

AUTHORITY FOR EXPENDITURE

LEASE: Perla WELL #: 1 TOTAL DEPTH: 12,850' PB
LOCATION: 2310' FSL & 1980' FEL, Sec. 19, T-19-S, R-36-E, Lea County, New Mexico
DESCRIPTION OF WORK: Re-enter abandoned well and complete in the Morrow.

DATE PREPARED: 2-12-91 EST. SPUD DATE: 2-25-91 EST. COMPLETION DATE: 3-15-91
AFE NUMBER:

INTANGIBLE COSTS:	CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Drilling Footage	701		751		0
Drilling Daywork	702		752		0
Drilling Turnkey	703		753		0
Bits, Stabilizers, Reamers Etc.	704		754	3,500	3,500
Directional Services	705		755		0
Mud & Chemicals	706		756		0
Fresh Water	707		757	1,000	1,000
Brine	708		758		0
Fuel & Oil	709		759		0
Cement Surface Casing	710		760		0
Cement Intermediate Casing	711		761		0
Cement Production Casing	712		762		0
Cement - Other	713		763	2,200	2,200
Plug and Abandon	714		764		0
Road & Location	715		765	1,100	1,100
Survey	716		766		0
Damages	717		767		0
Open Hole Logging	718		768		0
Testing	719		769		0
Coring & Analysis	720		770		0
Pulling and/or Swabbing Unit	721		771	25,200	25,200
Case Hole Perforate & Wireline	722		772	14,500	14,500
Acidizing and Fracturing	723		773	55,000	55,000
Field Supervision	724		774	8,100	8,100
Mudlogging Unit	725		775		0
Geologist	726		776		0
Engineering	727		777		0
Equipment Rental	728		778	1,500	1,500
Misc Labor	729		779	1,450	1,450
Tubular Inspection and Testing	730		780	1,600	1,600
Roustabout Labor	731		781		0
Supplies	732		782	250	250
Insurance	733		783		0
Overhead	734		784	3,900	3,900
Title Opinion	735		785		0
Legal and Professional	736		786		0
Telephone	737		787	100	100
Hauling and Trucking	738		788	1,000	1,000
Fishing Tools	739		789		0
Mud Engineer	740		790		0
Csg Crew and LD Mach.	741		791		0
Mudlogger	742		792		0
Reverse Unit and Tools	743		793	8,000	8,000
SUBTOTAL		0		128,400	128,400
Contingencies		0		12,840	12,840
ESTIMATED TOTAL INTANGIBLES		0		141,240	141,240

BEFORE EXAMINER MORROW
OIL CONSERVATION DIVISION
NEARBURG EXHIBIT NO. 4
CASE NO. 10251

AUTHORITY FOR EXPENDITURE

LEASE: Perla WELL #: 1 PROPOSED TOTAL DEPTH: 12,850' PB'
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DESCRIPTION OF WORK: Re-enter abandoned well and complete in the Morrow.

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TANGIBLE COSTS:	CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Conductor Casing	201		201		0
Surface Casing	202		202		0
Intermediate Casing	203		203		0
Production Casing	205		205		0
Tubing 11,800' 2-3/8" @ \$3.30/ft.	206		206	38,940	38,940
Floods	207		207		0
Pumping Unit	208		208		0
Tanks	209		209	3,000	3,000
Separators & Heater Treat.	210		210	5,000	5,000
Well Head - Csg	211		211	1,500	1,500
Flow Lines	212		212	1,500	1,500
Valves, Fittings & Connections	213		213	2,500	2,500
Packer	214		214	5,000	5,000
Subsurface Pump	215		215		0
Gas Meter	216		216	3,000	3,000
Artificial Lift Equipment	217		217		0
Compressor	218		218		0
Production Unit	219		219	10,000	10,000
Installation Costs	225		225		0
Lact Unit	226		226		0
Vapor Recovery Unit	227		227		0
Well Head - Tbg	221		221	10,000	10,000
Elect. Installation	229		229		0
ESTIMATED TOTAL TANGIBLES		0		80,440	80,440
ESTIMATED TOTAL WELL COSTS		0		221,680	221,680

APPROVAL OF THIS AFE CONSTITUTES APPROVAL OF THE OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT W TUBULAR GOODS FROM OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE, OR LESS, UNLESS THE N OPERATOR GIVES NOTIFICATION ON THIS FORM OF HIS INTENT TO FURNISH HIS PROPORTIONATE SHARE IN KIND. T AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	BY	DATE
LAND:		2-13-91
DRLG / PROD:		2/13/91
ENGINEERING:		2/14/91
EXECUTIVE:		

WI APPROVAL: COMPANY _____
BY _____
TITLE _____
DATE _____