

**BEPCO, L. P.
AFE COST DETAIL**

WELL: PALMILO 12 STATE COM NO. 1
LOCATION: 1650' FNL & 660' FWL SEC 12 T19S R28E

TD: 11500'
COUNTY: EDDY

DATE: June 9, 2006
STATE: NEW MEXICO

JOINT INTEREST COST DISTRIBUTION

(ESTIMATED COSTS)

INTERESTS:

BASS BCP = 81.25%
BASS ACP = 81.25%
OTHER BCP = 18.75%
OTHER ACP = 18.75%
BASS APO = 81.25%
OTHER APO = 18.75%
UP FRONT = \$0.00

MORROW

COMPLETED COST

	<u>TOTAL</u>	<u>JOINT OWNERS</u>	<u>BASS</u>	<u>ACTUAL</u>
<u>INTANGIBLE</u>				
DRILLING	1,700,000	318,750	1,381,250	
EVALUATION	110,000	20,625	89,375	
COMPLETION	580,000	108,750	471,250	
SUBTOTAL	2,390,000	448,125	1,941,875	
<u>TANGIBLE</u>				
DRILLING	110,000	20,625	89,375	
COMPLETION	280,000	52,500	227,500	
SUBTOTAL	390,000	73,125	316,875	
<u>LEASE EQUIPMENT</u>	200,000	37,500	162,500	
TOTAL	2,980,000	558,750	2,420,000	

DRY HOLE COST

	<u>TOTAL</u>	<u>JOINT OWNERS</u>	<u>BASS</u>	<u>ACTUAL</u>
<u>INTANGIBLE</u>				
DRILLING	1,700,000	318,750	1,381,250	
EVALUATION	110,000	20,625	89,375	
SUBTOTAL	1,810,000	339,375	1,470,625	
<u>TANGIBLE</u>				
DRILLING	110,000	20,625	89,375	
TOTAL	1,920,000	360,000	1,560,000	

COPAS overhead costs are not included in the above estimate; however, such costs will be appropriately billed.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case Nos. 13758 Exhibit No. 5
Submitted by:
BEPCo., L.P.
Hearing Date: August 17, 2006

SAFE COST DETAIL

WELL: PALMILO 12 STATE COM NO. 1				TD: 11500'	DATE: June 9, 2006	
LOCATION: 1650' FNL & 660' FWL SEC 12 T19S R28E				COUNTY: EDDY	STATE: NEW MEXICO	
COST CATEGORY				ESTIMATED	ACTUAL	DIFFERENCE
I. INTANGIBLE DRILLING COST						
A. SURFACE COST						
SURVEY LOCATION / DAMAGES / ROW				2,500	0	0
ARCH SURVEY / PERMITS				2,000	0	0
LOCATION/PITS/ROAD/MAINT/RESTORE				60,000	0	0
CONDUCTOR/MHRH SERVICES				6,000	0	0
PIT LINER				8,000	0	0
OTHER BIRD NETTING				3,000	0	0
B. DRILLING RIG						
FOOTAGE / TURNKEY				0	0	0
MOB/DE-MOB				150,000	0	0
DAYRATE W/DP (W/ TAX)	\$23,800	X	30 DAYS	714,000	0	0
FUEL	\$2,500	X	30 DAYS	75,000	0	0
OTHER				0	0	0
C. SURFACE CASING						
CASING CREW/LD MACHINE				5,000	0	0
FLOAT EQUIPMENT/CENTRALIZERS/ETC				3,000	0	0
CEMENT & SERVICES				20,000	0	0
BOPE TEST/NU CREW/FLUID CALIPER				5,000	0	0
INSPECTION/TRANSPORTATION				2,000	0	0
BITS / BHA / SHOCK SUB				5,000	0	0
OTHER				0	0	0
D. PROTECTIVE CASING						
CASING CREW/LD MACHINE				8,000	0	0
FLOAT EQUIPMENT/CENTRALIZERS/ETC				3,000	0	0
CEMENT & SERVICES				45,000	0	0
BOPE TEST/NU CREW/FLUID CALIPER/FIT				12,000	0	0
INSPECTION/TRANSPORTATION				7,000	0	0
BITS / BHA / SHOCK SUB				35,000	0	0
OTHER downhole motor				12,000	0	0
PROTECTIVE LINER						
CASING CREW/LD MACHINE				0	0	0
FLOAT EQUIPMENT/CENTRALIZERS/ETC				0	0	0
CEMENT & SERVICES				0	0	0
BOPE TEST/NU CREW/FLUID CALIPER				0	0	0
INSPECTION/TRANSPORTATION				0	0	0
BITS / BHA / SHOCK SUB				0	0	0
OTHER				0	0	0
E. PRODUCTION HOLE BITS / BHA / SHOCK SUB				70,000	0	0
F. DRILLING FLUID						
MUD MATERIALS				50,000	0	0
WATER				70,000	0	0
DISPOSAL				30,000	0	0
OTHER				0	0	0
G. DIRECTIONAL SURVEYS / SERVICES						
H. TRANSPORTATION \$500 X 30 DAYS				17,500	0	0
I. SUPERVISION \$1,000 X 30 DAYS				30,000	0	0
J. RENTALS						
CHOKE/ PVT/ ETC. \$250 X 25 DAYS				6,250	0	0
GAS BUSTER / IGNITER \$400 X 0 DAYS				0	0	0
SOLIDS CONTROL \$100 25				3,000	0	0
TRLR / WTR / TRASH \$250 X 30 DAYS				8,000	0	0
WELDING / ROUSTABOUT / FORKLIFT / ETC				10,000	0	0
JARS / ROTATING HEAD / BHA INSPECTION				30,000	0	0
H2S SAFETY \$0 X 0 DAYS				0	0	0
COMMUNICATION \$50 X 30 DAYS				1,750	0	0
OTHER FRAC TANK MUD STORAGE & TRANSFER				0	0	0
OTHER AUTOMATIC DRILLER				2,000	0	0
OTHER STRAIGHT HOLE MOTORS				35,000	0	0
K. FISHING						
L. MISC. COST (INCLUDING P & A) (10% CONT)				150,000	0	0
TOTAL INTANGIBLE DRILLING COSTS				1,700,000	0	0

