

ECONOMICS INPUT DATA

LEASE: STATE ETA #3
OPERATOR: AMERICAN EXPLORATION
FIELD: TOWNSEND
COUNTY: LEA
STATE: NEW MEXICO

NEW MEXICO
OIL CONSERVATION DIVISION
MDC EXHIBIT 10
CASE NO. 11842

OPERATING COST: \$1,500 PER MONTH
NET REVENUE INTEREST: 77 PERCENT
BTU FACTOR: 1.1
GATHERING CHARGE: \$0.25 PER MCF
MAINLINE GAS PRICE: \$2.10 PER MMBTU

**GAS RATE = 30 MMCF PER MONTH DECLINING 25 PERCENT
EXPONENTIALLY FOR THREE YEARS; THEN 8.5 PERCENT
EXPONENTIALLY**

**OIL RATE = 100 BARRELS PER MONTH DECLINING 13 PERCENT
EXPONENTIALLY**

Williamson Petroleum Consultants, Inc.
Midland, Texas Roy C. Williamson, Jr., P.E.