

**BURLINGTON RESOURCES**

San Juan Division  
Post Office Box 4289  
Farmington, New Mexico, 87499

AUTHORITY FOR EXPENDITURE

AFE No.: \_\_\_\_\_ Property Number: \_\_\_\_\_ Date: 10/22/98

Lease/Well Name: Brookhaven Com B #3B DP Number: \_\_\_\_\_

Field Prospect: Blanco Mesaverde Region: Farmington

Location: Unit I, Section 16, T31N, R11W County: San Juan State: New Mexico

AFE Type: Developmental (01) Original  Supplement  API Well Type \_\_\_\_\_

Operator: BURLINGTON RESOURCES

Objective Formation: Blanco Mesaverde Authorized Total Depth: 5600'

Project Description: Drill, complete, and facilitate a Mesaverde well.

Estimated Start Date: Jul-99 Prepared By: Kenneth M. Collins

Estimated Completion Date: Jul-99

GROSS WELL DATA

	Drilling		Workover/	Construction	Total
	Dry Hole	Suspended	Completion	Facility	
Days:		<u>7</u>	<u>5</u>	<u>2</u>	<u>14</u>
This AFE:		<u>\$185,600</u>	<u>\$155,888</u>	<u>\$45,000</u>	<u>\$386,488</u>
Prior AFE's:					<u>\$0</u>
Total Costs:	<u>\$0</u>	<u>\$185,600</u>	<u>\$155,888</u>	<u>\$45,000</u>	<u>\$386,488</u>

JOINT INTEREST OWNERS

Company:	Working Interest	Dry Hole \$	Completed \$
	Percent		
BR Oil & Gas Co.:	<u>50.927123%</u>	<u>\$0</u>	<u>\$196,827</u>
TRUST	<u>0.000000%</u>	<u>\$0</u>	<u>\$0</u>
Others:	<u>49.072877%</u>	<u>\$0</u>	<u>\$189,661</u>
AFE TOTAL:	<u>100.000000%</u>	<u>\$0</u>	<u>\$386,488</u>

BURLINGTON RESOURCES APPROVAL

Recommended: Kenneth M. Collins Date: 10-22-98 Recommended: Ann Washburn Date: 10/25/98  
MV PUD Team MV PUD Team

Approved: Randy Clout Date: 10/26/98 Approved: Ann Washburn Date: 10-9-98  
MV PUD Team MV PUD Team

PARTNER APPROVAL

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

Authorized By: \_\_\_\_\_ Date: \_\_\_\_\_

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

**Burlington Resources  
Facility Cost Estimate**

Well Name: Brookhaven Com B #3B  
 Location: Unit I, Section 16, T31N, R11W  
 FE Type: Developmental (01)  
 Formation: Blanco Mesaverde

Prepared By: BWF  
 Date: 10/22/98  
 Approved By: KUC  
 Date: 10-22-98

**Intangible Costs**

Account Number	Estimated Days: 2.0	Mesaverde Cost	Total Estimated Cost
247			
2	Labor, Consultants, Roustabout	6,000	6,000
03	Company Vehicles	100	100
08	Location Cost	750	750
12	Overhead	0	0
17	Damages, Property Losses	0	0
20	Equip. Coating and Insulation	750	750
26	SWD Filtering	0	0
27	Separators	14,000	14,000
28	Gas Sweetening	0	0
29	Pumping Units	0	0
31	Prime Mover	0	0
32	Tanks	6,500	6,500
33	Metering Equipment	0	0
34	Flow Line	0	0
35	Compressors	0	0
36	Building	0	0
39	Flowlines, Piping, Valves & Fittings	5,300	5,300
43	Safety	0	0
44	Technical Contract Services	0	0
47	Rental Compressor & Maintenance	0	0
48	Rental Equipment	0	0
49	Cathodic Protection	6,000	6,000
50	Right Of Way	0	0
51	Minor Pipelines	0	0
53	Surface Pumps	0	0
54	Electrical Accessories	0	0
55	Miscellaneous-Facility Expense	800	800
57	Pulling Unit Cost @	0	0
60	Operator Owned Equip. / Facilities (District Tools)	0	0
62	Env. Compliance (Assessment)	0	0
63	Env. Compliance (Remediation)	0	0
68	Direct Labor	500	500
69	Benefits	0	0
70	Payroll Taxes and Insurance	0	0
72	Employee Expenses	300	300
73	Freight / Water Transportation	500	500
81	Tubing	0	0
82	Rods	0	0
83	Downhole Pumps	0	0
84	Alternative Artificial Lift Equip.	0	0
86	Convent Artifical Lift Wellhead Equip.	3,500	3,500
88	Communication Systems	0	0
96	Gas Dehydrator	0	0
<b>Total Facilities Cost</b>		<b>45,000</b>	<b>45,000</b>

