

AUTHORITY FOR EXPENDITURE

LEASE: Logan Draw 30

WELL NUMBER: 1

PBSD: 9,300'

LOCATION: 1,650' FNL & 660' FEL, Section 30, T17S, R27E, Eddy County NM

FIELD: Logan Draw Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 11/12/99

EST. START DATE:

EST. COMPLETION DATE:

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,300 Ft @ 16.00 \$/Ft	157,728	0	157,728
Drilling Daywork 2 2 5,400 \$/day	11,448	11,448	22,896
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	16,695	2,120	18,815
Damages	2,500	0	2,500
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	10,600	0	10,600
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,007	3,710	4,717
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	8,560	3,180	11,740
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	9,540	0	9,540
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,284	15,284
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	0	2,650	2,650
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	795	318	1,113
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	361,871	122,350	483,721
Contingencies (10%)	36,187	12,235	48,372
ESTIMATED TOTAL INTANGIBLES	397,508	134,585	532,093

