ENERGEN
RESOURCES

TELEPHONE: 915-687-1155
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March 30, 1999

David Arrington Oil and Gas, Inc.
P.O. Box 2071
Midland, Texas 79702

Dear David:

Subject: Beadle #1
W/2 SW/4 Section 35,
T-15-S, R-35-E
Lea County, New Mexico

As a follow-up to our recent telephone conversation, enclosed is a revised AFE in duplicate to replace the AFE provided to you with our letter of March 18, 1999.

Sincerely,

Kenneth H. Gray
KHG/dcw
ARR2-AFE-BEA

NMOCD CASE NO. 12174
APRIL 29, 1999
EXHIBIT NO. 4
SUBMITTED BY:
ENERGEN RESOURCES CORP.

AUTHORITY FOR EXPENDITURE
ESTIMATED WELL COSTS

ENERGEN RESOURCES CORPORATION

AFE NUMBER: PB030999	PROPERTY NUMBER: NA	DATE:	3/30/99
WELL NAME AND NUMBER: Beadle #1	FIELD OR AREA West Lovington Strawn LOCATION: 330' FS & WL		
OPERATOR: ENERGEN RESOURCES CORPORATION	COUNTY: Lea SECTION: 35	STATE: NM BLOCK: T-15S, R-35-E	SURVEY:
PROJECT DESCRIPTION AND LOCATION: Drill & Complete-Flowing Well	PROPOSED FORMATION: Strawn		PROPOSED DEPTH: 11800

X SINGLE	X OIL		EXPL.	STRAT	X NEW	DEEPEN
DUAL	GAS		X DEV.		WORKOVER	
X LAND	BAY	DATE TO START	DAYS TO DRILL/COMPLETE	45	X ORIGINAL	
MARSH	GULF	N/A			SUPPLEMENT	

	DRY HOLE	COMPLETION COSTS	TOTAL
TANGIBLES			
00 TUBULAR GOODS			
01 Conductor Pipe 0 in. 0 Ft. 0.00 $/Ft.	$ -	$ -	$ -
02 Surface Casing 13-3/8 in. 400 Ft. 15.00 $/Ft.	$ 6,000	$ -	$ 6,000
03 Production 5 1/2 in. 11800 Ft. 5.50 $/Ft.	$ -	$ 64,900	$ 64,900
04 First Inter. 8 5/8 in. 5000 Ft. 10.00 $/Ft.	$ 50,000	$ -	$ 50,000
05 Second Inter. 0 in. 0 Ft. 0.00 $/Ft.	$ -	$ -	$ -
06 Prod. Liner 0 in. 0 Ft. 0.00 $/Ft.	$ -	$ -	$ -
07 Tieback String 0 in. 0 Ft. 0.00 $/Ft.	$ -	$ -	$ -
08 Tubing 2 7/8 in. 11600 Ft. 4.50 $/Ft.	$ -	$ 52,200	$ 52,200
09 Tubing 0 in. 0 Ft. 0.00 $/Ft.	$ -	$ -	$ -
10 EQUIPMENT			
11 Wellhead & Accessories	$ 12,000	$ 12,000	$ 24,000
12 Tbg & Csg Acc., Production Packer	$ 3,500	$ 5,000	$ 8,500
13 Production Equip./Misc	$ -	$ 5,500	$ 5,500
14 Tank Battery, Flowlines & Fittings	$ -	$ 47,500	$ 47,500
TOTAL TANGIBLES	$ 71,500	$ 187,100	$ 258,600
INTANGIBLES			
20 DRILLING COST			
21 Footage 11800 Ft. 16 $/Ft.	$ 188,800	$ -	$ 188,800
22 Daywork 3 Days 5000 $/Day	$ 15,000	$ -	$ 15,000
23 Compl. Rig 120 Hrs. 115 $/Hr.	$ -	$ 13,800	$ 13,800
24 Service Unit	$ -	$ -	$ -
25 Rental Tools, Services, Chokes, Etc.	$ 3,000	$ 10,000	$ 13,000
26 Rig Moving Cost	$ -	$ -	$ -
27 Other	$ 1,000	$ 8,000	$ 9,000
30 CEMENTING (INCL. FLOAT EQUIP., ETC.)			
31 Surface	$ 4,000	$ -	$ 4,000
32 Intermediate	$ 12,000	$ -	$ 12,000
33 Production	$ -	$ 17,500	$ 17,500
34 Production Liners	$ -	$ -	$ -
35 Tieback String	$ -	$ -	$ -
36 Squeeze Cement (incl. Ret. & Pkr.)	$ -	$ -	$ -
37 Other	$ -	$ -	$ -
40 FORMATION TREATMENT			
41 Acidizing	$ -	$ 15,000	$ 15,000
42 Fracturing Equipment & Materials	$ -	$ -	$ -
43 Frac Fluid ____ & ____ Gas	$ -	$ -	$ -
44 Tank Rental & Hauling	$ -	$ 3,000	$ 3,000
50 SPECIAL SERVICES			
51 Perforationg (set BP & Pkrs., W/L)	$ -	$ 10,000	$ 10,000
52 Mud Logging/Geologist	$ 6,500	$ -	$ 6,500
53 Formation Logging/Sidewall Cores	$ 12,000	$ -	$ 12,000
54 DST/Sidewall Core Analysis	$ 5,000	$ -	$ 5,000
55 Drilling Logs (CBL, Tracer, Inspection, W/L)	$ -	$ -	$ -
56 Packer & Retr. BP	$ -	$ 3,000	$ 3,000
57 Whipstocking & Sidetracking	$ -	$ -	$ -
58 Compressors	$ -	$ -	$ -
60 DRILLING FLUIDS			
61 Mud & Chemicals	$ 20,000	$ -	$ 20,000
62 Water & Brine	$ 15,000	$ 5,000	$ 20,000
63 Other (Gas & Air)	$ -	$ -	$ -
70 MATERIALS & SERVICES- OTHER			
71 Bits & Reamers	$ -	$ 1,500	$ 1,500
72 Fuel	$ -	$ -	$ -
73 Hauling	$ 2,000	$ 5,000	$ 7,000
74 Tubular Inspection: VCI, Sandblast, Roughcoat, Etc.	$ 2,500	$ 4,500	$ 7,000
75 Testing (Manifolds, BOP, Tbg, Etc.)	$ -	$ -	$ -
76 Misc Csg Exp: Csg Crew, PU/LD, Protectors, Etc.	$ 1,000	$ 5,500	$ 6,500
78 Equip Rental: BOP, Racks, Mats, Trailer, Sanitary	$ 5,000	$ 5,000	$ 10,000
79 Misc: Elec Const., Fencing, Anchors, Welding, Labor	$ 3,000	$ 7,000	$ 10,000
80 LOCATION, ACCESS, LINERS & CLEANUP	$ 15,000	$ 3,500	$ 18,500
81 Safety/Environmental	$ 3,000	$ 3,000	$ 6,000
90 SUPERVISION & LEGAL, ETC.	$ 18,000	$ 6,000	$ 24,000
TOTAL INTANGIBLE	$ 331,800	$ 126,300	$ 458,100
Plus 5 % Contingency	$ 20,165	$ 15,670	$ 35,835
TOTAL COST	$ 423,465	$ 329,070	$ 752,535

Date: 3/30/99	Partner's Approval:
Prepared By: JJP	Company Name:
Approved By: James T. McManus II by [illegible]	Date: