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PRIDE ENERGY

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Pride Energy Company	Anti	orization		February 24, 2006			
POB 701950 (74170)	Aut		tate X #1	ajtare			•
2250 E. 73 rd St., Ste. 550			- T12S - R34	46			
Fulsa, OK 74136	-			-			
918 524 9200 office		1,980' FNL	& 660' FW	L			
918 524 9292 facsimile		-					
918 324 9292 IBCSUDUE		Proposed L	epth: 12,350)' - D (D 1 1 1	.:		
·····	Primary Ot	pectives: M	orrow/Atoka	MISSISSIP			
Delling intendibles							
Drilling intangibles	30	day(s)	\$600	per day			18,000
Water		uay(a)		per day			15,000
Location and road			\$18,000	nan dari			540,000
Drilling rig: daywork	30	days at	318,000	per day			80,000
mobilization			64.000				120,000
fuel		days at	\$4,000	per day			45,000
Bits	5	bits at	\$9,000	each, ave	rage		
Mud, chemicals & drayage							50,000
Mud Disposal							14,000
Open Hole Logging	2,500	feet at	\$10.00	per foot			25,000
Equipment Rental	30	days at	\$800	per day, a	verage		24,000
Directional Services	5	days at	9000	per day			45,000
Trucking							6,000
Other Services							2,000
Geological/Engineering	30	days at	\$1,000	per day			30,000
www.eng.eng.englishedilling						Subtotal	1,014,000
Contingener						20%	202,800
Contingency Overhead			····				38,000
Overnead					T-4-1 d-illing ind	anethion	\$1,254,800
- 1444 · · · · ·					Total drilling int	Rugionea	31,3 4,0 00
Drilling tangibles							
Casing, intermediate	<u> </u>	feet at]	per foot			0
Well head equipment				· · · · · · · · · · · · · · · · · · ·	3,0	00 psi wp	7,000
Float equipment						······	0
						Subtotal	
Contingency						20%	
					Total drilling	tanglibles	\$8,400
Location and road Casing crews, production Cementing, production	······································						2,000 11,000 30,000
		1	61 000	1			18,000
Completion rig	6	days at	\$3,000	per day			35,000
Perforating and GR-CBL							150,000
Formation treatments							
Equipment Rentals	6	days at	\$2,000	per day			12,000
Water or Diesel							8,000
Supplies		<u> </u>					2,500
Trucking							4,000
Roustabout work	6	days at	\$1,200	er day			7,200
Other Services							6,000
Engineering	88	days at	<u>\$1,000 p</u>	per day			8,000
						Subtotal	293,700
Contingency						20%	58,800
					Total completion i	ntagibles	\$352,500
Completion tangibles		-					
Production casing 5 1/2	12,300	feet at	\$15.50	per foot (17	# & 20# N-80)		190,650
Float equipment							2,000
Well head					5,0	00 psi wp	8,000
Production tubing 2 1/2	12,300	feet at	\$5.50 p	per foot	4.7 ppf, N-80, EUE, 8 m	l thd	67,650
Downhole Equipment							10,000
Production Equipment							18,000
Flowlines							2,000
						Subtotal	298,300
Contingency						20%	59,700
		*			Total completion t		\$358,000
					A AME ANTE DISTORT		0000000
					Them . In	ale costi	\$1 262 200
pproved:	Date:				Completed v	ole cost:	\$1,263,200 \$1,973,700
Pride Energy Company			_		-		φ.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Second Comband						Interest	
Approved:	Date:				Your To	ui Cost	
Working Interest Owner	Uale:			PAN	SERVATION	niv	15161
working interest Owner			01	L LUN	JERVALIUN	014	10161
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- size simily (24120)
POB 701950 (74170)
2250 E. 73 ^M St., Ste. 550
Tulsa, OK 74136
918 524 9200 office
918 524 9292 facsimile

Authorization for Expenditure Well: State X #2 Section 12 - T12S - R34E 660' FSL & 1,980' FWL

Proposed Depth: 12,400' Primary Objectives: Morrow/Atoka/Mississippi

							1
Drilling intangibles						3,000	1.
Legal Water	42	day(s)	\$600	per da	ν	25,200	(
Location and road		day(3)		un		15,000	1
Drilling rig: daywork	42	days at	\$18,000	- per da	v	756.000	1
mobilization					•	80,000	1
fuel	42	days at	\$2,500	per da	y	105,000	
Drill Bits						55.000	Υ
Mud, chemicals & drayage						50,000	1
Mud Disposal						14,000	
Open Hole Logging						25,000	
Equipment Rental	42	days at	\$800		y, average	33,600	ļ
Mud Logging	18	days at	\$800	per da	У	[4,4*	
Tracking			······································			6,000	
Other Services						2,000	
Geological/Engineering	42	days at	\$1,000	per da		42,000	í
					Subtotal	1,226,200	
Contingency					20%	245,240	
Overbcad				· · · · · · · · · · · · · · · · · · ·		10,000	
Drilling to notifies					Total drilling intangibles	\$1,481,440	n 1
Drilling tangibles Casing Crews						10,000	1
Cement, surface & intermediate					······································	25,000	
Casing, surface & intermediate			·····			95,000	
Well head equipment		·			3,000 psi wp	7,000	· · ·
Float equipment						0	
					Subtotal	137,000	
Contingency					20%	27,400	÷
					Total drilling tanglibles	\$164,400	
Completion intangibles							
Location and road					·	2,000	
Casing crews, production					· · · · · · · · · · · · · · · · · · ·	11,000	
Cementing, production		<u> </u>			·	30,000	
Completion rig	10	days at	\$3,000	per day	·	30,000	•
Perforating and GR-CBL						35,000	
Formation treatments	10		60 000			150,000	
Equipment Rentals Water or Diesel	10	days at	\$2,000	per day	and the second		,
Supplies		······				8,000 2,500	
Trucking						4,000	
Roustabout work	10	days at	\$1,200	per day		12,000	
Other Services		uays at	#1,200	perday		6,000	
Engineering	10	days at	\$1,000	per day		10,000	
Engineering	10	Uays at	31,000	peruay	Subtotal	320,500	
Contingency			······		20%	54, 100	
					Total completion intagibles	\$384,600	
Completion tangibles					Participation of the second se		
Production casing 5 ½	12,300	feet at	\$15.50	per foot (17# & 20# N-80)	190,650	
Float equipment						2,000	
Well head						13,000	
Production tubing 2 3/4	12,300	feet at	\$5.50	per foot	4.7 ppf, N-80, EUE, 8 rd thd	67,650	
Downhole Equipment						10,000	
Production Equipment						18,000	
Flowlines						2,000	
					Subtota	303,300	
Contingency					20%	60,660	
					Total completion tangibles	\$363,960	
							1
() II V.A		5/4/06			Dry hole cost:	\$1.545 p.10	1645, 840
Approved: M. W. Mill	Date:	3/9/00			Completed well cost:	ے ایر الفرے م	17 1
Pride Energy Company			,		Your Interest	Ì	2,394.00
-	-				Your Total Cost		-10111
Approved:	Date:		-			. [
Working Interest Owner							
The mate on this AFF are estimated and an	d man and be	damaters days				ليستسب	

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. In excertine this AFE, the participant agrees to pay its proportionate share of actual costs incurred, including legal, curative, regulatory, brokerage curder the torms of the applicable joint operating agreement, regulatory order or other agreement covering this well. The Operator may Concern an affiliated entity to drill the well at prevailing rates in the area. Participant shall be covered by and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in amounts acceptable to the Operator by the date of spud.