**Burlington Resources  
Cost Estimate**

Well Name: Brookhaven Com B #3B  
 Location: Unit I, Section 16, T31N, R11W  
 AFE Type: 01-Development Drilling  
 Formation: Blanco Mesa Verde  
 Proposed TD: 5600'

Prepared By: Kurt A. Shipley  
 Date: 11/18/97  
 Approved By: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Int. TD: 3200'  
 Cost/ft \$33.14

**Intangible Costs**

Account Number	Estimated Days: 7.0	Total Estimated Cost
03	Location Cost	8,000
05	Move-in, Move-out	6,000
07	Rig Cost (7 days @ \$6,000/day)	44,500
08	Safety Equipment	0
10	Drilling Fluid (7 days @ \$1,600/day) + mud	14,900
16	Stimulation Fluids	6,000
17	Bits	11,000
18	Cementing	22,000
22	Coring and Analysis	0
23	Fuel	1,500
25	Rentals	2,000
26	Fishing	0
28	Other Rentals	1,000
29	Transportation	1,500
32	Directional Service	0
33	Inspection	0
34	Logging Services	0
36	Production Testing	0
37	Swabbing, Snubbing, Coiled Tubing	0
39	Stimulation	0
43	Consultants (7 days @ \$500/day)	3,500
44	Technical Services	0
45	Roustabout Labor	4,500
46	Miscellaneous	1,000
49	Packer Rentals	0
53	Environmental Costs	1,000
54	Disposal Costs	1,000
60	District Tools	0
72	Overhead (7 days @ \$150/day)	1,100
	<b>Total Intangibles</b>	<b>130,500</b>

**Tangible Costs**

80	Casing		44,900
	9-5/8" 32.3# WC-50	200' @ \$11.78/ft)	2,400
	7.0" 20.0# J-55	3200' @ \$9.31/ft)	29,800
	4-1/2" 10.5# J-55	2500' @ \$5.07/ft)	12,700
81	Tubing		0
84	Casing & Tubing Equipment		7,200
86	Wellhead Equipment		3,000
	<b>Total Tangibles</b>		<b>55,100</b>

**Total Cost** **185,600**

\*Assume 6% sales tax where appropriate

**Burlington Resources**  
**Cost Estimate**

Well Name: Brookhaven Com B #3B  
 Location: Unit I, Section 16, T31N, R11W  
 Type: Developmental (01)  
 Formation: Blanco Mesaverde

Prepared By: KMC  
 Date: 10/22/98  
 Approved By: KMC  
 Date: 10-22-98  
 2-3/8" Tbg: 5600'

**Intangible Costs**

Estimated Days: 5.0

Account  
Number  
249

Total  
Estimated  
Cost

03	Location Cost			4,000
05	Move-in, Move-out			5,000
07	Rig Cost	(5 days @ \$5,500/day)		27,500
08	Safety Equipment			100
10	Air Drilling Fluid	(5 days @ \$1,800/day)		9,000
16	Stimulation Fluids	(4400 Bbls KCL)		10,000
17	Bits			750
18	Cementing			0
22	Coring and Analysis			0
23	Fuel			1,500
25	Rentals (Subsurface)			1,500
26	Fishing			0
28	Other Rental (Surface)	(Twelve 400 bbl frac tanks / misc equip)		1,000
29	Transportation	(frac tanks, misc equip)		2,000
32	Directional Svc.			0
33	Inspection			750
34	Logging Services	(GR/CNL/CBL and perforating)		10,000
36	Production Testing			0
37	Swabbing, Snubbing, Coiled Tubing			0
39	Stimulation	(MV-2 Slickwater)		50,000
43	Consultants	(6 days @ \$450/day)		2,700
44	Technical Contract Svc.			400
45	Roustabout Labor			0
46	Miscellaneous			1,500
49	Packer Rental			0
53	Env. Cost			0
54	Disposal Cost			250
60	District Tools			0
68	Direct Labor			2,000
72	OH Rig Days - 249, \$134	(7 days @ \$134/day)		938
	<b>Total Intangibles</b>			<b>130,888</b>

**Tangible Costs**

80	Casing			0
81	Tubing	(5600 ft of 2-3/8" 4.7# tubing)	17,700	17,700
84	Casing & Tubing Equip.	(1.81" Seat nipples /PO plug)	2,800	2,800
86	Wellhead Equipment		4,500	4,500
	<b>Total Tangibles</b>		<b>25,000</b>	<b>25,000</b>

<b>Total Cost</b>		<b>25,000</b>	<b>155,888</b>
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