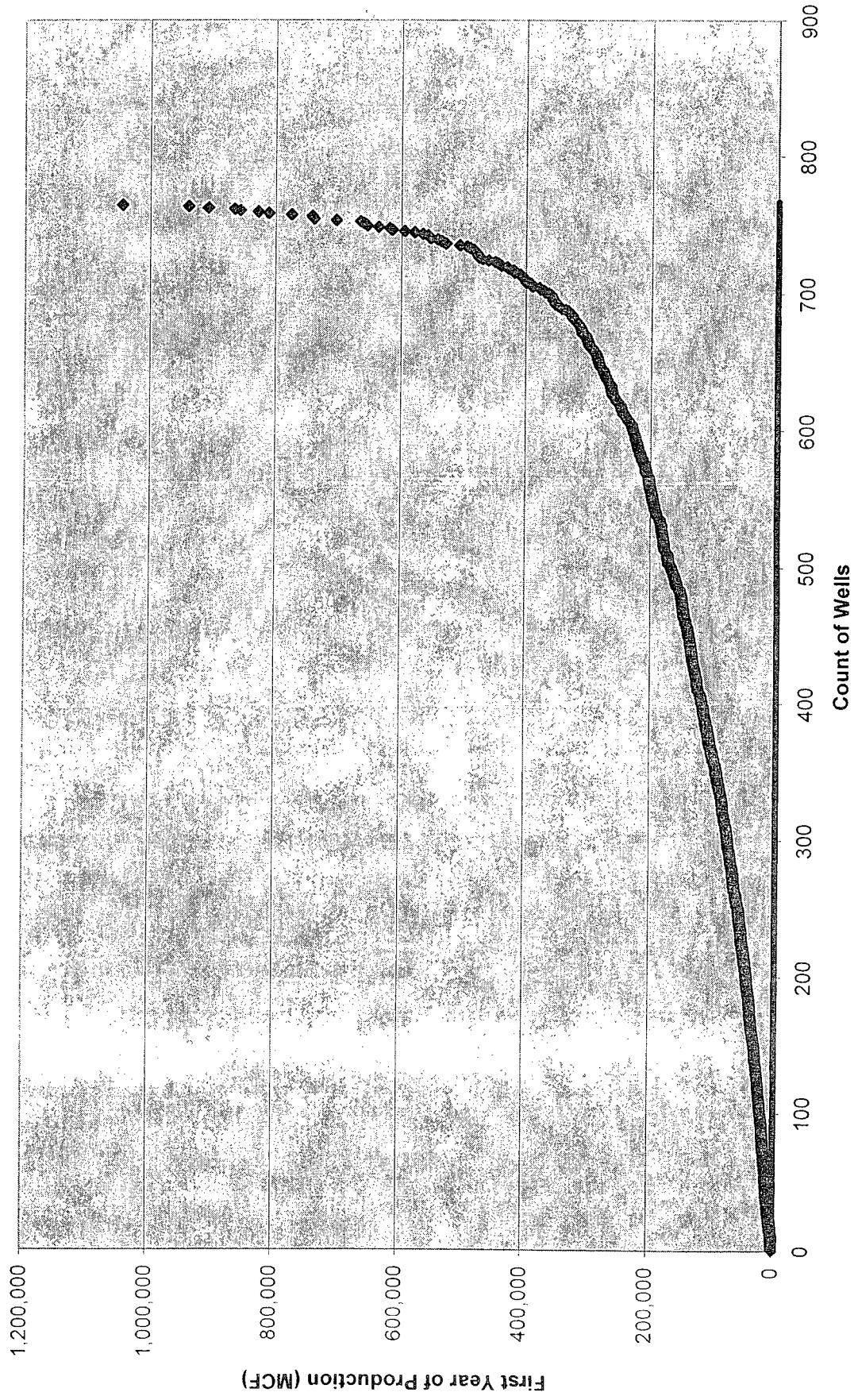
San Juan Basin Fruitland Coal Formation - 1st Year Production Average



Year of 1st Production

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San Juan Basin - 1st Year Production by Well in 2004 (All Formations)



San Juan Basin - 1st Year Production by Well in 2004 (Dakota)

