

HARVEY E. YATES COMPANY

LEASE NAME & WELL NUMBER: West Taylor 12 Federal #1
 LEGAL LOCATION: NW of the SW of Sec. 12, T18S, R31E
 COUNTY: EDDY DEPTH: 5000
 AFE TYPE: (1)DRILLING (2)WD (3)RE-COMPLETION (4)OTHERS (5)PMA = 1

ACCT NO. 931670001
 AFE NO. D-01
 FORMATION: San Andres

DRILLING & COMPLETION COSTS:

920-000 INTANGIBLE DRILLING COSTS:

	DRY HOLE COSTS	PRODUCING WELL COSTS
921-000 STAKING DAMGES & LEGAL FEES-----	\$2,500	\$2,500
921-001 LOCATION, RIGHT OF WAY-----	\$10,000	\$10,000
921-002 FOOTAGE: FEET @ \$/FOOT 5000 \$12.20 -----	\$61,000	\$61,000
921-003 DAYWORK: DAYS & \$/DAY 1 \$3,800 -----	\$3,800	\$3,800
921-004 SURFACE CASING CEMENTING & SERVICE-----	\$4,500	\$4,500
921-005 DRILLING MUD, ADDITIVES & WATER-----	\$15,000	\$15,000
921-006 MUD LOGGING UNIT, SURVEYS ETC.-----	\$2,000	\$2,000
921-007 INTERMEDIATE CASING CEMENTING & SERVICES-----	\$12,000	\$12,000
921-008 GENERAL MISC. (BOP TEST, RATHOLE...ETC)-----	\$0	\$0
922-000 RENTAL TOOLS & EQUIPMENT-----	\$0	\$0
922-001 COMPANY SUPERVISION-----	\$2,500	\$2,500
922-004 MISC. BITS, TOOLS & SUPPLIES-----	\$0	\$0
TOTAL INTANGIBLE DRILLING COSTS-----	\$113,300	\$113,300

923-000 INTANGIBLE FORMATION EVALUATION:

923-001 CORING, TOOLS & SERVICE-----	\$0	\$0
923-002 DST: \$ DST TO RUN/ \$ CHARGE -----	\$0	\$0
923-003 ELECTRIC LOGS, SAMPLE BACKS...ETC-----	\$8,000	\$8,000
923-004 MISC. FORMATION EVAL.-----	\$0	\$0
TOTAL INTANGIBLE FORMATION EVALUATION-----	\$8,000	\$8,000

924-000 INTANGIBLE COMPLETION COSTS:

924-001 COMPLETION UNIT COST: DAYS & \$/DAY 5 \$1,500 -----		\$7,500
924-003 MUD, WATER & ADDITIVES-----		\$2,500
924-004 CEMENT, TOOLS & SERVICES (PROD. STRING...ETC)-----		\$10,000
924-005 ELECTRIC LOGS(CBL...ETC.), TESTING-----		\$2,500
924-006 TOOL & EQUIPMENT RENTAL & TRUCKING-----		\$1,500
924-007 STIMULATION & TREATING-----		\$40,000
924-008 COMPANY SUPERVISION-----		\$2,000
925-001 BITS, TOOLS & SUPPLIES-----		\$0
925-002 PLUG BACK-----		\$3,500
925-003 MISC. CONTINGENCIES-----		\$9,540
950-000 PLUGGING EXPENSE-----	\$5,500	\$0
TOTAL INTANGIBLE COMPLETION COSTS-----	\$5,500	\$79,040

930-000 TANGIBLE DRILLING & COMPLETION COSTS:

930-001 SURFACE CASING COSTS: (SIZE & FEET) 13 3/8 350 -----	\$10,500	\$10,500
930-002 INTERMEDIATE CASING: (SIZE & FEET) 8 5/8 2300 -----	\$34,500	\$34,500
930-003 PRODUCTION CASING: (SIZE & FEET) 5 1/2 5000 -----		\$42,500
930-004 PRODUCTION TUBING: (SIZE & FEET) 2 3/8 5000 -----		\$12,500
930-005 CASING HEAD-----		\$3,000
930-006 CASING SPOOL-----		\$0
930-007 TUBING HEAD-----		\$4,000
930-008 CHRISTMAS TREE-----		\$1,500
931-000 SUBSURFACE EQUIPMENT-----		\$7,500
931-001 MISC PIPE CONNECTIONS-----		\$1,500
931-002 PACKER & SPECIAL EQUIPMENT-----		\$2,000
931-003 MISCELLANEOUS CONTINGENCIES-----	\$8,530	\$5,375
TOTAL TANGIBLE DRILLING & COMPLETION COSTS-----	\$53,530	\$125,475

940-000 GENERAL LEASE & BATTERY EQUIPMENT:

940-001 PUMPING UNIT (PRIME MOVER)-----		\$25,000
940-002 SEPARATORS, GAS PROD. UNITS...ETC.-----		\$8,000
940-005 TANKS: NO. & SIZE 2 400 BBLs-----		\$3,000
941-000 INSTALLATION COSTS-----		\$7,500
941-001 FLOW LINES, VALVES...ETC-----		\$5,000
941-005 MISCELLANEOUS LEASE EQUIPMENT-----		\$0
TOTAL GENERAL LEASE & BATTERY EQUIPMENT COSTS-----	\$0	\$54,500

PLEASE RETURN ONE

TOTAL GENERAL LEASE & BATTERY EQUIPMENT COSTS-----

\$0 \$54,500

BEFORE EXAMINER STOGNER

OIL CONSERVATION DIVISION

Roswell, NM 88202

EXHIBIT NO. 3

PREPARED BY: JBO

DATE: 7/17/90

APPROVED BY:

COMPANY:

DATE:

CASE NO. 10180

SUBMITTED BY Heyco

HEARING DATE 12/19/90

IT IS RECOGNIZED THAT THE AMOUNTS PROVIDED FOR HEREIN ARE ESTIMATED ONLY, AND APPROVAL OF THIS AUTHORIZATION SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATIONS SPECIFIED, WHETHER MORE OR LESS THAN HEREIN SET

Will require revision

5-10% more