

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF CHASE OIL CORPORATION
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 14,437

VERIFIED STATEMENT OF STACI D. SANDERS

Staci D. Sanders, being duly sworn upon her oath, deposes and states:

1. I am a landman for Chase Oil Corporation, and have personal knowledge of the matters stated herein.

2. Pursuant to Division Rule NMAC 19.15.4.12.A(1)(b), the following information is submitted in support of the application filed herein:

(a) No opposition to this application is expected because the mineral interest owner being pooled has simply not responded to well proposals, or has not yet executed a farmout agreement.

(b) A plat outlining the spacing unit being pooled is attached hereto as Exhibit A. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprised of the N/2N/2 of Section 36, Township 16 South, Range 27 East, NMPM, and pooling all mineral interests in the Abo/Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Snowball State Com. Well No. 1, a horizontal well to be drilled at an orthodox surface location in the NE/4NE/4, with a terminus at an orthodox location in the NW/4NW/4, of Section 36. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Mack Energy Corporation as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

(c) The party being pooled, its interest in the well unit, and its last known address, are as follows:

*unsub
Abo
NW
WC*

Oil Conservation Division
Case No. 1
Exhibit No. 1

OXY USA WTP Limited Partnership
5 Greenway Plaza
Houston, Texas 77046

10%

(d) A copy of the proposal letter sent to the uncommitted mineral interest owner, as well as follow-up letters, e-mails, and notes of telephone calls, are attached hereto as Exhibit B.

(e) Chase Oil Corporation has made a good faith effort to obtain the voluntary joinder of the uncommitted interest owner in the well.

(f) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against a non-consenting interest owner.

(g) The offset operators or lessees of the acreage surrounding the well unit are as follows:

- (i) S½ §25-16S-27E
Murchison Oil & Gas, Inc.
- (ii) S½ §30-16S-28E
EOG Resources, Inc.
- (iii) N½ §31-16S-28E
EOG Resources, Inc.
- (iv) S½N½ §36-16S-27E
Interest owners in proposed well
- (v) N½ §35-16S-27E
Yates Petroleum Corporation
- (vi) S½ §26-16S-27E
Murchison Oil & Gas, Inc.

(h) A copy of the Authority for Expenditure for the proposed well is attached hereto as Exhibit C. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other horizontal wells of this depth drilled in this area of Eddy County.


(i) Overhead charges of \$6500/month for a drilling well, and \$650/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for wells of this depth. Chase Oil Corporation requests that the rates be adjusted under the COPAS accounting procedure.

(j) Applicant requests that Mack Energy Corporation be designated operator of the well.

VERIFICATION

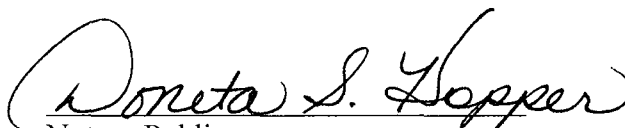
STATE OF NEW MEXICO)
) ss.
COUNTY OF EDDY)

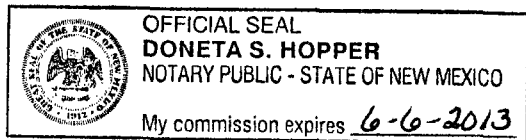
Staci D. Sanders, being duly sworn upon her oath, deposes and states that: She is a landman for Chase Oil Corporation; she is authorized to make this verification on its behalf; she has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of her knowledge, information, and belief.

