

BEFORE EXAMINER O. C. COLE
OIL CONSERVATION DIVISION

Am-ney EXHIBIT NO. 14
CASE NO. 8048

AUTHORITY FOR EXPENDITURE

LEASE NAME & WELL NUMBER Melva #1
LOCATION 660 FSL & 660 FEL
Sec. 28, T23S, R28E
Eddy County, New Mexico
PROPOSED TOTAL DEPTH 8000'

Detail of Expenditure	Before Csg. Pt.	After Csg. Pt.	Total
INTANGIBLE COSTS:			
Lease Cost			
Survey and Stake Location	1,500		
Surface Damages	18,000		
Contract Drilling (Footage) \$15/ft	120,000		
Contract Drilling (Day Work)			
3 days @ \$4200 per day	12,600		
Rat hole, Mouse hole & Cellar			
Bits, Core Heads & Reamer		500	
Drilling Mud & Chemicals	8,000		
Fuel			
Water	8,000	10,000	
Trucking	12,000	8,000	
Cementing	14,000	8,000	
Casing / Crew			
Testing		1,000	
Location / Preparation & Misc.	10,000		
Treating		30,000	
Completion / Unit		12,000	
Equipment and Tool Rental		5,000	
Control of Well Insurance			
Welding	500	500	
Perforating and Logs	18,000	12,000	
Roustabout Labor			
Wellsite Geologist & Engineering	8,000	8,000	
Miscellaneous	5,000	5,000	
Contingencies	23,600	10,000	
SUB-TOTAL	259,200	110,000	369,200
TANGIBLE COSTS:			
Downhole Equipment	5,000	4,500	
Casing - Conductor			
Casing - Surface 400' of 13 3/8"	5,200		
Casing - Intermediate 2630' of 8 5/8"	22,300		
Casing - Production 8000' of 5 1/2"		34,000	
Tubing 7800' of 2 7/8"		20,300	
Pumping Unit 228		24,000	
Flowlines, Valves, Fittings, etc.		6,000	
Tanks		12,000	
Separator			
Heater Treater		3,500	
Miscellaneous			
Well Head Equipment	7,500	7,500	
SUB-TOTAL	40,000	111,800	151,800
TOTAL AFE COSTS	299,200	221,800	521,000

By execution hereof, the undersigned recognizes and acknowledges that the cost figures listed above are estimates only, and that the undersigned is responsible for his/her share of the actual costs incurred even if such actual costs exceed said estimates.

Participant's Signature _____

Title _____

Company _____

Date _____

Address _____

City, State, Zip _____