AFE COST DETAIL

WELL: PALMILO 12 STATE COM NO. 1 TD: 11500' DATE: June 9, 2006
 LOCATION: 1650' FNL & 660' FWL SEC 12 T19S R28E COUNTY: EDDY STATE: NEW MEXICO

COST CATEGORY	ESTIMATED	ACTUAL	DIFFERENCE
II. TANGIBLE DRILLING COST			
A. CONDUCTOR CASING	0	0	0
B. SURFACE CASING			
330 FT. of 11 3/4" 42#, H-40 STC CGS @ \$32.50 /FT.	10,725	0	0
		0	0
C. PROTECTIVE CASING			
3300 FT. 8 5/8" 32 # J55 LTC CSG @ \$21.25 /FT.	71,000	0	0
0 FT. of \$0.00 /FT.	0	0	0
PROTECTIVE CASING / LINER			
0 FT. of \$0.00 /FT.	0	0	0
D. SURFACE CASING HEAD	5,000	0	0
E. PROTECTIVE CASING HEAD(S)	8,000	0	0
F. LINER HANGER	0	0	0
		0	0
G. OTHER	0	0	0
		0	0
H. MISCELLANEOUS (5% CONT)	6,500	0	0
TOTAL TANGIBLE DRILLING COST	110,000	0	0
III. EVALUATION			
A. LOGGING COST			
RUN #1 @ TD. (PEX) GR/LDT/CNL, GR/DIL/SFL	50,000	0	0
RUN #2 @ TD		0	0
LOG PROCESS FEES	0	0	0
RIG. FUEL, RENTALS, & MUD	27,500	0	0
1 DAY @ \$27500/DAY		0	
BASS SUPERVISION/Consultant 1 day@\$1000	1,000	0	0
B. DRILL STEM TEST COST (0)		0	
DST SERVICES	0	0	0
SURFACE EQUIPMENT	0	0	0
SAMPLE ANALYSIS	0	0	0
RIG. FUEL, CONSULT., RENTALS, & MUD	0	0	0
0 DAYS @ \$27,500 /DAY	0	0	0
C. ROTARY / SIDEWALL CORES	0	0	0
D. CONVENTIONAL CORING			
FOOTAGE CHARGE/SUPERVISION	0	0	0
BIT DAMAGE	0	0	0
E. SIDEWALL/CONVENTIONAL CORE ANALYSIS	0	0	0
F. MUD LOGGING COST			
25 DAYS @ \$1,000 /DAY	25,000	0	0
G. OTHER	0	0	0
H. MISCELLANEOUS COST (5% CONT)	5,500	0	0
		0	0
TOTAL EVALUATION COST	110,000	0	0

AFE COST DETAIL

WELL: PALMILO 12 STATE COM NO. 1 TD: 11500' DATE: June 9, 2006
 LOCATION: 1650' FNL & 660' FWL SEC 12 T19S R28E COUNTY: EDDY STATE: NEW MEXICO