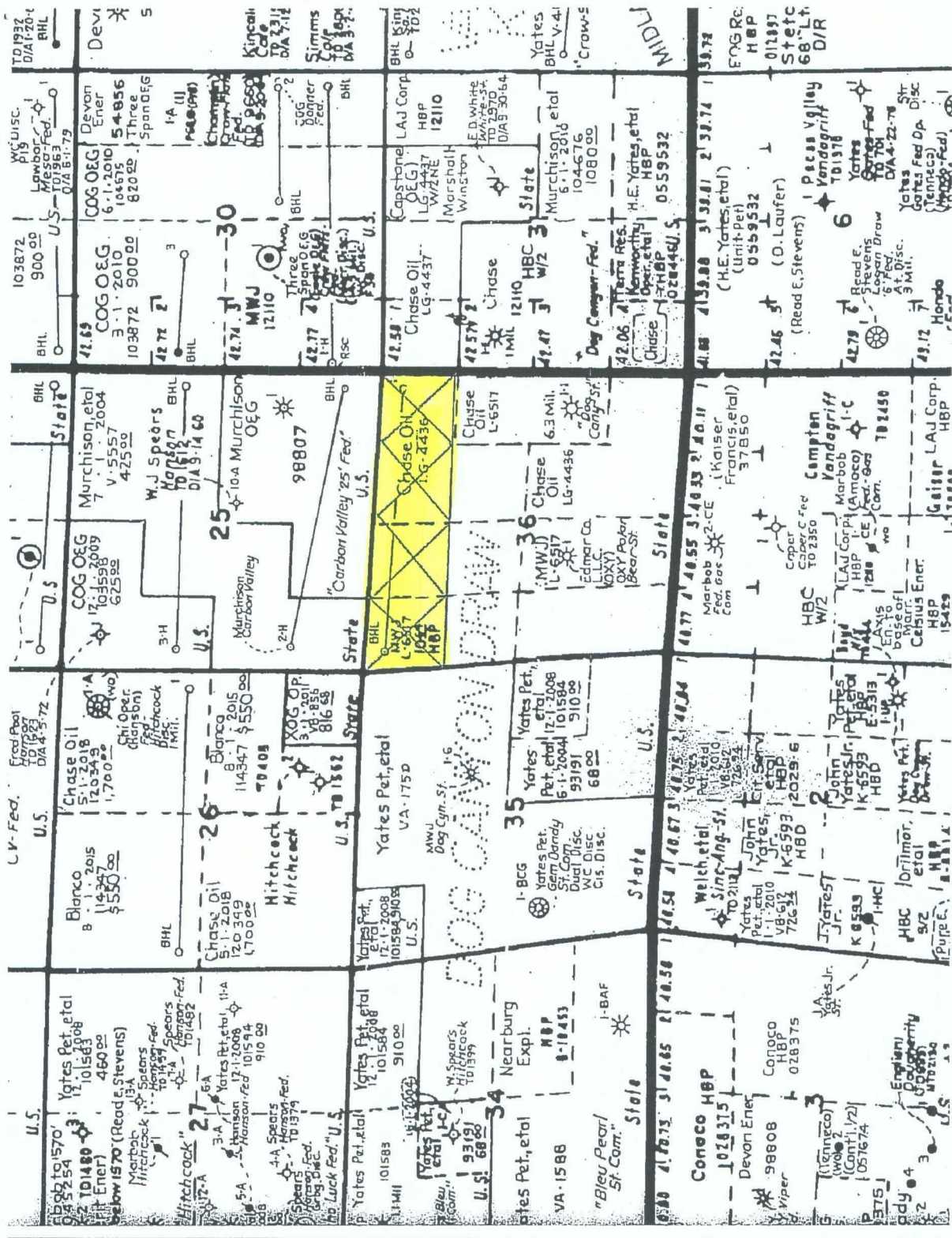

Staci D. Sanders

SUBSCRIBED AND SWORN TO before me this 24th day of February, 2010 by Staci D. Sanders.

My Commission Expires: 6-6-2013


Notary Public





EXHIBIT

A



Post Office Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9339

September 8, 2009

CERTIFIED MAIL

Working Interest Owners
(See attached List)

RE: Snowball WI Unit Proposal
Snowball State Com #1 Well
N/2 N/2 Sec. 36, T16S, R27E
Eddy County, New Mexico

Gentlemen:

We invite you to join us in the drilling of the Snowball State Com #1 Well in the N/2N/2 of Section 36, T16S, R27E, Eddy County, New Mexico, to test the Dog Canyon Abo formation. Our AFE is attached for your review.

