



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

**AUTHORITY FOR EXPENDITURE**  
NEW DRILLING, RECOMPLETION & RE-ENTRY

AFE Type:

<input checked="" type="checkbox"/>	New Drilling
<input type="checkbox"/>	Recompletion
<input type="checkbox"/>	Re-entry

Well Objective:

<input type="checkbox"/>	Oil
<input checked="" type="checkbox"/>	Gas
<input type="checkbox"/>	Injector

Well Type:

<input checked="" type="checkbox"/>	Development
<input type="checkbox"/>	Exploratory

AFE NO.

AFE DATE

02-480-0
12/26/02

AFEND (rev 6/98)

AFE STATUS:

<input checked="" type="checkbox"/>	Original
<input type="checkbox"/>	Revised
<input type="checkbox"/>	Final
<input type="checkbox"/>	Supplemental

12-30-02

LEASE NAME	Dempster BBP State #1	PROJ'D DEPTH	13,600'
COUNTY	Lea	STATE	New Mexico
FIELD		HORIZON	Mississippian
LOCATION	Section 30, T11S-R36E, 660' S & 1,980' W		

DIVISION CODE	100	DIVISION NAME	Oil & Gas Division
DISTRICT CODE		DISTRICT NAME	
BRANCH CODE		BRANCH NAME	

PROGNOSIS: **New well drilled to 13,600' to test the Morrow and formations below the Morrow.**  
**AFE is for Morrow completion only.**

INTANGIBLE DRILLING COSTS:		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees	6,000	6,000
920-110	Location, Right-of-Way	37,000	37,000
920-120	Drilling, Footage	0	0
920-130	Drilling, Daywork 59 days @ \$7,500/day + \$25K for mob	496,000	496,000
920-140	Drilling Water, Fasline Rental	45,000	45,000
920-150	Drilling Mud & Additives	45,000	45,000
920-160	Mud Logging Unit, Sample Bags	20,000	20,000
920-170	Cementing - Surface Casing	40,000	40,000
920-180	Drill Stem Testing, OHT		
920-190	Electric Logs & Tape Copies	50,000	50,000
920-200	Tools & Equip. Rntl., Trkg. & Welding	47,000	47,000
920-205	Control of Well-Insurance	4,000	4,000
920-210	Supervision & Overhead	47,000	47,000
920-230	Coring, Tools & Service		
920-240	Bits, Tool & Supplies Purchase	40,000	40,000
920-350	Cementing - Production Casing		35,000
920-410	Completion Unit - Swabbing		25,000
920-420	Water for Completion		8,000
920-430	Mud & Additives for Completion		1,000
920-440	Cementing - Completion		0
920-450	Elec. Logs, Testing, Etc. - Completion		20,000
920-460	Tools & Equip. Rental, Etc. - Completion		60,000
920-470	Stimulation for Completion		100,000
920-480	Supervision & O/H - Completion		15,000
920-490	Additional LOC Charges - Completion		2,000
920-510	Bits, Tools & Supplies - Completion		1,000
920-500	Contingency for Completion		
TOTAL INTANGIBLE DRILLING COSTS		877,000	1,144,000

TANGIBLE EQUIPMENT COSTS:

930-010	Christmas Tree & Wellhead	5,000	25,000
930-020	Casing 13 3/8" @ 400'	7,000	7,000
	8 5/8" @ 4,400'	53,000	53,000
	5 1/2" @ 13,600'		131,000
930-030	Tubing 2 7/8" @ 13,400'		50,000
930-040	Packer & Special Equipment		
940-010	Pumping Equipment		
940-020	Storage Facilities		25,000
940-030	Separation Equip., Flowlines, Misc.		45,000
940-040	Trucking & Construction Costs		15,000
TOTAL TANGIBLE EQUIPMENT COSTS		65,000	351,000

TOTAL COSTS	942,000	1,495,000
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IT IS RECOGNIZED THAT THE AMOUNTS PROVIDED FOR HEREIN ARE ESTIMATED ONLY AND API TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATIONS SPECIFIED WHETHER MC

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 12984 Exhibit No. 5

Submitted by:

YATES PETROLEUM CORPORATION

Hearing Date: February 6, 2003

RB

Prepared By	Jeremiah Mullen	Operations Approval	
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YATES PETROLEUM CORPORATION	
BY	DATE 1-24-03

YATES DRILLING COMPANY	
BY	DATE 1-24-03

ABO PETROLEUM CORPORATION	
BY	DATE 1-24-03

MYCO INDUSTRIES, INC.	
BY	DATE 1-24-03

70.00%

10.00%

10.00%

10.00%