

OIL CONSERVATION DIVISION

Inclusion Sam - Analysis
 Com. place
 Salt
 (1)
 Monthly Date

to 2000' 5days 0.16
 to 5200 6days 0.32
 L.T.O. 10 0.53

SERVICE DATE	VENDOR AND SERVICE PERFORMED	AMOUNT	S.A.	Ab	Pre Permian
12/30/83	Runnels Mud. Co.-Prepay Mud ✓	6,240.00	998.40	3112.70	2,128.90
12/30/83	Oilfield Construction Co.-Location ✓	1,037.50	166.00	517.54	353.96
12/30/83	Lyman R. Graham - Surface Damage ✓	500.00	155.18	249.42	94.70
12/31/83	Oilfield Construction Co.-Location ✓	2,056.25	141.38	1025.72	389.45
12/31/83	R.R. Patton - Survey Road ✓	470.81	146.78	1234.81	89.22
1/4/84	Comm. Pub. Land-ROW 20-T9S-R27E ✓	2,130.00	1062.51	1062.51	403.49
1/6/84	Hondo Pipe - 8 5/8" 24# Casing ✓	8,943.69	2758.37	4461.39	1693.93
1/31/84	Jim's Water Service-Fresh Water ✓	430.04	68.80	215.02	146.22
2/2/84	Halliburton-Cement 8 5/8" ✓	6,945.86	2165.51	3464.81	3224.54
2/1-2/4/84	Jim's Water Svc.-Fresh Wtr. & Trkg. ✓	860.08	137.61	275.23	447.24
2/2/84	Jim's Water Svc.-Fresh Wtr. & Trkg. ✓	967.62	154.82	309.64	503.16
2/2/84	Jim's Water Svc.-Fresh Wtr. & Trkg. ✓	752.57	120.41	240.82	391.34
2/3-2/4/84	Jim's Water Svc.-Fresh Wtr. & Trkg. ✓	645.06	103.21	206.06	335.79
2/4/84	Roswell Ready Mix-Rods for Cellar ✓	515.74	142.78	257.27	97.68
2/4/84	Troy's Welding-Weld Cattleguard ✓	108.68	22.88	54.21	20.59
2/5/84	Jim's Water Svc.-Brine & Trkg. ✓	282.02	45.12	90.25	146.65
2/5/84	Jim's Water Svc.-Fresh Wtr. & Trkg. ✓	107.51	17.20	34.40	55.91
2/5/84	Jim's Water Svc.-Brine Wtr. & Trkg. ✓	564.04	90.25	180.49	293.30
2/5/84	Jim's Water Svc.-Brine & Fresh Wtr. ✓	671.55	107.45	214.90	349.20
2/5/84	Jim's Water Svc.-Brine Water ✓	282.02	45.12	90.25	146.65
2/7/84	Jim's Water Svc.-Fresh Water ✓	107.51	17.20	34.40	55.91
2/7/84	Big Red Supply-Sample Bags F	32.95	-	-	32.95
2/9/84	Jim's Water Svc.-Fresh Water ✓	107.51	17.20	34.40	55.91
2/11/84	Jim's Water Svc.-Fresh & Brine Wtr. ✓	497.04	79.53	159.05	258.46
2/12/84	Troy's Welding-Cut & weld wellhead	122.26	-	99.10	23.16
2/15/84	Jim's Water Svc.-Fresh Water ✓	107.38	17.20	34.36	55.82
2/17/84	Jim's Water Svc.-Fresh Water ✓	107.51	17.20	34.36	55.95
2/19/84	Jim's Water Svc.-Fresh Water ✓	322.53	51.60	103.21	167.72
2/23/84	Robert Becker-Geologist	1,786.63	-	-	1,786.63
1/31/84	Oilfield Industrial-Line pit ✓	1,530.14	474.34	763.21	292.59
2/12/84	Schlumberger-Logging ✓	20,363.86	9318.61	5340.07	11,705.21
2/13/84	Buckeye, Inc.-Mud slick ?	2,555.52	-	2071.50	484.02
2/16/84	Halliburton-DST 6325-6396	3,039.88	-	-	3039.88

(2)

