

**BEPCO, L. P.
AFE COST DETAIL**

WELL: PALMILLO 12 STATE COM NO. 1

TD: 11500'

DATE: June 9, 2006

LOCATION: 1650' FNL & 660' FWL SEC 12 T19S R28E

COUNTY: EDDY

STATE: NEW MEXICO

JOINT INTEREST COST DISTRIBUTION

(ESTIMATED COSTS)

INTERESTS:

BASS BCP = 81.25%
BASS ACP = 81.25%
OTHER BCP = 18.75%
OTHER ACP = 18.75%
BASS APO = 81.25%
OTHER APO = 18.75%
UP FRONT = \$0.00

MORROW

COMPLETED COST

	<u>TOTAL</u>	<u>JOINT OWNERS</u>	<u>BASS</u>	<u>ACTUAL</u>
<u>INTANGIBLE</u>				
DRILLING	1,700,000	318,750	1,381,250	
EVALUATION	110,000	20,625	89,375	
COMPLETION	580,000	108,750	471,250	
SUBTOTAL	2,390,000	448,125	1,941,875	
<u>TANGIBLE</u>				
DRILLING	110,000	20,625	89,375	
COMPLETION	280,000	52,500	227,500	
SUBTOTAL	390,000	73,125	316,875	
<u>LEASE EQUIPMENT</u>	200,000	37,500	162,500	
TOTAL	2,980,000	558,750	2,420,000	

DRY HOLE COST

	<u>TOTAL</u>	<u>JOINT OWNERS</u>	<u>BASS</u>	<u>ACTUAL</u>
<u>INTANGIBLE</u>				
DRILLING	1,700,000	318,750	1,381,250	
EVALUATION	110,000	20,625	89,375	
SUBTOTAL	1,810,000	339,375	1,470,625	
<u>TANGIBLE</u>				
DRILLING	110,000	20,625	89,375	
TOTAL	1,920,000	360,000	1,560,000	

COPAS overhead costs are not included in the above estimate; however, such costs will be appropriately billed.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case Nos. 13758 Exhibit No. 5
Submitted by:
BEPCO., L.P.
Hearing Date: August 17, 2006

SAFE COST DETAIL

WELL: PALMILO 12 STATE COM NO. 1					TD: 11500'	DATE: June 9, 2006				
LOCATION: 1650' FNL & 660' FWL SEC 12 T19S R28E					COUNTY: EDDY	STATE: NEW MEXICO				
COST CATEGORY					ESTIMATED	ACTUAL	DIFFERENCE			
I. INTANGIBLE DRILLING COST										
A. SURFACE COST										
SURVEY LOCATION / DAMAGES / ROW					2,500	0	0			
ARCH SURVEY / PERMITS					2,000	0	0			
LOCATION/PITS/ROAD/MAINT/RESTORE					60,000	0	0			
CONDUCTOR/MHRH SERVICES					6,000	0	0			
PIT LINER					8,000	0	0			
OTHER BIRD NETTING					3,000	0	0			
B. DRILLING RIG										
FOOTAGE / TURNKEY					0	0	0			
MOB/DE-MOB					150,000	0	0			
DAYRATE W/DP (W/ TAX)	\$23,800	X	30	DAYS	714,000	0	0			
FUEL	\$2,500	X	30	DAYS	75,000	0	0			
OTHER					0	0	0			
C. SURFACE CASING										
CASING CREW/LD MACHINE					5,000	0	0			
FLOAT EQUIPMENT/CENTRALIZERS/ETC					3,000	0	0			
CEMENT & SERVICES					20,000	0	0			
BOPE TEST/NU CREW/FLUID CALIPER					5,000	0	0			
INSPECTION/TRANSPORTATION					2,000	0	0			
BITS / BHA / SHOCK SUB					5,000	0	0			
OTHER					0	0	0			
D. PROTECTIVE CASING										
CASING CREW/LD MACHINE					8,000	0	0			
FLOAT EQUIPMENT/CENTRALIZERS/ETC					3,000	0	0			
CEMENT & SERVICES					45,000	0	0			
BOPE TEST/NU CREW/FLUID CALIPER/FIT					12,000	0	0			
INSPECTION/TRANSPORTATION					7,000	0	0			
BITS / BHA / SHOCK SUB					35,000	0	0			
OTHER downhole motor					12,000	0	0			
PROTECTIVE LINER										
CASING CREW/LD MACHINE					0	0	0			
FLOAT EQUIPMENT/CENTRALIZERS/ETC					0	0	0			
CEMENT & SERVICES					0	0	0			
BOPE TEST/NU CREW/FLUID CALIPER					0	0	0			
INSPECTION/TRANSPORTATION					0	0	0			
BITS / BHA / SHOCK SUB					0	0	0			
OTHER					0	0	0			
E. PRODUCTION HOLE BITS / BHA / SHOCK SUB					70,000	0	0			
F. DRILLING FLUID										
MUD MATERIALS					50,000	0	0			
WATER					70,000	0	0			
DISPOSAL					30,000	0	0			
OTHER					0	0	0			
G. DIRECTIONAL SURVEYS / SERVICES					0	0	0			
H. TRANSPORTATION					\$500	X	30 DAYS			
I. SUPERVISION					\$1,000	X	30 DAYS			
J. RENTALS										
CHOKE/ PVT/ ETC.					\$250	X	25 DAYS			
GAS BUSTER / IGNITER					\$400	X	0 DAYS			
SOLIDS CONTROL					\$100		25			
TRLR / WTR / TRASH					\$250	X	30 DAYS			
WELDING / ROUSTABOUT / FORKLIFT / ETC					10,000	0	0			
JARS / ROTATING HEAD / BHA INSPECTION					30,000	0	0			
H2S SAFETY					\$0	X	0 DAYS			
COMMUNICATION					\$50	X	30 DAYS			
OTHER FRAC TANK MUD STORAGE & TRANSFER					0	0	0			
OTHER AUTOMATIC DRILLER					2,000	0	0			
OTHER STRAIGHT HOLE MOTORS					35,000	0	0			
K. FISHING								0	0	0
L. MISC. COST (INCLUDING P & A) (10% CONT)								150,000	0	0
TOTAL INTANGIBLE DRILLING COSTS					1,700,000	0	0			

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STATE:

NEW MEXICO

COST CATEGORY				ESTIMATED	ACTUAL	DIFFERENCE
II. TANGIBLE DRILLING COST						
A. CONDUCTOR CASING				0	0	0
B. SURFACE CASING						
	330 FT. of 11 3/4" 42#, H-40 STC CGS @	\$32.50	/FT.	10,725	0	0
C. PROTECTIVE CASING						
	3300 FT. 8 5/8" 32 # J55 LTC CSG @	\$21.25	/FT.	71,000	0	0
	0 FT. of	\$0.00	/FT.	0	0	0
PROTECTIVE CASING / LINER						
	0 FT. of	\$0.00	/FT.	0	0	0
D. SURFACE CASING HEAD				5,000	0	0
E. PROTECTIVE CASING HEAD(S)				8,000	0	0
F. LINER HANGER				0	0	0
G. OTHER				0	0	0
H. MISCELLANEOUS (5% CONT)				6,500	0	0
TOTAL TANGIBLE DRILLING COST				110,000	0	0
III. EVALUATION						
A. LOGGING COST						
	RUN #1 @ TD. (PEX) GR/LDT/CNL, GR/DIL/SFL			50,000	0	0
	RUN #2 @ TD				0	0
LOG PROCESS FEES				0	0	0
RIG, FUEL, RENTALS, & MUD				27,500	0	0
	1 DAY @ \$27500/DAY				0	0
	BASS SUPERVISION/Consultant 1 day@\$1000			1,000	0	0
B. DRILL STEM TEST COST (0)					0	0
DST SERVICES				0	0	0
SURFACE EQUIPMENT				0	0	0
SAMPLE ANALYSIS				0	0	0
RIG, FUEL, CONSULT., RENTALS, & MUD				0	0	0
	0 DAYS @ \$27,500 /DAY			0	0	0
C. ROTARY / SIDEWALL CORES				0	0	0
D. CONVENTIONAL CORING					0	0
FOOTAGE CHARGE/SUPERVISION				0	0	0
BIT DAMAGE				0	0	0
E. SIDEWALL/CONVENTIONAL CORE ANALYSIS				0	0	0
F. MUD LOGGING COST					0	0
	25 DAYS @ \$1,000 /DAY			25,000	0	0
G. OTHER				0	0	0
H. MISCELLANEOUS COST (5% CONT)				5,500	0	0
TOTAL EVALUATION COST				110,000	0	0

