

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

cc: TRM Kathie

March 31, 2000

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

TO ALL WORKING INTEREST OWNERS: (See Distribution List).

Re:

Stetson 13 Federal Com. #1 Well 1,650' FNL and 1,650' FEL Section 13, T-19-S, R-33-E Lea County, New Mexico Stetson Prospect

Gentlemen:

Enclosed herewith please find Nearburg Producing Company's AFE for the Stetson 13 Federal Com. #1 well proposed to be drilled to a depth of 13,600' testing the Morrow formation. The well is proposed to be located 1,650' FNL and 1,650' FEL of Section 13, T-19-S, R-33-E, Lea County, New Mexico. As a working interest owner in the proposed N/2 spacing unit, you have the right to participate for your proportionate share in the well. I will forward to your attention an Operating Agreement, designating Nearburg Producing Company as the operator in the near future.

- all couds

If you elect not to participate in the proposed well, Nearburg would like to acquire your interest under mutually acceptable terms.

If you have any questions, please feel free to contact the undersigned.

Yours very truly,

Senior Landman, CPL

MW/dw encl.

> BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Case No. 12413
> Submitted by: Exhibit No. 3

Nearburg Exploration Company, L.L.C. Hearing Date: July 13, 2000

STETSON 13 FEDERAL COM. #1 WELL DISTRIBUTION LIST

Mr. Patrick J. Tower Enron Oil & Gas Company P. O. Box 2267 Midland, Texas 79702 TIA PENDING

Williamson Enterprises 216 W. 3rd Street

Roswell, New Mexico 88201

ALC TH

Mr. Stephen Scott Mitchell C/O Murchison Oil & Gas, Inc. 414 W. Texas, Suite 405 Midland, Texas 79701

Harold Kious 320 Gold Ave. SW #1210 Albuquerque, New Mexico 87102-3248

Mr. Bane Bigbie Red Oak Cattle Co. P. O. Box 998 Ardmore, OK 73402

Barbara E. Hannifin C/O Hannifin Oil & Gas P. O. Box 2588 Roswell, New Mexico 88201

David J. Sorenson P. O. Box 1453 Roswell, New Mexico 88202

Daniel W. Varel C/O Bright and Bright, L.L.P. 5944 Luther Lane, Suite 600 Dallas, Texas 75225 AFE FOR

Manzano Oil Corporation P. O. Box 2107

Susan Scott Murphy Warren Scott George L. Scott, III Scott Exploration, Inc. 684 Petroleum Bldg. Roswell, New Mexico 88201 . **8** y

Frank S. and Robin L. Morgan MorOil Co., Inc. C/O Strata Production Company 700 Petroleum Bldg. Roswell, New Mexico 88202

S. H. Cavin Sealy H. Cavin, Inc. 504 N. Wyoming Ave. Roswell, New Mexico 88201

Eloy S. Duran 1909 W. 4th Street Roswell, New Mexico 88201

Hutchings Oil Company Sealy H. Cavin, Jr., President P. O. Box 1216 Albuquerque, New Mexico 87102

Kenneth D. Reynolds P. O. Box 1498 Roswell, New Mexico 88202

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

Drilling Peotage 13,600 Ft @ 25,95 S/Ft State S74,095 State I3,144 Drilling Degwork 2	TAYMANOTOT IS COOME.	Institution	mo 000 pm	10000000	SI COLOR PORTON	momax xrmx x
Drilling Deywork 2	INTANGIBLE COSTS:	CODE	TO CSG PT	cons		TOTAL WELL
Drilling Turnkey 1.1.1.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2				N.A.		874,095
Rig Mobilization and Demobilization	· · · · · ·			i ki ki k		26,288
Road & Location Expense	1 -	ZAZGEJØ		isiki	<u> </u>	0
Damages	. -	1514115		i i i i i i i i i i i i i i i i i i i		0
Directional Drilling Fluids	•	1514110		, i i i i		30,475
Drilling Fluids	T	1514128	5,000	11123	0	5,000
Fuel, Power, and Water Supplies - Bits	T control of the cont	241413¢		18/12	0	0
Supplies - Bits	1	1414.135		11121	0	53,000
Supplies - Casing Equipment		1514 £40		14.41		26,500
Supplies - Liner Equipment	•	3514.648		1414.1	:: 	795
Supplies - Miscellaneous		1514150	5,989		7,420	13,409
Cement and Cmt. Services - Surface Csg		1416144	0	181824	0	0
Cement and Cmt. Services - Int. Csg	Supplies - Miscellaneous	1514 160	0	1415.16	0	0
Cement and Cmt. Services - Prod. Csg	Cement and Cmt. Services - Surface Csg	1514168	8,480	SA.	0	8,480
Cement and Cmt. Services - Other	Cement and Cmt. Services - Int. Csg	isiestp.	15,900	154	0	15,900
Rental - Drilling Tools and Equipment Seiss 0	Cement and Cmt. Services - Prod. Csg	NA	0	121217	21,200	21,200
Rental - Misc.	Cement and Cmt. Services - Other	1524278	0	121831	0	. 0
Testing - Drill Stem / Production	Rental - Drilling Tools and Equipment	1514 [40	0	14.840	0	0
Depth Hole Logging	Rental - Misc.	151613#	24,910	131214	3,710	28,620
Open Hole Logging	Testing - Drill Stem / Production	1514295	4,770	1212.2	3,710	8,480
Mudlogging Services	Open Hole Logging	1514200	37,100	NA.	0	37,100
Special Services	Mudlogging Services	1514 £10	21,465	10.4	0	21,465
Pulling and/or Swabbing Unit 36 0 18888 15,264 1 Reverse Equipment 36 0 18888 55,830 1 Wireline Services 11488 0 0 18188 19,080 1 Stimulation 36 0 18188 12,720 1 Pump / Vacuum Truck Services 18188 10 0 18188 12,720 1 Transportation 18481 12,120 18188 12,650 1 1 Tubular Goods - Inspection & Testing 18488 10 0 18188 12,650 1	Special Services	2534 16D	0	25,1215	0	0
Pulling and/or Swabbing Unit Reverse Equipment With Indian Services #### 15,264 ##### 19,080 ###### 19,080 ###### 19,080 ###### 19,080 ###### 19,080 ###### 19,080 ###### 19,080 ###### 19,080 ###### 19,080 ####### 19,080 ####### 19,080 ####### 19,080 ####### 19,080 ######### 19,080 ##################################	Plug and Abandon	\$43 4.8 15	15,000	3152	(15,000)	0
Reverse Equipment	Pulling and/or Swabbing Unit	N/A			:: }	15,264
Wireline Services 15,285	•	MA	0			5,830
Stimulation	Wireline Services	2516 20Z	0			19,080
Pump / Vacuum Truck Services	Stimulation	N/A	0	1312.1		12,720
Transportation	Pump / Vacuum Truck Services	1514210	0			5,944
Tubular Goods - Inspection & Testing	Transportation	15/4218	2,120		2,650	4,770
Telephone and Radio Expense	Tubular Goods - Inspection & Testing	344434 4	0	18.22	5,300	5,300
Engineer / Geologist / Landman Single 22,500 22,500 2 2,500 2 2 2 2 2 2 2 2 2	Unclassified	2414.24%	530	18.15.2	9 0	530
Company Labor - Field Supervision	Telephone and Radio Expense	1514 240	1,590	1215.2	636	2,226
Company Labor - Field Supervision	Engineer / Geologist / Landman	3374.250	22,500	14.4.4	2,500	25,000
Legal and Professional Service	Company Labor - Field Supervision	251425E	26,500		(3)	34,000
Insurance	Contract Labor / Roustabout	151426	2,120	13/4.1	7,950	10,070
Insurance						5,000
Overhead 14,000 18,500 1 SUBTOTAL 721,017 127,033 84 Contingencies (10%) 72,102 12,703 8	1 ~			75.4.3	0	. 14,008
SUBTOTAL 721,017 127,033 84 Contingencies (10%) 72,102 12,703 8	Overhead	1114340				17,500
Contingencies (10%) 72,102 12,703 8	ŧ				/-1	848,050
ESTIMATED TOTAL INTANGIBLES 793,119 139,736 93	Contingencies (10%)					84,805
100,110	ESTIMATED TOTAL INTANGIBLES		793 119		189 786	932,855
	DOLLING IVIM INTRIVIDUO		100,110	L	1 .100,100	002,000

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650'
FIELD: Morrow

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	COOR	TO CSG PT	coo's:	COMPLETION	TOTAL WELL
Conductor Casins 0 Ft @ 0.00 \$/Ft	1520.303	0		0	0
Surface Csg 500 Ft @ 24.00 \$/Ft	1520,310	12,000		0	12,000
Intermediate Csg 5,000 Ft @ 14.00 \$/Ft	1520,313	70,000	NA.	0	70,000
Protection Cag 0 Ft @ 0.00 \$/Ft	1520,310	0	, na	0	0
Production Cag 13,600 Ft@ 10.00 \$/Ft	164	0	1512,014	136,000	136,000
Protection Liner 0 Ft @ 0.00 \$/Ft	2.620.53Q	0	74	0	0
Production Liner 0 Ft@ 0.00 \$/Ft	NA.	0	101114	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	2434	0	1414.00	45,292	45,292
Rods 0 Ft@ 0.00 \$/Ft	164	0	1122.844	0	0
Artificial Lift Equipment	1 144	0	1522.240	0	0
Tank Battery	NA.	0	13.12.144	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	Mi	0	1222.060	12,720	12,720
* Well Head Equipment & Christmas Tree	1510,748	2,000	1521,165	11,500	13,500
Subsurface Well Equipment	No.	0	1312.270	6,890	6,890
Flow Lines	NA.	0	1512.272	13,250	13,250
Saltwater Disposal Pump	l ka	0	1824.802	0	. 0
Gas Meter	MA	0	1522,284	3,180	3,180
Lact Unit	NA.	0	1522,747	0	0
Vapor Recovery Unit	N/A	0	1312.149	0	0
Other Well Equipment	NA.	0	1,111,120	0	0
ROW and Damages	MA	0	1522,092	2,120	2,120
Surface Equipment Installation Costs	N.A	0	1522.494	15,900	15,900
Elect. Installation	MA	. 0	122229	, 0	0
ESTIMATED TOTAL TANGIBLES		84,000		262,752	346,752
ESTIMATED TOTAL WELL COSTS		877,119	<u></u>	402,488	1,279,607

NPCAPPROVAL	DATE
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	
APPROVED BY: Loud Cilato	3/3//0
APPROVED BY:	

WI APPROVAL:	COMPANY	Stephen Mitchell	0.4235292%
	BY		
	TITLE		
	DATE		

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	CODE	TO CSG PT	COOK	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	1524 101	374,095	Ž.	0	874,095
Drilling Daywork 2 2 6,200 \$/day	3314 198	13,144		13,144	26,288
Drilling Turnkey	3646514	0	1513,164 1512,210	10,144	20,200
Rig Mobilization and Demobilization	154111	0	1	0	
Road & Location Expense	1524140	27,295		3,180	30,475
Damages		5,000	14,434	0,100	5,000
Directional Drilling - Tools and Service	111600	0	18.110	0	0,000
Drilling Fluids	2524 532	53,000		0	53,000
Fuel, Power, and Water	£514.740	26,500		0	26,500
Supplies - Bits	3514.548	0	1818348	795	795
Supplies - Casing Equipment	2524 f50	5,989	13,1,150	7,420	13,409
Supplies - Liner Equipment	1514155	0	1818.166	O	0
Supplies - Miscellaneous	1514 160	0	i i i i i	0	0
Cement and Cmt. Services - Surface Csg	1814 (48	8,480	5.4	0	8,480
Cement and Cmt. Services - Int. Csg	2824 FFE	15,900	n.	0	15,900
Cement and Cmt. Services - Prod. Csg	NA.	0	il in the	21,200	21,200
Cement and Cmt. Services - Other	1514 11K	0	Jula 17	0	. 0
Rental - Drilling Tools and Equipment	1314180	0	15,13,180	0	0
Rental - Misc.	1414.148	24,910	18,14,144	3,710	28,620
Testing - Drill Stem / Production	<i>LF14.198</i>	4,770	inining	3,710	8,480
Open Hole Logging	1514,200	37,100	744	0	37,100
Mudlogging Services	iši#žid	21,465	194	0	21,465
Special Services	1114140	0	1618 190	0	0
Plug and Abandon	isiabis.	15,000	1212218	(15,000)	0
Pulling and/or Swabbing Unit	N/A	0	74,547	15,264	15,264
Reverse Equipment	144	0	ia in a la	5,830	5,830
Wireline Services	241636Z	0	1518.204	19,080	19,080
Stimulation	NA.	0	1214,251	12,720	12,720
Pump / Vacuum Truck Services	1514110	0	.a. 3.270	5,944	5,944
Transportation	154.4.218	2,120	1518,855	2,650	4,770
Tubular Goods - Inspection & Testing	241420	0	1818 220	5,300	5,300
Unclassified	24.424 <u>6</u>	580	13,145	0	530
Telephone and Radio Expense	1514140	1,590	111234	636	2,226
Engineer / Geologist / Landman	15/4.240		i el e un	}	25,000
Company Labor - Field Supervision	2514234	26,500	18.18.18	7,500	34,000
Contract Labor / Roustabout	2514.265	2,120	1812.266	7,950	10,070
Legal and Professional Service	1514270	5,000	Jajaari	0	5,000
Insurance	351#278	14,008	i Lia Pri	0	14,008
Overhead	2516 350		8 8 200		17,500
SUBTOTAL		721,017		127,033	848,050
Contingencies (10%)		72,102		12,703	84,805
ESTIMATED TOTAL INTANGIBLES		793,119		139,736	932,855
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Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

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WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	COOR	TO CSG PT	cone	COMPLETION	TOTAL WELL
Conductor Casing 0 Ft @ 0.00 \$/Ft	1820.508	0	8.4	0	0
Surface Csg 500 Ft @ 24.00 \$/Ft	1420,31p	12,000	,	0	12,000
Intermediate Csg 5,000 Ft @ 14.00 \$/Ft	1540.318	70,000	M.	0	70,000
Protection Csg 0 Ft @ 0.00 \$/Ft	1520.120	0	n A	0	0
Production Csg 13,600 Ft@ 10.00 \$/Ft	NA	0	s al re	186,000	136,000
Protection Liner 0 Ft @ 0.00 \$/Ft	2520,510	0	V.	0	0
Production Liner 0 Ft @ 0.00 \$/Ft	NA.	0	13.22.13	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	NA.	0	14123.00	45,292	45,292
Rods 0 Ft@ 0.00 \$/Ft	244	0	1412341	0	0
Artificial Lift Equipment	N.A	0	1822240	0	0
Tank Battery	NA.	0	1422244	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	Jøs.	0	I MARKET	12,720	12,720
* Well Head Equipment & Christmas Tree	1520.568	2,000	15.2.2.64	11,500	13,500
Subsurface Well Equipment	NA.	0	18,12,210	6,890	6,890
Flow Lines	NA	0	202273	13,250	13,250
Saltwater Disposal Pump	MA	0	in e	0	0
Gas Meter	7/1	0	1512,861	3,180	3,180
Lact Unit	Νá	0	15.22.22	0	0
Vapor Recovery Unit	l va	0	1712148	0	0
Other Well Equipment	N/S4	\ O	122.20	0	0
ROW and Damages	Y4	0	1512.842	2,120	2,120
Surface Equipment Installation Costs	NA.	0	1528.294	15,900	15,900
Elect. Installation	MA	0	1122 201	·´ 0	0
ESTIMATED TOTAL TANGIBLES		84,000		262,752	346,752
ESTIMATED TOTAL WELL COSTS		877,119		402,488	1,279,607

