

UNIT PETROLEUM COMPANY

407 N Big Spring St
Suite 101
Midland, TX 79701
(432) 685-9020

FE/COST ESTIMATE

ORIGINAL
 SUPPLEMENT

NEW WELL
 SUBSEQUENT DEVELOPMENT
 WORKOVER
 PLUG AND ABANDON

DISTRICT Midland	WELL NAME Monte Carlo Fed Com #1	FIELD Atoka Penn (Pro-Gas)	WI	BCP	ACP	PREPARED BY Matthew Doffer
PROSPECT Monte Carlo	Section Lines See Below	RANGE T18S-R26E	BLOCK	SURVEY		DATE 9/29/2005
SECTION 1	Footage from	WELL TYPE		COUNTY Eddy	STATE New Mexico	
OBJECTIVE Morrow	PROPOSED TD 9,290 FT	OIL	GAS	SWD	INU	OTHER
ESTIMATED DAYS: 34 DRILLING 10 COMPLETION 44 TOTAL		AFE #				
PURPOSE OF EXPENDITURE & WORK PROCEDURE: Drill a directional well, complete and equip a flowing Morrow gas well						
Surface Location: 2,385' FNL & 271' FEL, Sec 1 Bottom Hole Location: 1,845' FNL & 1,487' FEL, Sec 1						

CODE		CLASSIFICATION						ESTIMATE			
1626 (DRLG)	1627 (CMPL)	INTANGIBLES						DRILLING	COMPLETED	TOTAL	
1	1	PERMITS	\$1,000	SURVEYS	\$1,200	ROW	DAMAGES	\$10,000	15,000	4,000	19,000
2	2	ROADS & LOCATION: BUILD			\$0		CLEAN-UP	\$0	50,000	5,000	55,000
3	3	FOOTAGE DEPTH		0 FT @	\$0.00 /FT				0	0	0
4	4	DW DAYS	34 DAYS @	\$13,500 /DAY		5 days added for directional work, delays			459,000	40,000	499,000
5	5	MOBILIZE - RU - RD - DEMOBILIZE							60,000	8,000	68,000
6	6	FUEL/POWER							60,000	3,000	63,000
7	7	DRLG WATER		WATER WELL		COMP FLUID			30,000	5,000	35,000
8	8	CONTRACT LABOR/WELDING							8,000	3,000	11,000
9	9	BITS							45,000	2,000	47,000
10	10	DRLG FLUID	35000 AIR			CHEMICALS	3000		38,000	0	38,000
11	11	FORMATION TESTING		CORING		FLOW TESTS			5,000	5,000	10,000
12	12	OPENHOLE LOGGING & SURVEYS							24,000	0	24,000
13	13	CEMENT & SERVICES							30,000	22,000	52,000
14	14	NORMAL RENTALS & SERVICES:	\$25,000	DIRECTIONAL PACKAGE	\$80,000				105,000	20,000	125,000
15	15	CASED HOLE LOGGING		PERFORATING		WIRELINE			0	10,000	10,000
16	16	STIMULATION : ACID	10000	FRAC		180000 OTHER	10000			200,000	200,000
17	17	SUPPLIES, MATERIALS, & MISCELLANEOUS RENTALS							15,000	2,000	17,000
18	18	GEOLOGICAL		MUD LOGGING		OTHER PROF			20,000	0	20,000
19	19	WELL SUPERVISION : DRILLING				COMPLETION			35,000	10,000	45,000
20	20	OVERHEAD OR COMBINED RATE							8,000	4,000	12,000
21	21	INSURANCE							0	0	0
22	22	ABANDONMENT EXPENSE (INCL LOCATION RECOVERY)							15,000	(15,000)	0
23	23	INSTALLATIONS & SERVICES THRU WELLHEAD							10,000	5,000	15,000
24	24	TRUCKING & OTHER SERVICES							15,000	12,000	27,000
32	32	CLOSED MUD SYSTEM							30,000		30,000
40	40	SALVAGE EQUIPMENT							0	0	0
30	30	CONTINGENCIES	2%						21,600	6,900	28,500
TOTAL INTANGIBLE COSTS								\$1,098,600	\$351,900	\$1,450,500	

CODE		TANGIBLES						DRILLING	COMPLETED	TOTAL
101		CONDUCTOR CSG	40 FT OF	20.000 INCH @ \$	120.00 PER FT			4,800		4,800
102		SURFACE CSG	300 FT OF	13.375 INCH @ \$	36.96 PER FT			11,100		11,100
103		INTERMEDIATE CSG	1,500 FT OF	9.625 INCH @ \$	27.12 PER FT			40,700		40,700
104		PRODUCTION CSG	9,300 FT OF	5.500 INCH @ \$	14.41 PER FT				134,100	134,100
105		LINER CSG	0 FT OF	0.000 INCH @ \$	0.00 PER FT				0	0
106		TUBING	9,200 FT OF	2.375 INCH @ \$	4.73 PER FT				43,600	43,600
107		SUCKER RODS	FT OF	0.000 INCH @ \$	0.00 PER FT				0	0
108		BH PUMP	GAS LIFT	TBG ANC	OTHER				0	0
109	109	WELLHEAD : CASING HEAD		TREE				7,000	12,000	19,000
110		ARTIFICIAL LIFT		PRIME MOVER					0	0
111		PACKERS & SUBSURFACE TOOLS							12,000	12,000
112		INSTALLATION COSTS							15,000	15,000
121		TANKS & ACCESSORIE							25,000	25,000
122		PRODUCTION UNIT	20000 DEHYDRATOR	OIL CONSERVATION DIVISION					20,000	20,000
123		HEATER TREATER		SEPARATOR					5,000	5,000
124		ELECTRICAL SYSTEMS & LINES							0	0
125		LEASE LINES							0	0
126		CONTROLLABLE VALVES & FITTING							10,000	10,000
127		OTHER EQUIPMENT							5,000	5,000
128		NON-CONTROLLABLE LEASE MATERIAL							5,000	5,000
129		INSTALLATION COSTS							10,000	10,000
131		LINE PIPE							10,000	10,000
132		METERING EQUIPMENT							3,000	3,000
TOTAL TANGIBLES								\$63,600	\$309,700	\$373,300
TOTAL INTANGIBLES								\$1,098,600	\$351,900	\$1,450,500
TOTAL WELL COSTS								\$1,162,200	\$661,600	\$1,823,800

UNIT PETROLEUM APPROVALS			
APPROVED BY 	TITLE Vice President	DATE 9/29/05	COMPANY UNIT PETROLEUM COMPANY
PARTNER APPROVALS			
APPROVED BY	TITLE	DATE	COMPANY