



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

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

AFE NO. 03-472-0  
AFE DATE 11/14/03  
AFEND (rev 8/88)

AFE Type:	Well Objective:	Well Type:
<input checked="" type="checkbox"/> New Drilling	<input type="checkbox"/> Oil	<input checked="" type="checkbox"/> Development
<input type="checkbox"/> Recompletion	<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Exploratory
<input type="checkbox"/> Re-entry	<input type="checkbox"/> Injector	

AFE STATUS:

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

LEASE NAME	Samuel Smith Unit #1	PROJ'D DEPTH	10,400' TVD, (10,724' MD)
COUNTY	Eddy	STATE	New Mexico
FIELD		HORIZON	Morrow
LOCATION	BHL: Section 33, T23S-R24E, 1,000' S & 660' W, Surf: Section 32, T23S-24E, 1,400' S & 1,170' E		

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

PROGNOSIS: Directionally drill new well to the proposed bottom hole location to test the Morrow formation.

INTANGIBLE DRILLING COSTS:		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees	1,500	1,500
920-110	Location, Right-of-Way	35,000	35,000
920-120	Drilling, Footage		
920-130	Drilling, Daywork 48 days @ \$8,100/day + \$35,000 for mob	450,000	450,000
920-140	Drilling Water, Fasline Rental	45,000	45,000
920-150	Drilling Mud & Additives	75,000	75,000
920-160	Mud Logging Unit, Sample Bags	26,000	26,000
920-170	Cementing - Surface Casing	41,000	41,000
920-180	Drill Stem Testing, OHT	0	0
920-190	Electric Logs & Tape Copies	50,000	50,000
920-200	Tools & Equip. Rntl., Trkg. & Welding & directional tools	150,000	150,000
920-205	Control of Well-Insurance	7,500	7,500
920-210	Supervision & Overhead	50,000	50,000
920-230	Coring, Tools & Service		
920-240	Bits, Tool & Supplies Purchase	60,000	60,000
920-350	Cementing - Production Casing		50,000
920-410	Completion Unit - Swabbing		30,000
920-420	Water for Completion		25,000
920-430	Mud & Additives for Completion		1,000
920-440	Cementing - Completion		
920-450	Elec. Logs, Testing, Etc. - Completion		13,000
920-460	Tools & Equip. Rental, Etc. - Completion		30,000
920-470	Stimulation for Completion		80,000
920-480	Supervision & O/H - Completion		7,500
920-490	Additional LOC Charges - Completion		15,000
920-510	Bits, Tools & Supplies - Completion		1,500
920-500	Contingency for Completion	100,000	150,000
TOTAL INTANGIBLE DRILLING COSTS		1,091,000	1,394,000

TANGIBLE EQUIPMENT COSTS:			
930-010	Christmas Tree & Wellhead	3,000	20,000
930-020	Casing 13 3/8" @ 400'	6,100	6,100
	9 5/8" @ 2,100'		25,500
	5 1/2" @ 10,724'		91,000
930-030	Tubing 2 7/8" @ 10,500'		36,000
930-040	Packer & Special Equipment		
940-010	Pumping Equipment		
940-020	Storage Facilities		45,000
940-030	Separation Equip., Flowlines, Misc.		40,000
940-040	Trucking & Construction Costs		20,000
TOTAL TANGIBLE EQUIPMENT COSTS		9,100	283,600

TOTAL COSTS	1,100,100	1,677,600
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APPROVAL OF THIS AFE CONSTITUTES APPROVAL OF OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM THE OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE.

Prepared By	Jeremiah Mullen	Operations Approval	
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BY	DATE	
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BY	DATE	
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BEFORE THE COMMISSION  
Santa Fe, New Mexico  
Case No. 13188 Exhibit No. 4  
Submitted by:  
YATES PETROLEUM CORPORATION  
Hearing Date: December 4, 2003