

Operator: COLLINS & YARE, INC.
Well: Six Shooter "13" Federal
County: Lea County, New Mexico
T D: 13,900' KB

Location: S/2 of Section 13, T-20-S, R-33-E
Prospect: Big Jake
Objective Zone: Morrow
Completion: Single zone - dry Gas

ITEM		TO CASING POINT	COMPLETION	TOTAL WELL
<i>Intangible Costs</i>				
Location	Survey, etc.	\$800	\$0	\$800
	Archaeological Services	800	0	800
	Damages	3,000	1,000	4,000
	Road, pad & clean-up	30,000	5,000	35,000
Drilling	Footage - 13,900' @ \$23.0/ft.	319,700	0	319,700
	Day work - 7.0/2.5 days @ \$4,800/day	33,600	12,000	45,600
Drilling Fluids	Mud, oil & chemicals (mud-up @ 12,000' KB)	25,000	1,500	26,500
	Brine & Water	25,000	3,500	28,500
Cement	20.00" x 27.5" x 450' (Circulate)	15,300	0	15,300
	9.625" x 17.5"/12.25" x 5300' (2 stage - circulate)	40,200	0	40,200
	5.50" x 8.50" x 8000' (2 stage)	0	23,400	23,400
Services	OH Logs @ 13,900' KB: GR-CN-LD & DLL w/MSFL	22,000	0	22,000
	Testing: 2- Atoka, 1-Morrow, 4 pt., BHP & test unit	12,000	4,500	16,500
	Pulling unit, 8 days	0	11,200	11,200
	CBL Log, depth log, perforate w/ tbg. conveyed gun(s)	0	18,000	18,000
	Yellow jacket, PU-LD, csg. crews, etc.	8,400	6,300	14,700
	5000 gal. 7.5% MS acid treatment	0	10,600	10,600
Hauling	Oil, water, etc.	2,000	1,000	3,000
	Equipment	1,500	1,000	2,500
Rental	Rot. Hd., PVT, H2S, BOP, pipe racks, sep., etc.	6,000	8,000	14,000
	Water storage & test tanks	3,000	1,000	4,000
Supplies	Sample sx., pipe dope, etc.	600	500	1,100
Insurance	Normal, prorated (52/2/8)	2,600	450	3,050
Supervision	Geological & Mud Logger (7-12/2)	23,950	800	24,750
	Engineering (12/2/8)	6,600	5,500	12,100
	Overhead (52/2/8)	10,400	2,000	12,400
Contingencies	Welding, wire line, taxes (6%), misc. tools, etc.	32,930	9,510	42,440
<i>Total Intangibles</i>		\$625,380	\$126,760	\$752,140
<i>Tangible Costs:</i>				
Casing	Surface: 450' of 20.00" @ \$40.00/ft.	18,000	0	18,000
	Intermediate: 5,300' of 9.625" @ \$21.00/ft.	111,300	0	111,300
	Production: 13,900' of 5.50" @ \$9.70/ft.	0	134,400	134,400
Tubing	13900' of 2.375", H-80, ABM @ \$4.50/ft.	0	62,550	62,550
Wellheads	Drilling and completion assembly	9,500	15,000	24,500
Tank Btty.	1 - 210 Bbl. (O) 1 - 210 Bbl. FG (Y)	0	6,000	6,000
Stack pack	Production Unit, safety & casing relief valve, etc.	0	25,000	25,000
Flowline	500' @ \$7/ft. incl. welding, anchors, valves, etc.	0	3,500	3,500
	Labor & dirt work:	0	5,000	5,000
Miscellaneous	Pecker, tools, tax (6%), etc.	8,330	23,040	31,370
<i>Total Tangibles</i>		\$147,130	\$274,490	\$421,620
TOTAL WELL		\$772,510	\$401,250	\$1,173,760

IT IS RECOGNIZED THAT THE AMOUNTS HEREIN ARE ESTIMATES ONLY AND APPROVAL OF THIS AUTHORIZATION SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATIONS SPECIFIED, WHETHER MORE OR LESS THAN THAT SET OUT HEREIN.

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 1991

BEFORE EXAMINER MORROW
OIL CONSERVATION DIVISION

EXHIBIT NO. 3

CASE NO. 10314