Nearburg Producing Company
Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Pathfinder 19 State WELL NUMBER: 1 PBTD: 11,000'
LOCATION: 1,980' FEL & 660' FNL, Section 19, T18S, R28E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.
DATE PREPARED: 6/21/00 EST. START DATE: 10/1/2000 EST. COMPLETION DATE: 11/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	CODE	TO CSG PT		CODE	COMPLETION		TOTAL WELL
Drilling Footage ##### Ft @ #### $/Ft	1514.101	221,540		NA	0		221,540
Drilling Daywork 2 2 5,800 $/day	1514.105	12,296		1515.105	12,296		24,592
Drilling Turnkey	1514.110	0		1515.110	0		0
Rig Mobilization and Demobilization	1514.115	0		1515.115	0		0
Road & Location Expense	1514.120	20,935		1515.120	2,120		23,055
Damages	1514.125	5,000		1515.125	0		5,000
Directional Drilling - Tools and Service	1514.130	0		1515.130	0		0
Drilling Fluids	1514.135	37,100		1515.132	0		37,100
Fuel, Power, and Water	1514.140	15,900		1515.140	0		15,900
Supplies - Bits	1514.145	0		1515.145	795		795
Supplies - Casing Equipment	1514.150	2,226		1515.150	4,240		6,466
Supplies - Liner Equipment	1514.155	0		1515.155	0		0
Supplies - Miscellaneous	1514.160	0		1515.160	0		0
Cement and Cmt. Services - Surface Csg	1514.165	4,240		NA	0		4,240
Cement and Cmt. Services - Int. Csg	1514.170	12,720		NA	0		12,720
Cement and Cmt. Services - Prod. Csg	NA	0		1515.172	21,200		21,200
Cement and Cmt. Services - Other	1514.175	0		1515.175	0		0
Rental - Drilling Tools and Equipment	1514.180	0		1515.180	0		0
Rental - Misc.	1514.185	20,140		1515.185	3,180		23,320
Testing - Drill Stem / Production	1514.195	4,770		1515.195	2,650		7,420
Open Hole Logging	1514.200	31,800		NA	0		31,800
Mudlogging Services	1514.210	11,925		NA	0		11,925
Special Services	1514.190	0		1515.190	0		0
Plug and Abandon	1514.215	12,000		1515.215	(12,000)		0
Pulling and/or Swabbing Unit	NA	0		1515.217	15,264		15,264
Reverse Equipment	NA	0		1515.219	5,300		5,300
Wireline Services	1514.205	0		1515.205	19,080		19,080
Stimulation	NA	0		1515.221	12,720		12,720
Pump / Vacuum Truck Services	1514.220	0		1515.220	6,075		6,075
Transportation	1514.225	2,120		1515.225	2,650		4,770
Tubular Goods - Inspection & Testing	1514.230	0		1515.230	5,300		5,300
Unclassified	1514.245	530		1515.245	0		530
Telephone and Radio Expense	1514.240	954		1515.240	318		1,272
Engineer / Geologist / Landman	1514.250	22,500		1515.250	3,000		25,500
Company Labor - Field Supervision	1514.255	15,900		1515.255	6,500		22,400
Contract Labor / Roustabout	1514.265	1,590		1515.265	9,540		11,130
Legal and Professional Service	1514.270	5,000		1515.270	0		5,000
Insurance	1514.275	6,121		1515.275	0		6,121
Overhead	1514.280	7,000		1515.280	3,500		10,500
SUBTOTAL		474,307			123,728		598,035
Contingencies (10%)		47,431			12,373		59,804
ESTIMATED TOTAL INTANGIBLES		521,738			136,101		657,839

Nearburg Exploration Co.
Exhibit No. 3
NMOCD Case No. 12,465

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TANGIBLE COSTS:			CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Conductor Casin	0 Ft @	0.00 $/Ft	#######	0	NA	0	0
Surface Csg	400 Ft @	24.00 $/Ft	1520.310	9,600	NA	0	9,600
Intermediate Cs	2,900 Ft @	14.00 $/Ft	1520.315	40,600	NA	0	40,600
Protection Csg	0 Ft @	0.00 $/Ft	#######	0	NA	0	0
Production Csg	##### Ft @	10.00 $/Ft	NA	0	#######	110,000	110,000
Protection Liner	0 Ft @	0.00 $/Ft	#######	0	NA	0	0
Production Line	0 Ft @	0.00 $/Ft	NA	0	#######	0	0
Tubing	##### Ft @	3.25 $/Ft	NA	0	#######	35,100	35,100
Rods	0 Ft @	0.00 $/Ft	NA	0	#######	0	0
Artificial Lift Equipment			NA	0	#######	0	0
Tank Battery			NA	0	#######	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			NA	0	#######	12,720	12,720
* Well Head Equipment & Christmas Tree			#######	2,500	#######	11,500	14,000
Subsurface Well Equipment			NA	0	#######	6,148	6,148
Flow Lines			NA	0	#######	13,250	13,250
Saltwater Disposal Pump			NA	0	1522.391	0	0
Gas Meter			NA	0	#######	1,484	1,484
Lact Unit			NA	0	#######	0	0
Vapor Recovery Unit			NA	0	#######	0	0
Other Well Equipment			NA	0	#######	0	0
ROW and Damages			NA	0	#######	2,650	2,650
Surface Equipment Installation Costs			NA	0	#######	9,540	9,540
Elect. Installation			NA	0	#######	0	0
ESTIMATED TOTAL TANGIBLES				52,700		212,992	265,692
ESTIMATED TOTAL WELL COSTS				574,438		349,093	923,531

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**	**06/21/00**
REVIEWED BY: **TRM**	
APPROVED BY:	
APPROVED BY:	

WI APPROVAL: COMPANY _____
BY _____
TITLE _____
DATE _____