

Revised  
**AUTHORITY FOR EXPENDITURE**  
**DRILLING WELL — TXO AND OUTSIDE OPERATED**

Date 2-24-86

DISTRICT West Texas WELL NAME Sprinkle Federal WELL NO. 3  
 OPERATED BY TXO LOCATION 2310 FNL & 330' FWL, Sec 26, T-18-S, R-32-E DEPTH 8700'  
 FIELD Querecho Plains (Upper Bone Springs) COUNTY Lea STATE NM  
 PREPARED BY Randy Cate SUBMITTED BY \_\_\_\_\_ DALLAS DISTRICT \_\_\_\_\_

EXPENDITURE DESCRIPTION	QUANTITY	DESCRIPTION	EST. COST
<b>DRILLING</b>			
Surface & Intermediate Casing		350' 11 3/4", 2600' 8 5/8"	33,000
Casinghead			4,000
Location Work		& damages	15,000
Footage/Turnkey Drilling		& \$14.75/ft	128,300
Daywork Drilling			
Rig Support			
Bits			
Supervision	25 days	\$250/day	6,250
Drilling Overhead			
Mud & Chemicals		& wtr	22,000
Cementing Services & Supplies		& csg crew	16,000
Testing & Logging		& mud logger	15,000
Rentals			8,000
Other IDC			10,000
Other Equipment			5,000
Legal			
Non-Operated Intangible Drilling			
<b>TOTAL DRILLING</b>			262,550
<b>COMPLETION</b>			
Production Casing		8700' 5 1/2" 15.5# & 17#	56,700
Tubing		8700' 2 7/8" N-80	32,000
Wellhead Equipment		& pmp tree	4,000
Subsurface Equipment			5,000
Supervision	8 days	\$250/day	2,000
Mud & Chemicals		& wtr	3,000
Testing, Logging & Perforating			12,000
Stimulation		acid & sand frac	38,000
Completion Overhead			
Rentals			5,000
Service Rig	8 days	\$1400/day	11,200
Cementing Services & Supplies			21,000
Other Completion IDC			5,000
Non-Operated Intangible Completion			
<b>TOTAL COMPLETION</b>			194,900
<b>PRODUCTION EQUIPMENT</b>			
Pumping Unit/Submersible Pump		320-305-100	26,000
Engine & Motor			3,000
Rods			9,500
Flow Lines			2,000
Meters			6,000
Installation/Overhead			5,000
Storage			10,000
Separation & Treating			9,000
Other Equipment			5,000
<b>TOTAL PRODUCTION EQUIPMENT</b>			75,500
<b>TOTAL</b>			532,950

OWNER'S NAME AND ADDRESS  
(New Addresses Only)

BILLING INTEREST  
(7 Decimals)

DATE APPROVED

APPROVED: (this space for approval only)

8755 13  
TXO  
2-26-86

Company No. \_\_\_\_\_ AFE Type No. \_\_\_\_\_  
 AFE No. \_\_\_\_\_ Property No. \_\_\_\_\_  
 Acq. Name/Code: \_\_\_\_\_