



MYCO INDUSTRIES, INC.

P.O. Box 840 / 331 West Main, Suite C

Artesia, New Mexico 88210-0840

Phone (505) 748-1471

## AUTHORITY FOR EXPENDITURE

NEW DRILLING, RECOMPLETION &amp; RE-ENTRY

AFE NO.

AFE DATE

3.10.2004

MAFEND (rev 5/00)

AFE Type:	Well Objective:	Well Type:
<input type="checkbox"/> New Drilling	<input type="checkbox"/> Oil	<input checked="" type="checkbox"/> Development
<input type="checkbox"/> Recompletion	<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Exploratory
<input checked="" type="checkbox"/> Re-entry	<input type="checkbox"/> Injector	

AFE STATUS:

<input type="checkbox"/> Original	
<input type="checkbox"/> Revised	
<input type="checkbox"/> Final	
<input type="checkbox"/> Supplemental	

LEASE NAME  
COUNTY  
FIELD  
LOCATION

LONETREE 14 STATE COM #1

EDDY

UND. CARLSBAD MORROW EAST

660' FSL &amp; 1980' FEL S14-T21S-R27E

PROJ'D DEPTH

11,950'

STATE

NM

HORIZON

MORROW

DIVISION CODE  
DISTRICT CODE  
BRANCH CODE

100

DIVISION NAME

Oil &amp; Gas Division

DISTRICT NAME

BRANCH NAME

PROGNOSIS: THIS WELL WAS D/A ON 12/27/03 BY MEWBOURNE OIL CO. THE SURFACE AND INTERMEDIATE CASING WERE SET AND CEMENT CIRCULATED. THE WELL WAS LOGGED OPEN HOLE AND THEN PLUGGED PER NMOCD. PLANS ARE TO RE-ENTER, RUN 5-1/2" CASING & COMPLETE.

## INTANGIBLE DRILLING COSTS:

DRY HOLE COMP'D WELL

920-100	Staking, Permit & Legal Fees	1,500	1,500
920-110	Location, Right-of-Way	12,000	12,000
920-120	Drilling, Footage		
920-130	Drilling, Daywork	10-DAYS @ \$7800/DAY + FUEL + MOB	110,000
920-140	Drilling Water, Fastline Rental	9,500	9,500
920-150	Drilling Mud & Additives	16,000	16,000
920-160	Mud Logging Unit, Sample Bags		
920-170	Cementing - Surface Casing		
920-180	Drill Stem Testing, OHT		
920-190	Electric Logs & Tape Copies		
920-200	Tools & Equip. Rntl., Trkg. & Welding		
920-205	Control of Well-Insurance	4,100	4,100
920-210	Supervision & Overhead	8,000	8,000
920-220	Contingency		
920-230	Coring, Tools & Service		
920-240	Bits, Tool & Supplies Purchase	14,000	14,000
920-350	Cementing - Production Casing	(2-STAGE)	44,000
920-410	Completion Unit - Swabbing		30,000
920-420	Water for Completion		6,000
920-430	Mud & Additives for Completion		1,000
920-440	Cementing - Completion		
920-450	Elec. Logs, Testing, Etc. - Completion		27,000
920-460	Tools & Equip. Rental, Etc. - Completion		32,000
920-470	Stimulation for Completion		22,000
920-480	Supervision & O/H - Completion		12,000
920-490	Additional LOC Charges - Completion		8,000
920-495	Control of Well-Insurance - Completion		3,000
920-510	Bits, Tools & Supplies - Completion		
920-500	Contingency for Completion		
TOTAL INTANGIBLE DRILLING COSTS		175,100	360,100

## TANGIBLE EQUIPMENT COSTS:

930-010	Christmas Tree & Wellhead	5,000	28,000
930-020	Casing	5-1/2" - 12,000'	93,000
930-030	Tubing	2-7/8" - 12,000'	52,000
930-040	Packer & Special Equipment		
940-010	Pumping Equipment		
940-020	Storage Facilities		24,000
940-030	Separation Equip., Flowlines, Misc.		38,000
940-040	Trucking & Construction Costs		24,000
TOTAL TANGIBLE EQUIPMENT COSTS		5,000	259,000
TOTAL COSTS		180,100	619,100

IT IS RECOGNIZED THAT THE AMOUNTS PROVIDED FOR HEREIN ARE ESTIMATED ONLY AND APPROVAL OF THIS AFE SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATIONS SPECIFIED WHETHER MORE OR LESS THAN HEREIN SET OUT.

Prepared By	Operations Approval
BY	DATE
BY	DATE
BY	DATE
BY	DATE

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 13325 Exhibit No. 10

Submitted by:

Mycro Industries, Inc.

Hearing Date: September 2, 2004