2,000
5,200
6,415

SERVICE DATE	VENDOR AND SERVICE PERFORMED	AMOUNT	S.A	ALGO	W.C Pet.
2/18/84	Schlumberger-Logging ✓	6,493.62	—	—	6,493.62
2/18/84	Big Red Supply-Casinghead & Etc.	1,090.27	—	883.77	206.50
2/18/84	Associated Pipe-5½" 15.5# Casing ✓	29,120.80	—	23,605.32	5515.48
2/19/84	Troy's Welding-Final Csg.Cutoff	108.68	—	88.10	20.58
2/19/84	Halliburton-Cement 5½" Csg. ✓	9,000.20	—	—	900.20
2/20/84	Hondo Pipe-Forklift 5½"	224.37	—	181.87	42.50
2/12-2/20/84	Sonny Longo-Drlg. Consultant	1,918.00	—	—	1918
2/21/84	Desert Drilling-Footage & Daywork ✓	114,005.07	19,242.81	54,002.40	60,002.67
3/10/84	Mimco Pipe-6,304ft. 2 3/8Tbg. ✓	11,675.61	—	9,464.25	2211.36
3/10/84	Buckeye, Inc.-Return mud slick	(1,983.23)	—	(1607.61)	(375.62)
3/10-3/31/84	Mack Chase - Completion Rig	23,971.44	—	8091.51	15,879.93
3/12/84	Hondo Pipe-Wellhead fittings ✓	2,067.57	—	1675.95	391.65
3/12/84	Hondo Pipe-Tbchd & Subs ✓	2,088.77	—	1693.16	395.61
3/12/84	Hondo Pipe-Flow Tee & Swage	187.10	—	187.10	—
3/12/84	Troy's Welding-Cut & Weld Csg.	176.60	—	176.60	—
3/14/84	Jim's Water Svc.-Fresh & KCL	437.15	—	—	437.15
3/14/84	Halliburton-Acid @ 6190'-6207'	1,562.24	—	—	1,562.24
3/14/84	Halliburton-Acid & N ₂ @ 6190-6207'	1,835.68	—	—	1,835.68
3/14/84	Maypole Packers-5½" Rental Packer	1,219.73	—	—	1219.73
3/16/84	Halliburton-Acid & N ₂ @ 6163-6170'	1,499.68	—	—	1,499.68
3/16/84	Halliburton-Acid & N ₂ @ 6163-6170'	1,855.64	—	—	1,855.64
3/16/84	Jim's Water Svc.-Fresh & KCL	628.94	—	—	628.94
3/16/84	Jim's Water Svc.-Fresh & KCL	2,830.74	—	—	2,830.74
3/16/84	Hondo Pipe-Return Sub. & Collar	(277.22)	—	(224.71)	(52.57)
3/17/84	Halliburton-Deep Frac	18,902.18	—	—	18,902.18
3/19/84	B&R Lease Svc.-Fence pit ✓	158.15	49.31	78.89	—
3/21/84	Halliburton-Acid & N ₂ @ 5414-5429'	1,470.22	—	—	1470.22
3/21/84	Halliburton-Acid & N ₂ @ 5414-5429'	3,403.53	—	—	3,403.53
3/22/84	T&CTank-Install Anchors	462.45	—	374.86	87.59
3/24/84	Jim's Water Svc.-Fresh & KCL	2,801.51	—	2801.51	—
3/24/84	Maypole - 5½" Rental Packer	903.71	—	903.71	—
3/26/84	Bell Pet. Survey-Survey for leak	3,291.93	—	3291.93	—
3/28/84	Jim's Water Svc.-Fresh & KCL	731.18	—	731.18	—

(3)

DATE	VENDOR AND SERVICE PERFORMED	AMOUNT
8/84	Halliburton-Acidize & N ₂ Abo	1,675.84
8/84	Halliburton-Acidize & N ₂ Abo	3,291.47
9/84	Jim's Water Service-Tank Rent	46.74
9/84	Halliburton-Frac Abo	13,779.82
9-3/30/84	Jim's Water Svc.-Tank Rent	46.69
1/84	Completion Rentals-BOP Rental	605.80
10/84	B&R Lease-load tbq & csg	169.84
11/84	Jim McWilliams-Drilling Consultant	5,435.35
12/84	Jones & Gallegos-Lawsuit	438.50
1/84	Jones & Gallegos-Lawsuit	66.00
2/84	Jones & Gallegos - Lawsuit	33.81
3/84	Valley Construction-final cleanup	640.00
4/84	Double Anchor -Repair Road	624.00
5/84	Welborn Fuffard-Lawsuit	221.00
6/84	T.K. Campbell-Grynberg vs. M	701.67
7/84	T.K. Campbell-Grynberg vs. M	216.97
8/84	T.K. Campbell-Grynberg vs. M	1,500.00
9/84	Dennis Wright Ins.-Insurance	522.50
10/84	Engineering Charge-Grynberg	600.00
	Overhead	3,764.31
	2 3/8" Tbg. Credited	(2,121.09)
	5 1/2" Casing credited	(356.57)
		340,956.72