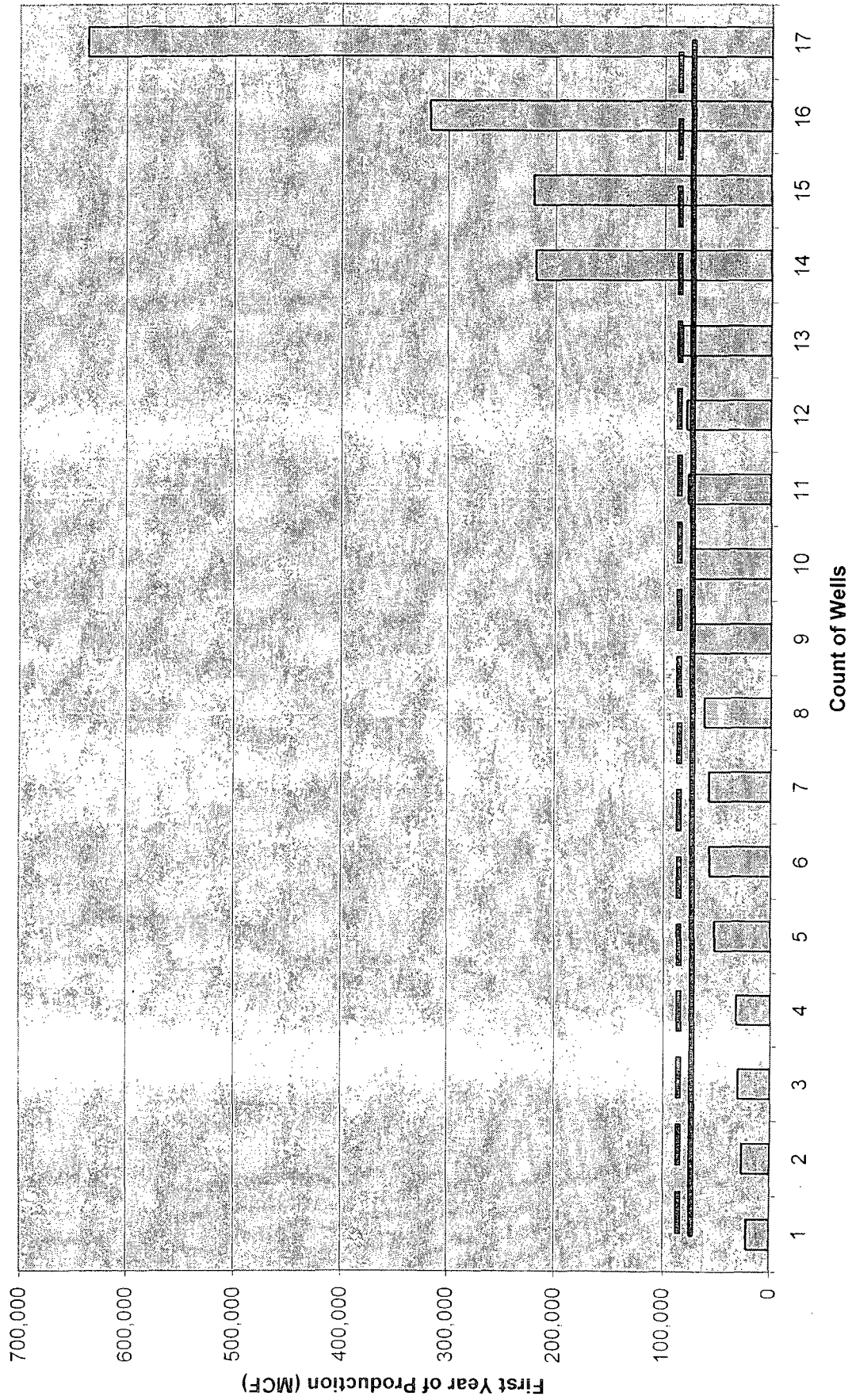
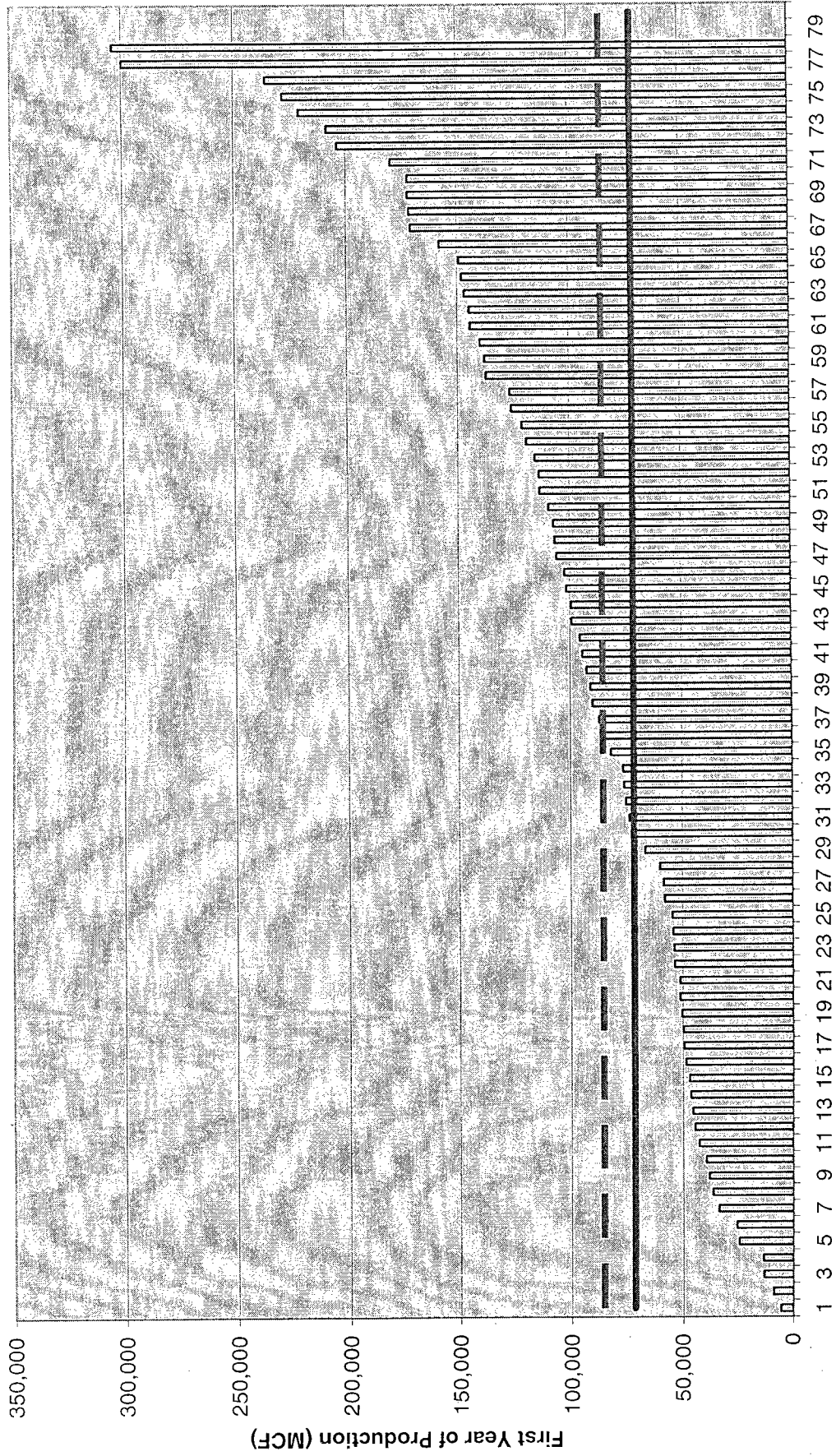


