Address: Midland, Texas A.F.E. No. 00160

AUTHORIZATION FOR EXPENDITURE

Date: May 18, 1977

Operator: C & K PETROLEUM, INC.

Prospect: South Carlsbad State: New Mexico County/Parish: Eddy

Lease: Carlsbad "7" Well No: 1 Field: South Carlsbad

Location 760' FSL & 690' FWL Sec. 7, T-22-S, R-27-E

Proposed Depth: 12,000' Objective: Morrow Sands

Est. Spud Date: 7/11/77 Est. T.D. Date: 8/28/77 Est. Compl. Date: 9/15/77

Prepared by: G. C. Tompson Approved by: G C Tompson

Land Dept. Approval (JL) Geologist Approval [illegible]

PURPOSE AND JUSTIFICATION FOR EXPENDITURE: To drill and complete

PARTICIPANTS AND COST DISTRIBUTION

COMPANY	W.I. %	Dry Hole Cost			Well Cost		
		TANGIBLE	INTANGIBLE	TOTAL	TANGIBLE	INTANGIBLE	TOTAL

PARTICIPANT APPROVAL

Approved for Expenditure this ______ day of ______ 19__.

Company ______ By: ______

Title: C&K 9

5939

C & K PETROLEUM, INC.
AUTHORITY FOR EXPENDITURE

Well Type: Development X Date May 18, 1977

Exploration ______ Proposed Depth 12,000

Prospect Name South Carlsbad AFE No. 00160

Lease Carlsbad "7" Well No. 1 Field S. Carlsbad Property No. ______

Location 760' FSL & 690' FWL Sec. 7, T-22-S, R-27-E | Proposed Spud Date 7/11/77

REASON FOR REQUEST To drill and complete

	Sub	Drilling 701	Completion 703	Total Cost Producer	Revisions	Total Revi
INTANGIBLES						
ocation Pits and Roads	091	9,400	1,500	7,900		
ater Supply	093	15,000	1,000	16,000		
mages and Right of Way	095	2,500		5,500		
Expense	097	196,500	8,000	204,500		
rilling Bits	099					
d & Chemicals	103	43,000		43,000		
ol & Equipment Rental	035	7,000	2,000	9,000		
l & Power	105	20,300		20,300		
ement & Cementing Services	107	16,000	10,250	26,250		
rmation Evaluation	110	26,000		26,000		
rforating	117		3,500	3,500		
imulation	119		12,000	12,000		
ansportation	041	2,000	2,000	4,000		
pe Inspection & Testing	127					
sc. Labor, Services & Supplies	073	2,000	1,000	3,000		
erhead & Supervision	199	3,000	1,500	4,500		
her & Contingencies	490	34,300	4,250	38,550		
TOTAL INTANGIBLES		377,000	47,000	424,000		
TANGIBLES	Sub	702	704			
sing	301	44,000	92,000	136,000		
bing	302		41,000	41,000		
llhead Equipment	307	5,000	7,500	12,500		
ckers & Anchors	309		2,900	2,900		
xiliary Casing Equip.	318	900	1,000	1,900		
scellaneous Equipment	320	5,100	14,600	19,700		
TOTAL TANGIBLES		55,000	159,000	214,000		
TOTAL WELL COST		432,000	206,000	638,000		
PLUGGING COST	Sub	708				
ean-up Location	091	1,500				
sing Pulling	197	5,000				
her & Contingencies	490	500				
TOTAL-PLUGGING		7,000				
TOTAL DRY HOLE COST		439,000				