

MALLON OIL COMPANY

1099 18th Street, Suite 2750, Denver, Colorado 80202
(303) 293-2333

September 12, 1989

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Catanach
DR

Attention: Mr. David Catanach

CERTIFIED MAIL: P-518 873 134

Re: Case No. 9458
Order No. R-8773
Amoco-Red Bluff Federal #1 Well
Eddy County, New Mexico

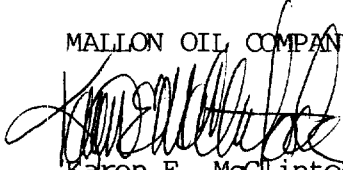
Dear Mr. Catanach:

Pursuant my previous letter dated June 30, 1989, whereby I mailed to you the preliminary AFE Comparison Report for the Amoco-Red Bluff Federal #1 well located in Eddy County, New Mexico, enclosed please find the most current AFE Comparison Report that should include all costs to date.

Should you have any questions, please advise.

Sincerely,

MALLON OIL COMPANY


Karen E. McClintock
Landman

RECEIVED

SEP 15 1989

OIL CONSERVATION DIV.
SANTA FE

KEM:er
Enclosure(s)

cc: Red Bluff Water Power Control District
111 W. 2nd Street
Pecos, TX 79772

ATTN: Mr. Jim Ed Miller
General Manager
CERTIFIED MAIL: P-518 873 135

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57
AFE #	DESC	WELL	FEDERAL #1	DIS1	DATE:	07/31/87	STATUS:	ACTIVE	APPROVAL DATE:	ACCOUNT DESCRIPTION	CURRENT	ACTUALS	TO DATE	TOTAL AFE	REMAINING AFE	AMOUNT																																								
10	920.102	LOCATION & ROAD COSTS		1,031						4,000			4,000	1,031-	100																																									
11	920.107.3	WATER COSTS								4,000			4,000	5,764-	144-																																									
12	920.108	EQUIPMENT RENTALS		9,764										4,041-	28-																																									
13	920.109	CORING, TESTING & LOGGING		4,041										3,361-	9,668-																																									
14	920.111	CEMENT & CEMENTING SERVICES		15,361						12,000			12,000	1,287-	693-																																									
15	920.112	ENG. & GEOL. SUPERVISION		9,668										10,399-	60-																																									
16	920.114	OTHER CONTRACT SERVICES		1,287						1,500			1,500	7,963-	40																																									
17	920.115	TRANSPORTATION & TRUCKING		11,877						13,200			13,200	18,038	22-																																									
18	920.201	COMPLETION UNIT COSTS		21,163						45,500			45,500	556-	98																																									
19	920.202	STIMULATION & PERFORATION		27,452						2,500			2,500	2,095	23-																																									
20	920.204	ADMINISTRATIVE OVERHEAD		3,056						2,100			2,100																																											
21	920.205	MISCELLANEOUS COMPLETION COSTS		45																																																				
22		TOTAL INTANGIBLE COMPLETION COST		104,778						84,800			84,800	19,979-																																										
25	910.101	DAMAGES & LOSSES		3,000						1,500			1,500	1,854-	103-																																									
26	910.102	LOCATION & ROAD COSTS		3,654						1,800			1,800	2,255-	4-																																									
27	910.103.2	FOOTAGE DRILLING CONTRACT		54,355						52,100			52,100	7,867-	246-																																									
28	910.103.3	DAYWORK DRILLING CONTRACT		11,067						3,200			3,200	3,723-	149-																																									
29	910.106	MUD & CHEMICALS		6,223						2,500			2,500	4,932-	70-																																									
30	910.107.3	WATER COSTS		11,932						7,000			7,000	423-	29																																									
31	910.108	EQUIPMENT RENTAL		423						10,000			10,000	448-	9-																																									
32	910.109	CORING, TESTING & LOGGING		7,061						5,000			5,000	5,465-	420-																																									
33	910.111	CEMENT & CEMENTING SERVICES		5,448						1,300			1,300	620-	295-																																									
34	910.112	ENG. & GEOL. SUPERVISION		6,765										4,418-	100																																									
35	910.114	OTHER CONTRACT SERVICES		620						1,500			1,500	2,500	100																																									
36	910.115	TRANSPORTATION & TRUCKING		5,918						1,000			1,000	1,024-	102-																																									
37	910.117	OTHER DRILLING COSTS		2,024						4,500			4,500	733-	16-																																									
38	910.118	ADMINISTRATIVE OVERHEAD		5,238						7,500			7,500	504-	100																																									
39	910.130	MUD LOGGING																																																						
40	910.140	ELECTRIC LOSS		504																																																				
41	910.155.1	INSURANCE - GEN LTAR INS																																																						
42		LEGAL EXPENSES		12,637						3,000			3,000	12,637-	100																																									
43	910.165	ARABIAN-NT COSTS												3,000																																										
44	910.175	MISCELLANEOUS DRILLING COSTS		1,549										1,549-																																										
45		TOTAL INTANGIBLE DRILLING COST		139,420						104,400			104,400	34,020-	32-																																									

