

ECONOMICS OF DRILLING ONE WELL PER 40 ACRES OR 80 ACRES
BOUGH "C" FORMATION
L.R. FRENCH, JR.
GULF-STATE WELL NO. I

<u>INCOME</u>	<u>40 ACRES</u>	<u>80 ACRES</u>
1. Recoverable Oil, Bbls.	29,952	59,904
2. Operators Net Recoverable Oil, (Assuming 7/8 Int. Lease)	26,218	52,436
*3. Operators Gross Income (\$2.71 times No. 2)	\$71,051	\$142,102

COST **

1. Drilling, testing and completing L.R. FRENCH, JR. GULF-STATE NO. I	\$147,986	10,500
2. Tank battery and flow lines	7,840	
3. Pump	19,107	
Total Cost **	\$174,933	
4. Estimated Cost of each additional well	\$134,000	

* Crude Price (per bbl) = \$3.01
Taxes = 0.18
Trucking = .12
Net Price = \$2.71

** Does not include operating costs.

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO. <u>10</u>	
CASE NO. <u>2635</u>	