

DOYLE HARTMAN
OIL OPERATOR
500 N. MAIN STREET
MIDLAND, TEXAS

BEFORE EXAMINER STOGNER

Revised 5-15-82
Oil Conservation Division

Exhibit No. 11

AUTHORIZATION FOR EXPENDITURE AND DETAIL WELL ESTIMATE

Case No. 9898

LEASE NAME Britt-Laughlin Gas Com WELL NO. 6

COUNTY Lea STATE New Mexico

FIELD Eumont (Gas)

LOCATION: SE/4 Section 5, T-20-S, R-37-E

DRILLING INTANGIBLES:

	PRODUCER	DRY HOLE
1. Drilling Cost <u>3750</u> Feet @ <u>\$11.50</u> Per Foot	43125	43125
2. Day Work <u>2 days @ \$3500/day</u>	7000	7000
	10200	10200
3. Coring Service _____ Well Surveys <u>OH Logs</u>		
4. Bits and Reamers _____		
5. Testing _____		
6. Directional Drilling _____		
7. Fuel _____ Water _____	8000	5500
8. Mud <u>4700</u> Mud Logging <u>1800</u>	6500	6500
9. Cementing Service _____ Cement _____ Floats _____	12000	3200
10. Company Labor _____ Contract Labor _____	1500	1500
11. Surface Damages and Right-of-Way _____	2500	2500
12. Digging Pits _____ Filling Pits _____	500	500
13. Pit Lining _____	800	800
14. Roads & Bridges <u>4500</u> Dredging & Grading <u>7500</u>	12000	
15. Acidizing <u>6500</u> Fracturing <u>135000</u> Perforating <u>2000</u>	143500	
16. Plugging _____		4500
17. Trucking Cost _____	3000	1500
18. Development Superintendence <u>12/7 days @ \$ 500 /day</u>	6000	3500
19. Rental Equipment <u>Mud cleaner, BOP, frac tanks</u>	5300	1300
20. Swabbing and Testing _____	6500	
21. Legal and Professional Expenses:		
Product Price Determination <u>NGPA file</u>	750	
Regulatory Hearings <u>State filing</u> Other <u>Location Stake</u>	1200	1200
22. Abstracts and Title Opinions _____	7500	7500
23. Geological, Geophysical and Land Support _____	2200	2200
24. Other Costs _____		
25. Contingency @ <u>10%</u> % _____	28008	10253
Total Intangibles	308083	112778

WELL EQUIPMENT:

26. Casing <u>475</u> Ft. of <u>9-5/8"</u> @ <u>12.00</u> Per Ft. (Used)		
<u>3750</u> Ft. of <u>7"</u> @ <u>6.20</u> Per Ft. (Used)		
_____ Ft. of _____ @ _____ Per Ft.	28950	5700
27. Tubing <u>3700</u> Ft. of <u>2-3/8"</u> @ <u>2.30</u> Per Ft.	8510	
28. Casing Head _____	1350	1350
29. Xmas Tree or Pumping Connections _____	5600	
30. Pumping Unit _____	15000	
31. Engine/Motor Controller and Power System _____	7800	
32. Sucker Rods _____	4000	
33. Pump _____	1800	
34. Tank Battery _____	3500	
35. Separator or Dehydration Equip. _____	3300	
36. Metering Equipment _____		
37. Flow Lines _____	2100	
38. Guards and Fences _____	800	
39. Other Costs <u>Anchors</u>	600	
40. Contingency @ <u>10%</u> % _____	8331	705
Total Tangibles	91641	7755
TOTAL COST OF WELL	399724	120533
Union Texas Petroleum Share at <u>5.9524</u> %	23794	7175

REMARKS:

Originated by Mike Stewart Title Engineer Date 3-5-90

Approved _____ Title _____ Date _____

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SYSTEM Britt-Laughlin Gas Com		WELL Britt-Laughlin Gas Com No. 6	WELL NUMBER		
LOCATION Section 5, T-20-S, R-37-E, Lea County, New Mexico					
WORK REQUIRED Ditch, lay and bury 6" SDR 11 poly gas gathering line to NNG 8" line No. 119					
WELL CONNECTION EVALUATION					
OPERATOR	WELL NAME Britt-Laughlin Gas Com No. 6				
	LOCATION 1860 FSL and 780 FEL, Section 5, T-20-S, R-37-E				
	COUNTY Lea County, New Mexico				
SYSTEM	CONNECTION LENGTH 200'	SIZE LINE REQUIRED 6" SDR 11 polyethylene	ESTIMATED COST OF CONNECTION		
	ESTIMATED RESERVES	ESTIMATED INITIAL PROD. RATE	PRICE DIFFERENTIAL (CURRENT)		
ECON.	FUTURE NET REVENUE	R.O.I. AT AVERAGE DIFF.	PAYOUT		
	MONTH				
INTANGIBLES		QUANTITY	PRICE	CASH COST	MATERIAL ON HAND
ROW & DAMAGES		200'	\$30/rod	364	
SURVEY & STAKE ROW				350	
INSTALLATION COST - PIPE		200'	\$3.50/ft.	700	
INSTALLATION COST - OTHER Meters				2300	
LINE INSPECTION SERVICE					
LEGAL SERVICES				100	
CONSULTANT SERVICES					
X-RAY SERVICES					
CATHODIC PROTECTION SERVICE					
MISC. SERVICES & CONTINGENCIES 10%				381	
SUB-TOTAL INTANGIBLES				4195	
TANGIBLES		QUANTITY	PRICE	CASH COST	MATERIAL ON HAND
LINE PIPE - UNDER 4"					
LINE PIPE - 4" AND OVER		200'	4.00	800	
TANKS					
SEPARATION EQUIPMENT					
DRIPS					
METER RUNS & METERS 1-NNG, 1-Check			6500/3650	10150	
PIG LAUNCHER & RECEIVER FAC.					
VALVES - 4" & OVER				2500	
VALVES - UNDER 4"				1000	
FITTINGS - ELLS, TEES, ETC.				1200	
RIVER WEIGHTS					
ROAD CROSSINGS					
CATHODIC EQUIPMENT					
FENCES					
RIVER CROSSINGS					
BUILDINGS & STRUCTURES					
MISC. EQUIPMENT & CONTINGENCIES 10%				1565	
GAS COMPRESSORS					
GAS DEHYDRATION					
SUB-TOTAL TANGIBLES				17215	
TOTALS				21410	

Share at _____ %

REMARKS: Connect proposed infill Eumont well to NNG facilities on 8" line No. 119
at valve station

Originated by Michael Stewart Title Engineer Date 5-15-90

Approved _____ Title _____ Date _____