

ANSCHUTZ Oil Company
AUTHORITY FOR EXPENDITURE
DRILLING, COMPLETION, EQUIPMENT

BU/Job #: _____ BU/Job Name: Schmitz #1

Parent BU#: 2967 Date: May 4, 2015

Description: Drill, complete and equip a 8,428' Vertical Dakota test.
Schmitz #1
Rio Arriba, NM

ANSCHUTZ OIL COMPANY EXPENDITURES

	Previously Approved	Currently Requested	Total
Drilling	0	2,483,389	2,483,389
Completion	0	870,500	870,500
Total Costs	\$0	\$3,353,889	\$3,353,889

REASON FOR RECOMMENDATION

Costs above reflect 100% of well costs.
 Gross estimated costs to drill, complete and equip well total \$3,354M

AUTHORIZATION AND APPROVAL

Recommended by:	<u>Mark Amundson</u>	Approved by:	_____
	<u>Ashley Tolbert</u>	Name:	<u>Galen Brenize, VP Ops & Eng</u>
	<u>Gregg Randall</u>	Date:	_____
Date:	_____	Approved by:	_____
Election	_____	Name:	<u>Joseph DeDominic; President and COO</u>
Approved by:	_____	Date:	_____
Print Name	_____	Approved by:	_____
Title	_____	Name:	<u>Deidre O'Callaghan</u>
Company	_____	Date:	_____
Date	_____		

Oil Conservation Division
 Case No. 4
 Exhibit No. 1

ANSCHUTZ Oil Company

AUTHORITY FOR EXPENDITURE

DRILLING AND COMPLETION

BU/Job #: _____ BU/Job Name: Schmitz #1

Parent BU#: _____ 2967 Date: May 4, 2015

DETAIL COSTS

<u>ACCOUNT #</u>	<u>DESCRIPTION</u>	<u>PREVIOUSLY APPROVED</u>	<u>CURRENTLY REQUESTED</u>	<u>TOTAL</u>
Intangible Drilling Costs				
3530.00200	IDC- Allocated Labor	-	-	-
3530.00210	IDC- Alloc. Labor Burden	-	-	-
3530.00220	IDC- Drill Bits	-	50,568	50,568
3530.00230	IDC- Casing Crews, Too	-	45,511	45,511
3530.00240	IDC- Cement, Cementing	-	101,044	101,044
3530.00250	IDC- Communications	-	1,854	1,854
3530.00260	IDC- Contract Drilling	-	315,603	315,603
3530.00270	IDC- Coring, Coreheads	-	-	-
3530.00280	IDC- Directional Drill	-	78,160	78,160
3530.00290	IDC- Drillstem Testing	-	-	-
3530.00300	IDC- Equipment Rental	-	218,467	218,467
3530.00310	IDC- Fuels, Lubricants	-	63,178	63,178
3530.00320	IDC- Inspect - Tubular	-	27,033	27,033
3530.00330	IDC- Insurance	-	-	-
3530.00340	IDC- Location, Road	-	125,000	125,000
3530.00350	IDC- Logging Downhole	-	282,000	282,000
3530.00360	IDC- Mobilization, Demobilization	-	200,000	200,000
3530.00370	IDC- Mud logging	-	73,471	73,471
3530.00380	IDC- Mud, Chemicals	-	263,730	263,730
3530.00390	IDC- Other Intangible	-	101,977	101,977
3530.00400	IDC- Outside Operated	-	-	-
3530.00410	IDC- Overhead	-	3,190	3,190
3530.00420	IDC- Plug & Abandonment	-	-	-
3530.00430	IDC- Product, Test	-	-	-
3530.00440	IDC- Surv, Prmts, Surf DMG	100,000	-	100,000
3530.00450	IDC- Taxes	-	-	-
3530.00460	IDC- Third Party Supervision	-	100,816	100,816
3530.00470	IDC- Transportation	-	60,487	60,487
3530.00480	IDC- Vehicle Charges	-	-	-
3530.00490	IDC- Water	-	8,849	8,849
3530.00500	IDC- Year End Well	-	-	-
Intangible Drilling Subtotal		\$100,000	\$2,120,938	\$2,220,938

ANSCHUTZ Oil Company
AUTHORITY FOR EXPENDITURE
DRILLING AND COMPLETION

BU/Job #:		BU/Job Name:	Schmitz #1
Parent BU#:	2967	Date:	May 4, 2015
Location:	Schmitz #1	County, State:	Rio Arriba, NM

DETAIL COSTS

<u>ACCOUNT #</u>	<u>DESCRIPTION</u>	<u>PREVIOUSLY APPROVED</u>	<u>CURRENTLY REQUESTED</u>	<u>TOTAL</u>
Tangible Drilling Costs				
3540.00600	TDC- Surface Casing		31,942	31,942
3540.00610	TDC- Intermediate Casing		-	-
3540.00620	TDC- Well Head Equipment		25,600	25,600
3540.00630	TDC- Casing Head		-	-
3540.00640	TDC- Production Casing		204,909	204,909
3540.00650	TDC- Outside Operated LW		-	-
Tangible Drilling Subtotal		\$0	\$262,451	\$262,451
TOTAL		\$100,000	\$2,383,389	\$2,483,389

