



DATE: November 9, 1990

AUTHORITY FOR EXPENDITURE

WELL NAME SHIPP #1-10 AFE NO. PREPARED BY: Les Belinski
DESCRIPTION SE/4 SE/4 SEC. 10 TWP 17S RGE 37E
COUNTY Lea County STATE New Mexico OPERATOR: Grand Production Co.
OBJECTIVE: Drill 11,600' Strawn test, complete if warranted
EXPLORATION ☐ DEVELOPMENT ☒ RECOMPLETION ☐ WORKOVER ☐ SUPPLEMENT ☐

ESTIMATED COST					ACTUAL COST
DRILLING COST - INTANGIBLE	CODE	DRY HOLE-	CODE	PRODUCER-	
Daywork 2 1/4 days @ \$4,000/day	101	9,000	XXXX	XXXXXXXXXX	
Footage 11,600' x 13.00	102	150,800	XXXX	XXXXXXXXXX	
M.I. - R.U. - T.D.	103		XXXX	XXXXXXXXXX	
Cement & Services	104	15,000	XXXX	XXXXXXXXXX	
Mud & Chemicals	105	12,000	XXXX	XXXXXXXXXX	
Bits	106		XXXX	XXXXXXXXXX	
Roads, Location, Damages, & Restor.	107	20,000	XXXX	XXXXXXXXXX	
Fuel & Water	108	12,000	XXXX	XXXXXXXXXX	
Logging - Core - (QST)	109	25,000	XXXX	XXXXXXXXXX	
Testing - Inspection	110	6,000	XXXX	XXXXXXXXXX	
Rental Equipment	111	5,000	XXXX	XXXXXXXXXX	
Rental Tongs & Labor	112		XXXX	XXXXXXXXXX	
Geological - Consultant	113	4,000	XXXX	XXXXXXXXXX	
Engineering - Consultant-Supervision	114	6,000	XXXX	XXXXXXXXXX	
Overhead	115	5,000	XXXX	XXXXXXXXXX	
Other	116	15,000	XXXX	XXXXXXXXXX	
Well Control Insurance	117	15,000	XXXX	XXXXXXXXXX	
Trucking & Hauling	118	8,000			
TOTAL DRILLING INTANGIBLES		307,800			
COMPLETION COSTS - INTANGIBLE					
Completion Unit (Daywork)	XXXX	XXXXXXXXXX	301	6,000	
Labor and expense	XXXX	XXXXXXXXXX	302	2,000	
Cement & Service	XXXX	XXXXXXXXXX	303	15,000	
Downhole Equipment	XXXX	XXXXXXXXXX	304	8,000	
Fuel & Water	XXXX	XXXXXXXXXX	305	2,000	
Logging & Perforating	XXXX	XXXXXXXXXX	306	6,000	
Acid & Fracturing	XXXX	XXXXXXXXXX	307	5,000	
Rental Equipment	XXXX	XXXXXXXXXX	308	3,000	
Rental Tongs & Labor	XXXX	XXXXXXXXXX	309		
Liner Service	XXXX	XXXXXXXXXX	310		
Engineering - Consultant - Supervisin.	XXXX	XXXXXXXXXX	311	4,000	
Overhead	XXXX	XXXXXXXXXX	312	2,000	
Other	XXXX	XXXXXXXXXX	313	7,000	
Trucking & Hauling			314	3,000	
TOTAL COMPLETION INTANGIBLES				63,000	
MATERIALS - TANGIBLES*					
Casing:		<u>DRY HOLE</u>		<u>PRODUCER</u>	
Surface 450 13 3/8 @ 22.22/ft.	201	10,000			
Intermediate 4700 9 5/8 @ 13.83/ft.	202	65,000	402		
Production 11,600 5 1/2 @ 9.00/ft.			403	104,400	
Tubing 11,400 2 7/8 @ 4.60/ft.			404	52,440	
Wellhead & Safety Equipment	202	3,000	405	9,000	
Pumping Unit, Engine & Rods - Labor			406		
Tanks			407	10,000	
Production Equipment			408	12,000	
Line Pipe & Fittings			409	6,000	
Other			410	8,000	
TOTAL TANGIBLES		78,000		201,840	
TOTALS - DRY/PRODUCER		385,800		264,840	
GRAND WELL TOTAL				650,640	

*Cost Subject to Availability

Please indicate Insurance Election: Well Control Insurance for Drilling & Producing Well
Desired. YES NO

Failure to elect will result in your exclusion from Operator's Well Control Coverage pursuant to Exhibit "D" II of the Operating Agreement.

COMPANY: _____

YOUR INTEREST:

APPROVED:

DATE: _____

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
_____ EXHIBIT NO. D
CASE NO. 10157