

REVISED

AUTHORITY FOR EXPENDITURE

Date: 7/14/86 Well Name PHANTOM #1 T.D. 8195' (Dakota)
 Location: SW/4 SW/4 Sec. 16-25N-2W, Rio Arriba County, New Mexico

Operator: MESA GRANDE RESOURCES, INC. Prepared by: David Blandford

<u>INTANGIBLE COSTS</u>	<u>Drill/Test</u>	<u>Complete/Equip.</u>	<u>Note:</u>
LOCATION:			
Survey Location	\$ 600	\$ 400	
Build Roads & Pad	3,500	3,000	
Surface Damages	5,000		
Restoration	5,000	-	
DRILLING: \$ 101,275	92,525		
Footage <u>8.95 ft @ \$ 11.29 /ft</u>			
Daywork <u>2 days WDP @ \$ 4400 /day</u>	8,800		
Daywork <u>- days WODP @ \$ 4300 /day</u>	-		
WIRELINE SERVICES:			
Electric Logs	9,100		
Cement Bond Logs		3,500	
Perforating		5,000	
PROFESSIONAL SERVICES:			
Title Opinion	3,500	5,000	
Mud Logger	6,500		(1)
Geological	4,000	600	
Engineering	4,000	5,500	
Other	500	1,000	
SUPPORT SERVICES:			
Water Purchase	5,000	2,000	
Mud & Chemicals	28,000	3,000	
Trucking & Hauling	6,000	4,000	
Cement Casing - SURFACE	3,500		(2)
Cement Casing - PRODUCTION		23,350	(3)
Equipment - Rental/Serv.	1,500	5,000	
Welding	300	2,000	
Completion Workover Rig		16,200	(4)
Acid Treatment		8,000	
Frac Treatment		30,000	
Labor - Casing Crews		-	
Labor - Miscellaneous	1,500	3,000	
Initial Well Testing		2,000	
Administrative, General Expenses	3,350	4,500	
SUBTOTAL:	<u>192,175</u>	<u>127,050</u>	
Contingencies - 5%	<u>9,609</u>	<u>6,353</u>	
Plug and Abandonment	-	-	
TOTAL INTANGIBLES:	<u>\$ 201,784</u>	<u>\$ 133,403</u>	

TANGIBLE COSTS

TUBULAR EQUIPMENT			
Surface Casing	\$ 4,500		(5)
Production Casing		\$ 33,825	(6)
Tubing		16,940	(7)
Casing Equipment		8,000	
SURFACE EQUIPMENT			
Storage Tanks		9,500	(8)
Tank Connections		7,000	
Line Pipe/Labor		7,000	
Gas Processing Unit		10,000	
Gas Hookup, Pipeline & Meter Run		25,000	
Water Tank		-	
Pumping Unit and Engine		40,000	(9)
Sucker Rod String		11,500	(10)
P.U. Connections		3,500	(11)
MISC. EQUIPMENT			
Christmas Tree	2,000	3,900	(12)
Packer, Tubing Anchor		1,000	(13)
Valves and Fittings	500	2,000	
Gates/Culverts/Cattle Guards		3,500	
TOTAL TANGIBLE:	<u>\$ 7,000</u>	<u>\$ 182,665</u>	
DRY HOLE TOTAL:	<u>\$ 208,784</u>		
COMPLETED TOTAL:		<u>\$ 316,068</u>	
TOTAL ESTIMATED WELL COST:	<u>\$ 524,852</u>		

BEFORE THE
 OIL CONSERVATION COMMISSION
 Santa Fe, New Mexico
 Case No. 8963 Exhibit No. 5
 Submitted by Mesa Grande Resources
 Hearing Date August 6, 1986

Approvals

✓ Company: Mesa Grande, Ltd. By: _____ W.I. 71.250000 & Date: _____
 Mountain States
 Company: Natural Gas Corp. By: _____ W.I. 6.250000 & Date: _____
 Company: Reading & Bates By: _____ W.I. 4.166667 & Date: _____
 Hooper, Kimball and
 Company: Williams, Inc. By: _____ W.I. 4.166667 & Date: _____
 ✓ Company: Arriba Company, Ltd. By: _____ W.I. 3.750000 & Date: _____
 ✓ Company: Ralph Gilliland By: _____ W.I. 3.125000 & Date: _____
 ✓ Company: Duer Wagner, Jr. By: _____ W.I. 2.906250 & Date: _____

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AUTHORITY FOR EXPENDITURE

Date: 7/14/86 Well Name PHANTOM #1 T.D. 8195' (Dakota)
 Location: SW/4 SW/4 Sec. 16-25N-2W, Rio Arriba County, New Mexico