STATUS
STATUS

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DIVISION OF INTEREST

<u>WORKING INTEREST OWNER(S)</u>	<u>BCP %</u>	<u>ACP%</u>	<u>Post comp %</u>
Anschutz Oil Company	100.000000%	100.000000%	100.000000%
TOTAL	100.000000%	100.000000%	100.000000%

AUTHORIZATION AND APPROVAL

Recommended by: Mark Amundson
Ashley Tolbert
Gregg Randall

Date: _____

Approved by: _____
Name: Galen Brenize, VP Ops & Eng
Date: _____

Approved by: _____
Name: Joseph DeDominic; President and COO
Date: _____

Approved by:
Name: Deidre O'callaghan
Date:

Election	
Approved by:	
Print Name	
Title	
Company	
Date	

ANSCHUTZ Oil Company
AUTHORITY FOR EXPENDITURE
DRILLING AND COMPLETION

BU/Job #: _____ BU/Job Name: Schmitz #1
 Parent BU#: _____ 2967 Date: May 4, 2015

DETAIL COSTS

ACCOUNT #	DESCRIPTION	PREVIOUSLY APPROVED	CURRENTLY REQUESTED	TOTAL
Intangible Completion Costs				
3550.00700	Allocated Labor	-	-	-
3550.00710	Allocated Labor Burden	-	-	-
3550.00720	Bits & Reamers	-	15,000	15,000
3550.00730	Casing Crews, Tools	-	-	-
3550.00740	Cement, Cementing	-	-	-
3550.00750	Communications	-	-	-
3550.00760	Contract Drilling	-	45,000	45,000
3550.00770	Drillstem Testing	-	-	-
3550.00780	Equipment Rental	-	94,500	94,500
3550.00790	Fuels, Lubricants	-	5,000	5,000
3550.00800	Inspect - Tubular	-	-	-
3550.00810	Insurance	-	-	-
3550.00820	Locations, Road	-	25,000	25,000
3550.00830	Logging, Downhole	-	16,500	16,500
3550.00840	Mobilization, Demobilization	-	16,000	16,000
3550.00850	Mud, Chemicals	-	-	-
3550.00860	Other Intangible	-	15,000	15,000
3550.00870	Outside Operated	-	-	-
3550.00880	Overhead	-	-	-
3550.00890	Plug & Abandonment	-	-	-
3550.00900	Production Test, Pressure Survey	-	71,000	71,000
3550.00910	Stimulation	-	65,000	65,000
3550.00920	Surv, Prmts, Surf DMG	-	-	-
3550.00930	Taxes	-	-	-
3550.00940	Third Party Supervision	-	93,000	93,000
3550.00950	Transportation	-	10,000	10,000
3550.00960	Vehicle Charges	-	-	-
3550.00970	Water	-	25,000	25,000
Intangible Completion Subtotal		\$0	\$496,000	\$496,000

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Parent BU#:	<u>2967</u>	Date:	<u>May 4, 2015</u>
Location:	Schmitz #1	County, State:	Rio Arriba, NM

DETAIL COSTS

<u>ACCOUNT #</u>	<u>DESCRIPTION</u>	<u>PREVIOUSLY APPROVED</u>	<u>CURRENTLY REQUESTED</u>	<u>TOTAL</u>
Tangible Completion Costs				
3560.01100	Artificial lift Equipment		15,000	15,000
3560.01110	Battery & Production		55,000	55,000
3560.01120	Buildings		-	-
3560.01130	Flowlines, Fittings		65,000	65,000
3560.01140	Gas Sales Facility & Comp.		150,000	150,000
3560.01150	Install, Trans of Lease		25,000	25,000
3560.01160	Miscellaneous Equipment		-	-
3560.01170	Outside Operated Comp.		-	-
3560.01180	Pipelines		-	-
3560.01190	Production Casing		-	-
3560.01200	Tubing, Subsurface Prod.		57,000	57,000
3560.01210	Wellhead Equipment		7,500	7,500
Tangible Completion Subtotal		\$0	\$374,500	\$374,500
TOTAL		\$0	\$870,500	\$870,500

STATUS

Preliminary ☒ Revised ☐ Final ☐

DIVISION OF INTEREST

<u>WORKING INTEREST OWNER(S)</u>	<u>BCP %</u>	<u>ACP%</u>	<u>Post comp %</u>
Anschutz Oil Company	100.000000%	100.000000%	100.000000%
TOTAL			
TOTAL	100.000000%	100.000000%	100.000000%

AUTHORIZATION AND APPROVAL

Recommended by:	<u>Mark Amundson</u>	Approved by:	
	<u>Ashley Tolbert</u>	Name:	<u>Galen Brenize, VP Ops & Eng</u>
	<u>Gregg Randall</u>	Date:	<u></u>
Date:	<u></u>	Approved by:	
		Name:	<u>Joseph DeDominic; President and COO</u>
		Date:	<u></u>
Election		Approved by:	
Approved by:		Name:	<u>Deidre O'callaghan</u>
Print Name		Date:	<u></u>
Title			
Company			
Date			