

**AUTHORITY FOR EXPENDITURE
WELL COST ESTIMATE AND STATEMENT**

DATE November 5, 1992

LEASE	Chance	FIELD	Nadine East	EST START DATE	Jan. 1, 1993
WELL NO.	1	DEPTH	7800'	COMPL DATE	Jan. 15, 1993
PROSPECT	Nadine East	AREA		OPER	Fortson Oil Co.
CTY	Lea	LOCATION	660' FSL & 660' FWL, Sec. 30, T19S, R39E		
STATE	New Mexico				

ACCT NO	DESCRIPTION	CASING POINT \$	COMPLETION COST \$	ACTUAL COST \$
INTANGIBLE DRILLING COST				
415	RIGTIME FOOTAGE 7800 FEET \$13.00/FT	101,400		
416	RIGTIME DAYWORK 4 DAYS \$4,000	17,600	12,000	
419	FUEL, POWER, WATER	6,000		
430	RENTALS, PIPE BITS, TOOLS & EQPT 790	4,000		
410	LOCATIONS, ROADS, DAMAGES, SURVEY 707	10,000	1,000	
440	LOGS, ELECTRICAL, SPECIAL & MUD 710	11,000		
445	TEST-CORING-SQUEEZING-DST'S	4,500		
422	DRILLING MUD & ADDITIVES	6,000		
455	CEMENT & CEMENT SERVICES 708	7,500	5,000	
715	PERFORATING		3,000	
720	ACIDIZING-FRACTURING-PUMPING		7,500	
721	SWABBING & WIRELINE SERVICES			
421	LABOR & WELDING 722	2,500	3,000	
418	TRANSPORTATION & FREIGHT 718	1,000	1,500	
412	INSURANCE			
490	ADMINISTRATIVE OVERHEAD 765	4,500		
460	SUPERVISION 760	3,500	3,500	
470	ABANDONMENT EXPENSE			
	SALES TAX	5,100	3,500	
485	CONTINGENCIES 770			
TOTAL INTANGIBLES		184,600	40,000	0
TANGIBLE DRILLING COST				
510	CONDUCTOR CASING FT. \$			
	SURFACE CASING 1800 FT. 8-5/8" 7.75	14,000		
	PROTECTIVE CASING FT. \$			
810	CASING EQUIPMENT	800	3A,500	
525	WELL HEAD EQPT 811	1,500	1,500	
812	COMPLETION CASING FT. \$		38,000	
830	TUBING FT. \$		11,300	
831	SUCKER RODS		8,600	
835	PUMPING UNIT & PRIME MOVER		22,000	
840	DOWNHOLE EQPT PACKER		1,500	
841	SURFACE EQUIPMENT		15,000	
842	CONNECTIONS & VALVES <i>Fortson</i>	<i>3</i>	5,000	
843	FLOWLINES & ANCHORS		3,000	
844	INSTALLATION	<i>10621</i>	5,000	
850	CONTINGENCIES	3,200	5,600	
TOTAL TANGIBLES		20,000	120,000	0
TOTAL - DRY HOLE COST		204,600		
TOTAL - COMPLETION COST			160,000	
TOTAL - WELL COST			364,600	

NAME _____

INTEREST _____ AMOUNT \$ _____

APPROVED _____

DATE _____