

ESTOR PRODUCING CORPORATION

SIXTEENTH FLOOR INDEPENDENCE PLAZA MIDLAND, TEXAS 79701 (A. C. 915) 883-6101

AUTHORITY FOR EXPENDITURE

Lease: Christmas Well: 1 County: Lea State: New Mexico

Location: Legal location, lots 1&2, 7-16S-37E Proposed Depth: 11,600

Prospect: Dean Formation: Strawn Exploratory Development

Date: November 21, 1986 Estimated Spud Date: December 15, 1986 Est. Completion Date: January 25, 1987

TANGIBLE COST				
Code	Description	Drill	Complete	Total
	1. Casing:			
131-0013	a) ' Cond. " @ \$			
131-0001	b) 360' Surf. 13-3/8" @ \$ 11.50	4,140		4,140
131-0002	K-55 c) 4400' Inter. 8-5/8" @ \$ 8.90	39,160		39,160
	d) ' Inter. " @ \$			
	e) ' Inter. " @ \$			
131-0003	N-80 f) 11,600' Oil St. 5-1/2" @ \$ 4.00		46,400	46,400
131-0004	2. Tubing 11,000' 2-3/8" @ \$ 2.00		22,000	22,000
131-0006	3. Well head, pump equipment	4,500		4,500
131-0007	4. Treater, separator, tanks complete		19,500	19,500
131-0008	5. Flow lines		2,000	2,000
131-0009	6. Fittings, attachments		3,000	3,000
131-0019	7. Down hole equipment, rods		3,000	3,000
131-0020	8. Electrification			
	Total Tangibles	47,800	95,900	143,700
INTANGIBLE COST				
133-0001	9. Surveying	750		750
133-0002	10. Roads, location, tank grading	14,500	1,500	16,000
133-0003	11. Damages, permits, right of way	5,200		5,200
133-0004	12. Contract drilling 11,600' @ \$ 12.00	139,200		139,200
133-0005	13. Drilling 4 Days work @ \$ 4,200	12,600	4,200	16,800
133-0006	14. Bits & reamers			
133-0007	15. Cement & services - Cond. & surface	2,900		2,900
133-0008	16. Cement & services - Interm. casing	7,600		7,600
133-0009	17. Cement & services - Oil string		9,000	9,000
133-0010	18. Drilling fluids incl. oil & water	28,000	1,000	29,000
133-0011	19. Drill stem testing 1 tests @ \$2,800	2,800		2,800
133-0012	20. Coring & analysis			
133-0013	21. Pit liner	2,600		2,600
133-0014	22. Electric log	18,000		18,000
133-0015	23. Perforating		3,500	3,500
133-0016	24. Acidizing & fracturing		2,500	2,500
133-0017	25. Pulling units (swab & workover)		9,500	9,500
133-0019	26. Equipment rental & casing crews	11,000	2,500	13,500
133-0020	27. Trucking - incl. rig move	1,700	3,500	5,200
133-0021	28. Taxes	2,800	4,800	7,600
133-0022	29. Geology & mud logger	7,500		7,500
133-0023	30. Engineering	1,500	1,200	2,700
133-0024	31. Supervision	13,000	8,500	21,500
133-0027	32. Rig fuel			
133-0028	33. Welding	1,000	1,000	2,000
133-0029	34. Wire line work			
133-0031	35. Supplies	500	4,500	5,000
133-0032	36. Labor & roustabout	1,500	7,000	8,500
133-0034	37. Centralizers, liners, packers			
133-0035	38. Testing			
133-0037	39. Treating			
133-0044	40. Pipe inspection			
	Total Intangibles	274,650	64,200	338,850
133-0025	41. Contingencies 5 %	13,700	3,200	16,900
	Total Intangibles + Contingencies	288,350	67,400	355,750
	TOTAL	336,150	163,300	499,450

133-0018 - Plug & Abandon if Dry Hole + 6,000
 Less Salvage - 2,000
 Total Dry Hole Cost 340,150

added 380,000 to 340,150 for this well.

AGREED AND ACCEPTED:

Company: _____
 By: **BEFORE EXAMINER CATANACH**
 OIL CONSERVATION DIVISION
FORAN EXHIBIT NO. 6
 CASE NO. 9071

PREPARED BY: Cliff Truett

APPROVED BY: Flora Correll

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