

DAVID H. ARRINGTON OIL AND GAS, INC.

AUTHORITY FOR EXPENDITURE (AFE)

AFE #: 99-0709

Date: 7/8/99

☐ Original  
☒ Supplemental

Lease: Prince Nymph

Well #: 1

Well Type: Oil

Location: NE/SE Section 29, T15N-R36E

County: Lea

State: New Mexico

Prospect: West Dean

Objective: Wolfcamp

Proposed TD: 11,000'

Purpose of Expenditure: Re-enter, Drill, Complete Wolfcamp Oil Test

CODE	INTANGIBLE EXPENSE	DRILLING	COMPLETION	TOTAL
	Surveying	0	0	0
	Staking & Permitting & City of Lovington	0	0	0
	Location, Roads & Damages	5,000	5,000	10,000
	Lease Restoration	4,500	0	4,500
	Mobilization/Demobilization	20,000	0	20,000
	Drilling - Footage @ /Ft	0	0	0
	Drilling - Daywork 10 @ \$5,500 /Day	55,000	0	55,000
	Drilling - Directional	70,000	0	70,000
	Completion Rig 7 @ \$2,000 /Day	0	14,000	14,000
	Pit Lining	0	0	0
	Bits, Reamers & Stabilizers	24,500	0	24,500
	Drilling & Completion Fluids & Oil	20,000	0	20,000
	Water	5,000	0	5,000
	Mud Logging 7 @ \$500 /Day	3,500	0	3,500
	Drill Stem Tests (1)	3,000	0	3,000
	Coring Services	0	0	0
	Logging - Open Hole & Sidewall Cores	20,000	0	20,000
	Cement & Services - Surface	0	0	0
	Cement & Services - Intermediate	0	0	0
	Cement & Services - Production	0	15,000	15,000
	Perforating & Cased Hole Logs	0	8,000	8,000
	Acidizing, Fracturing & Stimulation	0	10,000	10,000
	Rental Equipment (Safety, Test Tk., Choke, ect.) Rot. Head	7,000	0	7,000
	Installation - Production Facilities	0	9,000	9,000
	Inspection & Well Testing	1,000	2,000	3,000
	Transportation	3,000	1,000	4,000
	Miscellaneous Labor	1,000	2,000	3,000
	Engineering & Geological Services	2,500	1,500	4,000
	Overhead	2,000	1,000	3,000
	Supervision	6,000	4,000	10,000
	Sand Blast & Coat Casing	0	2,000	2,000
	Contingencies	17,000	3,500	20,500
	Gross Receipts Tax	13,500	3,900	17,400
	<b>TOTAL INTANGIBLE EXPENSE</b>	<b>283,500</b>	<b>81,900</b>	<b>365,400</b>

CODE	TANGIBLE EXPENSE	DRILLING	COMPLETION	TOTAL
	Casing - Conductor of @ /Ft	0	0	0
	Casing - Surface of @ /Ft	0	0	0
	Casing - Intermediate of @ /Ft	0	0	0
	Casing - Intermediate of @ /Ft	0	0	0
	Casing - Production 9000 of 5 1/2 @ \$5.70 /Ft	0	51,300	51,300
	Casing - Production 2000 of 5 1/2 @ \$5.90 /Ft	0	11,800	11,800
	Tubing 11,000 of 2 7/8 @ \$2.85 /Ft	0	31,400	31,400
	Float & Other Equipment	0	1,500	1,500
	Wellhead Equipment, Tree	0	12,000	12,000
	Sucker Rods	0	18,000	18,000
	Down Hole Pump	0	3,000	3,000
	Packer/TAC	0	4,300	4,300
	Pumping Unit & Prime Mover	0	50,000	50,000
	Tank Battery & Storage Facilities	0	19,000	19,000
	Separator/Heater Treater/Dehydrator	0	8,500	8,500
	Meters & Flowlines	0	1,000	1,000
	Miscellaneous Valves & Fittings	0	8,000	8,000
	Gross Receipts Tax	0	10,900	10,900
	<b>TOTAL TANGIBLE EXPENSE</b>	<b>0</b>	<b>230,700</b>	<b>230,700</b>
	<b>TOTAL WELL COST</b>	<b>283,500</b>	<b>312,600</b>	<b>596,100</b>

NOTE: THIS AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPROVED COPY, YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

David H. Arrington Oil & Gas, Inc. Approval:

Partner Approval:

Prepared

By: Steve Scott 

Company: \_\_\_\_\_

Approved

By: 

Approved

By: \_\_\_\_\_

Title: President

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Case No. 12274 Exhibit No. 4  
Submitted by: David H. Arrington Oil & Gas

Hearing Date: November 4, 1999