We propose the formation of a Working Interest Unit covering the N/2 of Section 36. An ownership schedule is attached. If you are interested in joining, please return an approved AFE and we will forward an Operating Agreement covering the N/2 of Section 36.

If you are not interesting in joining, we will negotiate a Term Assignment or Farmout of your interest. If you have any questions you can contact me by e-mail at stacis@mackenergycorp.com or by calling (575) 748-1288.

Sincerely,

Mack Energy Corporation

Staci Sanders
Land Department

/ss

Enclosures

EXHIBIT B

WORKING INTEREST OWNERS:

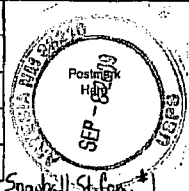
Peregrine Production, LLC P.O. Box 1844 Midland, TX 79702	7008 1140 0004 0380 7683
OXY USA WTP LP, et al Attn: Robbie Abraham 5 Greenway Plaza, Suite 110 Houston, TX 77046	7008 1140 0004 0380 7690
McCombs Energy, LLC 559 San Felipe, Suite 1200 Houston, TX 77056	7008 1140 0004 0380 7706
Scott E. Wilson 4601 Mirador Drive Austin, TX 78735	7009 0820 0002 1408 3383
Richard K. Barr 500 N. Loraine, Suite 1070 Midland, TX 79701	7009 0820 0002 1408 3390
Andrews Oil L.P. c/o DJA, LLC, the General Partner 2219 Westlake Dr., Suite 150 Austin, TX 78746	7009 0820 0002 1408 3406
Corkran Energy, L.P. c/o Hummingbird Investments, LLC the General Partner 2219 Westlake Dr., Suite 120 Austin, TX 78746	7009 0820 0002 1408 3413

7008 1140 0004 0380 7690

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com
OFFICIAL USE

Postage	\$ 1.05
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.15



Sent to **OXY USA WTP Limited Partnership**
 Street, Apt. No. or PO Box No. **Attn: Robbie Abraham**
 City, State, Zip **5 Greenway Plaza, Suite 110**
Houston, Texas 77046

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
OXY USA WTP Limited Partnership
Attn: Robbie Abraham
5 Greenway Plaza, Suite 110
Houston, Texas 77046

Snowball State Corn #1

2. Article Number (Transfer from service label) **7008 1140 0004 0380 7690**

COMPLETE THIS SECTION ON DELIVERY

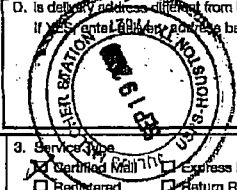
A. Signature *Robbie Abraham* ☐ Agent ☒ Addressee

B. Received by (Printed Name) *Robbie Abraham* C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☒ No
 If Yes, enter address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes



Snowball WI Unit										
N/2 Section 36, T16S, R27E, Eddy County, NM, containing 320.00 Acres										
OWNER	W/2NW/4 = 80.00 Acres			E/2NW/4 = 80 Acres			NE/4 = 160 Acres			WI In Well
	Interest	TPF	Sp Unit Interest	Interest	TPF	Sp Unit Interest	Interest	TPF	Sp Unit Interest	
Chase Oil Corporation							0.85000000	0.50000000	0.42500000	0.42500000
Robert C. Chase							0.05000000	0.50000000	0.02500000	0.02500000
Richard L. Chase							0.05000000	0.50000000	0.02500000	0.02500000
Gerene Dianne Chase Ferguson							0.05000000	0.50000000	0.02500000	0.02500000
Peregrine Production, LLC				1.00000000	0.25000000	0.25000000				0.25000000
OXY USA WTP LP	0.40000000	0.25000000	0.10000000							0.10000000
McCombs Energy, LLC	0.35000000	0.25000000	0.08750000							0.08750000
Scott E. Wilson	0.10000000	0.25000000	0.02500000							0.02500000
Richard K. Barr	0.10000000	0.25000000	0.02500000							0.02500000
Andrews Oil, L.P.	0.02500000	0.25000000	0.00625000							0.00625000
Corkran Energy, L.P.	0.02500000	0.25000000	0.00625000							0.00625000
Totals:	1.00000000		0.25000000	1.00000000		0.25000000	1.00000000		0.50000000	1.00000000