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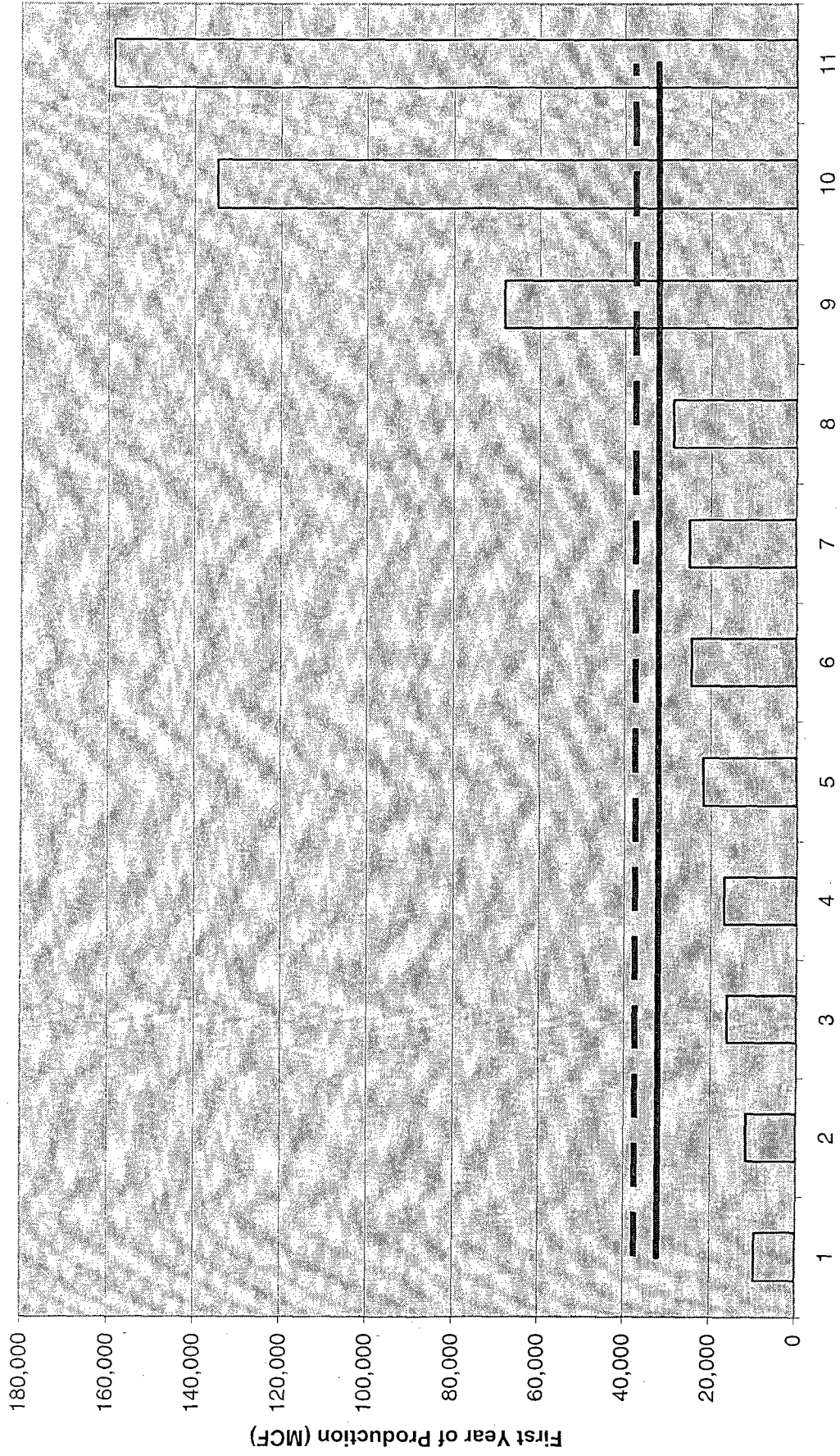
San Juan Basin - 1st Year Production by Well in 2004 (Mesaverde)



