

# HARVARD PETROLEUM CORPORATION

P.O. Box 936 \* Roswell, New Mexico 88202 \* (505)-623-1581

## AUTHORITY FOR EXPENDITURE

PROSPECT:	Bluitt West	WELL:	
DEPTH:	4600'	OBJECTIVE:	San Andres
COUNTY:	Roosevelt	STATE:	New Mexico
LOCATION:	SW/4 Sec. 5-T8S-R37E		

### TANGIBLE DRILLING COST TO CASING POINT

310-3140	Cond. Casing	' OF	" @	/FT.	\$0.00
310-3141	Surf. Casing	340 ' OF	8 5/8"	\$7.00 /FT.	\$2,380.00
310-3142	Inter. Casing	' OF	" @	/FT.	\$0.00
310-3143	Liner	' OF	" @	/FT.	\$0.00
310-3153	Casing head				\$357.00
<b>TOTAL TANGIBLE DRILLING COSTS</b>					<b>\$2,737.00</b>

### INTANGIBLE DRILLING COST TO CASING POINT

920-1110	Survey & Permits				\$3,500.00
920-1115	Roads, Locations, Damages				\$6,500.00
920-1125	Rig Move				
920-1130	Footage	4600 FEET @	\$12.50 /FT		\$57,500.00
920-1135	Daywork	1.5 DAYS	\$4,200 /DAY		\$6,300.00
920-1140	Fuel & Power				
920-1145	Bits				
920-1150	Water				\$5,000.00
920-1155	Mud & Additives				\$2,500.00
920-1160	Float, Centralizers, etc.				
920-1165	Casing Crews & Rent Equip.				
920-1170	Cement & Services				\$3,500.00
920-1175	Mud Logging	3 DAYS	\$500 /DAY		\$1,500.00
920-1180	Drill Stem Test				
920-1185	Electric Logging				\$6,500.00
920-1190	Trucking				\$2,000.00
920-1195	Supervision				\$3,550.00
920-1198	Overhead				\$1,250.00
920-1199	Misc & Contingencies				\$14,940.00
<b>TOTAL INTANGIBLE DRILLING COSTS</b>					<b>\$114,540.00</b>
<b>TOTAL DRILLING COSTS TO CASING POINT</b>					<b>\$117,277.00</b>

### TANGIBLE COMPLETION COSTS

310-3250	Prod. Casing	4,600 ' OF	4 1/2"	" @	\$2.85 /FT.	\$13,110.00
310-3251	Tubing	4,600 ' OF	2 3/8"	" @	\$1.50 /FT.	\$6,900.00
310-3253	Wellhead Assembly					\$550.00
310-3255	Subsurface Equipment					
310-3254	Pumping Unit w/ Prime Mover					
310-3256	Tanks					\$6,600.00
310-3257	Separators					\$5,400.00
310-3258	Flowlines, Valves and Fittings					\$600.00
310-3261	Electrical Equipment					
TOTAL TANGIBLE COMPLETION COSTS						\$33,160.00

### INTANGIBLE COMPLETION COSTS

920-2160	Float, Centralizers, etc.				
920-2165	Casing Crew				\$1,500.00
920-2170	Cement & Cement Service				\$3,000.00
920-2136	Completion Unit	5 DAYS	\$1,100 /DAY		\$5,500.00
920-2150	Water & Chemicals				\$1,200.00
920-2186	Wireline Service				\$2,400.00
920-2171	Stimulation				\$27,000.00
920-2175	Rental Equipment				\$900.00
920-2181	Installation & Labor				\$3,500.00
920-2191	Trucking				\$2,500.00
920-2195	Supervision				\$1,500.00
920-2198	Overhead				\$500.00
920-2199	Misc & Contingencies				\$10,294.00
TOTAL INTANGIBLE COMPLETION COSTS					\$59,794.00

### TOTAL DRILLING AND COMPLETION COSTS

**\$210,231.00**

HARVARD PETROLEUM CORPORATION		WORKING INTEREST OWNER APPROVAL	
BY		COMPANY	
TITLE		BY	
DATE		DATE	

*This AFE is an estimate only, and the working interest owner, by execution proportionate share of the actual costs incurred, even if such costs e*

27-Oct-98

BEFORE THE  
OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Case No. 12104 Exhibit No. 3

Submitted by: Harvard Petroleum Corporation

Hearing Date: May 13, 1999