



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

*FINAL 4-20-99

AUTHORITY FOR EXPENDITURE
FOR WELL WORKOVERS, PLUGGING & FACILITIES

AFE NO. 99-144-0
AFE DATE 7-Apr-99

Well/Facility Type	AFE Type
<input type="checkbox"/> Production	<input type="checkbox"/> Workover
<input checked="" type="checkbox"/> Injection	<input checked="" type="checkbox"/> Plug & Abandon
	<input type="checkbox"/> Facilities

AFE STATUS:
 Original
 Revised
 Final
Stormi

LEASE NAME: Hillview AHE Fed Com #4
 COUNTY: EDDY STATE: NM FIELD: S. Dagger Draw
 LOCATION: 1980' FSL & 1980' FEL Sec. 23, T. 20 S., R. 24 E.

PROGNOSIS: Well failed NMOCD "Bradenhead Test". Plan to set CIBP at 7600' and TA for future use as a Morrow deepening candidate if casing will pressure test. If casing leaks, holes will be located, and decision will be made whether to fix casing and TA or to P&A. AFE includes \$5000 for cement squeeze and \$5000 for work string rental. Plastic coated 3 1/2" injection tubing and wellhead will be sent to YPC yard for credit.

WELL WORKOVER EXPENSES:

510-100	Rig Expense	6,000
510-150	Water	1,000
510-200	Mud & Additives	
510-250	Cementing	7,500
510-300	Electrical Logging & Tests	2,500
510-350	Tool & Equipment Rental	3,000
510-400	Contract Labor & Services	
510-450	Stimulation	
510-500	Supervision & Administrative	1,000
510-550	Dirtwork & Surface Damages	1,000
510-600	Tools & Services	
510-650	Fishing Services	
510-700	Tubing Work String Usage Cost	5,000
510-900	Other Well Workover Costs	
TOTAL WORKOVER EXPENSES		27,000

WELL EQUIPMENT COSTS:

930-010	Christmas Tree & Wellhead	
930-020	Casing	
930-030	Tubing	
930-040	Packer & Special Equipment	
930-500	Contingency	
TOTAL WELL EQUIPMENT COSTS		0

LEASE & BATTERY EQUIPMENT COSTS:

940-010	Pumping Equipment	
940-020	Storage Facilities	
940-030	Separation Equip., Flowlines, Misc.	
940-040	Trucking & Construction Costs	
940-050	Pipeline Construction - Labor	
940-060	Pipeline Construction - Materials	
940-130	Enhanced Recovery - Plant Material	
940-135	Enhanced Recovery - Plant Labor	
940-140	Enhanced Recovery - Inj. Line Material	
940-145	Enhanced Recovery - Inj. Line Labor	
940-150	Enhanced Recovery - Inj. Source	
TOTAL LEASE & BATTERY EQUIPMENT COSTS		0

TOTAL COSTS

27,000

APPROVAL OF THIS AFE COSTITUTES APPROVAL OF OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM THE OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE.

Prepared By: Ray Hall 4/17/99 Operations Approval: [Signature] 7-Apr-99

YATES PETROLEUM CORPORATION	45.25%
YATES DRILLING COMPANY	18.25%
BY: <u>[Signature]</u> DATE	
ABO PETROLEUM CORPORATION	18.25%
BY: <u>[Signature]</u> DATE	
MYCO INDUSTRIES, INC.	18.25%
BY: <u>[Signature]</u> DATE	
BY: _____ DATE	