

Carlsbad "12" Well No. 1 Field S. Carlsbad Depth 12,000
Location 1650' FNL 2040' FEL, Section 12, T-22-S, R-26-E, Eddy County, New Mexico
Reason for Request To drill and complete

TANGIBLE DRILLING & DEVELOPMENT		ESTIMATED COST TO	COMPLETION CO
		CASING POINT	AFTER CASING P
1. Surveying		\$ 350.00	\$
2. Roads and Location		5,000.00	
3. Damages		2,000.00	
4. Concrete Drilling:	12,000' @ \$ 15.00/ft. + tax	187,000.00	
Day work:	8 days @ \$ 3,050/day + tax	25,000.00	
5. Cement & Cementing Services:			
Surface	sax @ \$	3,000.00	
Intermediate	sax @ \$	17,500.00	
Oil String	sax @ \$		8,100.00
6. Drilling Fluids		60,000.00	500.00
7. Drill Stem Testing:	4 Tests @ \$2,000/ea.	8,000.00	
8. Coring & Analysis			
9. Electric Log		14,100.00	700.00
10. Perforating			1,800.00
11. Acidizing & Fracturing			12,000.00
12. Pulling units			6,000.00
13. Plugging		5,000.00	
14. Trucking		2,500.00	2,000.00
15. Geology		8,200.00	
16. Miscellaneous			
17. Tool Rentals, Special Services		4,000.00	2,000.00
18. Contract Labor		2,000.00	5,000.00
19. Contract Overhead		3,500.00	800.00
20. Engineering			
21. Supervision		1,000.00	2,500.00
22. Insurance			
23. Contingencies (10%)		31,850.00	4,600.00
TOTAL INTANGIBLE DRILLING & DEVELOPMENT		\$ 380,000.00	\$ 46,000.00
EQUIPMENT (Itemized)			
24. Casing - Surface		7,200.00	
Intermediate		47,000.00	
Production			80,000.00
25. Tubing			37,000.00
26. Guide Shoes, Float, & Centralizers		1,200.00	1,500.00
27. Well Head		4,600.00	12,000.00
28. Tanks			18,000.00
29. Flow Lines			2,000.00
30. Valves & Fittings			2,000.00
Production Packers			1,800.00
31. Pumping Equipment			
Rods			
32. Other (10%)		6,000.00	15,700.00
TOTAL EQUIPMENT		\$ 66,000.00	\$170,000.00
TOTALS		\$512,000.00	\$216,000.00
TOTAL DRILLING & COMPLETION COSTS*does not include "13" plugging			\$625,000.00

ACCEPTED: _____ Date _____
Company _____
By _____
Your Interest \$ _____

APPROVED: _____
C & K PETROLEUM, INC.
By: _____
Operator's Interest \$ _____