

## CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION

## TELEGRAM

W. P. MARSHALL, PRESIDENT

## SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

1220  
(R 11-54)

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

LA064 DA221

1960 SEP 19

D FWA380 PD=FORT WORTH TEX 19 1253P CST=

MR A L PORTER=

NEW MEXICO OIL CONSERVATION COMMISSION BOX 871

SANTA FE NMEX=

CASE NO 2089 ON THE SEPTEMBER 21, 1960 EXAMINER HEARING DOCKET IS VAL R REESE AND ASSOCIATES APPLICATION FOR FIELD RULES FOR THE ESCRITO GALLUP OIL POOL, RIO ARriba COUNTY, NEW MEXICO. WE UNDERSTAND THAT MR. REESE WILL PROPOSE THE FOLLOWING RULES:

¶ 1 80 ACRE OIL PRORATION UNITS,

¶ 2 320 ACRE GAS PRORATION UNITS.

¶ 3 GOR LIMIT OF 2000 CUBIC FEET PER BARRAL FOR OIL WELLS.

¶ 4 DEFINITION OF GAS WELLS AS FOLLOWS. ANY WELL HAVING A GOR OF 30,000 CUBIC FEET PER BARREL OR GREATER.

¶ 5 A TOP GAS WELL ALLOWABLE OF FOUR TIMES THE DAILY LIMIT OF AN OIL WELL.

¶ IN ADDITION, WE UNDERSTAND THAT MR. REESE WILL PROPOSE EXTENSION OF THE HORIZONTAL LIMITS OF THE ESCRITO GALLUP OIL POOL TO INCLUDE ALL OF SECTION 25, T=25=N, R=7=W. PAN AMERICAN PETROLEUM CORPORATION SUPPORTS THE ABOVE PROPOSED RULES AND THE ABOVE PROPOSED EXTENSION OF THE ESCRITO GALLUP OIL POOL. OUR REASONS FOR SUPPORTING RULES OF THIS TYPE INSTEAD OF RULES PROVIDING FOR EQUIVALENT

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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# WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

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VOLUMETRIC WITHDRAWALS FROM OIL AND GAS WELLS ARE THE SAME AS OUR REASONS FOR ADVOCATING RULES SIMILAR TO THE ABOVE FOR THE ANGELS PEAK GALLUP OIL POOL, AND WE STRONGLY URGE THAT THE COMMISSION ADOPT THE ABOVE RULES AND THE PROPOSED EXTENSION FOR THE ESCRITO GALLUP OIL POOL. PLEASE READ THIS TELEGRAM INTO THE RECORD OF THE HEARING.==  
ALEX CLARKE, JR PANAMERICAN PETROLEUM CORP==

MAIN OFFICE OCC

1960 SEP 19 PM 1:09

2089 21 1960 1 80 2 320 3 GOR 4 5 25 T=25=N R=7=W

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Escrito-Gallup Oil Pool Well Data Sheet  
September, 1960

| Location<br>S-T-R | Operator     | Well No.       | Comp.<br>Date | Initial<br>Potential | Gallup<br>Perforations   | First<br>Prod. | Current<br>GOR<br>cu. ft./Bbl. | Cumulative<br>Prod. to<br>7-1-60 |
|-------------------|--------------|----------------|---------------|----------------------|--|----------------|--------------------------------|----------------------------------|
| 30-24-6           | Reese        | 1-30 Sperling  | 12-8-59       | 242 BOPD<br>745 Mcf  | 5448-5480'<br>5344-5358'<br>5280-5316'   | 1/60           | 62,076 ✓                       | 3,106 BO<br>1,774 Mcf            |
| 15-24-7           | Pan Am       | 1 Dashko       | 2-18-58       | 20 BOPD              | 5936-66'<br>5977-91'<br>6005-15'   | 6/58           | 2,795                          | 5,444 BO                         |
| 16-24-7           | Compass T.A. | 1-16 State     | 2-1-60        | 480 BOPD             | 6070-96'   | 2/60           | 636 ✓                          | 8,676 BO                         |
| 17-24-7           | Dorfman T.A. | 1 Judy-Fed.    | 2-25-60       | 552 BOPD             | 6110-38'   | 2/60           | 1,724 ✓                        | 10,687 BO                        |
| 17-24-7           | Dorfman T.A. | 1 Coleen-Fed.  | 5-18-60       | 245 BOPD             | 6128-56'   | 5/60           | 802 ✓                          | 3,958 BO                         |
| 17-24-7           | Dorfman      | 2 Coleen-Fed.  | 6-15-60       | 618 BOPD             | 5990-6014'   | 6/60           | 687 ✓                          | 906 BO                           |
| 19-24-7           | Standard     | 1-3-19 Federal | 2-18-58       | 17 BOPD              | 6054-80'<br>6090-6114'   | 2/58           | 1,168 ✓                        | 7,162 BO                         |
| 20-24-7           | Standard     | 1-3-20 Federal | 10-8-57       | 122 BOPD             | 6128-43'   | 9/57           | 1,050 ✓                        | 29,128 BO                        |
| 21-24-7           | Reese        | 1-21 Connie    | 7-4-59        | 352 BOPD             | 5698-80'<br>5670-42'<br>5548-16'<br>5474-56'   | 7/59           | 3,218                          | 13,046 BO<br>1,998 Mcf           |
| 21-24-7           | Reese T.A.   | 2-21 Connie    | 4-18-60       | 504 BOPD             | 6072-6098'   | 4/60           | 824 ✓                          | 5,260 BO                         |
| 22-24-7           | Eastern      | 1-22 Federal   | 6-8-58        | 340 BOPD             | 5570-90'   | 6/58           | 300                            | 19,685 BO                        |
| 22-24-7           | Standard     | 1-6-22 Federal | 1-7-58        | 142 BOPD             | 5855-76'<br>5881-89'   | 1/58           | 2,000                          | 17,576 BO                        |
| 25-24-7           | Reese        | 1-25 Mesa      | 6-5-60        | OF 2328 Mcf          | 5514-5524'<br>5502-5506'<br>5484-5492'<br>5442-5470'<br>5338-5350'<br>5326-5332'<br>5274-5294' | --             | 70,000 (estimated)             |                                  |

