Nearburg Producing Company
Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Guernsey 15 WELL NUMBER: 1-Y PTVD: 11,500'
LOCATION: SHL: 710' FNL & 570' FEL, Section 22, T17S, R37E, Lea County, New Mexico
BHL: 510' FSL & 660' FEL, 15,T17S, R37E
FIELD: Undesignated Strawn EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Re-enter and directionally drill to the Starwn and complete as a flowing oil well.

DATE PREPARED: 8/1/02 EST. START DATE: 11/2002 EST. COMPLETION DATE: 11/2002
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS: Includes NM Tax	CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Drilling Footage 11,500 Ft @ 0.00 $/Ft	1514.101	0	NA	0	0
Drilling Daywork 18 1 8,000 $/day	1514.105	152,640	1515.105	8,480	161,120
Drilling Turnkey	1514.110	0	1515.110	0	0
Rig Mobilization and Demobilization	1514.115	26,500	1515.115	0	26,500
Road & Location Expense	1514.120	18,285	1515.123	3,180	21,465
Damages	1514.125	5,000	1515.125	0	5,000
Directional Drilling - Tools and Service	1514.130	95,400	1515.130	0	95,400
Drilling Fluids	1514.135	10,600	1515.132	0	10,600
Fuel, Power, and Water	1514.140	10,600	1515.140	0	10,600
Supplies - Bits	1514.145	23,002	1515.145	1,060	24,062
Supplies - Casing Equipment	1514.150	1,590	1515.150	4,240	5,830
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	0	NA	0	0
Cement and Cmt. Services - Int. Csg	1514.170	0	NA	0	0
Cement and Cmt. Services - Prod. Csg	NA	0	1515.172	15,900	15,900
Cement and Cmt. Services - Other	1514.175	10,600	1515.175	0	10,600
Rental - Drilling Tools and Equipment	1514.180	0	1515.180	0	0
Rental - Misc.	1514.185	12,932	1515.185	15,900	28,832
Testing - Drill Stem / Production	1514.195	4,770	1515.195	15,900	20,670
Open Hole Logging	1514.200	0	NA	0	0
Mudlogging Services	1514.210	7,950	NA	0	7,950
Special Services	1514.190	0	1515.190	0	0
Plug and Abandon	1514.215	10,000	1515.215	(10,000)	0
Pulling and/or Swabbing Unit	NA	0	1515.217	26,500	26,500
Reverse Equipment	NA	0	1515.219	5,300	5,300
Wireline Services	1514.205	0	1515.205	6,360	6,360
Stimulation	NA	0	1515.221	5,300	5,300
Pump / Vacuum Truck Services	1514.220	0	1515.220	6,686	6,686
Transportation	1514.225	2,650	1515.225	3,180	5,830
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	636	1515.240	445	1,081
Engineer / Geologist / Landman	1514.250	7,500	1515.250	1,000	8,500
Company Labor - Field Supervision	1514.255	10,600	1515.255	5,000	15,600
Contract Labor / Roustabout	1514.265	9,540	1515.265	12,720	22,260
Legal and Professional Service	1514.270	5,000	1515.270	0	5,000
Insurance	1514.275	5,355	1515.275	0	5,355
Overhead	1514.280	5,250	1515.280	3,266	8,516
SUBTOTAL		436,930		135,718	572,648
Contingencies (10%)		43,693		13,572	57,265
ESTIMATED TOTAL INTANGIBLES		480,623		149,290	629,913

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12939 Exhibit No. 4
Submitted by:
NEARBURG EXPLORATION COMPANY, L.L.C.
Hearing Date: October 10, 2002

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Exploration and Production
Dallas, Texas

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TANGIBLE COSTS:			CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 $/Ft	1520.305	0	NA	0	0
Surface Csg	0 Ft @	0.00 $/Ft	1520.310	0	NA	0	0
Intermediate Csg	0 Ft @	0.00 $/Ft	1520.315	0	NA	0	0
Protection Csg	0 Ft @	0.00 $/Ft	1520.320	0	NA	0	0
Production Csg	11,500 Ft @	9.00 $/Ft	NA	0	1522.325	103,500	103,500
Protection Liner	0 Ft @	0.00 $/Ft	1520.330	0	NA	0	0
Production Liner	0 Ft @	0.00 $/Ft	NA	0	1522.335	0	0
Tubing	11,200 Ft @	3.38 $/Ft	NA	0	1522.340	37,856	37,856
Rods	0 Ft @	0.00 $/Ft	NA	0	1522.345	0	0
Artificial Lift Equipment			NA	0	1522.350	0	0
Tank Battery			NA	0	1522.355	21,200	21,200
Separators/Heater Treater/Gas Units/FWKO			NA	0	1522.360	10,600	10,600
Well Head Equipment & Christmas Tree			1520.365	3,500	1522.365	5,000	8,500
Subsurface Well Equipment			NA	0	1522.370	5,300	5,300
Flow Lines			NA	0	1522.375	1,656	1,656
Saltwater Disposal Pump			NA	0	1522.391	0	0
Gas Meter			NA	0	1522.385	3,180	3,180
Lact Unit			NA	0	1522.387	0	0
Vapor Recovery Unit			NA	0	1522.389	0	0
Other Well Equipment			NA	0	1522.380	0	0
ROW and Damages			NA	0	1522.393	0	0
Surface Equipment Installation Costs			NA	0	1522.395	10,600	10,600
Elect. Installation			NA	0	1522.397	10,600	10,600
ESTIMATED TOTAL TANGIBLES				3,500		209,492	212,992
ESTIMATED TOTAL WELL COSTS				484,123		358,782	842,905

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	08/01/02
REVIEWED BY:	
APPROVED BY:	
APPROVED BY:	8/2/02

WI APPROVAL: COMPANY _____
BY _____
TITLE _____
DATE _____