

GRYNBERG EXHIBITS
8/7/86 HEARING

Exhibit

1. #1-20 Cost Allocation Including San Andres Potential
2. July 1, 1986 letter to Yates showing cost allocation based on Commission Order R-7343

Including San-Andres Potential
#1-20 Well
Section 20, T9S-R27E
Chaves County, New Mexico
(1)

EXHIBIT "1"

SERVICE DATE	VENDOR AND SERVICE PERFORMED	AMOUNT	S.A.	ABO	PRE-PERMIAN
2/30/83	*Runnels Mud. Co.-Prepay Mud	6,240.00	998.40	1,996.80	3,244.80
2/30/83	**Oilfield Constr. Co.-Location	1,037.50	321.63	539.50	176.38
2/30/83	**Lyman R. Graham- Surface Damage	500.00	155.00	260.00	85.00
2/31/83	**Oilfield Constr. Co.-Location	2,056.25	637.44	1,069.25	349.56
2/31/83	**R.R. Patton - Survey Road	470.81	145.95	244.82	80.04
2/4/84	**Comm. Pub. Land-ROW 20-T9S-R27E	2,130.00	660.30	1,107.60	362.10
2/6/84	**Hondo Pipe - 8 5/8" 24# Casing	8,943.69	2,772.54	4,650.72	1,520.43
2/31/84	*Jim's Wtr. Svc.-Fresh Water	430.04	68.81	137.61	223.62
2/2/84	**Halliburton-Cement 8 5/8"	6,945.86	2,153.22	3,611.85	1,180.80
2/1/-2/4/84	*Jim's Wtr. Svc.-Fresh Wtr. & Trkg.	860.08	137.61	275.23	447.24
2/2/84	*Jim's Wtr. Svc.-Fresh Wtr. & Trkg.	967.62	154.82	309.64	503.16
2/2/84	*Jim's Wtr. Svc.-Fresh Wtr. & Trkg.	752.57	120.41	240.82	391.34
2/3-2/4/84	*Jim's Wtr. Svc.-Fresh Wtr. & Trkg.	645.06	103.21	206.06	335.79
2/4/84	**Roswell Ready Mix-Rods for Cellar	515.74	159.88	268.18	87.68
2/4/84	**Troy's Welding-Weld Cattleguard	108.68	33.69	56.51	18.48
2/5/84	*Jim's Wtr. Svc.-Brine & Trkg.	282.02	45.12	90.25	146.65
2/5/84	*Jim's Wtr. Svc.-Fresh Wtr. & Trkg.	107.51	17.20	34.40	55.91
2/5/84	*Jim's Wtr. Svc.-Brine Wtr. & Trkg.	564.04	90.25	180.49	293.30
2/5/84	*Jim's Wtr. Svc.-Brine & Fresh Wtr.	671.55	107.45	314.90	349.20
2/5/84	*Jim's Wtr. Svc.-Brine Water	282.02	45.12	90.25	146.65
2/7/84	*Jim's Wtr. Svc.-Fresh Water	107.51	17.20	34.40	55.91
2/7/84	Big Red Supply-Sample Bags F	32.95	-	-	32.95
2/9/84	*Jim's Wtr. Svc.-Fresh Water	107.51	17.20	34.40	55.91
2/11/84	*Jim's Wtr. Svc.-Fresh & Brine Wtr.	497.04	79.53	159.05	258.46
2/12/84	Troy's Welding-Cut & Weld Wellhead	122.26	-	100.12	22.14
2/15/84	*Jim's Wtr. Svc.-Fresh Water	107.38	17.20	34.36	55.82
2/17/84	*Jim's Wtr. Svc.-Fresh Water	107.51	17.20	34.40	55.91
2/19/84	*Jim's Wtr. Svc.-Fresh Water	322.53	51.60	103.21	167.72
2/23/84	Robert Becker-Geologist	1,786.63	-	-	1,786.63
2/31/84	**Oilfield Industrial-Line Pit	1,530.14	474.34	795.67	260.12
2/12/84	Schlumberger-Logging	20,363.86	3,318.60	5,340.07	11,705.20
2/13/84	Buckeye, Inc.-Mud slick	2,555.52	-	2,092.72	462.80
2/16/84	Halliburton-DST 6325'-6396'	3,039.88	-	-	3,039.88