BEFORE EXAMINATION  
OIL CONSERVATION  
CASE NO. 2089  
DATE 2-20-60

T.H. =

Case 2089  
Reese Exhibit No. 2

Escrito-Gallup Oil Pool Well Data Sheet (contd.)  
September, 1960

| Location<br>S-T-R | Operator  | Well No.       | Comp.   | Initial   | Gallup   | First | Current Cumulative  |                            |
|-------------------|-----------|----------------|---------|-----------|--|-------|---------------------|----------------------------|
|                   |           |                | Date    | Potential | Perforations   | Prod. | GOR<br>cu. ft./Bbl. | Prod. to<br>7-1-60         |
| 26-24-7           | Standard  | 1-2-26 Federal | 1-27-58 | 30 BOPD   | 5464-40'   | 1/58  | 61,800              | 2,526 BO<br>222,281 Mcf*   |
| 26-24-7           | Standard  | 1-4-26 Federal | 1-5-58  | 17 BOPD   | 5462-69'<br>5474-78'<br>5488-94'<br>5417-34'<br>5440-46' | 1/58  | 74,000              | 2,181 BO<br>122,429 Mcf* - |
| 27-24-7           | So. Union | 1 Ernest       | 2-22-58 | 91 BOPD   | 5577-5601'   | 2/58  | 2,828               | 14,932 BO                  |
| 27-24-7           | Standard  | 1-1-27 Federal | 6-10-57 | 70 BOPD   | 5700-13'<br>5757-68'                                     | 6/57  | 4,200               | 15,854 BO                  |
| 34-27-7           | Pan Am    | 1 Zanothi      | 3-4-58  | 86 BOPD   | 5604-24'<br>5640-58'<br>5668-78'                         | 3/58  | 820                 | 11,151 BO                  |

\* Vented

Note: All wells single completions with the exception of Reese 1-30 Sperling and Reese 1-25 Mesa, which are dual Dakota wells.

Calculation of Recoverable Reserves  
Standard 1-3-20 Federal  
Section 20. T-24N, R-7W

Oil Area

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 54  
CASE NO. 2089

|                                       |              |
|---------------------------------------|--------------|
| Net sand thickness                    | 57 feet      |
| Porosity of sand                      | 10.1 %       |
| Water saturation of sand              | 35.5 %       |
| Shrinkage factor                      | .7           |
| Estimated recovery by primary methods | 5 %          |
| Oil in place per acre-foot            | 353.8 Bbls.  |
| Recoverable oil per acre-foot         | 17.7 Bbls.   |
| Recoverable oil per acre              | 1.009 Bbls.  |
| Recoverable oil from 40 acres         | 40.360 Bbls. |
| Gross value at \$2.42/Bbl.            | \$97,671     |
| Production and ad valorem taxes       | 6 %          |
| Assumed outstanding royalty interests | 17.5 %       |

$\$97,671 \times .825 \times .94 = \$75,744$  net after royalty and taxes

Net value from 80 acres \$151,488

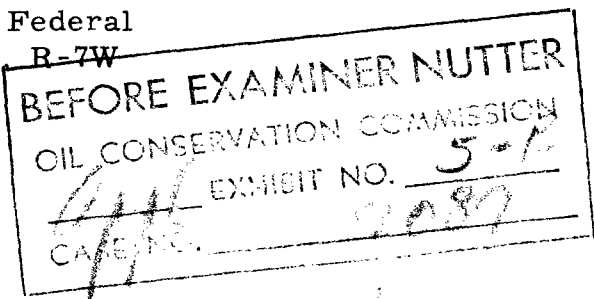
Note: The net value determination does not consider operating costs and is not discounted over the productive life of the well.

Case 2089  
Reese Exhibit No. 54

ILLEGIBLE

Calculation of Recoverable Reserves  
Dorfman #1 Coleen Federal  
Section 17, T-24N, R-7W

Oil Area



|  |              |
|--|--------------|
| Net sand thickness   | 23 feet      |
| Porosity of sand   | 11.7 %       |
| Water saturation of sand   | 25.0 %       |
| Shrinkage factor   | .7           |
| Estimated recovery by primary methods                                      | 15 %         |
| Oil in place per acre-foot   | 476.5 Bbls.  |
| Recoverable oil per acre-foot  | 71.5 Bbls.   |
| Recoverable oil per acre   | 1,644 Bbls.  |
| Recoverable oil from 40 acres  | 65,760 Bbls. |
| Gross value at \$2.42/Bbl.   | \$159,139    |
| Production and ad valorem taxes  | 6 %          |
| Assumed outstanding royalty interests                                      | 17.5 %       |
| $\$159,139 \times .825 \times .94 = \$123,412$ net after royalty and taxes |              |
| Net value from 80 acres  | \$246,824    |

