



AUTHORITY FOR EXPENDITURE

AFE # 89-161-0
 REVISION #
 DATE 9-18-89

207 SOUTH FOURTH STREET
 ARTESIA, NEW MEXICO 88210

LEASE NAME Woodstock State Unit #1
 COUNTY Lea STATE NM
 HORIZON Abo EST. T. D. 9000'
 EST. COMPLETION DATE _____

660' FSL & 540' FEL
 LOCATION , Sec. 5-9S-33E
 FIELD _____
 EST. SPUD DATE _____
 DRILLING CONTRACTOR _____

PRIMARY OBJECTIVE: OIL GAS OIL AND/OR GAS
 PURPOSE : DRILLING-NEW RECOMPLETION OTHER (SUPPLEMENTAL AFE, ETC.)
 TYPE WELL : DEVELOPMENT EXPLORATION

INTANGIBLE COSTS:		DRY HOLE	COMPLETION
9210	STAKING PERMIT & LEGAL FEES	\$ 500	\$ 500
9211	LOCATION, RIGHT-OF-WAY	10000	10000
9212	DRILLING, FOOTAGE 9000' @ \$13.00/ft	117000	117000
9213	DRILLING, DAYWORK 4 days @ \$3900/day	15600	15600
9214	DRILLING WATER	13000	13000
9215	DRILLING MUD & ADDITIVES	15000	15000
9216	MUD LOGGING UNIT	3000	3000
9217	SURFACE & INT. CEMENT, CSG., TOOLS & SERVICES	12000	12000
9218	DRILL STEM TESTING	4400	4400
9219	ELECTRIC LOGS - OPEN HOLE	15500	15500
9220	TOOL & EQUIP. RENTAL, TRUCKING, WELDING	6000	6000
9221	SUPERVISION & OVERHEAD	4500	4500
9223	CORING, TOOLS & SERVICES	-	-
9224	BITS, TOOLS & SUPPLIES	1000	1000
9235	PRODUCTION CEMENT, CASING, TOOLS & SERVICES	-	15000
9222	CONTINGENCY	9500	10500
9241	COMPLETION UNIT	-	5000
9242	WATER FOR COMPLETION	-	1000
9243	MUD ADDITIVES FOR COMPLETION	-	1000
9244	CEMENT, TOOLS, SERVICES & TEMP. SURV. FOR COMP.	-	-
9245	ELECTRIC LOGS, PERFORATION TEST FOR COMPLETION	-	6500
9246	TOOLS, TRUCK, WELD. & EQUIP. RENTAL FOR COMP.	-	2500
9247	STIMULATION - COMPLETION	-	20000
9248	SUPERVISION & OVERHEAD - COMPLETION	-	2000
9249	ADDT'L LOCATION, ROAD WORK & SURFACE DAMAGES	-	1600
9251	BITS, TOOLS, ETC. PURCHASED FOR COMPLETION	-	1400
9250	CONTINGENCY - COMPLETION	-	-
<u>TOTAL INTANGIBLES</u>		<u>227000</u>	<u>284000</u>

EQUIPMENT COSTS:			
9301	CHRISTMAS TREE AND WELL HEAD	900	12300
9302	CASING 8-5/8" 24# @ 1650'	15700	15700
9302		-	-
9302	5-1/2" 17# J-55&20# N-80 @ 9000'	-	69800
9303	TUBING 2-7/8" 6.4# J-55 @ 8700'	-	28700
9304	PACKER & SPECIAL EQUIPMENT	-	2000
9350	CONTINGENCY	-	-
<u>WELL EQUIPMENT</u>		<u>16600</u>	<u>128500</u>

LEASE & BATTERY EQUIPMENT COSTS:			
9401	PUMPING EQUIPMENT	-	50000
9402	STORAGE 2-210b. welded tnk/walkway+stair/fbg1 tnk	-	12000
9403	SEPARATION EQUIP., FLOWLINES, VALVES, FITTINGS	-	15000
9404	TRUCKING & CONSTRUCTION COSTS	-	10000
<u>TOTAL LEASE & BATTERY EQUIP.</u>		<u>-</u>	<u>87000</u>

TOTALS		\$243600	\$499500
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APPROVAL OF THIS AFE CONSTITUTES APPROVAL OF THE OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE.

YATES PETROLEUM CORPORATION	DATE	SHARE
BY <u>Albert L. Springer III</u>	_____	70%
BY <u>YATES DRILLING COMPANY</u>	_____	
BY <u>Yates</u>	_____	10%
BY <u>ABO PETROLEUM CORPORATION</u>	_____	
BY <u>John</u>	10/18/89 Examiner Hearing	10%
BY <u>MYCO INDUSTRIES, INC.</u>	Exhibit No. 4	
BY <u>Frank W. Galt</u>	_____	10%