

YATES ENERGY CORPORATION

LEASE NAME & WELL NUMBER: PRICKLY PEAR FEDERAL NO. 2  
 LEGAL LOCATION: SW/4NW/4 of SECTION 12, T-18S, R-31E  
 COUNTY: EDDY STATE: NEW MEXICO DEPTH: 5,500' FORMATION: DELAWARE/GRAYBURG

Item	TO CASING POINT	COMPLETION	TOTAL WELL
<u>INTANGIBLE COSTS:</u>			
Location:			
Survey, etc.	\$800	\$0	\$800
Permit & Archaeological Services	1,500	0	1,500
Surface tenant costs	1,000	500	1,500
Road, pad & clean-up	7,500	2,500	10,000
Drilling:			
Footage -5,500' @ \$11.5/ft.	63,250	0	63,250
Daywork - 2.0/1.0 days @ \$4,000/day	8,000	4,000	12,000
Drilling Fluids:			
Mud, oil & chemicals (mud sweeps only)	7,500	0	7,500
Brine & Water	12,500	1,000	13,500
Cement:			
8-5/8" x 11" x 350', circulate	6,000	0	6,000
4-1/2" x 7-7/8" x 5500', circulate	0	23,000	23,000
Services:			
OH Logs: GR-CNL-LD & DLL w/MSFL	12,200	0	12,200
Pulling unit	0	10,800	10,800
GR-CNL-CBL Log & Perforate	0	5,000	5,000
Acid: 1 @ 250 gal. & 1 @ 3000 gal.	0	6,500	6,500
Frac treatment (25 foot interval)	0	35,000	35,000
Csg. crews	0	2,500	2,500
Hauling:			
Oil, water, etc.	500	500	1,000
Equipment	1,000	1,000	2,000
Rental:			
Rotating Hd., PVT, H2S, BOP, pipe racks, etc.	2,400	2,500	4,900
Water storage & test tanks	1,000	1,000	2,000
Supplies:			
Sample sx., pipe dope, etc.	1,000	500	1,500
Insurance:			
Normal, pro-rated	900	700	1,600
Supervision:			
Geological & Mud Logger (3/9)	4,800	0	4,800
Engineering (5/9)	2,750	4,500	7,250
Overhead (14/9)	2,100	1,350	3,450
Contingencies:			
Welding, packers, taxes (6%), misc. tools, etc.	9,100	7,170	16,270
TOTAL INTANGIBLES	\$145,800	\$110,020	\$255,820
<u>TANGIBLE COSTS:</u>			
Casing:			
Surface: 350' of 8-5/8" @ \$10./ft.	3,500	0	3,500
Production: 5,500' of 4-1/2" @ \$4.5/ft.	0	24,750	24,750
Tubing:			
5,500' of 2-3/8" @ \$2.25/ft.	0	12,400	12,400
Wellheads:			
Drilling and completion assembly	1,000	5,100	6,100
Tank Btty:			
2 -300 Bbl (0) 1 -300 Bbl. FG (W)	0	10,000	10,000
4' x 20' Heater-treater	0	6,500	6,500
Lift Equip:			
Pumping unit with power & elec. system	0	22,500	22,500
Rods, pump, anchor, misc.	0	10,600	10,600
Flowline:			
500 @ \$3.50/ft. incl. valves, etc.	0	1,800	1,800
Labor & dirt work:	0	2,500	2,500
Miscellaneous:			
Tools, tax (6%), etc.	1,270	8,250	9,520
TOTAL INTANGIBLES	\$5,770	\$104,400	\$110,170
TOTAL WELL	\$151,570	\$214,420	\$365,990

Prepared by: Jim O'Briant August 27, 1990

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 OUT.

APPROVED BY: \_\_\_\_\_  
 COMPANY: YEC  
 DATE: 10/21/90