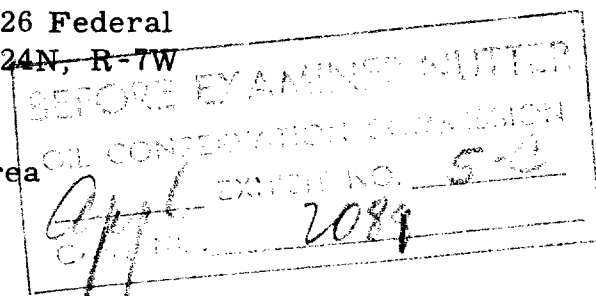
Note: The net value determination does not consider operating costs and is not discounted over the productive life of the well.

Case 2089  
Reese Exhibit No. 5B

ILLEGIBLE

Calculation of Recoverable Reserves  
Standard 1-4-26 Federal  
Section 26, T-24N, R-7W

Gas Area



|  |                 |
|--|-----------------|
| Net sand thickness   | 41 feet         |
| Porosity of sand   | 11.2 %          |
| Oil saturation of sand                                       | 33.2 %          |
| Water saturation of sand                                     | 37.8 %          |
| Bottom hole pressure   | 1842 psig       |
| Reservoir temperature  | 121 °F          |
| Compressibility factor                                       | .790            |
| Gas per acre-foot originally in place                        | 198 Mcf         |
| Gas per acre-foot remaining at 250 psia abandonment pressure | 22 Mcf          |
| Recoverable gas per acre-foot                                | 176 Mcf         |
| Recoverable gas per acre                                     | 7,216 Mcf       |
| Liquid content   | 12 Bbls. / MMcf |
| Pipeline gas recoverable per acre                            | 7,108 Mcf       |
| Liquids recoverable per acre                                 | 85 Bbls.        |
| Recoverable gas from 40 acres                                | 284,320 Mcf     |
| Gross value of gas at 13¢/Mcf                                | \$36,962        |

Case 2089  
Reese Exhibit No. 5C

Calculation of Recoverable Reserves  
Standard 1-4-26 Federal

-2-

|  |             |
|--|-------------|
| Recoverable liquids from 40 acres  | 3,400 Bbls. |
| Gross value of liquids at \$2.22/Bbl.  | \$7,548     |
| Gross value of recoverable hydrocarbons  | \$44,510    |
| Production and ad valorem taxes  | 6 %         |
| Assumed outstanding royalty interests  | 17.5 %      |
| $\$44,510 \times .825 \times .94 = \$34,518 \text{ net after royalty and taxes}$ |             |
| Net value from 160 acres   | \$138,072   |
| Net value from 320 acres   | \$276,144   |

Note: The net value determination does not consider operating costs and is not discounted over the productive life of the well.

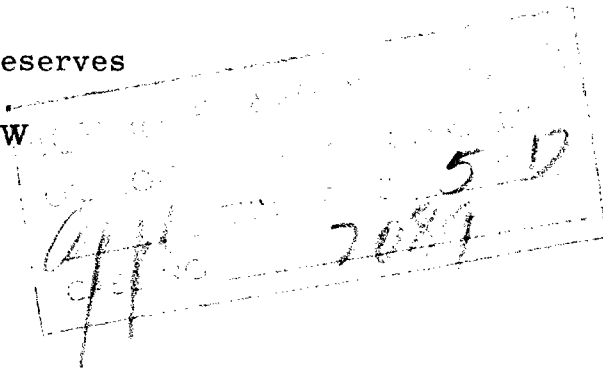


# Calculation of Recoverable Reserves

Reese #1-30 Sperling

Section 30, T-24N, R-6W

Gas Area



|  |                 |
|--|-----------------|
| Net sand thickness   | 33 feet         |
| Porosity   | 10.1 %          |
| Oil saturation of sand                                       | 31.3 %          |
| Water saturation of sand                                     | 31.1 %          |
| Bottom hole pressure   | 1842 psig       |
| Reservoir temperature  | 121 °F          |
| Compressibility factor                                       | .790            |
| Gas per acre-foot originally in place                        | 231 Mcf         |
| Gas per acre-foot remaining at 250 psia abandonment pressure | 27 Mcf          |
| Recoverable gas per acre-foot                                | 204 Mcf         |
| Recoverable gas per acre                                     | 6,732 Mcf       |
| Liquid content   | 12 Bbls. / MMcf |
| Pipeline gas recoverable per acre                            | 6,631 Mcf       |
| Liquids recoverable per acre                                 | 80 Bbls.        |
| Recoverable gas from 40 acres                                | 265,240 Mcf     |
| Gross value of gas at 13¢/Mcf                                | \$34,481        |

Case 2089  
Reese Exhibit No. 5-D

Calculation of Recoverable Reserves  
Reese #1-30 Sperling

-2-

|  |             |
|--|-------------|
| Recoverable liquids from 40 acres  | 3,200 Bbls. |
| Gross value of liquids at \$2.22/Bbl.  | \$7,104     |
| Gross value of recoverable hydrocarbons  | \$41,585    |
| Production and ad valorem taxes  | 6 %         |
| Assumed outstanding royalty interests  | 17.5 %      |
| $\$41,585 \times .825 \times .94 = \$32,249 \text{ net after royalty and taxes}$ |             |
| Net value from 160 acres   | \$128,997   |
| Net value from 320 acres   | \$257,993   |

Note: The net value determination does not consider operating costs and is not discounted over the productive life of the well.

on the Lea-State "AV" Lease comprising the NW/4 of Section 19, Township 12 South, Range 38 East, Lea County, New Mexico.

