

**Great Western Drilling Company
Drilling Cost Estimate**

Well: Federal "34" Com. #1 Date: 5-Sep-02 ER #
County: Lea State: New Mexico AFE #
Location: 1700' FSL & 950' FEL, Sec. 34, T15S-R34E Depth: 14000'

	Cost to Casing Point	Cost to Completion	Total
Landman, Legal, Insurance	5,000.00	-	\$ 5,000.00
Damages, Surveys, Permits	4,000.00	-	\$ 4,000.00
Construction - Pad, roads, pit	30,000.00	2,000.00	\$ 32,000.00
Rig Up & Tear Out/Move in & out	40,000.00	-	\$ 40,000.00
Contract - Dayrate 46 days @ \$7500/day	345,000.00	-	\$ 345,000.00
Completion Unit 12 days @ \$1800/day	-	21,600.00	\$ 21,600.00
Drill Pipe, Bits, Reamers & other tools	85,000.00	-	\$ 85,000.00
Company Drilling Supervision	28,000.00	7,000.00	\$ 35,000.00
Well Supplies & Non-Salvable Materials	2,000.00	28,000.00	\$ 30,000.00
Rentals	20,000.00	5,000.00	\$ 25,000.00
Contract services	20,000.00	15,000.00	
Cement & Cmt Services	30,000.00	25,000.00	\$ 55,000.00
Transportation	7,000.00	3,500.00	\$ 10,500.00
Mud, Water & Chemicals	55,000.00	4,000.00	\$ 59,000.00
Fuel & Utilities	40,000.00	-	\$ 40,000.00
Drill Stem Test	15,000.00	-	\$ 15,000.00
Mud Logging	20,000.00	-	\$ 20,000.00
Logging	50,000.00	4,000.00	\$ 54,000.00
Perforating	-	12,000.00	\$ 12,000.00
Treating	-	100,000.00	\$ 100,000.00
Overhead	7,500.00	2,000.00	\$ 9,500.00
Other Sub-surface Costs	-	15,000.00	\$ 15,000.00
Contingencies 5%	40,000.00	15,000.00	\$ 55,000.00
Total Intangibles	\$ 843,500.00	\$ 259,100.00	\$ 1,102,600.00

Surface Casing	8,000.00	-	\$ 8,000.00
Intermediate Casing	80,000.00	-	\$ 80,000.00
Production Casing		115,000.00	\$ 115,000.00
Wellhead	5,000.00	20,000.00	\$ 25,000.00
Tubing		51,000.00	\$ 51,000.00
Packer / Anchor		15,000.00	\$ 15,000.00
Rods		-	\$ -
Bottom Hole Pump		-	\$ -
Pumping Unit		-	\$ -
Prime Mover		-	\$ -
Tanks		15,000.00	\$ 15,000.00
Treater		30,000.00	\$ 30,000.00
Separator		-	\$ -
Flow Lines		10,000.00	\$ 10,000.00
Connections, Etc.		20,000.00	\$ 20,000.00
Miscellaneous		-	\$ -
Contingencies 5%	5,000.00	15,000.00	\$ 20,000.00
Total Tangibles	\$ 98,000.00	\$ 291,000.00	\$ 389,000.00

Total Well Costs \$ 941,500.00 \$ 550,100.00 \$ 1,491,600.00

Prepared By: D. Hendrix
Operator: Great Western Drilling Company
GWDC % Interest
GWDC Approved By:
Title:
Date:

Partner:
Approval By:
Title:
Partner % Interest
Date:

DAVOIL, INC.
Robert J. Singleton
VP, OPERATIONS
8.881
SEPTEMBER 26, 2002

BEFORE THE OIL CONSERVATION
DIVISION
Santa Fe, New Mexico
Case No. 12943 Exhibit No. 5
Submitted by: Great Western Drilling Company
Hearing Date: October 10, 2002

**Great Western Drilling Company
Drilling Cost Estimate**

Well: Federal "34" Com. #1 Date: 8-Sep-02 ER # _____
 County: Lea State: New Mexico AFT # _____
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Prepared By: D. Hendrix
 Operator: Great Western Drilling Company

Partner: _____
 Approval By: _____

Yates Petroleum Corporation 14.0464892%

Abo Petroleum Corporation 2.0066406%

By: [Signature] Date: 10/1/02

By: [Signature] Date: 10/2/02

Yates Drilling Company 2.0066406%

Myco Industries, Inc. 2.0066406%

By: [Signature] Date: 10/1/02

By: [Signature] Date: 10/1/02

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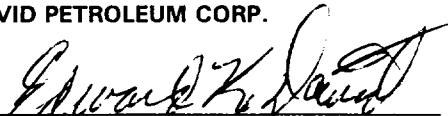
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Prepared By: D. Hendrix
 Operator: Great Western Drilling Company
 GWDC % Interest: _____
 GWDC Approved By: _____
 Title: _____
 Date: _____

Partner: _____
 Approval By: _____
 Title: _____
 Partner % Interest: _____
 Date: _____

DAVID PETROLEUM CORP.

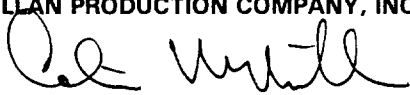
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By 
Edward K. David, President

DATE 9-12-02

MCMILLAN PRODUCTION COMPANY, INC.

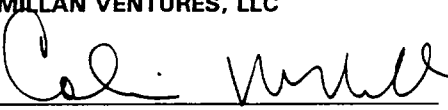
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By 
Colin McMillan, President & CEO

DATE 9/12/02

MCMILLAN VENTURES, LLC

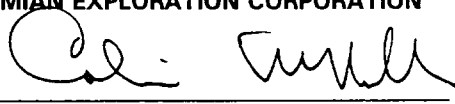
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By 
Colin McMillan, Managing Member

DATE 9/12/02

PERMIAN EXPLORATION CORPORATION

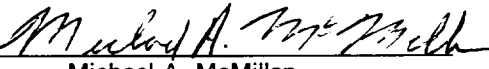
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By 
Colin McMillan, Chairman & CEO

DATE 9/12/02

MICHAEL A. MCMILLAN

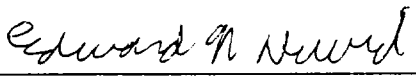
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By 
Michael A. McMillan

DATE 9-12-02

EDWARD N. DAVID

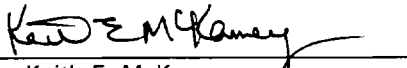
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By 
Edward N. David

DATE 9-12-02

KEITH E. MCKAMEY

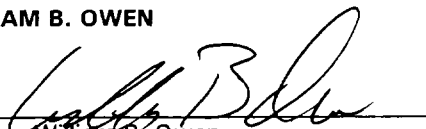
.108%

By 
Keith E. McKamey

DATE 9-12-02

WILLIAM B. OWEN

.108%

By 
William B. Owen

DATE 9-9-02

22.900%