

UNIT PETROLEUM COMPANY

AFE/COST ESTIMATE

407 N Big Spring St

Suite 101

Midland, TX 79701

(432) 685-8020

☒ ORIGINAL
☐ SUPPLEMENT

☒ NEW WELL
☐ SUBSEQUENT DEVELOPMENT
☐ WORKOVER
☐ PLUG AND ABANDON

DISTRICT

Midland

PROSPECT

Monument

SECTION

9

OBJECTIVE

Middle Morrow

ESTIMATED

DAYS: 35

PURPOSE OF EXPENDITURE & WORK PROCEDURE:

WELL NAME

Monument '9 #1

FIELD

Osuda North

WI

BCP

ACP

PREPARED BY

Matthew Doffer

DATE

6/27/2006

Footage from Section Lines

1310' SNL & WL T20S-R36E

BLOCK

SURVEY

COUNTY

Lea

STATE

New Mexico

PROPOSED TD

11,600 FT

WELL TYPE

OIL

X

GAS

SWD

INJ

OTHER

EXPLORE

AFE #

DAYS: 35

DRILLING

10

COMPLETION

45

TOTAL

Drill, complete and equip a flowing Morrow gas well (Includes Frac Treat Cost)

CODE		CLASSIFICATION						ESTIMATE			
1620 (DRLG)	1627 (CMPL)							DRILLING	COMPLETED	TOTAL	
		INTANGIBLES									
1	1	PERMITS	\$1,000	SURVEYS	\$1,200	ROW	DAMAGES	\$10,000	12,200	4,000	16,200
2	2	ROADS & LOCATION: BUILD			\$0		CLEAN-UP	\$0	55,000	5,000	60,000
3	3	FOOTAGE DEPTH	0 FT @		\$0.00 /FT				0	0	0
4	4	DW DAYS	35 DAYS @		\$18,500 /DAY	COMP			647,500	65,000	712,500
5	5	MOBILIZE - RU - RD - DEMOBILIZE							70,000	8,000	78,000
6	6	FUEL/POWER							90,000	50,000	140,000
7	7	DRLG WATER		WATER WELL			COMP FLUID		30,000	15,000	45,000
8	8	CONTRACT LABOR/WELDING							12,000	5,000	17,000
9	9	BITS							55,000	2,000	57,000
10	10	DRLG FLUID		AIR		CHEMICALS			50,000	5,000	55,000
11	11	FORMATION TESTING		CORING		FLOW TESTS			5,000	5,000	10,000
12	12	OPENHOLE LOGGING & SURVEYS							42,000	0	42,000
13	13	CEMENT & SERVICES							50,000	27,000	77,000
14	14	RENTALS & SERVICES: SURFACE		SUBSURFACE					50,000	30,000	80,000
15	15	CASED HOLE LOGGING		PERFORATING		WIRELINE			0	15,000	15,000
16	16	STIMULATION : ACID	10000	FRAC	170000	OTHER	10000			190,000	190,000
17	17	SUPPLIES, MATERIALS, & MISCELLANEOUS RENTALS							20,000	15,000	35,000
18	18	GEOLOGICAL		MUD LOGGING		OTHER PROF			27,000	0	27,000
19	19	WELL SUPERVISION : DRILLING				COMPLETION			50,000	15,000	65,000
20	20	OVERHEAD OR COMBINED RATE							10,000	5,000	15,000
21	21	INSURANCE							0	0	0
22	22	ABANDONMENT EXPENSE (INCL LOCATION RECOVERY)							40,000	(15,000)	25,000
23	23	INSTALLATIONS & SERVICES THRU WELLHEAD							10,000	10,000	20,000
24	24	TRUCKING & OTHER SERVICES							25,000	15,000	40,000
32	32	CLOSED MUD SYSTEM							0		0
40	40	SALVAGE EQUIPMENT							0	0	0
30	30	CONTINGENCIES	2%						27,100	9,500	36,600
TOTAL INTANGIBLE COSTS								\$1,377,800	\$480,500	\$1,858,300	
CODE		TANGIBLES						DRILLING	COMPLETED	TOTAL	
101		CONDUCTOR CSG	40 FT OF	20.000 INCH @ \$	120.00 PER FT			4,800		4,800	
102		SURFACE CSG	400 FT OF	13.375 INCH @ \$	38.95 PER FT			15,600		15,600	
103		INTERMEDIATE CSG	5,500 FT OF	9.625 INCH @ \$	32.28 PER FT			177,600		177,600	
104	104	PRODUCTION CSG	11,600 FT OF	5.500 INCH @ \$	15.12 PER FT				175,400	175,400	
	105	LINER CSG	FT OF	INCH @ \$	PER FT				0	0	
	106	TUBING	11,600 FT OF	2.375 INCH @ \$	4.93 PER FT				57,200	57,200	
	107	SUCKER RODS	FT OF	0.000 INCH @ \$	0.00 PER FT				0	0	
	108	BH PUMP	GAS LIFT	TBG ANC	OTHER				0	0	
109	109	WELLHEAD : CASING HEAD		TREE				10,000	16,000	26,000	
	110	ARTIFICIAL LIFT		PRIME MOVER					0	0	
	111	PACKERS & SUBSURFACE TOOLS							15,000	15,000	
	112	INSTALLATION COSTS							15,000	15,000	
	121	TANKS & ACCESSORIES							30,000	30,000	
	122	PRODUCTION UNIT		DEHYDRATOR		COMPRESSOR			20,000	20,000	
	123	HEATER TREATER		SEPARATOR					5,000	5,000	
	124	ELECTRICAL SYSTEMS & LINES							0	0	
	125	LEASE LINES							0	0	
	126	CONTROLLABLE VALVES & FITTING							10,000	10,000	
127	127	OTHER EQUIPMENT							3,000	3,000	
	128	NON-CONTROLLABLE LEASE MATERIAL							10,000	10,000	
	129	INSTALLATION COSTS							16,000	16,000	
	131	LINE PIPE							5,000	5,000	
	132	METERING EQUIPMENT							5,000	5,000	
TOTAL TANGIBLES								\$208,000	\$382,600	\$590,600	
TOTAL INTANGIBLES								\$1,377,800	\$480,500	\$1,858,300	
TOTAL WELL COSTS								\$1,585,800	\$863,100	\$2,448,900	

UNIT PETROLEUM APPROVALS

APPROVED BY

Vice President

DATE

06/30/06

COMPANY

UNIT PETROLEUM COMPANY

PARTNER APPROVALS

APPROVED BY

TITLE

DATE

COMPANY