9/22/09

Robbie / Oxy

Abraham 713-366-5185

Thinks:

WZ - WI ^{Unit} already

DA's covering both WZ & E/Z

Oxy - copy of DA

Edman - Midland

1999 - handed over operatorship

Oct. 2007 - plugged well

Staci Sanders

From: Ron Lanning
Sent: Tuesday, December 22, 2009 8:35 AM
To: Robbie_Abraham@oxy.com; 'swilson353@aol.com'
Cc: Staci Sanders
Subject: Snowball State Com #1
Attachments: Snowball T.O..pdf

Robbie and Scott:

In our letter dated September 8, 2009, we proposed a WI Unit covering the N/2 of Section 36, T16S, R27E, and enclosed an AFE for the Snowball State Com #1 to be drilled as a horizontal well across the N/2N/2 to test the Dog Canyon Abo. There was some resistance to forming a WI Unit so later this week we will be sending out a new AFE along with a proposed O/A covering only the N/2N/2.

A PDF of our Drilling Title Opinion covering all of Section 36 is enclosed for your review.

*Ronald W. Lanning
Land Manager
Mack Energy Corporation
Chase Oil Corporation
Chase Farms LLC
Caza Ranches LLC
575-748-1288 office
575-748-7374 fax
575-746-5516 cell
rlanning@mackenergycorp.com*



Post Office Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

December 23, 2009

CERTIFIED MAIL

Working Interest Owners
(See attached List)

RE: Snowball State Com #1 Well
SHL: 355' FNL & 330' FEL
BHL: 355' FNL & 330' FWL
N/2 N/2 Sec. 36, T16S, R27E
Eddy County, New Mexico

Gentlemen:

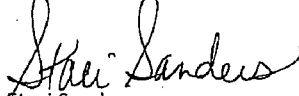
By letter dated September 8, 2009, we proposed a WI Unit covering the N/2 of Section 36, T16S, R27E, Eddy County, NM, and enclosed an AFE for the Snowball State Com #1 to be drilled as a horizontal well across the N/2N/2 to test the Dog Canyon Abo formation. There was some resistance to forming a WI Unit so enclosed you will find a new AFE along with a proposed Operating Agreement for your review. Also enclosed is a spreadsheet setting out working interest ownership in the spacing unit.

If you wish to join, please return an approved AFE and an executed signature page to the O/A along with your requirements for well information. We will forward a complete set of signature pages when available. If you do not wish to join, please contact me as soon as possible to discuss a Term Assignment of your interest.

We hope to avoid the filing of an Application for Compulsory Pooling and will appreciate a timely response to this proposal.

Give me a call or contact me via email at stacis@mackenergycorp.com if you have any questions.

