



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

**AUTHORITY FOR EXPENDITURE**  
NEW DRILLING, RECOMPLETION & RE-ENTRY

AFE Type:

<input checked="" type="checkbox"/>	New Drilling
<input type="checkbox"/>	Recompletion
<input type="checkbox"/>	Re-entry

Well Objective:

<input type="checkbox"/>	Oil
<input checked="" type="checkbox"/>	Gas
<input type="checkbox"/>	Injector

Well Type:

<input checked="" type="checkbox"/>	Development
<input type="checkbox"/>	Exploratory

AFE NO.  
AFE DATE

03-359-0  
8/19/03

AFEND (rev 6/88)

8-20-03

AFE STATUS:

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

LEASE NAME	Yankee ANK Federal Com. #2	PROJ'D DEPTH	5,235'
COUNTY	Chaves	STATE	New Mexico
FIELD	Pecos Slope	HORIZON	Abo/Basement
LOCATION	Section 1, T7S-R25E, 1,650' N & W		

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

PROGNOSIS: New well drilled to Basement at 5,235', and will test formations from there back through ABO.

**INTANGIBLE DRILLING COSTS:**

		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees	5,000	5,000
920-110	Location, Right-of-Way	15,000	15,000
920-120	Drilling, Footage		
920-130	Drilling, Daywork & fuel 20 days @ \$8,000/day +\$15,000 for mob	185,500	185,500
920-140	Drilling Water, Fasline Rental	23,000	23,000
920-150	Drilling Mud & Additives	15,000	15,000
920-160	Mud Logging Unit, Sample Bags	10,000	10,000
920-170	Cementing - Surface Casing	17,000	17,000
920-180	Drill Stem Testing, OHT	0	0
920-190	Electric Logs & Tape Copies	20,000	20,000
920-200	Tools & Equip. Rntl., Trkg. & Welding & mud motor rental	20,000	20,000
920-205	Control of Well-Insurance	1,000	1,000
920-210	Supervision & Overhead	20,000	20,000
920-230	Coring, Tools & Service		
920-240	Bits, Tool & Supplies Purchase	20,000	20,000
920-350	Cementing - Production Casing		21,000
920-410	Completion Unit - Swabbing		27,000
920-420	Water for Completion		10,000
920-430	Mud & Additives for Completion		1,000
920-440	Cementing - Completion		
920-450	Elec. Logs, Testing, Etc. - Completion		20,000
920-460	Tools & Equip. Rental, Etc. - Completion		30,000
920-470	Stimulation for Completion		80,000
920-480	Supervision & O/H - Completion		10,000
920-490	Additional LOC Charges - Completion		2,000
920-510	Bits, Tools & Supplies - Completion		1,000
920-500	Contingency for Completion for lost circ.-intermediate hole.	20,000	20,000
TOTAL INTANGIBLE DRILLING COSTS		371,500	573,500

**TANGIBLE EQUIPMENT COSTS:**

930-010	Christmas Tree & Wellhead	1,500	10,000
930-020	Casing 11 3/4" @ 925'	14,000	14,000
	8 5/8" @ 1,600' (optional)	13,000	13,000
	5 1/2" @ 5,235'		28,100
930-030	Tubing 2 7/8" @ 5,000'		17,000
930-040	Packer & Special Equipment		
940-010	Pumping Equipment		
940-020	Storage Facilities		5,000
940-030	Separation Equip., Flowlines, Misc.		15,000
940-040	Trucking & Construction Costs		5,000
TOTAL TANGIBLE EQUIPMENT COSTS		28,500	107,100

TOTAL COSTS 400,000 680,600

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 CM	Jeremiah Mullen	Operations Approval	
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YATES PETROLEUM CORPORATION	DATE 09-12-03
BY John Yates	
YATES DRILLING COMPANY	DATE
BY [Signature]	
ABO PETROLEUM CORPORATION	
BY John A. Yates	
MYCO INDUSTRIES, INC.	
BY [Signature]	

BEFORE THE COMMISSION  
Santa Fe, New Mexico  
Case No. 13182 Exhibit No. 5  
Submitted by:  
YATES PETROLEUM CORPORATION  
Hearing Date: November 7, 2003

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