



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

**AUTHORITY FOR EXPENDITURE**  
NEW DRILLING, RECOMPLETION & RE-ENTRY

AFE NO. 00-1659-0  
AFE DATE 12/21/00  
AFEND (rev 6/98)

AFE Type:	Well Objective:	Well Type:
<input checked="" type="checkbox"/> New Drilling	<input type="checkbox"/> Oil	<input checked="" type="checkbox"/> Development
<input type="checkbox"/> Recompletion	<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Exploratory
<input type="checkbox"/> Re-entry	<input type="checkbox"/> Injector	

AFE STATUS:

<input checked="" type="checkbox"/> Original	_____
<input type="checkbox"/> Revised	_____
<input type="checkbox"/> Final	_____
<input type="checkbox"/> Supplemental	_____

LEASE NAME	Daisy AFS State #2	PROJ'D DEPTH	13,100'
COUNTY	Lea	STATE	New Mexico
FIELD		HORIZON	Morrow/Mississippian
LOCATION	Section 3 T16S-R35E, 660' N & E		
DIVISION CODE	100	DIVISION NAME	Oil & Gas Division
DISTRICT CODE		DISTRICT NAME	
BRANCH CODE		BRANCH NAME	

PROGNOSIS: \_\_\_\_\_

INTANGIBLE DRILLING COSTS:		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees	3,000	3,000
920-110	Location, Right-of-Way	35,000	35,000
920-120	Drilling, Footage	0	0
920-130	Drilling, Daywork 47 days @ \$9,400/day + \$30K for mob	500,000	500,000
920-140	Drilling Water, Fasline Rental	40,000	40,000
920-150	Drilling Mud & Additives	52,000	52,000
920-160	Mud Logging Unit, Sample Bags	24,000	24,000
920-170	Cementing - Surface Casing	40,000	40,000
920-180	Drill Stem Testing, OHT 1 dst	7,500	7,500
920-190	Electric Logs & Tape Copies	30,000	30,000
920-200	Tools & Equip. Rntl., Trkg. & Welding	50,000	50,000
920-205	Control of Well-Insurance	4,500	4,500
920-210	Supervision & Overhead	30,000	30,000
920-230	Coring, Tools & Service		
920-240	Bits, Tool & Supplies Purchase	40,000	40,000
920-350	Cementing - Production Casing		45,000
920-410	Completion Unit - Swabbing		20,000
920-420	Water for Completion		5,000
920-430	Mud & Additives for Completion		1,000
920-440	Cementing - Completion		0
920-450	Elec. Logs, Testing, Etc. - Completion		20,000
920-460	Tools & Equip. Rental, Etc. - Completion		45,000
920-470	Stimulation for Completion		100,000
920-480	Supervision & O/H - Completion		8,000
920-490	Additional LOC Charges - Completion		3,000
920-510	Bits, Tools & Supplies - Completion		1,800
920-500	Contingency for Completion		
<b>TOTAL INTANGIBLE DRILLING COSTS</b>		<b>856,000</b>	<b>1,104,800</b>

TANGIBLE EQUIPMENT COSTS:			
930-010	Christmas Tree & Wellhead	5,000	25,000
930-020	Casing 11 3/4" @ 400'	6,500	6,500
	8 5/8" @ 4,600'		51,000
	5 1/2" @ 13,100'		115,000
930-030	Tubing 2 7/8" @ 12,900'		47,000
930-040	Packer & Special Equipment		
940-010	Pumping Equipment		
940-020	Storage Facilities		15,000
940-030	Separation Equip., Flowlines, Misc.		30,000
940-040	Trucking & Construction Costs		15,000
<b>TOTAL TANGIBLE EQUIPMENT COSTS</b>		<b>11,500</b>	<b>304,500</b>

**TOTAL COSTS** 867,500 1,409,300

IT IS RECOGNIZED THAT THE AMOUNTS PROVIDED FOR HEREIN ARE ESTIMATED ONLY AND APPROVAL OF THIS AFE SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATIONS SPECIFIED WHETHER MORE OR LESS THAN HEREIN SET OUT.

RB Prepared By Cory Frederick Operations Approval

BY \_\_\_\_\_ DATE \_\_\_\_\_

BY \_\_\_\_\_ DATE \_\_\_\_\_

BY \_\_\_\_\_ DATE \_\_\_\_\_

BY \_\_\_\_\_ DATE \_\_\_\_\_

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Case Nos. 12535/12567/12569 Cons. Exhibit 4  
Submitted by:  
Yates Petroleum Corp./Ocean Energy Resources, Inc.  
Hearing Date: January 11, 2001

TOM R. CONE

BY \_\_\_\_\_ DATE \_\_\_\_\_

MARILYN CONE, TRUSTEE OF THE D.C. TRUST

BY \_\_\_\_\_ DATE \_\_\_\_\_

KENNETH G. CONE

BY \_\_\_\_\_ DATE \_\_\_\_\_

KENNETH G. CONE, TRUSTEE OF THE  
KENNETH G. CONE CHILDREN'S TRUST

BY \_\_\_\_\_ DATE \_\_\_\_\_

CLIFFORD CONE

BY \_\_\_\_\_ DATE \_\_\_\_\_

CLIFFORD CONE, TRUSTEE OF THE CLIFFORD CONE  
FAMILY TRUST U/W/O KATHLEEN CONE

BY \_\_\_\_\_ DATE \_\_\_\_\_

THE LONG TRUSTS

BY \_\_\_\_\_ DATE \_\_\_\_\_

KEITH PRATT DANIELS

BY \_\_\_\_\_ DATE \_\_\_\_\_

LYNDA PRATT RAST

BY \_\_\_\_\_ DATE \_\_\_\_\_

THE BLANCO COMPANY

BY \_\_\_\_\_ DATE \_\_\_\_\_

LWJ PARTNERSHIP

BY \_\_\_\_\_ DATE \_\_\_\_\_

DAVID H. ARRINGTON OIL & GAS, INC.

BY \_\_\_\_\_ DATE \_\_\_\_\_

OCEAN ENERGY RESOURCES, INC.

BY \_\_\_\_\_ DATE \_\_\_\_\_