



600 C & K PETROLEUM BUILDING
POST OFFICE DRAWER 3546
MIDLAND, TEXAS 79702
(915) 683-3311

July 19, 1977

*James
Graham*

State of New Mexico
Oil Conservation Commission
Santa Fe, New Mexico 87501

Attention: Phil R. Lucero, Chairman

Re: Case No. 5939
Order No. R-5451
Carlsbad "7" #1 Well
W/2 Sec. 7, T-22-S, R-27-E,
NMPM, Eddy County, New Mexico

Gentlemen:

Pursuant to Order No. R-5451, enclosed find two copies of C & K Petroleum, Inc.'s itemized schedule of estimated well costs covering the captioned well. Copies of the same have also been mailed to the working interest owners.

Yours very truly,

C & K PETROLEUM, INC.

G. C. Thompson

G. C. Thompson,
Manager of Production

GCT/meb

Big

C & K PETROLEUM, INC.

Address: Midland, Texas

A.F.E. No. 00160

AUTHORIZATION FOR EXPENDITURE

Date: July 14, 1977

Operator: C & K Petroleum, Inc.

Prospect: South Carlsbad State: New Mexico County/Parish: Eddy

Lease: Carlsbad "7" Well No: 1 Field: South Carlsbad

Location: 760' FSL & 690' FWL Sec. 7, T-22-S, R-27-E, NMPM

Proposed Depth: 12,000' Objective: Morrow Sands

Est. Spud Date: 7/11/77 Est. T.D. Date: 8/28/77 Est. Compl. Date: 9/15/77

Prepared by: G. C. Tompson Approved by: G. C. Tompson

Land Dept. Approval (3) Geologist Approval (5/1)

PURPOSE AND JUSTIFICATION FOR EXPENDITURE: To drill and complete

PARTICIPANTS AND COST DISTRIBUTION

[illegible]

PARTICIPANT APPROVAL

Approved for Expenditure this _____ day of _____ 19____.

Company _____ By: _____

Title: _____

C & K PETROLEUM, INC.
AUTHORITY FOR EXPENDITURE

Well Type: Development x Date July 14, 1977
 Exploration _____ Proposed Depth 12,000'
 Prospect Name South Carlsbad AFE No. 00160
 Lease Carlsbad "7" Well No. 1 Field South Carlsbad Property No. _____
 Location 760' FSL & 690' FWL, Sec. 7, T-22-S, R-27-E Proposed Spud Date 7/11/77
 REASON FOR REQUEST To drill and complete

		Drilling	Completion	Total Cost		Total Cost
	Sub	701	703	Producer	Revisions	Revised
INTANGIBLES						
Location Pits and Roads	091	6,000	1,500	7,500		
Water Supply	093	15,000	1,000	16,000		
Damages and Right of Way	095	2,000	-0-	2,000		
Rig Expense	097	200,000	8,000	208,000		
Drilling Bits	099	-0-	-0-	-0-		
Mud & Chemicals	103	43,000	-0-	43,000		
Tool & Equipment Rental	035	7,000	2,000	9,000		
Fuel & Power	105	20,000	-0-	20,000		
Cement & Cementing Services	107	18,000	10,000	28,000		
Formation Evaluation	110	26,000	-0-	26,000		
Perforating	117	-0-	3,500	3,500		
Stimulation	119	-0-	20,000	20,000		
Transportation	041	2,000	2,000	4,000		
Pipe Inspection & Testing	127	-0-	-0-	-0-		
Misc. Labor, Services & Supplies	073	2,000	1,000	3,000		
Overhead & Supervision	109	6,500	2,500	9,000		
Other & Contingencies	490	34,500	5,500	40,000		
TOTAL INTANGIBLES		382,000	57,000	439,000 ✓		
TANGIBLES						
	Sub	702	704			
Casing	301	44,000	92,000	136,000		
Tubing	302	-0-	41,000	41,000		
Wellhead Equipment	307	3,100	15,300	18,400		
Packers & Anchors	309	-0-	3,000	3,000		
Auxilliary Casing Equip.	318	1,500	1,500	3,000		
Miscellaneous Equipment	320	4,400	15,200	19,600		
TOTAL TANGIBLES		53,000	168,000	221,000 ✓		
TOTAL WELL COST		435,000	225,000	660,000		
PLUGGING COST						
	Sub	708				
Clean-up Location	091	1,500				
Casing Pulling	197	5,000				
Other & Contingencies	490	500				
TOTAL-PLUGGING		7,000				
TOTAL DRY HOLE COST		442,000				

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