

POGO PRODUCING COMPANY
 AUTHORITY FOR EXPENDITURE FOR \$359,505
 GROSS AFE - DETAILED

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AFE#: 560517 WO OSAGE #1
 WELL: 4685 OSAGE #1
 PROSPECT: SEVEN RIVERS PROSPECT
 FIELD: TO BE DETERMINED - C/O
 COUNTY/PARISH: EDDY
 STATE: NM
 OPERATOR: POGO PRODUCING COMPANY
 AFE TYPE: CAPITAL WORKOVERS
 DATE: 08.26.99
 WELL TYPE:
 FORMATION: CISCO/CANYON
 TOTAL DEPTH: 9,000'
 ADDITIONAL COMMENTS: RE-ENTER & TEST THE CISCO CANYON IN THE OSAGE #1
 LOCATED 1830' FSL & 1980' FSL, SECTION 16, T20S,
 R25E, EDDY COUNTY, NM.

DESCRIPTION	ESTIMATED COMPLETION	TOTAL
WORKOVER COMPLETION		
736.472 ICC ROAD, LOC, PITS & KEYWAYS	14,000	14,000
736.473 ICC CEMENTING & CEMENTING SVS	12,000	12,000
736.475 ICC MUD MATERIALS & CHEMICALS	17,000	17,000
736.478 ICC LOGGING & SIDEWALL CORING	1,000	1,000
736.479 ICC PERFORATING	1,500	1,500
736.480 ICC STIMULATION TREATMENT	7,500	7,500
736.484 ICC TESTING TUBULAR GOODS	2,000	2,000
736.488 ICC TOOL & EQUIPMENT RENTAL	15,000	15,000
736.490 ICC COMPLETION RIG	23,000	23,000
736.491 ICC FLOAT EQUIPMENT	1,000	1,000
736.492 ICC BITS, CORE BARRELS ETC.	2,500	2,500
736.494 ICC OTHER SPECIAL WELL SVS	7,500	7,500
736.510 ICC CONTRACT SERVICES & EQUIP.	7,500	7,500
736.545 ICC AUTO & TRUCK EXPENSE	7,000	7,000
736.599 ICC MISCELLANEOUS CONT & MNTL	17,000	17,000
TOTAL WORKOVER COMPLETION	135,000	135,000
ICC PRODUCTION FACILITIES		
745.472 ICC ROAD, LOC, PITS & KEYWAYS	1,000	1,000
745.510 ICC CONTRACT SERVICES & EQUIP.	11,000	11,000
745.566 ICC WELDING SERVICES	1,500	1,500
745.568 ICC PAINTING SERVICES	2,500	2,500
TOTAL ICC PRODUCTION FACILITIES	15,000	15,000
*** TOTAL INTANGIBLES	150,000	150,000
LWE WORKOVER LEASE & WELL		
737.444 LWE PRODUCTION CASING 5700' 4-1/2" 11.6# J-55	27,075	27,075
737.445 LWE CASINGHEAD	4,500	4,500
737.446 LWE XMAS TREE	5,000	5,000
737.447 LWE COMPLETION EQUIPMENT	21,500	21,500
737.449 LWE TUBING 7800' 2-3/8" L-80	19,500	19,500
737.469 LWE OTHER MATERIALS & EQUIP	5,000	5,000
TOTAL LWE WORKOVER LEASE & WELL	82,575	82,575
LWE PRODUCTION FACILITIES		
746.153 LWE MISC. VALVES & FITTINGS	10,000	10,000
746.451 LWE PUMPING EQUIPMENT	48,000	48,000
746.452 LWE GAS ENGINES & ELECT MOTORS	3,500	3,500
746.453 LWE ELECTRIC LINES, POLES	15,000	15,000
746.454 LWE BOTTOM HOLE PUMP	3,500	3,500
746.456 LWE FIELD LINES	10,000	10,000
746.457 LWE TANK, STAIR, WALK & MISC.	15,500	15,500
746.458 LWE SEPARATORS & FITTINGS	3,000	3,000
746.459 LWE HEATERS, TREATERS & CONN.	7,500	7,500
746.463 LWE METERS	2,500	2,500
746.469 LWE OTHER MATERIALS & EQUIP.	7,500	7,500
TOTAL LWE PRODUCTION FACILITIES	124,300	124,300
*** TOTAL TANGIBLES	207,875	207,875
*** TOTAL ESTIMATED COST - GROSS	359,505	359,505

APPROVAL: Richard L. Wright DATE: August 26, 1999

AUTHORIZATION: Jerry A. Cooper DATE: August 26, 1999

PARTICIPANT: _____ INTEREST: _____

BY: _____
 NAME: _____
 TITLE: _____
 DATE: _____