



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

AUTHORITY FOR EXPENDITURE
NEW DRILLING, RECOMPLETION & RE-ENTRY

AFE Type:

<input checked="" type="checkbox"/>	New Drilling
<input type="checkbox"/>	Recompletion
<input type="checkbox"/>	Re-entry

Well Objective:

<input type="checkbox"/>	Oil
<input checked="" type="checkbox"/>	Gas
<input type="checkbox"/>	Injector

Well Type:

<input checked="" type="checkbox"/>	Development
<input type="checkbox"/>	Exploratory

AFE NO.
AFE DATE

02-313-0
8/19/02

AFEND (rev 6/88)

8-19-02

AFE STATUS:

<input checked="" type="checkbox"/>	Original
<input type="checkbox"/>	Revised
<input type="checkbox"/>	Final
<input type="checkbox"/>	Supplemental

LEASE NAME	Louise AYI #1	PROJ'D DEPTH	12,000'
COUNTY	Eddy	STATE	New Mexico
FIELD		HORIZON	Morrow
LOCATION	Section 25 T21S-R26E, 1,630' S & 682' E		
DIVISION CODE	100	DIVISION NAME	Oil & Gas Division
DISTRICT CODE		DISTRICT NAME	
BRANCH CODE		BRANCH NAME	

PROGNOSIS: _____

INTANGIBLE DRILLING COSTS:		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees	5,000	5,000
920-110	Location, Right-of-Way	20,000	20,000
920-120	Drilling, Footage		
920-130	Drilling, Daywork 44 days @ \$7,500/day + \$30,000 for mob	382,000	382,000
920-140	Drilling Water, Fasline Rental	30,000	30,000
920-150	Drilling Mud & Additives	50,000	50,000
920-160	Mud Logging Unit, Sample Bags	22,000	22,000
920-170	Cementing - Surface Casing includes cement for deep 7"	70,000	70,000
920-180	Drill Stem Testing, OHT		
920-190	Electric Logs & Tape Copies	35,000	35,000
920-200	Tools & Equip. Rntl., Trkg. & Welding	50,000	50,000
920-205	Control of Well-Insurance	4,500	4,500
920-210	Supervision & Overhead	30,000	30,000
920-230	Coring, Tools & Service		
920-240	Bits, Tool & Supplies Purchase	45,000	45,000
920-350	Cementing - Production Casing		40,000
920-410	Completion Unit - Swabbing		50,000
920-420	Water for Completion		7,500
920-430	Mud & Additives for Completion		
920-440	Cementing - Completion		
920-450	Elec. Logs, Testing, Etc. - Completion		15,000
920-460	Tools & Equip. Rental, Etc. - Completion		50,000
920-470	Stimulation for Completion		100,000
920-480	Supervision & O/H - Completion		12,000
920-490	Additional LOC Charges - Completion		10,000
920-510	Bits, Tools & Supplies - Completion		1,000
920-500	Contingency for Completion		
TOTAL INTANGIBLE DRILLING COSTS		743,500	1,029,000

TANGIBLE EQUIPMENT COSTS:			
930-010	Christmas Tree & Wellhead	3,500	20,000
930-020	Casing 13 3/8" @ 600'	10,000	10,000
	9 5/8" @ 2350'	30,000	30,000
	7" @ 9000'	100,000	100,000
	4.5" @ 12000'		74,000
930-030	Tubing 2 3/8" @ 11800'		33,000
930-040	Packer & Special Equipment		
940-010	Pumping Equipment		
940-020	Storage Facilities		10,000
940-030	Separation Equip., Flowlines, Misc.		35,000
940-040	Trucking & Construction Costs		20,000
TOTAL TANGIBLE EQUIPMENT COSTS		143,500	332,000

TOTAL COSTS	887,000	1,361,000
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IT IS RECOGNIZED THAT THE AMOUNTS PROVIDED FOR HEREIN ARE ESTIMATED ONLY AND APPROVAL OF THIS AFE SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATIONS SPECIFIED WHETHER MORE OR LESS THAN HEREIN SET OUT.

Prepared By	JR Cory Frederick	Operations Approval	
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YATES PETROLEUM CORPORATION	69.939733%
BY <i>[Signature]</i> DATE	

YATES DRILLING COMPANY	9.991391%
BY <i>[Signature]</i> DATE	

ABO PETROLEUM CORPORATION	9.991391%
BY <i>[Signature]</i>	

MYCO INDUSTRIES, INC.	9.991391%
BY <i>[Signature]</i>	

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12912 Exhibit No. 5
Submitted by:
YATES PETROLEUM CORPORATION
Hearing Date: August 22, 2002

AFE #02-313-0
AFE Date: August 19, 2002
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