



ENERGIES  
INC.

COTTONWOOD PARK - SUITE 210  
907 RANCHO ROAD  
CASPER, WYOMING 82601  
(307) 234-7813

May 1, 1984



Land Quality Division  
Environmental Quality Department  
Equality State Bank Building  
401 West 19th  
Cheyenne, WY 80002

Re: Jacobs Ranch Mine Permit  
Campbell County, Wyoming

Gentlemen:

We have received notice of Kerr-McGee Coal Corporation's permit request for the above referenced mine. EMC Energies, Inc. has an economic interest in the Miller-Jacobs #1 oil and gas well located in the NE¼ of Section 2-T43N-R70W. According to the permit request, the lands on which this well sits will be affected by the proposed mining operation.

The Miller-Jacobs #1 is an excellent oil and gas well. A reserve evaluation (copy enclosed) prepared by our consulting engineer, Don Madden, shows that this well has remaining reserves of 103,000 barrels of oil and 5,150,000 MCF of natural gas. These are substantial reserves! In fact, the net income for our 1.33% working interest is projected to be \$145,000 throughout the life of this well.

I fear that the mining of coal is inconsistent with the continued operation of this well. Any sustained interruption in the production of this well would likely lead to the cancellation of our lease, which would not only affect our rights to the current producing formation (Muddy Sandstone) but also to any other potentially productive horizons (i.e., Dakota, Minnelusa, Turner, etc.).

In making your decision for the permit covering this proposed mine, please consider the economic rights of those who will be affected by this mine. Should you have any questions, please feel free to contact me at 307-234-7813.

Sincerely,

Thomas A. Galles  
President



TAG:vv

Encl

HILIGHT FIELD-MILLER JACOBS#1  
 MUDDY SAND  
 CAMPBELL CO, WYOMING  
 PROVED DEVELOPED  
 NON ESCALATED



FILE=WY9

RESERVES AND ECONOMICS

AS OF DATE : 6-30-83

END MO-YR	GROSS OIL PRODUCTION BLS	GROSS GAS PRODUCTION MCF	GAS OIL TO NET INTEREST BLS	GAS TO NET INTEREST MCF	REVENUE TO INTEREST \$	NET INVESTMENT \$	NET OPER EXPENSES \$	NET INCOME BEFORE FIT \$	CUMULATIVE NET INCOME \$	10.000 PCT CUM. DISC NET INCOME \$
6-84	7,408	370,397	79	3,951	13,171	0	1,958	11,213	11,213	10,692
6-85	6,889	344,470	73	3,674	12,249	0	1,841	10,408	21,622	19,713
6-86	6,407	320,357	68	3,417	11,392	0	1,732	9,660	31,281	27,325
6-87	5,959	297,932	64	3,178	10,594	0	1,631	8,963	40,244	33,746
6-88	5,542	277,077	59	2,955	9,853	0	1,537	8,316	48,560	39,161
6-89	5,154	257,681	55	2,749	9,163	0	1,450	7,713	56,273	43,727
6-90	4,793	239,644	51	2,556	8,522	0	1,368	7,153	63,427	47,577
6-91	4,457	222,868	48	2,377	7,925	0	1,293	6,632	70,059	50,822
6-92	4,145	207,268	44	2,211	7,370	0	1,222	6,148	76,207	53,557
6-93	3,855	192,759	41	2,056	6,854	0	1,157	5,697	81,904	55,861
6-94	3,585	179,266	38	1,912	6,375	0	1,096	5,278	87,183	57,801
6-95	3,334	166,717	36	1,778	5,928	0	1,040	4,889	92,072	59,435
6-96	3,101	155,047	33	1,654	5,513	0	987	4,526	96,598	60,810
6-97	2,884	144,194	31	1,538	5,127	0	938	4,189	100,787	61,967
6-98	2,682	134,100	29	1,430	4,769	0	893	3,876	104,663	62,940
S TOT	70,196	3,509,776	749	37,437	124,806	0	20,143	104,663	104,663	62,940
AFTER	32,821	1,641,064	350	17,504	58,356	-333	17,477	41,212	145,875	67,949
TOTAL	103,017	5,150,840	1,099	54,941	183,162	-333	37,620	145,875	145,875	67,949
CUM.	160,532	0			NET OIL REVENUE	26,580			10 PCT.	67,949
ULT.	263,549	5,150,840			NET GAS REVENUE	156,582			15 PCT.	54,005
PERCENT:									20 PCT.	45,086
INITIAL: WI=	1.33330	NRI=	1.06664		LIFE (YRS.)	50.0			25 PCT.	38,896
REVERSION: WI=	---	NRI=	---		RATE-OF-RETURN	N/A			30 PCT.	34,347
									35 PCT.	30,861