CASE 2088:

Application of Tennessee Gas Transmission Company for an amendment of Order No. R-1755. Applicant, in the above-styled cause, seeks an order amending Order No. R-1755 to expressly designate the applicant as operator of the unit pooled in said order with all powers incidental to the proper operation of the unit including the power and authority to market the production from the unit well.

CASE 2089:

Application of Val R. Reese & Associates, Inc. for the promulgation of special rules and regulations governing the Escrito-Gallup Oil Pool. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations governing the drilling, spacing and production of oil and gas wells in the Escrito-Gallup Oil Pool, Rio Arriba County, New Mexico and further, to extend said pool to include all of Section 25, Township 25 North, Range 7 West.

MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS

LAW OFFICES OF

SIMMS BUILDING

P. O. BOX 466

ALBUQUERQUE, NEW MEXICO

TELEPHONE CHAPEL 3-4514

JOHN F. SIMMS (1885-1954)

J. R. MODRALL  
AUGUSTUS T. SEYMOUR  
JAMES E. SPERLING  
JOSEPH E. ROEHL  
GEORGE T. HARRIS  
DANIEL A. SISK  
  
LELAND S. SEDBERRY  
BURNS H. ERREBO  
ALLEN C. DEWEY  
FRANK H. ALLEN

August 29, 1960

Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Re: Application of Val R. Reese &  
Associates, Inc. for adoption of  
special pool rules for the Escrito  
Gallup oil pool, Rio Arriba County,  
New Mexico.

Gentlemen:

Enclosed is original and two copies of above captioned Application.

We would appreciate this matter being set for hearing at your  
earliest convenience and it will be satisfactory for you to set  
it for hearing either before the full Commission at the statewide  
hearing in September or on the Examiner Docket for the latter  
part of September.

Very truly yours,

*Burns H. Errebo*

Burns H. Errebo

BHE/rb

Enclosures

*9-9-60*

MAIL OFFICE OCC  
1960 AUG 30 AM 9:10

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF VAL R. REESE & ASSOCIATES, INC.  
FOR ADOPTION OF SPECIAL POOL RULES FOR  
THE ESCRITO GALLUP OIL POOL, RIO ARRIBA  
COUNTY, NEW MEXICO

Case No. 2089

APPLICATION

Applicant states:

1. That Applicant, Val R. Reese & Associates, Inc. is owner and operator of wells producing from the Escrito Gallup oil pool, Rio Arriba County, New Mexico.

2. That said pool has been classified as an oil pool by Order of this Commission.

3. That there are wells productive of both oil and gas now producing from the common source of supply of said pool.

4. That special pool rules and regulations should be adopted by this Commission concerning the drilling of oil wells and gas wells in said pool and the production therefrom, including but not limited to provisions for proration units for oil wells and for gas wells, well location, determination of allowables for oil wells and for gas wells and limiting gas-oil ratios.

5. That the limits of said pool should be extended to include all of Section 25, Township 25 North, Range 7 West.

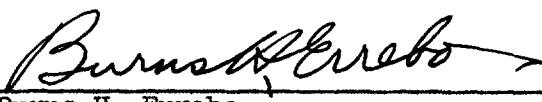
6. That the adoption of special rules and regulations is necessary for the prevention of waste and protection of correlative rights.

WHEREFORE, Applicant prays that this matter be set for hearing, that notice thereof be given as required by law, and upon

hearing this Commission adopt rules and regulations for said pool  
as herein requested and grant such other and further relief as this  
Commission may deem necessary and proper.

VAL R. REESE & ASSOCIATES, INC.

By: MODRALL SEYMOUR SPERLING ROEHL & HARRIS

By:   
\_\_\_\_\_  
Burns H. Errebo  
Post Office Box 466  
1200 Simms Building  
Albuquerque, New Mexico

ATWOOD & MALONE  
LAWYERS

JEFF D. ATWOOD  
ROSS L. MALONE  
CHARLES F. MALONE  
E. KIRK NEWMAN  
RUSSELL D. MANN  
PAUL A. COOTER

1960 NOV 11 AM 10 15

TELEPHONE MAIN 2-6221  
ROSWELL PETROLEUM BUILDING  
ROSWELL, NEW MEXICO

NOVEMBER  
11th  
1960

State of New Mexico  
Oil Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico

Re: Case No. 2089  
Application of Val R. Reese & Associates,  
Pan American Petroleum Corporation et al.

Gentlemen:

We are resident counsel for Pan American Petroleum Corporation in the captioned case and as such wish to enter our appearance therein. It is anticipated that the presentation before the Commission will be made by Mr. Guy Buell, an employee of Pan American Petroleum Corporation and a member of the State Bar of Texas.