NPCAPPROVAL	DAGE
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	
APPROVED BY: Loud Collabor	3/3//0
APPROVED BY:	

WI APPROVAL:	COMPANY	Harold Kious	0.3529410%
	BY		
	TITLE		
	DATE	·	·

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

FIELD: Morrow

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	CODE	TO CSG PT	50002	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	161 £ 10 £	874,095	n.e.	0	374,095
Drilling Daywork 2 2 6,200 \$/day	352 £ 108	13,144	1518.104	13,144	26,288
Drilling Turnkey	24441JP	0	1818210	0	0
Rig Mobilization and Demobilization	2444115	0	isiriis	0	0
Road & Location Expense	157#120	27,295	jų k 198	3,180	30,475
Damages	151412B	5,000	1414.124	0	5,000
Directional Drilling - Tools and Service	181413¢	0	isikiso	0	0
Drilling Fluids	1664.136	53,000	215,139	0	53,000
Fuel, Power, and Water	152 £ 140	26,500	J. K. en	0	26,500
Supplies - Bits	1514 f43	0	1518345	795	795
Supplies - Casing Equipment	1114150	5,989	18,14,140	7,420	13,409
Supplies - Liner Equipment	2514355	0	1212.146	0	0
Supplies - Miscellaneous	15/4 240	0	1111100	0	0
Cement and Cmt. Services - Surface Csg	2524.668	8,480	77.4	0	8,480
Cement and Cmt. Services - Int. Csg	2816210	15,900	l ya	0	15,900
Cement and Cmt. Services - Prod. Csg	NA.	0	iala ita	21,200	21,200
Cement and Cmt. Services - Other	157 £ 27 £	0	Jaiatra	0	. 0
Rental - Drilling Tools and Equipment	1814 180	0	1518.180	0	0
Rental - Misc.	4444 147	24,910	8.8.44	3,710	28,620
Testing - Drill Stem / Production	2514295	4,770	10.16.185	3,710	8,480
Open Hole Logging	151 # 20 0	37,100	744	0	37,100
Mudlogging Services	\$\$\$ # \$\$\$	21,465	174	0	21,465
Special Services	24241#Q	0	1512,190	0	0
Plug and Abandon	2534215	15,000	J. L.	(15,000)	0
Pulling and/or Swabbing Unit	MA	0	ji ka i k	15,264	15,264
Reverse Equipment	74	0	12(Z)	5,830	5,830
Wireline Services	\$\$14.00	0	15,14,206	19,080	19,080
Stimulation	NA.	0	1.61.	12,720	12,720
Pump / Vacuum Truck Services	1514110	0	1, 3, 27	5,944	5,944
Transportation	****	2,120	15.13.224	2,650	4,770
Tubular Goods - Inspection & Testing	\$\$\$4.25¢	0	. B. J. #40	5,300	5,300
Unclassified	ekiceis	580	N. 2. 140	0	530
Telephone and Radio Expense	1514240	1,590	1113.24	636	2,226
Engineer / Geologist / Landman	154 # 24D	22,500	16. 8.240	2,500	25,000
Company Labor - Field Supervision	2514357	26,500	1.114	7,500	34,000
Contract Labor / Roustabout	1512.262	2,120	1115.566	7,950	10,070
Legal and Professional Service	1514270	5,000	Jaia aru	0	5,000
Insurance	154.6278	14,008	1818.074	0	14,008
Overhead	2846320	14,000	1919.780		17,500
SUBTOTAL		721,017	!	127,033	848,050
Contingencies (10%)		72,102		12,703	84,805
ESTIMATED TOTAL INTANGIBLES		793,119		139,738	932,855

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

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DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	1200#	TO CSG PT	cons	COMPLETION	TOTAL WELL
Conductor Casing 0 Ft @ 0.00 \$/Ft	1320.708	0	84	0	0
Surface Csg 500 Ft @ 24.00 \$/Ft	2420,510	12,000		0	12,000
Intermediate Csg 5,000 Ft @ 14.00 \$/Ft	2,526,314	70,000	364	0	70,000
Protection Csg 0 Ft @ 0.00 \$/Ft	1520,220	0	NA.	0	0
Production Csg 13,600 Ft@ 10.00 \$/Ft	MA	0	1512.021	136,000	136,000
Protection Liner 0 Ft@ 0.00 \$/Ft	1120,510	0	84	. 0	0
Production Liner 0 Ft@ 0.00 \$/Ft	N/A	0	1412.414	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	Na	0	, ALLAGO	45,292	45,292
Rods 0 Ft@ 0.00 \$/Ft	NG.	0	1512.244	0	0
Artificial Lift Equipment	NA.	0	1522.240	0	0
Tank Battery	N/A	0	intere	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	λ×i	0	1,022,860	12,720	12,720
* Well Head Equipment & Christmas Tree	3520,862	2,000	1512.65	11,500	13,500
Subsurface Well Equipment	NA	0	1812.270	6,890	6,890
Flow Lines	NA	0	1222.175	13,250	13,250
Saltwater Disposal Pump	Na	0	JAPAN P	0	0
Gas Meter	MA	0	1522,024	3,180	3,180
Lact Unit	NA.	0	1502.287	0	0
Vapor Recovery Unit	NA.	0	1872.188	0	0
Other Well Equipment	Na	0	Jan 1840	0	0
ROW and Damages	MA	0	1522,099	2,120	2,120
Surface Equipment Installation Costs	NA	0	1822,294	15,900	15,900
Elect. Installation	M	0	1212.107	, 0	0
ESTIMATED TOTAL TANGIBLES		84,000	'	262,752	346,752
ESTIMATED TOTAL WELL COSTS		877,119		402,488	1,279,607

NPCAPPROVAL	DATE
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	
APPROVED BY: Let Cilato	3/3/6
APPROVED BY:	

VI APPROVAL: COMPANY BY	Red Oak Cattle Co. 0.282352				
	v				
	TITLE	**************************************			
	DATE				

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER: COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	1514701	374,095	NSAE	0	374,095
Drilling Daywork 2 2 6,200 \$/day	1514108	13,144	15.5.104	18,144	26,288
Drilling Turnkey	2446 X.4	0	1214210	0	0
Rig Mobilization and Demobilization	2514715	0	1818.218	0	0
Road & Location Expense	1514 [10	27,295	Jana 124	3,180	30,475
Damages	1844128	5,000	15.5.124	0	5,000
Directional Drilling - Tools and Service	2.614.13D	0	1312130	O	0
Drilling Fluids	£554.23£	53,000	12,12,142	0	53,000
Fuel, Power, and Water	1514 140	28,500	1212.140	0	26,500
Supplies - Bits	3544 548	0	1212752	795	795
Supplies - Casing Equipment	1816130	5,989	121710	7,420	13,409
Supplies - Liner Equipment	252435 5	0	1818268	0	0
Supplies - Miscellaneous	1514160	0	1818.160	0	0
Cement and Cmt. Services - Surface Csg	354€166	8,480	IV.A	0	8,480
Cement and Cmt. Services - Int. Csg	1516110	15,900	894	0	15,900
Cement and Cmt. Services - Prod. Csg	N/A	0	1818.179	21,200	21,200
Cement and Cmt. Services - Other	1524 116	0	1213.174	0	. 0
Rental - Drilling Tools and Equipment	1814 580	0	1414190	0	0
Rental - Misc.	*****	24,910	18,141,81	3,710	28,620
Testing - Drill Stem / Production	1514205	4,770	1818.200	3,710	8,480
Open Hole Logging	1514200	37,100	No.	0	37,100
Mudlogging Services	\$\$\$ \$ \$\$0	21,465	, xx	0	21,465
Special Services	1514100	0	15,1190	0	0
Plug and Abandon	1514315	15,000	1818.218	(15,000)	0
Pulling and/or Swabbing Unit	NA.	0	i ki kalif	15,264	15,264
Reverse Equipment	Y4	0	74.14.17	5,830	5,830
Wireline Services	2.61.4.20Z	0	1814.105	19,080	19,080
Stimulation	NA	0	inia apa	12,720	12,720
Pump / Vacuum Truck Services	1574210	0	1212.27	5,944	5,944
Transportation	18.4218	2,120	15,2,215	2,650	4,770
Tubular Goods - Inspection & Testing	24.4 Mg	0	15,12,240	5,300	5,300
Unclassified	2514245	530	1414.266	0	530
Telephone and Radio Expense	152 £ £40	1,590	JU 3.140	636	2,226
Engineer / Geologist / Landman	1824.250	22,500	isised	2,500	25,000
Company Labor - Field Supervision	1114251	26,500	1818.846	7,500	34,000
Contract Labor / Roustabout	1514265	2,120	1215.166	7,950	10,070
Legal and Professional Service	1812270	5,000	1212.270	0	5,000
Insurance	187 £ 178	14,008	1518,974	0	14,008
Overhead	2524340	14,000	1811.280		17,500
SUBTOTAL		721,017		127,033	848,050
Contingencies (10%)		72,102		12,703	84,805
ESTIMATED TOTAL INTANGIBLES	į	793,119		139,736	932,855

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650 FIELD: Morrow

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

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EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	COOR	TO CSG PT	ogog:	COMPLETION	TOTAL WELL
Conductor Casing 0 Ft @ 0.00 \$/Ft	1829 808	0	NA.	0	0
Surface Csg 500 Ft @ 24.00 \$/Ft	154031D	12,000	i w	0	12,000
Intermediate Csg 5,000 Ft @ 14.00 \$/Ft	1526.3.15	70,000	NA.	0	70,000
Protection Csg 0 Ft @ 0.00 \$/Ft	1520.210	0	NA.	0	0
Production Csg 13,600 Ft @ 10.00 \$/Ft	864	0	istratu	136,000	136,000
Protection Liner 0 Ft @ 0.00 \$/Ft	2.520.330	0	7.	0	0
Production Liner 0 Ft @ 0.00 \$/Ft	MA	0	1012 410	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	Ma	0	1412.00	45,292	45,292
Rods 0 Ft@ 0.00 \$/Ft	264	0	1412,844	0	0
Artificial Lift Equipment	NA.	0	1522.240	0	0
Tank Battery	174	0	1022 150	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	NA	0	1412.261	12,720	12,720
* Well Head Equipment & Christmas Tree	3520,868	2,000	1512.161	11,500	13,500
Subsurface Well Equipment	WA	. 0	15.52.270	6,890	6,890
Flow Lines	NA	. 0	1322.274	13,250	13,250
Saltwater Disposal Pump	N/A	0	1272.207	0	0
Gas Meter	MA	0	1522.004	3,180	3,180
Lact Unit	NA.	0	1822.243	0	0
Vapor Recovery Unit	NA.	0	1222.149	0	0
Other Well Equipment	ж	0	2,83,840°	0	0
ROW and Damages	N/A	0	1508,840	2,120	2,120
Surface Equipment Installation Costs	NA.	0	1272.204	15,900	15,900
Elect. Installation	N/A	0	122 197	· · 0	0
ESTIMATED TOTAL TANGIBLES		84,000		262,752	346,752
ESTIMATED TOTAL WELL COSTS		877,119		402,488	1,279,607

NRCAPPROVAL	
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	
APPROVED BY: Loud Collabo	3/3/6
APPROVED BY:	

WI APPROVAL:	COMPANY	Barbara E. Hannifin	0.14117642
	BY		
	TITLE		
	DATE		

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	CODE	TO CSG PT	cooz	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	1514.508	374,095	, a	0	374,095
Drilling Daywork 2 2 6,200 \$/day	1514.108	13,144	12.2364	18,144	26,288
Drilling Turnkey	1445IP		o it gist	O	0
Rig Mobilization and Demobilization	1614111	0	1912112	a	0
Road & Location Expense	15/4120	27,295	1414.12	3,180	30,475
Damages	3514138	5,000	iriz iri	0	5,000
Directional Drilling - Tools and Service	2524130	0	1814/10	0	0
Drilling Fluids	1614.131	53,000		0	53,000
Fuel, Power, and Water	1514 140	26,500	Jana Jan	0	26,500
Supplies - Bits .	354 £ £48	0	1518,145	795	795
Supplies - Casing Equipment	282 6 154	5,989	1518260	7,420	13,409
Supplies - Liner Equipment	1514755	0	1814.166	0	0
Supplies - Miscellaneous	4814 160	0	Jaia se	0	0
Cement and Cmt. Services - Surface Csg	13.14.168	8,480	rs.a.	0	8,480
Cement and Cmt. Services - Int. Csg	1514 Etü	15,900	144	0	15,900
Cement and Cmt. Services - Prod. Csg	NA	0	1812.178	21,200	21,200
Cement and Cmt. Services - Other	£854££78	0	1413.274	0	, 0
Rental - Drilling Tools and Equipment	1824 fab	0	1212,100	0	0
Rental - Misc.	£8.14 [8]	24,910	1514146	3,710	28,620
Testing - Drill Stem / Production	1514795	4,770	1818.195	3,710	8,480
Open Hole Logging	15/ 4 2 00	37,100	, wa	0	37,100
Mudlogging Services	1544210	21,465	NA.	0	21,465
Special Services	181418Q	0	1814190	0	0
Plug and Abandon	1516215	15,000	i di de el de	(15,000)	0
Pulling and/or Swabbing Unit	MA	0	J&15217	15,264	15,264
Reverse Equipment	MA	0	isissis	5,830	5,830
Wireline Services	2526202	0	\$12,204	19,080	19,080
Stimulation	NA.	0	3.4.17	12,720	12,720
Pump / Vacuum Truck Services	1514220	0	dikani	5,944	5,944
Transportation	15££128	2,120	16.18.916	2,650	4,770
Tubular Goods - Inspection & Testing	2824 2 30	0	i 5 1 21 a	5,300	5,300
Unclassified	(Licet	530	18.14.146	0	530
Telephone and Radio Expense	1514240		jų s ja	636	2,226
Engineer / Geologist / Landman	28.14.26D		i di A au		25,000
Company Labor - Field Supervision	2514252	26,500		7,500	34,000
Contract Labor / Roustabout	1514.264		3/2 268	7,950	10,070
Legal and Professional Service	1514 E 10	5,000	19.8.270	0	5,000
Insurance	1814.273	14,008	ican	0	14,008
Overhead	3454340		18.12.00		17,500
SUBTOTAL		721,017		127,033	848,050
Contingencies (10%)		72,102		12,703	84,805
ESTIMATED TOTAL INTANGIBLES		793,119		139,736	932,855

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

FIELD: Morrow

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County $\,$ NM $\,$

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	1001	TO CSG PT	cone	COMPLETION	TOTAL WELL
Conductor Casing 0 Ft@ 0.00 \$/Ft	1510,708	0	, 54	O	0
Surface Csg 500 Ft @ 24.00 \$/Ft	1420310	12,000	MA.	0	12,000
Intermediate Csg 5,000 Ft@ 14.00 \$/Ft	15263.15	70,000	MA	0	70,000
Protection Csg 0 Ft @ 0.00 \$/Ft	1820.110	0	N-A	0	0
Production Csg 13,600 Ft @ 10.00 \$/Ft	77.4	0	15.72,334	136,000	136,000
Protection Liner 0 Ft@ 0.00 \$/Ft	z u zasto	0	3.4	0	0
Production Liner 0 Ft@ 0.00 \$/Ft	MA	0	1212 414	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	ХYA	0	1412.140	45,292	45,292
Rods 0 Ft@ 0.00 \$/Ft	44	0	112,844	0	0
Artificial Lift Equipment	N/A	0	1522.110	0	0
Tank Battery	374	0	1012116	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	A/A	0	1.22	12,720	12,720
* Well Head Equipment & Christmas Tree	1820.868	2,000	1211.61	11,500	13,500
Subsurface Well Equipment	N/A	0	1522.370	6,890	6,890
Flow Lines	NA	0	1022.275	13,250	13,250
Saltwater Disposal Pump	N/A	0	11235	0	0
Gas Meter	MA	. 0	1522,002	3,180	3,180
Lact Unit	NA.	0	1522.242	0	0
Vapor Recovery Unit	N/A	0	122218	0	0
Other Well Equipment	364	0	1,222,287	0	0
ROW and Damages	, va	0	1512,201	2,120	2,120
Surface Equipment Installation Costs	NA.	0	1812194	15,900	15,900
Elect. Installation	wa	0	33.5.107	· 0	0
ESTIMATED TOTAL TANGIBLES		84,000		262,752	346,752
ESTIMATED TOTAL WELL COSTS		877,119		402,488	1,279,607

NPCAPPROVAU	1122349
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	
APPROVED BY: Let Colh	5/3/6
APPROVED BY:	

WI APPROVAL:	COMPANY	David J. Sorenson	2.8235280%
	BY		
	TITLE		••••••••••••••••••••••••••••••••••••••
	DATE		

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	CODE	TO CSG PT	383888	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft				COMPLETION	· · · · · · · · · · · · · · · · · · ·
1	151£101)		374,095
Drilling Daywork 2 2 6,200 \$/day Drilling Turnkey	15,14,108	13,144	1513,204	13,144	26,288
Rig Mobilization and Demobilization	enerie	0	1818 110	0	0
Road & Location Expense	1414718	27,295	2/2/10	3,180	
Damages	1574 140	5,000	JE E 122	3,180	30,475
Directional Drilling - Tools and Service	1114111	0,000	141414	0	5,000
Drilling Fluids	2414134	53,000	is is 180		
Fuel, Power, and Water	2654228	26,500		0	53,000
Supplies - Bits	4314 L40	20,000	11.140	795	26,500 795
Supplies - Casing Equipment	1814 [48 1814 [50	5,989	18.83.64	7,420	
Supplies - Liner Equipment		0,889	612160	7,420	13,409
Supplies - Miscellaneous	1514 145 1514 160	0		0	0
Cement and Cmt. Services - Surface Csg	15.466	8,480] 1,1,5,160	0	8,480
Cement and Cmt. Services - Surface Cag	1616 ETF	15,900	84	0	15,900
Cement and Cmt. Services - Prod. Csg	NA.	0	in in	21,200	21,200
Cement and Cmt. Services - Other	1524 178	0		21,200	21,200
Rental - Drilling Tools and Equipment	1814180	0		0	0
Rental - Misc.	1414131	24,910		3,710	28,620
Testing - Drill Stem / Production	1514 296	4,770	715.00	3,710	8,480
Open Hole Logging	1514200	37,100		0,120	37,100
Mudlogging Services	38,48,0	21,465	5.4	0	21,465
Special Services	2426.50Q	0	1812/290	0	0
Plug and Abandon	1814B15	15,000	314213	(15,000)	0
Pulling and/or Swabbing Unit	NΑ	0	11.217	15,264	15,264
Reverse Equipment	MA.	0	i di di di	5,830	5,830
Wireline Services	1816201	0	1512205	19,080	19,080
Stimulation	N/A	0	ibia dhi	12,720	12,720
Pump / Vacuum Truck Services	1514 1 20	0	28,8470	5,944	5,944
Transportation	1514318	2,120	1212.224	2,650	4,770
Tubular Goods - Inspection & Testing	£846.350	0	1514.230	5,300	5,300
Unclassified	2.63.6.245	530	121246	0	530
Telephone and Radio Expense	1524 240	1,590	ius ao	636	2,226
Engineer / Geologist / Landman	1844 1 40	22,500	JEIRBIN	2,500	25,000
Company Labor - Field Supervision	1114337	26,500	13.1244	7,500	34,000
Contract Labor / Roustabout	1814.265	2,120	1212.266	7,950	10,070
Legal and Professional Service	1514 £70	5,000	izi katri	0	5,000
Insurance	1574 278	14,008	7,51,8,973	0	14,008
Overhead	2.5.2.6.3.8°P	14,000	13/8200	3,500	17,500
SUBTOTAL		721,017	- 	127,033	848,050
Contingencies (10%)		72,102		12,703	84,805
ESTIMATED TOTAL INTANGIBLES		793,119		139,736	932,855



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Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	COOK	TO CSG PT	cone	COMPLETION	TOTAL WELL
Conductor Casing 0 Ft@ 0.00 \$/Ft	1520.708	0		0	0
Surface Csg 500 Ft @ 24.00 \$/Ft	1520310	12,000	144	O	12,000
Intermediate Csg 5,000 Ft @ 14.00 \$/Ft	2,520,322	70,000	M4	0	70,000
Protection Csg 0 Ft @ 0.00 \$/Ft	1520,110	0	, ma	0	0
Production Csg 13,600 Ft @ 10.00 \$/Ft	MA	0	1212.014	136,000	136,000
Protection Liner 0 Ft@ 0.00 \$/Ft	2620,53Q	0	144	0	0
Production Liner 0 Ft@ 0.00 \$/Ft	N/A	0	1212.115	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	Ŋ'n	0	1212.340	45,292	45,292
Rods 0 Ft@ 0.00 \$/Ft	764	0	1412.644	0	0
Artificial Lift Equipment	NA.	0	1522.340	0	0
Tank Battery	NA	0	1021.765	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	Ŋ	0	1271.00	12,720	12,720
* Well Head Equipment & Christmas Tree	1520,768	2,000	1512.364	11,500	13,500
Subsurface Well Equipment	*4	0	1532,270	6,890	6,890
Flow Lines	W	0	13.2.2.78	13,250	13,250
Saltwater Disposal Pump	AγA	0	17,22,307	0	0
Gas Meter	MA	0	152R,884	3,180	3,180
Lact Unit	.va	0	1828.882	0	0
Vapor Recovery Unit	N/A	0	1212.449	0	0
Other Well Equipment	MA	0	J#12.840	0	0
ROW and Damages	MA	0	1518.892	2,120	2,120
Surface Equipment Installation Costs	NA.	0	1322.04	15,900	15,900
Elect. Installation	M	0	1802.800	. 0	0
ESTIMATED TOTAL TANGIBLES		84,000		262,752	346,752
ESTIMATED TOTAL WELL COSTS		877,119		402,488	1,279,607

NPCAPPROVAL	DATE
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	,
APPROVED BY: Level Collabo	3/3//0
APPROVED BY:	

WI APPROVAL:	COMPANY	Daniel W. Varel	1.7647050%
	BY		
	TITLE		
	DATE		· · · · · · · · · · · · · · · · · · ·

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County $\,$ NM $\,$

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00 EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	CODE	TO CSG PT	cope	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	252 £ 202	374,095	764	0	374,095
Drilling Daywork 2 2 6,200 \$/day	1514108	13,144	1212.104	13,144	26,288
Drilling Turnkey	241 4 214	0	12,12,10	0	0
Rig Mobilization and Demobilization	1814318	0	i gi a li s	0	0
Road & Location Expense	152 # 120	27,295	JA 122	3,180	30,475
Damages	364 6 1.8 6	5,000	1514326	0	5,000
Directional Drilling - Tools and Service	754413¢	0	12.1.130	0	0
Drilling Fluids	16413£	53,000	inens	0	53,000
Fuel, Power, and Water	£31€£40	26,500	ji kin	0	26,500
Supplies - Bits .	354 £18	0	1515.146	795	795
Supplies - Casing Equipment	2.524.150	5,989	18,2260	7,420	13,409
Supplies - Liner Equipment	1514155	0	1212.166	0	0
Supplies - Miscellaneous	1514 160	0	iğiğiği	0	0
Cement and Cmt. Services - Surface Csg	1514 [48	8,480	194	0	8,480
Cement and Cmt. Services - Int. Csg	1814170	15,900	74	0	15,900
Cement and Cmt. Services - Prod. Csg	NA	0	1818.279	21,200	21,200
Cement and Cmt. Services - Other	154£174	0	JA ST	0	0
Rental - Drilling Tools and Equipment	1514 [4D	0	1212100	0	0
Rental - Misc.	1514143	24,910	1818184	3,710	28,620
Testing - Drill Stem / Production	<i>1514 198</i>	4,770	1818.195	3,710	8,480
Open Hole Logging	15/4200	37,100	744	0	37,100
Mudlogging Services	35.42.ID	21,465	164	0	21,465
Special Services	7514 f#Q	0	15,18,190	0	0
Plug and Abandon	1614315	15,000	1818218	(15,000)	0
Pulling and/or Swabbing Unit	Mi	0	igi Kalig	15,264	15,264
Reverse Equipment	764	0	14,412	5,830	5,830
Wireline Services	7.51.6.20%	0	1912304	19,080	19,080
Stimulation	NA.	0	1114152	12,720	12,720
Pump / Vacuum Truck Services	151£210	0	jakan	5,944	5,944
Transportation	15/42/18	2,120	1818314	2,650	4,770
Tubular Goods - Inspection & Testing	LE CHIP	0	1814140	5,300	5,300
Unclassified	£414.846	530	1212145	0	530
Telephone and Radio Expense	157 £ 240	1,590	JUL 14	636	2,226
Engineer / Geologist / Landman	1814,250	22,500	i pi kano	2,500	25,000
Company Labor - Field Supervision	£\$£436#	26,500	12,12,245	7,500	34,000
Contract Labor / Roustabout	1514265	2,120	11119	7,950	10,070
Legal and Professional Service	\$\$\$ # #70	5,000	22.3.270	0	5,000
Insurance	1514 278	14,008	JALANTA	0	14,008
Overhead	2.61.4.38P	14,000	1818 280	3,500	17,500
SUBTOTAL		721,017		127,033	848,050
Contingencies (10%)		72,102	·	12,703	84,805
ESTIMATED TOTAL INTANGIBLES		793,119		139,736	932,855
					

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00 EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANCIDIE COURS.	10000000	TO CSG PT	3888888	GOLOT POTON	MOMAY MANY
TANGIBLE COSTS:	COOR		COOR	COMPLETION	TOTAL WELL
Conductor Casing 0 Ft @ 0.00 \$/Ft	1520 508	0		0	0
Surface Csg 500 Ft @ 24.00 \$/Ft	1820310			0	12,000
Intermediate Csg 5,000 Ft@ 14.00 \$/Ft	1,520,3,15	70,000	144	0	70,000
Protection Csg 0 Ft@ 0.00 \$/Ft	1529.210	00	NA.	0	0
Production Csg 13,600 Ft@ 10.00 \$/Ft	MA	0	1512.374	136,000	136,000
Protection Liner 0 Ft@ 0.00 \$/Ft	1.620.33D	0	174	0	0
Production Liner 0 Ft @ 0.00 \$/Ft	NA	0	1821.335	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	N/A	0	izisan	45,292	45,292
Rods 0 Ft@ 0.00 \$/Ft	MA	0	14123-66	0	0
Artificial Lift Equipment	N/A	0	1522.240	0	0
Tank Battery	NA	0	1832.266	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	NA	0	JA28.80	12,720	12,720
* Well Head Equipment & Christmas Tree	1820 868	2,000	1512.651	11,500	13,500
Subsurface Well Equipment	NA	0	1322,170	6,890	6,890
Flow Lines	N/A	0	1822.376	13,250	13,250
Saltwater Disposal Pump	N/A	0	1434391	0	0
Gas Meter	MA	0	1578,884	3,180	3,180
Lact Unit	NA	0	1522.247	0	0
Vapor Recovery Unit	KM.	0	13/11/19	0	0
Other Well Equipment	N64	0	JATESHO	0	0
ROW and Damages	NG.	0	1512,391	2,120	2,120
Surface Equipment Installation Costs	N/4	0	1522,294	15,900	15,900
Elect. Installation	N'A	0	1322.497	· 0	0
ESTIMATED TOTAL TANGIBLES		84,000		262,752	346,752
	-]		i		
ESTIMATED TOTAL WELL COSTS		877,119		402,488	1,279,607

NPGAPPROVAU	223752
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	10
APPROVED BY: Loud Colh	5/3/6
APPROVED BY:	

WI APPROVAL:	COMPANY	Manzano Oil Corporation
	BY	
	TITLE	
	DATE	

The state of the s

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00 EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER: COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	CODE	TO CSG PT	0302	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	1514241	374,095	N.A.	0	374,095
Drilling Daywork 2 2 6,200 \$/day	1814108	13,144	1515,164	18,144	26,288
Drilling Turnkey	14446.4	0		0	0
Rig Mobilization and Demobilization	1616315	0		Ö	, o
Road & Location Expense	1514110	27,295		3,180	30,475
Damages	1546.128	5,000		0,100	5,000
Directional Drilling - Tools and Service	14480	0		0	0,000
Drilling Fluids	1514 1314	53,000	1,11	0	53,000
Fuel, Power, and Water	1524740	26,500		0	26,500
Supplies - Bits	1814 568	0	1512.144	795	795
Supplies - Casing Equipment	141414P	5,989	1012.250	7,420	13,409
Supplies - Liner Equipment	1414.145	0	1815.163	0	0
Supplies - Miscellaneous	1514,160	0	1218.160	0	0
Cement and Cmt. Services - Surface Csg	1544 (68	8,480	x.	0	8,480
Cement and Cmt. Services - Int. Csg	141411d	15,900	84	0	15,900
Cement and Cmt. Services - Prod. Csg	NA.	0	1215.178	21,200	21,200
Cement and Cmt. Services - Other	<i>£52€ \$1</i> 1€	0	luxiti	0	. 0
Rental - Drilling Tools and Equipment	151418D	0	1818.180	0	0
Rental - Misc.	284€18 2	24,910	1812.484	3,710	28,620
Testing - Drill Stem / Production	2.83.4.12.8	4,770	18.14.14.6	3,710	8,480
Open Hole Logging	451 £ 200	37,100	N.A.	0	37,100
Mudlogging Services	isterio	21,465	SA.	0	21,465
Special Services	1514 18Q	0	15,1,190	0	0
Plug and Abandon	isiabia.	15,000	1815.218	(15,000)	0
Pulling and/or Swabbing Unit	MA	0	18.217	15,264	15,264
Reverse Equipment	114	0	1818.818	5,830	5,830
Wireline Services	1516202	0	1218.804	19,080	19,080
Stimulation	NA.	0	iniani	12,720	12,720
Pump / Vacuum Truck Services	1514.120	0	ig sam	5,944	5,944
Transportation	15/47/8	2,120	1518,226	2,650	4,770
Tubular Goods - Inspection & Testing	111420	. 0	1912/200	5,300	5,300
Unclassified	esie eus	530	1818.240	0	530
Telephone and Radio Expense	151£240	1,590	1818,240	636	2,226
Engineer / Geologist / Landman	1514,150	22,500	15,15,160	2,500	25,000
Company Labor - Field Supervision	4514368	26,500	1812265	7,500	34,000
Contract Labor / Roustabout	1544,266	2,120	1818.268	7,950	10,070
Legal and Professional Service	1514£70	5,000	1818.274	0	5,000
Insurance	1814.278	14,008	Island.	0	. 14,008
Overhead	1114380	14,000	1614280	3,500	17,500
SUBTOTAL		721,017		127,033	848,050
Contingencies (10%)		72,102	İ	12,703	84,805
ESTIMATED TOTAL INTANGIBLES		793,119		139,736	932,855

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	1000000	mo ogo pm	38888888	COLOR TOWICAL	MOMAT IVENT
	COOR	TO CSG PT	cone	COMPLETION	TOTAL WELL
Conductor Casing 0 Ft @ 0.00 \$/Ft	1520 708	0	74	0	0
Surface Csg 500 Ft @ 24.00 \$/Ft	1110310		W.	0	12,000
Intermediate Csg 5,000 Ft @ 14.00 \$/Ft	25263.15	70,000	M4:	0	70,000
Protection Csg 0 Ft@ 0.00 \$/Ft	1510,220	0	N.A.	0	0
Production Csg 13,600 Ft@ 10.00 \$/Ft	X4	0	1572.874	136,000	136,000
Protection Liner 0 Ft@ 0.00 \$/Ft	¥440,54 p	0	NA.	0	0
Production Liner 0 Ft@ 0.00 \$/Ft	NA.	0	1325 434	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	, MA	0	1412.00	45,292	45,292
Rods 0 Ft@ 0.00 \$/Ft	M	0	112.844	0	0
Artificial Lift Equipment	NA.	0	1522.140	0	0
Tank Battery	N4	0	132.244	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	<i>3</i> 44	0	1111460	12,720	12,720
* Well Head Equipment & Christmas Tree	1520 568	2,000	1528.864	11,500	13,500
Subsurface Well Equipment	N4	0	1522,170	6,890	6,890
Flow Lines	N/A	0	1722.475	13,250	13,250
Saltwater Disposal Pump	XV4	0	1872.397	0	0
Gas Meter	MA	. 0	1528,004	3,180	3,180
Lact Unit	244	0	1258.842	0	0
Vapor Recovery Unit	10.4	0	1112.148	0	0
Other Well Equipment	l Ma	0	1812.00	0	0
ROW and Damages		0	1522.395	2,120	2,120
Surface Equipment Installation Costs	NA.	0	127 29-4	15,900	15,900
Elect. Installation	NA.	0	332.107	· · o	0
ESTIMATED TOTAL TANGIBLES		84,000		262,752	346,752
ESTIMATED TOTAL WELL COSTS		877,119		402,488	1,279,607

NPC APPROVAL	DATE
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	
APPROVED BY: (but Collaboration)	3/3//0
APPROVED BY:	

WI APPROVAL:	COMPANY	Scott Exploration, Inc.			
	ву				
	TITLE				
	DATE	·			

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

 $\label{eq:description} DESCRIPTION\ OF\ WORK:\ \ Drill\ and\ complete\ as\ a\ Morrow\ gas\ well.$

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00 EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER: COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS: Drilling Footage 13,600 Ft @ 25.95 \$/Ft	COMPLETION	374,095 26,288 0 0 0 30,475 5,000 0 53,000 26,500 795 13,409 0 8,480 15,900 21,200 0
Drilling Daywork 2 2 6,200 \$/day		26,288 0 30,475 5,000 0 53,000 26,500 795 13,409 0 0 8,480 15,900 21,200 0
Drilling Turnkey Rig Mobilization and Demobilization Road & Location Expense Damages Directional Drilling - Tools and Service Damages Directional Drilling Fluids Damages		0 0 30,475 5,000 0 53,000 26,500 795 13,409 0 0 8,480 15,900 21,200 0
Rig Mobilization and Demobilization Road & Location Expense State 27,295		30,475 5,000 0 53,000 26,500 795 13,409 0 0 8,480 15,900 21,200 0
Road & Location Expense 186500 27,295 25,000		5,000 0 53,000 26,500 795 13,409 0 0 8,480 15,900 21,200 0
Damages		5,000 0 53,000 26,500 795 13,409 0 0 8,480 15,900 21,200 0
Directional Drilling - Tools and Service		0 53,000 26,500 795 13,409 0 0 8,480 15,900 21,200 0
Fuel, Power, and Water		26,500 795 13,409 0 0 8,480 15,900 21,200 0
Supplies - Bits	15 15 15 15 15 15 15 15 15 15	795 13,409 0 0 8,480 15,900 21,200 0
Supplies - Casing Equipment Supplies - Liner Equipment Supplies - Miscellaneous Cement and Cmt. Services - Surface Csg Cement and Cmt. Services - Int. Csg Cement and Cmt. Services - Int. Csg Cement and Cmt. Services - Prod. Csg Cement and Cmt. Services - Other Rental - Drilling Tools and Equipment Rental - Misc. Testing - Drill Stem / Production Open Hole Logging Mudlogging Services Special Services Plug and Abandon Pulling and/or Swabbing Unit Reverse Equipment Wireline Services Stimulation Pump / Vacuum Truck Services	15,1340 7,420	13,409 0 0 8,480 15,900 21,200 0
Supplies - Liner Equipment Supplies - Miscellaneous Cement and Cmt. Services - Surface Csg Cement and Cmt. Services - Int. Csg Cement and Cmt. Services - Prod. Csg Cement and Cmt. Services - Prod. Csg Cement and Cmt. Services - Other Rental - Drilling Tools and Equipment Rental - Misc. Testing - Drill Stem / Production Open Hole Logging Mudlogging Services Special Services Plug and Abandon Pulling and/or Swabbing Unit Reverse Equipment Wireline Services Stimulation Pump / Vacuum Truck Services		0 0 8,480 15,900 21,200 . 0
Supplies - Miscellaneous		0 8,480 15,900 21,200 0
Cement and Cmt. Services - Surface Csg	NAL	8,480 15,900 21,200 . 0
Cement and Cmt. Services - Int. Csg		15,900 21,200 . 0
Cement and Cmt. Services - Prod. Csg Cement and Cmt. Services - Other Rental - Drilling Tools and Equipment Rental - Misc. Testing - Drill Stem / Production Open Hole Logging Mudlogging Services Special Services Plug and Abandon Pulling and/or Swabbing Unit Reverse Equipment Wireline Services Stimulation Pump / Vacuum Truck Services O Stimulation Cement and Cmt. Services - Other Stiests O Stimulation O Stiests O O Other Stiests O O O		15,900 21,200 . 0
Cement and Cmt. Services - Other Rental - Drilling Tools and Equipment Rental - Misc. Testing - Drill Stem / Production Open Hole Logging Mudlogging Services Special Services Plug and Abandon Pulling and/or Swabbing Unit Reverse Equipment Wireline Services Stimulation Pump / Vacuum Truck Services 155525 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	141.544 0 141.544 0 151.544 3,710	21,200 . 0
Rental - Drilling Tools and Equipment	141.544 0 141.544 0 151.544 3,710	0
Rental - Misc. Interest 24,910	3,710	
Testing - Drill Stem / Production		20.000
Open Hole Logging \$15,200 37,100 Mudlogging Services \$15,200 21,465 Special Services \$15,200 0 Plug and Abandon \$15,000 15,000 Pulling and/or Swabbing Unit \$2 0 Reverse Equipment \$6 0 Wireline Services \$15,200 0 Stimulation \$6 0 Pump / Vacuum Truck Services \$15,250 0	3,710	28,620
Mudlogging Services 21,465 Special Services 221,465 Plug and Abandon 221,465 Pulling and/or Swabbing Unit 221,465 Reverse Equipment 221,465 Wireline Services 221,465 Stimulation 221,465 Pump / Vacuum Truck Services 221,465 201,465 221,465 202,465 221,465 203,700 221,465 204,465 221,465 207,465 221,465 208,475 221,465 209,475 221,465 200,475 221,465 201,465 221,465 202,475 221,465 203,475 221,465 203,475 221,465 204,475 221,465 207,475 221,465 208,475 221,465 209,475 221,465 200,475 221,465 201,465 221,465 201,465 221,465 201,465 221,465		8,480
Special Services 15,000 Plug and Abandon 15,000 Pulling and/or Swabbing Unit 50 Reverse Equipment 50 Wireline Services 25,000 Stimulation 0 Pump / Vacuum Truck Services 25,000	0	37,100
Plug and Abandon Pulling and/or Swabbing Unit Reverse Equipment Wireline Services Stimulation Pump / Vacuum Truck Services 15,000 25,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	ru O	21,465
Pulling and/or Swabbing Unit No. 0 Reverse Equipment No. 0 Wireline Services 12,2302 0 Stimulation No. 0 Pump / Vacuum Truck Services 12,2300 0	1618290 O	0
Reverse Equipment 0 Wireline Services 20 Stimulation 0 Pump / Vacuum Truck Services 20	[15,000)	0
Wireline Services 22 20 0 Stimulation 74 0 Pump / Vacuum Truck Services 22 22 0	15,264	15,264
Stimulation 0 Pump / Vacuum Truck Services states 0	1818118 5,830	5,830
Pump / Vacuum Truck Services :#### 0	19,080	19,080
]	12,720	12,720
Transportation 2,120	Jaisan 5,944	5,944
	2,650	4,770
Tubular Goods - Inspection & Testing	5,800	5,300
Unclassified zazaz 530	0	530
Telephone and Radio Expense 1,590	ju. a 636	2,226
Engineer / Geologist / Landman issain 22,500	1512 M 2,500	25,000
Company Labor - Field Supervision 26,500	7,500	34,000
Contract Labor / Roustabout 25,232 2,120	7,950	10,070
Legal and Professional Service issue 5,000	Jaikara O	5,000
Insurance 14,008	0	14,008
Overhead 14,000	3,500	17,500
SUBTOTAL 721,017	To the second se	848,050
Contingencies (10%) 72,102	127,033	84,805
	127,038 12,703	
ESTIMATED TOTAL INTANGIBLES 793,119		932,855

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

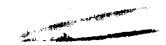
ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	COOR	TO CSG PT	cone	COMPLETION	TOTAL WELL
Conductor Casins 0 Ft @ 0.00 \$/Ft	1820.708	0	iv.	0	0
Surface Csg 500 Ft @ 24.00 \$/Ft	282031D	12,000	NA.	0	12,000
Intermediate Csg 5,000 Ft @ 14.00 \$/Ft	1420,315	70,000	N/A	0	70,000
Protection Csg 0 Ft @ 0.00 \$/Ft	1520.240	0	N.A.	O	0
Production Csg 13,600 Ft@ 10.00 \$/Ft	MA	0	Islana	186,000	136,000
Protection Liner 0 Ft @ 0.00 \$/Ft	2420330	0	194	0	0
Production Liner 0 Ft@ 0.00 \$/Ft	N/A	0	1812.115	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	Жá	0	i zi ki eo	45,292	45,292
Rods 0 Ft @ 0.00 \$/Ft	264	0	J##2##	0	0
Artificial Lift Equipment	N/A	0	1252.240	0	0
Tank Battery	344	0	1522.466	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	Wa	0	1212.360	12,720	12,720
* Well Head Equipment & Christmas Tree	2520.568	2,000	1512,861	11,500	13,500
Subsurface Well Equipment	NA.	0	1822.270	6,890	6,890
Flow Lines	MA	0	1212.176	13,250	13,250
Saltwater Disposal Pump	, wa	0	1824.892	0	0
Gas Meter	ΧA	0	1528,884	3,180	3,180
Lact Unit	N/A	0	1522,487	0	0
Vapor Recovery Unit	l ka	0	1811.149	0	0
Other Well Equipment	NA.	0	1,014,040	0	0
ROW and Damages	MA	0	1512,292	2,120	2,120
Surface Equipment Installation Costs	164	0	1522,194	15,900	15,900
Elect. Installation	MA	0	1822.297	. 0	0
ESTIMATED TOTAL TANGIBLES		84,000		262,752	346,752
ESTIMATED TOTAL WELL COSTS		877,119		402,488	1,279,607

NPC APPROVAL	DATE
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	
APPROVED BY: Loud Collaboration	3/3/6
APPROVED BY:	

WI APPROVAL:	COMPANY	Susan Scott Murphy
	BY	
	TITLE	
	DATE	



and the second s

Nearburg Producing Company

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	GODE	TO CSG PT	2008	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	1514 10E	374,095	NA.	O	874,095
Drilling Daywork 2 2 6,200 \$/day	352#108	13,144	1812.181	18,144	26,288
Drilling Turnkey	iki 4 e i p	0	isisio	O	0
Rig Mobilization and Demobilization	15141,15	0	1818218	0	0
Road & Location Expense	154 £ 120	27,295	1412.12	3,180	30,475
Damages	2524 [28	5,000	1412324	0	5,000
Directional Drilling - Tools and Service	1114130	0	1312/20	0	0
Drilling Fluids	1514.135	53,000	1212.22	0	53,000
Fuel, Power, and Water	£51£ £40	26,500	121 a 2 a D	0	26,500
Supplies - Bits	15/4 £48	0	1513.44	795	795
Supplies - Casing Equipment	181613D	5,989	1918.110	7,420	13,409
Supplies - Liner Equipment	1514148	0	1315.146	0	0
Supplies - Miscellaneous	1514 160	0	1818.160	0	0
Cement and Cmt. Services - Surface Csg	13.14.148	8,480	84	0	8,480
Cement and Cmt. Services - Int. Csg	1814.570	15,900	iya.	0	15,900
Cement and Cmt. Services - Prod. Csg	NA.	0	1815.178	21,200	21,200
Cement and Cmt. Services - Other	15/4/26	0	1412.274	0	. 0
Rental - Drilling Tools and Equipment	1324 140	0	. A. B. 180	0	0
Rental - Misc.	1524 152	24,910	i i i i i i	3,710	28,620
Testing - Drill Stem / Production	1516188	4,770	1818.100	3,710	8,480
Open Hole Logging	1514200	37,100	N.	0	37,100
Mudlogging Services	*******	21,465	84	0	21,465
Special Services	1514100	0	15.18.190	0	0
Plug and Abandon	1514215	15,000	1812.218	(15,000)	0
Pulling and/or Swabbing Unit	N4	0	iai&ai?	15,264	15,264
Reverse Equipment	7/4	0	iniania	5,830	5,830
Wireline Services	£\$1.6.208	0	1918 504	19,080	19,080
Stimulation	NA.	0	iningri	12,720	12,720
Pump / Vacuum Truck Services	1844.220	0	1416.220	5,944	5,944
Transportation	15/42/5	2,120	141,214	2,650	4,770
Tubular Goods - Inspection & Testing	2.61.6.20 P	0	13.18.240	5,300	5,300
Unclassified	£\$14.245	530	1818246	0	530
Telephone and Radio Expense	151£210	1,590	JALLE .	636	2,226
Engineer / Geologist / Landman	2824240	22,500	1412.00	2,500	25,000
Company Labor - Field Supervision	1514262	26,500	12,244	7 ,500	34,000
Contract Labor / Roustabout	1514264	2,120	13,14,268	7,950	10,070
Legal and Professional Service	1514270	5,000	JALKATO	0	5,000
Insurance	15/ £ 278	14,008	1212371	0	14,008
Overhead	2524 380	14,000	18.18.280	3,500	17,500
SUBTOTAL		721,017		127,033	848,050
Contingencies (10%)	İ	72,102	<u> </u>	12,703	84,805
ESTIMATED TOTAL INTANGIBLES		793,119		139,736	932,855

