

CML EXPLORATION, LLC			AFE # HAR001	
AUTHORIZATION FOR EXPENDITURE			Drill to top of the Devonian Formation ± 12,200'	
Lease Name Harris No. 1	State NM	County/Parish Lea	Location: 1357 FSL & 1565 FWL, Sec. 8, T10S, R38E	
Acct Code	INTANGIBLE DESCRIPTION	COST TO CASING POINT	COMPLETION COST	TOTAL WELL COST
830.250	Surveys / Permits / Bonds	4,000		4,000
830.190	Location & Roads	200,000	15,000	215,000
830.280	Mob/demob	150,000		150,000
	Drilling Contract-			
830.110	Daywork: Rig # 62, 40 days @ \$16,500/day	610,500	49,500	660,000
830.160	Footage:			0
835.080	Kanex Well Service # 536 : 10 days @\$3,500/day		35,000	35,000
830.220	Mud/Chemicals	70,000		70,000
830.320	Water	35,000	5,000	40,000
830.030	Cement/Cementing Services	120,000	60,000	180,000
830.170	Fuel & Power	100,000		100,000
830.020	Bits	75,000	0	75,000
830.255	Pit Cleanup	160,000		160,000
830.210	Miscellaneous	1,000		1,000
830.270	Rental Equipment	150,000	35,000	185,000
830.090	Contract Labor	35,000	40,000	75,000
830.230	Mud Logging	30,000		30,000
830.240	Open Hole Logging	55,000		55,000
830.100	Coring - Rotary Sidewall	10,000		10,000
830.130	Drill Stem Testing	15,000	0	15,000
830.300	Trucking & Hauling	30,000	20,000	50,000
830.145	Fieldman Expenses	3,500	3,500	7,000
830.050	Company Field Supervision	6,000	20,000	26,000
835.040	Casing Crews/Tongs/LD Machine	30,000	0	30,000
830.010	Drilling Overhead	12,000	5,000	17,000
830.060	Consulting Engineer	60,000	0	60,000
835.030	Cased Hole Wireline		25,000	25,000
835.140	Fracturing & Acidizing		35,000	35,000
830.290	Surface Damages/ROW	20,000	200,000	220,000
830.200	Materials & Supplies	5,000	4,500	9,500
830.120	Directional Drilling	0		0
830.265	Reamers & Stabilizers	65,000		65,000
830.180	Insurance	10,000		10,000
	Plug and Abandon	45,000	(45,000)	0
830.080	Contingency 5%	105,350	25,375	\$130,725
TOTAL INTANGIBLE ESTIMATED COST		\$2,212,350	\$532,875	\$2,745,225
TANGIBLE DESCRIPTION				
850.050	Conductor			0
850.250	1200' of 13 3/8" @ \$43.75/ft	52,500		52,500
850.100	4,400' of 8 5/8" @ \$25/ft	110,000		110,000
850.100	Intermediate Csg			0
850.190	12,200' of 5 1/2" @ \$16.38/ft		199,836	199,836
850.120	Production Csg			0
850.120	Liner		0	0
850.120	Liner Hanger		0	0
850.270	12,000' of 2 7/8" @ \$6/ft		72,000	72,000
	Tubing			0
	Tubing			0
850.020	Wellhead Equipment	9,500	6,500	16,000
850.030	Christmas Tree		0	0
850.130	Meter & Meter Run		0	0
850.200	Pumping Unit / Base / Engine		85,000	85,000
850.240	Sucker rods, Polished Rods		70,000	70,000
850.260	Tank Battery, Heater, Separator		75,000	75,000
850.080	Flowline & Connectors		15,000	15,000
850.180	Packers & Other Subsurface Tools		6,000	6,000
850.065	Electrical Equipment		35,000	35,000
850.140	Miscellaneous Sale Items			0
	Contingency	0	0	0
TOTAL TANGIBLE ESTIMATED COST		\$172,000	\$564,336	\$736,336
TOTAL AFE ESTIMATED COST		\$2,384,350	\$1,097,211	\$3,481,561
APPROVAL AND ACCEPTANCE Participant _____ W.I. _____ Title _____ Signature _____		IT IS RECOGNIZED THAT AMOUNTS HEREIN ARE ESTIMATES ONLY AND APPROVAL OF THIS AUTHORIZATION SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN IN CONDUCTING THE OPERATION SPECIFIED, WHETHER MORE OR LESS THAN THE HEREIN SET OUT. ** NOTE CML AFFILIATE SHOWN ON LINE # 7 - KANEX WELL SERVICE** Date _____		

Oil Conservation Division
Case No. 415008
Exhibit No. 4