Sincerely,
Mack Energy Corporation


Staci Sanders
Land Department

WORKING INTEREST OWNERS:

Peregrine Production, LLC P.O. Box 1844 Midland, TX 79702	7009 0820 0002 1408 3512
RSC Resources, L.P. P.O. Box 1844 Midland, TX 79702	7009 0820 0002 1408 3529
EOG Resources, Inc. P.O. Box 2267 Midland, TX 79702	7009 0820 0002 1408 3536
OXY USA WTP LP 5 Greenway Plaza, Suite 110 Houston, TX 77046	7009 0820 0002 1408 3543
McCombs Energy, LLC 559 San Felipe, Suite 1200 Houston, TX 77056	7009 0820 0002 1408 3550
Scott E. Wilson 4601 Mirador Drive Austin, TX 78735	7009 0820 0002 1408 3567
Richard K. Barr 206 Swede Circle Boerne, TX 78006	7009 0820 0002 1408 3574
Andrews Oil L.P. 1015 Bee Cave Woods Dr., Suite 300A Austin, TX 78746	7009 0820 0002 1408 3581
John E. McCool Box 202 Youngsville, PA 16371-0202	7009 0820 0002 1408 3598

Snowball State Com #1											
N/2 N/2 Section 36, T16S, R27E, Eddy County, NM, containing 160.00 Acres											
OWNER	NE/4NW/4 = 40 Acres			NW/4NW/4 = 40 Acres			N/2NE/4 = 80 Acres			W/ In Well	
	Interest	TPF	Sp Unit Interest	Interest	TPF	Sp Unit Interest	Interest	TPF	Sp Unit Interest		
Chase Oil Corporation							0.85000000	0.50000000	0.42500000		0.42500000
Robert C. Chase							0.05000000	0.50000000	0.02500000		0.02500000
Ventana Minerals LLC							0.05000000	0.50000000	0.02500000		0.02500000
DiaKan Minerals LLC							0.05000000	0.50000000	0.02500000		0.02500000
Peregrine Production, LLC				0.15000000	0.25000000	0.03750000					0.03750000
RSC Resources, L.P.				0.35000000	0.25000000	0.08750000					0.08750000
EOG Resources, Inc.				0.50000000	0.25000000	0.12500000					0.12500000
OXY USA WTP LP	0.40000000	0.25000000	0.10000000								0.10000000
McCombs Energy, LLC	0.35000000	0.25000000	0.08750000								0.08750000
Scott E. Willson	0.10000000	0.25000000	0.02500000								0.02500000
Richard K. Barr	0.10000000	0.25000000	0.02500000								0.02500000
Andrews Oil, L.P.	0.02500000	0.25000000	0.00625000								0.00625000
John E. McCool	0.02500000	0.25000000	0.00625000								0.00625000
Totals:	1.00000000		0.25000000	1.00000000		0.25000000	1.00000000		0.50000000		1.00000000

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OFFICIAL USE

Postage	\$ 2.58
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.68

Sent To: **OXY USA WTP LP**
 Attn: Robbie Abraham
 5 Greenway Plaza, Suite 110
 Houston, Texas 77046

PS Form 3800, Aug 2004

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Robbie Abraham</i></p> <p>C. Date of Delivery <i>12/23/09</i></p> <p>D. Is delivery address different from Item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>OXY USA WTP LP Attn: Robbie Abraham 5 Greenway Plaza, Suite 110 Houston, Texas 77046</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from service label)</p> <p><i>Snowball St. Com. #1-AFE & DA</i></p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-154</p>	

1/18/2010

- called Robbie Abraham
w/ Oxy and asked him
what the status is of
our APE & JDA for the
Snowball State Com #1.
He said he would check
on it & get back with
me.

Staci

Staci Sanders

From: Staci Sanders
Sent: Tuesday, January 19, 2010 1:17 PM
To: Ron Lanning
Subject: Re: OXY

Not yet.
Staci Sanders

----- Original Message -----

From: Ron Lanning
To: Staci Sanders
Sent: Tue Jan 19 13:16:06 2010
Subject: OXY

Robbie ever get back to you???????