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

FIELD: Morrow

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

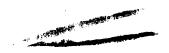
ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	ccos	TO CSG PT	cone	COMPLETION	TOTAL WELL
Conductor Casins 0 Ft @ 0.00 \$/Ft	1,520,503	0			TOTAL WELL
Surface Csg 500 Ft @ 24.00 \$/Ft	1510310		74	0	10,000
Intermediate Csg 5,000 Ft @ 14.00 \$/Ft	1520.315		W4	0	12,000
Protection Csg 0 Ft @ 0.00 \$/Ft			MA .	0	70,000
1.	1520.210		344	0	100,000
	MA	0	1512.314	136,000	136,000
	\$450.53D	0	X4	0	0
0.00 4/24	NA.	0	12213	0	0
Tubing 13,400 Ft @ 3.88 \$/Ft	MA	0	1,000	45,292	45,292
Rods 0 Ft@ 0.00 \$/Ft	144	0	13.2.341	0	0
Artificial Lift Equipment	**4	0	1522.240	0	0
Tank Battery	N/A	0	12,12,150	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	Жi	0	1722 360	12,720	12,720
* Well Head Equipment & Christmas Tree	2520,768	2,000	1522.864	11,500	13,500
Subsurface Well Equipment	NA.	0	1822.370	6,890	6,890
Flow Lines	NA	0	1022.278	13,250	13,250
Saltwater Disposal Pump	MA	0	1,121,202	0	0
Gas Meter	MA	0	1522,284	3,180	3,180
Lact Unit	N/A	0	1532,747	0	0
Vapor Recovery Unit	NA.	0	1022.249	0	0
Other Well Equipment	λýA	0	JAZARAD	0	0
ROW and Damages	WA	0	1522,892	2,120	2,120
Surface Equipment Installation Costs		0	1212 194	15,900	15,900
Elect. Installation		0	1222.07	. 0	0
	للتنسيب				
ESTIMATED TOTAL TANGIBLES		84,000		262,752	346,752
			,		
ESTIMATED TOTAL WELL COSTS		877,119		402,488	1,279,607

NPCIAPPROVAL	DATE
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	
APPROVED BY: Lut Collaboration	_ 3/3/6
APPROVED BY:	

WI APPROVAL:	COMPANY	George L. Scott, III
	BY	
	TITLE	
	DATE	



Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,65
FIELD: Morrow

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County $\,$ NM $\,$

EXPLORATORY, DEVELOPMENT, WORKOVER: E

 $\label{eq:def:DESCRIPTIONOF WORK: Drill and complete as a Morrow gas well. \\$

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	GODE	TO CSG PT	coox	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	1514 191	374,095	, na	0	374,095
Drilling Daywork 2 2 6,200 \$/day	1524 108	13,144	1412.01	13,144	26,288
Drilling Turnkey	2524510	0	0154141	0	0
Rig Mobilization and Demobilization	1414714	0	1111175	0	0
Road & Location Expense	1514110	27,295	i i i i i i i i i i i i i i i i i i i	3,180	30,475
Damages	3544.128	5,000	ialkisa	O	5,000
Directional Drilling - Tools and Service	\$\$14.13°0	0	1512.420	0	0
Drilling Fluids	£534,738	53,000	13/15/13	0	53,000
Fuel, Power, and Water	151 £ 240	26,500	i ki ki epi	O	26,500
Supplies - Bits	25.14.148	0	1212341	795	795
Supplies - Casing Equipment	1414154	5,989	18,1,140	7,420	13,409
Supplies - Liner Equipment	1414755	0	1312166	0	0
Supplies - Miscellaneous	1514 160	0	1#18.16D	0	0
Cement and Cmt. Services - Surface Csg	1514168	8,480	8.4	0	8,480
Cement and Cmt. Services - Int. Csg	1114111	15,900	19.4	0	15,900
Cement and Cmt. Services - Prod. Csg	NA.	0	1212.77	21,200	21,200
Cement and Cmt. Services - Other	LSE ETE	0	Jaiasta	0	. 0
Rental - Drilling Tools and Equipment	1514 18D	0	1618.180	0	0
Rental - Misc.	1114111	24,910	18,8,484	3,710	28,620
Testing - Drill Stem / Production	1516205	4,770	1818.196	3,710	8,480
Open Hole Logging	1514200	37,100	, NA	0	37,100
Mudlogging Services	1844.2.0	21,465	NA.	0	21,465
Special Services	15141#G	0	oer kiel	0	0
Plug and Abandon	1514215	15,000	1816.218	(15,000)	0
Pulling and/or Swabbing Unit	MA	0	i di kalif	15,264	15,264
Reverse Equipment	No.	0	isiskia	5,830	5,830
Wireline Services	1116208	0	1514101	19,080	19,080
Stimulation	NA	0	1314,214	12,720	12,720
Pump / Vacuum Truck Services	151 £ 210	0	Jaikan	5,944	5,944
Transportation	1514213	2,120	15,18,394	2,650	4,770
Tubular Goods - Inspection & Testing	144434	0	1512210	5,300	5,300
Unclassified	er ere	. 530	1315.245	0	530
Telephone and Radio Expense	1514240	1,590	1215,260	636	2,226
Engineer / Geologist / Landman	382 43 40	22,500	IEIKBA	2,500	25,000
Company Labor - Field Supervision	1414362	26,500	isitita	7,500	34,000
Contract Labor / Roustabout	1514265	2,120	1315.266	7,950	10,070
Legal and Professional Service	1512270	5,000	1412.270	0	5,000
Insurance	384 6 2 78	14,008	JALABYA	0	14,008
Overhead	2\$14.82D		1512 280	3,500	17,500
SUBTOTAL		721,017		127,033	848,050
Contingencies (10%)		72,102		12,703	84,805
ESTIMATED TOTAL INTANGIBLES		793,119		139,736	932,855



AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	CODE	TO CSG PT	SOOS	COMPLETION	TOTAL WELL
Conductor Casing 0 Ft @ 0.00 \$/Ft	1519.708	0	144	0	0
Surface Csg 500 Ft @ 24.00 \$/Ft	2820310	12,000	74	0	12,000
Intermediate Csg 5,000 Ft @ 14.00 \$/Ft	1420315	70,000		0	70,000
Protection Csg 0 Ft @ 0.00 \$/Ft	1520.120	0	NA.	0	0
Production Csg 13,600 Ft @ 10.00 \$/Ft	MA	0	1518.314	136,000	136,000
Protection Liner 0 Ft @ 0.00 \$/Ft	3.840,51P	0	NA.	0	0
Production Liner 0 Ft @ 0.00 \$/Ft	l Ma	0	1222.22	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	XX	0	1223.00	45,292	45,292
Rods 0 Ft@ 0.00 \$/Ft	764	0	142.44	0	0
Artificial Lift Equipment	NA.	0	1522.110	0	0
Tank Battery	N/A	0	102216	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	NA	0	1,22,800	12,720	12,720
* Well Head Equipment & Christmas Tree	1520,358	2,000	15,12.865	11,500	13,500
Subsurface Well Equipment	NA.	0	1822.270	6,890	6,890
Flow Lines	N/A	0	1002.276	13,250	13,250
Saltwater Disposal Pump	XΝ	0	1122.501	0	0
Gas Meter	MA	0	1522,054	3,180	3,180
Lact Unit	ra.	0	1822.142	0	0
Vapor Recovery Unit	N/A	0	1012149	0	0
Other Well Equipment	AVA	0	1,112,230	0	0
ROW and Damages		0	1528,892	2,120	2,120
Surface Equipment Installation Costs		0	1522.194	15,900	15,900
Elect. Installation		0	225.207	. 0	0
ESTIMATED TOTAL TANGIBLES		84,000		262,752	346,752
ESTIMATED TOTAL WELL COSTS		877,119		402,488	1,279,607

NPCAPPROVAL	
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	
APPROVED BY: Loud Collaboration	3/3/6
APPROVED BY:	

WI APPROVAL:	COMPANY	Frankos. and Robin L. Morgan
	BY	
	TITLE	
	DATE	

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County $\,$ NM $\,$

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	ÇQDE	TO CSG PT	ews.	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	1514 101	. 874,095		0	374,095
Drilling Daywork 2 2 6,200 \$/day	151£108	13,144	11114	13,144	26,288
Drilling Turnkey	2446140	0		0	20,200
Rig Mobilization and Demobilization	2612718	0		o	0
Road & Location Expense	152 2 130	27,295		3,180	30,475
Damages	1516138	5,000	i i i i i i i i i i i i i i i i i i i	0,200	5,000
Directional Drilling - Tools and Service	1514130	0,000	13,14,10	0	0,000
Drilling Fluids	1514131	53,000		Ö	53,000
Fuel, Power, and Water	1514 Z10	26,500	JALA JAI	0	26,500
Supplies - Bits	1514£48	0	1212344	795	795
Supplies - Casing Equipment	1514 550	5,989	15,11,160	7,420	13,409
Supplies - Liner Equipment	1514755	0	11,116	0	0
Supplies - Miscellaneous	1514 160	0	12,2,40	0	0
Cement and Cmt. Services - Surface Csg	1514 [48	8,480		0	8,480
Cement and Cmt. Services - Int. Csg	1114110	15,900	. WA	0	15,900
Cement and Cmt. Services - Prod. Csg	NA	0	18.15.178	21,200	21,200
Cement and Cmt. Services - Other	1 <i>514 E</i> 14	0	iaikita	0	. 0
Rental - Drilling Tools and Equipment	18/4/40	0	iaia ino	0	0
Rental - Misc.	1114134	24,910	13,4,144	3,710	28,620
Testing - Drill Stem / Production	1514 19E	4,770	1212.105	3,710	8,480
Open Hole Logging	151 4 2 00	37,100	NA.	0	37,100
Mudlogging Services	144 Z D	21,465	194	0	21,465
Special Services	i i i i i i i	0	1512,190	0	0
Plug and Abandon	<i>[5]4</i> 2 <i>15</i>	15,000	1816218	(15,000)	0
Pulling and/or Swabbing Unit	MA	0	1215217	15,264	15,264
Reverse Equipment	MA	0	is is all	5,830	5,830
Wireline Services	1514202	0	1212302	19,080	19,080
Stimulation	NA	0	1818.252	12,720	12,720
Pump / Vacuum Truck Services	1514210	0	1415,270	5,944	5,944
Transportation	15/42/8	2,120	1518,924	2,650	4,770
Tubular Goods - Inspection & Testing	144 43 10	0	18.18.280	5,300	5,300
Unclassified	eriq e is	530	1818.246	0	530
Telephone and Radio Expense	152 424 0	1,590	1118.240	636	2,226
Engineer / Geologist / Landman	381 42 50		111210	2,500	25,000
Company Labor - Field Supervision	4844368	26,500	1818346	7,500	34,000
Contract Labor / Roustabout	1514264	2,120	1812.168	7,950	10,070
Legal and Professional Service	1514270	5,000	111271	0	5,000
Insurance	1514278	14,008	i sia aya	0	14,008
Overhead	\$\$2 43 80	14,000	18,8180		17,500
SUBTOTAL	١	721,017		127,033	848,050
Contingencies (10%)		72,102		12,703	84,805
ESTIMATED TOTAL INTANGIBLES	·	793,119		139,736	932,855



AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	COOR	TO CSG PT	0000c	COMPLETION	TOTAL WELL
Conductor Casing 0 Ft @ 0.00 \$/Ft	1510,702	0	144	O	0
Surface Cag 500 Ft @ 24.00 \$/Ft	1120314	12,000	N.A	0	12,000
Intermediate Csg 5,000 Ft@ 14.00 \$/Ft	1516315	70,000	i ka	0	70,000
Protection Csg 0 Ft@ 0.00 \$/Ft	1520.220	0	NA.	0	0
Production Csg 13,600 Ft@ 10.00 \$/Ft	NA.	0	1528.036	136,000	136,000
Protection Liner 0 Ft@ 0.00 \$/Ft	242035F	0	304	0	0
Production Liner 0 Ft@ 0.00 \$/Ft	NA.	0	1322.436	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	AYA.	0	1223.60	45,292	45,292
Rods 0 Ft@ 0.00 \$/Ft	764	0	1412.844	0	0
Artificial Lift Equipment	364	0	1622.740	0	0
Tank Battery	MA	0	1822.164	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	JY4	0	1222860	12,720	12,720
* Well Head Equipment & Christmas Tree	1526 548	2,000	1412.864	11,500	13,500
Subsurface Well Equipment	N.4	0	1322,270	6,890	6,890
Flow Lines	N/A	0	1022.176	13,250	13,250
Saltwater Disposal Pump	.va	0	1712.007	0	0
Gas Meter	77.4	0	1512,284	3,180	3,180
Lact Unit	NA.	0	312.12	0	0
Vapor Recovery Unit	PVA.	0	1212.149	0	0
Other Well Equipment	AVA.	0	1412340	0	0
ROW and Damages	W4	0	1512,692	2,120	2,120
Surface Equipment Installation Costs		0	1812.194	15,900	15,900
Elect. Installation	M	0	1822.07	· 0	0
ESTIMATED TOTAL TANGIBLES		84,000		262,752	346,752
ESTIMATED TOTAL WELL COSTS		877,119		402,488	1,279,607

NPC APPROVAL	DATE
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	
APPROVED BY: Loud Colla	5/3/6
APPROVED BY:	

WI APPROVAL:	COMPANY	MorOilCo, Inc.
	BY	
	TITLE	
	DATE	

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00 EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

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INTANGIBLE COSTS:	GQDE.	TO CSG PT	cope	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	1514 191	374,095	764	0	374,095
Drilling Daywork 2 2 6,200 \$/day	1514108	13,144	1412.04	18,144	26,288
Drilling Turnkey	i si a e i d	0	iririto	0	0
Rig Mobilization and Demobilization	1514115	0	1912/14	0	0
Road & Location Expense	157 £ 140	27,295	Jg15,127	3,180	30,475
Damages	1546118	5,000	JALASIA	0	5,000
Directional Drilling - Tools and Service	1114110	0	1512.120	0	0
Drilling Fluids	1554735	53,000	1818.188	0	53,000
Fuel, Power, and Water	151 £ 540	26,500	14.14	0	26,500
Supplies - Bits .	3524.548	0	1212,144	795	795
Supplies - Casing Equipment	4444144	5,989	15.18.140	7,420	13,409
Supplies - Liner Equipment	1514335	0	1212.146	0	0
Supplies - Miscellaneous	1514 160	0	J#18.260	0	0
Cement and Cmt. Services - Surface Csg	15.14.163	8,480	84	0	8,480
Cement and Cmt. Services - Int. Csg	inicity	15,900	37.4	0	15,900
Cement and Cmt. Services - Prod. Csg	NA.	0	1818.174	21,200	21,200
Cement and Cmt. Services - Other	1514 ET 6	0	J#J#.27#	0	0
Rental - Drilling Tools and Equipment	11/4/40	0	15.18.180	0	0
Rental - Misc.	1.61€ T.82	24,910	1312,144	3,710	28,620
Testing - Drill Stem / Production	141419#	4,770	1818788	3,710	8,480
Open Hole Logging	15/4 200	37,100	NA.	0	37,100
Mudlogging Services	151 4 210	21,465	5A.	0	21,465
Special Services	2626200	0	1812.190	0	0
Plug and Abandon	ieigrig	15,000	1818318	(15,000)	0
Pulling and/or Swabbing Unit	NA	0	i di kalif	15,264	15,264
Reverse Equipment	W.	0	inizata	5,830	5,830
Wireline Services	1516 200	0	13,12,104	19,080	19,080
Stimulation	MA	0	inia ara	12,720	12,720
Pump / Vacuum Truck Services	1514210	0	1418.220	5,944	5,944
Transportation	1844218	2,120	1818.024	2,650	4,770
Tubular Goods - Inspection & Testing	141420	0	1312210	5,300	5,300
Unclassified	erik bik	530	18,8260	0	530
Telephone and Radio Expense	152 £ 240	1,590	JAIA140	636	2,226
Engineer / Geologist / Landman	1814360	22,500	IAIAN	2,500	25,000
Company Labor - Field Supervision	1514252	26,500	13,12,245	7,500	34,000
Contract Labor / Roustabout	2534265	2,120	18.18.268	7,950	10,070
Legal and Professional Service	15/4270	5,000	JALE 17	0	5,000
Insurance	1514278	14,008	1512.971	0	14,008
Overhead	1514280	14,000	12/12/20	3,500	17,500
SUBTOTAL		721,017		127,033	848,050
Contingencies (10%)		72,102		12,703	84,805
ESTIMATED TOTAL INTANGIBLES		793,119		139,736	932,855