S.A

—	16,775.84	—
—	32,914.77	—
—	46.74	—
—	13,779.82	—
—	46.69	—
—	605.80	—
—	169.84	—
—	23,294.44	3,105.91
—	355.45	83.05
—	53.50	12.50
—	27.40	6.41
199.53	320.—	121.22
194.54	312.—	118.19
—	179.14	41.86
—	568.77	132.90
—	175.88	41.09
—	1215.90	284.10
162.50	260.64	99.37
—	486.36	113.64
556.88	25,900.68	
602.29	1204.58	
—	(1719.36)	(401.73)
—	(288.82)	(67.75)
40,910.96	156,458.47	143,587.29

$$S.A = 40,910.96 \times 1.0 = 40,910.96$$

$$Abo = 156,458.47 \times 0.25 = 39,114.62$$

$$Pro Per = 143,587.29 \times 0.625 = 89,742.06$$

COST ALLOCATION
1-20, T9S-R27E
Chaves County, New Mexico
(Based on Commission Order R-7343) June 19, 1986
Pre-Permian

SERVICE DATE	VENDOR AND SERVICE PERFORMED	AMOUNT	COST	REMARKS
2/30/83	*Runnels Mud. Co.-Prepay Mud	6,240.00	3,284.21	
2/30/83	Oilfield Constr. Co.-Location	1,037.50		
2/30/83	Lyman R. Graham - Surface Damage	500.00		
2/31/83	Oilfield Constr. Co. - Location	2,056.25		
2/31/83	R.R. Patton - Survey Road	470.81		
2/4/84	Comm.Pub. Land-ROW 20,T9S-R27E	2,130.00		
2/6/84	Hondo Pipe- 8 5/8" 24# Casing	8,943.69		
2/31/84	*Jim's Wtr.Svc.-Fresh Water	430.04	226.34	
2/2/84	Halliburton-Cement 8 5/8"	6,945.86		
2/1-2/4/84	*Jim's Wtr. Svc.-Fresh Wtr. & Trkg.	860.08	452.67	
2/2/84	*Jim's Wtr.Svc.-Fresh Wtr. & Trkg.	967.62	509.27	
2/2/84	*Jim's Wtr.Svc.-Fresh Wtr. & Trkg.	752.57	396.09	
2/3-2/4/84	*Jim's Wtr. Svc.-Fres Wtr. & Trkg.	645.06	339.51	
2/4/84	Roswell Ready Mix-Rods for Cellar	515.74		
2/4/84	Troy's Welding-Weld Cattleguard	108.68		
2/5/84	*Jim's Wtr. Svc.-Brine & Trkg.	282.02	148.43	
2/5/84	*Jim's Wtr.Svc.-Fresh Wtr. & Trkg.	107.51	56.58	
2/5/84	*Jim's wtr.Svc.-Brine Wtr. & Trkg.	564.04	296.86	
2/5/84	*Jim's Wtr. Svc.-Brine & Fresh Wtr.	671.55	353.45	
2/5/84	*Jim's Wtr. Svc.-Brine Water	282.02	148.43	
2/7/84	*Jim's Wtr. Svc.-Fressh Water	107.51	56.58	
2/7/84	Big Red Supply-Sampe Bags	32.95	32.95	
2/9/84	*Jim's Wtr. Svc.-Fresh Water	107.51	56.58	
2/11/84	*Jim's Wtr. Svc.-Fresh & Brine Wtr.	497.04	263.43	
2/12/84	Troy's Welding-Cut & Weld Wellhead	122.26		
2/15/84	*Jim's Wtr. Svc.-Fresh Water	107.38	56.91	
2/17/84	*Jim's Wtr. Svc.-Fresh Water	107.51	56.98	
2/19/84	*Jim's Wtr. Svc.-Fresh Water	322.53	169.75	
2/23/84	Robert Becker-Geologist	1,786.63	1,786.63	
2/31/84	Oilfield Industrial-Line pit	1,530.14		
2/12/84	Schlumberger-Logging	20,363.86	9,658.62	Depth charge
2/13/84	Buckeye, Inc.-Mud slick	2,555.52		
2/16/84	Halliburton-DST 6325-6396	3,039.88	3,039.88	

