AUTHORITY FOR EXPENDITURE
ESTIMATED WELL COSTS

ENERGEN RESOURCES

AFE NUMBER SJ06-74	PROPERTY NUMBER 20674 A/B		DATE 7/11/2006
WELL NAME AND NUMBER Jicarilla 126S #1E	FIELD OR AREA Gallup/Dakota		
OPERATOR Energen Resouces	COUNTY Rio Arriba		STATE New Mexico
PROJECT DESCRIPTION AND LOCATION	SECTION: NW 8 1	TOWNSHIP ~~26N~~ 24N	RANGE ~~5W~~ 4W
New Development Well	PROPOSED FORMATION Gallup/Dakota		PROPOSED DEPTH 7,800
☐ SINGLE / ☑ DUAL — ☐ OIL ☑ GAS — ☐ EXPL. ☑ DEV. ☐ STRAT.	☐ WORKOVER ☑ NEW	☑ CAPITAL ☐ EXPENSE	DEEPEN ☐ YES ☐ NO
☑ LAND ☐ BAY / ☐ MARSH ☐ GULF — DATE TO START 10/10/2006	DAYS TO DRILL/COMPLETE 14	6	☑ ORIGINAL ☐ SUPPLEMENT

Code	Item	Size	Length	Rate	DRY HOLE	COMMON COSTS	STRING A	STRING B	TOTAL COSTS
	TANGIBLES - 940								
	TUBULAR GOODS								
101	Conductor Pipe	In.	Ft.	$/Ft.					$0.00
106	Surface Casing	9 5/8 In.	200 Ft.	24.65 $/Ft.	$4,930.00				$4,930.00
104	Production	In.	Ft.	$/Ft.					$0.00
104	First Inter.	7 In.	4,300 Ft.	15.31 $/Ft.	$65,833.00				$65,833.00
104	Second Inter.	In.	Ft.	$/Ft.					$0.00
104	Prod. Liner	4 1/2 In.	3,680 Ft.	8.20 $/Ft.		$30,176.00			$30,176.00
105	Rods	In.	Ft.	$/Ft.					$0.00
107	Tubing	2 3/8 In.	7,800 Ft.	3.64 $/Ft.		$28,392.00			$28,392.00
107	Tubing	In.	Ft.	$/Ft.					$0.00
	EQUIPMENT								
201	Wellhead					$16,400.00			$16,400.00
102,103	Tbg & Csg Acc, liner hgr, Prod Pkr.					$15,400.00			$15,400.00
202,203	Production								
205,206	Equipment					$26,500.00			$26,500.00
204	Other					$10,500.00			$10,500.00
	TOTAL TANGIBLES				$70,763.00	$127,368.00	$0.00	$0.00	$198,131.00
	INTANGIBLES - 950								
	DRILLING COSTS								
103	Turnkey								$0.00
103	Footage		Ft.	$/Ft.					$0.00
103	Day Work		14 Ds.	15,000 $/Ds.	$210,000.00				$210,000.00
208	Comp Rig		84 Hr.	375.00 $/Hr.		$31,500.00			$31,500.00
208	Service unit					$3,300.00			$3,300.00
105	Rental Tools, Services, Chokes, Etc.				$3,300.00	$2,200.00			$5,500.00
107,205	Rig Moving Cost				$11,500.00	$3,300.00			$14,800.00
105	Other Roustabout Crew/Welder								$0.00
	CEMENTING (INCL. FLOAT EQUIP. ETC.)								
102	Surface				$6,500.00				$6,500.00
102	Intermediates				$26,500.00				$26,500.00
201	Production								$0.00
201	Production Liners					$18,000.00			$18,000.00
102	Tieback String								$0.00
201	Squeeze Cemt. (incl. Ret. & Pkrs.)								$0.00
201	Other								$0.00
	FORMATION TREATMENT								
207	Acidizing								$0.00
207	Fracturing Equipment & Materials						$110,000.00	$85,000.00	$195,000.00
204	Frac. Fluid Gas						$6,400.00	$3,300.00	$9,700.00
203,205	Tank Rental & Hauling						$3,300.00	$2,000.00	$5,300.00
	SPECIAL SERVICES								
206	Perforation (set B.P. & Pkrs., Wireline Etc.)						$5,000.00	$6,400.00	$11,400.00
150	Mud Logging Data Units				$6,600.00				$6,600.00
150	Formation Logging				$20,000.00				$20,000.00
160,250	Cores, DST=s, Well Testing, etc.								$0.00
150	Drilling Logs (CBL, Tracer, Inspection, W.L.)								$0.00
203	Packer & Retr. B.P.								$0.00
206	Whipstocking & Sidetracking					$5,000.00			$5,000.00
206	Compressors								$0.00
	DRILLING FLUIDS								
104	Mud & Chemicals				$15,400.00				$15,400.00
108	Water & Brine				$8,800.00	$1,100.00			$9,900.00
108	Other (Gas & Air)								$0.00
	MATERIALS & SERVICES OTHER								
101	Bits & Reamers				$22,000.00	$1,000.00			$23,000.00
106	Fuel				$4,100.00	$3,100.00			$7,200.00
107,205	Hauling				$7,100.00	$4,600.00			$11,700.00
201	Tubular Inspection								$0.00
105,203	Testing (Manifolds, BOP, Tbg Etc)								$0.00
105,203	Misc. Csg Exp (Run Csg, Sandblasting, Etc.)				$9,200.00				$9,200.00
203	Tank Rentals								$0.00
203	Equipment Rental				$26,000.00	$13,500.00			$39,500.00
203	Misc. Exp.				$3,800.00	$2,700.00			$6,500.00
	LOCATION, ACCESS, CLEANUP								
030	Road /Site/Construction				$35,000.00				$35,000.00
060,080	Safety/Environmental				$2,500.00				$2,500.00
020	**SUPERVISION & LEGAL ETC.**				$12,000.00	$4,800.00			$16,800.00
	TOTAL INTANGIBLES				$430,300.00	$94,100.00	$124,700.00	$96,700.00	$745,800.00
	Plus 7 % Contingency				$30,121.00	$6,587.00	$8,729.00	$6,769.00	$52,206.00
	TOTAL INTANGIBLES WITH 7% CONTINGENCY				$460,421.00	$100,687.00	$133,429.00	$103,469.00	$798,006.00
	TOTAL TANGIBLES				$70,763.00	$127,368.00	$0.00	$0.00	$198,131.00
	GRAND TOTAL				$531,184.00	$228,055.00	$133,429.00	$103,469.00	$996,137.00

Partner Name: ______________ Upper Zone = DryHole Costs ($531,184 ÷ 2) + Common Costs ($228,055 ÷ 2) + String B ($103,469) = $483,089

W.I. % for Dry Hole [ ] W.I. % for Completion [ ] Lower Zone = DryHole Costs ($531,184 ÷ 2) + Common Costs ($228,055 ÷ 2) + String A ($133,429) = $513,049

Date:	July 11, 2006	Partner's Approval
Prepared by:	N Smith	Company Name:
Approved by:		Date:

NMOCD CASE NO. 13890
MARCH 15, 2007
ENERGEN RESOURCES COMPANY
EXHIBIT NO. 5