

**PALADIN ENERGY CORP.
AUTHORITY FOR EXPENDITURE**

WELL NAME: <u>Hamilton WW #A2</u>	LOCATION: <u>Knowles Field</u>
PROSPECT: <u>Devonian</u>	COUNTY: <u>Lea</u> STATE: <u>NM</u>
OBJECTIVE: <u>12,360-430'</u>	TYPE: <u>Workover</u> Total Depth <u>12,450'</u>
AFE NO.: <u>305102001</u>	DATE: <u>8/31/00</u>

		DRYHOLE COSTS	COMPLETION COSTS	TOTAL COSTS
G/L				
25000				
Sub	INTANGIBLES			
203	Surface Damages, Right of Way, Permits & Legal Fees			
208	Roads, Location & Restoration		1,000	1,000
201	Rathole & Conductor Service			
205	Mobilization/Demobilization			
204	Drilling Daywork days @ /day			
204	Drilling Footage			
204	Drilling Turnkey			
220	Fuel, Water & Power			
212	Mud, Materials & Services		1,000	1,000
211	Bits, Reamers & Stabilization			
221	Directional Equipment & Services			
215	Rental Equipment & One month Sub Pump Test Rental		8,500	8,500
209	Logging & Formation Evaluation			
202	Cementing, Materials & Services			
218	Pipe Testing & Inspection & Services		2,500	2,500
219	Freight & Trucking		3,500	3,500
201	Liner Services			
217	Supervision & Technical Services (Sub Pump Installation)		4,500	4,500
201	Pipe Crews-Equipment & Labor			
210	Labor & Supplies		5,000	5,000
206	Insurance		1,475	1,475
214	Overhead		1,333	1,333
225	Plugging & Abandonment			
224	Completion Rig 8 days @ \$2,000 /day		16,000	16,000
209	Perforating		5,500	5,500
216	Formation Stimulation and Control		8,000	8,000
218	Pipe Testing			
213	Gross Receipts Tax			
	TOTAL INTANGIBLES		\$ 58,308.33	\$ 58,308.33
	TANGIBLES			
302	Conductor			
302	Surface Csg @ /ft			
302	Intermediate Csg @ /ft			
322	Liner			
322	Production Csg @ /ft			
319	Production Tbg 10000 @ \$1.50 /ft		15,000	15,000
305	Packers, Tubing Anchors			
321	Csghd, Tbgd, Prod Tree			
321	Wellhead Equipment, Misc.		1,000	1,000
301	Cattle Guard, Fencing			
314	Pumping Unit, Engine & Base			
308	Prime Mover			
317	Sucker Rods			
306	Subsurface Pump		1,500	1,500
320	Surf. Conn. Valves & Lines		3,500	3,500
304	Gas Prod. Unit			
315	Dehydrator			
316	Stock Tanks			
315	Separators			
315	Heater Treater or Gun Barrel			
310	Labor, Trucking, Welding		3,500	3,500
312	Misc. Lease Equipment, Electrical Hookups		5,000	5,000
312	Gross Receipts Tax			
	TOTAL TANGIBLES		\$ 29,500.00	\$ 29,500.00
	SUBTOTAL		\$ 87,808.33	\$ 87,808.33
	5% CONTINGENCY		\$ 4,390.42	\$ 4,390.42
	TOTAL WELL COST		\$ 92,198.75	\$ 92,198.75

<u>COMPANY:</u>	<u>APPROVED:</u>
<u>DATE:</u>	<u>NAME / TITLE:</u>