

ANSON COMPANY
ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

AFE # 1 Well Name and Number GIPSON #1-8
 Location N/2 OF SEC 8-17S-38E County LEA State NEW MEXICO
 Prospect Hood Operator ANSON COMPANY
 Project Drill, Complete and Equip an 11,550' Strawn Oil Well
 Date 4/28/94 AFE Prepared By J.C. Northcutt

DRILLING AND COMPLETION INTANGIBLES		Dry Hole (721)	Completion (731)	Total
002 Location and Road Construction		20,000		20,000
003 Damages and Surveying		8,000		8,000
004 Mobilization, Demobilization				
006 Daywork	11,550' @ \$17.00/ft + 3 days @ \$4500/day	196,400	13,500	209,900
008 Cementing Services		25,000	10,000	35,000
010 Formation Testing	2 DSTs	8,000		8,000
012 Wireline Services		25,000	10,000	35,000
014 Geological Services		5,000		5,000
015 Liquid and Solids Disposal				
016 Mud and Chemicals		15,000	2,500	17,500
018 Trucking		5,000	5,000	10,000
019 Overhead		4,000	3,000	7,000
020 Field Supervision		5,000	5,000	10,000
022 Contract Services		8,000	7,000	15,000
024 Drill Bits				
026 Fuel and Utilities	Incl. Water	4,500	4,500	9,000
028 Completion Unit	7 days @ \$1500/day		10,500	10,500
030 Rentals		5,000	8,000	13,000
031 Closed System Equipment				
032 Stimulation			13,000	13,000
034 Tubular Inspection		5,000	5,000	10,000
035 Inspect and Repair BHA				
038 Miscellaneous		5,000	5,000	10,000
042 Plug and Abandon				
TOTAL DRILLING AND COMPLETION INTANGIBLES:		343,900	102,000	445,900

TANGIBLE EQUIPMENT		Dry Hole (725)	Completion (735)	Total
002 Conductor		4,000		4,000
003 Short Surface Csg	13-3/8" @ 450'	9,000		9,000
004 Long Surface Csg	9-5/8" @ 4500'	67,500		67,500
005 Intermediate				
006 Drilling Liner				
007 Tieback				
008 Production Csg	5-1/2" @ 11,550'		92,400	92,400
009 Production Liner				
010 Tubing	2-3/8" @ 11,500'		40,300	40,300
012 Wellhead Equipment		7,500	15,000	22,500
024 Other Subsurface Equipment			7,500	7,500
026 Non-Controllable Equipment			2,500	2,500
029 Prod Equipment & Facilities			45,000	45,000
030 Miscellaneous		5,000	10,000	15,000
TOTAL EQUIPMENT COSTS:		93,000	212,700	305,700

TOTAL WELL COSTS:	436,900	314,700	751,600
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Approved By _____ Date _____
 Company Name _____

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**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 10982 Exhibit No. 3

Submitted by: AnSon Gas Corporation

Hearing Date: May 26, 1994