Very truly yours,

ATWOOD & MALONE

E  
K  
N

By:



\*

v

Cc: Mr. J. K. Smith  
Mr. Guy Buell

**SOUTHERN UNION GAS COMPANY**

FIDELITY UNION TOWER

DALLAS 1, TEXAS

A. M. WIEDERKEHR  
VICE-PRESIDENT  
EXPLORATION & GAS SUPPLY

November 8, 1960

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Gentlemen:

With reference to de nova hearing on Case 2089, concerning the special rules and regulations for the Escrito-Gallup Oil Pool in Rio Arriba County, New Mexico. Please be advised that Southern Union Gas Company, as an operator in this field, concurs with Val R. Reese & Associates, Inc. in their original application and with their original rules.

Yours very truly,

SOUTHERN UNION GAS COMPANY



AMW:t



J. O. SETH  
A. K. MONTGOMERY  
OLIVER SETH  
WM. FEDERICI  
FRANK ANDREWS  
FRED C. HANNAHS  
GEORGE A. GRAHAM, JR.

SETH, MONTGOMERY, FEDERICI & ANDREWS

ATTORNEYS AND COUNSELORS AT LAW  
301 DON GASPAR AVENUE  
SANTA FE, NEW MEXICO

POST OFFICE BOX 828  
TELEPHONE YU 3-7315

November 8, 1960

New Mexico Oil Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico

Re: Case No. 2089

Gentlemen:

This letter will constitute our entry of appearance as regular counsel for El Paso Natural Gas Company, one of the applicants for a de novo hearing in Case No. 2089.

We will be associated in this hearing with Mr. Ben Howell, Mr. Garrett C. Whitworth and other out-of-state counsel of El Paso Natural Gas Company.

Very truly yours,



OS:dd

LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE

LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE

CASE 2089 DE NOVO

LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE

Calculation of Recoverable Reserves  
Standard 1-3-20 Federal  
Section 20, T-24N, R-7W

Oil Area

|  |              |
|--|--------------|
| Net sand thickness   | 57 feet      |
| Porosity of sand   | 10.1 %       |
| Water saturation of sand   | 35.5 %       |
| Shrinkage factor   | .7           |
| Estimated recovery by primary methods  | 5 %          |
| Oil in place per acre-foot   | 353.8 Bbls.  |
| Recoverable oil per acre-foot  | 17.7 Bbls.   |
| Recoverable oil per acre   | 1,009 Bbls.  |
| Recoverable oil from 40 acres  | 40,360 Bbls. |
| Gross value at \$2.42/Bbl.   | \$97,671     |
| Production and ad valorem taxes  | 6 %          |
| Assumed outstanding royalty interests  | 17.5 %       |
| $\$97,671 \times .825 \times .94 = \$75,744 \text{ net after royalty and taxes}$ |              |
| Net value from 80 acres  | \$151,488    |

Note: The net value determination does not consider operating costs and is not discounted over the productive life of the well.

|  |
|--|
| Case 2089<br>De Novo Hearing<br>Reese Exhibit No. 5A |
|--|

Calculation of Recoverable Reserves  
Dorfman #1 Coleen Federal  
Section 17, T-24N, R-7W

Oil Area

|  |              |
|--|--------------|
| Net sand thickness   | 23 feet      |
| Porosity of sand   | 11.7 %       |
| Water saturation of sand   | 25.0 %       |
| Shrinkage factor   | .7           |
| Estimated recovery by primary methods                                      | 15 %         |
| Oil in place per acre-foot   | 476.5 Bbls.  |
| Recoverable oil per acre-foot  | 71.5 Bbls.   |
| Recoverable oil per acre   | 1,644 Bbls.  |
| Recoverable oil from 40 acres  | 65,760 Bbls. |
| Gross value at \$2.42/Bbl.   | \$159,139    |
| Production and ad valorem taxes  | 6 %          |
| Assumed outstanding royalty interests                                      | 17.5 %       |
| $\$159,139 \times .825 \times .94 = \$123,412$ net after royalty and taxes |              |
| Net value from 80 acres  | \$246,824    |

Note: The net value determination does not consider operating costs and is not discounted over the productive life of the well.

|  |
|--|
| Case 2089<br>De Novo Hearing<br>Reese Exhibit No. 5B |
|--|

Calculation of Recoverable Reserves  
Standard 1-4-26 Federal  
Section 26, T-24N, R-7W

Gas Area

|  |                 |
|--|-----------------|
| Net sand thickness   | 41 feet         |
| Porosity of sand   | 11.2 %          |
| Oil saturation of sand                                       | 33.2 %          |
| Water saturation of sand                                     | 37.8 %          |
| Bottom hole pressure   | 1842 psig       |
| Reservoir temperature  | 121 °F          |
| Compressibility factor                                       | .790            |
| Gas per acre-foot originally in place                        | 198 Mcf         |
| Gas per acre-foot remaining at 250 psia abandonment pressure | 22 Mcf          |
| Recoverable gas per acre-foot                                | 176 Mcf         |
| Recoverable gas per acre                                     | 7,216 Mcf       |
| Liquid content   | 12 Bbls. / MMcf |
| Pipeline gas recoverable per acre                            | 7,108 Mcf       |
| Liquids recoverable per acre                                 | 85 Bbls.        |
| Recoverable gas from 40 acres                                | 284,320 Mcf     |
| Gross value of gas at 13¢/Mcf                                | \$36,962        |

|  |
|--|
| Case 2089<br>De Novo Hearing<br>Reese Exhibit No. 5C |
|--|



Calculation of Recoverable Reserves  
Standard 1-4-26 Federal

-2-

|  |             |
|--|-------------|
| Recoverable liquids from 40 acres  | 3,400 Bbls. |
| Gross value of liquids at \$2.22/Bbl.  | \$7,548     |
| Gross value of recoverable hydrocarbons  | \$44,510    |
| Production and ad valorem taxes  | 6 %         |
| Assumed outstanding royalty interests  | 17.5 %      |
| $\$44,510 \times .825 \times .94 = \$34,518 \text{ net after royalty and taxes}$ |             |
| Net value from 160 acres   | \$138,072   |
| Net value from 320 acres   | \$276,144   |

Note: The net value determination does not consider operating costs and is not discounted over the productive life of the well.

