

MATADOR PETROLEUM CORPORATION

SUITE 158, PECAN CREEK
8340 MEADOW ROAD
DALLAS, TEXAS 75231-3751
(214) 987-3650
FAX # (214) 691-1415

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	<u>8/26/98</u>	AFE NO.:	<u>300526-10-01</u>
PROSPECT NAME:	<u>MADURO</u>	OPERATOR:	<u>MATADOR OPERATING COMPANY</u>
LEASE NAME:	<u>TOPACIO FEDERAL COM "28" #1</u>		
DESCRIPTION:	<u>13,800 MORROW AND WOLFCAMP TEST</u>		
LOCATION:	<u>1650' FNL & 1980' FEL OF SEC 28, T19S, R33E</u>		
COUNTY:	<u>LEA</u>	STATE:	<u>NEW MEXICO</u>
		PROPOSED TD:	<u>13,800'</u>

	DRILLING COSTS	COMPLETION COSTS	TOTAL COSTS
INTANGIBLE COSTS			
01 Land/Legal/Regulatory	\$ 1,000	\$	\$ 1,000
02 Location, surveys & damages	40,000	4,000	44,000
10 Rig Costs, Ftg, DW, Trnky	300,000	12,000	312,000
13 Mob & Demob	25,000		
16 Cementing & Float Equip	40,000	32,000	72,000
18 Testing, DST & Production	12,000	9,000	21,000
19 Coring & Core Evaluation			0
20 Open Hole Logging	60,000		60,000
21 Mudlogging	20,000		20,000
22 Geological Supervision	2,000		2,000
24 Mud & Chemicals	60,000	2,000	62,000
26 Freight / Transportation	2,000	10,000	12,000
28 Supervision / Engineering	30,000	5,000	35,000
30 Rental Equipment	30,000	15,000	45,000
31 Drill Bits	60,000		60,000
32 Fuel & Power			0
33 Water	30,000	5,000	35,000
34 Overhead	15,000	5,000	20,000
38 Directional Drig, Surveys			0
40 Completion Unit / Swab Unit		20,000	20,000
44 Cased Hole Log, Perforating		24,000	24,000
46 Stimulation		75,000	75,000
48 Insurance	8,000	1,000	9,000
50 Labor	15,000	10,000	25,000
52 Miscellaneous	15,000	6,000	21,000
54 Contingency			0
TOTAL INTANGIBLES >	\$765,000	\$235,000	\$1,000,000

	DRILLING COSTS	COMPLETION COSTS	TOTAL COSTS
TANGIBLE COSTS			
40 Conductor Casing	\$	\$	\$ 0
41 Surface Casing			0
42 Intermediate Casing	9,000		9,000
43 Drilling Liner	55,000		55,000
44 Production Casing		115,000	115,000
45 Production Liner			0
46 Tubing		49,000	49,000
47 Wellhead	5,000	13,000	18,000
48 Packers, Liner Hangers		15,000	15,000
49 Tanks		16,000	16,000
50 Production Vessels		12,500	12,500
51 Flow Lines		2,000	2,000
52 Rod String			0
53 Pump Unit & Prime Mover			0
55 Installation Costs		10,500	10,500
57 Miscellaneous		5,000	5,000
58 Non-Controllable Surface	1,000	5,000	6,000
59 Non-Controllable Downhole		2,000	2,000
TOTAL TANGIBLES >	\$70,000	\$245,000	\$315,000
TOTAL COSTS >	\$835,000	\$480,000	\$1,315,000

MATADOR OPERATING COMPANY

Prepared By: *J. L. Bell* Date: 8-26-98
 Approved By: *R. F. Burke* Date: 8-26-98
 R. F. Burke, Vice President

APPROVAL:
NON-OPERATOR:

Approved: _____ Disapproved: _____
 Working Interest (%): _____ Signed by: _____

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12063 Exhibit No. 5
Submitted By: _____
Matador Petroleum Corp.
Hearing Date: November 19, 1998