

ADMINISTRATIVE OVERHEAD SURVEY

1998

West Texas and Eastern New Mexico

Oil Wells

Monthly Drilling Well
Fixed Overhead Rates

Monthly Producing Well
Fixed Overhead Rates

Depth in Feet	Number of Responses	Average	Median	Number of Responses	Average	Median
0 – 5,000	48	\$3,367	\$3,000	98	\$402	\$450
5,001 – 10,000	44	4,176	4,500	87	458	450
10,001 – 15,000	17	5,019	5,000	25	607	600
15,001 – 20,000	3	5,128	5,128	3	475	450
20,001 +	1	8,000	8,000	1	950	950
No Depth Limit	6	5,107	5,373	6	511	576

1998-99

Ernst & Young LLP
Fixed-Rate Overhead Survey

New Mexico

All Counties

193 Responses

3,140 Wells

Monthly Drilling Well
Fixed Overhead Rates

Minimum	\$1,587
Q1	\$2,982
Mean	\$4,741
Median	\$5,036
Q3	\$5,938
Maximum	\$9,463

Monthly Producing Well
Fixed Overhead Rates

Minimum	\$100
Q1	\$543
Mean	\$598
Median	\$572
Q3	\$650
Maximum	\$2,227

Fixed-Rate Overhead Survey

1999-2000

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BEFORE THE STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
CASE NO. 12410 6-1-2000
BK EXPLORATION CORPORATION
EXHIBIT 7