

NEUBOURNE OIL COMPANY
Authorization for Expenditure

Prospect Red Lake Well Name & No. _____
 Field _____ Location 710' FNL & 660' FEL
 Section 21 Block _____ Township 18S Range 27E Survey _____
 County Eddy State New Mexico Proposed Depth 9900'
 Starting Date _____ Drilling Contractor _____

DESCRIPTION		COST TO CASING POINT AFE NO. 89-D-7	COMPLETION COST AFE NO. 89-C-7
<u>INTANGIBLE COST 100</u>			
00	Permits, Surveys & Damages	\$ 3,000.	\$ 1,000.
01	Location & Roads	30,000.	2,000.
02	Footage or Turnkey Drilling	138,600.	
03	Day Work	22,500.	
04	Fuel, Water & Other	15,000.	2,000.
05	Completion/Workover Rig		9,600.
06	Mud & Chemicals	20,000.	
07	Cementing	25,000.	16,000.
08	Logging	12,000.	6,000.
09	Casing Services & Tools		
10	Mud Logging	5,000.	
11	Testing	8,000.	
12	Treating		10,000.
13	Coring		
20	Transportation	2,500.	2,500.
21	Welding & Construction Labor	2,000.	1,000.
22	Contract Supervision		
30	Equipment Rental	3,000.	3,000.
34	Well/Lease Legal/Tax		
35	Well/Lease Insurance	19,800.	
50	Intangible Supplies	500.	
50	Company Supervision	12,000.	3,000.
51	Overhead Fixed Rate	15,600.	
99	Contingencies	16,900.	2,700.
Total Intangibles		\$ 351,400.	\$ 58,800.
<u>TANGIBLE COST 101</u>			
	Conductor Casing	\$	\$
	Surface Casing 13 3/8" 600'	13,800.	
	Surface Casing 8 5/8" 3200'	38,400.	
	Production Casing 5 1/2" 9900'		69,300.
	Production Casing		
	Tubing 2 3/8", 4.7# AB Mod. 9900'		29,700.
00	Drilling Head	4,000.	
05	Tubing Head		2,000.
10	Upper Section		5,000.
15	Sucker Rods		
20	Packer, Pump & Other Subsurface		4,500.
25	Pumping Unit		
30	Tanks		4,000.
35	Separator & Treater		12,000.
40	Line Pipe		2,000.
45	Valves & Connections	1,500.	5,000.
50	Production Equipment Installation		10,000.
Date Prepared: <u>October 30, 1989</u>		Total Tangibles \$ 57,700.	\$ 143,500.
Prepared by: <u>Bill Pierce</u>		Subtotal \$ 409,100.	\$ 202,300.
APPROVED: _____		TOTAL WELL COST \$ 611,400.00	

BEFORE EXAMINATION
 OIL CONSERVATION DIVISION
 EXHIBIT NO. 4
 CASE NO. 9926