

SHELL OIL COMPANY
CUSTER ELLENBURGER GAS POOL
ECONOMICS FOR 160 AND 320 ACRE
WELL SPACING

1. Cost and Income Data

Operating Net Income per MMCF

Gas Price \$/MMCF	160.00
Liquid/Gas Ratio Over Life bbls/MMCF	4
Condensate Income \$/MMCF	10.92
Gross Income \$/MMCF	170.92

Royalty \$/MMCF	21.35
Production and Property Taxes \$/MMCF	10.46
Overhead \$/MMCF	7.73
Subtotal	39.54
Operating Net Income \$/MMCF	131.38

Well Cost

\$326,000

2. 160-Acre Spacing

Reserves	4,250 MMCF
Life	13 years
Income	\$558,000
Direct Operating Cost	\$23,000
Profit	\$209,000
Profit Discounted @ 6%	\$48,000
Per Cent Profit Discounted @ 6%	14.7%

3. 320-Acre Spacing

Reserves	8,500 MMCF
Life	13 years
Income	\$1,116,000
Direct Operating Cost	23,000
Profit	767,000
Profit Discounted @ 6%	439,000
Per Cent Profit Discounted @ 6%	135%

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 6
CASE NO. 2715

NMOCC Case No:

2715

Exhibit No:

6

Date:

December 6, 1962