

Sojourner Drilling Corporation

810 Anson Avenue
Abilene, Texas 79601

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325-672-2832

February 27, 2018

Mr. Michael McMillan, Chief Examiner
State of New Mexico, Oil Conservation Division
1220 South St. Francis
Santa Fe, New Mexico 87505

Dear Mr. McMillan;

We enclose our current "Authority For Expenditure" (AFE)) for the purpose of drilling the approved and permitted FRIO LANDS #1, located in Section 34, Township 6 North, Range 34 East, Curry County, New Mexico.

This submittal is in compliance with State of New Mexico, Energy, Minerals, and Natural Resources Department, Oil Conservation Division, Case #15922, Order Number R-14588 dated February 14, 2018.

We have, as of this writing, submitted a like kind letter and this current "AFE" to Northern Trust Company and Ms. Evelyn Richter as prescribed in the case and subsequent order.

Sincerely,



Robert Key for
Sojourner Drilling Corporation

SOJOURNER DRILLING CORPORATION
Authority for Expenditure - Office Copy

AFE#	0	Property#	0
Description	Frio Project	Well Name	Frio Lands #1
Depth	7,500	County/State	Curry/NM
Stage 1	Description	Drilling	
LEASEHOLD COSTS			
	LEASEHOLD		5,302
	MAGNETICS & SEISMIC COSTS	2D & 3D	4,815
	GEOLOGICAL		4,179
	7016 DRILL SITE TITLE OPINION		5,000.00
	7017 DIVISION ORDER TITLE OPINION		5,000.00
	7050 PROSPECT COST		
Total - LEASEHOLD COSTS			24,296.00
INTANGBLE DRILLING COSTS			
	7202 DRILLING - DAYWORK	15DAYS @12,300/DAY	184,500.00
	7210 DRILLING PERMIT		1,200.00
	MOB IN		62,500.00
	MOB OUT		50,000.00
	7212 SURFACE DAMAGES		2,500.00
	7226 CEMENT SURFACE CASING	10 3/4"	4,000.00
	7226 CEMENT INTERMEDIATE CASING	8 5/8"	6,500.00
	CASING CREW - SURFACE		3,000.00
	CASING CREW - INTERM		3,800.00
	7214 LOCATION, ROADS, PITS		40,000.00
	7216 DRILLING MUD		15,000.00
	7220 DRILLING WATER	landowner	7,500.00
	7222 WATER LINE/PUMP RENTAL		8,000.00
	7230 DRILL STEM TESTING		18,000.00
	SIDE WALL CORING	schlumberger	11,000.00
	DRILLING CONSULTANT		15,000.00
	7232 GEOLOGICAL SERVICES		5,000.00
	7236 LOGGING INTERMEDIATE HOLE	schlumberger	8,800.00
	7236 LOGGING	schlumberger	15,000.00
	7238 MUD LOGGING		10,000.00
	7240 EQUIPMENT RENTALS		5,000.00
	7241 WELDING/CONTRACT LABOR		2,500.00
	7244 DOZER-PULL TRUCK/EQUIPMENT		4,000.00
	7246 TRASH TRAILER/PORTA JON RENTAL		3,000.00
	7248 ADMINISTRATIVE OVERHEAD		7,500.00
	7250 INSURANCE		6,500.00
	7252 PLUGGING		20,000.00
	7298 CONTINGENCY		25,990.00
Total - INTANGBLE DRILLING COSTS			545,790.00
LEASE & WELL EQUIPMENT			
	7515 SURFACE CASING		13,760.00
	7520 INTERMEDIATE CASING	MIXED STRING OF 24#&32#	42,450.00
	7540 CASING HEAD & FITTINGS		2,500.00
	7610 CONTINGENCY		2,936.00
Total - LEASE & WELL EQUIPMENT			61,646.00
TOTAL Drilling Casing Point			631,732.00
Stage 2	Description		
	7300 DAYWORK - RUN CASING & CEMENT		31,500.00
	7301 COMPLETION UNIT		35,000.00
	7302 REVERSE UNIT RENTAL		4,500.00
	TEST TANK RENTAL		15,000.00
	7305 EQUIPMENT & TOOL RENTAL		8,000.00
	TREATMENT WATER		10,000.00
	7308 LOGGING AND PERFORATING		7,500.00
	7310 CEMENT PRODUCTION CASING		15,000.00
	7311 FRESH WATER (KCL)		5,000.00
	7313 CASING CREW - PROD CSG		3,700.00
	7316 ACIDIZE		5,000.00
	7317 FRAC TREATMENT		40,000.00
	7320 ROUSTABOUT WORK		15,000.00
	OTHER COMPLETION EXPENSE		5,000.00
	7321 DOZER/TRUCKING		8,000.00
	7324 SUPERVISION - COMPLETION		7,500.00
	7326 RESTORE LOCATION		10,000.00
	7341 WELDING\CONTRACT LABOR		1,200.00
	7348 COMPLETION OVERHEAD		7,500.00
	7399 CONTINGENCY		11,720.00
Total - INTANGBLE DRILLING COSTS			246,120.00
LEASE & WELL EQUIPMENT			
	7510 SAFETY ANCHORS		1,850.00
	7525 PRODUCTION CASING	5 1/2"	62,125.00
	TRUCKING		4,800.00
	7530 TUBING		15,975.00
	TRUCKING		3,000.00
	7535 BELL NIPPLE		500.00
	7542 TUBING HEAD		1,800.00
	7550 RODS		7,100.00
	7555 BOTTOM HOLE PUMP		3,000.00
	7560 PACKER		1,800.00
	7570 PUMPING UNIT		35,000.00
	7580 TANK BATTERY		45,000.00
	7581 BATTERY SITE/HOOKUP		10,500.00
	7582 ELECTRICAL HOOKUP		60,000.00
	7585 HEATER/SEPARATOR		18,000.00
	7610 CONTINGENCY		13,523.00
Total - LEASE & WELL EQUIPMENT			283,973.00
TOTAL Completion			530,093.00

TOTAL COMPLETED WELL COST

1,161,825.00

Final AFE: William Sojourner Avery Potts Elma Bernal