

HARVEY E. YATES COMPANY

LEASE NAME & NO.: POWER DEEP 31 FED COM #1  
LEGAL LOCATION: 660' FSL & 660' FEL SEC 31 T17S, R31E  
COUNTY: EDDY STATE: NM

AFE TYPE: DRILLING  
DEPTH: 11,850

ACCOUNTING NO: 0  
AFE NO: D01  
PRIMARY OBJECTIVE: 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				\$7,500	\$7,500
921-001	LOCATION, RIGHT OF WAY				\$15,000	\$15,000
921-002	FOOTAGE: FEET @ \$/FOOT	11,850	\$28.91		\$342,584	\$342,584
921-003	DAYWORK: DAYS & \$/DAY	3	\$6,518		\$19,554	\$19,554
921-004	SURFACE CASING CEMENTING & SERVICE				\$5,500	\$5,500
921-005	DRILLING MUD, ADDITIVES & WATER				\$80,000	\$80,000
921-006	MUD LOGGING UNIT, SURVEYS ETC.				\$15,950	\$15,950
921-007	INTERMEDIATE CASING CEMENTING & SERVICES				\$24,000	\$24,000
921-008	GENERAL MISC. (BOP TEST, RATHOLE...ETC)				\$1,000	\$1,000
922-000	RENTAL TOOLS & EQUIPMENT				\$18,650	\$18,650
922-001	COMPANY SUPERVISION & OVERHEAD				\$15,750	\$15,750
922-004	MISC. BITS, TOOLS & SUPPLIES				\$21,650	\$21,650
	TOTAL INTANGIBLE DRILLING COSTS				\$569,638	\$569,638

923-000 INTANGIBLE FORMATION EVALUATION:

923-001	CORING, TOOLS & SERVICE (SIDEWALL CORES)				\$0	\$0
923-002	DST: # DST TO RUN/ \$ CHARGE	2	\$4,200		\$8,400	\$8,400
923-003	ELECTRIC LOGS, ...ETC				\$20,000	\$20,000
923-004	MISC. FORMATION EVAL.				\$2,995	\$2,995
	TOTAL INTANGIBLE FORMATION EVALUATION				\$31,395	\$31,395

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	\$5,000
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	\$3,750
951-000	PLUGGING EXPENSE				\$10,000	\$0
	TOTAL INTANGIBLE COMPLETION COSTS				\$10,500	\$78,750

930-000 TANGIBLE DRILLING & COMPLETION COSTS:

930-001	SURFACE CASING COSTS (SIZE/FT)	13 3/8"	350		\$6,700	\$6,700
930-002	INTERMEDIATE CASING (SIZE/FT)	8 5/8"	4,450		\$50,600	\$50,600
930-003	PRODUCTION CASING (SIZE/FT)	5 1/2"	11,850		\$0	\$112,900
930-004	PRODUCTION TUBING (SIZE/FT)	2 3/8"	11,850		\$0	\$36,200
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				\$2,865	\$11,718
	TOTAL TANGIBLE DRILLING & COMPLETION COSTS				\$60,165	\$246,068

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	\$4,500
941-005	MISCELLANEOUS LEASE EQUIPMENT				\$0	\$3,725
	TOTAL GENERAL LEASE & BATTERY EQUIPMENT COSTS				\$0	\$46,725

RETURN SIGNED

AFE TO:


Melissa Randle

HEYCO

P.O. Box 1933

Roswell, NM 88202

TOTAL COSTS PREPARED BY:

BOB WILLIAMS  DATE: 08/08/00

TOTAL INTANGIBLE COSTS: \$611,533 \$679,783  
TOTAL TANGIBLE COSTS: \$60,165 \$246,068  
TOTAL LEASE & BATTERY EQUIPMENT: \$0 \$46,725  
\$671,698 \$972,576

"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 OPERATIONS SPECIFIED, WHETHER MORE OR LESS THAN HEREIN SET OUT"

APPROVED BY: \_\_\_\_\_

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 12570

Exhibit 4

Submitted by:  
Harvey E. Yates Company  
Hearing Date: January 11, 2001