



SAMSON
AUTHORITY FOR EXPENDITURE

Original AFE

AFE Number: 2004DOM0105123		Prospect: Sand Tank Morrow		Well Name: Sandtank 17 Fed Com #1	
Location: Section 17-18S-30E			County, State: Eddy, New Mexico		
Proposed TD: 12,000		Work Type: Developmental Drilling Well - U		Est. Start Date: 10/1/2004	
Re-enter plugged and abandoned wellbore and complete as Morrow producer.					
CODE	2700 - INTANGIBLES	Dry Hole	Completion	CWC	
01	Surface Damages & Right of Way	5,000	0	5,000	
02	Roads & Location	15,000	0	15,000	
03	Rathole & Conductor Service	0	0	0	
04	Mobilization / Demobilization	60,000	0	60,000	
05	Drilling Daywork	40,000	16,000	56,000	
06	Drilling Footage	0	0	0	
07	Drilling Turnkey	0	0	0	
08	Fuel Water & Power	8,400	3,000	11,400	
09	Mud, Materials & Services	20,000	5,000	25,000	
10	Bits, Reamers & Stabilization	17,500	0	17,500	
11	Directional Equipment & Services	0	0	0	
12	Rental Equipment	10,500	30,000	40,500	
13	Logging & Formation Evaluation - Geology	0	15,000	15,000	
14	Cementing - Expt, Materials & Services	0	75,000	75,000	
15	Inspection Services	2,000	2,000	4,000	
16	Transportation	3,000	2,000	5,000	
17	Supervision & Technical	7,000	12,500	19,500	
18	Pipe Crews - Equipment & Labor	23,500	15,000	38,500	
19	Labor & Supplies	9,000	6,000	15,000	
20	Insurance	15,336	0	15,336	
21	Overhead	6,000	1,500	7,500	
22	Plugging & Abandonment	0	0	0	
23	Completion Rig	0	14,000	14,000	
24	Perforating	0	18,000	18,000	
25	Acidizing, Fracturing & Sand	0	175,000	175,000	
26	Wireline Services	0	2,000	2,000	
27	Miscellaneous & Contingency	12,242	44,000	56,242	
28	Legal & Regulatory	5,000	0	5,000	
35	Location Restoration	10,000	0	10,000	
38	Closed Mud System, Materials, & Services	0	0	0	
TOTAL INTANGIBLES		269,478	436,000	705,478	
CODE	2800 - TANGIBLES	Dry Hole	Completion	CWC	
01	Protective / Surface Casing	0	0	0	
02	Intermediate Casing	0	0	0	
03	Liner	0	0	0	
04	Production Casing - 5-1/2" 20 P-110 LTC	0	198,000	198,000	
05	Production Tubing - 2-3/8" 4.7# N-80 EUE -- 11800 feet @ \$3.00 / ft.	0	42,940	42,940	
06	Wellhead Equipment	5,000	15,000	20,000	
08	Surface Equipment	0	70,000	70,000	
10	Subsurface Equipment	0	10,000	10,000	
11	Artificial Lift Equipment	0	0	0	
16	Pipeline & Meter Facilities	0	35,000	35,000	
TOTAL TANGIBLES		5,000	370,940	375,940	
TOTAL COST:		274,478	806,940	1,081,418	

Approved By: SAMSON

By: <i>Marilyn R. Bonett</i>		Date: 9/2/2004
Approved (Working Interest Owner Name)		
By:	Title:	Date:
Signature:		

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

