

GAS _____
OIL _____



20 N. BROADWAY, SUITE 1500, OKLAHOMA CITY, OK

Oil Conservation Division

Case No. 3

Exhibit No. _____

DRILLING _____
COMPLETION _____

AUTHORITY FOR EXPENDITURE

DRILLING/COMPLETION COST ESTIMATE

AFE NO.: 133021
Lease Name - Well #: Arenoso 22 Fed Com 2
Legal Description: E/2 Section 22-T19S-R31E

County/Parish: Eddy
State: New Mexico
Prepared By: Ortiz, Marcos

AUTHORITY REQUESTED TO:

Drill & complete targeting the Morrow formation.

Code	Intangible Description	Completion Costs	Drilling Costs	Dry Hole Costs	Total Costs
011	DRILL-LAND, LEGAL	0	7,500	0	7,500
011	LAND, LEGAL	500	0	0	500
012	COMPL-SURF DAMAGES/RIGHTOFWAY	2,900	0	0	2,900
012	DRILL-SURF DMGS/RIGHT OF WAY	0	5,000	0	5,000
013	COMP-LOCATION, ROADS, PITS, FNS	6,200	0	0	6,200
013	DRILL-LOCATION,ROADS, PITS, FNCS	0	50,000	0	50,000
014	ARCHEOLOGICAL TESTING	0	2,500	0	2,500
019	DRILL-OTHER SITE PREPARATION	0	10,000	0	10,000
019	OTHER SITE PREPARATION	6,300	0	0	6,300
043	DAYWORK	80,000	672,000	0	752,000
044	DRILL-MOB/DEMobilIZATION	0	112,000	0	112,000
045	DIRECTIONAL DRILLING	0	150,000	0	150,000
049	OTHER CONTRACTOR SERVICES	1,200	0	0	1,200
101	DRILL BITS	0	66,466	0	66,466
102	COMPLETION FLUIDS	22,000	0	0	22,000
102	DRILL-DRILLING FLUIDS	0	82,500	0	82,500
103	DRILL-SURFACE RENTAL TOOLS & EQUIP	0	25,000	0	25,000
103	SURFACE RENTAL TOOLS & EQUIP (incl. foam/air u	30,000	0	0	30,000
104	COMPL-DOWNHOLE RNTL TOOLS & EQ	17,000	0	0	17,000
104	DOWNHOLE RENTAL TOOLS & EQUIPMENT	0	25,000	0	25,000
109	DRILL-OTHER MATRLS & SUPPLIES	0	5,000	0	5,000
109	OTHER MATERIALS & SUPPLIES	4,000	0	0	4,000
201	DRILL-WELD, ROUTABOUT & OTHER	0	27,500	0	27,500
201	WELDING, ROUSTABOUTS & OTHER SERV	70,000	0	0	70,000
202	COMPL-DIRT WORK & HEAVY EQUIPN	8,000	0	0	8,000
202	DIRT WORK & HEAVY EQUIPMENT	0	5,000	0	5,000
203	DRILL-TRUCKING & HOTSHOT	0	12,000	0	12,000
203	TRUCKING & HOTSHOT	10,000	0	0	10,000
251	CEMENT & CEMENTING SERVICES	80,000	40,000	0	120,000
254	FLOWBACK EQUIP-TESTING SERVICES	10,000	0	0	10,000
255	DRILL-LOGGING	0	125,000	0	125,000
255	LOGGING	50,000	0	0	50,000
257	DRILL-OPEN HOLE EVALUATION	0	33,600	0	33,600
259	CASING & TUBULAR SERVICES	20,000	19,500	0	39,500
263	DRILL-FLUID DISPOSAL	0	7,500	0	7,500
263	FLUID DISPOSAL	5,500	0	0	5,500
265	STIMULATION & GRAVEL PACK	250,000	0	0	250,000
269	COMPL - CONSULTANTS	25,000	0	0	25,000
269	CONSULTANTS	0	63,000	0	63,000
271	COMPL-FISHING SERVICES	3,000	0	0	3,000

Please include/attach well requirement data with ballot.

GAS _____
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20 N. BROADWAY, SUITE 1500, OKLAHOMA CITY, OK 73102

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Code	Intangible Description	Completion Costs	Drilling Costs	Dry Hole Costs	Total Costs
281	COMMUNICATION SERVICES	0	4,200	0	4,200
302	DRILL-WATER	0	110,000	0	110,000
306	DRILL-POWER & FUEL	0	109,200	0	109,200
501	PULLING & SWABBING UNITS	85,000	0	0	85,000
503	BACKFILL PITS/RESTORE LOCATION	2,000	15,000	0	17,000
552	DRILL-SAFETY EQUIP & TRAINING	0	4,200	0	4,200
552	SAFETY EQUIPMENT & TRAINING	1,000	0	0	1,000
559	COMPL-ENVMNT & SAFETY MISC	1,700	0	0	1,700
711	COMPANY SUPERVISION	3,000	0	0	3,000
721	COMPL- COMPLETION OVERHEAD	6,000	0	0	6,000
831	VEHICLE EXPENSE	400	0	0	400
865	COMPANY BENEFITS	1,000	0	0	1,000
895	DRILL-TAXES -OTHER IDC	0	107,320	0	107,320
Total Intangibles		801,700	1,895,986	0	2,697,686

Code	Tangible Description	Completion Costs	Drilling Costs	Dry Hole Costs	Total Costs
282	COMPL-SCADA	15,000	0	0	15,000
901	SURFACE CASING	0	21,600	0	21,600
902	INTERMEDIATE CASING	0	102,300	0	102,300
903	PRODUCTION CASING	240,000	0	0	240,000
915	TUBING	71,000	0	0	71,000
925	SUBSURFACE EQUIP	36,000	0	0	36,000
931	WELLHEAD VALVES & EQUIPMENT	20,000	10,000	0	30,000
941	TANKS	40,000	0	0	40,000
945	TREATING EQUIPMENT	20,000	0	0	20,000
961	COMPL-LINE PIPE,METERS & FITTINGS	35,000	0	0	35,000
Total Tangibles		477,000	133,900	0	610,900

TOTAL ESTIMATED COSTS		1,278,700	2,029,886	0	3,308,586
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Note: Costs and participations are generally estimates. Billings will be based on actual expenditures

WORKING INTEREST OWNER APPROVAL

Company name: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

Email: _____

Please include/attach well requirement data with ballot.