## **BK EXPLORATION CORPORATION**

810 S. Cincinnati Ave., Suite 208 • Tulsa, OK 74119-1612

Phone: (918) 582-3855 • Fax: (918) 582-3865 • Email: BKX@Webzone.net

December 28, 2000

State of New Mexico Oil Conservation Division 2040 S Pacheco Santa Fe NM 87505

RE: Actual Well Costs Under Compulsory Pooling Order No. R-11395, 6-8-2000 (Case No. 12410)

BK Exploration Corp.. Operator

Pardue "34" Well No. 1

UL H Section 34 T-23-S R-28-E NMPM Eddy County, New Mexico

### NMOCD:

Pursuant to the NMOCD requirements of the captioned Pooling Order, BK Exploration Corporation respectfully submits for your review a schedule of actual well costs that were incurred in the re-entry of the Pardue "34" Well No. 1. This well was tested and completed on 10-25-2000 after commencing gas sales. The well cost schedule is attached.

Actual costs exceeded estimated costs primarily for 2 reasons: 1) Inflation of drilling and completion costs due to the demand resulting from higher oil and gas prices, and 2) Unforeseen mechanical problems encountered in the re-entry of the abandoned well.

Copies of the well cost schedule have also been furnished to each of the non-consenting royalty owners that were pooled under the subject order. A copy of the certified mail receipts representing the mailed schedules is also attached for your review.

Should your office require any additional information, please contact me. Thank you.

Yours very truly,

**BK EXPLORATION CORPORATION** 

Brad D Bulu

Brad D. Burks, President

**BDB:LDF** 

Attachments

### Authorization For Expenditure BK Exploration Corporation 12/05/00

Lease : PARDUECOM Name: PARDUE 34 COM 1 Well : PARDUE3401 Name: Pardue 34 Com 1

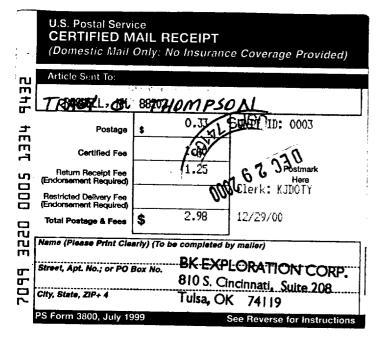
AFE ID : G Description: Re-Drill & Completion (IDC, ICC, TANG)

TRUOMA ACTUAL PERCENTAGE PLANNED AMOUNT VARIANCE ACTUAL/PLAN Receipts: \$239,869.82 Disbursements: \$32,671.69 Casing, Production \$30,000.00 -\$2,671.69 108.91 \$4,000.00 \$6,967.21 -\$2,967.21 174.18 Connections Equipment, Misc \$9.000.00 \$7,729.62 \$1,270.38 85.88 Packers, Anchors, Plugs \$1,000.00 \$0.00 \$1,000.00 0.00 \$5,000.00 Pipeline, SWD \$1,166.75 \$3,833.25 23.34 Pumping Unit & Access. \$18,000.00 \$26,000.00 -\$B,000.00 144.44 Subsurface Pump & Access. \$2,000.00 \$1,978.70 \$21.30 98.94 Sucker Rods & ' cessories \$7,000.00 \$9,702.34 -\$2,702.34 138.60 Tanks & Acces ries \$4,000.00 \$4.008.38 -\$8.38 100.21 Treating Vessers \$5,000.00 \$4,741.41 \$258.59 94.83 Tubing & Acces ories \$12,000.00 \$11,790.32 \$209.68 98.25 Wellhead & According \$6,000.00 \$5,623.87 \$376.13 93.73 \$30,000.00 \$26,308.57 \$3,691.43 87.70 Abstract Drilling Servi s \$50,000.00 \$77,656.69 -\$27,656.69 155.31 Expenses, Mis-\$5,000.00 \$5,653.10 -\$653.10 113.06 \$1,000.00 \$540.00 54.00 Insurance \$460.00 \$1,000.00 \$882.33 \$117.67 88.23 Labor, Contra -\$2,610.02 \$3.000.00 \$5,610.02 187.00 Location Servi es \$1.000.00 \$1,000.00 50.00 100 00 Overhead, Drilling \$1,000.00 Rentals \$13,152.94 -\$12,152.94 1315.29 \$2,000.00 \$3,279.50 -\$1,279.50 163.98 Supervision Water & Pump rvices \$2,000.00 \$2,421.18 -\$421.18 121.06 \$2,000.00 \$0.00 \$2,000.00 0.00 Abstract \$9,000.00 \$14,730.13 163.67 -\$5,730.13 Cement Service. \$6,000.00 \$7,230.82 120.51 -\$1,230.82 Drilling Services 59.35 Expense, Misc \$3,000.00 \$1,780.56 \$1,219.44 Labor, Contra \$1,000.00 \$0.00 \$1,000.00 0.00 Location Services \$1,000.00 \$3,434.94 -\$2,434.94 343.49 Logging, Case: Hole \$4,000.00 \$5,310.92 -\$1,310.92 132.77 \$1,000.00 \$1,000.00 \$0.00 100.00 Overhead, Con 'etion Pulling or Sw ... Unit \$10,000.00 \$11,372.44 -\$1,372.44 113.72 \$3,000.00 \$6,553.75 -\$3,553.75 218.46 Reptals \$22,000.00 \$45,180.05 205.36 -\$23,180.05 Stimulation \$2,000.00 \$4.035.79 -\$2.035.79 201.79 Supervision \$2,000.00 Water & Pump : rvices \$4,323.14 -\$2.323.14 216.16 \$265,000.00 \$353,837.16 -\$88,837.16 133.52 

#### U.S. Postal Service **CERTIFIED MAIL RECEIPT** (Domestic Mail Only: No Insurance Coverage Provided) Article Sent To MARITIMEN TOTANNE Postage 1334 1.40 **Certified Fee** 1.25 Return Receipt Fee (Endorsement Required) 0005 Restricted Delivery Fee (Endorsement Required) 2.98 12/29/60 \$ Total Postage & Fees 3220 Name (Please Print Clearly) (To be completed by mailer) BK EXPLORATION CORP. Street, Apt. No.; or PO Box No. 0 810 S. Cincinnati, Suite 208 Tulsa, OK 74119 City, State, ZIP+ 4

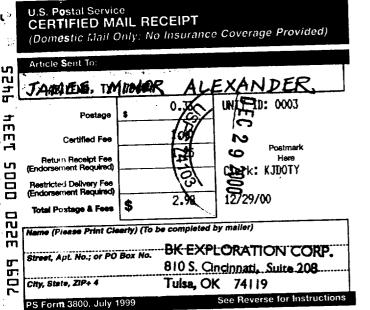
PS Form 3800, July 1999

See Reverse for Instructions



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6	Street, Apt. No.; or PO Box No.		BK EXPLORATION CORP. 810 S. Cincinnati, Suite 208		
7	City, State, ZIP+ 4		Tulsa, OK 74119		
	PS Form 3800, July 1999		See Reverse for Instructions		



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Article Sent To:									
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City, State, ZIP+ 4		Tulsa, OK 74119							
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7.	Postage	\$	0.\$3	UNI TO: 0003					
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	Total Postage & Fees	\$	2.98	12/29/00					
1220	Name (Please Print Clearly) (To be completed by mailer)								
99 3	Street, Apt. No.; or PO	Box No.	BK EXPLORATION ORP.						
7099	City, State, ZiP+ 4		Tulsa, OK 74119						
	PS Form 3800, July 1999			See Reverse for Ins	ctions				

