

UNIT PETROLEUM COMPANY

AFE/COST ESTIMATE

P.O. Box 702600
Tulsa, OK 74170
(918) 493-7700

ORIGINAL SUPPLEMENT

NEW WELL
 SUBSEQUENT DEVELOPMENT
 WORKOVER
 PLUG AND ABANDON

DISTRICT Midland		WELL NAME Byers #1		FIELD	WI	BCP	ACP	PREPARED BY DATE	KR 5/15/2003
PROSPECT Osudo	SECTION 23	TOWNSHIP 20S	RANGE 35E	BLOCK	SURVEY		COUNTY Lea	STATE New Mexico	
OBJECTIVE Morrow	PROPOSED TD 13,500 FT	WELL TYPE		OIL		GAS		X	
ESTIMATED DAYS: 55 DRILLING		15 COMPLETION		70 TOTAL		PURPOSE OF EXPENDITURE & WORK PROCEDURE: Drill, complete, and equip a flowing gas well.			

CODE		CLASSIFICATION						ESTIMATE			
1626 (DRLG)	1627 (CMPL)	INTANGIBLES						DRILLING	COMPLETED	TOTAL	
1	1	PERMITS	\$800	SURVEYS	\$1,200	ROW	DAMAGES	\$0	5,000	500	5,500
2	2	ROADS & LOCATION: B		LOCATION: BUILD	\$20,000		CLEAN-UP	\$5,000	20,000	5,000	25,000
3	3	FOOTAGE DEPTH		FT @		/FT			0	0	0
4	4	DW DAYS	55 DAYS @	\$8,500 /DAY	COMP	15 DAYS @	\$2,000		467,500	50,000	517,500
5	5	MOBILIZE - RU - RD - DEMOBILIZE							50,000	15,000	65,000
6	6	FUEL/POWER							50,000	0	50,000
7	7	DRLG WATER		WATER WELL		COMP FLUID			20,000	3,000	23,000
8	8	CONTRACT LABOR/WELDING							3,000	3,000	6,000
9	9	BITS							75,000	0	75,000
10	10	DRLG FLUID		AIR		CHEMICALS			70,000	0	70,000
11	11	FORMATION TESTING		CORING		FLOW TESTS			0	5,000	5,000
12	12	OPENHOLE LOGGING & SURVEYS							15,000	0	15,000
13	13	CEMENT & SERVICES							25,000	10,000	35,000
14	14	RENTALS & SERVICES: SURFACE		SUBSURFACE					100,000	20,000	120,000
15	15	CASED HOLE LOGGING		PERFORATING		WIRELINE			0	10,000	10,000
16	16	STIMULATION : ACID	4000	FRAC		75000 OTHER				85,000	85,000
17	17	SUPPLIES, MATERIALS, & MISCELLANEOUS RENTALS							0	1,000	1,000
18	18	GEOLOGICAL		MUD LOGGING		OTHER PROF			7,500	0	7,500
19	19	WELL SUPERVISION : DRILLING		COMPLETION		\$10,000			40,000	15,000	55,000
20	20	OVERHEAD OR COMBINED RATE							10,000	4,000	14,000
21	21	INSURANCE							0	0	0
22	22	ABANDONMENT EXPENSE (INCL LOCATION RECOVERY)							10,000	(10,000)	0
23	23	INSTALLATIONS & SERVICES THRU WELLHEAD							5,000	5,000	10,000
24	24	TRUCKING & OTHER SERVICES							10,000	7,500	17,500
32	32	CLOSED MUD SYSTEM							0	0	0
40	40	SALVAGE EQUIPMENT							0	0	0
30	30	CONTINGENCIES	0%						0	0	0
TOTAL INTANGIBLE COSTS								\$983,000	\$229,000	\$1,212,000	

CODE		TANGIBLES				DRILLING	COMPLETED	TOTAL
101		CONDUCTOR CSG	40 FT OF	20.000 INCH @ \$	100.00 PER FT	4,000		4,000
102		SURFACE CSG	450 FT OF	13.375 INCH @ \$	14.00 PER FT	6,300		6,300
103		INTERMEDIATE CSG	4,300 FT OF	9.625 INCH @ \$	12.00 PER FT	51,600		51,600
	104	PRODUCTION CSG	11,500 FT OF	7.000 INCH @ \$	13.00 PER FT	149,500	0	149,500
	105	LINER CSG	2,200 FT OF	4.500 INCH @ \$	8.00 PER FT		17,600	17,600
	106	TUBING	13,500 FT OF	2.375 INCH @ \$	3.50 PER FT		47,300	47,300
	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	109	WELLHEAD : CASING HEAD		TREE		10,000	25,000	35,000
	110	ARTIFICIAL LIFT		PRIME MOVER			0	0
	111	PACKERS & SUBSURFACE TOOLS					40,000	40,000
	112	INSTALLATION COSTS					10,000	10,000
	121	TANKS & ACCESSORIES					15,000	15,000
	122	PRODUCTION UNIT	DEHYDRATOR	COMPRESSOR			10,000	10,000
	123	HEATER TREATER	SEPARATOR				0	0
	124	ELECTRICAL SYSTEMS & LINES					0	0
	125	LEASE LINES					0	0
	126	CONTROLLABLE VALVES & FITTINGS					10,000	10,000
127	127	OTHER EQUIPMENT					1,500	1,500
	128	NON-CONTROLLABLE LEASE MATERIAL					0	0
	129	INSTALLATION COSTS					8,000	8,000
	131	LINE PIPE					10,000	10,000
	132	METERING EQUIPMENT					5,000	5,000
TOTAL TANGIBLES						\$221,400	\$199,400	\$420,800
TOTAL INTANGIBLES						\$983,000	\$229,000	\$1,212,000
TOTAL WELL COSTS						\$1,204,400	\$428,400	\$1,632,800

UNIT PETROLEUM APPROVALS			
APPROVED BY	TITLE	DATE	COMPANY
			UNIT PETROLEUM COMPANY
PARTNER APPROVALS			
APPROVED BY	TITLE	DATE	COMPANY