Calculation of Recoverable Reserves  
Reese #1-30 Sperling  
Section 30, T-24N, R-6W

Gas Area

|  |                 |
|--|-----------------|
| Net sand thickness   | 33 feet         |
| Porosity   | 10.1 %          |
| Oil saturation of sand                                       | 31.3 %          |
| Water saturation of sand                                     | 31.1 %          |
| Bottom hole pressure   | 1842 psig       |
| Reservoir temperature  | 121 °F          |
| Compressibility factor                                       | .790            |
| Gas per acre-foot originally in place                        | 231 Mcf         |
| Gas per acre-foot remaining at 250 psia abandonment pressure | 27 Mcf          |
| Recoverable gas per acre-foot                                | 204 Mcf         |
| Recoverable gas per acre                                     | 6,732 Mcf       |
| Liquid content   | 12 Bbls. / MMcf |
| Pipeline gas recoverable per acre                            | 6,631 Mcf       |
| Liquids recoverable per acre                                 | 80 Bbls.        |
| Recoverable gas from 40 acres                                | 265,240 Mcf     |
| Gross value of gas at 13¢/Mcf                                | \$34,481        |

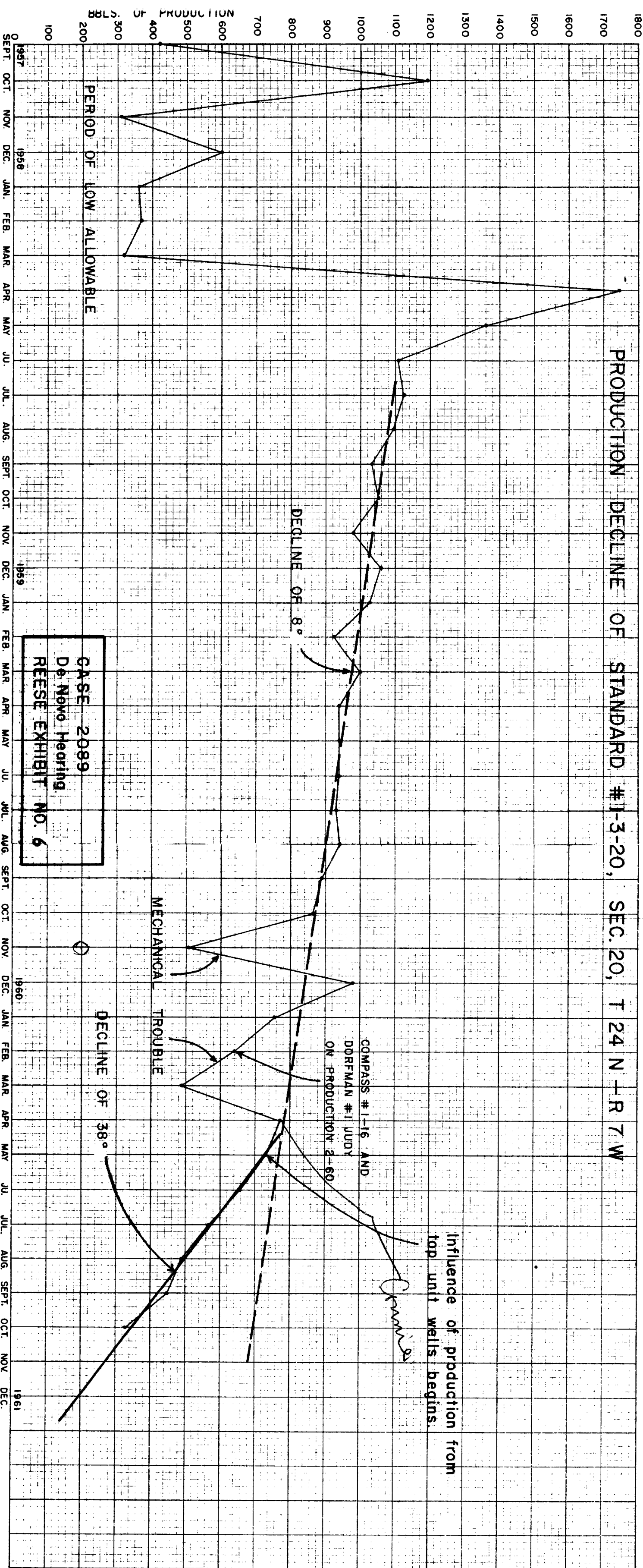
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| Case 2089<br>De Novo Hearing<br>Reese Exhibit No. 5D |
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Calculation of Recoverable Reserves  
Reese #1-30 Sperling

-2-

|  |             |
|--|-------------|
| Recoverable liquids from 40 acres  | 3,200 Bbls. |
| Gross value of liquids at \$2.22/Bbl.  | \$7,104     |
| Gross value of recoverable hydrocarbons  | \$41,585    |
| Production and ad valorem taxes  | 6 %         |
| Assumed outstanding royalty interests  | 17.5 %      |
| $\$41,585 \times .825 \times .94 = \$32,249 \text{ net after royalty and taxes}$ |             |
| Net value from 160 acres   | \$128,997   |
| Net value from 320 acres   | \$257,993   |

Note: The net value determination does not consider operating costs and is not discounted over the productive life of the well.



