

**PREDICTED FUTURE RECOVERY
REMAINING PRIMARY AND/OR SECONDARY
FROM
PROPOSED CACTUS QUEEN UNIT AREA**

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- CASE 1 No secondary recovery program of any kind is initiated. All wells are allowed to produce until uneconomic. No additional expenses are encountered other than normal LOE.
- CASE 2 Two separate waterflood projects are initiated; one voluntary unit and one project on the Doyal lease. No additional wells are drilled in either project. Each project and any offsetting wells are allowed to operate until uneconomic.
- CASE 3 The entire reservoir is unitized under statutory unitization and a single waterflood project is initiated. One additional well is drilled.
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	INITIAL EXPENSE	BARRLES PREDICTED OIL PROD.	GROSS VALUE @ \$18/BBL	OIL LOST COMPARED TO CASE 3	GROSS \$ VALUE OIL LOST
CASE 1	\$0	5,000	\$90,000	245,000	\$4,410,000
CASE 2	\$474,000	225,000	\$4,050,000	25,000	\$450,000
Case 3	\$509,000	250,000	\$4,500,000	0	\$0

BEFORE EXAMINER STOGER
OIL CONSERVATION DIVISION

YATES EXHIBIT NO. 11

CASE NO. 9809, 9810, 9823

NMOCD CASE NO. _____ EXHIBIT NO. 1111
Application of Yates Drilling Company
For a Secondary Recovery Project
(Proposed Cactus Queen Unit)
Chaves County, New Mexico