

Survey Results — 1986

Region: Colorado Plateau, Basin and Range-3

Oil Wells

Responses 1986 1985	Depth in Feet Over Not Over	Monthly Drilling Well Rates 1986 1985			Monthly Producing Well Rates 1986 1985		
		Average or Mean	Median	Average or Mean	Average or Mean	Median	Average or Mean
17 22	0- 5,000	\$ 3,324	\$ 3,500	\$ 3,425	\$ 3,336	\$ 3,530	\$ 3,396
20 22	5,000- 10,000	4,138	4,325	3,861	4,446	4,000	4,444
11 17	10,000- 15,000	4,707	4,705	4,799	5,055	4,950	5,755
6 12	15,000- 20,000	5,137	4,500	6,371	6,222	6,300	7,127
4 8	20,000	5,444	4,392	6,602	6,946	6,308	7,467
11 13	No Depth Limit	5,015	4,392	4,263	5,339	4,111	4,564

Gas Wells

Responses 1986 1985	Depth in Feet Over Not Over	Monthly Drilling Well Rates 1986 1985			Monthly Producing Well Rates 1986 1985		
		Average or Mean	Median	Average or Mean	Average or Mean	Median	Average or Mean
19 19	0- 5,000	\$ 3,288	\$ 3,204	\$ 3,258	\$ 3,344	\$ 3,500	\$ 3,388
20 18	5,000- 10,000	3,895	4,325	3,736	4,133	4,000	4,428
11 14	10,000- 15,000	4,688	4,500	4,586	4,949	4,950	5,567
6 10	15,000- 20,000	5,137	4,500	6,298	6,222	6,300	7,187
4 7	20,000	5,444	4,392	6,520	6,946	6,308	7,507
9 13	No Depth Limit	5,121	4,392	4,263	5,544	4,111	4,564

NMOCD CASE NO. 9252

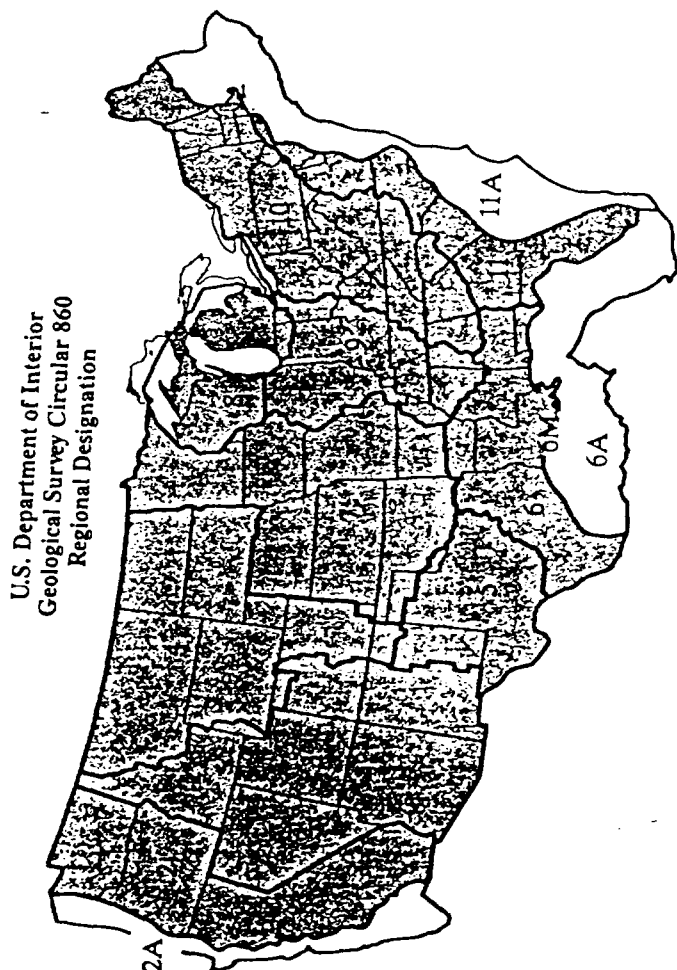
November 4, 1987

Dugan Production Corp.

Exhibit No. 6

Prepared in cooperation with:

California Independent Producers
Association
Independent Petroleum Association
of New Mexico
Louisiana Association of
Independent Producers &
Royalty Owners
Michigan Oil & Gas Association
North Texas Oil & Gas Association
Ohio Oil & Gas Association
Oklahoma Independent Petroleum
Association
Panhandle Producers & Royalty
Owners Association
Pennsylvania Oil & Gas Association
Permian Basin Petroleum Association
Tennessee Oil & Gas Association
Texas Independent Producers &
Royalty Owners Association
West Central Texas Oil &
Gas Association



To Oil and Gas Producers

We are pleased to provide you with the results of our fifth annual survey of combined fixed-rate overhead charges.

The survey results are based on about 750 replies to a questionnaire distributed to oil and gas producers in cooperation with thirteen industry organizations. The questionnaire was structured to obtain information for drilling and operating rates and for varying well depths in 16 U.S. geographic regions. It was distributed in June 1986 to members of the participating organizations, so the information should generally reflect operating agreements in effect at that time.

We had an eight percent response rate, and most responses were complete and usable in the tabulation. Results were compiled on the basis of regions according to Geological Survey Circular 860, U.S. Department of the Interior, depicted on pages 34-35.

The tables on pages 2 through 33 show the average monthly overhead charges and the median monthly charges (the point above and below which there was an equal number of reported values), together with a comparison with 1985 averages.

While we have solicited and compiled the survey results included in this booklet, we have not verified the responses and, therefore, make no representation as to their accuracy. If you would like additional copies, please contact Kenneth M. Burke, National Director of Energy Industry Services, Ernst & Whinney, 333 Clay, Suite 3100, Houston, TX 77002, 713/751-1200 or Roy E. Crocker, Senior Consultant, Ernst & Whinney, P.O. Box 1836, Roswell, N.M. 88201, 505/622-8500.

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