

Oxy USA WTP LP Authorization for Expenditure Form

DATE PREPARED: 01/14/2004 13:52

RMT/PMT

Frontier

Control No. 4039

PROJECT NAME: DRILL AND EQUIP

LEASE/UNIT: OXY REDEMPTION #1

OPERATOR: Oxy USA WTP LP

LEGAL LOCATION: 660' FSL, 660' FWL, Section 15, T22S, R27E, Eddy County, NM

BUDGET CATEGORY: Exploitation

PROJECT DESCRIPTION:

It is proposed to drill and equip the OXY Redemption #1 as a Morrow producer in Eddy County, New Mexico Your approval is requested.

ACCOUNTING USE ONLY:

Lse/Pit Name: OXY REDEMPTION #1
 AFE Type: D&E O&G WELL
 Production Coordinator No.: 14201441
 State/Country: New Mexico/Eddy
 Operator Name: Oxy USA WTP LP
 Lease/Plant CC:
 Company/Division No.: 24177
 Oxy Wt: (%) 35.2969
 AFE Category: Original
 Project AFE No. 99104040
 Organization Rollup Key: NRC
 Overhead Type: Drilling
OSI INPUT ONLY:
 Oracle AFE No.:

COMPLETE FOR NEW WELLS:

☒ PRODUCER ☐ OIL WELL ☐ WATER DISPOSAL
☐ DEVELOPMENT WELL ☒ GAS WELL
☐ SINGLE COMPLETION ☐ EXPLORATORY WELL
☐ DUAL COMPLETION
 Regulatory Horizon Name:
 Regulatory District Number:

PROJECT QUALIFIED FOR EOR TAX CREDITS? ☐ YES ☐ NO IF YES, WHAT % QUALIFIES?

EXPENSE/CAPITAL/ PXA	DESCRIPTION	ESTIMATED COST	
		100%	OXY NET
CAPITAL	TANGIBLES	\$293,607	\$103,634
CAPITAL	INTANGIBLES	\$1,155,250	\$407,767
TOTAL PROJECT COST		\$1,448,857	\$511,401

PROJECT CONTACTS: NAME TITLE PHONE NUMBER

Jeff Davis Engineering 685-5710
 David Evans Land 685-5769
 Bob Doty Geology 685-5681

PROJECT APPROVED BY: (signature)

APPROVAL: YES NO

Company Name:

BY: DATE
 (print name)

BY: (signature)

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. Nonoperators should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 13226 Exhibit No. 12

Submitted by:

OXY USA WTP LTD. PARTNERSHIP

Hearing Date: March 4, 2004

Requested By: T.E.C.A.T.E
Prepared By: Joe Fleming

OXY USA INC.
DETAILED WELL ESTIMATE

LEASE - WELL NO. OXY REDEMPTION #1
LOCATION 660' FSL, 660' FWL
S 15 T 22S R 27E COUNTY EDDY STATE New Mexico
DATE: 19-Jan-04
DEPTH: 12,000
AFE NO.

DESCRIPTION	GRADE	\$/FT	QUAN.	W	ESTIMATE PRODUCER	ESTIMATE DRY HOLE	ACTUAL COST
TANGIBLES							
Casing							
Surface: 13-3/8", 48#, H-40	A	17.05	625		10,656	10,906	
Intermediate: 9-5/8", 36#, K-55	A	13.65	5500		75,075	47,700	
Intermediate: 9-5/8", 36#, HCK-55							
Production: 5-1/2", 17#, N-80 LT&C	A	7.08	8800		62,304		
Production: 5-1/2", 17#, HP-110 LT&C	A	7.96	3200		25,472		
Wellhead Connections					15,000		
Tubing 2-3/8", 4.7#, N-80	A	3.05	12000		36,600		
Line Pipe & Fittings					5,000		
Packer and Accessories					8,500		
TANK BATTERY							
Stock Tanks 2 500 bbl	A				10,000		
Separator, Heater Treater, Dehydrator	A				20,000		
Meter Run & Housing	A				5,000		
Labor & Transportation					20,000		
Total Tangibles					293,607	58,606	
INTANGIBLES							
Contract Drilling Labor					440,000	440,000	
Drilling Consultants					41,250	41,250	
Mobilization					25,000	20,000	
Service Rig Work		10			18,000		
Subsurface Casing Equipment					10,000	2,000	
D.S.T., Electric, Radioactivity Logs, etc.					25,000	18,000	
Acidizing, Fracing					90,000	0	
Perforating					16,500		
Misc. Company & Contract Labor					20,000	15,000	
Road Building, Location					25,000	25,000	
Cement & Cementing Services					55,000	25,000	
Cement Squeeze Jobs							
Drilling Mud, Chemicals					50,000	45,000	
Diamond Coring & Analyses, Bits, Reamers					50,000	50,000	
Mud Logging Unit					25,000	14,500	
Rental of Miscellaneous Equipment					92,000	22,000	
Contract Hauling					30,000	23,500	
Water, Fuel					40,000	20,000	
Miscellaneous Incidentals					100,000	50,000	
Archeological Services					2,500	2,500	
Total Intangibles					1,155,250	813,750	
Total Estimated Cost - 100%					1,448,857	872,356	