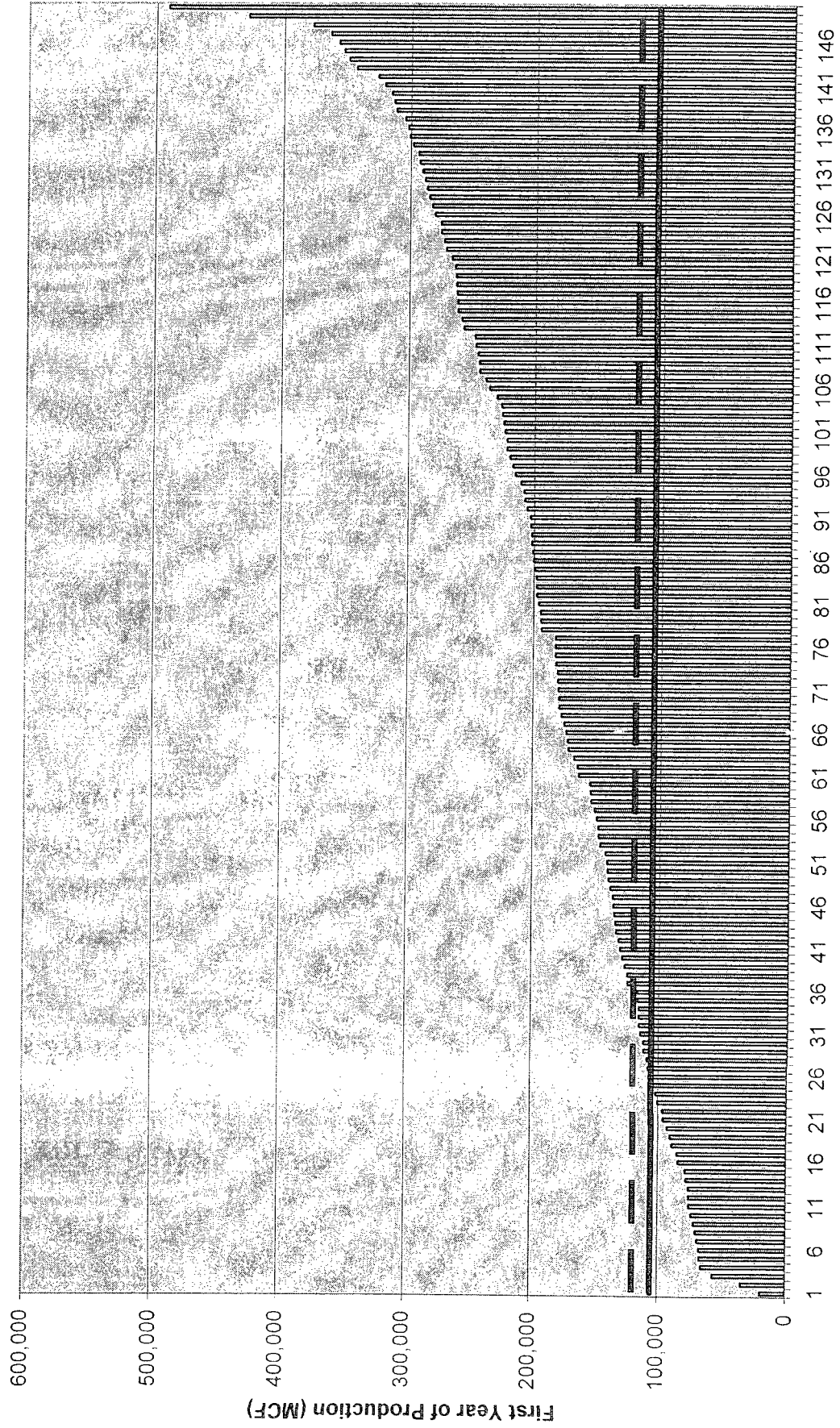
Count of Wells

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San Juan Basin - 1st Year Production by Well in 2004 (Pictured Cliffs)



San Juan Basin - 1st Year Production by Well in 2004 (Dakota-Mesaverde Commingle)