CASE 2089 DE NOV

RESE # 6

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Escrito-Gallup Oil Pool Well Data Sheet  
November, 1960

| Location<br>S-T-R                        | Operator                                 | Well No.   | Comp.<br>Date                            | Initial<br>Potential                         | Gallup<br>Perforations   | Current Cumulative                          |                                      |
|--|--|--|--|--|--|---|--------------------------------------|
|  |  |  |  |  |  | First<br>Prod. cu.ft./Bbl.                  | Prod. to<br>9-1-60                   |
| 30-24-6                                  | Reese                                    | 1-30 Sperling  | 12-8-59                                  | 242 BOPD<br>745 Mcf                          | 5448-5480'<br>5344-5358'<br>5280-5316'<br>5936-66'<br>5977-91'                                   | 1/60 41,712                                 | 3,106 BO<br>1,774 BO                 |
| 15-24-7                                  | Pan Am                                   | 1 Dashko   | 2-18-58                                  | 20 BOPD                                      | 5977-91'<br>6005-15'<br>6070-96'<br>5916-38'<br>5782-90'<br>5800-04'                             | 6/58 2,400                                  | 5,713 BO                             |
| 16-24-7<br>16-24-7                       | Compass<br>Reese                         | 1-16 State<br>1-16 Bigbee                                    | 2-1-60<br>11-3-60                        | 480 BOPD<br>210 BOPD                         | 6070-96'<br>5916-38'<br>5782-90'<br>5800-04'   | 2/60 2,190                                  | 13,327 BO                            |
| 17-24-7<br>17-24-7<br>17-24-7<br>17-24-7 | Dorfman<br>Dorfman<br>Dorfman<br>Dorfman | 1 Judy-Fed.<br>2 Judy-Fed.<br>1 Coleen-Fed.<br>2 Coleen-Fed. | 2-25-60<br>10-8-60<br>5-18-60<br>6-15-60 | 552 BOPD<br>300 BOPD<br>245 BOPD<br>618 BOPD | 6110-38'<br>6024-74'<br>6128-56'<br>5990-6014'<br>6032-44'<br>6108-33'<br>6054-80'<br>6090-6114' | 2/60 1,352<br>813<br>5/60 1,060<br>6/60 696 | 16,553 BO<br>9,093 BO<br>6,734 BO    |
| 18-24-7<br>19-24-7                       | Dorfman<br>Standard                      | 1 Elizabeth-Fed.<br>1-3-19 Federal                           | 10-7-60<br>2-18-58                       | 260 BOPD<br>17 BOPD                          | 6108-33'<br>6054-80'<br>6090-6114'   | 2/58 1,467<br>825                           | 7,545 BO                             |
| 20-24-7<br>21-24-7                       | Standard<br>Reese                        | 1-3-20 Federal<br>1-21 Connie                                | 10-8-57<br>7-4-59                        | 122 BOPD<br>352 BOPD                         | 6128-43'<br>5698-80'<br>5670-42'<br>5548-16'<br>5474-56'   | 9/57 3,084<br>7/59 5,310                    | 30,183 BO<br>15,526 BO<br>12,222 Mcf |
| 21-24-7<br>22-24-7<br>22-24-7            | Reese<br>Eastern<br>Reese                | 2-21 Connie<br>1-22 Federal<br>1-22 Stephenson               | 4-18-60<br>6-8-58<br>11-3-60             | 504 BOPD<br>340 BOPD<br>342 BOPD             | 6072-6098'<br>5570-90'<br>5972-6004'<br>5846-76'<br>5782-5804'<br>5855-76'<br>5881-89'           | 4/60 1,065<br>6/58 300                      | 11,183 BO<br>21,233 BO               |
| 22-24-7                                  | Standard                                 | 1-6-22 Federal   | 1-7-58                                   | 142 BOPD                                     | 5855-76'<br>5881-89'   | 1/58 2,300                                  | 18,572 BO                            |

\*New GOR not available. Previously filed GOR is used.

Escrito-Gallup Oil Pool Well Data Sheet (contd. )  
November, 1960

| Location<br>S-T-R | Operator  | Well No.       | Comp.<br>Date | Initial<br>Potential | Gallup<br>Perforations  | Current Cumulative |  |
|-------------------|-----------|----------------|---------------|----------------------|---|--------------------|--|
|                   |           |                |               |                      |   | First<br>Prod.     | GOR<br>cu. ft./Bbl.<br>Prod. to<br>9-1-60    |
| 25-24-7           | Reese     | 1-25 Mesa      | 6-5-60        | OF 2328 Mcf          | 5514-5524'<br>5502-5506'<br>5484-5492'<br>5442-5470'<br>5338-5350'<br>5326-5332'<br>5274- <del>5294</del> ' | --                 | 70,000 <del>✓</del> (estimated)              |
| 26-24-7           | Standard  | 1-2-26 Federal | 1-27-58       | 30 BOPD              | 5464-40'  | 1/58               | 86,571 <del>✓</del> 2,748 BO<br>236,000 Mcf* |
| 26-24-7           | Standard  | 1-4-26 Federal | 1-5-58        | 17 BOPD              | 5462-69'<br>5474-78'<br>5488-94'<br>5417-34'<br>5440-46'  | 1/58               | 30,400 <del>✓</del> 2,265 BO<br>128,645 Mcf* |
| 27-24-7           | So. Union | 1 Ernest       | 2-22-58       | 91 BOPD              | 5577-5601'  | 2/58               | 2,350 15,498 BO                              |
| 27-24-7           | Standard  | 1-1-27 Federal | 6-10-57       | 70 BOPD              | 5700-13'  | 6/57               | 5,550 16,495 BO                              |
| 29-24-7           | Reese     | 3-29 Connie    | 6-13-60       | 180 BOPD             | 6048-6056'<br>6008-6022'  |                    | 3,267  |
| 34-24-7           | Pan Am    | 1 Zanotti      | 3-4-58        | 86 BOPD              | 5604-24'<br>5640-58'<br>5668-78'  | 3/58               | 1,472 <del>✓</del> 11,626 BO                 |

