

# Burlington Resources

Farmington A #100

## Economic Summary

	<u>As Proposed</u>	<u>Deviated Hole</u>
AFE Cost (\$M)	300.00	750.00
ROR (%)	66.70	1.20
Payout (years)	3.16	18.59
P/I (\$/\$)	1.78	-0.23
Reserves (MMcf)	1,543.90	771.95

Farmington Region  
 Post Office Box 4289  
 Farmington, New Mexico, 87499  
 (505) 326-9700

AUTHORITY FOR EXPENDITURE

AFE No.: \_\_\_\_\_ Property Number: \_\_\_\_\_ Date: 11/24/99  
 Lease/Well Name: Farmington A #100 AO Number: \_\_\_\_\_  
 Field Prospect: Basin Fruitland Coal Division: Farmington  
 Location: SE Sec. 1 T29N R13W County: San Juan State: NM  
 AFE Type: Development 01 Original  Supplement  Addendum  API Well Type \_\_\_\_\_  
 Operator: Burlington Resources Oil & Gas  
 Objective Formation: Fruitland Coal Authorized Total Depth (Feet): 1380'  
 Project Description: New drill Fruitland Coal, frac stimulate, facilities and produce.

Estimated Start Date: 5/1/00 Prepared By: L. J. Biemer Jr.  
 Estimated Completion Date: 6/1/00

GROSS WELL DATA

	Drilling		Workover/ Completion	Construction Facility	Total
	Dry Hole	Suspended			
Days:		<u>3</u>	<u>7</u>	<u>7</u>	<u>17</u>
This AFE:		<u>\$76,513</u>	<u>\$131,122</u>	<u>\$63,222</u>	<u>\$270,857</u>
Prior AFE's:					<u>\$0</u>
Total Costs:	<u>\$0</u>	<u>\$76,513</u>	<u>\$131,122</u>	<u>\$63,222</u>	<u>\$270,857</u>

JOINT INTEREST OWNERS

Company:	Working Interest	Dry Hole \$	Completed \$
	Percent		
BROG INC:	<u>60.01676 %</u>	<u>\$0</u>	<u>\$162,560</u>
TRUST	<u>0.00000 %</u>	<u>\$0</u>	<u>\$0</u>
Others:	<u>39.98324 %</u>	<u>\$0</u>	<u>\$108,297</u>
AFE TOTAL:	<u>100.00000 %</u>	<u>\$0</u>	<u>\$270,857</u>

BROG INC. APPROVAL

Approved: [Signature] Date: 1/29/00 Approved: [Signature] Date: 1/21/2000  
 Production Engineer Reservoir Engineer  
 Approved: [Signature] Date: 1/21/00 Approved: \_\_\_\_\_ Date: \_\_\_\_\_  
 Geologist Landman

PARTNER APPROVAL

Company Name: \_\_\_\_\_  
 Authorized By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: \_\_\_\_\_

**Burlington Resources Oil & Gas Inc.  
Drilling Estimate**


Well Name: Farmington A #100  
 Location: SE Sec. 1 T29N R13W  
 County: San Juan  
 Field: Basin Fruitland Coal  
 Proposed TD: 1380  
 Comments: No logs required.

Prepared By: L.C. White  
 Date: 10/12/99  
 Approved By: [Signature]  
 AFE Type: 01 Cost/ft:  
 Total Days: 3 \$55.44  
 Area Team: Ftc

Account Number - 248	<u>Intangible Costs</u>	Estimated Total
03	Location/Roads - Construction & Maintenance .....	\$7,200
05	Move in/Move out .....	\$5,000
07	Contractor Fees - Daywork..... 3.0 days @ 6600 per day.....	\$19,800
08	Fire & Safety Equip.....	\$0
10	Drilling Fluids..... 3.0 days @ 1500 per day.....	\$2,000
16	Fresh Water.....	\$3,000
17	Bits.....	\$5,900
18	Primary Cementing.....	\$10,000
22	Coring & Analysis.....	\$0
23	Fuel/Electricity.....	\$0
25	Rentals.....	\$1,000
26	Fishing.....	\$0
28	Other Rentals.....	\$1,000
29	Transportation .....	\$1,500
32	Directional Services.....	\$0
33	Inspection.....	\$500
34	Logging Services.....	\$6,500
43	Consultants..... 3.0 days @ 500 per day.....	\$1,500
44	Engineering/Lab/Technical Contract Services.....	\$0
45	Roustabout Labor (casing crews).....	\$1,000
46	Miscellaneous.....	\$1,000
49	Packer Rental.....	\$0
54	Environmental Costs ..... 3.0 days @ 80 per day.....	\$240
60	District Tools.....	\$0
72	Company Supervision & Overh 3.0 days @ 134 per day.....	\$402
	<b>Total Intangible</b>	<b>\$67,542</b>
 <u>Tangible Costs</u> 		
80	Casing (COPAS Price)	
	120 FT    7   "    20 #   K55   \$   \$8.90 /ft	\$1,068
	1380 FT   4 1/2 "   11 #   K55   \$   \$4.64 /ft	\$6,403
84	Casing/Liner Equipment.....	\$0
86	Wellhead Equip & Xmas Tree.....	\$1,500
	<b>Total Tangible</b>	<b>\$8,971</b>
	 <b>Total Drilling Estimate</b>	 <b>\$76,513</b>

