



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

AUTHORITY FOR EXPENDITURE
NEW DRILLING

AFE NO. 92-451-0
AFE DATE 10/30/92

Objective		Type of Well	
<input type="checkbox"/>	Oil	<input checked="" type="checkbox"/>	Development
<input checked="" type="checkbox"/>	Gas	<input type="checkbox"/>	Exploratory

AFE STATUS:

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

LEASE NAME	Tamarack QF State Com #3	PROJ'D DEPTH	4300'
COUNTY	Chaves	STATE	New Mexico
LEGAL DESC.	1650 FNL & 660' FWL	LOCATION	Sec. 32-6S-26E
FIELD		HORIZON	Abo
DIVISION CODE	100	DIVISION NAME	Oil & Gas Division
DISTRICT CODE		DISTRICT NAME	
BRANCH CODE		BRANCH NAME	

INTANGIBLE DRILLING COSTS:

		DRY HOLE	COMPD WELL
920-100	Staking, Permit & Legal Fees	1,100	1,100
920-110	Location, Right-of-Way	9,600	9,600
920-120	Drilling, Footage	60,200	60,200
920-130	Drilling, Daywork	16,800	16,800
920-140	Drilling Water, Fasline Rental	9,500	9,500
920-150	Drilling Mud & Additives	15,000	15,000
920-160	Mud Logging Unit, Sample Bags	100	100
920-170	Cementing - Surface Casing	15,000	15,000
920-180	Drill Stem Testing, OHT	-	-
920-190	Electric Logs & Tape Copies	7,000	7,000
920-200	Tools & Equip. Rntl., Trkg. & Welding	2,100	2,100
920-210	Supervision & Overhead	6,500	6,500
920-220	Contingency	12,000	12,000
920-230	Coring, Tools & Service	-	-
920-240	Bits, Tool & Supplies Purchase	-	-
920-350	Cementing - Production Casing	-	8,400
920-410	Completion Unit - Swabbing	-	5,000
920-420	Water for Completion	-	2,400
920-430	Mud & Additives for Completion	-	1,200
920-440	Cementing - Completion	-	2,500
920-450	Elec. Logs, Testing, Etc. - Completion	-	2,500
920-460	Tools & Equip. Rental, Etc. - Completion	-	4,000
920-470	Stimulation for Completion	-	20,600
920-480	Supervision & O/H - Completion	-	1,500
920-490	Additional LOC Charges - Completion	-	1,000
920-510	Bits, Tools & Supplies - Completion	-	-
920-500	Contingency for Completion	-	6,500
TOTAL INTANGIBLE DRILLING COSTS		154,900	210,500

TANGIBLE EQUIPMENT COSTS:

930-010	Christmas Tree & Wellhead	1,000	3,700
930-020	Casing 13-3/8" @ 700'	16,100	16,100
	8-5/8" @ 1450'	13,400	13,400
	4-1/2" @ 4300'	-	16,400
930-030	Tubing 2-3/8" @ 4100'	-	8,600
930-040	Packer & Special Equipment	-	-
930-050	Contingency	-	2,500
940-010	Pumping Equipment	-	-
940-020	Storage Facilities	-	5,200
940-030	Separation Equip., Flowlines, Misc.	-	11,900
940-040	Trucking & Construction Costs	-	4,900
TOTAL TANGIBLE EQUIPMENT COSTS		30,500	82,700

TOTAL COSTS

APPROVAL OF THIS AFE COSTITUTES APPROVAL OF THE OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM THE OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE.

Prepared By	<i>[Signature]</i>	Operations Approval	<i>[Signature]</i>
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OWNER		SHARE
BY	DATE	
BY	DATE	
BY		
BY		

EXHIBIT D