

Nearburg Producing CompanyExploration and Production
Dallas, Texas

Page 1 of 3

AUTHORITY FOR EXPENDITURE

LEASE: Wapiti 31 State Com

WELL NUMBER: 1

PSTD: 13,700'

LOCATION: 1.650' FSL & 660' FEL, Section 31, T18S, R34E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer. Fracture stimulation is included.

DATE PREPARED: 10/2/01

EST. START DATE: 3/1/02

EST. COMPLETION DATE: 5/1/02

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 13,700 Ft @ 0.00 \$/Ft	0	0	0
Drilling Daywork 50 @ 9,000 \$/day	477,000	18,080	495,080
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	37,100	0	37,100
Road & Location Expense	32,595	3,180	35,775
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	53,000	0	53,000
Fuel, Power, and Water	84,800	0	84,800
Supplies - Bits	58,710	785	57,505
Supplies - Casing Equipment	2,120	7,420	9,540
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	12,720	0	12,720
Cement and Cmt. Services - Int. Csg	21,200	0	21,200
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	13,038	0	13,038
Rental - Misc.	40,439	3,710	44,149
Testing - Drill Stem / Production	4,770	5,300	10,070
Open Hole Logging	37,100	0	37,100
Mudlogging Services	21,200	0	21,200
Special Services	0	0	0
Plug and Abandon	15,000	(15,000)	0
Pulling and/or Swabbing Unit	0	18,550	18,550
Reverse Equipment	0	5,300	5,300
Wireline Services	0	15,900	15,900
Stimulation	0	121,900	121,900
Pump / Vacuum Truck Services	0	5,944	5,944
Transportation	9,540	8,360	15,900
Tubular Goods - Inspection & Testing	3,180	5,300	8,480
Unclassified	530	0	530
Telephone and Radio Expense	1,590	636	2,226
Engineer / Geologist / Landman	22,500	2,500	25,000
Company Labor - Field Supervision	27,360	7,500	35,090
Contract Labor / Roustabout	8,480	11,130	19,610
Legal and Professional Service	5,000	0	5,000
Insurance	11,306	0	11,306
Overhead	12,600	3,500	16,100
SUBTOTAL	1,010,078	250,205	1,268,284
Contingencies (10%)	101,808	25,021	126,829
ESTIMATED TOTAL INTANGIBLES	1,117,886	275,226	1,392,913

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Case No. 12791 Exhibit No. 4
 Submitted by:
 Nearburg Exploration Company, L.L.C.
 Hearing Date: January 10, 2002

Nearburg Producing Company

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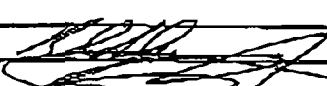

Exploration and Production
Dallas, Texas**AUTHORITY FOR EXPENDITURE**

LEASE: Wapiti 31 State Gam WELL NUMBER: 1 FBTD: 13,700'
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DATE PREPARED: 10/2/01 EST. START DATE: 3/1/02 EST. COMPLETION DATE: 5/1/02
 ACCOUNTING WELL NUMBER:
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TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,550 Ft @	24.00 \$/Ft	37,200	0	37,200
Intermediates Csg	5,200 Ft @	14.00 \$/Ft	72,800	0	72,800
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	13,700 Ft @	10.00 \$/Ft	0	137,000	137,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	13,500 Ft @	3.38 \$/Ft	0	45,630	45,630
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	12,720	12,720
Separators/Heater Treater/Gas Units/FWKO			0	19,080	19,080
* Well Head Equipment & Christmas Tree			2,000	12,500	14,500
Subsurface Well Equipment			0	8,148	8,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	3,180	3,180
Test Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	0	0
Surface Equipment Installation Costs			0	2,120	2,120
Elect. Installation			0	15,900	15,900
			0	0	0
ESTIMATED TOTAL TANGIBLES			112,000	267,528	379,528
ESTIMATED TOTAL WELL COSTS			1,229,688	542,754	1,772,441

HIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

APPROVAL	DATE
PREPARED BY: HRW	10/02/01
REVIEWED BY:	
APPROVED BY: 	10/2/01
APPROVED BY: 	10/3/01

APPROVAL: COMPANY
 BY
 TITLE
 DATE

HOLLAND & HART^{LLP}
and
CAMPBELL & CARR
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
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William F. Carr

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January 10, 2002

HAND DELIVERED

David K. Brooks, Esq.
Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

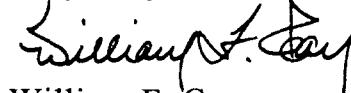
Re: Oil Conservation Division Case No. 12791: Application of
Nearburg Exploration Company, L.L.C. for compulsory
pooling, Lea County, New Mexico.

Dear Mr. Brooks;

Enclosed for inclusion in the record of the above-referenced case is my Affidavit which confirms that notice of today's hearing in the above-referenced case was provided to all affected parties in accordance with the rules of the Division.

Thank you for permitting me to supplement the record with this exhibit.

Very truly yours,



William F. Carr
Attorney for Nearburg Exploration
Company, L.L.C.

cc: Robert G. Shelton

02 JAN 11 AM 9:50
J. G. Shelton, Esq.