

APRIL 29, 1999

EXHIBIT NO. _____

SUBMITTED BY:

ENERGEN RESOURCES CORP.

ENERGEN RESOURCES CORPORATION

AUTHORITY FOR EXPENDITURE
ESTIMATED WELL COSTS

WELL NAME AND NUMBER: Beadle #1		PROPERTY NUMBER: NA		DATE: 3/30/99	
OPERATOR: ENERGEN RESOURCES CORPORATION		FIELD OR AREA West Lovington Strawn		LOCATION: 330' FS & WL	
PROJECT DESCRIPTION AND LOCATION: Drill & Complete-Flowing Well		COUNTY: Lea		STATE: NM	
PROPOSED FORMATION: Strawn		SECTION: 35		BLOCK: T-15S, R-35-E	
PROPOSED DEPTH: 11800		SURVEY:			
☒ SINGLE	☒ OIL	☒ EXPL.	☐ STRAT	☒ NEW	☐ DEEPEN
☐ DUAL	☐ GAS	☒ DEV.		☐ WORKOVER	
☒ LAND	☐ BAY	DATE TO START		DAYS TO DRILL/COMPLETE	
☐ MARSH	☐ GULF	N/A		45 X	
				ORIGINAL	
				SUPPLEMENT	
TANGIBLES		DRY HOLE		COMPLETION COSTS	
00 TUBULAR GOODS				TOTAL	
O1 Conductor Pipe	0 in. 0 Ft. 0.00 \$/Ft.	\$ -	\$ -	\$ -	
O2 Surface Casing	13-3/8 in. 400 Ft. 15.00 \$/Ft.	\$ 6,000	\$ -	\$ 6,000	
O3 Production	5 1/2 in. 11800 Ft. 5.50 \$/Ft.	\$ -	\$ 64,900	\$ 64,900	
O4 First Inter.	8 5/8 in. 5000 Ft. 10.00 \$/Ft.	\$ 50,000	\$ -	\$ 50,000	
O5 Second Inter.	0 in. 0 Ft. 0.00 \$/Ft.	\$ -	\$ -	\$ -	
O6 Prod. Liner	0 in. 0 Ft. 0.00 \$/Ft.	\$ -	\$ -	\$ -	
O7 Tieback String	0 in. 0 Ft. 0.00 \$/Ft.	\$ -	\$ -	\$ -	
O8 Tubing	2 7/8 in. 11600 Ft. 4.50 \$/Ft.	\$ -	\$ 52,200	\$ 52,200	
O9 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 Perforating (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					
81 Safety/Environmental		\$ 15,000	\$ 3,500	\$ 18,500	
90 SUPERVISION & LEGAL, ETC.		\$ 3,000	\$ 3,000	\$ 6,000	
		\$ 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: <i>James T. McManus II</i>	Date: