

**AUTHORITY FOR EXPENDITURE**  
**DRILLING WELL — TXO AND OUTSIDE OPERATED**Date 8-10-88DISTRICT West Texas WELL NAME Norris "B" WELL NO. #1  
OPERATED BY TXO Production Corp. Sec 13 LOCATION T17S R37E, 1310 ESL 660 FEL DEPTH 11900'  
FIELD Strawn (atoka) COUNTY Lea STATE New Mexico  
PREPARED BY Gary Travis SUBMITTED BY DALLAS DISTRICT \_\_\_\_\_

EXPENDITURE DESCRIPTION	QUANTITY	DESCRIPTION	EST. COST
<b>DRILLING</b>	<b>4700'</b>	<b>8 5/8" 24# &amp; 28# K-55 &amp; S-80</b>	
Surface & Intermediate Casing	400'	11 3/4" H-40 ST&C inspec/trkg	66000
Casinghead		csghd, spool, slips, assmy test	7000
Location Work		cellar, svy, stake, loc, roads, dmgs	25000
Footage/Turnkey Drilling	11900'	approx \$13.60/ft	161,840
Daywork Drilling	2 Days	\$3.850/Day	7700
Rig Support		rat & mouse hole & cond pipe	3000
Bits			
Supervision	38 Days	professional services	13350
Drilling Overhead			6000
Mud & Chemicals		mud, chem, water, trucking	26000
Cementing Services & Supplies	500/1700sx	cmtg, centr, float, equip, supplies	22000
Testing & Logging		OH logs, mud logger, temp log	22000
Rentals		btm hole tools & IBS, BOP frklft, spools, mdclener	15000
Other IDC		csq crew, pit lining, welder	5000
Other Equipment		labor & trucking	5000
Legal		permits & legal	5000
Non-Operated Intangible Drilling		tax	5000
<b>TOTAL DRILLING</b>			<b>394890</b>
<b>COMPLETION</b>			
Production Casing	11900'	5 1/2" 17#, LT & C csq	115500
Tubing	11850'	2 7/8" 6.5# N-80 EUE, inspec/trkg	53700
Wellhead Equipment		fittings, upper run, slips, spool, vlvs	12000
Subsurface Equipment		subs, pkr, SN	4000
Supervision	6 Days	professional services	1800
Mud & Chemicals		KCL wtr, chem & trkg	1200
Testing, Logging & Perforating		temp log, GR/CCL, perforating	4200
Stimulation	4250 gal	acid job, spot & ballout	5200
Completion Overhead			
Rentals		BOP, forklift, TT, pkr, racks, ect	3000
Service Rig	5 Days	workover unit, crew, swb cups, OSF	6000
Cementing Services & Supplies	600 sx	cmt, centr, floats & supplies	10000
Other Completion IDC		wldr, csq crew, trkg, fence, anchr, labr, cleanup	10000
Non-Operated Intangible Completion		tax	13900
<b>TOTAL COMPLETION</b>			<b>240500</b>
<b>PRODUCTION EQUIPMENT</b>			
Pumping Unit/Submersible Pump			
Engine & Motor			
Rods			
Flow Lines		line pipe, valves & fittings	11000
Meters		meter & meter run, welder	3000
Installation/Overhead		labor & trucking	12000
Storage		2/400 BBL, 1 FG wtr tank, roll line	16000
Separation & Treating		HT, pad & dump valves	18000
Other Equipment		coating, supplies, circ pmp	2500
<b>TOTAL PRODUCTION EQUIPMENT</b>			
<b>TOTAL</b>			<b>697890</b>

OWNER'S NAME AND ADDRESS  
(New Addresses Only)BILLING  
INTEREST  
(7 Decimals)DATE  
APPROVED

APPROVED: (this space for approval only)

TXO PRODUCTION CORP.  
Case Nos. 9455 and 9479  
9/14/88 Examiner Hearing  
Exhibit No. 10Company No. \_\_\_\_\_ AFE Type No. \_\_\_\_\_  
AFE No. \_\_\_\_\_ Property No. \_\_\_\_\_  
Acq. Name/Code: \_\_\_\_\_