Ronald W. Lanning
Land Manager
Mack Energy Corporation
Chase Oil Corporation
Chase Farms LLC
Caza Ranches LLC
575-748-1288 office
575-748-7374 fax
575-746-5516 cell
rlanning@mackenergycorp.com <<mailto:rlanning@mackenergycorp.com>>

Ron Lanning

From: Ron Lanning
Sent: Thursday, January 21, 2010 8:11 AM
To: Robbie_Abraham@oxy.com
Cc: Staci Sanders
Subject: Snowball State Com #1 - N/2N/2 36-16-27

Robbie – Staci is out of town this week so I'm not sure what the status of this well proposal is with you. We are getting a lot of pressure to get this well drilled. OXY is the only party that has not approved the AFE. I just want to let you know that if we've not received a decision from you by Friday, January 29 (30 days after your receipt of the proposal), we will file an application for compulsory pooling. If you choose not to join, we are certainly interested in a Term Assignment of your interest. Your efforts to avoid the hearing process will be greatly appreciated.

Hope all is well with you – say hi to Pat for me.

*Ronald W. Lanning
Land Manager
Mack Energy Corporation
Chase Oil Corporation
Chase Farms LLC
Caza Ranches LLC
575-748-1288 office
575-748-7374 fax
575-746-5516 cell
rlanning@mackenergycorp.com*

2/15/10

9:38 a.m.

- called and left a voice
message for Robbie
Abraham @ Oxy
to return my call
regarding the
Snowball State Com #1.

Staci

Staci Sanders

From: Staci Sanders
Sent: Monday, February 15, 2010 10:58 AM
To: Robbie Abraham
Cc: Ron Lanning
Subject: Snowball State Com #1

Hi Robbie,

I wanted to check on the status of our AFE and Operating Agreement covering the Snowball State Com #1 well we forwarded to you on December 23, 2009 by certified mail. The return receipt shows OXY received it on December 30, 2009. We spoke by phone on January 18, 2010 and you were going to check on the status of our paperwork. Do you know if OXY plans to participate in this well and if so when do you think we can expect the signed AFE and OA signature pages.

If OXY does not plan to participate or grant Chase Oil Corporation a Term Assignment we need to start planning for the Hearing set for March 4, 2010. Your help is greatly appreciated!!

Thanks!

Staci Sanders
Chase Oil Corporation
P.O. Box 1767
Artesia, NM 88211-1767
(575) 746-9853 Phone
(575) 748-7374 Fax
stacis@mackenergycorp.com

Staci Sanders

From: Unity Messaging System - UNITY150
Sent: Wednesday, February 17, 2010 3:05 PM
To: Staci Sanders
Subject: Message from 7133665185 - Robbie Abraham / Oxy
Attachments: VoiceMessage

2/17/10

RE: Snowball State Com #1

I Returned Robbie's call. He had not read my e-mail on Monday 2/15/10. He read it while we were on the phone. I told him we did not want to go to hearing, but unless we received some form of paperwork from him we would have to. I told Robbie we have received responses from everyone but Oxy. He said he would talk to his people and get back to me as soon as he could.

Staci

MACK ENERGY CORPORATION

AUTHORIZATION FOR EXPENDITURE

Snowball State Com #1

10700' MD; TVD 6300'; KOP 5875'; EOC 6609'

Sec. 36 T16S, R27E

SHL: 355FNL & 330FEL BHL: 355FNL & 330FWL

Eddy, NM

Code	Drilling Intangible	Dry Hole Without Pipe	Completed Well	Actual Cost
502-020	Location, Roads, Pits, & Damages	\$56,500.00	\$0.00	\$56,500.00
502-100	Footage	\$0.00	\$0.00	\$0.00
502-110	Daywork-- 38days 9000 \$/day	\$407,000.00	\$0.00	\$407,000.00
502-115	Equipment Rentals & Tools	\$316,885.80	\$0.00	\$316,885.80
502-116	Bits	\$44,000.00	\$0.00	\$44,000.00
502-120	Water-Drilling	\$171,000.00	\$0.00	\$171,000.00
502-125	Mud Materials	\$79,800.00	\$0.00	\$79,800.00
502-200	Cement-- Surface and Intermediate	\$69,000.00	\$0.00	\$69,000.00
502-201	Cement-- Production	\$0.00	\$0.00	\$0.00
502-204	Fuel & Power	\$72,200.00	\$0.00	\$72,200.00
502-205	Supplies & Misc.	\$5,000.00	\$0.00	\$5,000.00
502-500	Testing, Coring, & Mud Logging	\$23,120.00	\$0.00	\$23,120.00
502-600	Open Hole Logs/Wireline	\$11,400.00	\$0.00	\$11,400.00
502-681	Professional Services & Supervision	\$488,400.00	\$0.00	\$488,400.00
	Miscellaneous and Contingency	\$174,430.58	\$0.00	\$174,430.58

