

OIL

TEL 405-235-3611

GAS X

20 N. BROADWAY, SUITE 1600, OKLAHOMA CITY, OK 73102

FAX 405-552-4550

DATE

6/25/97

AUTHORIZATION FOR EXPENDITURE
DRILLING/COMPLETION COST ESTIMATEDRILLING X
RECOMPLETION

AFE No.:

Lease Name - Well #: Carlsbad 15 "J" Fed. Comm #1

Legal Description: Sec. 15, T21S, R26E

County or Parish, State: Eddy County, New Mexico

Field: Avalon (Morrow)

Prepared By: W.M. Frank

AUTHORITY REQUESTED FOR:

Account Number	Intangible Costs	Dry Hole	Completion	Total
206	Description	Costs	Costs	Costs
SITE PREPARATION				
011	LAND AND LEGAL	5,000		5,000
012	SURFACE DAMAGES / RIGHT OF WAY	4,000		4,000
013	LOCATION, ROADS, PITS, FENCES	16,000		16,000
019	OTHER SITE PREPARATION			0
DRILLING CONTRACTOR SERVICES				
041	TURNKEY DRILLING COSTS			0
042	FOOTAGE	280,000		280,000
043	DAYWORK	12,000	12,000	24,000
044	MOBILIZATION / DEMOBILIZATION			0
049	OTHER DRILLING CONTRACTOR SERVICES			0
MATERIALS AND SUPPLIES				
101	DRILL BITS			0
102	DRILLING MUD, CHEMICALS, COMPLETION FLUIDS	22,400	3,500	25,900
103	RENTAL TOOLS & EQUIPMENT	3,000	2,000	5,000
109	OTHER MATERIALS AND SUPPLIES	3,500		3,500
GENERAL SERVICES				
201	WELDING & ROUSTABOUT	750	3,500	4,250
202	DIRT WORK & HEAVY EQUIPMENT			0
203	TRUCKING & HOTSHOT	1,500	3,000	4,500
204	PIPELINE INSTALLATION			0
209	OTHER GENERAL SERVICES			0
SPECIALIZED SERVICES				
251	CEMENT AND CEMENTING SERVICES	16,000	25,000	41,000
253	PEA COSTS	5,000		5,000
255	LOGGING, PERFORATING & WIRELINE	12,000	6,500	18,500
257	OPEN HOLE EVALUATION			0
259	CASING & TUBULAR SERVICES	3,700	5,500	9,200
261	FLUID SERVICES			0
263	SALT WATER DISPOSAL			0
265	STIMULATION & GRAVEL PACK		15,000	15,000
267	OFFSHORE TRANSPORTATION			0
269	CONSULTANTS	18,600	4,200	22,800
271	FISHING SERVICES			0
273	TESTING SERVICES		11,200	11,200
299	OTHER SPECIALIZED SERVICES			0
POWER, FUEL, AND WATER				
301	POWER & FUEL	1,000		1,000
302	WATER	7,500	2,500	10,000
COMPLETION AND CLEANUP				
501	PULLING & SWABBING UNIT		10,500	10,500
502	SNUBBING UNIT & COILED TUBING			0
503	BACKFILL PITS / RESTORE LOCATION	3,000		3,000
509	OTHER COMPLETION & CLEANUP			0
ENVIRONMENTAL & SAFETY				
551	ENVIRONMENTAL RESTORATION			0
552	SAFETY EQUIPMENT			0
553	ENVIRONMENTAL & SAFETY TRAINING			0
554	ENVIRONMENTAL & SAFETY FINES			0
559	ENVIRONMENTAL & SAFETY MISCELLANEOUS			0
MISCELLANEOUS				
711	COMPANY SUPERVISION			0
721	DRILLING OVERHEAD	20150		20,150
731	CONSTRUCTION OVERHEAD			0
741	WELL CONTROL INSURANCE			0
802	GENERAL LABOR			0
831	VEHICLE EXPENSE			0
861	DISTRICT & FIELD OFFICE EXPENSE			0
865	COMPANY BENEFITS			0
895	TAXES			0
TOTAL INTANGIBLES		\$435,100	\$104,400	\$539,500

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DRILLING

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AUTHORITY REQUESTED FOR:

Account Number 207	Tangible Costs Description	Dry Hole Costs	Completion Costs	Total Costs
WELL EQUIPMENT				
895	TAXES			0
901	SURFACE CASING	5,500		5,500
902	INTERMEDIATE CASING	25,000		25,000
903	PRODUCTION CASING		55,000	55,000
911	LINER			0
915	TUBING		32,000	32,000
921	SUCKER RODS			0
925	SUBSURFACE EQUIPMENT		7,500	7,500
931	WELLHEAD VALVES & EQUIPMENT		18,500	18,500
935	ARTIFICIAL LIFT EQUIPMENT			0
941	TANKS		11,000	11,000
945	TREATING VESSELS		27,000	27,000
951	COMPRESSORS			0
955	WATER DISPOSAL PUMPS			0
961	LINE PIPE, METERS & FITTINGS			0
985	OTHER TANGIBLE EQUIPMENT - SUBSURFACE			0
986	OTHER TANGIBLE EQUIPMENT - SURFACE			0
990	MATERIAL TRANSFER - SUBSURFACE			0
991	MATERIAL TRANSFER - SURFACE			0
	TOTAL TANGIBLES	\$30,500	\$151,000	\$181,500

TOTAL ESTIMATED COSTS	\$465,600	\$255,400	\$721,000
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Note: Costs and participations are generally estimates. Billings will be based on actual expenditures.

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Title:

Date: