

OWENS PETROLEUM, INC.

P.O. BOX 2911
MIDLAND, TEXAS 79702
915/683-4627



*Received 2/25/92
M.S.*

2/20/92

State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088
Attn: Michael E. Stogner

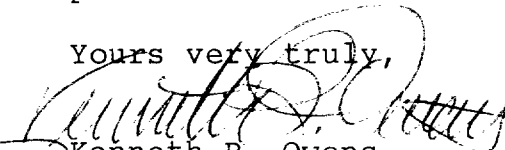
Re: Case No. 70350
Order No. R-9557
Application of Owens Petroleum, Inc. for
Compulsory Pooling, Lea County, New Mexico

Dear Mr. Stogner:

Enclosed is an itemized schedule of actual well costs for the Owens Petroleum, Inc. Shell State #1, which was drilled and completed in accordance with the referenced Order of the Division.

Thank you for your time and consideration. If you have any questions, please call or contact me at FAX (915) 683-1715.

Yours very truly,


Kenneth R. Owens

OWENS PETROLEUM, INC.
LEASE HISTORY RECAP

SHELL STATE #1

ACCOUNT DESCRIPTION	AMOUNT
LEASE OPERATING EXPENSE	
DELAY RENTALS	320.00
	320.00 *
LSE OPR-LSE ACQ-CAPITAL	
LEGAL	1,572.34
ABSTRACTS & RECORDING	1,432.37
TITLE EXAM	625.00
MISC	356.97
	3,986.68 *
BCP IDC	
SURF DAMAGES & RT OF WAY	1,127.25
ROADS & LOC	16,517.82
DRILLING	177,473.68
CEMENTING	18,569.50
WATER MUD & CHEM	16,953.29
TESTING	771.45
LOGGING	26,135.08
CONTR SER	7,015.47
GEOL EXP	.00
ENGR EXP	2,091.17
MISC	2,283.36
SUPERVISION & OVERHEAD	2,916.06
PERMITS & FEES	7,500.00
TRANSPORTATION	2,809.36
	282,163.49 *
BCP EQUIP	
CASING	55,770.44
MISC	3,578.25
	59,348.69 *

PAGE 1 TOTAL 345,642.39 **

OWENS PETROLEUM, INC.
LEASE HISTORY RECAP

PAGE 2

SHELL STATE #1

ACCOUNT DESCRIPTION	AMOUNT
LEASE OPERATING EXPENSE	
REPAIRS & MAINT	1,960.82
FUEL & ELECT	13,356.01
CHEM & TRMT	452.86
WATER DISP	325.44
CONTR SER	6,773.67
LEGAL	45.00
TRUCKING	574.08
	23,487.88 *
LSE OPR-LSE ACQ-CAPITAL	
LEGAL	500.00
	500.00 *
BCP IDC	
GEOL EXP	10,000.00
	10,000.00 *
ACP IDC	
PULLING UNIT	8,477.71
CEMENTING	8,904.58
LOGGING	2,300.00
TREATING	14,508.58
CONTR SER	6,506.90
ENGR EXP	1,228.73
EQUIPMENT RENTAL	498.90
MISC	1,438.18
DRILLING RATE OVERHEAD-CMPLTN	3,483.88
TESTING WELL	1,070.45
	48,417.91 *
ACP EQUIP	
CASING	48,071.58
SUCKER RODS	10,002.01
DOWN-HOLE PUMP	2,643.53
PUMPING UNIT	16,800.00
BATTERY & TUBING	37,416.96
CONTR SER	2,902.57
MISC	623.43
CLEAN-UP	181.46
	118,641.54 *
PAGE 2 TOTAL	201,047.33 **
TOTAL WELL COSTS	<u>546,689.72</u> **

Survey Results—1990

Region: West Texas and Eastern New Mexico - 5

Oil Wells

Responses		Depth in Feet	Monthly Drilling Well Rates				Monthly Producing Well Rates			
			1990		1989		1990		1989	
1990	1989		Mean	Median	Mean	Median	Mean	Median	Mean	Median
133	147	0 - 5,000	\$2,931	\$3,000	\$3,487	\$3,000	\$291	\$300	\$335	\$300
100	115	5,001 - 10,000	3,955	4,000	4,541	4,000	291	350	438	400
30	42	10,001 - 15,000	5,184	5,400	6,082	5,000	485	500	581	500
9	10	15,001 - 20,000	5,947	5,000	6,042	6,000	548	520	649	620
6	10	20,001 -	7,236	6,543	5,679	5,737	694	669	619	620
20	32	No Depth Limit	3,573	3,000	5,396	5,490	401	350	541	570

Gas Wells

Responses		Depth in Feet	Monthly Drilling Well Rates				Monthly Producing Well Rates			
			1990		1989		1990		1989	
1990	1989		Mean	Median	Mean	Median	Mean	Median	Mean	Median
87	115	0 - 5,000	\$2,805	\$3,000	\$3,265	\$3,042	\$290	\$300	\$318	\$300
71	86	5,001 - 10,000	3,898	4,000	4,914	4,000	359	350	469	400
28	38	10,001 - 15,000	5,196	5,000	6,134	5,000	471	475	566	450
11	11	15,001 - 20,000	5,887	6,000	6,049	6,000	502	520	642	620
4	10	20,001 -	6,544	6,134	5,674	5,688	678	670	620	620
18	32	No Depth Limit	3,661	3,300	5,320	5,490	393	330	535	562