SERVICE DATE	VENDOR AND SERV. PERFORMED	AMOUNT	A.	ABO	PRE-PERMIAN
2/18/84	Schlumberger-Logging	6,493.62	-	-	6,493.62
2/18/84	Big Red Supply-Csg.head - Etc.	1,090.27	-	892.82	197.45
2/18/84	Associated Pipe-5½" 15.5# Csg.	29,120.80	-	23,847.02	5,273.78
2/19/84	Troy's Welding-Final Csg. Cutoff	108.68	-	89.00	19.68
2/19/84	Halliburton-Cement 5½" Csg.	9,000.20	-	3,451.74	5,548.46
2/20/84	Hondo Pipe-Forklift 5½"	224.37	-	183.74	40.63
2/12-2/20/84	Sonny Longo-Drlg. Consultant	1,918.00	-	-	1,918.00
2/21/84	*Desert Drlg.-Footage & Daywork	114,005.07	18,000.80	36,001.60	60,002.67
3/10/84	Mimco Pipe- 6,304' 2 3/8 Tbg.	11,675.61	-	9,561.16	2,114.45
3/10/84	Buckeye, Inc.-Return mud slick	(1,983.23)	-	(1,624.07)	(359.16)
3/10-3/31/84	Mack Chase - Completion Rig	23,971.44	-	8,091.51	15,879.93
3/12/84	Hondo Pipe-Wellhead fittings	2,067.57	-	1,693.13	374.44
3/12/84	Hondo Pipe-Tbg.head & Subs	2,088.77	-	1,710.49	378.28
3/12/84	Hondo Pipe-Flow tee & Swage	187.10	-	187.10	-
3/12/84	Troy's Welding-Cut & Weld Csg.	176.60	-	176.60	-
3/14/84	Jim's Wtr. Svc.-Fresh & KCL	437.15	-	-	437.15
3/14/84	Halliburton-Acid @ 6190'-6207'	1,562.24	-	-	1,562.24
3/14/84	Halliburton-Acid & N ₂ @6190-6207'	1,835.68	-	-	1,835.68
3/14/84	Maypole Packers-5½" Rental Packer	1,219.73	-	-	1,219.73
3/16/84	Halliburton-Acid & N ₂ @6163-6170'	1,499.68	-	-	1,499.68
3/16/84	Halliburton-Acid & N ₂ @6163-6170'	1,855.64	-	-	1,855.64
3/16/84	Jim's Wtr. Svc.-Fresh & KCL	628.94	-	-	628.94
3/16/84	Jim's Wtr. Svc.-Fresh & KCL	2,830.74	-	-	2,830.74
3/16/84	Hondo Pipe-Return Sub. & Collar	(277.22)	-	(227.02)	(50.20)
3/17/84	Halliburton-Deep Frac	18,902.18	-	-	18,902.18
3/19/84	**B&R Lease Svc.-Fence pit	158.15	49.02	82.24	26.89
3/21/84	Halliburton-Acid & N ₂ @ 5414-5429'	1,470.22	-	-	1,470.22
3/21/84	Halliburton-Acid & N ₂ @ 5414-5429'	3,403.53	-	-	3,403.53
3/22/84	T & C Tank-Install Anchors	462.45	-	378.70	83.75
3/24/84	Jim's Water Svc.-Fresh & KCL	2,801.51	-	2,801.51	-
3/24/84	Maypole - 5½" Rental Packer	903.71	-	903.71	-
3/26/84	Bell Pet. Survey-Survey for leak	3,291.93	-	3,291.93	-
3/28/84	Jim's Water Svc.-Fresh & KCL	731.18	-	731.18	-

SERVICE DATE	VENDOR AND SERV	PERFORMED	AMOUNT	A.	ABO	PRE-PERMIAN
3/28/84	Halliburton-Acidize & N ₂ Abo		1,675.84	-	1,675.84	-
3/28/84	Halliburton-Acidize & N ₂ Abo		3,291.47	-	3,291.47	-
3/29/84	Jim's Water Svc.-Tank Rent		46.74	-	46.74	-
3/29/84	Halliburton-Franc Abo		13,779.82	-	13,779.82	-
3/29-3/30/84	Jim's Water svc.-Tank Rent		46.69	-	46.69	-
3/31/84	Completion Rentals-BOP Rental		605.80	-	605.80	-
3/30/84	B&R Lease-load tbq. 7 csq.		169.84	-	169.84	-
4/4/84	Jim McWilliams-Drlg. Consultant		5,435.35	-	2,329.44	3,105.91
4/25/84	Jones & Gallegos-Lawsuit		438.50	-	359.09	79.41
5/25/84	Jones & Gallegos-Lawsuit		66.00	-	54.05	11.95
5/25/84	Jones & Gallegos - Lawsuit		33.81	-	27.69	6.12
5/30/84	**Valley Contr. -final cleanup		640.00	198.40	332.80	108.80
7/10/84	**Double Anchor - Repair Road		624.00	193.44	324.48	106.08
10/31/84	Welborn Fuffard-Lawsuit		221.00	-	180.98	40.02
1/10/84	T.K. Campbell-Grynberg vs. M		701.67	-	574.60	127.07
3/12/84	T.K. Campbell-Grynberg vs. M		216.97	-	177.68	39.29
10/17/84	T.K. Campbell-Grynberg vs. M		1,500.00	-	1,228.35	271.65
	**Dennis Wright Ins. - Insurance		522.50	161.98	276.70	88.83
	Engineering Charge-Grynberg		600.00	-	491.34	108.66
	**Overhead		3,764.31	1,166.94	1,957.44	639.93
	2 3/8" Tbg. Credited		(2,121.09)	-	(1,736.96)	(384.13)
	5 1/2" Casing credited		(356.57)	-	(291.99)	(64.57)
	TOTAL		340,956.72	32,691.51	142,434.26	165,830.98

*Direct cost based on drilling time:

San Andres to 2000' 3 days; (3/19 = 0.16)

Abo from 2000' to 5340' 6 days; (6/19 = 0.32)

Pre-Permian from 5340' to 6415' 10 days; (10/19/ = 0.52)

**Indirect charges:

San-Andres 2000/6415 = 0.31

Abo (5340-2000)/6415 = 0.52

Pre-Permian (6415-5340)/6415 = 0.17