

J.W.MULLOY ASSOCIATES, INC.
Engineering & Consulting
508 West Wall #100
Midland, Texas 79701
Phone: (432) 687-0323 Fax: (432) 686-7224

Operator: Matrix New Mexico Operating Company, LLC
Location: NE/4SE/4 Sec 10 T13S R38E
Field: Bronco (Wolfcamp)

Well Name: Townsend #3
County: Lea
Formation: Wolfcamp

Date: 12/14/2004
State: New Mexico
Depth: 9,800

Code	DRILLING	Time in days:	28		Tangible	Intangible	Total Cost
D1	Survey, Build Site, Road & Surface Damages					\$25,000	\$25,000
D5	Surface Casing	13 3/8 "	450 '@	\$27.00 per foot	\$12,150		\$12,150
D6	Cement, Accessories & Service					\$10,000	\$10,000
D7	Protective Casing	8 5/8 "	4,500 '@	\$20.00 per foot	\$90,000		\$90,000
D8	Cement Accessories & Service					\$20,000	\$20,000
D13	Casing Heads, Valves & Fittings				\$5,500		\$5,500
D14	Mud, Water, Oil & Chemicals					\$40,000	\$40,000
D15	Mud Hydrocarbon Logging	10	days @	\$750.00 per day		\$7,500	\$7,500
D17	Electrical Logging					\$15,000	\$15,000
D18	Daywork On Contract	3	days @	\$7,200.00 per day		\$21,600	\$21,600
D19	Footage On Contract	9800	feet @	\$25.00 per foot		\$245,000	\$245,000
D23	Special Tools, Bits & Rentals					\$15,000	\$15,000
D24	Supervision, Engineering	30	days @	\$750.00 per day		\$22,500	\$22,500
D25	Supervision, Geological	10	days @	\$750.00 per day		\$7,500	\$7,500
D26	Drilling Overhead	1	month @	\$5,000.00 per mo		\$5,000	\$5,000
D27	Misc. Services, Supplies & Labor @ 10%				\$11,000	\$43,500	\$54,500
Total Drilling Costs					\$118,650	\$477,600	\$596,250

ABANDONMENT

Cost To Abandon	\$20,000
Total Dry Hole Costs	\$477,600

COMPLETION

	Time in days:	10				
C1	Production Casing/Liner	5 1/2 "	9,800 '@	\$12.50 per foot	\$122,500	\$122,500
C2	Cement, Accessories & Service w/Hanger					\$20,000
C3	Casing Heads, Valves & Fittings				\$5,000	\$5,000
C4	Packers, Accessories & Service					\$3,000
C5	Production Tubing	2 3/8 "	9,800 '@	\$4.20 per foot	\$41,160	\$41,160
C6	Perforating Service & Logs					\$3,500
C7	Treating Services & Supplies					\$12,500
C8	Well Servicing Rig	10	days @	\$2,500.00 per day		\$25,000
C9	Artificial Lift Facilities w/rods, pump & accessories					\$75,000
C10	Supervision, Engineering	12	days @	\$750.00 per day		\$9,000
C11	Special Tools, Bits & Rentals					\$5,000
C12	Misc. Services, Supplies & Labor @ 10%				\$17,000	\$15,300
Total Completion Cost					\$185,660	\$168,300

LEASE FACILITIES

	Time In Days:	5				
F1	Build Site & Road					\$2,000
F2	Tanks & Accessories				\$15,000	\$15,000
F4	Heaters, Treaters & Accessories				\$5,000	\$5,000
F5	Line Pipe, Flow & Other				\$2,500	\$2,500
F6	Valves & Fittings				\$10,000	\$10,000
F7	Supervision, Engineering	4	days @	\$750.00 per day		\$3,000
F8	Misc. Services, Supplies & Labor				\$3,000	\$4,000
Total Lease Facilities Cost					\$35,500	\$9,000

SUMMARY OF COST

Drilling Cost	\$118,650	\$477,600	\$596,250
Completion Cost	\$185,660	\$168,300	\$353,960
Total	\$304,310	\$645,900	\$950,210
Lease Facilities Cost	\$35,500	\$9,000	\$44,500
GRAND TOTAL COST	\$339,810	\$654,900	\$994,710

Approval:

Company _____ (This AFE is an estimate only-Invoicing will be on actual cost.)

By: _____

Name/Title: _____ Date _____

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No.'s 13419 & 13420 Exhibit No. 4
Submitted by:
Matrix New Mexico Holdings, L.L.C.
Hearing Date: February 17, 2005

J.W.MULLOY ASSOCIATES, INC.
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Operator: Matrix New Mexico Operating Company, LLC
Location: SE/4NE/4 Sec 10 T13S R38E
Field: Bronco (Wolfcamp)

Well Name: Townsend #2
County: Lea
Formation: Wolfcamp

Date: 12/13/2004
State: New Mexico
Depth: 9,800

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C9	Artificial Lift Facilities w/rods, pump & accessories						\$75,000	\$75,000
C10	Supervision, Engineering	12	days	@	\$750.00 per day		\$9,000	\$9,000
C11	Special Tools, Bits & Rentals						\$5,000	\$5,000
C12	Misc. Services, Supplies & Labor @ 10%					\$17,000	\$15,300	\$32,300
Total Completion Cost						\$185,660	\$168,300	\$353,960

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