Count of Wells

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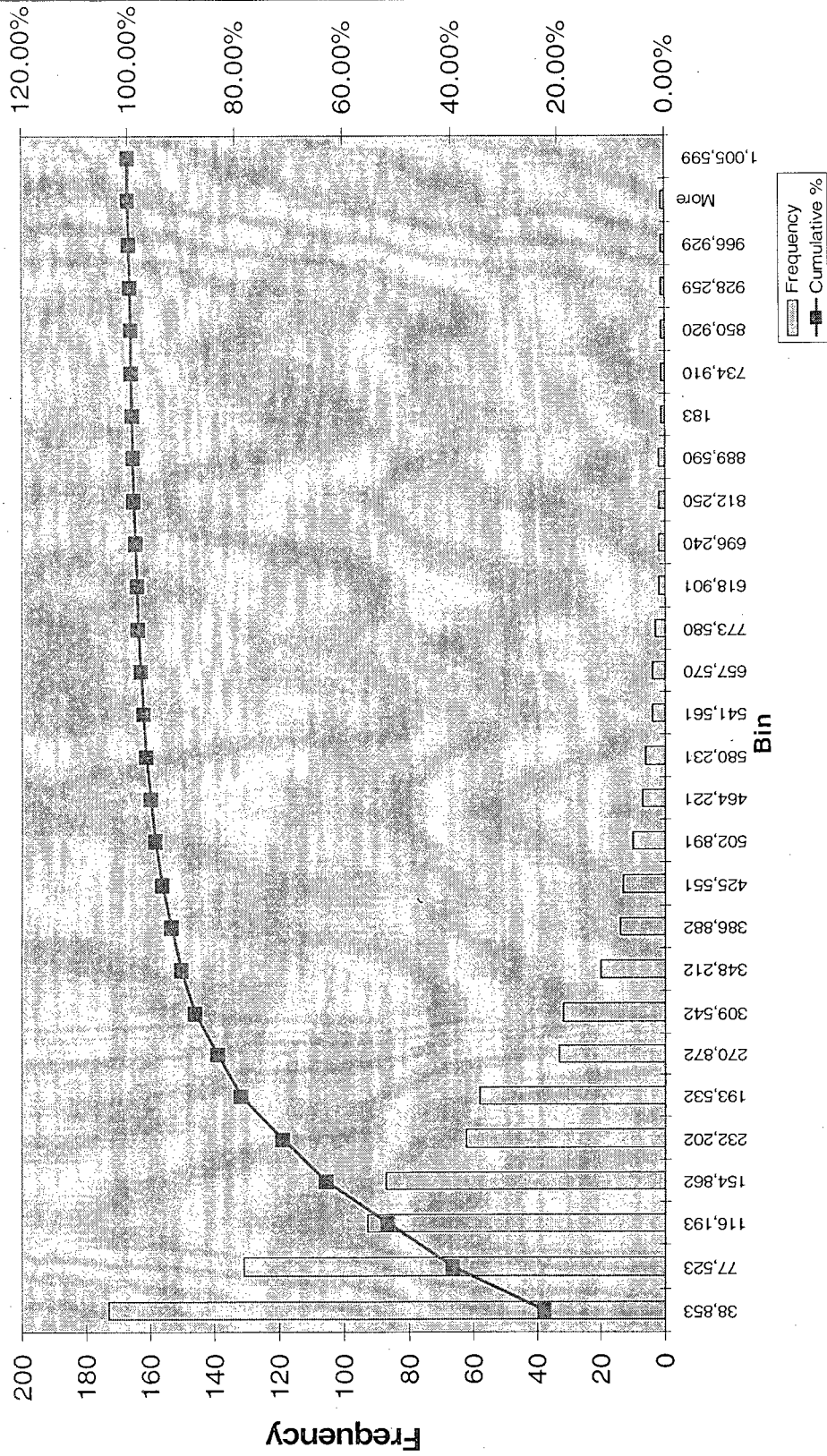
Affect of Incremental Cost for Close Loop

