

UNIT PETROLEUM COMPANY

407 N Big Spring St

Suite 101
Midland, TX 79701
(432) 685-9020

E/COST ESTIMATE

ORIGINAL
 SUPPLEMENT

NEW WELL
 SUBSEQUENT DEVELOPMENT
 WORKOVER
 PLUG AND ABANDON

DISTRICT Midland	WELL NAME Monte Carlo Fed Com #1	FIELD Atoka Penn (Pro-Gas)	WI	BCP	ACP	PREPARED BY Matthew Doffer
PROSPECT Monte Carlo	FOOTAGE FROM SECTION UNITS RANGE See Below	T18S-R26E	BLDCK	SURVEY		DATE 9/29/2005
SECTION 1	OBJECTIVE Morrow	PROPOSED TD 9,290 FT	WELL TYPE X	OIL		COUNTY Eddy
				GAS		STATE New Mexico
				SWD		AFE #
				INI		
				OTHER		
				EXPLOR		
ESTIMATED						
DAYS: 34		DRILLING 10		COMPLETION 44		TOTAL
PURPOSE OF EXPENDITURE & WORK PROCEDURE: Drill a directional well, complete and equip a flowing Morrow gas well						
Surface Location: 2.385' FNL & 271' FEL, Sec 1 Bottom Hole Location: 1.845' FNL & 1.467' FEL, Sec 1						

CODE	CLASSIFICATION	ESTIMATE			
		DRILLING	COMPLETED	TOTAL	
1626 (DRLG)	1627 (CMPL)	INTANGIBLES			
1	1	PERMITS \$1,000 SURVEYS \$1,200 ROW DAMAGES \$10,000	15,000	4,000	19,000
2	2	ROADS & LOCATION: BUILD \$0 CLEAN-UP \$0	50,000	5,000	55,000
3	3	FOOTAGE DEPTH 0 FT @ \$0.00 /FT	0	0	0
4	4	DW DAYS 34 DAYS @ \$13,500 /DAY 5 days added for directional work, delays	459,000	40,000	499,000
5	5	MOBILIZE - RU - RD - DEMOBILIZE	60,000	8,000	68,000
6	6	FUEL/POWER	60,000	3,000	63,000
7	7	DRLG WATER WATER WELL COMP FLUID	30,000	5,000	35,000
8	8	CONTRACT LABOR/WELDING	8,000	3,000	11,000
9	9	BITS	45,000	2,000	47,000
10	10	DRLG FLUID 35000 AIR CHEMICALS 3000	38,000	0	38,000
11	11	FORMATION TESTING CORING FLOW TESTS	5,000	5,000	10,000
12	12	OPENHOLE LOGGING & SURVEYS	24,000	0	24,000
13	13	CEMENT & SERVICES	30,000	22,000	52,000
14	14	NORMAL RENTALS & SERVICES: \$25,000 DIRECTIONAL PACKAGE \$80,000	105,000	20,000	125,000
15	15	CASED HOLE LOGGING PERFORATING WIRELINE	0	10,000	10,000
16	16	STIMULATION: ACID 10000 FRAC 180000 OTHER 10000		200,000	200,000
17	17	SUPPLIES, MATERIALS, & MISCELLANEOUS RENTALS	15,000	2,000	17,000
18	18	GEOLOGICAL MUD LOGGING OTHER PROF	20,000	0	20,000
19	19	WELL SUPERVISION: DRILLING COMPLETION	35,000	10,000	45,000
20	20	OVERHEAD OR COMBINED RATE	8,000	4,000	12,000
21	21	INSURANCE	0	0	0
22	22	ABANDONMENT EXPENSE (INCL LOCATION RECOVERY)	15,000	(15,000)	0
23	23	INSTALLATIONS & SERVICES THRU WELLHEAD	10,000	5,000	15,000
24	24	TRUCKING & OTHER SERVICES	15,000	12,000	27,000
32	32	CLOSED MUD SYSTEM	30,000		30,000
40	40	SALVAGE EQUIPMENT	0	0	0
30	30	CONTINGENCIES 2%	21,600	6,900	28,500
		TOTAL INTANGIBLE COSTS	\$1,098,600	\$351,900	\$1,450,500
CODE	TANGIBLES	DRILLING	COMPLETED	TOTAL	
101	CONDUCTOR CSG 40 FT OF 20,000 INCH @ \$ 120.00 PER FT	4,800		4,800	
102	SURFACE CSG 300 FT OF 13.375 INCH @ \$ 36.96 PER FT	11,100		11,100	
103	INTERMEDIATE CSG 1,500 FT OF 8.625 INCH @ \$ 27.12 PER FT	40,700		40,700	
104	PRODUCTION CSG 9,300 FT OF 5.500 INCH @ \$ 14.41 PER FT		134,100	134,100	
105	LINER CSG 0 FT OF 0.000 INCH @ \$ 0.00 PER FT		0	0	
106	TUBING 9,200 FT OF 2.375 INCH @ \$ 4.73 PER FT		43,600	43,600	
107	SUCKER RODS FT OF 0.000 INCH @ \$ 0.00 PER FT		0	0	
108	BH PUMP* GAS LIFT TBG ANC OTHER		0	0	
109	WELLHEAD: CASING HEAD TREE	7,000	12,000	19,000	
110	ARTIFICIAL LIFT PRIME MOVER		0	0	
111	PACKERS & SUBSURFACE TOOLS		12,000	12,000	
112	INSTALLATION COSTS		15,000	15,000	
121	TANKS & ACCESSORIE		25,000	25,000	
122	PRODUCTION UNIT 20000 DEHYDRATOR OIL CONSERVATION DIVISION		20,000	20,000	
123	HEATER TREATER SEPARATOR		5,000	5,000	
124	ELECTRICAL SYSTEMS & LINES		0	0	
125	LEASE LINES		0	0	
126	CONTROLLABLE VALVES & FITTING <i>Unit EXHIBIT NUMBER 4</i>		10,000	10,000	
127	OTHER EQUIPMENT		5,000	5,000	
128	NON-CONTROLLABLE LEASE MATERIAL		5,000	5,000	
129	INSTALLATION COSTS		10,000	10,000	
131	LINE PIPE		10,000	10,000	
132	METERING EQUIPMENT		3,000	3,000	
		TOTAL TANGIBLES	\$63,600	\$309,700	\$373,300
		TOTAL INTANGIBLES	\$1,098,600	\$351,900	\$1,450,500
		TOTAL WELL COSTS	\$1,162,200	\$661,600	\$1,823,800

UNIT PETROLEUM APPROVALS			
APPROVED BY <i>[Signature]</i>	TITLE Vice President	DATE 9/29/05	COMPANY UNIT PETROLEUM COMPANY
PARTNER APPROVALS			
APPROVED BY	TITLE	DATE	COMPANY