

AUTHORITY FOR EXPENDITURE (AFE) COST ESTIMATE

Type Project (check 1 only)

- Exploratory Recompletion (Zone Change Only) Disposal
 Development Plug and Abandon (Previously Producing Well) Depth 14,700
 Injection Water Supply

47
Completion Costs

Form B-2 <input type="checkbox"/> Add <input type="checkbox"/> Change <input type="checkbox"/> Delete AFE Number _____ Property/Well Name <u>Erwin #1</u> Project Description <u>Complete</u> Net Working Interest <u>1.00</u>	Group Code _____ Location Code _____ Department Number <u>730</u> County <u>Lea</u> St. <u>NM</u> Operator <u>Mitchell Energy Corp</u>
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Estimated Date Project Will Be Completed _____ (Mo./Yr.)

COMPLETION COSTS

	<u>Amount</u>
<u>INTANGIBLE</u>	
22 Overhead	\$3,000
23 Company Labor and Services	35,000
24 Contract Labor and Services	11,000
25 Air/Marine Transportation	4,000
26 Other Transportation	4,000
27 Plugging and Abandonment	4,000
28 Rig Mobilization and Demobilization	3,000
29 Supervision - Company and/ or Contract	2,000
30 Site Preparation and Clean-up	15,000
31 Subsurface Casing Equipment	
32 Squeeze Cement and Service	
33 Completion Fluids	
34 Pump Truck Services	
35 Rental Tools	
36 Bits and Reamers	
37 Insurance	
38 Wireline Services	
39 Fishing Tools and Services	
*53 Tertiary Injectants	
68 Fencing	500
83 Daywork Contract Fee	15,000
84 Cement and Cement Services - Primary	20,000
85 Acidizing and Fracturing	10,000
*86 Cased Hole Logging and Perforating	15,000
94 Miscellaneous Services and Contingency	7,500
TOTAL INTANGIBLE COSTS	149,000
<u>TANGIBLE</u>	
69 Tubinghead Equipment (Including Valves)	4,500
70 Casing-Production and/or Liner <u>14,700' 20#/ft 5 1/2" N-80</u>	160,800
71 Tubing <u>14,500' 2 7/8" N-80 6 5/8"</u>	62,500
72 Packers and Subsurface Equipment	
73 Production Tree (Including Valves)	
74 Storage Tanks <u>2-400 bbl steel & 1-400 bbl fiberglass</u>	11,000
75 Separating Equipment	
76 Treating Equipment <u>4' x 20' heater treater</u>	7,000
77 Artificial Lift Equipment	110,000
78 Line Pipe	2,000
79 Valves and Fittings Beyond Wellhead	4,000
80 Miscellaneous Equipment	4,200
81 Platform and Structures	
82 Metering Equipment	
87 Pumps	
90 Electrical Equipment	
91 Instrumentation Equipment	
96 Dehydrators and Dryers	
TOTAL TANGIBLE COSTS	366,000
TOTAL COMPLETION COSTS	515,000

* Invalid for disposal and water supply wells.