



Authorization for Expenditure

AFE #: XX-101472.01

Well Name: HADAR 10 FED COM 3 H

Cost Center No. 1092725701

Legal Description: N/2 S/2 Section 10-19S-31E

AFE Date: December 15, 2014

State: New Mexico

County: Eddy

Explanation and Justification:

Drill and complete a Bone Spring formation well

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6010100	EMPLOYEE SALARIES	0.00	7,000.00	0.00	7,000.00
6060100	DYED LIQUID FUELS	151,575.00	0.00	0.00	151,575.00
6060110	LIQUID FUELS - OTHER	0.00	16,000.00	0.00	16,000.00
6060120	ELEC & UTILITIES	0.00	20,000.00	0.00	20,000.00
6080110	DISP-SALTWATER & OTH	120,000.00	60,000.00	0.00	180,000.00
6090100	FLUIDS - WATER	66,140.00	430,000.00	0.00	496,140.00
6100100	PERMIT SURVEY&TITLE	10,000.00	5,000.00	0.00	15,000.00
6110120	ROAD&SITE PREP M&S	70,000.00	15,000.00	0.00	85,000.00
6110130	ROAD&SITE PREP SVC	0.00	25,000.00	0.00	25,000.00
6130170	COMM SVCS - OTHER	7,595.00	200.00	0.00	7,795.00
6140160	ENV-SERVICES	4,437.00	20,150.00	0.00	24,587.00
6150100	CH LOG PERFRTG&WL SV	0.00	90,000.00	0.00	90,000.00
6160100	MATERIALS & SUPPLIES	7,500.00	0.00	0.00	7,500.00
6170100	PULLING&SWABBING SVC	0.00	75,000.00	0.00	75,000.00
6190110	TRUCKING&HAUL OF EQP	109,500.00	32,000.00	0.00	141,500.00
6200130	CONSLT-TECH&PROF SVC	145,000.00	30,000.00	0.00	175,000.00
6310120	STIMULATION SERVICES	0.00	2,500,000.00	0.00	2,500,000.00
6310200	CASING & TUBULAR SVC	119,045.00	0.00	0.00	119,045.00
6310250	CEMENTING SERVICES	223,500.00	0.00	0.00	223,500.00
6310280	DAYWORK COSTS	623,617.00	0.00	0.00	623,617.00
6310300	DIRECTIONAL SERVICES	170,940.00	0.00	0.00	170,940.00
6310310	DRILL BITS	127,440.00	0.00	0.00	127,440.00
6310330	DRILL&COMP FLUID&SVC	53,000.00	0.00	0.00	53,000.00
6310370	MOB & DEMOBILIZATION	249,975.00	0.00	0.00	249,975.00
6310380	OPEN HOLE EVALUATION	18,000.00	0.00	0.00	18,000.00
6310480	TSTNG-WELL, PL & OTH	0.00	40,000.00	0.00	40,000.00
6320100	EQPMNT SVC-SRF RNTL	202,430.00	125,500.00	0.00	327,930.00
6320110	EQUIP SVC - DOWNHOLE	40,590.00	50,000.00	0.00	90,590.00
6320160	WELDING SERVICES	40,500.00	60,000.00	0.00	100,500.00
6350100	CONSTRUCTION SVC	0.00	110,000.00	0.00	110,000.00
6550110	MISCELLANEOUS SVC	35,000.00	20,000.00	0.00	55,000.00
6630110	CAPITAL OVERHEAD	9,570.00	0.00	0.00	9,570.00
6740340	TAXES OTHER	190,424.00	0.00	0.00	190,424.00
	Total Intangibles	2,795,778.00	3,730,850.00	0.00	6,526,628.00

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6110140	ROAD&SITE PREP EQUIP	15,000.00	0.00	0.00	15,000.00
6120120	MEASUREMENT EQUIP	0.00	90,000.00	0.00	90,000.00
6130120	COMM DEVICES - SCADA	0.00	20,000.00	0.00	20,000.00
6300150	SEPARATOR EQUIPMENT	0.00	20,000.00	0.00	20,000.00
6300210	TREATER FWKO EQUIP	0.00	45,000.00	0.00	45,000.00
6300220	STORAGE VESSEL&TANKS	0.00	135,000.00	0.00	135,000.00
6310130	ARTIFICIAL LIFT EQP	0.00	135,000.00	0.00	135,000.00

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.

Oil Conservation Division
Case No. 7 15273
Exhibit No. 7



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Cost Center No. 1092725701

Legal Description: N/2 S/2 Section 10-19S-31E

AFE Date: December 15, 2014

State: New Mexico

County: Eddy

Explanation and Justification:

Drill and complete a Bone Spring formation well

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6310150	CASG-COND&DRIVE PIPE	45,000.00	0.00	0.00	45,000.00
6310460	WELLHEAD EQUIPMENT	25,000.00	35,000.00	0.00	60,000.00
6310530	SURFACE CASING	32,072.00	0.00	0.00	32,072.00
6310540	INTERMEDIATE CASING	132,225.00	0.00	0.00	132,225.00
6310550	PRODUCTION CASING	314,733.00	0.00	0.00	314,733.00
6310580	CASING COMPONENTS	99,348.00	0.00	0.00	99,348.00
6320180	EQUIPMENT OTHER	0.00	4,000.00	0.00	4,000.00
6330100	PIPE, FIT, FLANG, CPLNG	0.00	20,000.00	0.00	20,000.00
	Total Tangibles	663,378.00	504,000.00	0.00	1,167,378.00

TOTAL ESTIMATED COST	3,459,156.00	4,234,850.00	0.00	7,694,006.00
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WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.

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