Code	Total Drilling Intangibles	\$1,918,736.38	\$0.00	\$1,918,736.38
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Completion Intangibles				
502-021	Battery Construction-Dirt Work,Etc	\$0.00	\$45,000.00	\$45,000.00
502-103	Completion Unit	\$0.00	\$16,080.00	\$16,080.00
502-210	Fuel,Water,Power	\$0.00	\$50,800.00	\$50,800.00
502-350	Completion Tools And Equipment-Rental	\$0.00	\$67,358.00	\$67,358.00
502-601	Perforating and Logging	\$0.00	\$0.00	\$0.00
502-610	Frac and/or Acid Treatment	\$0.00	\$300,000.00	\$300,000.00
502-680	Professional Services	\$0.00	\$8,000.00	\$8,000.00
502-700	Miscellaneous Services	\$0.00	\$5,000.00	\$5,000.00
	Contingency	\$0.00	\$49,223.80	\$49,223.80

Code	Total Completion Intangibles	\$0.00	\$541,461.80	\$541,461.80
	Total Intangibles	\$1,918,736.38	\$541,461.80	\$2,460,198.18

Drilling and Completion Tangibles				
170-105	Surface Casing 1400' 9 5/8" J55 36#	\$0.00	\$0.00	\$0.00
170-110	Intermediate Casing	\$0.00	\$0.00	\$0.00
170-115	Production Casing 6600' 7" 26 & 29# P-110	\$0.00	\$230,818.09	\$230,818.09
170-115	Production Liner 10700' 4 1/2" 11.6# P-110	\$0.00	\$114,381.31	\$114,381.31
170-120	Production Tubing 6300 2 7/8" J55 6.5#	\$0.00	\$50,839.43	\$50,839.43
170-125	Wellhead Equipment-- Long String	\$0.00	\$20,000.00	\$20,000.00
170-126	Wellhead Equipment-- Surface & Intermediate	\$1,600.00	\$0.00	\$1,600.00
170-130	Floating Equipment-- Long String	\$0.00	\$8,000.00	\$8,000.00
170-131	Floating Equipment-- Surface & Intermediate	\$2,500.00	\$0.00	\$2,500.00
170-135	Rods	\$0.00	\$32,458.56	\$32,458.56
170-140	Subsurfaces Equipment	\$0.00	\$155,500.00	\$155,500.00
170-145	Linepipe	\$0.00	\$3,500.00	\$3,500.00
170-150	Tanks,Treater,Separators	\$0.00	\$175,000.00	\$175,000.00
170-155	Pumping Unit And Engine	\$0.00	\$100,000.00	\$100,000.00
170-160	Other Miscellaneous Equipment	\$0.00	\$5,000.00	\$5,000.00
	Contingency	\$410.00	\$89,549.74	\$89,959.74

Total Tangible	\$4,510.00	\$985,047.13	\$989,557.13
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TOTAL WELL COSTS	\$1,923,246.38	\$1,526,508.93	\$3,449,755.31
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Interest Owner: _____ Interest: _____

Approved By: _____ Date: _____

Prepared By: Lee Livingston

Total Contingency: \$313,614.12

Total w/o Contingency: \$3,136,141.19

EXHIBIT

C