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COST CATEGORY				ESTIMATED	ACTUAL	DIFFERENCE
IV. INTANGIBLE COMPLETION COST						
A. DRILG RIG, FUEL, & RENTALS COST						
3 DAYS @	\$27,500 /DAY			82,500	0	0
B. COMPLETION RIG						
15 DAYS @	\$4,000 /DAY			60,000	0	0
C. PRODUCTION CASING						
CASING CREW/LD MACHINE				10,000	0	0
FLOAT EQUIPMENT/CENTRALIZERS/OV TOOL				5,000	0	0
TURBOLIZERS/SCRATCHERS/SEAL UNITS				10,000	0	0
CEMENT & SERVICES				90,000	0	0
INSPECTION/TRANSPORTATION				10,000	0	0
DRIFTING AND SANDBLASTING				5,000	0	0
OTHER: TEMP SURVEY				1,000	0	0
D. SUPERVISION						
DRILLING	\$1,000	X	1.5 DAYS	1,500	0	0
PRODUCTION	\$500	X	20 DAYS	10,000	0	0
E. LABOR						
CONTRACT				0	0	0
PACKER SERVICE		X	DAYS	5,000	0	0
F. GENERAL TRANSPORTATION						
\$500	X	10 DAYS		5,000	0	0
G. PRODUCTION TUBING SERVICES						
PRESSURE TESTING / TORQUE MONITORING				3,000	0	0
MISCELLANEOUS (INTERNAL COAT, DOPE, SEAL RINGS)				0	0	0
OTHER				0	0	0
H. COMPLETION FLUID (FRAC WATER)						
DISPOSAL OF PROD. FLUID/COMPL. FLUID				3,000	0	0
I. RENTALS						
WORK STRING				0	0	0
DRILL COLLARS / SUBS / SCRAPERS				2,000	0	0
BOPE & TESTING				5,000	0	0
TANKS				5,000	0	0
REVERSE UNIT				5,000	0	0
MISCELLANEOUS (PKR & BP RENTALS, ETC)				5,000	0	0
OTHER				0	0	0
J. COMPLETION RIG ANCHORS						
				3,000	0	0
K. BITS						
				1,000	0	0
L. PRODUCTION LOGGING (correlation log for TCP X 2)						
				8,000	0	0
M. PERFORATING & DEPTH CONTROL SCHLBGER TCP "PURE" X 2						
				70,000	0	0
				0	0	0
N. WIRELINE WORK						
ELECTRIC				6,000	0	0
SLICKLINE				3,000	0	0
BHP				4,000	0	0
O. TREATING						
SERVICES (2 FRACS & ACID)				0	0	0
EQUIPMENT RENTAL / ISOLATION TOOL (FRAC HEAD / VALVE)				0	0	0
P. TESTING						
SWABBING				0	0	0
EQUIPMENT RENTAL / TEST UNIT				5,000	0	0
Q. OTHER MISC TEST & STIMULATE						
LIGHT PLANT	\$300	X	0	0	0	0
R. MISCELLANEOUS (10% CONT)						
				50,000	0	0
TOTAL INTANGIBLE COMPLETION COSTS				580,000	0	0

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COST CATEGORY			ESTIMATED	ACTUAL	DIFFERENCE
V. TANGIBLE COMPLETION COST					
A. PRODUCTION CASING/LINER					
2,200 FT. of 5-1/2" 15 5# K55 LTC CGS @	\$10.50	/FT.	24,000	0	0
4,800 FT. of 5-1/2" 17# K55 LTC CGS @	\$12.50	/FT.	60,000		
4,500 FT. of 5-1/2" 17# N80 LTC CGS @	\$15.50	/FT.	70,000	0	0
B. LINER HANGER					
0 FT. of	\$0.00	/FT.	0	0	0
C. TUBING HEAD					
			10,000	0	0
D. PRODUCTION TUBING					
11,500 FT. of 2-7/8" 6.5#, J55 EUE TBG @	\$6.00	/FT.	69,000	0	0
E. CHRISTMAS TREE					
			20,000	0	0
F. OTHER					
			0	0	0
G. MISCELLANEOUS (10% CONT)					
			27,000	0	0
					0
TOTAL TANGIBLE COMPLETION COST			280,000	0	0

