



AUTHORITY FOR EXPENDITURE
NEW DRILLING & RECOMPLETION

AFE NO. 96-287-0
AFE DATE 11/14/96

105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

AFE Type:		Well Objective:		Well Type:	
<input checked="" type="checkbox"/>	New Drilling	<input type="checkbox"/>	Oil	<input type="checkbox"/>	Development
<input type="checkbox"/>	Recompletion	<input checked="" type="checkbox"/>	Gas	<input checked="" type="checkbox"/>	Exploratory
		<input type="checkbox"/>	Injector		

AFE STATUS:

<input checked="" type="checkbox"/>	Original
<input type="checkbox"/>	Revised
<input type="checkbox"/>	Final

LEASE NAME	Stonewall AKQ St. Com. #1	PROJ'D DEPTH	11,500'
COUNTY	Eddy	STATE	New Mexico
LEGAL DESC.	990' FNL & 990' FEL	LOCATION	Section 20-20S-28E
FIELD		HORIZON	Morrow

DIVISION CODE	100	DIVISION NAME	Oil & Gas Division
DISTRICT CODE		DISTRICT NAME	
BRANCH CODE		BRANCH NAME	

PROGNOSIS: _____

INTANGIBLE DRILLING COSTS:		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees	500	500
920-110	Location, Right-of-Way	15,000	15,000
920-120	Drilling, Footage 11,500' @ \$18.75/ft.	228,600	228,600
920-130	Drilling, Daywork 6 days @ \$5200/day	33,000	33,000
920-140	Drilling Water, Fasline Rental	16,000	16,000
920-150	Drilling Mud & Additives	35,200	35,200
920-160	Mud Logging Unit, Sample Bags	13,000	13,000
920-170	Cementing - Surface Casing	32,100	32,100
920-180	Drill Stem Testing, OHT 3 DST'S	15,000	15,000
920-190	Electric Logs & Tape Copies	31,500	31,500
920-200	Tools & Equip. Rntl., Trkg. & Welding	15,200	15,200
920-210	Supervision & Overhead	16,200	16,200
920-220	Contingency		
920-230	Coring, Tools & Service		
920-240	Bits, Tool & Supplies Purchase		2,500
920-350	Cementing - Production Casing		36,500
920-410	Completion Unit - Swabbing		11,700
920-420	Water for Completion		4,600
920-430	Mud & Additives for Completion		
920-440	Cementing - Completion		
920-450	Elec. Logs, Testing, Etc. - Completion		12,000
920-460	Tools & Equip. Rental, Etc. - Completion		16,700
920-470	Stimulation for Completion		50,000
920-480	Supervision & O/H - Completion		6,000
920-490	Additional LOC Charges - Completion		1,200
920-510	Bits, Tools & Supplies - Completion		1,800
920-500	Contingency for Completion		
TOTAL INTANGIBLE DRILLING COSTS		451,300	594,300

TANGIBLE EQUIPMENT COSTS:			
930-010	Christmas Tree & Wellhead	2,000	26,000
930-020	Casing 13-3/8" @ 600'	10,800	10,800
	8-5/8" @ 3000'	38,200	38,200
	5-1/2" @ 11,500'		98,600
930-030	Tubing 2-7/8" @ 11,300'		36,000
930-040	Packer & Special Equipment		
940-010	Pumping Equipment		
940-020	Storage Facilities		15,000
940-030	Separation Equip., Flowlines, Misc.		28,000
940-040	Trucking & Construction Costs		14,600
TOTAL TANGIBLE EQUIPMENT COSTS		51,000	267,200

TOTAL COSTS 502,300 861,500

APPROVAL OF THIS AFE CONSTITUTES APPROVAL OF OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM THE OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE.

Prepared By	Operations Approval
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OWNER	SHARE
BY _____	_____
DATE _____	

BY _____	DATE _____	<p align="center">BEFORE THE OIL CONSERVATION DIVISION Case No. 11677 Exhibit No. 10 Submitted By: <i>RS Font</i> Yates Petroleum Corporation Hearing Date: December 19, 1996</p>
BY _____	DATE _____	
BY _____	DATE _____	
BY _____	DATE _____	