

Afe Estimate Summary  
 CHI OPERATING, INC  
 Report Date: 03/03/98

Afe Id: 1 PARDUE FARMS 21 #1  
 Property Id: 971515-2 PARDUE FARMS 21 #1  
 Location: NWNE SEC. 21: 24S-28E  
 Operator: CHI OPERATING INC.

Field:  
 St/County: NM/EDDY

Sub-Category	Estimate Cost
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<b>Intangible Drilling</b>	
SURVEYING & PERMIT	250.00
DAMAGES	1,750.00
ROADS & LOCATIONS	2,500.00
DRILLING - DAYWORK	15,000.00
CEMENTING	10,000.00
DRILLING FLUIDS	2,000.00
WATER	2,000.00
BITS & REAMERS	4,000.00
ENGINEERING	4,000.00
LOGGING & PERFORATE	7,000.00
EQUIPMENT RENTAL	12,000.00
TRUCKING	2,000.00
LABOR & TRUCKING	1,000.00
LEGAL	8,000.00
OVERHEAD & EXPENSES	3,000.00
MISCELLANEOUS INTANGIBLES	1,000.00
Sub-Total Intangible Drilling	75,500.00
<b>Tangible Drilling</b>	
WELLHEAD EQUIPMENT	3,000.00
TUBING	16,000.00
VALVES & FITTINGS	6,000.00
MISCELLANEOUS TANGIBLES	6,000.00
Sub-Total Tangible Drilling	31,000.00
Total All Drilling	106,500.00
<b>Intangible Completion</b>	
LOCATIONS	1,000.00
COMPLETION UNIT	7,000.00
ACIDIZING	3,000.00
FRACTURING	65,000.00
ENGINEERING	2,000.00
EQUIPMENT RENTAL	4,000.00
TRUCKING	1,000.00
LABOR	7,000.00
LEGAL	1,000.00
OVERHEAD & EXPENSES	1,000.00
MISCELLANEOUS INTANGIBLES	3,000.00
Sub-Total Intangible Completion	95,000.00

NEW MEXICO  
 OIL CONSERVATION DIVISION  
 EXHIBIT 4  
 CASE NO \_\_\_\_\_

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Operator: CHI OPERATING INC.

Field:  
St/County: NM/EDDY

Sub-Category	Estimate Cost
Tangible Completion	
TREATER	7,000.00
SEPARATOR	3,000.00
TANKS - PRODUCTION & WATER	10,000.00
FLOWLINES	2,000.00
MISCELLANEOUS TANGIBLES	4,000.00
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Sub-Total Tangible Completion	26,000.00
Total All Completion	121,000.00
	=====
Total AFE	227,500.00

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Field:  
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Sub-Category

Estimate Cost

\*\*\* Owner Approval \*\*\*

Owner ID: 0005660 Owner Name: FRANK P. ATHA

	AFE Estimate	-----Your Share----- %	\$
Drilling	106,500.00	0.06250000	6,656.25
Completion	121,000.00	0.06250000	7,562.50
	----- 227,500.00		----- 14,218.75

Approved By: \_\_\_\_\_

Date: \_\_\_\_\_

Tax ID:

FRANK P. ATHA  
16612 PEQUENO PLACE  
PACIFIC PALISADES CA 90272