

DUGAN PRODUCTION CORP.

P.O. Box 208, Farmington, NM 87401

Ph. (505) 325-1821

AUTHORIZATION FOR EXPENDITURE

WELL NAME AND NO. Single Dakota Completion
 LOCATION Gavilan Area - Rio Arriba County, New Mexico

298 - TANGIBLES

Code				
01	Surface Casing -	300 ft. of	9-5/8" @ \$15.50/ft.	4,650
02	Prod. Casing -	8100 ft. of	5-1/2" @ 6.00/ft.	48,600
	Casing -	ft. of		
04	Tubing -	8000 ft. of	2-3/8" @ 2.50/ft.	20,000
	Tubing -	ft. of		
06	Packer and Tubing Equipment			1,000
07	Wellhead Equipment			13,500
08	Valves & Fittings			500
09	Production Unit & Treaters			10,500
10	Tank Battery			10,000
11	Pumping Unit & Prime Mover			40,000
12	Rods, Bottom-hole Pump, Aux Equip.			12,500
13	Misc. Tangible Equipment			500
14	Well Hookup			4,500
15	Gas Lines and Installation			
16	Pipeline Installation			
	TOTAL TANGIBLES			\$166,250

299 - INTANGIBLES

Code			
30	Survey Archeologist		750
31	Location Damages		2,500
32	Road & Location Construction		7,500
33	Water & Gas Lines		
40	Contract Drilling	8100 ft. @ \$12.00/ft.	97,200
41	Daywork	48 hrs. @ \$ 200 /hr.	9,600
43	Drill Stem Test & Cores		
44	Mud Logging		5,500
45	Open Hole Logging		11,000
46	Rental Tools		
47	Casing Float Equip. & Centralizer		4,000
48	Trucking		1,500
49	Mud		47,500
50	Water - Drilling Oper.		11,500
51	Casing Crew & Power Tongs		2,000
52	Miscellaneous		
53	Testing Tubular Goods		
54	Tool & Equip. Repair		
55	Company & Contract Labor, Roustabouts		1,000
56	Supplies		500
60	Cementing Surface Casing		3,000
61	Cementing Prod. Casing		20,700
70	Completion Rig	8 days unit + 7 days swab	19,000
71	Perf. & Cased Hole Logging		7,500
72	Acidizing		1,500
73	Fracturing		35,000
74	Tank Rental		1,500
75	Trucking - Completion		1,500
76	Water - Completion		4,000
77	Rental Tools - Completion		1,500
78	Clean-up Location		1,500
79	Power Swivel, Pump & Pit Rental		2,000
80	Contract Serv. & Labor - Completion		
90	Supervision - Administrative		1,500
91	Supervision - Legal		1,000
92	Supervision - Field		8,000

TOTAL INTANGIBLES \$311,250
 ≈ 5 % Contingency 23,900

TOTAL WELL COST \$501,400

APPLICATION for Jerome P. McHugh
 NEW POOL CREATION
 Gavilan Greenhorn-Graneros-Dakota Oil Pool
 Rio Arriba County, New Mexico
 Case No. 8350, F-1111 8

AUTHORIZATION FOR EXPENDITURE

WELL NAME AND NO. Typical Mancos Completion
LOCATION Gavilan Area - Rio Arriba County, New Mexico

298 - TANGIBLES

Code			
01	Surface Casing -	300 ft. of 9-5/8" @ \$15.50/ft.	4,650
02	Prod. Casing -	7600 ft. of 5-1/2" @ 6.00/ft.	45,600
	Casing -	ft. of	
04	Tubing -	7500 ft. of 2-7/8" @ 3.50/ft.	26,250
	Tubing -	ft. of	
06	Packer and Tubing Equipment		1,000
07	Wellhead Equipment		13,500
08	Valves & Fittings		500
09	Production Unit & Treaters		10,500
10	Tank Battery		10,000
11	Pumping Unit & Prime Mover		40,000
12	Rods, Bottom-hole Pump, Aux Equip.		12,500
13	Misc. Tangible Equipment		500
14	Well Hookup		4,500
15	Gas Lines and Installation		
16	Pipeline Installation		
	TOTAL TANGIBLES		\$169,500

