

NorthStar Operating Company

AUTHORITY FOR EXPENDITURE

September 6, 2005

Well Name: Fort #1

Prospect: East Denton

Location: 2100' FNL & 2500' FEL
Sec 8, T-15S, R-38E

Co. & State: Lea County, NM

	BCP	ACP	TOTAL
INTANGIBLE COSTS			
Site Preparation - Initial	\$ 10,000	\$ -	\$ 10,000
Site Preparation - Final	\$ -	\$ 4,000	\$ 4,000
Drilling - Move In/Out	\$ 35,000	\$ -	\$ 35,000
Drilling - Footage ft @ per foot	\$ -	\$ -	\$ -
Drilling - Daywork 27 days @ \$ 10,500 per day	\$ 283,500	\$ -	\$ 283,500
Drilling - Bits	\$ 15,000	\$ -	\$ 15,000
Drilling - Fluids	\$ 18,000	\$ -	\$ 18,000
Drilling - Fuel	\$ 35,000	\$ -	\$ 35,000
Cement - Surface	\$ 9,000	\$ -	\$ 9,000
Cement - Intermediate	\$ 18,000	\$ -	\$ 18,000
Cement - Production	\$ -	\$ 25,000	\$ 25,000
Water - Drilling	\$ 20,000	\$ -	\$ 20,000
Water - Treating	\$ -	\$ 5,000	\$ 5,000
Logging - Mud Logs	\$ 15,000	\$ -	\$ 15,000
Logging - Electric	\$ 18,000	\$ -	\$ 18,000
Perforating	\$ -	\$ 5,000	\$ 5,000
Testing - Drill Stem	\$ 4,000	\$ -	\$ 4,000
Testing - Other	\$ -	\$ 4,000	\$ 4,000
Rentals - Equipment	\$ 6,000	\$ 6,000	\$ 12,000
Treating - Acid	\$ -	\$ 9,000	\$ 9,000
Treating - Fracturing	\$ -	\$ -	\$ -
Labor - Roustabout	\$ 2,000	\$ 10,000	\$ 12,000
Labor - Welding	\$ 1,000	\$ 500	\$ 1,500
Services - Inspection	\$ 10,000	\$ -	\$ 10,000
Services - Other	\$ -	\$ -	\$ -
Noncontrollable Equipment	\$ 1,000	\$ 1,000	\$ 2,000
Trucking	\$ 2,000	\$ 2,000	\$ 4,000
Completion Unit 10 days @ \$ 2,500 per day	\$ -	\$ 25,000	\$ 25,000
Permit Fees	\$ -	\$ -	\$ -
Surface Damages	\$ 5,000	\$ 2,000	\$ 7,000
Legal Fees	\$ 2,500	\$ 5,000	\$ 7,500
Drilling Costs - Other	\$ -	\$ -	\$ -
Administrative Overhead	\$ 5,000	\$ 2,500	\$ 7,500
Supervision - Geology	\$ -	\$ -	\$ -
Supervision - Field	\$ -	\$ 2,500	\$ 2,500
Supervision - Engineering	\$ 25,000	\$ -	\$ 25,000
Insurance - Liability	\$ 1,500	\$ -	\$ 1,500
Insurance - Umbrella	\$ 1,500	\$ -	\$ 1,500
Insurance - Well Control	\$ -	\$ -	\$ -
Insurance - Other	\$ -	\$ -	\$ -
Bonds - Plugging	\$ -	\$ -	\$ -
Misc Intangibles Est 10%	\$ 54,300	\$ 10,450	\$ 64,750
TOTAL INTANGIBLES	\$ 597,300	\$ 118,950	\$ 716,250

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case Nos. 13527 & 13528 Exhibit No. 5

Submitted by:

NorthStar Operating Company

Hearing Date: September 8, 2005

NorthStar Operating Company

AUTHORITY FOR EXPENDITURE

September 6, 2005

Well Name: Fort #1

Prospect: East Denton

Location: 2100' FNL & 2500' FEL
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Co. & State: Lea County, NM

				BCP	ACP	TOTAL
EQUIPMENT COSTS						
Casing - Surface	13 3/8"	400 ft @	\$ 31.60 per foot	\$ 12,640		\$ 12,640
Casing - Intermedi:	8 5/8 "	4,800 ft @	\$ 22.50 per foot	\$ 108,000		\$ 108,000
Casing - Intermediate		ft @	per foot	\$ -		\$ -
Casing - Production	5 1/2"	9,600 ft @	\$ 13.00 per foot		\$ 124,800	\$ 124,800
Equipment - Cementing					\$ 1,000	\$ 1,000
Equipment - Wellhead				\$ 3,000	\$ 7,000	\$ 10,000
Equipment - Electrical				\$ -	\$ 15,000	\$ 15,000
Equipment - Flowlines				\$ -	\$ 10,000	\$ 10,000
Equipment - Connections				\$ -	\$ 15,000	\$ 15,000
Equipment - Other				\$ -	\$ -	\$ -
Tubing	2 7/8"	9,600 ft @	\$ 4.50 per foot		\$ 43,200	\$ 43,200
Rods		9,600 ft @	\$ 3.25 per foot		\$ 31,200	\$ 31,200
Pumping Unit					\$ 65,000	\$ 65,000
Downhole Pump					\$ 3,000	\$ 3,000
Treater					\$ 8,000	\$ 8,000
Separator					\$ 4,000	\$ 4,000
Tanks - Oil					\$ 20,000	\$ 20,000
Tanks - Water					\$ 6,000	\$ 6,000
Misc Equipment	Est	10%		\$ 12,364	\$ 35,320	\$ 47,684
TOTAL EQUIPMENT				\$ 136,004	\$ 388,520	\$ 524,524
TOTAL WELL COSTS				\$ 733,304	\$ 507,470	\$ 1,240,774

The costs listed above are estimates only. You will be billed for your proportionate share of the actual costs incurred.

Approved: _____

Date: _____