

HARVEY E. YATES COMPANY

LEASE NAME & NO.: POCO LOCO 8 FED COM #1 AFE TYPE: DRILLING ACCOUNTING NO: 712000-001  
 LEGAL LOCATION: 860' FSL & 1980' FWL SEC 8, T18S, R29E DEPTH: 11,200 AFE NO: DO1  
 COUNTY: EDDY STATE: NM FORMATION: MORROW

DRILLING & COMPLETION COSTS:

				DRY HOLE COSTS	PRODUCING WELL COSTS
920-000	INTANGIBLE DRILLING COSTS:				
920-009	ABSTRACTS & TITLE OPINIONS			\$2,500	\$2,500
921-000	STAKING DAMAGES & LEGAL FEES			\$1,500	\$1,500
921-001	LOCATION, RIGHT OF WAY			\$15,000	\$15,000
921-002	FOOTAGE: FEET @ \$/FOOT	11,200	\$24.20	\$271,040	\$271,040
921-003	DAYWORK: DAYS & \$/DAY	3	\$6,250	\$18,750	\$18,750
921-004	SURFACE CASING CEMENTING & SERVICE			\$5,500	\$5,500
921-005	DRILLING MUD, ADDITIVES & WATER			\$80,300	\$80,300
921-006	MUD LOGGING UNIT, SURVEYS ETC.			\$14,500	\$14,500
921-007	INTERMEDIATE CASING CEMENTING & SERVICES			\$15,000	\$15,000
921-008	GENERAL MISC. (BOP TEST, RATHOLE...ETC)			\$1,000	\$1,000
922-000	RENTAL TOOLS & EQUIPMENT			\$7,700	\$7,700
922-001	COMPANY SUPERVISION & OVERHEAD			\$16,200	\$16,200
922-004	MISC. BITS, TOOLS & SUPPLIES			\$22,975	\$22,975
	TOTAL INTANGIBLE DRILLING COSTS			\$471,965	\$471,965
923-000	INTANGIBLE FORMATION EVALUATION:				
923-001	CORING, TOOLS & SERVICE (SIDEWALL CORES)			\$10,000	\$10,000
923-002	DST: # DST TO RUN/\$ CHARGE	1	\$4,200	\$4,200	\$4,200
923-003	ELECTRIC LOGS, ...ETC			\$30,000	\$30,000
923-004	MISC. FORMATION EVAL.			\$2,210	\$2,210
	TOTAL INTANGIBLE FORMATION EVALUATION			\$46,410	\$46,410
924-000	INTANGIBLE COMPLETION COSTS:				
924-001	COMPLETION UNIT: DAYS & \$/DAY	10	\$1,800	\$0	\$18,000
924-003	MUD, WATER & ADDITIVES			\$0	\$5,000
924-004	CEMENT, TOOLS & SERVICES (PROD.STRING...ETC)			\$0	\$31,800
924-005	ELECTRIC LOGS(CBL...ETC.),TESTING			\$0	\$5,000
924-006	TOOL & EQUIPMENT RENTAL & TRUCKING			\$0	\$3,000
924-007	STIMULATION & TREATING			\$0	\$80,000
924-008	COMPANY SUPERVISION & OVERHEAD			\$0	\$4,500
925-001	BITS, TOOLS & SUPPLIES			\$0	\$500
925-002	PLUG BACK			\$0	\$5,000
925-003	MISCELLANEOUS			\$650	\$7,640
951-000	PLUGGING EXPENSE			\$13,000	\$0
	TOTAL INTANGIBLE COMPLETION COSTS			\$13,650	\$160,440
930-000	TANGIBLE DRILLING & COMPLETION COSTS:				
930-001	SURFACE CASING COSTS (SIZE/FT)	13 3/8"	300'	\$5,700	\$5,700
930-002	INTERMEDIATE CASING (SIZE/FT)	8 5/8"	3200'	\$36,700	\$36,700
930-003	PRODUCTION CASING (SIZE/FT)	5 1/2"	11,200	\$0	\$98,000
930-004	PRODUCTION TUBING (SIZE/FT)	2 3/8"	11,200	\$0	\$33,000
930-005	CASING HEAD			\$0	\$3,000
930-006	CASING SPOOL			\$0	\$7,250
930-007	TUBING HEAD			\$0	\$5,900
930-008	CHRISTMAS TREE			\$0	\$6,500
931-000	SUBSURFACE EQUIPMENT			\$0	\$0
931-001	MISC PIPE CONNECTIONS			\$0	\$1,500
931-002	PACKER & SPECIAL EQUIPMENT			\$0	\$3,800
931-003	MISCELLANEOUS			\$2,120	\$10,068
	TOTAL TANGIBLE DRILLING & COMPLETION COSTS			\$44,520	\$211,418
940-000	GENERAL LEASE & BATTERY EQUIPMENT:				
940-001	PUMPING UNIT (PRIME MOVER)			\$0	\$0
940-002	SEPARATORS, GAS PROD.UNITS,...ETC.			\$0	\$15,000
940-005	TANKS: NO. & SIZE	2	400	\$0	\$8,500
941-000	INSTALLATION COSTS			\$0	\$15,000
941-001	FLOW LINES, VALVES...ETC			\$0	\$3,000
941-005	MISCELLANEOUS LEASE EQUIPMENT			\$0	\$3,650
	TOTAL GENERAL LEASE & BATTERY EQUIPMENT COSTS			\$0	\$45,150

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Case No. 12486  
 Exhibit No. 4  
 Submitted by:  
 Harvey E. Yates Company  
 Hearing Date: September 7, 2000

TOTAL INTANGIBLE COSTS: \$532,025 \$678,815  
 TOTAL TANGIBLE COSTS: \$44,520 \$211,418  
 TOTAL LEASE & BATTERY EQUIPMENT: \$0 \$45,150  
**\$576,545 \$935,383**

RETURN ONE  
 SIGNED AFE TO  
 Vernon D. Dyer  
 HEYCO  
 P.O. Box 1933  
 Roswell, NM 88202-1933

*R.C.*

TOTAL COSTS PREPARED BY: BOB WILLIAMS DATE: 3/2/00

APPROVED BY: \_\_\_\_\_  
 COMPANY: \_\_\_\_\_  
 DATE: \_\_\_\_\_

"IT IS RECOGNIZED THAT THE AMOUNTS PROVIDED FOR HEREIN ARE  
 ESTIMATED ONLY, AND APPROVAL OF THIS AUTHORIZATION SHALL  
 EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPER-  
 ATIONS SPECIFIED, WHETHER MORE OR LESS THAN HEREIN SET OUT"