

# BK EXPLORATION CORPORATION

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MJ  
6-30-00

*Ashley*

June 27, 2000

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

ATTN: Ms. Lori Wrotenbery, Director

RE: Compulsory Pooling Order Requirement, Case No. 12410, Order No. R-11395

Ms Wrotenbery:

Pursuant to an Article (7) requirement of the referenced Order issued 6-8-2000, BK Exploration Corporation submits for the Division's files a copy of the itemized schedule of estimates well costs for the Pardue "34" Well #1.

A copy of this itemized schedule has also been furnished this date to those parties that are uncommitted working interest owners.

Should your office require additional information regarding this required submittal, please contact me at your convenience. Thank you.

Yours very truly,

BK EXPLORATION CORPORATION

*Brad D. Burks*

Brad D. Burks, President

BDB

Attachment

# **AUTHORIZATION FOR EXPENDITURE**

LEASE NAME: Pardue "34" WELL #: 1

LOCATION: 2310' ENL 660' FEL Section 34 T-23-S R-28-E COUNTY: Eddy STATE: New Mexico  
 FIELD: Loving FORMATION: Brushy Canyon Delaware DEPTH: 6350' DATE: 6-14-2000

<u><b>INTANGIBLES – ESTIMATED COSTS, \$</b></u>	<u><b>DRY HOLE</b></u>	<u><b>COMPLETION</b></u>
Abstracting & Title Opinions .....	30,000	2,000
Surveys, Location & Other .....		
Damages, Location & Other .....		
Dirtwork, Location & Road .....	3,000	1,000
Drilling, Footage Rate @ S .....		
Drilling, Daywork @ \$6,000 .....	30,000	6,000
Water Services .....	2,000	2,000
Transportation .....	20,000	
Mud, Drilling .....		
Cementing .....		9,000
Supervision, Wellsite .....	2,000	2,000
Logging, Mud .....		
Logging, Open-hole .....		
Logging, Cased-hole .....		4,000
Overhead, Administrative .....	1,000	1,000
Insurance, Liability & Other .....	1,000	
Completion Rig @ \$2,000/Day .....		10,000
Stimulation .....		22,000
Rentals, Equipment .....	1,000	3,000
Labor, Contract .....	1,000	1,000
Contingencies, 5 % .....	5,000	3,000
<b>COLUMN TOTALS</b> .....	96,000	66,000
<b>TOTAL INTANGIBLES</b> .....		162,000

<u><b>TANGIBLES – ESTIMATED COSTS, \$</b></u>	<u><b>DRY HOLE</b></u>	<u><b>COMPLETION</b></u>
Casing, Conductor .....		
Casing, Surface .....		
Casing, Intermediate .....		
Casing, Production 5.5" 15.5# J-55 @ 0-6350' @ \$4.25/ft.....		27,000
Casing, Liner .....		
Tubing Production 2 3/8" 4 7# L-55 @ 0-6300' @ \$1.85/ft.....		12,000