\*\*Vented

Note: All wells single completions with the exception of Reese #1-30 Sperling and Reese #1-25 Mesa, which are dual Dakota wells.



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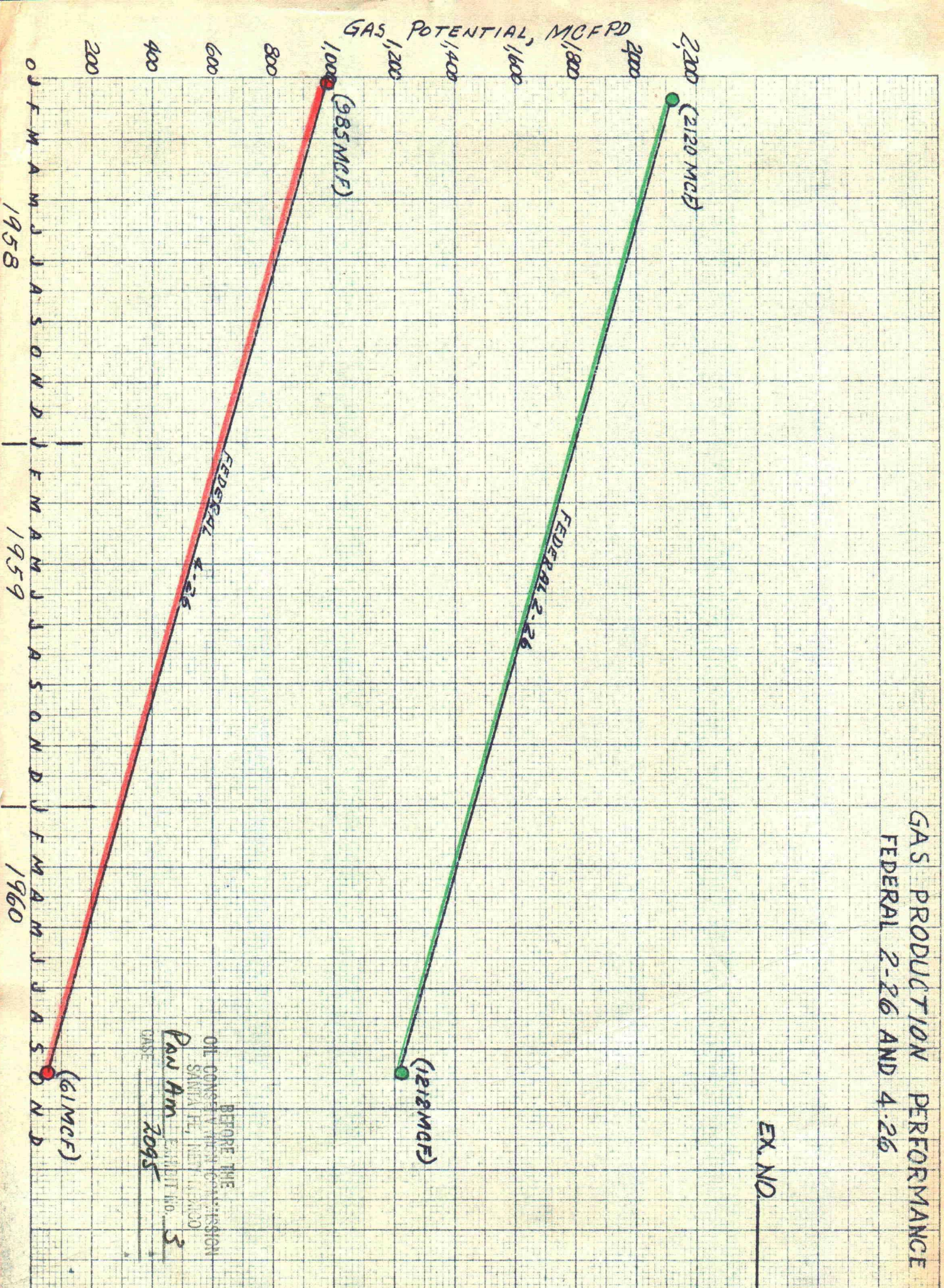
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GAS PRODUCTION PERFORMANCE  
FEDERAL 2-26 AND 4-26

EX. NO. \_\_\_\_\_



BEFORE THE  
OIL CONSERVATION COMMISSION  
SARVA H. MEYER, JR.  
Pan Am Exhibit No. 3  
CASE 2095



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