

**AUTHORIZATION FOR EXPENDITURE**

LOCATION: 800' fsl & 1700' fsl  
SE/4 Sec. 4-T25N-R2W  
Rio Arriba County, New Mexico

LEASE & WELL: #1 Dewey Bartlett (Re-entry)  
 FIELD: Basin Dakota  
 TOTAL DEPTH: 8450'

SERVICE & SUPPLIES	DRILLING ESTIMATE		COMPLETION ESTIMATE		PRODUCTION EQUIP.	
	TANGIBLE	INTANGIBLE	TANGIBLE	INTANGIBLE	TANGIBLE	INTANGIBLE
PERMIT, SURVEY, ELEVATION						
DAMAGES & WATER				\$10,000		
SITE WORK				\$7,500		
FOOTAGE DRILLING						
DAYWORK (15 days @ \$2000/day)				\$30,000		
LOGGING & SURVEYS						
GEOLOGICAL A/O MUDLOGGING						
CORING						
DSTs						
DOZER & EQUIPMENT MOVING				\$2,500		
DRILL BITS				\$1,700		
MUD & CHEMICALS				\$5,000		
TRUCKING & HAULING				\$12,000		
BRADENHEAD			\$2,500			
SURFACE CASING						
INTERMEDIATE CASING						
PRODUCTION CASING						
CEMENT & SERVICES - SURFACE CSG.						
CEMENT & SERVICES - INTERM. CSG.						
CEMENT & SERVICES - PROD. CSG.				\$3,000		
PERFORATING				\$3,500		
STIMULATION (Acid & Frac)				\$65,000		
COMPLETION UNIT						
OTHER SERVICES						
EQUIPMENT RENTALS				\$26,000		
TUBING (8200' @ \$2.25/ft)			\$18,450			
WELL HEAD EQUIPMENT			\$5,000			
MISC. VALVES, FITTING, PIPE					\$4,000	
PUMPING UNIT, RODS, ETC.						
TANK BATTERY						
WELL SITE TREATING EQUIPMENT						
MISCELLANEOUS SUPPLIES					\$2,500	
WELL SITE SUPERVISION				\$4,500		\$1,500
OTHER -						
ADMINISTRATIVE OVERHEAD				\$3,000		
SEISMIC COST						
DIRECTIONAL HOLE COSTS						
LABOR - COMPLETION & TESTING						\$3,000
LABOR - INSTALLATION & CONSTRUCTION						
INSURANCE						
PIT LINER						
PARAFFIN CONTROL EQUIPMENT						
GAS DEHYDRATOR/SEPARATER					\$8,500	
DOWN HOLE EQUIPMENT						
PROSPECT MGT. - GEOL. & GEOPHYSICS						
LAND AND LEGAL						
LEASE BONUS AND ACQUISITION COST						
CLEAN UP						
CONTINGENCIES (.05%)			\$1,300	\$8,700	\$750	\$225
TOTAL TANGIBLES & INTANGIBLES	\$0	\$0	\$27,250	\$182,400	\$15,750	\$4,725
TOTAL DRLG & COMPL. & EQUIP. COSTS	\$0		\$209,650		\$20,475	
TOTAL COMPLETED WELL COST						\$230,125

RECOMMENDED SPUD DATE: September 15, 2000

AFE APPROVED: YES  NO

RECOMMENDED DRLG. CONT'R: Key Energy

NON-OPERATOR:

TYPE OF WELL: Gas

BY: \_\_\_\_\_

PREPARED BY: NM&O Operating Company

DATE: \_\_\_\_\_

*[Signature]* 5/22/00

<b>BEFORE EXAMINER ASHLEY</b> <b>OIL CONSERVATION DIVISION</b> EXHIBIT NO. <u>6</u> CASE NO. _____
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