

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: **Burkett "16" State #1**

PROSPECT NAME: **Burkett**

LOCATION: **17S-31E**

COUNTY & STATE: **EDDY COUNTY, NM**

FOOTAGE: **1650 FNL 1650 FEL**

OBJECTIVE: **Ver. Blinebry Paddock (4 Fracs) 6700'**

Section **16 (SW/NE - Unit "G")**

API # **30-015-40013**

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	22,000		22,000
Insurance	202	3,800	302	3,800
Damages/Right of Way	203		303	0
Survey/Stake Location	204	2,500	304	2,500
Location/Pits/Road Expense	205	37,000	305	42,000
Drilling / Completion Overhead	206	2,500	306	4,500
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract	209	142,000	309	142,000
Directional Drilling Services	210	0	310	0
Fuel & Power	211	40,000	311	41,000
Water	212	28,000	312	53,000
Bits	213	27,000	313	27,500
Mud & Chemicals	214	17,000	314	17,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate #1	218	16,000		16,000
Cement Intermediate #2				0
Cement Production			319	38,000
Cement Squeeze	220		320	0
Float Equipment & Centralizers	221	2,500	321	4,500
Casing Crews & Equipment	222	7,000	322	15,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	1,000	324	1,000
Contract Labor	225	3,000	325	18,000
Company Supervision	226		326	0
Contract Supervision	227	15,000	327	20,000
Testing Casing/Tubing	228	3,000	328	6,000
Mud Logging Unit	229	4,000	329	4,000
Logging	230	15,000	330	15,000
Perforating/Wireline Services	231	3,500	331	32,000
Stimulation/Treating (4 fracs)			332	390,000
Completion Unit			333	22,000
Swabbing Unit			334	0
Rentals-Surface	235	14,000	335	50,000
Rentals-Subsurface	236	28,000	336	38,000
Trucking/Forklift/Rig Mobilization	237	43,000	337	51,000
Welding Services	238	3,000	338	4,000
Water Disposal	239		339	7,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	79,000	344	79,000
Miscellaneous	242		342	0
Contingency 5%	243	29,200	343	60,200
TOTAL INTANGIBLES		604,000	638,000	1,242,000

TANGIBLE COSTS

Surface Casing	401	21,000		21,000
Intermediate Casing #1	402	48,000		48,000
Intermediate Casing #2		0		0
Production Casing/Liner			503	92,000
Tubing			504	42,000
Wellhead Equipment	405	6,000	505	9,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	41,000
Pumps			509	4,500
Tanks			510	10,000
Flowlines			511	15,000
Heater Treater/Separator			512	12,000
Electrical System			513	20,000
Packers/Anchors/Hangers	414		514	900
Couplings/Fittings/Valves	415	500	515	17,000
Gas Compressors/Meters			516	0
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	500	519	1,000
Contingency 5%	420	4,000	520	22,600
TOTAL TANGIBLES		80,000	373,000	453,000
TOTAL WELL COSTS		684,000	1,011,000	1,695,000

COG Operating LLC

By: John Coffman/Carl Bird

Date Prepared:

6/5/12

We approve:

_____% Before Tanks / _____% After Tanks

Company:

By:

Printed Name:

Title:

Date:

NMOCD CASE NO. 14855
JUNE 25, 2012
COG EX. 5

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.