

MATADOR PETROLEUM CORPORATION

8340 MEADOW ROAD, Ste 158
DALLAS, TEXAS 75231-3751
(214) 987-3650
FAX # (214) 691-1415

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	08/18/2000	AFE NO.:	300553-01-001
PROSPECT NAME:	Wilson South	OPERATOR:	Matador Operating Company
LEASE NAME:	Mary State Com #1		
DESCRIPTION:	12,900' Morrow Test		
LOCATION:	660' FSL; 1980' FEL Section 12, T21S, R34E		
COUNTY:	Lea	STATE:	NM
		PROPOSED TD:	12,900'

	DRILLING COSTS	COMPLETION COSTS	TOTAL COSTS
INTANGIBLE COSTS			
01 Land/Legal/Regulatory	\$ 1,000	\$	\$ 1,000
02 Location, surveys & damages	35,000	2,500	37,500
10 Rig Costs, Ftg, DW, Turnkey	42 days +2 @ \$6500/day 289,000	13,500	302,500
13 Mob & Demob	30,000		30,000
16 Cementing & Float Equip	50,000	18,000	68,000
18 Testing, DST & Production		5,000	5,000
19 Coring & Core Evaluation			0
20 Open Hole Logging	50,000		50,000
21 Mudlogging	17,000		17,000
22 Geological Supervision	2,000		2,000
24 Mud & Chemicals	60,000		60,000
25 Mud & Cuttings Disposal			0
26 Freight / Transportation	10,000	5,000	15,000
28 Supervision / Engineering	32,000	10,500	42,500
30 Rental Equipment	45,000	15,000	60,000
31 Drill Bits	52,000		52,000
32 Fuel & Power	40,000		40,000
33 Water	25,000	10,000	35,000
34 Overhead	16,000	5,000	21,000
38 Directional Drlg, Surveys			0
40 Completion Unit / Swab Unit		25,000	25,000
44 Cased Hole Log, Perforating		20,000	20,000
46 Stimulation		100,000	100,000
48 Insurance	5,000		5,000
50 Labor	15,000		15,000
52 Miscellaneous	7,000		7,000
54 Contingency			0
TOTAL INTANGIBLES >	\$781,000	\$229,500	\$1,010,500

	DRILLING COSTS	COMPLETION COSTS	TOTAL COSTS
TANGIBLE COSTS			
40 Conductor Casing	20" @ 40' \$ 4,500	\$	\$ 4,500
41 Surface Casing	13 3/8" @ 1400' 30,000		30,000
42 Intermediate Casing	9 5/8" @ 5750' 85,000		85,000
43 Drilling Intermediate	7" @ 11,650' 140,000		140,000
44 Production Casing			0
45 Production Liner	4 1/2" @ 12,900'	12,000	12,000
46 Tubing	2 3/8" @ 12,900'	42,000	42,000
47 Wellhead	5,000	17,000	22,000
48 Packers, Liner Hangers		25,000	25,000
49 Tanks		15,000	15,000
50 Production Vessels		15,000	15,000
51 Flow Lines		7,500	7,500
52 Rod String			0
53 Pump Unit & Prime Mover			0
55 Installation Costs		12,000	12,000
57 Miscellaneous		10,000	10,000
58 Non-Controllable Surface		6,000	6,000
59 Non-Controllable Downhole		3,000	3,000
TOTAL TANGIBLES >	\$264,500	\$164,500	\$429,000
TOTAL COSTS >	\$1,045,500	\$394,000	\$1,439,500

MATADOR OPERATING COMPANY

Prepared By: R. F. Burke Date: 8/18/00
 Approved By: [Signature] Date: 8/18/00
 R. F. Burke, Vice President

APPROVAL: _____ This AFE is an estimate only. By signing this AFE, you agree to pay your share of the total actual costs.
 NON-OPERATOR: _____
 Approved: _____ Disapproved: _____ Tax In- _____
 Working Interest: _____ Signed by: _____

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12519 Exhibit No. 5
Submitted By:
Matador Petroleum Corp.
Hearing Date: October 19, 2000