

**AMTEX ENERGY, INC.**  
AUTHORIZATION FOR EXPENDITURE

Well Name: Eaves Lea Unit State Well No. 1 Prospect: \_\_\_\_\_  
 Location: 1980 FNL & 1980 FWL County: Lea ST: NM  
 Section: 30 Blk: \_\_\_\_\_ Survey: \_\_\_\_\_ TNP: 21S RNG: 33E Prop. Dpth: 12,500

INTANGIBLE COSTS 180		CODE	TCP	CODE	CC
Permits and Surveys		301	\$2,000	501	
Location: Roads, Pits & Site Preparation		302	\$10,000	502	
Location: Excavation & Other (Frac Pit)		303	\$45,000		
Day Work, Footage, Turnkey Drilling 20 DH Days @ \$12,000/day, 3 ACP Days		304	\$276,000	504	
Fuel \$3.75/gal @700 Gallons Per Day		305	\$52,500		\$7,875
Mud		306	\$60,000		
Chemicals and Additives		307	\$20,000	507	\$20,000
Cementing		308		508	\$90,000
Logging, Wireline & Coring Services		309	\$50,000	509	\$30,000
Casing, Tubing & Snubbing Services		310		510	
Mud Logging		311	\$30,000		
Stimulation				512	\$1,200,000
Stimulation Rentals & Other				513	\$20,000
Water & Other		314			\$60,000
Bits		315	\$50,000	515	\$1,000
Inspection & Repair Services		316	\$1,000	516	\$5,000
Misc. Air & Pumping Services		317	\$5,000	517	\$3,000
Testing		318		518	\$10,000
Completion / Workover Rig (Re-entry Cost before moving in Drilling Rig)			\$618,853	519	\$32,000
Rig Mobilization		320	\$50,000		
Transportation		321	\$8,000	521	\$8,000
Welding and Construction		322	\$5,000	522	\$3,000
Engineering & Contract Supervision		323	\$20,000	523	\$10,000
Directional Services		324	\$50,000		
Equipment & Fishing Tool Rental		325	\$20,000	525	
Well / Lease Legal		326	\$13,000	526	
Well / Lease Insurance		327	\$5,000	527	
Intangible Supplies		328		528	\$7,000
Damages		329	\$5,000	529	
Pipeline, Road, Electrical ROW & Easements		330	\$15,000	530	\$10,000
Pipeline Interconnect				531	
Company Supervision		332	\$30,000	532	\$15,000
Overhead Fixed Rate		333	\$7,000	533	\$7,000
Well Abandonment		334		534	
Contingencies 10% (TCP) 5% (CC)		335	\$144,800	535	\$81,000
<b>TOTAL</b>			<b>\$1,593,153</b>		<b>\$1,619,875</b>
TANGIBLE COSTS 181					
Casing (19.1" - 30")		201			
Casing (10.1" - 19.0")		202			
Casing (8.1" - 10.0")		203			
Casing (6.1" - 8.0") 12,500' of 7", 26#, P-110 @ \$25.40/ft		204	\$317,500		
Casing (4.1" - 6.0")				405	
Tubing (2" - 4") 12,000' of 2.875", 6.5#, N-80 @ \$6.65/ft.				406	\$79,800
Drilling Head		207	\$15,000		
Tubing Head & Upper Section				408	\$75,000
Sucker Rods				409	\$40,000
Packer Pump & Subsurface Equipment				410	\$80,000
Artificial Lift Systems				411	\$30,000
Pumping Unit				412	\$140,000
Surface Pumps & Prime Movers				413	
Tanks - Steel				414	\$62,000
Well Equipment - Other				415	
Separation Equipment				416	\$12,500
Gas Treating Equipment				417	
Heater Treaters, Line Heaters				418	\$10,000
Metering Equipment				419	
Line Pipe - Gas Gathering and Transportation				420	
Misc. Fittings, Valves, Line Pipe and Accessories				421	
Cathodic Protection				422	
Electrical Installations				423	\$13,000
Production Equipment Installation				424	\$24,500
Pipeline Construction				425	\$50,000
<b>TOTAL</b>			<b>\$332,500</b>		<b>\$616,800</b>
<b>SUBTOTAL</b>			<b>\$1,925,653</b>		<b>\$2,236,675</b>
<b>TOTAL WELL COST</b>					<b>\$4,162,328</b>

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Company Approval \_\_\_\_\_ Date: \_\_\_\_\_  
 Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_  
 Joint Owner: \_\_\_\_\_ Joint Owner Approval: \_\_\_\_\_

By: \_\_\_\_\_ Name: \_\_\_\_\_

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Case No. 14618 Exhibit No. 2  
 Submitted by:  
**AMTEX ENERGY INC.**  
 Hearing Date: March 31, 2011