

**OCD Case No. 13049**  
**EGL/Landreth Exhibit No. 13.**  
**April 10, 2003**

**AFE for Re-Entry Operation**  
**Prepared by EGL Resources, Inc.**

**Note: This AFE assumes mudding up will be required to contain shales prior to reaching the Devonian. A 4 1/2" liner will be set in the top of Devonian and the well completed open hole below that point.**

**AUTHORIZATION - FOR - EXPENDITURE**

E.G.L. Resources, Inc.

Original Supplemental No. Revision No.	X	Drill & Complete Date:	12/04/2002	AFE No.	RB4 - Case 2
Lease/Well Name:	Rio Blanco 4 Federal #1	New Well:	Deepening: XXXX	Workover:	
Location:	1980' FNL & 1980' FWL, Sec 4, T-23-S, R-J4-E	County/Parish:	Lea		
Field/Prospect:	Antelope Ridge	State:	NM		
Objective For:	Devonian	Proposed TD:	15,000'		
Other Potential Formation:		Acres in Unit			

INTANGIBLE COSTS		DRILLING	COMPLETION
Permit/Survey/Damages		1,000	1,000
Location & Road: Bldg./Restore		2,000	500
Con. Drilling:	\$/foot	0	
Con. Drill.-Daywork	45 days @ \$7,500 per day	337,500	0
Completion Rig - Pulling Unit	10 days @ \$2,000 per day	0	20,000
MIRU/RD		20,000	0
Mud & Chemical		60,000	0
Fuel		36,000	0
Water		25,000	2,500
Bits		55,000	600
Cement & Cement Services		20,000	0
Casing Crew, Tongs & Tools		2,000	0
Mud Log	45 days @ \$ 600	27,000	0
Open Hole Logs		15,000	0
Casedhole Logs & Perforation		0	15,000
Frac & Formation Treating	Acid Treatment	0	15,000
Squeezing/Plugging Back		0	0
Rental Tools & Equipment		40,000	8,000
Consulting Services	55 days @ \$600 per day	27,000	6,000
Co. Labor (Time, Exp. & Benefits)		0	0
Welding, Trucking, Roustabout Labor		2,000	5,000
Special Ser./Testing/DST & Coring		10,000	0
Overhead		6,000	3,000
P & A Costs		5,000	(5,000)
Well Ins.		4,000	0
Miscellaneous		2,000	2,000
Subtotal		696,500	73,600
Contingencies and Taxes	10.00%	69,650	7,360
<b>TOTAL INTANGIBLE COSTS</b>		<b>\$ 766,150</b>	<b>80,960</b>

TANGIBLE COSTS	Size	Footage	\$/foot	DRILLING	COMPLETION
Conductor Pipe:				0	
Surf Cas:	13 3/8	0	\$17.50	0	
Int Cas:	8 5/8	0	\$10.00	0	
Other:	4 1/2 Liner	3,700	\$8.50	31,450	0
Prod Csg:	5 1/2	0	\$7.50		0
Tubing:	2 3/8	15,000	\$3.70		55,500
Float Equip. & Liner Hanger				20,000	0
Valves & Fittings				500	3,500
Wellhead Equipment				1,000	2,000
Misc. Equipment				1,000	2,000
Packer and Downhole Equip.				0	10,000
Rods & Pump				0	0
Pumping Unit & Primer Mover				0	0
Meter & Meter Run				0	1,000
Flowlines & Connections				0	1,000
Tanks, (Walkways, Stairways etc.)				0	7,000
Heater/Dehyd./Compressor				0	0
Separator/Heater-Treater				0	10,000
Installation Costs				0	7,500
Subtotal				53,950	99,500
Contingencies and Taxes			10.00%	5,395	9,950
<b>TOTAL TANGIBLE COSTS</b>				<b>\$ 59,345</b>	<b>109,450</b>
<b>TOTAL INTANGIBLE &amp; TANGIBLE COSTS</b>				<b>\$ 825,495</b>	<b>190,410</b>
<b>TOTAL WELL COSTS</b>				<b>\$ 1,015,305</b>	

It is recognized that the amounts herein are estimates only and approval of this authorization shall extend to the actual costs incurred in conducting the operation specified, whether more or less than that herein set out.

Prepared by: B. L. "Chipper" Dippel (December 4, 2002)

OPERATOR APPROVALS:  
 Approved By: [Signature]  
 Title: Prod.

Date: 2/27/03