

**COST ESTIMATE and AUTHORITY FOR EXPENDITURE (AFE)**

**SUBMERSIBLE PUMP TEST DEVONIAN**

**LOWE #1-A, Unit A, Section 34, T-21S, R-37E, Lea County, New Mexico**

**TANGIBLE**

1 - 500 bbl Water Tank	\$ 6,000
1 - 10' x 15' Free Water Knockout	30,000
1 - Centripetal Pump	1,500
600' - 4" poly pipe @ \$3.40/ft.	2,000
Misc. Valves and fittings	1,000
2800' - 2 7/8" L-80 tbg. @ \$7.50/ft.	21,000
<u>New Mexico State Tax @ 6.25%</u>	<u>4,000</u>
Total Tangibles for Test	\$65,500

**INTANGIBLE**

Pulling Unit - 10 days	\$45,000
Reverse Unit - 5 days	15,000
Squeeze Wolfcamp Zone	13,000
1 month test rental: 170 hp / 300 stage	8,000
Installation Charges	2,500
Services and spooling	3,800
Electrical work	2,000
1 month rental - 205 kw generator @ \$275/day	8,500
Fuel for generator @ 200 gallons / day @ \$2.25/gal.	14,000
Install water tank and centripetal	1,000
Trucking	3,000
Miscellaneous	5,000
Supervision	5,000
<u>New Mexico State Tax @ 6.25%</u>	<u>8,200</u>
Total Intangible for Test	\$134,000

**TOTAL AFE FOR TEST \$199,500**

**Tangible**

Submersible Pump, 170 hp	\$80,000
Transformers	7,400
Lea County Voltage Regulators	38,000
<u>New Mexico State tax</u>	<u>8,100</u>
Total Tangibles	\$133,500

**Intangible**

Change out rented submersible	\$4,000
Pulling Unit	4,000
Trucking	1,000
Miscellaneous	3,000
Supervision	2,000
<u>New Mexico State tax</u>	<u>900</u>
Total Intangibles	\$14,900

**TOTAL ADDITIONAL COST IF TEST IS SUCCESSFUL \$148,400**  
 Permanent Installation

APPROVED: \_\_\_\_\_

\_\_\_\_\_  
 Signature Printed Name Date

\_\_\_\_\_  
 Company Name (if applicable) Title

Oil Conservation Division  
 Case No. \_\_\_\_\_  
 Exhibit No. 5