



AUTHORITY FOR EXPENDITURE
NEW DRILLING

AFE NO. 92-105-0
AFE DATE 3-19-92

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

Objective
☒ Oil
☐ Gas

Type of Well
☐ Development
☒ Exploratory

AFE STATUS:

☒ Original
☐ Revised
☐ Final

LEASE NAME	Binger AKU #1	PROJ'D DEPTH	8300'
COUNTY	Eddy	STATE	New Mexico
LEGAL DESC.	Sec. 29-T19S-R25E	LOCATION	660/N 1980/E
FIELD	Dagger Draw	HORIZON	Canyon
DIVISION CODE	100	DIVISION NAME	Oil & Gas Division
DISTRICT CODE		DISTRICT NAME	
BRANCH CODE		BRANCH NAME	

INTANGIBLE DRILLING COSTS:

		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees	1000	1000
920-110	Location, Right-of-Way	15000	15000
920-120	Drilling, Footage 8300' @ \$15.75/ft	130725	130725
920-130	Drilling, Daywork 3 days @ \$4500/day	13500	13500
920-140	Drilling Water, Fasline Rental	20000	20000
920-150	Drilling Mud & Additives	12000	12000
920-160	Mud Logging Unit, Sample Bags	4500	4500
920-170	Cementing - Surface Casing	25000	25000
920-180	Drill Stem Testing, OHT	10000	10000
920-190	Electric Logs & Tape Copies	9000	9000
920-200	Tools & Equip. Rntl., Trkg. & Welding	4000	4000
920-210	Supervision & Overhead	8500	8500
920-220	Contingency	-	-
920-230	Coring, Tools & Service	-	-
920-240	Bits, Tool & Supplies Purchase	500	500
920-350	Cementing - Production Casing	-	28000
920-410	Completion Unit - Swabbing	-	7000
920-420	Water for Completion	-	1500
920-430	Mud & Additives for Completion	-	500
920-440	Cementing - Completion	-	3000
920-450	Elec. Logs, Testing, Etc. - Completion	-	9000
920-460	Tools & Equip. Rental, Etc. - Completion	-	10000
920-470	Stimulation for Completion	-	30000
920-480	Supervision & O/H - Completion	-	3000
920-490	Additional LOC Charges - Completion	-	1500
920-510	Bits, Tools & Supplies - Completion	-	-
920-500	Contingency for Completion	-	-
TOTAL INTANGIBLE DRILLING COSTS		253725	347225

TANGIBLE EQUIPMENT COSTS:

930-010	Christmas Tree & Wellhead	1600	9500
930-020	Casing 9-5/8" @ 1150' 7" @ 8300'	15000	15000
930-030	Tubing 2-7/8" @ 8100'	-	77000
930-040	Packer & Special Equipment	-	23200
930-500	Contingency	-	-
940-010	Pumping Equipment	-	75000
940-020	Storage Facilities	-	15000
940-030	Separation Equip., Flowlines, Misc.	-	10000
940-040	Trucking & Construction Costs	-	10000
TOTAL TANGIBLE EQUIPMENT COSTS		16600	234700
TOTAL COSTS		270325	581925

APPROVAL OF THIS AFE CONSTITUTES 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	Operations Approval
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OWNER

SHARE

YATES PETROLEUM CORPORATION	DATE 4-10-92
ABO PETROLEUM CORPORATION	DATE 4-10-92
YATES DRILLING COMPANY	DATE 4-10-92
MYCO INDUSTRIES, INC.	DATE 4-10-92

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