COST CATEGORY	ESTIMATED	ACTUAL	DIFFERENCE
IV. INTANGIBLE COMPLETION COST			
A. DRLG RIG, FUEL, & RENTALS COST			
3 DAYS @ \$27,500 /DAY	82,500	0	0
B. COMPLETION RIG			
15 DAYS @ \$4,000 /DAY	60,000	0	0
C. PRODUCTION CASING			
CASING CREW/LD MACHINE	10,000	0	0
FLOAT EQUIPMENT/CENTRALIZERS/DV TOOL	5,000	0	0
TURBOLIZERS/SCRATCHERS/SEAL UNITS	10,000	0	0
CEMENT & SERVICES	90,000	0	0
INSPECTION/TRANSPORTATION	10,000	0	0
DRIFTING AND SANDBLASTING	5,000	0	0
OTHER: TEMP SURVEY	1,000	0	0
D. SUPERVISION			
DRILLING \$1,000 X 1.5 DAYS	1,500	0	0
PRODUCTION \$500 X 20 DAYS	10,000	0	0
E. LABOR			
CONTRACT	0	0	0
PACKER SERVICE X DAYS	5,000	0	0
F. GENERAL TRANSPORTATION			
\$500 X 10 DAYS	5,000	0	0
G. PRODUCTION TUBING SERVICES			
PRESSURE TESTING / TORQUE MONITORING	3,000	0	0
MISCELLANEOUS (INTERNAL COAT, DOPE, SEAL RINGS)	0	0	0
OTHER	0	0	0
H. COMPLETION FLUID (FRAC WATER)			
DISPOSAL OF PROD. FLUID/COMPL. FLUID	3,000	0	0
I. RENTALS			
WORK STRING	0	0	0
DRILL COLLARS / SUBS / SCRAPERS	2,000	0	0
BOPE & TESTING	5,000	0	0
TANKS	5,000	0	0
REVERSE UNIT	5,000	0	0
MISCELLANEOUS (PKR & BP RENTALS, ETC)	5,000	0	0
OTHER	0	0	0
J. COMPLETION RIG ANCHORS	3,000	0	0
K. BITS	1,000	0	0
L. PRODUCTION LOGGING (correlation log for TCP X 2)	8,000	0	0
M. PERFORATING & DEPTH CONTROL SCHLBGER TCP "PURE" X 2	70,000	0	0
	0	0	0
N. WIRELINE WORK			
ELECTRIC	6,000	0	0
SLICKLINE	3,000	0	0
BHP	4,000	0	0
O. TREATING			
SERVICES (2 FRACS & ACID)	0	0	0
EQUIPMENT RENTAL / ISOLATION TOOL (FRAC HEAD /VALVE)	0	0	0
P. TESTING			
SWABBING	0	0	0
EQUIPMENT RENTAL / TEST UNIT	5,000	0	0
Q. OTHER MISC TEST & STIMULATE	100,000	0	0
LIGHT PLANT \$300 X 0	0	0	0
R. MISCELLANEOUS (10% CONT)	50,000	0	0
TOTAL INTANGIBLE COMPLETION COSTS	580,000	0	0

AFE COST DETAIL

WELL: PALMILLO 12 STATE COM NO. 1

TD: 11500'

DATE:

June 9, 2006

LOCATION: 1650' FNL & 660' FWL SEC 12 T19S R28E

COUNTY: EDDY

STATE:

NEW MEXICO

COST CATEGORY		ESTIMATED	ACTUAL	DIFFERENCE
V. TANGIBLE COMPLETION COST				
A. PRODUCTION CASING/LINER				
2,200 FT. of 5-1/2" 15 5# K55 LTC CGS @	\$10.50 /FT.	24,000	0	0
4,800 FT. of 5-1/2" 17# K55 LTC CGS @	\$12.50 /FT.	60,000		
4,500 FT. of 5-1/2" 17# N80 LTC CGS @	\$15.50 /FT.	70,000	0	0
B. LINER HANGER				
0 FT. of	\$0.00 /FT.	0	0	0
C. TUBING HEAD				
		10,000	0	0
D. PRODUCTION TUBING				
11,500 FT. of 2-7/8" 6.5#, J55 EUE TBG @	\$6.00 /FT.	69,000	0	0
E. CHRISTMAS TREE				
		20,000	0	0
F. OTHER				
		0	0	0
G. MISCELLANEOUS (10% CONT)				
		27,000	0	0
				0
TOTAL TANGIBLE COMPLETION COST		280,000	0	0
VI. LEASE EQUIPMENT/INSTALLATION				
A. EQUIPMENT				
TANKS		30,000	0	0
VAPOR RECOVERY UNIT		0	0	0
SEPARATOR	STACK PACK	30,000	0	0
FLOWLINES (5000' 2 7/8" @ \$2.75/FT.)		19,500	0	0
TOTAL FLOW AND METER RUN (1 - Test, 1 - Prod)		12,000	0	0
ELECTRICAL EQUIPMENT / ROW		0	0	0
PUMPING UNIT		0	0	0
PRIME MOVER		0	0	0
MOVE AND SET PUMPING UNIT		0	0	0
DOWNHOLE EQUIPMENT				
RODS		0	0	0
PUMP		0	0	0
TUBING ANCHOR		0	0	0
PACKER & SEAL ASSEMBLY		15,000	0	0
POLISHED ROD, LINER, PUMPING TEE		0	0	0
WATER DISPOSAL EQUIPMENT		0	0	0
CONNECTIONS		3,100	0	0
B. LABOR				
		17,500	0	0
C. GAS LINE CONNECTION / ROW				
		50,000	0	0
D. OTHER (Transporation)				
		0	0	0
E. MISCELLANEOUS (10% CONT)				
		17,000	0	0
TOTAL LEASE EQUIPMENT		200,000	0	0

