

ORIGINAL

AUTHORITY FOR EXPENDITURE

Date: 05/28/86 Well Name HAWKEYE #1 T.D. 8075' (Dakota)  
Location: NE/4 SE/4 Sec. 23-25N-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	\$ 300	\$ 400	
Build Roads & Pad	3,500	3,000	
Surface Damages	5,000		
Restoration	5,000	-	
DRILLING: \$ 100,000			
Footage <u>8075</u> ft @ \$ 11.29 /ft	91,200		
Daywork <u>2</u> days WDP @ \$ 4400 /day	8,800		
Daywork - days WODP @ \$ 4300 /day	-		
WIRELINE SERVICES:			
Electric Logs	9,000		
Cement Bond Logs		3,500	
Perforating		6,500	
PROFESSIONAL SERVICES:			
Title Opinion	6,500	5,000	(1)
Mud Logger	6,500		
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		23,000	(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:	195,450	173,000	
Contingencies - .0%	19,545	17,300	
Plug and Abandonment	2,500		
TOTAL INTANGIBLE:	\$ 217,495	\$ 190,300	
<u>TANGIBLE COSTS</u>			
TUBULAR EQUIPMENT			
Surface Casing	\$ 4,500		(5)
Production Casing		\$ 41,200	(6)
Tubing		19,800	(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		56,000	
Pumping Unit and Engine		14,000	(9)
Sucker Rod String		3,500	(10)
P.U. Connections			
MISC. EQUIPMENT			
Christmas Tree	2,000	3,900	(11)
Packer, Tubing Anchor		1,250	(12)
Valves and Fittings	500	2,000	
Gates/Culverts/Cattle Guards		3,500	
TOTAL TANGIBLE:	\$ 7,000	\$ 197,350	
DRY HOLE TOTAL:	\$ 224,495		
COMPLETED TOTAL:		\$ 387,650	
TOTAL ESTIMATED WELL COST: \$ 612,145			

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
Case No. 8964 Exhibit No. 5  
Submitted by Mesa Grande Resources  
Hearing Date August 6, 1986

<u>Approvals</u>			
Company: <u>Mesa Grande, Ltd.</u>	By: _____	W.I. <u>47.500000</u>	% Date: _____
Company: <u>Dugan Production Corp.</u>	By: _____	W.I. <u>12.500000</u>	% Date: _____
✓ Company: <u>Mesa Grande Resources, Inc</u>	By: <u>Gregory Phillips</u>	W.I. <u>6.666666</u>	% Date: <u>6/13/86</u>
Company: <u>Mtn. Sts. Nat. Gas.</u>	By: _____	W.I. <u>6.250000</u>	% Date: _____
✓ Company: <u>Wiepking-Fullerton Energy</u>	By: _____	W.I. <u>5.833332</u>	% Date: _____
Company: <u>Hooper, Kimball &amp; Williams, Inc.</u>	By: _____	W.I. <u>4.166666</u>	% Date: _____
Company: <u>Reading &amp; Bates</u>	By: _____	W.I. <u>4.166666</u>	% Date: _____

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COMPLETED TOTAL:		\$ 387,650	
TOTAL ESTIMATED WELL COST: \$ 612,145			

Approvals

✓ Company: <u>Ralph Gilliland</u>	By: _____	W.I. <u>3.125000</u> % Date: _____
Company: <u>Duer Wagner, Jr.</u>	By: _____	W.I. <u>2.906250</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 and Oatman et al</u>	By: _____	W.I. <u>0.264484</u> % Date: _____
✓ Company: <u>Arriba Company, Ltd.</u>	By: _____	W.I. <u>0.250000</u> % Date: _____
✓ Company: <u>Duer Wagner, III</u>	By: _____	W.I. <u>0.218750</u> % Date: _____

Attachment to the Hawkeye #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: 15 days @ \$1800.00 day
5. Surface Casing: 500' 8 5/8" 20# K-55; \$9.00 per foot.
6. Production Casing: 8075' 5 1/2" 17# J-55; \$5.10 per foot.
7. Tubing: 7600' 2 7/8" J-55, 8-Rnd; \$2.60 per foot.
8. Storage Tanks: Three 400 BBL Tanks
9. Sucker Rod String: 3000' 7/8" Dia. w/ Ryton Scrapers  
4000' 3/4" Dia.; all costs \$2.00 per foot.
10. P.U. Connections: Includes 1 1/4" x 2 1/2" x 18' Top Hold Down Pump  
with a Harbison-Fischer No-Lock Plunger.
11. Christmas Tree: McEvoy 3000#, Low Boy Head with valve fittings.
12. Packer: 5 1/2" X 2 7/8" Tubing Anchor