

Permian Resources, Inc
Chambers No. 1 Well / Lease

Cost Basis for Penalty Associated with Re-Establishing Wolfcamp Production

Actual Workover Expense

	Dec-02	\$39,171.00
	Jan-02	\$184.00
Total		\$39,355.00

200.00% Penalty Amount	<u>\$78,710.00</u>
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Workover Expense to Recoup	\$118,065.00
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Estimated Net Salvage Value Less Plugging Cost

Salvage	\$56,757.15
Less Plugging	<u>\$24,650.00</u>
Net Salvage	\$32,107.15

Net Salvage Value to Recoup	\$32,107.15
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<u>Total Amount to Recoup</u>	<u>\$150,172.15</u>
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Salvage Less Plugging Cost Basis

as of 12/1/01 prior to Workover to PB to Wolfcamp

Salvage Value

<u>Description</u>	<u>Quantity</u>	<u>Units</u>	<u>Value Each</u>	<u>Total Value</u>
American D-456-F-21 BPU	1	Each	\$22,800.00	\$22,800.00
40 Hp GE Electric Motor w/ Size 2 Panel	1	Each	\$350.00	\$350.00
4-1/2" x 8-5/8" Wellhead	1	Each	\$500.00	\$500.00
2-3/8" x 4-1/2" Tubinghead	1	Each	\$200.00	\$200.00
2-3/8" Pumping Tee w/ Valves	1	Each	\$75.00	\$75.00
1-1/2" x 26' PR w/ 1-3/4" x 16' PRL	1	Each	\$125.00	\$125.00
1" Fiberflex Fiberglass Sucker Rods	124	Rods	\$42.00	\$5,208.00
7/8" Grade D Steel Sucker Rods	123	Rods	\$25.00	\$3,075.00
2" x 1-1/2" x 30' RHBC SBC Pump	1	Each	\$750.00	\$750.00
2-3/8" Nu-Lock N-80 Tubing (243 jts)	7533	Feet	\$1.50	\$11,299.50
2-3/8" 8rd N-80 Tubing (19 jts)	589	Feet	\$1.85	\$1,089.65
2-3/8" x 4' Perforated Sub	1	Each	\$65.00	\$65.00
2-3/8" SN	1	Each	\$25.00	\$25.00
2-3/8" 8rd x Nu-Lock X-over	2	Each	\$25.00	\$50.00
2-3/8" x 4-1/2" TAC	1	Each	\$225.00	\$225.00
4-1/2", 11.6 #/ft, N-80 Casing	4160	Feet	\$2.00	\$8,320.00
Natco 4' x 24' Heater Treater	1	Each	\$1,850.00	\$1,850.00
Sivals 30" x 6' 2 Phase 150# Separator	1	Each	\$750.00	\$750.00
Total Estimated Salvage Value				\$56,757.15

Plugging Costs

PRI Pulling Unit	4	Days	\$1,620.00	\$6,480.00
PRI Supervisor	4	Days	\$250.00	\$1,000.00
Wireline CIBP's	1	Each	\$3,500.00	\$3,500.00
Wireline Cut Csg & Squeeze Holes	1	Each	\$1,100.00	\$1,100.00
Cementer	3	Days	\$950.00	\$2,850.00
Cementer Mileage	300	miles	\$2.25	\$675.00
Cement	400	sx	\$8.55	\$3,420.00
Water & Transport	3	Days	\$500.00	\$1,500.00
Casing Tools	3	Days	\$450.00	\$1,350.00
Cat Walk & Pipe Racks	3	Days	\$200.00	\$600.00
Trucking Rods, Tubing & Casing	4	Each	\$250.00	\$1,000.00
Forklift	1	Each	\$250.00	\$250.00
Dirt Work Pits & Restore Location	1	Each	\$650.00	\$650.00
Welder & PA Marker	1	Each	\$275.00	\$275.00
Total Estimated Plugging Cost				\$24,650.00

Net Salvage Value Less Plugging Cost

\$32,107.15

Permian Resources, Inc.
 NMOCD Case #12954
 October 24, 2002
 Exhibit No. _____

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