

**ENRON**  
Oil & Gas Company

**Drilling AFE**

AFE No.	
Enron W. I.	50%
Enron AFE Amt (DHC)	\$315,250
	(CWC) \$441,900
Division/District	Midland
AFE Date	3/16/90

**Category**

\_\_\_\_ Wildcat  
 Development  
 \_\_\_\_ Injection

**Type**

Drilling  
 Completion  
 \_\_\_\_ Re-Entry

Lease & Well No. Malaga #1 Federal Com. No. 1	Depth & Formation 12,100' Atoka	Water Depth
Location NE/4 of NW/4 Section 1-24S-28E		
County & State Eddy County, New Mexico	Field Malaga (Atoka)	
Operator ENRON OIL & GAS COMPANY	Anticipated Spud Date 4/25/90	

Description of Work

**Intangible Well Cost (Dollars)**

Code	Description	Drilling	Completion	Total
5501	Access, Location & Roads	\$25,000	\$5,000	\$30,000
5502	Rig Move	30,000		30,000
5503	Footage Cost			
5504	Day Work Cost Drlg 35 days compl 9 days @ \$4,300	150,500		150,500
5505	Bits, Reamers & Stabilizers	45,000		45,000
5506	Fuel			
5507	Water	7,000	2,000	9,000
5508	Mud & Chemicals	25,000	3,000	28,000
5509	Cementing & Service	30,000	10,000	40,000
5510	Coring			
5511	OH Logging & Testing	25,000		25,000
5512	Mud Logging 30 days @ \$350.00	10,500		10,500
5513	Perforating		5,000	5,000
5514	Stimulation		20,000	20,000
5515	Transportation	10,000	6,000	16,000
5516	Drilling Overhead	6,600	1,700	8,300
5517	Equipment Rental	20,000	2,000	22,000
5518	Completion Rig 9 days @ \$4,300		38,700	38,700
5519	Other Drilling Expense	20,000		20,000
5522	Directional Drilling			
5523	Equipment Usage			
5524	Supervision Drlg - 35 days @ \$400 - Compl 9 days @ \$400	14,000	3,600	17,600
	<b>Total Intangibles</b>	<b>\$418,600</b>	<b>\$97,000</b>	<b>\$515,600</b>

**Tangible Well Cost (Dollars)**

Code	Description	Drilling	Completion	Total
5101	40 'Of 20 " Conductor Casing	\$1,000		\$1,000
5102	600 'Of 13-3/8 " Surface Casing 21.61	13,000		13,000
5103	2,500 'Of 9-5/8 " Intermediate Casing 16.50	41,300		41,300
5103	10,500 'Of 7 " Intermediate Casing 13.61	141,600		141,600
5103	2,000 'Of 4-1/2 " Liner 13.17		26,300	26,300
5105	10,200 'Of 2-7/8 " Tubing 5.10		52,000	52,000
5105	'Of " Tubing			
5106	Well Head Equipment and Tree	15,000	10,000	25,000
5107	Tanks		2,500	2,500
(Continued on back of AFE)				

**Enron Approval**

Division				
By Mike Spears	Date 3/16/90	By Ray Ingle <i>R&amp;R</i>	Date 3/16/90	By
By John Frick	Date 3/16/90	By	Date	By
<b>Joint Operator Approval</b>				
Firm	By	Title	BEFORE EXAMINER'S SIGNATURE OIL CONSERVATION DIVISION ENRON EXHIBIT NO. <u>9</u> CASE NO. <u>9907</u> Date	

**Tangible Well Cost (continued)**

Code	Description	Drilling	Completion	Total
5108	Flow Lines		\$3,000	\$3,000
5109	Valves & Fittings		6,000	6,000
5110	Rods			
5111	Pumping Equipment - Surface			
5112	Production Equipment - Subsurface		12,500	12,500
5113	Engines & Motors			
5114	Heater-Treater & Separators		12,500	12,500
5115	Other Equipment			
5116	Buildings			
5117	Metering Equipment		2,000	2,000
5118	Non-Controllable Equipment		2,000	2,000
5119	Liner Equipment		12,500	12,500
5120	Mudline Suspension Equipment			
5121	Construction Cost		15,000	15,000
5123	Drive Pipe			
	<b>Total Tangibles</b>	<b>\$211,900</b>	<b>\$156,300</b>	<b>\$368,200</b>
	<b>Total Well Cost</b>	<b>\$630,500</b>	<b>\$253,300</b>	<b>\$883,800</b>