



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

AUTHORITY FOR EXPENDITURE
NEW DRILLING, RECOMPLETION & RE-ENTRY

AFE NO. _____
AFE DATE _____

03-193-0
5/5/03
AFEND (rev 6/98)
5-6-0:

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:

Original

Revised

Final

Supplemental

LEASE NAME	Value BCV State Com #1	PROJ'D DEPTH	5,945'
COUNTY	Chaves	STATE	New Mexico
FIELD	Pecos Slope	HORIZON	Pre-Cambrian
LOCATION	Section 2 T8S-R26E, 990' S & 1,980' E		

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

PROGNOSIS: **Includes costs to test Ordovician, Wolfcamp, and Abo.**

INTANGIBLE DRILLING COSTS:		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees	2,500	2,500
920-110	Location, Right-of-Way	15,000	15,000
920-120	Drilling, Footage		
920-130	Drilling, Daywork 23 days @ \$8,000/day + 15,000 for mob	211,000	211,000
920-140	Drilling Water, Fasline Rental	16,000	16,000
920-150	Drilling Mud & Additives	22,000	22,000
920-160	Mud Logging Unit, Sample Bags	11,400	11,400
920-170	Cementing - Surface Casing	16,000	16,000
920-180	Drill Stem Testing, OHT	0	0
920-190	Electric Logs & Tape Copies	24,000	24,000
920-200	Tools & Equip. Rntl., Trkg. & Welding & mud motor rental	25,000	25,000
920-205	Control of Well-Insurance	1,000	1,000
920-210	Supervision & Overhead	18,000	18,000
920-230	Coring, Tools & Service		
920-240	Bits, Tool & Supplies Purchase	25,000	25,000
920-350	Cementing - Production Casing		17,000
920-410	Completion Unit - Swabbing		20,000
920-420	Water for Completion		7,000
920-430	Mud & Additives for Completion		1,000
920-440	Cementing - Completion		
920-450	Elec. Logs, Testing, Etc. - Completion		10,000
920-460	Tools & Equip. Rental, Etc. - Completion		40,000
920-470	Stimulation for Completion		100,000
920-480	Supervision & O/H - Completion		10,000
920-490	Additional LOC Charges - Completion		5,000
920-510	Bits, Tools & Supplies - Completion		500
920-500	Contingency for Completion	0	0
TOTAL INTANGIBLE DRILLING COSTS		386,900	597,400

TANGIBLE EQUIPMENT COSTS:		DRY HOLE	COMP'D WELL
930-010	Christmas Tree & Wellhead	2,500	10,000
930-020	Casing 9 5/8" @ 950'	13,200	13,200
	5 1/2" @ 5,945'		50,500
930-030	Tubing 2 7/8" @ 5,750'		20,000
930-040	Packer & Special Equipment		
940-010	Pumping Equipment		
940-020	Storage Facilities		10,000
940-030	Separation Equip., Flowlines, Misc.		30,000
940-040	Trucking & Construction Costs		10,000
TOTAL TANGIBLE EQUIPMENT COSTS		15,700	143,700

TOTAL COSTS 402,600 741,100

IT IS RECOGNIZED THAT THE AMOUNTS PROVIDED FOR HEREIN ARE ESTIMATED ONLY AND APPROVAL OF THIS AFE SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATIONS SPECIFIED WHETHER MORE OR LESS THAN HEREIN SET OUT.

Prepared By CM Jeremiah Mullen	Operations Approval
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YATES PETROLEUM CORPORATION	61.246991Z
BY <i>John Yates</i> DATE 2-23-04	

YATES DRILLING COMPANY	8.749570Z
BY <i>J.C. Rood</i> DATE 3-4-04	

MYCO INDUSTRIES, INC.	
BY <i>Frank Yates Jr</i> DATE 3-4-04	

ABO PETROLEUM CORPORATION	
BY <i>John A. Yates Jr</i> DATE 2-23-04	

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13254 Exhibit No. 3
Submitted by:
YATES PETROLEUM CORPORATION
Hearing Date: May 13, 2004

Value BCV State Com #1
Sec. 2, T8S-R26E
Chaves County, New Mexico

AFE #03-193-0
Date: 05/05/03
Page 2

OWNER

SHARE

CAMPBELL INVESTMENT COMPANY

4.958590%

By: _____ Date: _____

PECOS PRODUCTION COMPANY

2.068778%

By: _____ Date: _____

CALTO OIL COMPANY

3.257467%

By: _____ Date: _____

GRUY, LLC

1.085823%

By: _____ Date: _____

THORNTON OPERATING CORPORATION

.457188%

By: _____ Date: _____

JOHN D. CADIGAN

.260978%

By: _____ Date: _____

GREG VUJOVICH

.102867%

By: _____ Date: _____

THE HEIRS AND DEVISEES OF ROBERT MARLEY, DECEASED AND
LAURALEA MARLEY, A WIDOW

.208405%

By: _____ Date: _____

MARLEY LIVESTOCK, INC.

.104203%

By: _____ Date: _____

TOTAL

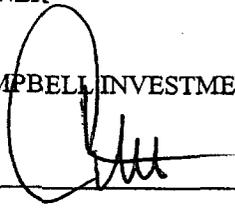
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CAMPBELL INVESTMENT COMPANY

4.958590%

By: 

Date: Mar 1 04

PECOS PRODUCTION COMPANY

2.068778%

By: _____

Date: _____

TRINITY LIMITED PARTNERSHIP

2.057348%

By: _____

Date: _____

CALTO OIL COMPANY

1.714457%

By: _____

Date: _____

GRUY, LLC

.571486%

By: _____

Date: _____

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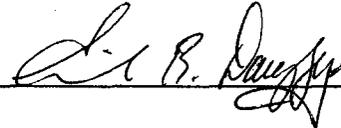
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By: _____ Date: _____

DANSK PIPELINE, L.P.

~~PECOS PRODUCTION COMPANY~~

2.068778%

By:  Date: 3/1/04

TRINITY LIMITED PARTNERSHIP

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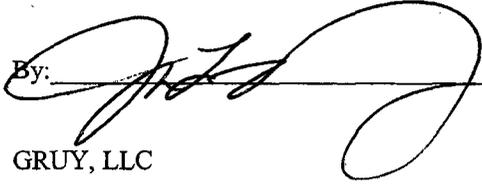
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CALTO OIL COMPANY	3.257467%
By:  _____ Date: 3-29-04	
GRUY, LLC	1.085823%
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By: <u><i>William A. Gruy</i></u> Date: <u><i>29 March 2004</i></u>	
THORNTON OPERATING CORPORATION	.457188%
By: _____ Date: _____	
JOHN D. CADIGAN	.260978%
By: _____ Date: _____	
GREG VUJOVICH	.102867%
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THORNTON OPERATING CORPORATION	.457188%
By: <u>Robert L. Hawton, pres</u> Date: <u>3/12/04</u>	
JOHN D. CADIGAN	.260978%
By: _____ Date: _____	
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By: _____ Date: _____

JOHN D. CADIGAN

.260978%

By: _____ Date: _____

GREG VUJOVICH

.102867%

By: _____ Date: _____

THE HEIRS AND DEVISEES OF ROBERT MARLEY, DECEASED AND
LAURALEA MARLEY, A WIDOW

.208405%

By: Michael W. Marley Date: 3-22-04
Personal Representative

MARLEY LIVESTOCK, INC.

.104203%

By: Michael W. Marley Date: 3-22-04
Vice President

TOTAL

100.000000%