

Manana
1-7-30 N-110

Manana Gas, Inc.

P. O. BOX 145
FARMINGTON, NEW MEXICO 87401

ED HARTMAN, PRES.

TEL. (505) 325-3066
(505) 327-6176

Janaury 9, 1978

Mr. Harold Marion Brimhall
3000 Cherry Hills Place
Farmington, New Mexico 87401

CERTIFIED MAIL
RECEIPT REQUESTED

Dear Mr. Brimhall:

Enclosed is another copy of our Authority for Expenditures on the Charlie # 1 well, which is being sent to you in accordance with paragraphs (3) and (4), page 3 of the New Mexico Conservation Commission Order No. R-5612, dated January 4, 1978.

A copy of the Commission Order is also enclosed for your convenience.

As indicated in my December 9th letter, we would rather have you join us in this well either by executing a lease or by agreeing to pay your share of the cost of this well.

We would be glad to go over this in person with you if you so desire. You can call us at either of the two numbers shown in the letterhead above.

With best personal regards.

Very truly yours

Manana Gas, Inc.

By *Ed Hartman*
President



EMH/bh
Encl

CC: New Mexico Oil Conservation Commission - Santa Fe - P.O.Box 2088
- Aztec - 1000 Rio Brazos Rd.
Anne B. Little - 512 Madeira Dr., NE, Albuquerque, NM 87108
Curtis J. Little - P.O. Box 2487, Farmington, NM 87401

Authority for Expenditure

Well Name Charlie No. 1 Loc. SE/4 Sec. 7 T30N R11W Co. San Juan State N.Mex.

Estimated T.D. 2000' Field or Prospect Aztec PC Gas Field Formation Pictured Cliffs

	Estimated		Actual
	Dry Hole	Producer	
Intangible Costs			
Supervision	625	1250	
Location: Damages and R.O.W.	500	500	
Roads and Canals Legal	1000	1000	
Location and Platforms	1500	1500	
Drilling:			
Footage Drilling 2000 ft. @ 4.50 /ft. + tax	9405	9405	
Daywork:			
Drilling 1 days @ 100 WDP days @ WODP	2400	2400	
Completing 2 days @ WDP days @ 800 WODP	-	1600	
Mud Materials and Special Equipment	500	500	
Fuel	-	-	
Water	500	1000	
Hauling and Transportation	1000	2000	
Cement, Cementing, and Accessories	2000	5000	
Logging	2500	3500	
Coring and Core Analysis	-	-	
Testing	-	-	
Perforating	-	-	
Stimulation		6700	
Special Services			
Tool Rental			
Miscellaneous			
Total Intangible Costs	21,930	36,355	
Tangible Well Costs			
Wellhead	-	1000	
Casing: 7", 150 ft., 6.65	1000	1000	
2-7/8", 2000 ft., 2.85	-	5700	
Tubing: 1-1/4", 2000 ft., 1.50	-	3000	
Artificial Lift Equipment			
Miscellaneous Well Equipment	1,000	10,700	
Total Tangible Well Costs			
Tangible Lease Costs			
Tankage			
Separating and Treating:			
Flowlines			
Structures and Buildings			
Measuring Equipment			
Special Equipment			
Miscellaneous Valves and Fittings			
Transportation, Installation and Labor			
Total Tangible Lease Costs			
Total Well Costs	SUBTOTAL	22,930	47,055
	Contingency 10%	2,293	4,705
Ownership Division:	TOTAL	25,223	51,760
Manana Gas, Inc. et al	87-1/2 %	22,070.12	45,290.00
Harold Marian Brimhall	12-1/2 %	3,152.88	6,470.00

Joint Interest Approval

COMPANY

By

Date 19