

# J.W.MULLOY ASSOCIATES, INC.

Engineering & Consulting

508 West Wall #100

Midland, Texas 79701

Phone: (915) 687-0323 Fax: (915) 686-7224

Operator: Matrix New Mexico Operating Company, LLC  
 Location: 530 FNL & 330 FEL Sec 10 T13S R38E  
 Field: Bronco (Wolfcamp)

Well Name: Townsen #1-A  
 County: Lea  
 Formation: Wolfcamp

Date: 8/10/2004  
 State: New Mexico  
 Depth: 9,800

Code	DRILLING	Time in days:	28	Tangible	Intangible	Total Cost
D1	Survey, Build Site, Road & Surface Damages				\$25,000	\$25,000
D5	Surface Casing	13 3/8 "	450 '@	\$27.00 per foot	\$12,150	\$12,150
D6	Cement, Accessories & Service				\$10,000	\$10,000
D7	Protective Casing	8 5/8 "	4,500 '@	\$20.00 per foot	\$90,000	\$90,000
D8	Cement Accessories & Service				\$20,000	\$20,000
D13	Casing Heads, Valves & Fittings				\$5,500	\$5,500
D14	Mud, Water, Oil & Chemicals				\$40,000	\$40,000
D15	Mud Hydrocarbon Logging	10	days @	\$750.00 per day	\$7,500	\$7,500
D17	Electrical Logging				\$15,000	\$15,000
D18	Daywork On Contract	3	days @	\$7,200.00 per day	\$21,600	\$21,600
D19	Footage On Contract	9800	feet @	\$25.00 per foot	\$245,000	\$245,000
D23	Special Tools, Bits & Rentals				\$15,000	\$15,000
D24	Supervision, Engineering	30	days @	\$750.00 per day	\$22,500	\$22,500
D25	Supervision, Geological	10	days @	\$750.00 per day	\$7,500	\$7,500
D26	Drilling Overhead	1	month @	\$5,000.00 per mo	\$5,000	\$5,000
D27	Misc. Services, Supplies & Labor @ 10%				\$11,000	\$54,500
<b>Total Drilling Costs</b>					<b>\$477,600</b>	<b>\$596,250</b>

### ABANDONMENT

Cost To Abandon	\$20,000
<b>Total Dry Hole Costs</b>	<b>\$477,600</b>

### COMPLETION

Code	COMPLETION	Time in days:	10	Tangible	Intangible	Total Cost
C1	Production Casing/Liner	5 1/2 "	9,800 '@	\$12.50 per foot	\$122,500	\$122,500
C2	Cement, Accessories & Service w/Hanger				\$20,000	\$20,000
C3	Casing Heads, Valves & Fittings				\$5,000	\$5,000
C4	Packers, Accessories & Service				\$3,000	\$3,000
C5	Production Tubing	2 3/8 "	9,800 '@	\$4.20 per foot	\$41,160	\$41,160
C6	Perforating Service & Logs				\$3,500	\$3,500
C7	Treating Services & Supplies				\$12,500	\$12,500
C8	Well Servicing Rig	10	days @	\$2,500.00 per day	\$25,000	\$25,000
C9	Artificial Lift Facilities w/rods, pump & accessories				\$75,000	\$75,000
C10	Supervision, Engineering	12	days @	\$750.00 per day	\$9,000	\$9,000
C11	Special Tools, Bits & Rentals				\$5,000	\$5,000
C12	Misc. Services, Supplies & Labor @ 10%				\$17,000	\$32,300
<b>Total Completion Cost</b>					<b>\$168,300</b>	<b>\$353,960</b>

### LEASE FACILITIES

Code	LEASE FACILITIES	Time In Days:	5	Tangible	Intangible	Total Cost
F1	Build Site & Road				\$2,000	\$2,000
F2	Tanks & Accessories				\$15,000	\$15,000
F4	Heaters, Treaters & Accessories				\$5,000	\$5,000
F5	Line Pipe, Flow & Other				\$2,500	\$2,500
F6	Valves & Fittings				\$10,000	\$10,000
F7	Supervision, Engineering	4	days @	\$750.00 per day	\$3,000	\$3,000
F8	Misc. Services, Supplies & Labor				\$3,000	\$7,000
<b>Total Lease Facilities Cost</b>					<b>\$9,000</b>	<b>\$44,500</b>

### SUMMARY OF COST

Drilling Cost	\$118,650	\$477,600	\$596,250
Completion Cost	\$185,660	\$168,300	\$353,960
<b>Total</b>	<b>\$304,310</b>	<b>\$645,900</b>	<b>\$950,210</b>
Lease Facilities Cost	\$35,500	\$9,000	\$44,500
<b>GRAND TOTAL COST</b>	<b>\$339,810</b>	<b>\$654,900</b>	<b>\$994,710</b>

### Approval:

Company \_\_\_\_\_ (This AFE is an estimate only-Invoicing will be on actual cost.)

By: \_\_\_\_\_

Name/Title: \_\_\_\_\_ Date \_\_\_\_\_

Hearing Date: November 18, 2004

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case Nos. 1335Z Exhibit No. 4

Submitted by:

Matrix Production Company