VI. LEASE EQUIPMENT/INSTALLATION

A. EQUIPMENT					
TANKS			30,000	0	0
VAPOR RECOVERY UNIT			0	0	0
SEPARATOR	STACK PACK		30,000	0	0
FLOWLINES (5000' 2 7/8" @ \$2.75/FT.)					
			19,500	0	0
TOTAL FLOW AND METER RUN (1 - Test, 1 - Prod)					
			12,000	0	0
ELECTRICAL EQUIPMENT / ROW					
			0	0	0
PUMPING UNIT					
			0	0	0
PRIME MOVER					
			0	0	0
MOVE AND SET PUMPING UNIT					
			0	0	0
DOWNHOLE EQUIPMENT					
				0	0
RODS					
			0	0	0
PUMP					
			0	0	0
TUBING ANCHOR					
			0	0	0
PACKER & SEAL ASSEMBLY					
			15,000	0	0
POLISHED ROD, LINER, PUMPING TEE					
			0	0	0
WATER DISPOSAL EQUIPMENT					
			0	0	0
CONNECTIONS					
			3,100	0	0
B. LABOR					
			17,500	0	0
C. GAS LINE CONNECTION / ROW					
			50,000	0	0
D. OTHER (Transportation)					
			0	0	0
E. MISCELLANEOUS (10% CONT)					
			17,000	0	0
TOTAL LEASE EQUIPMENT			200,000	0	0

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COST CATEGORY

ESTIMATE

I. INTANGIBLE DRILLING COST

A. SURFACE COST	81,500
B. DRILLING RIG	939,000
C. SURFACE CASING	40,000
D. PROTECTIVE CASING	122,000
E. PRODUCTION HOLE BITS / BHA / SHOCK SUB	70,000
F. DRILLING FLUID	150,000
G. DIRECTIONAL SURVEYS / SERVICES	0
H. GENERAL TRANSPORTATION	17,500
I. SUPERVISION	30,000
J. RENTALS	96,000
K. FISHING	0
L. MISCELLANEOUS COST (INCLUDING P&A)	150,000

TOTAL INTANGIBLE DRILLING COST

1,700,000

II. TANGIBLE DRILLING COST

A. CONDUCTOR CASING	0
B. SURFACE CASING	10,725
C. PROTECTIVE CASING - 1ST	71,000
PROTECTIVE CASING - 2ND	0
D. SURFACE CASING HEAD	5,000
E. PROTECTIVE CASING HEAD (S)	8,000
F. LINER HANGER	0
G. OTHER	0
H. MISCELLANEOUS	6,500

TOTAL TANGIBLE DRILLING COST

110,000

III. EVALUATION

A. LOGGING COST	78,500
B. DRILL STEM TEST COST	0
C. ROTARY / SIDEWALL CORES	0
D. CONVENTIONAL CORING	0
E. SIDEWALL / CONVENTIONAL CORE ANALYSIS	0
F. MUD LOGGING COST	25,000
G. OTHER	0
J. MISCELLANEOUS COST	5,500

TOTAL EVALUATION COST

110,000

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COST CATEGORY

IV. INTANGIBLE COMPLETION COST

A. DRLG RIG, FUEL, MUD & RENTALS COST	82,500
B. COMPLETION RIG	60,000
C. PRODUCTION CASING	131,000
D. SUPERVISION	11,500
E. LABOR	5,000
F. GENERAL TRANSPORTATION	5,000
G. PRODUCTION TUBING SERVICES	3,000
H. COMPLETION FLUID	3,000
I. RENTALS	22,000
J. COMPLETION RIG ANCHORS	3,000
K. BITS	1,000
L. PRODUCTION LOGGING	8,000
M. PERFORATING & DEPTH CONTROL	70,000
N. WIRELINE WORK	13,000
O. TREATING - ACID & FRAC	0
P. TESTING	5,000
Q. OTHER	100,000
R. MISCELLANEOUS	50,000

TOTAL INTANGIBLE COMPLETION COSTS	580,000
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V. TANGIBLE COMPLETION COST

A. PRODUCTION CASING/LINER	154,000
B. LINER HANGER	0
C. TUBING HEAD	10,000
D. PRODUCTION TUBING	69,000
E. CHRISTMAS TREE	20,000
F. OTHER	0
G. MISCELLANEOUS	27,000

TOTAL TANGIBLE COMPLETION COST	280,000
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VI. LEASE EQUIPMENT/INSTALLATION

A. EQUIPMENT	109,600
B. LABOR	17,500
C. GAS LINE CONNECTION / ROW	50,000
D. OTHER	0
E. MISCELLANEOUS	17,000

TOTAL LEASE EQUIPMENT	200,000
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GRAND TOTAL	2,980,000
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COPAS overhead costs are not included in the above estimate; however, such costs will be appropriately billed.