AUTHORITY FOR EXPENDITURE

HANLEY PETROLEUM INC

... EXAMINER MORROW
... CONSERVATION DIVISION
Hanley ... 13
10219

LEASE: Hanley 24 Federal #1 APPROXIMATE TOTAL DEPTH: 8700

LOCATION:

DRILLING CONTRACTOR:

DRILLING COST:		PROJECTED	ACTUAL	
Contractor's Footage Fee	8700 @ $18.00	156,600.00	157,438.03	Taxes were not included
Day Work No. Days	1 @ $4,800.00	4,800.00	5,750.10	23 3/4 hours
Roads & Location		18,200.00	14,270.79	
Damages		2,000.00		
Mud & Chemicals		3,000.00		
Water		8,000.00	14,642.74	
Consultant		6,000.00	10,215.61	
Electric Logs		10,891.00	16,204.27	
Transportation		2,500.00	1,305.25	
Cementing & Cementing Equipment		23,534.00	17,432.15	
Miscellaneous Supplies		2,500.00	42.35	
Surf. Csg.:	400 ft. 13 3/8 54.5# J-55@ $24.50	9,800.00	11,351.84	
Inter. Csg.:	2200 ft. 8 5/8 24# J-55 @ $9.10	20,020.00	19,290.15	
	800 ft. 8 5/8 32# J-55 @ $12.00	9,600.00	6,441.13	
Rental Equipment			1797.95	
Welding charges on casing			593.60	
BOP test			738.50	
Pipe inspections			948.54	
	TOTAL....$	277,445.00	278,463.00	
	10% Contingencies....$	27,744.50	8,431.61	8 5/8 csg. damaged
	TOTAL DRILLING COSTS....$	305,189.50	286,894.61	

COMPLETION COST:				
Tanks		11,375.00	12,810.77	Prices did not include transport...
Treater		4,500.00	5,121.76	
Flow Lines		2,000.00	1,697.25	
Battery construction			2987.93	
Other Miscellaneous Supplies		7,500.00	947.77	
Casing:	1000 ft. 4 1/2 11.60# N-80 @ $5.27	5,270.00	6,337.70	
	7700 ft. 4 1/2 11.60# J-55 @ $3.95	30,415.00	29,947.19	
Perforating and Logging		4,700.00	6,459.34	
Acidizing, Fracturing, Tank Rental, & Packer		58,500.00	72,537.59	
Cement & Cementing Equipment		24,288.00	23,019.33	
Tubing	8600 ft. 2 3/8 4.7# J-55 @ $2.19	18,834.00	19,165.56	
Pumping Unit & Base		29,700.00	33,193.01	
Prime Mover		6,500.00	8,533.88	
Sucker Rods, Pump, & Wellhead Hookup		12,000.00	11,116.00	
Casinghead		5,700.00	5,677.29	
Completion Contractors Fee		7,500.00	10,541.83	
Rental Equipment		2,500.00	716.40	
Location clean up and completion			4,372.20	
	TOTAL DEVELOPMENT COSTS.$	231,282.00	255,182.80	
	TOTAL COST OF WELL......$	536,471.50	542,077.41	

$5,605.91 OVER PROJECTED COST