Operator: MESA GRANDE RESOURCES, INC. Prepared by: David Blandford

<u>INTANGIBLE COSTS</u>	<u>Drill/Test</u>	<u>Complete/Equip.</u>	<u>Note:</u>
LOCATION:			
Survey Location	\$ 600	\$ 400	
Build Roads & Pad	3,500	3,000	
Surface Damages	5,000		
Restoration	5,000		
DRILLING: \$ 101,275	92,525		
Footage <u>8195 ft @ \$ 11.29 /ft</u>			
Daywork <u>2 days WDP @ \$ 4400 /day</u>	8,800		
Daywork <u>- days WODP @ \$ 4300 /day</u>	-		
WIRELINE SERVICES:			
Electric Logs	9,100		
Cement Bond Logs		3,500	
Perforating		5,000	
PROFESSIONAL SERVICES:			
Title Opinion	3,500	5,000	
Mud Logger	6,500		(1)
Geological	4,000	600	
Engineering	4,000	5,500	
Other	500	1,000	
SUPPORT SERVICES:			
Water Purchase	5,000	2,000	
Mud & Chemicals	28,000	3,000	
Trucking & Hauling	6,000	4,000	
Cement Casing - SURFACE	3,500		(2)
Cement Casing - PRODUCTION		23,350	(3)
Equipment - Rental/Serv.	1,500	5,000	
Welding	300	2,000	
Completion Workover Rig		16,200	(4)
Acid Treatment		8,000	
Frac Treatment		30,000	
Labor - Casing Crews		-	
Labor - Miscellaneous	1,500	3,000	
Initial Well Testing		2,000	
Administrative, General Expenses	3,350	4,500	
 SUBTOTAL:	 192,175	 127,050	
Contingencies - 5%	9,609	6,353	
Plug and Abandonment	-	-	
 TOTAL INTANGIBLE:	 \$ 201,784	 \$ 133,403	
 <u>TANGIBLE COSTS</u>			
TUBULAR EQUIPMENT:			
Surface Casing	\$ 4,500		(5)
Production Casing		\$ 33,825	(6)
Tubing		16,940	(7)
Casing Equipment		8,000	
SURFACE EQUIPMENT:			
Storage Tanks		9,500	(8)
Tank Connections		7,000	
Line Pipe/Labor		7,000	
Gas Processing Unit		10,000	
Gas Hookup, Pipeline & Meter Run		25,000	
Water Tank		-	
Pumping Unit and Engine		40,000	(9)
Sucker Rod String		11,500	(10)
P.U. Connections		3,500	(11)
MISC. EQUIPMENT			
Christmas Tree	2,000	3,900	(12)
Packer, Tubing Anchor		1,000	(13)
Valves and Fittings	500	2,000	
Gates/Culverts/Cattle Guards		3,500	
 TOTAL TANGIBLE:	 \$ 7,000	 \$ 182,665	
 DRY HOLE TOTAL:	 \$ 208,784		
 COMPLETED TOTAL:		 \$ 316,068	
 TOTAL ESTIMATED WELL COST: \$ 524,852			

Approvals

✓ Company: P C, Ltd. By: _____ W.I. 1.951093 & Date: _____

✓ Company: Ibex Partnership By: _____ W.I. 1.951093 & Date: _____

✓ Company: Clark & Oatman By: _____ W.I. 0.264484 & Date: _____

✓ Company: Duer Wagner III By: _____ W.I. 0.218750 & Date: _____

Company: _____ By: _____ W.I. _____ & Date: _____

Company: _____ By: _____ W.I. _____ & Date: _____

Company: _____ By: _____ W.I. _____ & Date: _____

Attachment to the Phantom #1
Authority for Expenditure
Operated by MESA GRANDE RESOURCES, INC.

NOTES

1. Mudlogger: Two Man unit for 15 days.
2. Cement Casing - SURFACE: cost listed includes tools.
3. Cement Casing - PRODUCTION: cost listed does not include tools.
4. Completion Workover Rig: 9 days @ \$1800.00 day
5. Surface Casing: 500' 8 5/8" 26# K-55; \$9.00 per foot.
6. Production Casing: 8250' 5 1/2" 17# J-55; \$4.10 per foot.
7. Tubing: 7700' 2 7/8" J-55, 8-Rnd; \$2.20 per foot.
8. Storage Tanks: Two 400 BBL Tanks
9. Pumping Unit and Engine: 320 PU and Gas Engine - Set
10. Sucker Rod String: 3000' 7/8" Dia. w/ Ryton Scrapers
4000' 3/4" Dia.; all costs \$1.65 per foot.
11. P.U. Connections: Includes 1 1/2" x 2 1/2" x 18' Top Hold Down Pump
with a Harbison-Fischer No-Lock Plunger.
12. Christmas Tree: McEvoy 3000#, Low Boy Head with valve fittings.
13. Packer: 5 1/2 X 2 7/8 Tubing Anchor

ORIGINAL

AUTHORITY FOR EXPENDITURE

Date: 05/3./86 Well Name PHANTOM #1 T.D. 8190' (Dakota)
 Location: SW/4 SW/4 Sec. 16-25N-2W, Rio Arriba County, New Mexico