MALLON OIL COMPANY

1099 18th Street, Suite 2750, Denver, Colorado 80202
(303) 293-2333

Handwritten:
D.C.
CASE
JUL
19458

June 30, 1989

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Attention: Mr. David Catanach

CERTIFIED MAIL: P-570 412 783

Re: Case No. 9458
Order No. R-8773
Amoco-Red Bluff Federal #1 Well
Eddy County, New Mexico

Dear Mr. Catanach:

Pursuant to our phone conversation and to the conditions set forth in Order No. R-8773, enclosed please find the AFE Comparison Report for the Amoco-Red Bluff Federal #1 well located in Eddy County, New Mexico.

The ninety (90) day deadline to furnish the Division with the costs attributed to the Amoco-Red Bluff Federal #1 well is July 4, 1989, as the well was completed on April 5, 1989. Unfortunately, all costs have not been posted and the enclosed report has not accounted for approximately Ten Thousand Dollars (\$10,000). In order to comply with the Order, this report has been sent with the understanding that I will forward a complete report within the next few weeks.

Should you have any questions, please advise.

Sincerely,

MALLON OIL COMPANY

Handwritten signature of Karen E. McClintock

Karen E. McClintock
Landman

KEM:er
Enclosure(s)

cc: Red Bluff Water Power Control District
111 W. 2nd Street
Pecos, TX 79772

ATTN: Mr. Jim Ed Miller
General Manager

CERTIFIED MAIL: P-570 412 784

Handwritten:
JUL 2 1989

JUL - 2 1989
OIL CONSERVATION DIV.
SANTA FE

WELL #00112 AMOCO RED-BLUE-EDDEVAL #1
DATE: 07/31/87
STATUS: ACTIVE
APPROVAL DATE:

WELL #00112 AMOCO RED-BLUE-EDDEVAL #1
DATE: 07/31/87
STATUS: ACTIVE
APPROVAL DATE:

COST TYPE	ACCOUNT DESCRIPTION	ACTUALS	TOTAL APE	REMAINING APE
		TO DATE		AMOUNT
ICC INTANGIBLE COMPLETION COST				
520.102	LOCATION & ROAD COSTS	554		554-
920.107.3	WATER COSTS		4,000	4,000 100
920.108	EQUIPMENT RENTALS	9,764	4,000	5,764- 144-
920.109	CEILING, TESTING & LOGGING	4,041		4,041-
920.111	CEMENT & CEMENTING SERVICES	15,351	12,000	3,351- 28-
920.112	ENG. & GEOL. SUPERVISION	9,689		9,689-
520.114	OTHER CONTRACT SERVICES	1,288		1,288-
920.115	TRANSPORTATION & TRUCKING	11,879	1,500	10,379- 693-
920.201	COMPLETION UNIT COSTS	21,163	13,200	7,963- 60-
920.202	STABILIZATION & PERFORATION	27,452	45,500	18,048- 40-
920.204	ADMINISTRATIVE OVERHEAD	3,055	2,500	555- 22-
920.205	MISCELLANEOUS COMPLETION COSTS	45	2,100	2,055 98
TOTAL	INTANGIBLE COMPLETION COST	104,301	84,800	19,502- 23-

