

Pride Energy Company POB 701950 (74170) 2250 E. 73 rd St., Ste. 550 Tulsa, OK 74136 918 524 9200 office 918 524 9292 facsimile		Authorization for Expenditure Well: State X #1 Section 12 - T12S - R34E 1,980' FNL & 660' FWL Proposed Depth: 12,350' Primary Objectives: Morrow/Atoka/Mississippi		February 24, 2006
Drilling intangibles				
Water	30	day(s)	\$600 per day	18,000
Location and road				15,000
Drilling rig:	30	days at	\$18,000 per day	540,000
mobilization				80,000
fuel	30	days at	\$4,000 per day	120,000
Bits	5	bits at	\$9,000 each, average	45,000
Mud, chemicals & drayage				50,000
Mud Disposal				14,000
Open Hole Logging	2,500	feet at	\$10.00 per foot	25,000
Equipment Rental	30	days at	\$800 per day, average	24,000
Directional Services	5	days at	9000 per day	45,000
Trucking				6,000
Other Services				2,000
Geological/Engineering	30	days at	\$1,000 per day	30,000
			Subtotal	1,014,000
Contingency			20%	202,800
Overhead				38,000
			Total drilling intangibles	\$1,254,800
Drilling tangibles				
Casing, intermediate		feet at	per foot	0
Well head equipment			3,000 psi wp	7,000
Float equipment				0
			Subtotal	7,000
Contingency			20%	1,400
			Total drilling tangibles	\$8,400
Completion intangibles				
Location and road				2,000
Casing crews, production				11,000
Cementing, production				30,000
Completion rig	6	days at	\$3,000 per day	18,000
Perforating and GR-CBL				35,000
Formation treatments				150,000
Equipment Rentals	6	days at	\$2,000 per day	12,000
Water or Diesel				8,000
Supplies				2,500
Trucking				4,000
Roustabout work	6	days at	\$1,200 per day	7,200
Other Services				6,000
Engineering	8	days at	\$1,000 per day	8,000
			Subtotal	293,700
Contingency			20%	58,800
			Total completion intangibles	\$352,500
Completion tangibles				
Production casing	5 1/2	12,300	feet at \$15.50 per foot (17# & 20# N-80)	190,650
Float equipment				2,000
Well head			5,000 psi wp	8,000
Production tubing	2 3/4	12,300	feet at \$5.50 per foot 4.7 ppf, N-80, EUE, 8 rd thd	67,650
Downhole Equipment				10,000
Production Equipment				18,000
Flowlines				2,000
			Subtotal	298,300
Contingency			20%	59,700
			Total completion tangibles	\$358,000
Approved: _____ Date: _____		Dry hole cost: \$1,263,200		
Pride Energy Company		Completed well cost: \$1,973,700		
Approved: _____ Date: _____		Your Interest		
Working Interest Owner		Your Total Cost		
OIL CONSERVATION DIVISION				
CASE NUMBER				
EXHIBIT NUMBER 4				

POB 701950 (74170)
 2250 E. 73rd St., Ste. 550
 Tulsa, OK 74136
 918 524 9200 office
 918 524 9292 facsimile

Authorization for Expenditure

Well: Stats X #2
 Section 12 - T12S - R34E
 660' FSL & 1,980' FWL

Proposed Depth: 12,400'

Primary Objectives: Morrow/Atoka/Mississippi

Drilling intangibles				
Legal				3,000
Water	42	day(s)	\$600 per day	25,200
Location and road				15,000
Drilling rig:	42	days at	\$18,000 per day	756,000
daywork				80,000
mobilization				105,000
fuel	42	days at	\$2,500 per day	
Drill Bits				55,000
Mud, chemicals & drayage				50,000
Mud Disposal				14,000
Open Hole Logging				25,000
Equipment Rental	42	days at	\$800 per day, average	33,600
Mud Logging	18	days at	\$800 per day	14,400
Trucking				6,000
Other Services				2,000
Geological/Engineering	42	days at	\$1,000 per day	42,000
			Subtotal	1,226,200
Contingency			20%	245,240
Overhead				10,000
			Total drilling intangibles	\$1,481,440
Drilling tangibles				
Casing Crews				10,000
Cement, surface & intermediate				25,000
Casing, surface & intermediate				95,000
Well head equipment			3,000 psi wp	7,000
Float equipment				0
			Subtotal	137,000
Contingency			20%	27,400
			Total drilling tangibles	\$164,400
Completion intangibles				
Location and road				2,000
Casing crews, production				11,000
Cementing, production				30,000
Completion rig	10	days at	\$3,000 per day	30,000
Perforating and GR-CBL				35,000
Formation treatments				150,000
Equipment Rentals	10	days at	\$2,000 per day	20,000
Water or Diesel				8,000
Supplies				2,500
Trucking				4,000
Roustabout work	10	days at	\$1,200 per day	12,000
Other Services				6,000
Engineering	10	days at	\$1,000 per day	10,000
			Subtotal	320,500
Contingency			20%	64,100
			Total completion intangibles	\$384,600
Completion tangibles				
Production casing	5 1/2	12,300	feet at \$15.50 per foot (17# & 20# N-80)	190,650
Float equipment				2,000
Well head				13,000
Production tubing	2 3/4	12,300	feet at \$5.50 per foot 4.7 ppf, N-80, EUE, 8 rd thd	67,650
Downhole Equipment				10,000
Production Equipment				18,000
Flowlines				2,000
			Subtotal	303,300
Contingency			20%	60,660
			Total completion tangibles	\$363,960

Approved: John W. Pridg Date: 5/4/06
 Pridg Energy Company
 Approved: _____ Date: _____
 Working Interest Owner

Dry hole cost: \$1,645,840
 Completed well cost: 2,394,000
 Your Interest
 Your Total Cost

1,645,840
 2,394,000

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. In executing this AFE, the participant agrees to pay its proportionate share of actual costs incurred, including legal, curative, regulatory, brokerage and other costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. The Operator may contract with an affiliated entity to drill the well at prevailing rates in the area. Participant shall be covered by and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in amounts acceptable to the Operator by the date of spud.