Operator: MESA GRANDE RESOURCES, INC. Prepared by: David Blandford

<u>INTANGIBLE COSTS</u>	<u>Drill/Test</u>	<u>Complete/Equip.</u>	<u>Note:</u>
LOCATION:			
Survey Location	\$ 600	\$ 400	
Build Roads & Pad	3,500	3,000	
Surface Damages	5,000		
Restoration	5,000	-	
DRILLING: \$ 101,275			
Footage <u>8,90</u> ft @ \$ 11.29 /ft	92,475		
Daywork <u>2</u> days WDP @ \$ 4400 /day	8,800		
Daywork <u>0</u> days WODP @ \$ 4300 /day	-		
WIRELINE SERVICES:			
Electric Logs	9,100		
Cement Bond Logs		3,500	
Perforating		6,500	
PROFESSIONAL SERVICES:			
Title Opinion	3,000	5,000	
Mud Logger	6,500		(1)
Geological	6,000	600	
Engineering	6,000	5,500	
Other	500	1,000	
SUPPORT SERVICES:			
Water Purchase	5,000	2,000	
Mud & Chemicals	28,000	3,000	
Trucking & Hauling	4,000	8,000	
Cement Casing - SURFACE	3,500		(2)
Cement Casing - PRODUCTION		23,350	(3)
Equipment - Rental/Serv.	1,500	8,000	
Welding	300	2,000	
Completion Workover Rig		27,000	(4)
Acid Treatment:		15,000	
Frac Treatment:		50,000	
Labor - Casing Crews		-	
Labor - Miscellaneous	1,500	3,000	
Initial Well Testing		2,000	
Administrative, General Expenses	3,350	4,500	
SUBTOTAL:	193,625	173,350	
Contingencies - 10%	19,360	17,335	
Plug and Abandonment	2,500		
TOTAL INTANGIBLE:	\$ 215,485	\$ 190,685	
<u>TANGIBLE COSTS:</u>			
TUBULAR EQUIPMENT			
Surface Casing	\$ 4,500		(5)
Production Casing		\$ 41,800	(6)
Tubing		20,100	(7)
Casing Equipment		8,000	
SURFACE EQUIPMENT			
Storage Tanks		14,200	(8)
Tank Connections		10,500	
Line Pipe/Labor		9,500	
Gas Processing Unit		10,000	
Separator/Heat-Treat.		-	
Water Tank		-	
Pumping Unit and Engine		56,000	
Sucker Rod String		14,000	(9)
P.U. Connections		3,500	(10)
MISC. EQUIPMENT			
Christmas Tree	2,000	3,900	(11)
Packer, Tying Anchor		1,250	(12)
Valves and Fittings	500	2,000	
Gates/Culverts/Cattle Guards		3,500	
TOTAL TANGIBLE:	\$ 7,000	\$ 198,250	
DRY HOLE TOTAL:	\$ 222,485		
COMPLETED TOTAL:		\$ 388,935	
TOTAL ESTIMATED WELL COST: \$ 611,420			

Approvals

✓ Company: Mesa Grande, Ltd. By: _____ W.I. 71.250000 % Date: _____

Company: Mtn. Sts. Nat. Gas By: _____ W.I. 6.250000 % Date: _____

Company: Reading & Bates By: _____ W.I. 4.166667 % Date: _____

Company: Hooper, Kimball & Williams, Inc. By: _____ W.I. 4.166667 % Date: _____

✓ Company: Arriba Company, Ltd. By: _____ W.I. 3.750000 % Date: _____

✓ Company: Ralph Gilliland By: _____ W.I. 3.125000 % Date: _____

Company: Duer Wagner, Jr. By: _____ W.I. 2.906250 % Date: _____

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Operator: MESA GRANDE RESOURCES, INC. Prepared by: David Blandford

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LOCATION:			
Survey Location	\$ 600	\$ 400	
Build Roads & Pad	3,500	3,000	
Surface Damages	5,000		
Restoration	5,000	-	
DRILLING:			
Footage <u>8190</u> ft @ \$ <u>11.29</u> /ft	92,475		
Daywork <u>2</u> days WDP @ \$ <u>4400</u> /day	8,800		
Daywork <u>-</u> days WODP @ \$ <u>4300</u> /day	-		
WIRELINE SERVICES:			
Electric Logs	9,100		
Cement Bond Logs		3,500	
Perforating		6,500	
PROFESSIONAL SERVICES:			
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Company: <u>Mesa Grande, Ltd.</u>	By: _____	W.I. <u>71.250000</u>	& Date: _____
✓ Company: <u>P.C., Ltd.</u>	By: _____	W.I. <u>1.951093</u>	& Date: _____
✓ Company: <u>IBEX Partnership</u>	By: _____	W.I. <u>1.951093</u>	& Date: _____
✓ Company: <u>Clark & Oatman et al</u>	By: _____	W.I. <u>0.264484</u>	& Date: _____
✓ Company: <u>Duer Wagner, III</u>	By: _____	W.I. <u>0.218750</u>	& Date: _____
Company: _____	By: _____	W.I. _____	& Date: _____
Company: _____	By: _____	W.I. _____	& Date: _____

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Operated by MESA GRANDE RESOURCES, INC.

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