

OCD Case No. 13049
EGL/Landreth Exhibit No. 13.
April 10, 2003

AFE for Re-Entry Operation
Prepared by EGL Resources, Inc.

Note: This AFE assumes mudding up will be required to contain shales prior to reaching the Devonian. A 4 1/2" liner will be set in the top of Devonian and the well completed open hole below that point.

AUTHORIZATION - FOR - EXPENDITURE

E.G.L. Resources, Inc.

Original	X	Drill & Complete	AFE No.	RB4 - Case 2
Supplemental No.		Date:	12/04/2002	
Revision No.				
Lease/Well Name:	Rio Blanco 4 Federal #1	New Well:	Deepening: XXXX	Workover:
Location:	1980' FNL & 1980' FWL, Sec 4, T-23-S, R-J4-E	County/Parish:	Lea	
Field/Prospect:	Antelope Ridge	State:	NM	
Objective For:	Devonian	Proposed TD:	15,000'	
Other Potential Formation:		Acres in Unit		

INTANGIBLE COSTS

	DRILLING	COMPLETION
Permit/Survey/Damages	1,000	1,000
Location & Road: Bldg./Restore	2,000	500
Con. Drilling: \$/foot	0	
Con. Drill-Daywork 45 days @ \$7,500 per day	337,500	0
Completion Rig - Pulling Unit: 10 days @ \$2,000 per day	0	20,000
MIRU/RD	20,000	0
Mud & Chemical	60,000	0
Fuel	36,000	0
Water	25,000	2,500
Bits	55,000	600
Cement & Cement Services	20,000	0
Casing Crew, Tongs & Tools	2,000	0
Mud Log 45 days @ \$ 600	27,000	0
Open Hole Logs	15,000	0
Casedhole Logs & Perforation	0	15,000
Frac & Formation Treating Acid Treatment	0	15,000
Squeezing/Plugging Back	0	0
Rental Tools & Equipment	40,000	8,000
Consulting Services 55 days @ \$600 per day	27,000	6,000
Co. Labor (Time, Exp. & Benefits)	0	0
Welding, Trucking, Roustabout Labor	2,000	5,000
Special Ser./Testing/DST & Coring	10,000	0
Overhead	6,000	3,000
P & A Costs	5,000	(5,000)
Well Ins.	4,000	0
Miscellaneous	2,000	2,000
Subtotal	696,500	73,600
Contingencies and Taxes 10.00%	69,650	7,360
TOTAL INTANGIBLE COSTS	\$ 766,150	\$ 80,960

TANGIBLE COSTS

	Size	Footage	\$/foot	DRILLING	COMPLETION
Conductor Pipe:				0	
Surf Cas:	13 3/8	0	\$17.50	0	
Int Cas:	8 5/8	0	\$10.00	0	
Other:	4 1/2 Liner	3,700	\$8.50	31,450	0
Prod Csg:	5 1/2	0	\$7.50		0
Tubing:	2 3/8 L-80	15,000	\$3.70		55,500
Float Equip. & Liner Hanger	7.5% 8-RD			20,000	0
Valves & Fittings	25% CSH			500	3,500
Wellhead Equipment				1,000	2,000
Misc. Equipment				1,000	2,000
Packer and Downhole Equip.				0	10,000
Rods & Pump				0	0
Pumping Unit & Primer Mover				0	0
Meter & Meter Run				0	1,000
Flowlines & Connections				0	1,000
Tanks, (Walkways, Stairways etc.)				0	7,000
Heater/Dehyd./Compressor				0	0
Separator/Heater-Treater				0	10,000
Installation Costs				0	7,500
Subtotal				53,950	99,500
Contingencies and Taxes 10.00%				5,395	9,950
TOTAL TANGIBLE COSTS				\$ 59,345	\$ 109,450
TOTAL INTANGIBLE & TANGIBLE COSTS				\$ 825,495	\$ 190,410
TOTAL WELL COSTS				\$ 1,015,905	

It is recognized that the amounts herein are estimates only and approval of this authorization shall extend to the actual costs incurred in conducting the operation specified, whether more or less than that herein set out.

Prepared by: B. L. "Chipper" Dippel (December 4, 2002)

OPERATOR APPROVAL:

Approved By: [Signature]

Title: Prod.

Date:

2/27/03