



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

AUTHORITY FOR EXPENDITURE
NEW DRILLING, RECOMPLETION & RE-ENTRY

AFE NO. 07-376-0
AFE DATE 9/18/2007

AFEND (rev 6/98)
9-18-07

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:	
<input checked="" type="checkbox"/> Original	
<input type="checkbox"/> Revised	
<input type="checkbox"/> Final	
<input type="checkbox"/> Supplemental	

LEASE NAME	Cooker BCB Federal Com. #3	PROJ'D DEPTH	5,965'
COUNTY	Chaves	STATE	New Mexico
FIELD	Pecos Slope	HORIZON	Precambrian
LOCATION	Section 14 T6S-R26E, 1,680' S & 1,980' E		

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

PROGNOSIS: **New well drilled to 5,965' to test multiple zones.**

INTANGIBLE DRILLING COSTS:		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees	3,000	3,000
920-105	Environmental Permitting/Pit Closure	120,000	120,000
920-110	Location, Right-of-Way	50,000	50,000
920-120	Drilling, Footage		
920-130	Drilling, Daywork 20 days @ 14,500/day + \$53K for mob & R.H.	367,000	367,000
920-135	Drilling, Power & Fuel \$2,000/day rig fuel	40,000	40,000
920-140	Drilling Water, Fasline Rental	25,000	25,000
920-150	Drilling Mud & Additives	35,000	35,000
920-160	Mud Logging Unit, Sample Bags	15,000	15,000
920-170	Cementing - Surface Casing	20,000	20,000
920-180	Drill Stem Testing, OHT		
920-190	Electric Logs & Tape Copies	35,000	35,000
920-200	Tools & Equip. Rntl., Trkg. & Welding	65,000	65,000
920-205	Control of Well-Insurance	1,500	1,500
920-210	Supervision & Overhead	20,000	20,000
920-230	Coring, Tools & Service		
920-240	Bits, Tool & Supplies Purchase	35,000	35,000
920-350	Cementing - Production Casing		85,000
920-410	Completion Unit - Swabbing		60,000
920-420	Water for Completion		50,000
920-430	Mud & Additives for Completion		
920-440	Cementing - Completion		
920-450	Elec. Logs, Testing, Etc. - Completion		15,000
920-460	Tools & Equip. Rental, Etc. - Completion		45,000
920-470	Stimulation for Completion		150,000
920-480	Supervision & O/H - Completion		1,500
920-490	Additional LOC Charges - Completion		
920-510	Bits, Tools & Supplies - Completion		1,000
920-500	Contingency for Completion		
TOTAL INTANGIBLE DRILLING COSTS		831,500	1,239,000

TANGIBLE EQUIPMENT COSTS:		DRY HOLE	COMP'D WELL
930-010	Christmas Tree & Wellhead	3,000	15,000
930-020	Casing		
	9 5/8" @ 1,000'	24,300	24,300
	5 1/2" @ 5,965'		64,500
930-030	Tubing 2 7/8" @ 5,750'		30,200
930-040	Packer & Special Equipment		
940-010	Pumping Equipment		
940-020	Storage Facilities		20,000
940-030	Separation Equip., Flowlines, Misc.		50,000
940-040	Trucking & Construction Costs		20,000
TOTAL TANGIBLE EQUIPMENT COSTS		27,300	224,000

TOTAL COSTS 858,800 1,463,000

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	LB Jeremiah Mullen	Operations Approval
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YATES PETROLEUM CORPORATION	35.937500%
BY	DATE

YATES DRILLING COMPANY	17.187500%
BY	DATE

ABO PETROLEUM CORPORATION	BEFORE THE OIL CONSERVATION DIVISION	17.187500%
BY	Santa Fe, New Mexico	
	Case No. 14059.... Exhibit No. 3	
	Submitted by:	

SHARBRO OIL LTD. CO.	YATES PETROLEUM INCORPORATED	17.187500%
BY	Hearing Date: January 10, 2008	

Cooker BCB Federal Com. #3
Chaves County, New Mexico

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Mobil Producing Texas & New Mexico

12.500000%

BY _____ DATE _____

100.000000%