



# SAMSON AUTHORITY FOR EXPENDITURE

Original AFE

AFE Number: 2004DOM0105414	Prospect: Osudo Morrow	Well Name: Dilly Bar State '8' #1
Location: Section 8-21S-35E		County, State: Lea, New Mexico
Proposed TD: 12,600	Work Type: Developmental Drilling Well - U	Est. Start Date: 2/1/2004
Vertically drill and complete a 12,600' Morrow gas well		

CODE	2700 - INTANGIBLES	Dry Hole	Completion	CWC
01	Surface Damages & Right of Way	5,000	0	5,000
02	Roads & Location	30,000	26,000	56,000
03	Rathole & Conductor Service	4,300	0	4,300
04	Mobilization / Demobilization	40,000	0	40,000
05	Drilling Daywork - -- 38 days @ \$8000 / day. -- 2 days @ \$8000 / day	304,000	16,000	320,000
06	Drilling Footage	0	0	0
07	Drilling Turnkey	0	0	0
08	Fuel Water & Power	52,000	10,000	62,000
09	Mud, Materials & Services	100,000	6,000	106,000
10	Bits, Reamers & Stabilization	88,000	2,000	90,000
11	Directional Equipment & Services	25,000	0	25,000
12	Rental Equipment	89,420	20,000	89,420
13	Logging & Formation Evaluation - Geolog	44,500	8,950	53,450
14	Cementing - Eqp. Materials & Services	48,000	30,000	78,000
15	Inspection Services	12,240	5,000	17,240
16	Transportation	7,000	10,000	17,000
17	Supervision & Technical	36,000	10,800	46,800
18	Pipe Crews - Equipment & Labor	23,500	35,000	58,500
19	Labor & Supplies	24,500	7,000	31,500
20	Insurance	22,176	0	22,176
21	Overhead	12,500	10,000	22,500
22	Plugging & Abandonment	15,000	0	15,000
23	Completion Rig - -- 12 days @ \$2500 / day	0	30,000	30,000
25	Perforating	0	15,000	15,000
26	Acidizing, Fracturing & Sand	0	150,000	150,000
27	Wireline Services	0	2,000	2,000
28	Miscellaneous & Contingency	48,177	0	48,177
29	Local & Regulatory	5,000	0	5,000
35	Location Restoration	10,000	0	10,000
38	Closed Mud System, Materials, & Services	0	0	0
	<b>TOTAL INTANGIBLES</b>	<b>1,024,313</b>	<b>393,750</b>	<b>1,418,063</b>
CODE	2800 - TANGIBLES	Dry Hole	Completion	CWC
01	Protective / Surface Casing - 13-3/8" 54.5# J-55 LTC -- 1450 feet @ \$17.	24,650	0	24,650
02	Intermediate Casing - 9-5/8" 40# (Special Drift) N-80 LTC -- 5550 feet @	66,600	0	66,600
03	Liner - 7" 26# N-80 (Collapse Limit) LTC -- 10800 feet @ \$10.00 / ft.	108,000	0	108,000
04	Production Casing - 4-1/2" 11.6# P-110 LTC -- 12600 feet @ \$5.00 / ft.	0	63,000	63,000
05	Production Tubing - -- 12200 feet @ \$2.60 / ft.	0	31,720	31,720
08	Wellhead Equipment	37,000	15,000	52,000
09	Surface Equipment	0	40,000	40,000
10	Subsurface Equipment	0	10,000	10,000
11	Artificial Lift Equipment	0	0	0
16	Pipeline & Meter Facilities	0	20,000	20,000
	<b>TOTAL TANGIBLES</b>	<b>236,250</b>	<b>179,720</b>	<b>415,970</b>
	<b>TOTAL COST:</b>	<b>1,260,563</b>	<b>573,470</b>	<b>1,834,033</b>

Approved By: SAMSON

By: <i>Rafael North</i>	OIL CONSERVATION DIVISION	Date: 12/19/2003
Approved (Working Interest Owner Name)		
By:	CASE NUMBER 3	Date:
Signature:	EXHIBIT NUMBER	

This represents an estimate of costs. By signing this AFE you agree to pay your share of the actual costs incurred.