AUTHORITY FOR EXPENDITURE

T.PASP.	Stateon	13 Federa	Com
LEASE:	Stetson	13 redera	i Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	COOR	TO CSG PT	ogene:	COMPLETION	TOTAL WELL
Conductor Casing 0 Ft @ 0.00 \$/Ft	1320,708	0		0	0
Surface Csg 500 Ft@ 24.00 \$/Ft	111031a	12,000	, and	0	12,000
Intermediate Csg 5,000 Ft@ 14.00 \$/Ft	1626318	70,000	NA.	0	70,000
Protection Csg 0 Ft @ 0.00 \$/Ft	1520.220	0	, MA	0	0
Production Csg 13,600 Ft@ 10.00 \$/Ft	N/4	0	1528.834	136,000	136,000
Protection Liner 0 Ft @ 0.00 \$/Ft	£120,510	0	39.4	0	0
Production Liner 0 Ft@ 0.00 \$/Ft	N/A	0	(22,117	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	NA.	0	7222.000	45,292	45,292
Rods 0 Ft@ 0.00 \$/Ft	164	0	1512.844	0	0
Artificial Lift Equipment	NA	0	1822.240	0	0
Tank Battery	NA	0	1352.444	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	NA	0	intano	12,720	12,720
* Well Head Equipment & Christmas Tree	1520,568	2,000	162E,864	11,500	13,500
Subsurface Well Equipment	NA	0	1822.170	6,890	6,890
Flow Lines	NA	0	1022.176	13,250	13,250
Saltwater Disposal Pump	M	0	1122.597	0	0
Gas Meter	764	0	1 5.2 R. 2.8 A	3,180	3,180
Lact Unit	wa	0	13.12.24	0	0
Vapor Recovery Unit	NΑ	0	122.145	0	0
Other Well Equipment	NA	0	1,12,330	0	0
ROW and Damages	MA	0	1522,892	2,120	2,120
Surface Equipment Installation Costs	N/A	0	1321.294	15,900	15,900
Elect. Installation	NA	0	72.5.397	, 0	0
			<u> </u>		
ESTIMATED TOTAL TANGIBLES		84,000		262,752	346,752
ESTIMATED TOTAL WELL COSTS		877,119		402,488	1,279,607

NRCAPPROVAU	DATE
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	2
APPROVED BY: Loud Collaboration	3/3//0
APPROVED BY:	

WI APPROVAL:	COMPANY	Sealy Hutchings Cavin, Inc.
	ВУ	
	TITLE	
	DATE	

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County $\,$ NM $\,$

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER: COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	ÇQDE	TO CSG PT	2002	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	151 2 101	374,095	A.A	0	374,095
Drilling Daywork 2 2 6,200 \$/day	15.14.108	13,144	1618304	13,144	26,288
Drilling Turnkey	1446.0	0	1812310	0	0
Rig Mobilization and Demobilization	1514715	0	10,110	Ö	ŏ
Road & Location Expense	1524 110	27,295		3,180	30,475
Damages	1514118	5,000	1212.12	0,180	5,000
Directional Drilling - Tools and Service		0,000	ilikihi	0	3,000
Drilling Fluids	14.6738	53,000	13.12.130 13.12.13	0	53,000
Fuel, Power, and Water	1514 140	26,500	121.50	0	28,500
Supplies - Bits	1514.648	20,000		795	795
Supplies - Casing Equipment	2724730	5,989	1414.44 1314.140	7,420	13,409
Supplies - Liner Equipment	1514755	0,000	1214146	7,420	10,405
Supplies - Miscellaneous	1512160	0	jukis	0	
Cement and Cmt. Services - Surface Csg	1516168	8,480	, and a	0	8,480
Cement and Cmt. Services - Int. Csg	14.600	15,900		0	15,900
Cement and Cmt. Services - Prod. Csg	WA.	0	1,14	21,200	21,200
Cement and Cmt. Services - Other	1514 278	0		21,200	0
Rental - Drilling Tools and Equipment	1814140	Ö		0	0
Rental - Misc.	1116132	24,910		3,710	28,620
Testing - Drill Stem / Production	14.101	4,770		3,710	8,480
Open Hole Logging		37,100	1212.101		37,100
Mudlogging Services	1514 200	21,465	**	0	
Special Services	1574510	21,400	***	0	21,465
Plug and Abandon	1414 TOP	15,000	812,190		0
Pulling and/or Swabbing Unit	1514215	10,000	1015213	(15,000) 15,264	15,264
Reverse Equipment	NA.	0) #(E #) #		5,830
Wireline Services	Y4.	0	141萬第1章	5,830	<u> </u>
Stimulation	\$\$1420X	0	37,230	19,080 12,720	19,080 12,720
Pump / Vacuum Truck Services	NA.	0		5,944	5,944
Transportation	167 4 2 10	2,120	1413.221	2,650	4,770
Tubular Goods - Inspection & Testing	1514.213	2,120	is a second	5,300	5,300
Unclassified	14420	580	1814220	0,300	530
	ericeta		1816266	636	2,226
Telephone and Radio Expense	1514.240		i i i i di		
Engineer / Geologist / Landman	13.14.250		JELERIN	2,500	25,000
Company Labor - Field Supervision	1416333	26,500	1912/196	7,500	34,000
Contract Labor / Roustabout	1414.865	2,120	1212.166	7,950	10,070
Legal and Professional Service	1514 £70	5,000	i z a a ro	0	5,000
Insurance	1574.273	14,008	JALA PTA	0	14,008
Overhead	3814390	14,000	1314 280	3,500	17,500
SUBTOTAL		721,017		127,033	848,050
Contingencies (10%)		72,102		12,703	84,805
ESTIMATED TOTAL INTANGIBLES		793,119		139,736	932,855

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

FIELD: Morrow

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County $\,$ NM $\,$

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

	Tiraki katawa		- Individual In	,		
TANGIBLE COSTS:	coox	TO CSG PT	cone	COMPLETION	TOTAL	L WELL
Conductor Casing 0 Ft @ 0.00 \$/Ft	3520,308	0		C		0
Surface Csg 500 Ft @ 24.00 \$/Ft	1814310	12,000	8.4	0		12,000
Intermediate Csg 5,000 Ft @ 14.00 \$/Ft	1524,315	70,000	W4	0		70,000
Protection Csg 0 Ft @ 0.00 \$/Ft	1520,220	0	N.A.	0		0
Production Csg 13,600 Ft@ 10.00 \$/Ft	MA	0	1412.074	136,000	1	36,000
Protection Liner 0 Ft@ 0.00 \$/Ft	7.626.530	0	M.4	0		0
Production Liner 0 Ft@ 0.00 \$/Ft	NA.	0	1222116	0		0
Tubing 13,400 Ft@ 3.38 \$/Ft	X4	0	1212.0	45,292		45,292
Rods 0 Ft@ 0.00 \$/Ft	AC4	0	1422,344	0		0
Artificial Lift Equipment	NA.	0	1522.40	0		0
Tank Battery	NA.	0	1012114	15,900		15,900
Separators/Heater Treater/Gas Units/FWKO	AV4	0	1812.860	12,720		12,720
* Well Head Equipment & Christmas Tree	1520.358	2,000	1512.661	11,500		13,500
Subsurface Well Equipment	NA.	0	1522.270	6,890		6,890
Flow Lines	NA	0	1322.174	13,250		13,250
Saltwater Disposal Pump	MA	0	1111101	0		0
Gas Meter	N/A	0	1522,884	3,180		3,180
Lact Unit	NA.	0	1522.782	0		0
Vapor Recovery Unit	NA.	0	111111	0		0
Other Well Equipment	N/A	0	1223,920	0		0
ROW and Damages	MA	0	1628.894	2,120		2,120
Surface Equipment Installation Costs		0	1522.394	15,900		15,900
Elect. Installation	NA.	0	1222.57	· O		0
ESTIMATED TOTAL TANGIBLES		84,000		262,752	8	46,752
ESTIMATED TOTAL WELL COSTS		877,119		402,488	1,2	79,607

NPCAPPROVAL	DATE
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	
APPROVED BY: Loud Collabo	3/3//0
APPROVED BY:	

WI APPROVAL:	COMPANY	Warren Scott
	ВУ	3
	TITLE	
	DATE	

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow EXP

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	CODE	TO CSG PT	5002	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	1514101	374,095	N.A.	C	374,095
Drilling Daywork 2 2 6,200 \$/day	1814 198	13,144	1212764	13,144	26,288
Drilling Turnkey	irie elu	0	1812310	0	0
Rig Mobilization and Demobilization	1514111	0	1814.218	0	0
Road & Location Expense	1514110	27,295	7,12,12	3,180	30,475
Damages	3524 £28	5,000		0	5,000
Directional Drilling - Tools and Service	1414130	0	isisino	0	0
Drilling Fluids	2824338	53,000	18,1818	0	53,000
Fuel, Power, and Water	1514 140	26,500	7212.00	0	26,500
Supplies - Bits	1514 148	0	1518345	795	795
Supplies - Casing Equipment	£\$£&150	5,989	islaiga	7,420	13,409
Supplies - Liner Equipment	1414.748	0	1212246	0	0
Supplies - Miscellaneous	1514160	0	1818160	0	0
Cement and Cmt. Services - Surface Csg	13.14.768	8,480	75,4	0	8,480
Cement and Cmt. Services - Int. Csg	1446110	15,900	3/4	0	15,900
Cement and Cmt. Services - Prod. Csg	NA	0	18,18,178	21,200	21,200
Cement and Cmt. Services - Other	1514115	0	1818.272	0	. 0
Rental - Drilling Tools and Equipment	1814 140	0	1418.180	0	0
Rental - Misc.	*****	24,910	8 4 44	8,710	28,620
Testing - Drill Stem / Production	2514 to 5	4,770	18.6.29	3,710	8,480
Open Hole Logging	151¥200	37,100	NA	0	37,100
Mudlogging Services	1574510	21,465	174	0	21,465
Special Services	2444.18Q	0	1611.190	0	0
Plug and Abandon	1514215	15,000	iblesto	(15,000)	0
Pulling and/or Swabbing Unit	MA	0	1414.413	15,264	15,264
Reverse Equipment	MA	0	isissis	5,830	5,830
Wireline Services	₹\$£ 4,3 0%	0	1512.201	19,080	19,080
Stimulation	MA	0	121225	12,720	12,720
Pump / Vacuum Truck Services	151 £ £10	0	18.82	5,944	5,944
Transportation	154 € 238	2,120	1513.221	2,650	4,770
Tubular Goods - Inspection & Testing	24.6 20 p	0	1812210	5,300	5,300
Unclassified	Lucus	530	2.124	0	530
Telephone and Radio Expense	151£140		18.340	636	2,226
Engineer / Geologist / Landman	3824.26D		Jain Bad		25,000
Company Labor - Field Supervision	7,114,257	26,500	i i i i i i i i i i i i i i i i i i i	7,500	34,000
Contract Labor / Roustabout	1814,264	2,120	10.166	7,950	10,070
Legal and Professional Service	1514270	5,000	11.6.271	0	5,000
Insurance	15/4 275	14,008	i i i i i i i i i i i i i i i i i i i	0	14,008
Overhead	252434Q	14,000	1818280		17,500
SUBTOTAL		721,017		127,033	848,050
Contingencies (10%)		72,102		12,703	84,805
ESTIMATED TOTAL INTANGIBLES		793,119		139,736	932,855

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	C002	TO CSG PT	cone	COMPLETION	TOTAL WELL
Conductor Casing 0 Ft @ 0.00 \$/Ft	1510,708	0	, is a	O	0
Surface Csg 500 Ft @ 24.00 \$/Ft	1520.510	12,000	344	O	12,000
Intermediate Csg 5,000 Ft@ 14.00 \$/Ft	1526,315	70,000	, MA	0	70,000
Protection Csg 0 Ft @ 0.00 \$/Ft	1520.220	0	74.4	0	0
Production Csg 13,600 Ft@ 10.00 \$/Ft	164	0	1512.215	136,000	136,000
Protection Liner 0 Ft @ 0.00 \$/Ft	1410,310	0	194	0	0
Production Liner 0 Ft@ 0.00 \$/Ft	NA.	0	122,175	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	λ×	0	1212.541	45,292	45,292
Rods 0.00 \$/Ft	764	0	1742.844	0	0
Artificial Lift Equipment	NA	0	1522 240	0	0
Tank Battery	NYA.	0	15.22.146	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	λ¥	0	lara equ	12,720	12,720
* Well Head Equipment & Christmas Tree	3320,368	2,000	1512.866	11,500	13,500
Subsurface Well Equipment	N/A	0	1512,270	6,890	6,890
Flow Lines	144	0	1822.278	13,250	13,250
Saltwater Disposal Pump	λ×i	0	1111.01	0	0
Gas Meter	MA	0	1122.031	3,180	3,180
Lact Unit	74	0	1522.207	0	0
Vapor Recovery Unit	NA.	0	10/11/09	0	0
Other Well Equipment	λ×	0	Januari 1	0	0
ROW and Damages	77.4	0	JEFFER	2,120	2,120
Surface Equipment Installation Costs	NA.	0	1937,204	15,900	15,900
Elect. Installation	NA	0	12,2,2,07	· · 0	0
			1		
ESTIMATED TOTAL TANGIBLES		84,000		262,752	346,752
				·	
ESTIMATED TOTAL WELL COSTS		877,119		402,488	1,279,607

NPCAPPROVAL	DATE
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	
APPROVED BY: Just Collect	5/3/6
APPROVED BY:	