**Burlington Resources Oil & Gas Inc.**  
**Completion Estimate**

Well Name: Farmington A #100  
 Location: SE Sec. 1 T29N R13W  
 AFE Type: Development 01  
 Formation: Basin Fruitland Coal

Prepared By: L. J. Biemer Jr.  
 Date: 11/22/99  
 Approved By: 

**Intangible Costs**

Account Number - 249	Estimated Days: 7	FRTC Cost	Total Estimated Cost
02	Location, Roads or Canals	7,000	7,000
03	Construction and Maintenance		0
05	Move-in, Move-out	5,000	5,000
07	Fees of Contractor - Daywork (7D@\$2400/D)	16,800	16,800
09	Drilling Fluid & Gas & Air (7D@\$1450/D)	10,150	10,150
12	Specialty Fluids and Chemicals		0
16	Fresh Water (\$700/tank)	2,100	2,100
17	Bits		0
18	Cement		0
23	Fuel for Air Pkg (7D@\$450/D)	3,150	3,150
24	BOP & Wellhead Rentals (surface)		0
25	Drill Work String Rentals (surface)		0
26	Fishing Tool Rentals		0
28	Tank & Other Rentals (\$20/day/tank)	420	420
29	Transportation (\$300/tank)	900	900
30	Offsite Disposal Service		0
33	Tubular Inspection (\$0.40/ft+\$2000)		0
34	Cased Hole Services	6,000	6,000
37	Swabbing & Coiled Tubing		0
39	Fracturing & Stimulation	50,000	50,000
42	BOP Testing		0
43	Consultants (\$500/day)	3,500	3,500
44	Technical Contract Svc. (1stg RA)	5,600	5,600
45	Roustabout Labor	1,500	1,500
46	Miscellaneous		0
49	Packer Rental (\$2000+\$900/add trips)	2,000	2,000
60	District Tool Rental (7D@\$250/D)	1,750	1,750
68	Direct Labor		0
72	Overhead (\$135/day+6% Tax)	8,360	8,360
74	Employee Expense		0
	<b>Total Intangibles</b>	<b>\$124,230</b>	<b>\$0 \$124,230</b>

**Tangible Costs**

81	Tubing 2-3/8" 4.7# EUE @ \$2.55/ft (1350')	3,442	3,442
82	Packers and Bridge Plugs		0
84	Casing/Liner Equipment		0
85	Tubing Equipment	500	500
86	Wellhead Equipment & Tree	2,950	2,950
	<b>Total Tangibles</b>	<b>\$6,892</b>	<b>\$0 \$6,892</b>

**Total Completion Estimate** **\$131,122** **\$0** **\$131,122**

**Burlington Resources Oil & Gas Inc.  
Facilities Estimate**

Well Name: Farmington A #100  
 Location: SE Sec. 1 T29N R13W  
 AFE Type: Development 01  
 Formation: Basin Fruitland Coal

Prepared By: Steve Florez  
 Date: 11/23/99  
 Approved By: JSF

**Tangible Costs**

Account Number - 247		Estimated Cost
02	Labor-Contract, Roustabout, Consultants	\$4,300
03	Company Vehicles	
08	Location, Roads & Canals	\$500
12	Overhead	
17	Damages, Property Losses	\$0
20	Equip. Coating and Insulation	\$800
26	SWD Filtering	
27	Separators (Combo Unit)	\$7,000
29	Pumping Units	
31	Prime Mover	
32	Tanks	\$2,500
33	Metering Equipment	
34	Flow Line	\$0
36	Building	\$0
35	Compressors	\$0
44	Technical Contract Svc.	
47	Rental Equipment	\$24,000
49	Cathodic Protection	\$7,000
50	Right Of Way	
54	Electrical Accessories	
55	Miscellaneous-Facility Expense	\$1,000
57	Pulling Unit Costs & Valves & Fittings	\$3,600
60	Oper. Owned Equip/Facilities	
63	Env. Compliance (Remediation)	\$7,000
68	Direct Labor	
73	Freight /Transportation	\$1,000
72	Overhead (Contingency 6%)	\$3,522
81	Tubing	
82	Rods	
83	Downhole Pumps	
84	Alternative Artificial Lift Equip.	
86	Convent Artificial Lift Wellhead Equip.	
88	Communication Systems	\$1,000
96	Gas Dehydrator	
<b>Total Facility Estimate</b>		<b>\$63,222</b>