

**Nearburg Producing Company**

Exploration and Production

Dallas, Texas

*Estimated Costs*  
*S. Will*

**AUTHORITY FOR EXPENDITURE**

Well: B & B WELL NUMBER: 2 PROPOSED TOTAL DEPTH: 9,500'  
 LOCATION: 2,173' FEL, 660' FSL, Section 22, T19S, R25E, Eddy County, New Mexico  
 FIELD: Cemetary Morrow PROSPECT: EXPLORATORY, DEVELOPMENT, WORKOVER: E  
 DESCRIPTION OF WORK: Drill and complete as a Morrow gas producer

DATE PREPARED: 5/11/94 EST. SPUD DATE: 8/10/94 EST. COMPLETION DATE: 9/20/94  
 ACCOUNTING WELL NUMBER:  
 COMMUNICATIONS ACCOUNT NUMBER:

<b>INTANGIBLE COSTS:</b>	<b>CODE</b>	<b>TO CSG PT</b>	<b>CODE</b>	<b>COMPLETION</b>	<b>TOTAL WELL</b>
Drilling Footage 9,500 Ft @ 16.00 \$/Ft	1514.101	152,000	NA		152,000
Drilling Daywork D/C\$/day 3 2 4400	1514.105	13,200	1515.105	8,800	22,000
Drilling Turnkey	1514.110		1515.110		0
Rig Mobilization and Demobilization	1514.115		1515.115		0
Road & Location Expense	1514.120	15,000	1515.120	1,000	16,000
Damages	1514.125	5,000	1515.125		5,000
Directional Drilling - Tools and Service	1514.130		1515.130		0
Drilling Fluids	1514.135	20,000	NA		20,000
Fuel, Power, and Water	1514.140	10,000	1515.140	1,500	11,500
Supplies - Bits	1514.145		1515.145	750	750
Supplies - Casing Equipment	1514.150	3,000	1515.150	3,000	6,000
Supplies - Liner Equipment	1514.155		1515.155		0
Supplies - Miscellaneous	1514.160	500	1515.160	500	1,000
Cement and Cmt. Services - Surface Csg	1514.165	8,000	NA		8,000
Cement and Cmt. Services - Int. Csg	1514.170	17,500	NA		17,500
Cement and Cmt. Services - Prod. Csg	NA		1515.172	25,000	25,000
Cement and Cmt. Services - Other	1514.175		1515.175		0
Rental - Drilling Tools and Equipment	1514.180	7,500	1515.180		7,500
Rental - Miscellaneous	1514.185	1,500	1515.185	2,000	3,500
Testing - Drill Stem / Production	1514.195	9,000	1515.195	3,000	12,000
Open Hole Logging	1514.200	25,000	NA		25,000
Mudlogging Services	1514.210	9,000	NA		9,000
Special Services	1514.190		1515.190		0
Plug and Abandon	1514.215	12,000	1515.215	(12,000)	0
Pulling and/or Swabbing Unit	NA		1515.217	7,500	7,500
Reverse Equipment	NA		1515.219		0
Wireline Services	1514.205		1515.205	15,000	15,000
Stimulation	NA		1515.221	10,000	10,000
Pump / Vacuum Truck Services	1514.220	1,500	1515.220	1,500	3,000
Transportation	1514.225	2,500	1515.225	3,500	6,000
Tubular Goods - Inspection & Testing	1514.230	1,000	1515.230	7,000	8,000
Unclassified	1514.245		1515.245		0
Telephone and Radio Expense	1514.240	450	1515.240	200	650
Engineer / Geologist	1514.250	3,000	1515.250	1,800	4,800
Company Labor - Field Supervision	1514.255	10,000	1515.255	5,400	15,400
Contract Labor / Roustabout	1514.265	750	1515.265	3,000	3,750
Legal and Professional Services	1514.270	3,000	1515.270	1,500	4,500
Insurance	1514.275	10,000	1515.275		10,000
Overhead	1514.280	6,000	1515.280	1,500	7,500
<b>SUBTOTAL</b>		<b>346,400</b>		<b>91,450</b>	<b>437,850</b>
Contingencies (10%)		34,640		9,145	43,785
<b>ESTIMATED TOTAL INTANGIBLES</b>		<b>381,040</b>		<b>100,595</b>	<b>481,635</b>

BEFORE THE  
 OIL CONSERVATION DIVISION  
 Case No. 11010 Exhibit No. 4  
 Submitted By:  
 Nearburg Exploration Company  
 Hearing Date: June 23, 1994

