

HARVEY E. YATES COMPANY

LEASE NAME & NO.: TURNER 7 FED DEEP #1 AFE TYPE: DRILLING ACCOUNTING NO: 0  
 LEGAL LOCATION: 1980' FNL & 660' FWL SEC 7, T20S, R27E DEPTH: 10,450 AFE NO: DQ1  
 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				\$20,000	\$20,000
921-002	FOOTAGE: FEET @ \$/FOOT	10,450	\$24.13	\$252,119	\$252,119	
921-003	DAYWORK: DAYS & \$/DAY	3	\$6,308	\$18,923	\$18,923	
921-004	SURFACE CASING CEMENTING & SERVICE				\$5,500	\$5,500
921-005	DRILLING MUD, ADDITIVES & WATER				\$86,300	\$86,300
921-006	MUD LOGGING UNIT, SURVEYS ETC.				\$13,200	\$13,200
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				\$6,300	\$6,300
922-001	COMPANY SUPERVISION & OVERHEAD				\$13,950	\$13,950
922-004	MISC. BITS, TOOLS & SUPPLIES				\$22,340	\$22,340
	TOTAL INTANGIBLE DRILLING COSTS				\$458,632	\$458,632
923-000	INTANGIBLE FORMATION EVALUATION:					
923-001	CORING, TOOLS & SERVICE				\$10,000	\$10,000
923-002	DST: # DST TO RUN/ \$ CHARGE	1	\$4,200	\$4,200	\$4,200	
923-003	ELECTRIC LOGS, ...ETC				\$27,000	\$27,000
923-004	MISC. FORMATION EVAL.				\$3,635	\$3,635
	TOTAL INTANGIBLE FORMATION EVALUATION				\$44,835	\$44,835
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	\$29,000
924-005	ELECTRIC LOGS(CBL...ETC.), TESTING				\$0	\$5,000
924-006	TOOL & EQUIPMENT RENTAL & TRUCKING				\$0	\$3,000
924-007	STIMULATION & TREATING				\$0	\$20,000
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				\$500	\$4,500
951-000	PLUGGING EXPENSE				\$10,000	\$0
	TOTAL INTANGIBLE COMPLETION COSTS				\$10,500	\$94,500
930-000	TANGIBLE DRILLING & COMPLETION COSTS:					
930-001	SURFACE CASING COSTS (SIZE/FT)	13 3/8"	400	\$7,600	\$7,600	
930-002	INTERMEDIATE CASING (SIZE/FT)	8 5/8"	3,000	\$36,150	\$36,150	
930-003	PRODUCTION CASING (SIZE/FT)	5 1/2"	10,450	\$0	\$91,000	
930-004	PRODUCTION TUBING (SIZE/FT)	2 3/8"	10,450	\$0	\$30,000	
930-005	CASING HEAD				\$0	\$4,900
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	\$3,800
931-001	MISC PIPE CONNECTIONS				\$0	\$1,500
931-002	PACKER & SPECIAL EQUIPMENT				\$0	\$1,500
931-003	MISCELLANEOUS				\$2,188	\$9,805
	TOTAL TANGIBLE DRILLING & COMPLETION COSTS				\$45,938	\$205,905
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
TOTAL INTANGIBLE COSTS:					\$513,967	\$597,967
TOTAL TANGIBLE COSTS:					\$45,938	\$205,905
TOTAL LEASE & BATTERY EQUIPMENT:					\$0	\$45,150
					\$559,905	\$849,022

RETURN SIGNED

AFE TO:

Melissa Randle

HEYCO

P. O. Box 1933

Roswell, NM 88202

TOTAL COSTS PREPARED BY: BOB WILLIAMS DATE: 4/5/00

APPROVED BY:

"IT IS RECOGNIZED THAT THE AMOUNTS PROVIDED ARE ESTIMATED ONLY, AND APPROVAL OF THIS AGREEMENT DOES NOT EXTEND TO THE ACTUAL COSTS INCURRED IN OPERATIONS SPECIFIED, WHETHER MORE OR LESS."

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico  
 Case No. 12545 Exhibit No. 4  
 Submitted by:

Harvey E. Yates Company  
 Hearing Date: November 16, 2000

PANY:

DATE: