

CLEMENTS ENERGY, INC.
AUTHORITY FOR EXPENDITURE

APL NUMBER 82-61
 PROPERTY NUMBER

| | | | | | | | |
|---|---|---|--|--|---|--|-----------------------------------|
| PROJECT OR FIELD HIGH PLAINS PROSPECT | | OPERATOR CLEMENTS ENERGY, INC. | | LEASE NAME OR NUMBER NEW MEXICO STATE 14 | | WELL NUMBER 1 | |
| STATE NEW MEXICO | | COUNTY LEA | | LOCATION 660' FNL & 660' FEL SEC. 14-14S-34E | | PROPOSED T.D. 11,000' | |
| PURPOSE OF EXPENDITURE DRILL WELL & TEST PERMO PENN | | | | CONTRACTOR # | | RIG TYPE ROTARY | |
| WELL/COMPL <input checked="" type="checkbox"/> | LAND <input checked="" type="checkbox"/> | SINGLE <input checked="" type="checkbox"/> | EXPLORATORY <input type="checkbox"/> | OIL <input checked="" type="checkbox"/> | WATER DISP/INJ. <input type="checkbox"/> | WATER SUPPLY <input type="checkbox"/> | OTHER <input type="checkbox"/> |
| RECOVER <input type="checkbox"/> | OFFSHORE <input type="checkbox"/> | DUAL <input type="checkbox"/> | DEVELOPMENT <input checked="" type="checkbox"/> | GAS <input type="checkbox"/> | SEC. REC. <input type="checkbox"/> | OTHER <input type="checkbox"/> | |
| COMPLETE <input type="checkbox"/> | INLAND WATER <input type="checkbox"/> | OTHER <input type="checkbox"/> | | | | | |

| LINE | INTANGIBLE EXPENSE | CASING POINT COST | COMPLETION COST | COMPLETED WELL COST |
|------|---|-------------------|-----------------|---------------------|
| 1 | RIG MOVE IN AND OUT | -- | -- | -- |
| 2 | FOOTAGE OR TURNKEY <u>19.50 x 11,000</u> | 214,500. | -- | 214,500. |
| 3 | DAYWORK | 5,500. | 5,500. | 11,000. |
| 4 | COMPLETION, W.O., SWAB UNIT | -- | 18,000. | 18,000. |
| 5 | LOCATION, ROADS, SURVEY, DAMAGES, RESTORE | 25,000. | -- | 25,000. |
| 6 | MUD, ADDITIVES, DIESEL, PKR FLUID | 25,000. | -- | 25,000. |
| 7 | CEMENT AND SERVICES | 15,000. | 5,000. | 20,000. |
| 8 | FLOAT EQUIP, CENTRALIZER, SCRATCHER | 2,500. | 1,000. | 3,500. |
| 9 | OPENHOLE LOGS, F.T. | 35,000. | -- | 35,000. |
| 0 | CASED HOLE LOGS, PERF | -- | 8,000. | 8,000. |
| 1 | DST, CORING, SWC, ANALYSIS | 10,000. | -- | 10,000. |
| 2 | EQUIPMENT RENTAL | 3,000. | 2,000. | 5,000. |
| 3 | CASING CREW, TONGS, TOOLS | 4,500. | 4,000. | 8,500. |
| 4 | MUD LOGGING CREW AND EQUIPMENT | 15,000. | -- | 15,000. |
| 5 | TRANSPORTATION, LAND AND MARINE | 3,000. | 3,000. | 6,000. |
| 6 | FUEL, POWER, WATER | 37,000. | -- | 37,000. |
| 7 | BITS, DRILLING AND COMPLETION | -- | -- | -- |
| 8 | SUPERVISION | 4,000. | 4,000. | 8,000. |
| 9 | OVERHEAD | 4,750. | 2,000. | 6,750. |
| 0 | STIMULATION SERVICES | -- | 15,000. | 15,000. |
| 1 | EQUIPMENT INSPECTION AND TESTING | -- | -- | -- |
| 2 | WELL TESTING, PROD TEST, BHP TEST | -- | 2,000. | 2,000. |
| 3 | DIRECTIONAL DRILLING SERVICE AND EQUIP | -- | -- | -- |
| 4 | FISHING TOOLS AND SERVICES | -- | -- | -- |
| 5 | MISC AND CONTINGENCY <u>10%</u> | 40,375. | 6,950. | 47,325. |
| 6 | OTHER <u>Well Control Insurance</u> | 18,645. | -- | 18,645. |
| 7 | TOTAL INTANGIBLE EXPENSE | 462,770. | 76,450. | 539,220. |

| LINE | TANGIBLE EXPENSE | CASING POINT COST | COMPLETION COST | COMPLETED WELL COST |
|------|---|-------------------|-----------------|---------------------|
| 0 | DRIVE CASING _____ FT. _____ O.D. AT _____ S/FT. | -- | -- | -- |
| 1 | COND CASING <u>50</u> FT. <u>20"</u> O.D. AT _____ S/FT. | 8,000. | -- | 8,000. |
| 2 | SURF CASING <u>450</u> FT. <u>13-3/8"</u> O.D. AT <u>21.50</u> S/FT. | 9,675. | -- | 9,675. |
| 3 | INTER CASING <u>4500</u> FT. <u>8-5/8"</u> O.D. AT <u>12.00</u> S/FT. | 54,000. | -- | 54,000. |
| 4 | PROD CASING <u>11000</u> FT. <u>5-1/2"</u> O.D. AT <u>12.00</u> S/FT. | -- | 132,000. | 132,000. |
| 5 | LINER CASING _____ FT. _____ O.D. AT _____ S/FT. | -- | -- | -- |
| 6 | TUBING <u>11000</u> FT. <u>2-3/8"</u> O.D. AT <u>3.50</u> S/FT. | -- | 38,500. | 38,500. |
| 7 | WELLHEAD EQUIPMENT | 1,700. | 8,000. | 9,700. |
| 8 | DOWNHOLE EQUIPMENT | -- | 3,200. | 3,200. |
| 9 | SURF PROD EQUIPMENT | -- | 25,000. | 25,000. |
| 0 | ARTIFICIAL LIFT EQUIPMENT | -- | -- | -- |
| 1 | MISC AND CONTINGENCY <u>10%</u> | 7,338. | 20,670. | 28,008. |
| 2 | OTHER _____ | -- | -- | -- |
| 3 | TOTAL TANGIBLE EXPENSE | 80,713. | 227,370. | 308,083. |
| | TOTAL WELL COST | 543,483. | 303,820. | 847,303. |

| WORKING INTEREST OWNER | PER CENT W.I. | CASING POINT COST | COMPLETED WELL COST |
|------------------------|---------------|-------------------|---------------------|
| | | | |

Ex #1

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| OPERATOR APPROVAL | |
| PREPARED <i>W.E. Gillen</i> | DATE 11-04-82 |
| APPROVED _____ | DATE _____ |
| APPROVED _____ | DATE _____ |

| | |
|-------------------------|------------|
| JOINT INTEREST APPROVAL | |
| COMPANY _____ | DATE _____ |
| APPROVED BY _____ | |