299 - INTANGIBLES

Code		
30	Survey Archeologist	750
31	Location Damages	2,500
32	Road & Location Construction	7,500
33	Water & Gas Lines	
40	Contract Drilling 7600 ft. @ \$12.00/ft.	91,200
41	Daywork 48hrs. @ \$200 /hr.	9,600
43	Drill Stem Test & Cores	
44	Mud Logging	5,500
45	Open Hole Logging	9,500
46	Rental Tools	
47	Casing Float Equip. & Centralizer	4,000
48	Trucking	1,500
49	Mud	47,500
50	Water - Drilling Oper.	11,500
51	Casing Crew & Power Tongs	2,000
52	Miscellaneous	
53	Testing Tubular Goods	
54	Tool & Equip. Repair	
55	Company & Contract Labor, Roustabouts	1,000
56	Supplies	500
60	Cementing Surface Casing	3,000
61	Cementing Prod. Casing	20,000
70	Completion Rig 8 days unit + 7 days swab	19,000
71	Perf. & Cased Hole Logging	7,000
72	Acidizing	
73	Fracturing	40,000
74	Tank Rental	1,500
75	Trucking - Completion	1,500
76	Water - Completion	4,000
77	Rental Tools - Completion	1,500
78	Clean-up Location	1,500
79	Power Swivel, Pump & Pit Rental	2,000
80	Contract Serv. & Labor - Completion	
90	Supervision - Administrative	1,500
91	Supervision - Legal	1,000
92	Supervision - Field	8,000

TOTAL INTANGIBLES	\$306,050
± 5 % Contingency	23,550

TOTAL WELL COST	\$499,100
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9/84
FOR

DUGAN PRODUCTION CORP.
P.O. Box 208, Farmington, NM 87401 Ph. (505) 325-1821

AUTHORIZATION FOR EXPENDITURE

WELL NAME AND NO. Typical Mancos-Dakota Commingled Comp.

LOCATION Gavilan Area - Rio Arriba County, New Mexico

298 - TANGIBLES

Code			
01	Surface Casing -	300 ft. of 9-5/8" @ \$15.50/ft.	4,650
02	Prod. Casing -	8100 ft. of 5-1/2" @ 6.00/ft.	48,600
	Casing -	ft. of	
04	Tubing -	8000 ft. of 2-7/8" @ 3.50/ft.	28,000
	Tubing -	ft. of	
06	Packer and Tubing Equipment		1,000
07	Wellhead Equipment		13,500
08	Valves & Fittings		500
09	Production Unit & Treaters		10,500
10	Tank Battery		10,000
11	Pumping Unit & Prime Mover		40,000
12	Rods, Bottom-hole Pump, Aux Equip.		12,500
13	Misc. Tangible Equipment		500
14	Well Hookup		4,500
15	Gas Lines and Installation		
16	Pipeline Installation		
	TOTAL TANGIBLES		\$174,250

