

SAHARA OPERATING COMPANY Authority For Expenditure

MIDLAND, TEXAS

Lease Name Schubert 7 Well # 1 Date 8/26/03
 Field Name Wildcat (Drinkard) State NM County Lea

Description of Work:	Location:	Total Cost (DH)	\$352,694
Drill and Equip w/5.5" casing	Sec 7, T19S, R39E,	Total Cost (Prod)	\$541,218
Well expected to flow	Lea County, New Mexico		

Proposed TD 8,000

Prepared By:

R. McAlpine

DRILLING INTANGIBLES:

	DRY HOLE	COMPLETED WELL
Location, Roads, Pits, Damages	\$15,000	\$15,000
Footage 8000 ft @ 17.00 \$/ft	\$136,000	\$136,000
Day Work 6 Days @ 7200 \$/DAY	\$43,200	\$43,200
Rig Mobilization	\$0	\$0
Cement and Cementing	\$13,500	\$13,500
Testing and Coring (3 drill stem tests)	\$7,000	\$7,000
Mud Logging Services 10 Days @ 600 \$/day	\$6,000	\$6,000
Open Hole Logging	\$10,000	\$10,000
Professional Services	\$600	\$600
Mud, Water	\$20,000	\$20,000
Fuel		
Bits, Coreheads and Rentals	\$18,000	\$18,000
Miscellaneous Services (Welding, Rigging, Etc.)	\$6,000	\$9,000
Miscellaneous(Incl. Labor and Trans & Blowout Ins.)	\$5,000	\$5,000
Contingency	\$12,500	\$12,500
Plug and Abandonment, Site Restoration	\$12,000	\$2,500
Overhead, Filings, Supervision	\$6,000	\$6,000
State & Local Taxes	\$19,050	\$18,644
Total Drilling Intangibles	\$329,850	\$322,944

COMPLETION INTANGIBLES:

Completion Unit _____ days/Hrs @ \$ _____/Day/Hr		\$10,000
Reverse Unit _____ days/Hrs @ \$ _____/Day/Hr		\$2,500
Cement and Cementing		\$22,000
Logging and Perforating		\$3,000
Treating Services and Supplies		\$6,000
Mud, Water, Oil & Chemicals		\$2,000
Battery Construction, Dirt Work		\$10,000
Electrical Work		\$0
Rental Tools and Equipment		\$2,500
Labor and transportation		\$3,500
Overhead & Supervision		\$1,200
State & Local Taxes		\$3,919
Total Completion	\$0	\$66,619
Total Intangibles	\$329,850	\$389,563

DRILLING AND COMPLETION TANGIBLES

Casing	Ft	Description	Price		
	0	20" Casing	20.00 \$/ft	\$0	\$0
	50	13-3/8", 54.5# ST&C	17.00 \$/ft	\$850	\$850
	1850	8.625", 24#ST&C	8.00 \$/ft	\$14,800	\$14,800
	8500	5.5", 17# K-55 LT&C	5.35 \$/ft	\$45,475	\$45,475
Tubing	7400	ft of 2.875"	2.65 \$/ft	\$19,610	\$19,610
Wellhead Equipment				\$850	\$5,000
Float Tools, Centralizers, Etc.				\$2,500	\$7,000
Sucker Rods	_____	ft of _____ @ _____ \$/Ft			
Line Pipe	_____	ft of _____ @ _____ \$/Ft			\$2,500
Pump	_____	ft of _____ @ _____ \$/Ft			
Tanks, treaters, Separators, Stairs Walk, Fittings, Etc.					\$30,000
Pumping Unit					
Electric Lines, Motor, Panel, Transformers, Etc.					
Miscellaneous (Fences, Culverts, Tools, Etc)				\$2,500	\$4,500
Contingency					\$13,000
State & Local Sales Taxes				\$1,344	\$8,921
Total Equipment Cost				\$22,844	\$151,656
TOTAL WELL COST				\$352,694	\$541,218

Approvals:

Operator _____ By _____ WI % _____ Date _____
 Company _____ By _____ WI % _____ Date _____