## AUTHORITY FOR EXPENDITURE

Production and Exploration

Area Farmington	n, NM Field Ba	sin Fruitland Coal	AFE No.	042099RW
Type: (X) 1. D & E 2. Repai	r 3. Other	Well Name		Bear No. 1
Group: (X) 1. Dev. 2. Maint.	3 Fxnl 4 Inv 5 Other	County and St	tate	San Juan, New Mexico
Project: Drill and complete a Fruitland Coal well.		TD and Obj.		300' - Fruitland Coal
	somplete a Franciana Coar wen.	Land Lease N		300 - Pluttand Coal
		AFE Date		20-Apr-99
Operator Redwolf Production, Inc.		<del></del>	ant Data:	30-Nov-99
		Commencement Date:  Completion Date:		
		Completion D	vate:	1-Feb-99
1) Location, (2) Divi	sion of Int. (3) Justification			
(1) Proposed Location:	NENE Section 36, T26N, R13	W		
. ,	San Juan County, New Mexico			
Dedicated Acreage: N/2 of Section 36, compris				
	γ			
(2) Division of Interest:				
-,				
(3) Justification:	To develop Basin Fruitland Co	nal recerves in the N	1/2 of Section	un 36 T26N R13W
5) Justification.	To develop Dasin Truttand Co	al reserves in the iv	WZ OI SCCIIO	30, 120N, K13 W
				1
	TANGIBLE	INTANGIBLE	T	
Description	Gross \$	Gross \$		GROSS ECONOMICS
Material Purchased	65,000	·	Gross Recov	
uel, Water, Lubs., Elec.		1,600	Discount Fac	ctor%
oc. Damages, Roads-Bridges		9,650	Discounted l	Profit \$
alvage & Dismantling Costs				
Prilling Contract-Footage		14,000	Rate of Retu	m %
Orilling Contract-Daywork		5,000	Payout	
Orilling Bits & Reamers				
ishing Tool Expense				
Directional Drilling Costs				
Mud Mat'ls, Chems. & Services		1,000	]	
Cement & Cementing Service		4,300		
Ioncontrollable Materials				
tentals		2,500		
Coring Costs				
		1.600		
	- I	1.500.	I Ca	sh and Warehouse Outlay
erforating		1,500	4	
erforating cidizing, Fracturing		24,000		£174.160.00
erforating Acidizing, Fracturing Vell Services, ElecMud Log.		24,000 2,000		\$174,460.00
erforating Acidizing, Fracturing Well Services, ElecMud Log. Transportation		24,000 2,000 1,500	Gross Cost	\$174,460.00
erforating Acidizing, Fracturing Well Services, ElecMud Log. Transportation Overhead-Partner Op'd.		24,000 2,000		\$174,460.00
Perforating Acidizing, Fracturing Well Services, ElecMud Log. Fransportation Overhead-Partner Op'd. Area Expense		24,000 2,000 1,500	Gross Cost Net	
erforating Acidizing, Fracturing Well Services, ElecMud Log. Fransportation Overhead-Partner Op'd. Area Expense Co. Labor & Supervision		24,000 2,000 1,500 4,000	Gross Cost	\$174,460.00 Date
erforating Acidizing, Fracturing Well Services, ElecMud Log. Transportation Overhead-Partner Op'd. Area Expense Co. Labor & Supervision Contract Labor		24,000 2,000 1,500 4,000	Gross Cost Net	
rerforating Acidizing, Fracturing Well Services, ElecMud Log. Fransportation Overhead-Partner Op'd. Area Expense Co. Labor & Supervision Contract Labor Fabrication & Installation		24,000 2,000 1,500 4,000 1,300 1,800	Gross Cost Net	
reforating Acidizing, Fracturing Well Services, ElecMud Log. Fransportation Overhead-Partner Op'd. Acea Expense Co. Labor & Supervision Contract Labor Fabrication & Installation Miscellaneous Services		24,000 2,000 1,500 4,000 1,300 1,800 6,450	Gross Cost Net Approvals:	Date
erforating Acidizing, Fracturing Well Services, ElecMud Log. Fransportation Overhead-Partner Op'd. Acea Expense Co. Labor & Supervision Contract Labor Fabrication & Installation Miscellaneous Services Miscellaneous Costs (Meter)	\$ 65,000	24,000 2,000 1,500 4,000 1,300 1,800 6,450 13,000	Gross Cost Net Approvals:	Date
Perforating Acidizing, Fracturing Well Services, ElecMud Log. Fransportation Dverhead-Partner Op'd. Area Expense Co. Labor & Supervision Contract Labor Fabrication & Installation Miscellaneous Services Miscellaneous Costs (Meter) Subtotal	\$ 65,000	24,000 2,000 1,500 4,000 1,300 1,800 6,450	Gross Cost Net Approvals:	Date
Perforating Acidizing, Fracturing Well Services, ElecMud Log. Fransportation Dverhead-Partner Op'd. Area Expense Co. Labor & Supervision Contract Labor Fabrication & Installation Miscellaneous Services Miscellaneous Costs (Meter) Subtotal Fot. Cash & Wrhs. Outlay	\$ 65,000	24,000 2,000 1,500 4,000 1,300 1,800 6,450 13,000	Gross Cost Net Approvals:	Date
Fot. Cash & Wrhs. Outlay Material on Hand		24,000 2,000 1,500 4,000 1,300 1,800 6,450 13,000 \$ 93,600	Approvals:	Date duction, Inc.
Perforating Acidizing, Fracturing Well Services, ElecMud Log. Fransportation Dverhead-Partner Op'd. Area Expense Co. Labor & Supervision Contract Labor Fabrication & Installation Miscellaneous Services Miscellaneous Costs (Meter) Subtotal Fot. Cash & Wrhs. Outlay Material on Hand Contingency at 10%	6,500	24,000 2,000 1,500 4,000 1,300 1,800 6,450 13,000 \$ 93,600	Approvals:	Date  duction. Inc.  PRE THE OIL CONSERVATION COMM
Perforating Acidizing, Fracturing Well Services, ElecMud Log. Fransportation Dverhead-Partner Op'd. Area Expense Co. Labor & Supervision Contract Labor Fabrication & Installation Miscellaneous Services Miscellaneous Costs (Meter) Subtotal Fot. Cash & Wrhs. Outlay Material on Hand		24,000 2,000 1,500 4,000 1,300 1,800 6,450 13,000 \$ 93,600	Gross Cost Net Approvals: Redwolf Pro	Date duction, Inc.