

GRUY PETROLEUM MANAGEMENT CO.

AUTHORITY FOR EXPENDITURE

LEASE WELL RHODES FEDERAL UNIT 415	DATE: 4/20/98
LOCATION 660' FSL & 660' FWL, SEC 4,T 26S,R 37E	PREPARED BY: HOWARD MILLER
COUNTY,STAT LEA NM	AFE NUMBER: 97716
PROJECT TEST YATES FORMATION	

ACCT DRILLING INTANGIBLES:				DRY HOLE WITHOUT PIPE	COMPLETED WELL
820.10	LEGAL,TITLE, ENVIRONMENTAL			2,000.00	2,000.00
820.12	LOCATION, ROADS, PITS, DAMAGES			1,500.00	1,500.00
820.21	FOOTAGE 3200 FEET@	\$12.50 / FT		40,000.00	40,000.00
820.22	DAYWORK 1 DAYS @	\$5,000 / DAY		5,000.00	5,000.00
820.60	CEMENT AND CEMENTING			4,000.00	4,000.00
820.50	TESTING				0.00
820.51	CORING				0.00
820.52	LOGGING - INDUCT/DENSITY/MICRO/SONIC			7,500.00	7,500.00
820.41	MUD LOGGER 4 DAY 400			1,600.00	1,600.00
820.83	PROFESSIONAL SERVICES (ENGINEERING, GEOLOGICAL,SURVEY)			1,000.00	1,000.00
820.40	MUD MATERIALS			5,000.00	5,000.00
820.31	WATER			2,500.00	2,500.00
820.24	BITS, COREHEADS AND RENTALS				0.00
820.15	INSURANCE			800.00	800.00
820.81	SUPERVISION				0.00
820.32	TRANSPORTATION				0.00
820.85	DRILLING OVERHEAD			800.00	800.00
820.95	MISCELLANEOUS & CONTINGENCY (10%)			7,170.00	7,170.00
TOTAL DRILLING				78,870.00	78,870.00

COMPLETION INTANGIBLES:					
830.24	COMPLETION UNIT				6,250.00
830.60	CEMENT AND CEMENTING				8,200.00
830.75	PERFORATING				3,500.00
830.52	LOGGING				
830.74	FRAC AND/OR ACID TREATMENT				45,000.00
830.31	WATER				1,000.00
830.30	FUEL				
830.12	DIRT WORK				500.00
830.70	COMPLETION TOOLS AND EQUIPMENT - RENTALS				1,000.00
830.84	PROFESSIONAL SERVICES (ENGINEERING)				500.00
830.80	WELDING				
830.78	ROUSTABOUT LABOR				
830.61	CASING CREWS				1,000.00
830.32	TRANSPORTATION				
830.81	SUPERVISION				800.00
830.95	MISCELLANEOUS & CONTINGENCY (10% (Production Testing))			0.00	6,775.00
TOTAL COMPLETION				0.00	74,525.00
TOTAL INTANGIBLES				78,870.00	153,395.00

DRILLING AND COMPLETION TANGIBLES:					
840.10	CASING 8-5/8"	500 FT @	\$ 10.30 \$/FT	5,150.00	5,150.00
840.11	CASING	FT @	\$/FT		
840.12	CASING 5-1.2"	3200 FT @	\$ 5.60 \$/FT		17,920.00
840.13	TUBING 2-3/8"	3200 FT @	\$ 2.10 \$/FT		6,720.00
840.24	RODS 3/4"	3200 FT @	\$ 1.00 \$/FT		3,200.00
840.50	FLOW LINE	1000 FT @	\$ 0.50 \$/FT		500.00
840.20	WELLHEAD EQUIPMENT				1,500.00
840.23	SUBSURFACE EQUIPMENT (BH PUMP ETC.)				1,500.00
840.60	TANKS				10,000.00
840.30	TREATER				
840.31	SEPARATOR				
840.36	GAS PROCESSING UNIT/SWEETENERS				
840.21	PUMPING UNIT AND POWER				7,500.00
840.71	OTHER MISCELLANEOUS EQUIPMENT (FENCES,CULVERTS,TOOLS)				2,500.00
840.80	CONSTRUCTION / INSTALLATION				1,500.00
840.90	MISCELLANEOUS & CONTINGENCY (10%)			515.00	5,799.00
TOTAL TANGIBLES				5,665.00	63,789.00

TOTAL WELL COST

	84,535.00	217,184.00
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GRUY PETROLEUM MANAGEMENT CO.

P. O. Box 140907
Irving, Texas 75014-0907

Affiliate of Magnum Hunter Production, Inc.
AUTHORITY FOR EXPENDITURE

Date 6/29/98
AFE No. 98777

Lease, Well or Project RHODES STATE COM #5 Property No. 73060
Field / Prospect RHODES YATES SEVEN RIVERS Depth 3300'
Location 330'FNL & 2310' FWL, SEC16,T26S,R37E County LEA State NM
AFE Type Development Original ☒ Supplement ☐ Addendum ☐ Operator Gruy Petroleum Management Co.
Objective Formation RHODES YATES SEVEN RIVERS
Project Description DRILL & COMPLETE YATES FORMATION