Based on San Juan Basin 2004 New Well Data

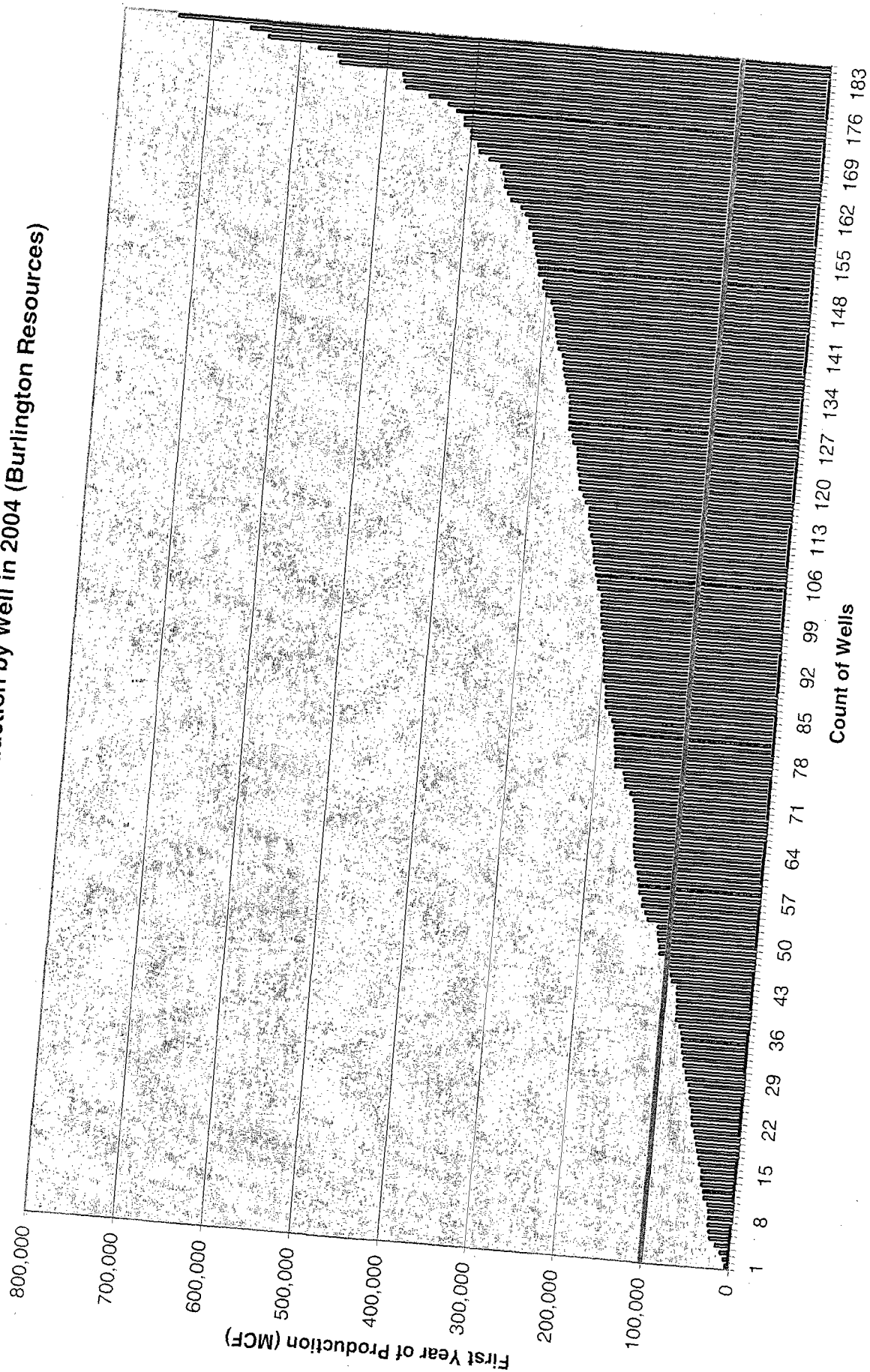
Formation	Base Cost	First 12 Mo		Reserves		Base IP / day	Additional Cost		First 12 Mo		Reserves		Threshold IP /	
		(MCF) Base	Threshold	(MCF) Base	Threshold		due to New	Rule	Threshold	Proposed	(MCF) Proposed	Threshold	Proposed	Proposed
Dakota	\$ 950,000	73,474	552	440,039	2,528	287	\$ 160,000	\$	85,435	552	511,673	10,000	71	333
oil						2			16%		2,528		16%	2
% increase														16%
DK MW	\$ 1,450,000	105,465	338	639,788	1,787	427	\$ 160,000	\$	119,472	338	724,760	14,500	45	483
oil						2			13%		1,787		13%	2
% increase														13%
Mesaverde	\$ 900,000	71,663	338	434,856	1,787	290	\$ 127,000	\$	80,747	338	489,838	9,800	45	327
oil						2			13%		1,787		13%	2
% increase														13%
Pictured Cliffs	\$ 350,000	32,110	96	224,031	403	110	\$ 85,000	\$	37,462	96	273,413	3,850	15	128
oil						1			17%		420		17%	1
% increase														17%

Histogram - 1st Year Production

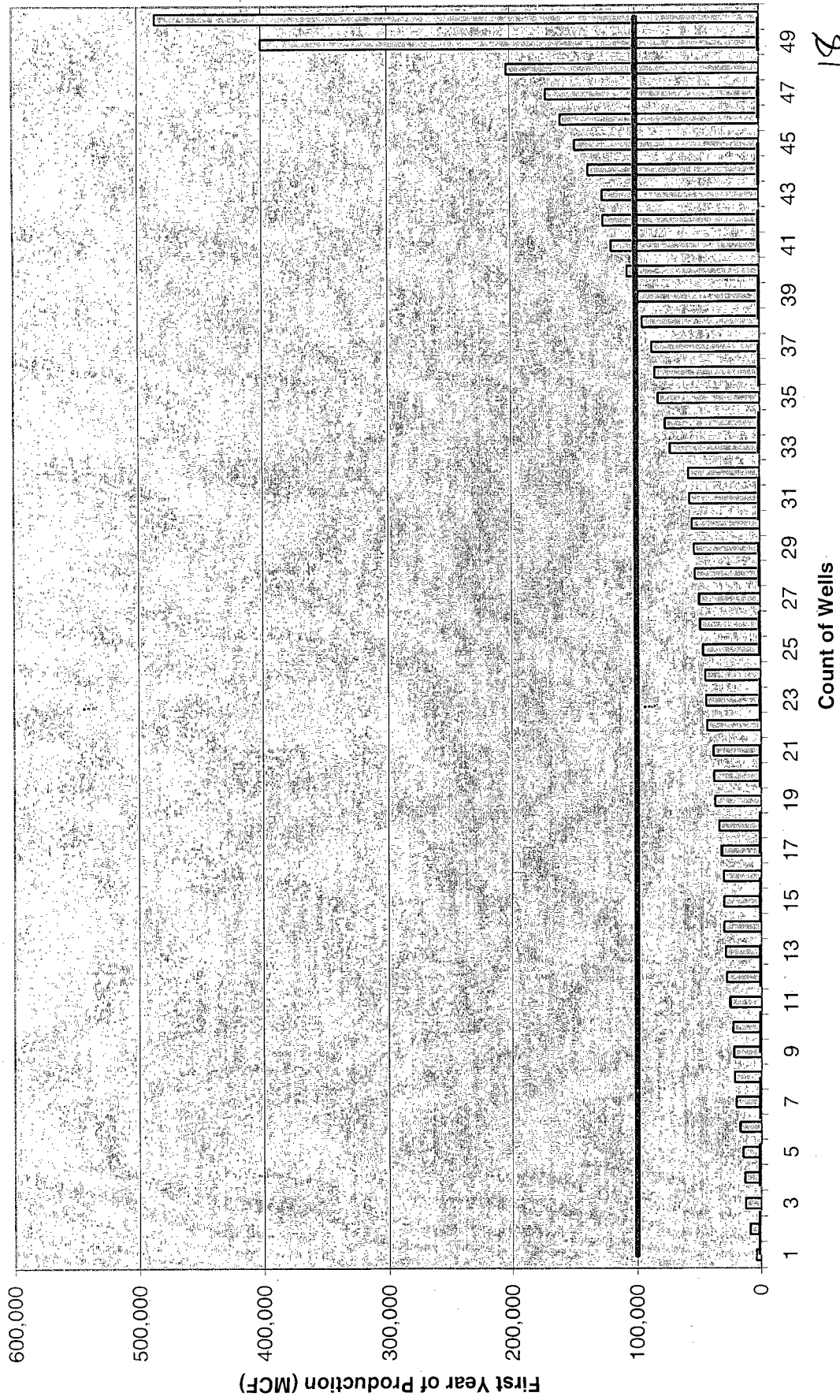
San Juan Basin Wells, 2004



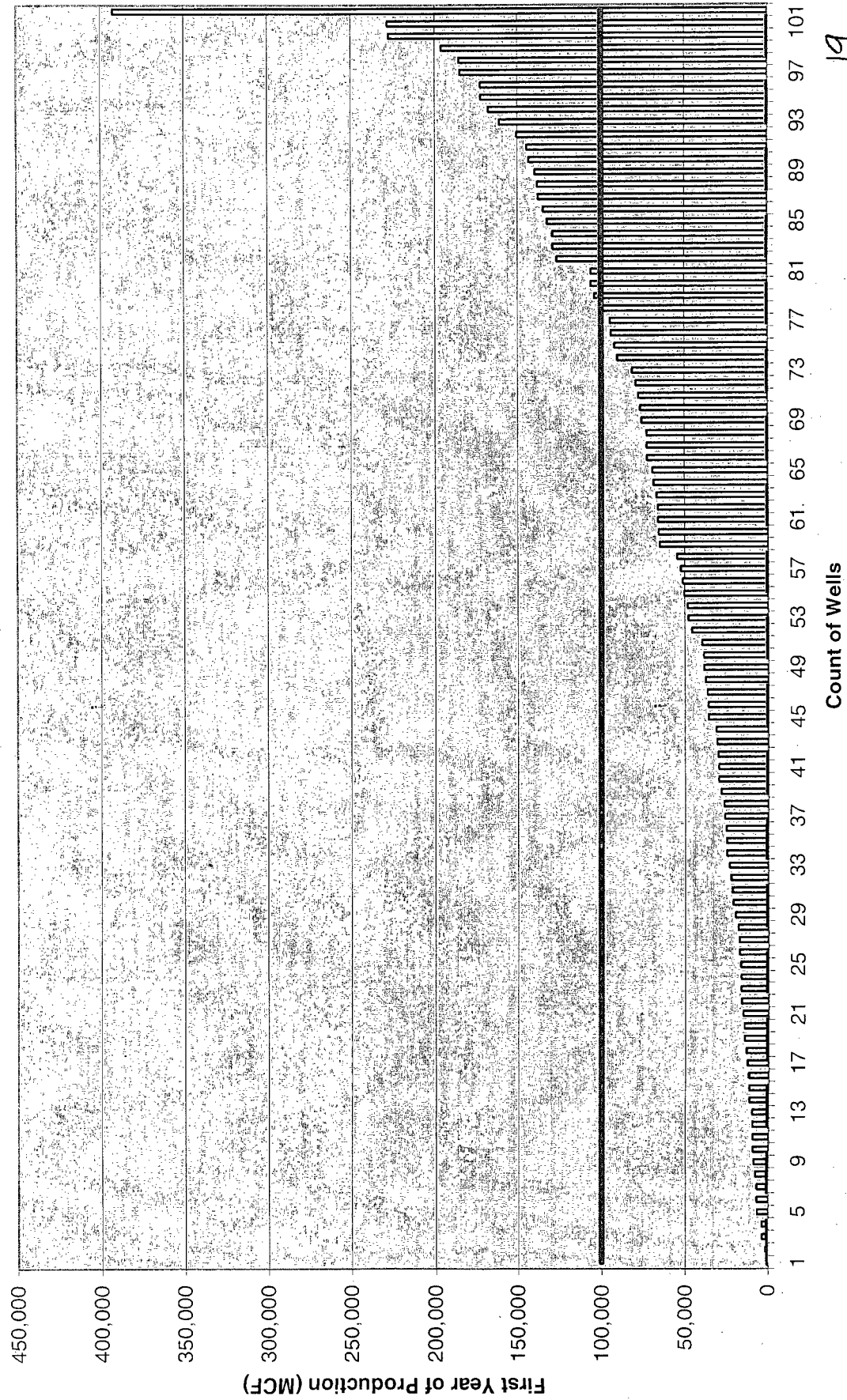
San Juan Basin - 1st Year Production by Well in 2004 (Burlington Resources)