WI APPROVAL:	COMPANY	Eloy S. Duran
	BY	
	TITLE	
	DATE	

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	CODE	TO CSG PT.	2002	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	1514191	374,095	, a	0	874,095
Drilling Daywork 2 2 6,200 \$/day	1814108	13,144	J. 18. 10.	13,144	26,288
Drilling Turnkey	25141.II	0	18.18.21		0
Rig Mobilization and Demobilization	1514315	0	12,511	0	0
Road & Location Expense	1314120	27,295	1414.14	3,180	30,475
Damages	352£728	5,000	isia it	0	5,000
Directional Drilling - Tools and Service	2.612.p	0	1978.73	0	0
Drilling Fluids	1616738	53,000	1818 281	0	53,000
Fuel, Power, and Water	1514710	26,500	721×14	0	26,500
Supplies - Bits	1814 548	0	1618.14	795	795
Supplies - Casing Equipment	1114150	5,989	191878	7,420	13,409
Supplies - Liner Equipment	1414355	0	inia in	0	0
Supplies - Miscellaneous	1514260	0	Justa	0	0
Cement and Cmt. Services - Surface Cag	1324.168	8,480	, 5 ,4	0	8,480
Cement and Cmt. Services - Int. Csg	14161ff	15,900	IVA:	0	15,900
Cement and Cmt. Services - Prod. Csg	N4	0	121217	21,200	21,200
Cement and Cmt. Services - Other	1574 278	0	Jaixer	0	. 0
Rental - Drilling Tools and Equipment	1814140	0	1513.00	0	0
Rental - Misc.	1114111	24,910	181414	3,710	28,620
Testing - Drill Stem / Production	1514198	4,770	1818.10	3,710	8,480
Open Hole Logging	1514200	37,100	MA.	0	37,100
Mudlogging Services	1814£10	21,465	4.4	0	21,465
Special Services	1114190	0	15,12,19	0	0
Plug and Abandon	1434315	15,000	iniaai	(15,000)	0
Pulling and/or Swabbing Unit	Ми	0	Jaja al	15,264	15,264
Reverse Equipment	×4	0	14.4.1	5,830	5,830
Wireline Services	244400	0	is a ap	19,080	19,080
Stimulation	NA.	0	in a se	12,720	12,720
Pump / Vacuum Truck Services	1514.220	0	JA CAN	5,944	5,944
Transportation	1574218	2,120	1413,31	2,650	4,770
Tubular Goods - Inspection & Testing	7.64 MP	0	12.22	5,300	5,300
Unclassified	eric pic	530	1212.24	0	530
Telephone and Radio Expense	1514240	1,590	14.44	636	2,226
Engineer / Geologist / Landman	154£250	22,500	1512.83	2,500	25,000
Company Labor - Field Supervision	1516251	26,500	1812.24	7,500	34,000
Contract Labor / Roustabout	1514266	2,120	(AL\$ 16	7,950	10,070
Legal and Professional Service	1514270	5,000	1,14,27	0	5,000
Insurance	1514273	14,008	15.13.97	0	14,008
Overhead	1614 220	14,000	1518.80		17,500
SUBTOTAL		721,017		127,033	848,050
Contingencies (10%)	İ	72,102		12,703	84,805
ESTIMATED TOTAL INTANGIBLES		793,119		139,736	932,855

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	COOR	TO CSG PT	ogo)z	COMPLETION	TOTAL WELL
Conductor Casins 0 Ft @ 0.00 \$/Ft	1520 308	0		0	0
Surface Csg 500 Ft @ 24.00 \$/Ft	isaasia	12,000		0	12,000
Intermediate Csg 5,000 Ft@ 14.00 \$/Ft	1520.315	70,000	N.A.	0	70,000
Protection Csg 0 Ft@ 0.00 \$/Ft	1570.110	0	n.a.	0	0
Production Csg 13,600 Ft@ 10.00 \$/Ft	764	0	15.22.24	136,000	136,000
Protection Liner 0 Ft@ 0.00 \$/Ft	2420.530	0	N/A	0	0
Production Liner 0 Ft@ 0.00 \$/Ft	NA.	. 0	[2 11 417	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	Ν'n	0	121240	45,292	45,292
Rods 0 Ft@ 0.00 \$/Ft	264	0	JA12,843	0	0
Artificial Lift Equipment	, wa	0	1572.710	0	0
Tank Battery	N/A	0	1022.114	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	.NSA	0	18.22.861	12,720	12,720
* Well Head Equipment & Christmas Tree	1520.568	2,000	1512.861	11,500	13,500
Subsurface Well Equipment	**4	0	1612.270	6,890	6,890
Flow Lines	N/A	0	1322.274	13,250	13,250
Saltwater Disposal Pump	λ'n	0	1712.201	0	0
Gas Meter	N/A	0	152,881	3,180	3,180
Lact Unit	NA.	0	1522.242	0	0
Vapor Recovery Unit	N/A	0	(B2E 489	0	0
Other Well Equipment	χa	0] A12.3 20	0	0
ROW and Damages	Ma	0	1622,892	2,120	2,120
Surface Equipment Installation Costs	MA	0	8.2.294	15,900	15,900
Elect. Installation	MA	0	1221.197	· ' 0	0
ESTIMATED TOTAL TANGIBLES		84,000		262,752	346,752
ESTIMATED TOTAL WELL COSTS		877,119		402,488	1,279,607

NPCENOPROVAU	DATE
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	
APPROVED BY: Loud College	3/3//0
APPROVED BY:	<u> </u>

WI APPROVAL:	COMPANY	S. H. Cavin
	BY	
	TITLE	
	DATE	



Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	GODE	TO CSG PT	COOR	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	1514.101	374,095	, a	0	374,095
Drilling Daywork 2 2 6,200 \$/day	1514108	13,144	1512.104	13,144	26,288
Drilling Turnkey	282412A	0	12/2/10	0	0
Rig Mobilization and Demobilization	1614115	0	1818118	0	0
Road & Location Expense	1324120	27,295	17,217	3,180	30,475
Damages	181412B	5,000	15,2324	0	5,000
Directional Drilling - Tools and Service	2824130	0	1312.210	0	0
Drilling Fluids	2654132	53,000	(8)\$48	0	53,000
Fuel, Power, and Water	151£140	26,500	un x int	0	26,500
Supplies - Bits	282£148	· 0	laia.ed	795	795
Supplies - Casing Equipment	141616H	5,989	1918/180	7,420	13,409
Supplies - Liner Equipment	1414155	0	1818166	0	0
Supplies - Miscellaneous	1514 160	0	TETE 1941	0	0
Cement and Cmt. Services - Surface Csg	1814 [68	8,480	94	0	8,480
Cement and Cmt. Services - Int. Csg	inie11d	15,900	1 34	0	15,900
Cement and Cmt. Services - Prod. Csg	NA.	0	1212.274	21,200	21,200
Cement and Cmt. Services - Other	1524 E75	0	JALE 278	0	. 0
Rental - Drilling Tools and Equipment	181418D	0	1512.00	0	0
Rental - Misc.	£814.182	24,910	15.14.444	3,710	28,620
Testing - Drill Stem / Production	1514196	4,770	1818195	3,710	8,480
Open Hole Logging	151 410 0	37,100	, MA	0	37,100
Mudlogging Services	15442.0	21,465	74	0	21,465
Special Services	2824 f#Q	0	16,14,290	0	0
Plug and Abandon	1514215	15,000	1818.218	(15,000)	0
Pulling and/or Swabbing Unit	M	0	Jairalt	15,264	15,264
Reverse Equipment	MA	0	1818818	5,830	5,830
Wireline Services	1514,300	0	1512201	19,080	19,080
Stimulation	164	0	1216251	12,720	12,720
Pump / Vacuum Truck Services	151£110	0	12.12.20	5,944	5,944
Transportation	1814 £18	2,120	1518,826	2,650	4,770
Tubular Goods - Inspection & Testing	3844 2 80	0	15,14,210	5,300	5,300
Unclassified	ericeis	530	1816.746	0	530
Telephone and Radio Expense	152 € \$40	1,590	11.616	636	2,226
Engineer / Geologist / Landman	1314.250	22,500	15.13,830	2,500	25,000
Company Labor - Field Supervision	2514332	26,500	1914744	7,500	34,000
Contract Labor / Roustabout	1514,264	2,120	1812.268	7,950	10,070
Legal and Professional Service	1514870	5,000	1216.270	0	5,000
Insurance	1814.27E	14,008	1418.871	0	14,008
Overhead	252438Q		1818280	3,500	17,500
SUBTOTAL		721,017	·	127,033	848,050
Contingencies (10%)		72,102		12,703	84,805
ESTIMATED TOTAL INTANGIBLES		793,119		139,736	932,855

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

FIELD: Morrow

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	COOR	TO CSG PT	cone	COMPLETION	TOTAL WELL
Conductor Casing 0 Ft @ 0.00 \$/Ft	1520,402	0		0	0
Surface Csg 500 Ft @ 24.00 \$/Ft	1.12×3.10	12,000	i i	0	12,000
Intermediate Csg 5,000 Ft @ 14.00 \$/Ft	1520.3.15	70,000	744	0	70,000
Protection Csg 0 Ft @ 0.00 \$/Ft	1520.220	0	NA.	0	0
Production Csg 13,600 Ft @ 10.00 \$/Ft	XG	0	ingenen	136,000	136,000
Protection Liner 0 Ft @ 0.00 \$/Ft	Lizasia	0	94	0	0
Production Liner 0 Ft@ 0.00 \$/Ft	NA.	0	1822 188	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	Ma	0	建	45,292	45,292
Rods 0 Ft@ 0.00 \$/Ft	*44	0	1412.246	0	0
Artificial Lift Equipment	NA.	0	1522.240	0	0
Tank Battery	NA.	0	1832.216	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	,VA	0	1222.00	12,720	12,720
* Well Head Equipment & Christmas Tree	1520.568	2,000	1512,365	11,500	13,500
Subsurface Well Equipment	NA.	0	1322.270	6,890	6,890
Flow Lines	NA.	0	1842.270	13,250	13,250
Saltwater Disposal Pump	AVA .	0	1412.047	0	0
Gas Meter		. 0	1522,884	3,180	3,180
Lact Unit	, va	0	1512.247	0	0
Vapor Recovery Unit	N/A	0	1822.149	0	0
Other Well Equipment	λva	0	JATE BAD	0	0
ROW and Damages	MA	0	1512,192	2,120	2,120
Surface Equipment Installation Costs	NA.	0	1212104	15,900	15,900
Elect. Installation	N/A	0	122.197	· · 0	0
ESTIMATED TOTAL TANGIBLES		84,000		262,752	346,752
ESTIMATED TOTAL WELL COSTS	· · · · · · · · · · · · · · · · · · ·	877,119		402,488	1,279,607

NPCFAPPROYAL	
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	
APPROVED BY: Level Collaboration	_ 3/3//0
APPROVED BY:	

WI APPROVAL:	COMPANY	Hutchings Oil Company
	ву	
	TITLE	
,	DATE	

A CONTRACTOR OF THE PARTY OF TH

Nearburg Producing Company

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

FIELD: Morrow

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	₹54£191	374,095	N.A.	0	374,095
Drilling Daywork 2 2 6,200 \$/day	1514108	13,144	12(236)		26,288
Drilling Turnkey	15.45.0	0			0
Rig Mobilization and Demobilization	1512713	0			0
Road & Location Expense	1524110	27,295			30,475
Damages	35/4/28	5,000			5,000
Directional Drilling - Tools and Service	1614134	0	1512.13		0,000
Drilling Fluids	1614.131	53,000			53,000
Fuel, Power, and Water	£51£240	26,500	ia sia		26,500
Supplies - Bits	38£#£48	0	15.234		795
Supplies - Casing Equipment	242 4 150	5,989	161214		13,409
Supplies - Liner Equipment	151414 <u>1</u>	0	1815.151	0	0
Supplies - Miscellaneous	1814 160	0	Įį į į	0	0
Cement and Cmt. Services - Surface Csg	1814 [68	8,480	.54	0	8,480
Cement and Cmt. Services - Int. Csg	1416110	15,900	ŊA	0	15,900
Cement and Cmt. Services - Prod. Csg	MA	0	101427	21,200	21,200
Cement and Cmt. Services - Other	151 4 118	0	11317	0	0
Rental - Drilling Tools and Equipment	1814140	0	1112.10	0	0
Rental - Misc.	1814188	24,910	1912/4	8,710	28,620
Testing - Drill Stem / Production	1514 19 <u>6</u>	4,770	181 & 20.	3,710	8,480
Open Hole Logging	1514 140	37,100	NA.	0	37,100
Mudlogging Services	3214 ELD	21,465	194	0	21,465
Special Services	1814 18 0	0	1512 191	0	0
Plug and Abandon	1516218	15,000	1818211	(15,000)	0
Pulling and/or Swabbing Unit	NA.	0	121221)	15,264	15,264
Reverse Equipment	NA	0	14,4,2)	5,830	5,830
Wireline Serviœs	3.81.4.36F	0	151210	19,080	19,080
Stimulation	N/A	0	1016.45	12,720	12,720
Pump / Vacuum Truck Services	1514 220	0	1212.25	5,944	5,944
Transportation	15/4 528	2,120	1418.25	2,650	4,770
Tubular Goods - Inspection & Testing	3414 2 3 P	0	18/820	5,300	5,300
Unclassified	£5.28.845	530	1212.14	0	530
Telephone and Radio Expense	1572210	1,590	1112.46	636	2,226
Engineer / Geologist / Landman	\$\$1 4.54 0	22,500	JE I K MA		25,000
Company Labor - Field Supervision	1.61 4.1 52	26,500	18.18.14.1	7,500	84,000
Contract Labor / Roustabout	£\$14.26£	2,120	12.5.16	7,950	10,070
Legal and Professional Service	1814 \$70	5,000	iais an	0	5,000
Insurance	151 £ 278	14,008	14.3		14,008
Overhead	151638Q	14,000	181224		17,500
SUBTOTAL		721,017	`	127,033	848,050
Contingencies (10%)		72,102		12,703	84,805
ESTIMATED TOTAL INTANGIBLES		793,119		139,736	932,855

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

FIELD: Morrow

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00 EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	COOR	TO CSG PT	CG0)2	COMPLETION	TOTAL WELL
Conductor Casins 0 Ft @ 0.00 \$/Ft	1520.108	0	72.	0	0
Surface Cag 500 Ft @ 24.00 \$/Ft	1520310	12,000	, a	0	12,000
Intermediate Csg 5,000 Ft @ 14.00 \$/Ft	1526311	70,000	, A	0	70,000
Protection Csg 0 Ft @ 0.00 \$/Ft	1529.320	0	N/A	0	0
Production Csg 13,600 Ft@ 10.00 \$/Ft	MA	0	1528.814	136,000	136,000
Protection Liner 0 Ft@ 0.00 \$/Ft	£ \$20,53 U	0	N/A	0	0
Production Liner 0 Ft@ 0.00 \$/Ft	N/A	0	1022.336	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	MA	0	1222.540	45,292	45,292
Rods 0 Ft@ 0.00 \$/Ft	264	0	iar ba	0	0
Artificial Lift Equipment	NA.	0	1512.110	0	0
Tank Battery	A44	0	1012145	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	NS.	0	1472,860	12,720	12,720
* Well Head Equipment & Christmas Tree	1516.548	2,000	1522.365	11,500	13,500
Subsurface Well Equipment	NA.	0	1532,270	6,890	6,890
Flow Lines	MA	0	1822.274	13,250	13,250
Saltwater Disposal Pump	Мя	0	1722.307	0	0
Gas Meter	M4	0	1522.001	3,180	3,180
Lact Unit	77.4	0	1522.827	0	0
Vapor Recovery Unit	N/A	0	1522.149	0	0
Other Well Equipment	MA	0	1812 E 800	0	0
ROW and Damages	MA	0	1522.092	2,120	2,120
Surface Equipment Installation Costs	NA.	0	1277.104	15,900	15,900
Elect. Installation	N/A	0	132 197	, O	0
ESTIMATED TOTAL TANGIBLES		84,000	j	262,752	346,752
ESTIMATED TOTAL WELL COSTS		877,119		402,488	1,279,607

NPC APPROVAL	DXVIII
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	
APPROVED BY: Loud Collabo	3/3//0
APPROVED BY:	