AFE COST SUMMARY

WELL: PALMILLO 12 STATE COM NO. 1	TD: 11500'	DATE: June 9, 2006
LOCATION: 1650' FNL & 660' FWL SEC 12 T19S R28E	COUNTY: EDDY	STATE: NEW MEXICO
COST CATEGORY	ESTIMATE	

I. INTANGIBLE DRILLING COST

A. SURFACE COST	81,500
B. DRILLING RIG	939,000
C. SURFACE CASING	40,000
D. PROTECTIVE CASING	122,000
E. PRODUCTION HOLE BITS / BHA / SHOCK SUB	70,000
F. DRILLING FLUID	150,000
G. DIRECTIONAL SURVEYS / SERVICES	0
H. GENERAL TRANSPORTATION	17,500
I. SUPERVISION	30,000
J. RENTALS	96,000
K. FISHING	0
L. MISCELLANEOUS COST (INCLUDING P&A)	150,000

TOTAL INTANGIBLE DRILLING COST	1,700,000
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II. TANGIBLE DRILLING COST

A. CONDUCTOR CASING	0
B. SURFACE CASING	10,725
C. PROTECTIVE CASING - 1ST	71,000
PROTECTIVE CASING - 2ND	0
D. SURFACE CASING HEAD	5,000
E. PROTECTIVE CASING HEAD (S)	8,000
F. LINER HANGER	0
G. OTHER	0
H. MISCELLANEOUS	6,500

TOTAL TANGIBLE DRILLING COST	110,000
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III. EVALUATION

A. LOGGING COST	78,500
B. DRILL STEM TEST COST	0
C. ROTARY / SIDEWALL CORES	0
D. CONVENTIONAL CORING	0
E. SIDEWALL / CONVENTIONAL CORE ANALYSIS	0
F. MUD LOGGING COST	25,000
G. OTHER	0
J. MISCELLANEOUS COST	5,500

TOTAL EVALUATION COST	110,000
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AFE COST SUMMARY

WELL: PALMILO 12 STATE COM NO. 1	TD: 11500'	DATE: June 9, 2006	
LOCATION: 1650' FNL & 660' FWL SEC 12 T19S R28E	COUNTY: EDDY	STATE: NEW MEXICO	
COST CATEGORY			

IV. INTANGIBLE COMPLETION COST

A. DRLG RIG, FUEL, MUD & RENTALS COST	82,500
B. COMPLETION RIG	60,000
C. PRODUCTION CASING	131,000
D. SUPERVISION	11,500
E. LABOR	5,000
F. GENERAL TRANSPORTATION	5,000
G. PRODUCTION TUBING SERVICES	3,000
H. COMPLETION FLUID	3,000
I. RENTALS	22,000
J. COMPLETION RIG ANCHORS	3,000
K. BITS	1,000
L. PRODUCTION LOGGING	8,000
M. PERFORATING & DEPTH CONTROL	70,000
N. WIRELINE WORK	13,000
O. TREATING - ACID & FRAC	0
P. TESTING	5,000
Q. OTHER	100,000
R. MISCELLANEOUS	50,000

TOTAL INTANGIBLE COMPLETION COSTS	580,000
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V. TANGIBLE COMPLETION COST

A. PRODUCTION CASING/LINER	154,000
B. LINER HANGER	0
C. TUBING HEAD	10,000
D. PRODUCTION TUBING	69,000
E. CHRISTMAS TREE	20,000
F. OTHER	0
G. MISCELLANEOUS	27,000

TOTAL TANGIBLE COMPLETION COST	280,000
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VI. LEASE EQUIPMENT/INSTALLATION

A. EQUIPMENT	109,600
B. LABOR	17,500
C. GAS LINE CONNECTION / ROW	50,000
D. OTHER	0
E. MISCELLANEOUS	17,000

TOTAL LEASE EQUIPMENT	200,000
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GRAND TOTAL	2,980,000
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COPAS overhead costs are not included in the above estimate; however, such costs will be appropriately billed.