



LEGEND PRODUCTION HOLDINGS LLC
Authority for Expenditure
Cost Estimate

AFE # :
Cost Center # & Name: **Pardue "29" Federal Com 4H**
Area: **Black River Field**
Working Interest %:

Select by placing an "X" in one of the AFE version:



ORIGINAL



SUPPLEMENTAL



BUDGETED



UNBUDGETED

Budget Year: 2014

AFE Type: Select by placing an "X" for AFE type.



D & C - DEVELOPMENT



CAPITAL WORKOVER (use 871 and 873 accounts only)



D & C - EXPLORATORY



P & A (use 873 accounts ONLY)

Well Type: Select by placing an "X" for Well type.



HORIZONTAL



VERTICAL

LEASE: **Pardue "29" Federal Com 4H**

FORMATION: **2nd Bone Spring**

FIELD: **Black River**

Legal Desc: **Section 29, T-24S, R-28E. N.M.P.M.**

LOCATION: **SHL: 45° FNL & 129° FWL, BHL: 330° FSL & 340° FWL**

Depth: **7,972' TVD & 12,747' MD**

County: **Eddy**

State: **New Mexico**

Intangible Costs	Account Name	Additional Information	# Units	Unit \$	Drilling Costs	Completion Costs	PA Costs	Total Costs
870.100	871.100	Location & Roads			100,000	7,500		107,500
870.103	871.105	Location Damages			20,000			20,000
870.110	871.110	Contract Turnkey Lump Sum						
870.115	871.110	Contract Footage Rate						
870.120	871.120	Contract Daywork Rate			414,000	30,000		444,000
870.125	871.120	Directional Sur (Inc. Surveying)			189,000			189,000
870.130	871.125	Loss & Demol			189,000			189,000
870.135	871.125	Drilling Mud & Chemicals			120,000			120,000
870.140	871.140	Casing Crews & Tools			63,000			63,000
870.145	871.140	Primary Cementing			116,000			116,000
870.150	871.150	Cement Service						
870.155	871.150	Mud Logging & Wellbore Geo			11,000			11,000
870.160	871.150	Electric Line Logging Open Hole						
870.165	871.155	Perforating				110,000		110,000
870.170	871.170	Slickline Services						
870.175	871.175	Coil Tubing & Nitrogen Snubbing				100,000		100,000
870.180	871.180	Accidie & Fracture			1,200,000			1,200,000
870.185	871.185	Well Testing			75,000			75,000
870.195	871.195	Fuel & Power			85,000	50,000		135,000
870.200	871.200	Water (all)			10,000	250,000		260,000
870.205	871.205	Transp. Trucking, Hauling Tang			5,000			5,000
870.210	871.210	Fishing Services						
870.215	871.215	Bits & Scrapers			39,000			39,000
870.220	871.220	Rental - Surface			137,000	100,000		237,000
870.225	871.225	Rental - Downhole			7,000	55,000		62,000
870.230	871.230	Ort String Inspection			12,000			12,000
870.240	871.240	Cleanup & Disposal (Inc. Frac H2O)			130,000			130,000
870.245	871.245	Contract Labor & Services			36,000			36,000
870.255	871.255	Miscellaneous Labor - Other						
870.260	871.260	Communications & SCADA						
870.265	871.265	Plugging & Abandonment						
870.270	871.270	Land Services			10,000			10,000
870.275	871.275	Legal Services			10,000			10,000
870.280	871.280	Surveying & Permitting			10,000	9,000		19,000
870.285	871.285	Co Rep Supervision			42,000	15,000		57,000
870.290	871.290	Engineering Services						
870.295	871.295	Well Control Insurance						
870.300	871.300	Overhead				10,000		10,000
870.305	871.305	Supplies & Parts			5,000			5,000
870.310	871.310	Miscellaneous						
870.315	871.315	Travel						
870.320	871.320	Contingencies						
870.325	871.325	Non-Operated O&C						
870.330	871.330	Total Intangible Costs			1,789,000	2,020,500		3,789,500
872.100	873.100	Conductor Casing or Drive Pipe						
872.105	873.105	Surface Casing			12,000			12,000
872.110	873.110	Intermediate Casing			58,000			58,000
872.115	873.115	Drilling Liner, Second Intermediate						
872.120	873.120	Casing Float & Cementing Equip			14,000			14,000
872.125	873.125	Production Casing / Liner			202,000			202,000
872.130	873.130	Production Tubing				45,000		45,000
872.135	873.135	Packer				15,000		15,000
872.140	873.140	Sucker Rods, Stuffing Box, Pump Tee						
872.145	873.145	Gas Lift Equipment - Subsurface				25,000		25,000
872.150	873.150	Pump Unit, Electric Motor, Gas Engine						
872.155	873.155	Wellhead Equip - Surface & M/S			34,000	30,000		64,000
872.160	873.160	Tank Battery				85,000		85,000
872.165	873.165	Separator				80,000		80,000
872.170	873.170	Heater Treater						
872.175	873.175	Miscellaneous Surface Equipment				45,000		45,000
872.180	873.180	Flow Lines & Connections				125,000		125,000
872.185	873.185	Pipes, Valves & Fittings				85,000		85,000
872.190	873.190	Installation Labor				100,000		100,000
872.195	873.195	Supervision				5,000		5,000
872.200	873.200	Non-Operated O&C				20,000		20,000
872.205	873.205	Total Tangible Costs			315,000	660,000		975,000
872.210	873.210	Total Drilling Costs			2,084,000			2,084,000
872.215	873.215	Total Completion Costs				2,680,500		2,680,500
872.220	873.220	Total PA Costs						
872.225	873.225	Total AFE Costs			\$ 2,084,000	\$ 2,680,500	\$ -	\$ 4,764,500

Legend Production Holdings LLC

Prepared By: **Jason Vining/Scott Zacharie/John McCauley**

Date: _____

Company Approval: _____

Date: _____

Joint Owner Interest: Amount: _____

Joint Owner Name: _____

Joint Owner Approval: _____

Date: _____

Joint Owner Insurance Coverage Election

Operator has secured Operator's Extra Expense (OEE) insurance covering costs of well control, clean up and reworking. Non-Operator may elect NOT to be covered by this OEE insurance only by signing below. The undersigned elects **NOT TO BE COVERED** by Operator's OEE policy for its proportionate share of the cost.

Joint Owner: _____

Signature: _____

Date: _____

Oil Conservation Division

Case No. **3**

Exhibit No. **15228**