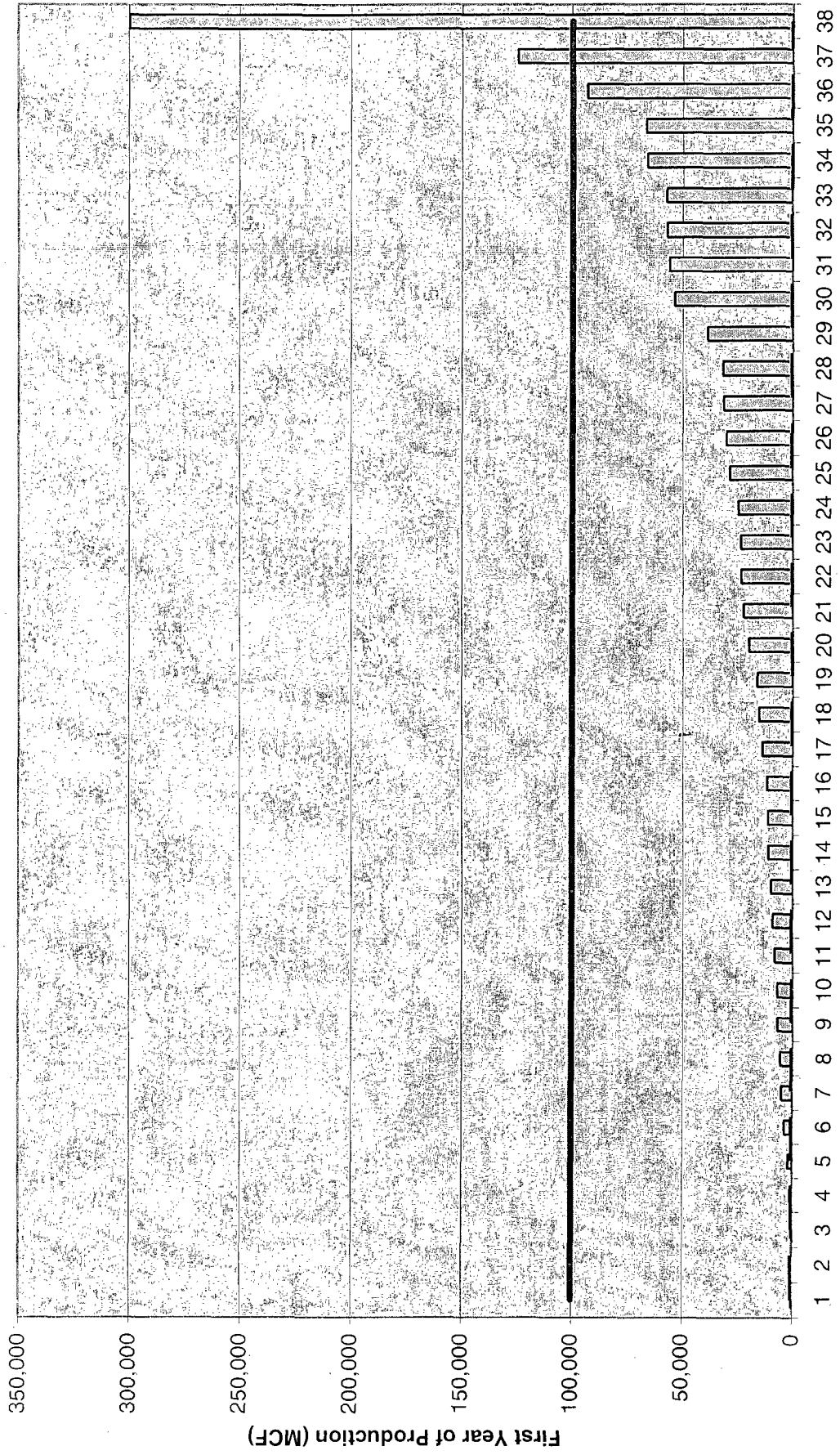
San Juan Basin - 1st Year Production by Well in 2004 (Energen)



San Juan Basin - 1st Year Production by Well in 2004 (XTO)



San Juan Basin - 1st Year Production by Well in 2004 (Dugan)



Count of Wells