ICC INTANGIBLE DRILLING COST		ACTUALS	TOTAL APE	REMAINING APE
		TO DATE		AMOUNT
910.101	DAMAGES & LOSSES	3,000	1,500	1,500- 100-
910.102	LOCATION & ROAD COSTS	3,072	1,800	1,272- 71-
910.103.2	FOOTAGE DRILLING CONTRACT	54,355	52,100	2,255- 4-
910.103.3	DAYWORK DRILLING CONTRACT	11,057	3,200	7,857- 246-
910.106	MUD & CHEMICALS	6,223	2,500	3,723- 149-
910.107.3	WATER COSTS	11,532	7,000	4,532- 70-
910.108	EQUIPMENT RENTAL	423		423-
910.109	CEILING, TESTING & LOGGING	7,051	10,000	2,949 29
910.111	GENERAL & CEMENTING SERVICES	5,448	5,000	448- 9-
910.112	ENG. & GEOL. SUPERVISION	6,765	1,300	5,465- 420-
910.114	OTHER CONTRACT SERVICES	620		620-
910.115	TRANSPORTATION & TRUCKING	5,918	1,500	4,418- 295-
910.117	OTHER DRILLING COSTS	2,024	2,500	476- 100
910.118	ADMINISTRATIVE OVERHEAD	5,238	4,500	738- 102-
910.130	MUD LOGGING		7,500	7,500 100
910.140	ELECTRIC LOGS	504		504-
910.155.1	INSURANCE - GEN LIAB INS	12,639		12,639-
910.165	LEGAL EXPENSES		3,000	3,000 100
910.175	MISCELLANEOUS DRILLING COSTS	1,549		1,549-
TOTAL	INTANGIBLE DRILLING COST	137,838	104,400	33,438- 32-

WELL # 236

WELL ANALYSIS REPORT

DATE: 07/31/87

DESC A:030 RED-BLUFF FEDERAL #1

DIST DIST CENTER

STATUS: ACTIVE

APPROVAL DATE:

COST TYPE

ACCOUNT DESCRIPTION

ACTUALS TO DATE

TOTAL AFE

REMAINING AFE AMOUNT %

TE TANGIBLE EQUIPMENT

LINE	DESC	ACTUALS TO DATE	TOTAL AFE	REMAINING AFE AMOUNT	%
1	930.102 LOCATION & ROAD COSTS	1,029	1,029	0	0
2	930.299 SURFACE CASING	4,212	3,400	812	24
3	930.301 PRODUCTION CASING	35,783	40,300	3,517	9
4	930.302 PRODUCTION TUBING	7,559	9,000	1,441	16
5	930.303 SUCKER RODS & DOWNHOLE PUMPS	3,425	8,500	5,075	60
6	930.303.1 SUCKER RODS	1,924	3,425	1,501	44
7	930.303.2 DOWNHOLE PUMPS	1,501	5,075	3,574	70
8	930.304 WELHEAD EQUIPMENT	621	1,500	879	59
9	930.304.2 TUBING-AD	3,166	3,500	384	11
10	930.306 INSTALLATION CHARGES	26,500	21,000	5,500	26
11	930.307 PUMPING EQUIPMENT & ENGINES	4,500	23,000	18,500	80
12	930.308 STORAGE TANKS & FITTINGS	1,851	11,200	9,349	83
13	930.309 NON-CONTROLABLE EQUIPMENT	4,000	3,000	1,000	33
14	930.310 HEATERS, TREATERS & SEPARATORS	3,000	3,000	0	0
15	930.312 OTHER EQUIPMENT	95,680	124,400	28,720	23
16	TOTAL TANGIBLE EQUIPMENT	337,819	313,600	24,219	8
17	AFE TOTAL	337,819	313,600	24,219	8
18	COMPANY TOTALS	337,819	313,600	24,219	