Estimated Start Date: 6/21/98
Estimated Completion Date: 6/25/98

Prepared By: KEL

GROSS WELL DATA

	<u>Dry Hole</u>	<u>Completion</u>	<u>Total</u>
Days			<u>0</u>
This AFE	<u>\$81,428</u>	<u>\$130,931</u>	<u>\$212,359</u>
Prior AFE's	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Cost	<u>\$81,428</u>	<u>\$130,931</u>	<u>\$212,359</u>

JOINT INTEREST OWNERS

<u>Participant</u>	<u>Owner Number</u>	<u>Working Interest</u>	<u>Dry Hole \$</u>	<u>Completed \$</u>
			<u>\$0</u>	<u>\$0</u>
			<u>\$0</u>	<u>\$0</u>
			<u>\$0</u>	<u>\$0</u>
			<u>\$0</u>	<u>\$0</u>
Magnum Hunter Production, Inc.	<u>45</u>	<u>100.000000%</u>	<u>\$81,428</u>	<u>\$212,359</u>
AFE TOTAL		<u>100.000000%</u>	<u>\$81,428</u>	<u>\$212,359</u>

GRUY PETROLEUM APPROVAL

Approved R. D. Cronk, V. P. Operations Date _____

PARTNER APPROVAL

Company Name _____ Approved ☐
Disapproved ☐
Authorized By _____ Date _____
Title _____

GRUY PETROLEUM MANAGEMENT CO.

AUTHORITY FOR EXPENDITURE

LEASE WELL RHODES STATE COM #5	DATE: 6/29/98
LOCATION 330'FNL & 2310' FWL, SEC16,T26S,R37E	PREPARED BY: KEL
COUNTY,STAT LEA NM	AFE NUMBER: 98777
PROJECT DRILL & COMPLETE YATES FORMATION	

ACCT DRILLING INTANGIBLES:				DRY HOLE WITHOUT PIPE	COMPLETED WELL
820.10	LEGAL, TITLE, ENVIRONMENTAL			2,000.00	2,000.00
820.12	LOCATION, ROADS, PITS, DAMAGES			18,000.00	18,000.00
820.21	FOOTAGE 3300 FEET@	\$9.25 / FT		30,525.00	30,525.00
820.22	DAYWORK DAYS @	/ DAY		6,500.00	6,500.00
820.60	CEMENT AND CEMENTING			3,500.00	3,500.00
820.50	TESTING				0.00
820.51	CORING				0.00
820.52	LOGGING - INDUCT/DENSITY/MICRO/SONIC			5,000.00	5,000.00
820.41	MUD LOGGER DAYS@			0.00	0.00
820.83	PROFESSIONAL SERVICES (ENGINEERING, GEOLOGICAL, SURVEY)				0.00
820.40	MUD MATERIALS			1,600.00	1,600.00
820.31	WATER			2,000.00	2,000.00
820.24	BITS, COREHEADS AND RENTALS			1,500.00	1,500.00
820.15	INSURANCE				0.00
820.81	SUPERVISION			1,500.00	1,500.00
820.32	TRANSPORTATION				0.00
820.85	DRILLING OVERHEAD				0.00
820.95	MISCELLANEOUS & CONTINGENCY (10%)			7,212.50	7,212.50
TOTAL DRILLING				79,337.50	79,337.50
COMPLETION INTANGIBLES:					
830.24	COMPLETION UNIT				7,000.00
830.60	CEMENT AND CEMENTING				8,600.00
830.75	PERFORATING				5,500.00
830.52	LOGGING				
830.74	FRAC AND/OR ACID TREATMENT				50,000.00
830.31	WATER				
830.30	FUEL				
830.12	DIRT WORK				1,500.00
830.70	COMPLETION TOOLS AND EQUIPMENT - RENTALS				2,500.00
830.84	PROFESSIONAL SERVICES (ENGINEERING)				
830.80	WELDING				
830.78	ROUSTABOUT LABOR				2,000.00
830.61	CASING CREWS				
830.32	TRANSPORTATION				
830.81	SUPERVISION				2,500.00
830.95	MISCELLANEOUS & CONTINGENCY (10% (Production Testing))			0.00	7,960.00
TOTAL COMPLETION				0.00	87,560.00
TOTAL INTANGIBLES				79,337.50	166,897.50
DRILLING AND COMPLETION TANGIBLES:					
840.10	CASING FT @	\$/FT		400.00	400.00
840.11	CASING 750 FT @	\$ 9.75 /FT			7,313.00
840.12	CASING FT @	\$/FT			17,325.00
840.13	TUBING FT @	\$/FT			8,215.00
840.24	RODS FT @	\$/FT			0.00
840.50	FLOW LINE FT @	\$/FT			2,775.00
840.20	WELLHEAD EQUIPMENT			1,500.00	1,500.00
840.23	SUBSURFACE EQUIPMENT (BH PUMP ETC.)				
840.60	TANKS				
840.30	TREATER				
840.31	SEPARATOR				
840.36	GAS PROCESSING UNIT/SWEETENERS				
840.21	PUMPING UNIT AND POWER				
840.55	GAS METER				1,800.00
840.71	OTHER MISCELLANEOUS EQUIPMENT (FENCES,CULVERTS,TOOLS)				
840.80	CONSTRUCTION / INSTALLATION				2,000.00
840.90	MISCELLANEOUS & CONTINGENCY (10%)			190.00	4,133.00
TOTAL TANGIBLES				2,090.00	45,461.00
TOTAL WELL COST				81,427.50	212,358.50