WI APPROVAL:	COMPANY	Kenneth D. Reynolds
	ВУ	
	TITLE	
	DATE	·



AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	GODE:	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	1514.101	374,095	N.A.	0	374,095
Drilling Daywork 2 2 6,200 \$/day	1814.108	13,144	1513,161	13,144	26,288
Drilling Turnkey	1414110	0	15/4/10	0	20,288
Rig Mobilization and Demobilization	1514715	0		0	
Road & Location Expense	1574130	27,295	idistis	3,180	30,475
Damages	1514128	5,000	1818.222 1818.224	0,130	5,000
Directional Drilling - Tools and Service	1814130	0,000		0	0,000
Drilling Fluids	1514 138	53,000	151#130 181#188	0	53,000
Fuel, Power, and Water	15/4/40	26,500		0	26,500
Supplies - Bits	1514148	20,000	1515.140 1515.145	795	795
Supplies - Casing Equipment	1414 IJD	5,989		7,420	13,409
Supplies - Liner Equipment	1514155	0,509	151#150 151#155	0	0
Supplies - Miscellaneous	1514160	0		0	
Cement and Cmt. Services - Surface Csg	1814168	8,480	1145.160	0	8,480
Cement and Cmt. Services - Surface Csg		15,900	184	0	15,900
Cement and Cmt. Services - Int. Csg	1814.110 NA	0	7/4	21,200	21,200
Cement and Cmt. Services - Other	1514175	0	1315.172		
Rental - Drilling Tools and Equipment		0	jais eta	0	0
Rental - Misc.	1514.180	24,910	1515.180		
Testing - Drill Stem / Production	1114137		1514.185	3,710	28,620
_	1514195	4,770	1818.198	3,710	8,480
Open Hole Logging	1514.200	37,100	NA.	0	37,100
Mudlogging Services	3\$7471D	21,465	1924	0	21,465
Special Services	1614140	0	151 # 190	(15,000)	0
Plug and Abandon	1514215	15,000	1816218	(15,000)	0
Pulling and/or Swabbing Unit	NA	0	1815217	15,264	15,264
Reverse Equipment Wireline Services	N/A	0	1511.214	5,830	5,830
	1414207	0	1511,205	19,080	19,080
Stimulation Revel Couries	,NA	0	1315.251	12,720	12,720
Pump / Vacuum Truck Services	1514.220	2,120	1715,220	5,944	5,944 4,770
Transportation	1514225	2,120	1613.925	2,650	
Tubular Goods - Inspection & Testing	1514230	530	1514280	5,300 0	5,300 530
Unclassified	1514215		1515.245		
Telephone and Radio Expense	1514240	1,590	11/15.240	636	2,226
Engineer / Geologist / Landman	1614250	22,500	1513.280	2,500	25,000
Company Labor - Field Supervision	1514,338	26,500	1914542	7,500	34,000
Contract Labor / Roustabout	£514.26%	2,120	1315265	7,950	10,070
Legal and Professional Service	1514270	5,000	1815.970	0	5,000
Insurance	1514.275	14,008	1513.375		14,008
Overhead	1514380	14,000 721,017	1818280	3,500 127,033	17,500 848,050
SUBTOTAL					
Contingencies (10%)		72,102		12,703	84,805
ESTIMATED TOTAL INTANGIBLES		793,119		139,736	932,855



Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

Received APR 1 0 2000

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	CODE	TO CSG PT	cong	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	151£101	374,095	, a	0	374,095
Drilling Daywork 2 2 6,200 \$/day	1514100	13,144	151R.185	18,144	26,288
Drilling Turnkey	7514110	0	1818-110	0	0
Rig Mobilization and Demobilization	15547.18	0	1818210	0	0
Road & Location Expense	161 £ 110	27,295	7,51,522	3,180	30,475
Damages	1514128	5,000	is bird	0	5,000
Directional Drilling - Tools and Service	isterso	0	1818420	0	0
Drilling Fluids	1514738	53,000	1818.538	0	53,000
Fuel, Power, and Water	1514 T40	26,500	JE JE JE	0	26,500
Supplies - Bits	151£148	0	1618.446	795	795
Supplies - Casing Equipment	181418D	5,989	1818180	7,420	13,409
Supplies - Liner Equipment	1614.748	0	1816766	0	0
Supplies - Miscellaneous	1514.760	0	1213,160	0	0
Cement and Cmt. Services - Surface Csg	1514.763	8,480	IVA.	0	8,480
Cement and Cmt. Services - Int. Csg	38161tp	15,900	WA.	0	15,900
Cement and Cmt. Services - Prod. Csg	MA	0	1818.178	21,200	21,200
Cement and Cmt. Services - Other	1514178	0	1412174	0	. 0
Rental - Drilling Tools and Equipment	ible ied	0	15.18.180	0	0
Rental - Misc.	2514.18 3	24,910	15/4/45	3,710	28,620
Testing - Drill Stem / Production	1512795	4,770	1214,100	3,710	8,480
Open Hole Logging	1514 200	37,100	244	0	37,100
Mudlogging Services	3514.210	21,465	79.4	0	21,465
Special Services	2624.580	0	15.18.190	0	0
Plug and Abandon	1514.B15	15,000	1814.216	(15,000)	0
Pulling and/or Swabbing Unit	MA	0	1418417	15,264	15,264
Reverse Equipment	MA	0	isissis	5,830	5,830
Wireline Services	2816203	0	15.14.208	19,080	19,080
Stimulation	ŅΆ	0	1814.271	12,720	12,720
Pump / Vacuum Truck Services	1614 220	0	10,5,220	5,944	5,944
Transportation	3524218	2,120	1513.924	2,650	4,770
Tubular Goods - Inspection & Testing	1114230	0	1912/20	5,300	5,300
Unclassified	1514215	530	1815.240	0	530
Telephone and Radio Expense	1824.240	1,590	1,15,240	636	2,226
Engineer / Geologist / Landman	2824.28D	22,500	1212.200	2,500	25,000
Company Labor - Field Supervision	2514352	26,500	1812.25	7,500	34,000
Contract Labor / Roustabout	1514.265	2,120	1815.269	7,950	10,070
Legal and Professional Service	1814270	5,000	1818,270	0	5,000
Insurance	1514278	14,008	JE18275	0	14,008
Overhead	1514280		1811 280	3,500	17,500
SUBTOTAL		721,017		127,033	848,050
Contingencies (10%)		72,102		12,703	84,805
ESTIMATED TOTAL INTANGIBLES		793,119		139,736	932,855

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	COOR	TO CSG PT	cons:	COMPLETION	TOTAL WELL
Conductor Casing 0 Ft@ 0.00 \$/Ft	1526.508	0	N.A.	O	
Surface Csg 500 Ft @ 24.00 \$/Ft	1520,510	12,000	NA.	0	12,000
Intermediate Csg 5,000 Ft @ 14.00 \$/Ft	1520315	70,000	NSA.	0	70,000
Protection Csg 0 Ft@ 0.00 \$/Ft	1520.820	0	N.A.	0	0
Production Csg 13,600 Ft@ 10.00 \$/Ft	MA	0	Jan des	136,000	136,000
Protection Liner 0 Ft@ 0.00 \$/Ft	1 820,520	0	79.A	0	0
Production Liner 0 Ft@ 0.00 \$/Ft	PVA.	0	1202,035	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	N/A	0	1823.340	45,292	45,292
Rods 0 Ft@ 0.00 \$/Ft	264	0	1522.845	0	0
Artificial Lift Equipment	NA.	0	1522.250	0	0
Tank Battery	N/A	0	1332.266	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	N/A	0	1723,560	12,720	12,720
* Well Head Equipment & Christmas Tree	1520.768	2,000	1512.865	11,500	13,500
Subsurface Well Equipment	N/A	0	1522.270	6,890	6,890
Flow Lines	NA	0	1822.476	13,250	13,250
Saltwater Disposal Pump	Mи	0	1122,857	0	0
Gas Meter	MA	. 0	1 62 B. B. B. B.	3,180	3,180
Lact Unit	NA	0	1822.287	0	0
Vapor Recovery Unit	NA	0	1722149	0	0
Other Well Equipment	N/A	0	1,725,820	0	0
ROW and Damages	264	0	1522.093	2,120	2,120
Surface Equipment Installation Costs	NA	0	1522.194	15,900	15,900
Elect. Installation	MA	0	1222.207	, 0	0
ESTIMATED TOTAL TANGIBLES		84,000		262,752	346,752
ESTIMATED TOTAL WELL COSTS		877,119		402,488	1,279,607

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	
APPROVED BY: Loud Colhect	3/3//0
APPROVED BY:	

WI APPROVAL:

COMPANY

David J. Sorenson

2.8235280%

WI APPROVAL

COMEANI

TITLE

BY

DATE

April 6, 2000

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

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Received APR 1 7 2000

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	CODE	TO CSG PT	C007E	COMPLETION	TOTAL WELL
Drilling Footage 13,600 Ft @ 25.95 \$/Ft	1514 201	374,095	XA	0	374,095
Drilling Daywork 2 2 6,200 \$/day	1814108	13,144	isin 105	18,144	26,288
Drilling Turnkey	##4££#	0	15/5/10	0	0
Rig Mobilization and Demobilization	1514715	0	BIEIIS	0	0
Road & Location Expense	1514110	27,295		3,180	30,475
Damages	1514128	5,000	i i kin	0	5,000
Directional Drilling - Tools and Service	1114130	0	is it is a	0	0,000
Drilling Fluids	164736	53,000		0	53,000
Fuel, Power, and Water	£814.140	26,500	1818180	0	26,500
Supplies - Bits	151416	0	15.13.45	795	795
Supplies - Casing Equipment	1514151	5,989	1812.10	7,420	13,409
Supplies - Liner Equipment	1514758	0	1818.166	0	0
Supplies - Miscellaneous	1514.160	0	in a series	0	
Cement and Cmt. Services - Surface Csg	15.4 (6:	8,480	**************************************	0	8,480
Cement and Cmt. Services - Int. Csg	4846 870	15,900		- o	15,900
Cement and Cmt. Services - Prod. Csg	N/A	0	1816.178	21,200	21,200
Cement and Cmt. Services - Other	1514178	0	10.5171	0	0
Rental - Drilling Tools and Equipment	1814 180	0	Izik 180	0	
Rental - Misc.	1514188	24,910	islata	3,710	28,620
Testing - Drill Stem / Production	1514791	4,770	1818.108	3,710	8,480
Open Hole Logging	1514 200	37,100	, and	0	37,100
Mudlogging Services	3514.21D	21,465	77.4	0	21,465
Special Services	1516180	0	1818190	0	0
Plug and Abandon	151 C 215	15,000	1814218	(15,000)	0
Pulling and/or Swabbing Unit	MA	0	1815.217	15,264	15,264
Reverse Equipment	MA	0	rezin	5,830	5,830
Wireline Services	1514200	0	išikios	19,080	19,080
Stimulation	NA.	0	1818.231	12,720	12,720
Pump / Vacuum Truck Services	1514210	0	1215,220	5,944	5,944
Transportation	1824218	2,120	1513,925	2,650	4,770
Tubular Goods - Inspection & Testing	1514210	0	1514270	5,300	5,300
Unclassified	1514.245	530	1311.246	0	530
Telephone and Radio Expense	1514.240	1,590	1212340	636	2,226
Engineer / Geologist / Landman	1514.250	22,500	isia e m	2,500	25, 000
Company Labor - Field Supervision	1516252	26,500	1914 544	7,500	34,000
Contract Labor / Roustabout	1514.364	2,120	1212.262	7,950	10,070
Legal and Professional Service	1514270	5,000	ipis, atri	0	5,000
Insurance	1514.273	14,008	1512.974	0	14,008
Overhead	1\$14.88D	14,000	13/1280	3,500	17,500
SUBTOTAL		721,017		127,033	848,050
Contingencies (10%)		72,102		12,703	84,805
ESTIMATED TOTAL INTANGIBLES		793,119		139,736	932,855

AUTHORITY FOR EXPENDITURE

LEASE: Stetson 13 Federal Com.

WELL NUMBER: 1

PBTD: 13,600'

LOCATION: 1,650' FNL & 1,650' FEL, Section 13, T19S, R33E, Lea County NM

FIELD: Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a Morrow gas well.

0

DATE PREPARED: 3/31/00

EST. START DATE: 6/15/00

EST. COMPLETION DATE: 8/1/00

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	COOR	TO CSG PT	cone	COMPLETION	TOTAL WELL
Conductor Casins 0 Ft @ 0.00 \$/Ft	1320.500	0	57.4	0	O O
Surface Csg 500 Ft @ 24.00 \$/Ft	1520,510		W.A.	0	12,000
Intermediate Csg 5,000 Ft @ 14.00 \$/Ft	1520318	70,000	NA.	0	70,000
Protection Csg 0 Ft @ 0.00 \$/Ft	1520.120	0	MA	0	70,000
Production Csg 13,600 Ft@ 10.00 \$/Ft	MA	0	farkers	136,000	136,000
Protection Liner 0 Ft@ 0.00 \$/Ft	£\$20,53Q	0	īyA:	0	0
Production Liner 0 Ft@ 0.00 \$/Ft	KYL	0	1822.423	0	0
Tubing 13,400 Ft@ 3.38 \$/Ft	NΑ	0	1823.840	45,292	45,292
Rods 0 Ft@ 0.00 \$/Ft	MA	0	1122.8 41	0	0
Artificial Lift Equipment	26.4	0	1522.250	0	0
Tank Battery	JYA.	0	1722.265	15,900	15,900
Separators/Heater Treater/Gas Units/FWKO	764	0	din se	12,720	12,720
* Well Head Equipment & Christmas Tree	2520.368	2,000	1522.862	11,500	13,500
Subsurface Well Equipment	MA	0	1522,370	6,890	6,890
Flow Lines	W	0	1022.270	13,250	13,250
Saltwater Disposal Pump	MA	0	1123,861	0	0
Gas Meter	NG	0	1522.885	3,180	3,180
Lact Unit	1874	0	1522 287	0	0
Vapor Recovery Unit	WA	0	102至188	0	. 0
Other Well Equipment	Ņά	0	1123.540	0	0
ROW and Damages	MA	0	1592.893	2,120	2,120
Surface Equipment Installation Costs	NA	0	1592.196	15,900	15,900
Elect. Installation	W	0	122.197	. 0	0
ESTIMATED TOTAL TANGIBLES		84,000		262,752	346,752
ESTIMATED TOTAL WELL COSTS	·•	877,119		402,488	1,279,607

NPC APPROVAL	DATE
PREPARED BY: HRW	03/31/00
REVIEWED BY: TRM	
APPROVED BY: Loud Collabo	3/3//6
APPROVED BY:	

В	COMPANY	Daniel W. Varel 1.7647050%				
	BY	Damil W. Warel				
	TITLE					
	DATE	an 8,2000				

Nearburg Exploration Company, L.L.C.

RECEIVED AFR - 1 2000

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806



March 31, 2000

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

TO ALL WORKING INTEREST OWNERS: (See Distribution List)

Re:

Stetson 13 Federal Com. #1 Well 1,650' FNL and 1,650' FEL Section 13, T-19-S, R-33-E Lea County, New Mexico Stetson Prospect

Gentlemen:

Enclosed herewith please find Nearburg Producing Company's AFE for the Stetson 13 Federal Com. #1 well proposed to be drilled to a depth of 13,600' testing the Morrow formation. The well is proposed to be located 1,650' FNL and 1,650' FEL of Section 13, T-19-S, R-33-E, Lea County, New Mexico. As a working interest owner in the proposed N/2 spacing unit, you have the right to participate for your proportionate share in the well. I will forward to your attention an Operating Agreement, designating Nearburg Producing Company as the operator in the near future.

If you elect not to participate in the proposed well, Nearburg would like to acquire your interest under mutually acceptable terms.

If you have any questions, please feel free to contact the undersigned.

Yours very truly,

Mark Wheeler Sepior Landman, CPL

MW/dw encl.

GENTLEMEN:

April 13, 2000

I am returning the signed AFE dated today. It is my understanding I own a .004411758 working interest. Please furnish to me the Operating Agreement.

WILLIAMSON ENTERPRISES, a Nominee Partnership

Mullianson