SERVICE DATE	VENDOR AND SERVICE PERFORMED	AMOUNT	Pre Permian COST	REMARKS
1/18/84	Schlumberger-Logging	6,493.62	6,493.62	Run #2
1/18/84	Big Red Supply-Casinghead & Etc.	1,090.27		
1/18/84	Associated Pipe-5½" 15.5# Casing	29,120.80		
1/19/84	Troy's Welding-Final Csg. Cutoff	108.68		
2/19/84	Halliburton-Cement 5½" Csg.	9,000.20	3,451.74	Proportional cost for Pre-Permian Section
2/20/84	Hondo Pipe-Forklift 5½"	224.37		
2/12-2/20/84	Sonny Longo-Drlg. Consultant	1,918.00	1,918.00	
2/21/84	*Desert Drilling-Footage & Daywork	114,005.07	60,002.67	
3/10/84	Mimco Pipe-6,340 ft. 2 3/8 Tbg.	11,675.61		
3/10/84	Buckeye, Inc.-Return mud slick	(1,983.23)		
3/10-3/31/84	Mack Chase - Completion Rig	23,971.44	15,879.93	
3/12/84	Hondo Pipe-Wellhead fittings	2,067.57		
3/12/84	Hondo Pipe-Tbghd & Subs	2,088.77		
3/12/84	Hondo Pipe-Flow Tee & Swage	187.10		
3/12/84	Troy's Welding-Cut & Weld Csg.	176.60		
3/14/84	Jim's Wtr. Svc.-Fresh & KCL	437.15	437.15	
3/14/84	Halliburton-Acid @ 6190'-6207'	1,562.24	1,562.24	
3/14/84	Halliburton-Acid & N2 @ 6190-6207'	1,835.68	1,835.68	
3/14/84	Maypole Packers-5½" Rental Packer	1,219.73	1,219.73	
3/16/84	Halliburton-Acid & N2 @ 6163-6170'	1,499.68	1,499.68	
3/16/84	Halliburton-Acid & N2 @ 6163-6170'	1,855.64	1,855.64	
3/16/84	Jim's Wtr. Svc. -Fresh & KCL	628.94	628.94	
3/16/84	Jim's Wtr. Svc.-Fresh & KCL	2,830.74	2,830.74	
3/16/84	Hondo Pipe-Return Sub. & Collar	(277.22)	2,830.74	
3/17/84	Halliburton- Deep Frac	18,902.18	18,902.18	
3/19/84	B&R Lease Svc.-Fence pit	158.15		
3/21/84	Halliburton-Acid & N2 @ 5414-5429'	1,470.22	1,470.22	
3/21/84	Halliburton-Acid & N2 @ 5414-5429'	3,403.53	3,403.53	
3/22/84	T & C Tank-Install Anchors	462.45		
3/24/84	Jim's Wtr. Svc. -Fresh & KCL	2,801.51		
3/24/84	Maypole - 5½" Rental Packer	903.71		
3/26/84	Bell Pet. Survey-Survey for leak	3,291.93		
3/28/84	Jim's Wtr. Svc.-Fresh & KCL	731.18		

SERVICE DATE	VENDOR AND SER. LE PERFORMED	AMOUNT	COST	REMARKS
3/28/84	Halliburton-Acidize & N ₂ Abo	1,675.84		
3/28/84	Halliburton-Acidize & N ₂ Abo	3,291.47		
3/29/84	Jim's Water Service-Tank Rent	46.74		
3/29/84	Halliburton-Frac Abo	13,779.82		
3/29-3/30/84	Jim's Wtr. Svc.-Tank Rent	46.69		
3/31/84	Completion Rentals-BOP Rental	605.80		
3/30/84	B & R Lease-load tbq. & csq.	169.84		
4/4/84	Jim McWilliams-Drilling Consultant	5,435.35	2,989.44	llout of 20 days completing Pre-Perm:
4/25/84	Jones & Gallegos-Lawsuit	438.50		
5/25/84	Jones & Gallegos-Lawsuit	66.00		
6/25/84	Jones & Gallegos - Lawsuit	33.81		
6/30/84	Valley Construction-Final cleanup	640.00		
7/10/84	Double Anchor - Repair Road	624.00		
10/31/84	Welborn Fuffard-Lawsuit	221.00		
1/10/84	T. K. Campbell-Grynberg vs. M	701.67		
3/12/84	T. K. Campbell-Grynberg vs. M	216.97		
10/17/84	T. K. Campbell-Grynberg vs. M	1,500.00		
	Dennis Wright Insurance - Insurance	522.50		
	Engineering Charge-Grynberg	600.00		
	Overhead	3,764.31		
	2 3/8" Tbg. Credited	(2,121.09)		
	5 1/2" Casing credited	(356.57)		
	TOTAL	\$340,956.72	\$147,771.28	

*Pre-Permian charges based on actual days drilled from 5340' to 5415'. 10 days over total drilling of 19 days. (0.53).

Well cost less Pre-Permian direct expenses =
= 340,956.72 - 147,771.28 = \$193,185.44

Abo cost = 193,185.44 x 0.8189 = \$158,199.56

Indirect Pre-Permian cost = 193,185.44 x 0.1811 = \$34,985.88

Total Pre-Permian Cost = 147,771.28 + 34,985.88 = \$182,757.16