299 - INTANGIBLES

Code		
30	Survey Archeologist	750
31	Location Damages	2,500
32	Road & Location Construction	7,500
33	Water & Gas Lines	
40	Contract Drilling 8100 ft. @ \$12.00/ft.	97,200
41	Daywork 48 hrs. @ \$ 200 /hr.	9,600
43	Drill Stem Test & Cores	
44	Mud Logging	5,500
45	Open Hole Logging	11,000
46	Rental Tools	
47	Casing Float Equip. & Centralizer	4,000
48	Trucking	1,500
49	Mud	47,500
50	Water - Drilling Oper.	11,500
51	Casing Crew & Power Tongs	2,000
52	Miscellaneous	
53	Testing Tubular Goods	
54	Tool & Equip. Repair	
55	Company & Contract Labor, Roustabouts	1,000
56	Supplies	500
60	Cementing Surface Casing	3,000
61	Cementing Prod. Casing	20,700
70	Completion Rig 10 days unit + 7 days swab	22,000
71	Perf. & Cased Hole Logging	7,500
72	Acidizing	1,500
73	Fracturing	75,000
74	Tank Rental	1,500
75	Trucking - Completion	1,500
76	Water - Completion	4,000
77	Rental Tools - Completion	1,500
78	Clean-up Location	1,500
79	Power Swivel, Pump & Pit Rental	2,000
80	Contract Serv. & Labor - Completion	
90	Supervision - Administrative	1,500
91	Supervision - Legal	1,000
92	Supervision - Field	8,800

TOTAL INTANGIBLES \$355,050
± 5 % Contingency 26,500

TOTAL WELL COST \$555,800

9/84

for

DUGAN PRODUCTION CORP.

P.O. Box 208, Farmington, NM 87401

Ph. (505) 325-1821

AUTHORIZATION FOR EXPENDITURE

WELL NAME AND NO.

Dual Mancos - Dakota Well

LOCATION

Gavilan Area - Rio Arriba County, New Mexico

298 - TANGIBLES

Code	10-3/4" 40.5#	
01	Surface Casing - 300 ft. of @ \$20.00/ft.	6,000
02	Prod. Casing - 8100 ft. of 7" 23&26# @ \$12.50/ft.	101,250
	Casing - ft. of	
04	Tubing - 8000 ft. of 2-3/8" @ \$2.50/ft.	20,000
	Tubing - 7600 ft. of 2-3/8" @ \$2.50/ft.	19,000
06	Packer and Tubing Equipment	24,250
07	Wellhead Equipment	20,000
08	Valves & Fittings	1,000
09	Production Unit & Treaters	21,000
10	Tank Battery	20,000
11	Pumping Unit & Prime Mover	80,000
12	Rods, Bottom-hole Pump, Aux Equip.	25,000
13	Misc. Tangible Equipment	1,000
14	Well Hookup	9,000
15	Gas Lines and Installation	
16	Pipeline Installation	
TOTAL TANGIBLES		\$347,500

299 - INTANGIBLES

Code		
30	Survey Archeologist	750
31	Location Damages	2,500
32	Road & Location Construction	7,500
33	Water & Gas Lines	
40	Contract Drilling 8100 ft. @ \$14.00/ft.	113,400
41	Daywork 48 hrs. @ \$200 /hr.	9,600
43	Drill Stem Test & Cores	
44	Mud Logging	5,500
45	Open Hole Logging	11,000
46	Rental Tools	
47	Casing Float Equip. & Centralizer	4,000
48	Trucking	1,500
49	Mud	47,500
50	Water - Drilling Oper.	11,500
51	Casing Crew & Power Tongs	2,000
52	Miscellaneous	
53	Testing Tubular Goods	
54	Tool & Equip. Repair	
55	Company & Contract Labor, Roustabouts	1,000
56	Supplies	500
60	Cementing Surface Casing	2,800
61	Cementing Prod. Casing	19,000
70	Completion Rig 15 days unit & 10 days swab	32,500
71	Perf. & Cased Hole Logging	7,500
72	Acidizing	1,500
73	Fracturing	75,000
74	Tank Rental	1,500
75	Trucking - Completion	1,500
76	Water - Completion	4,000
77	Rental Tools - Completion	1,500
78	Clean-up Location	1,500
79	Power Swivel, Pump & Pit Rental	2,000
80	Contract Serv. & Labor - Completion	
90	Supervision - Administrative	1,500
91	Supervision - Legal	1,000
92	Supervision - Field	12,000

TOTAL INTANGIBLES \$383,050

≈ 5 % Contingency 36,450

TOTAL WELL COST \$767,000