

GAS _____
OIL _____

DRILLING _____
COMPLETION _____

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Oil Conservation Division

20 N. BROADWAY, SUITE 1500, OKLAHOMA CITY, OK 73102

AUTHORITY FOR EXPENDITURE

Case No. 3
Exhibit No. 3

DRILLING/COMPLETION COST ESTIMATE

AFE NO.: 131289
Lease Name - Well #: Acme 15 Federal Com 3
Legal Description: 1980' FNL & 1880' FEL Sec. 15-T19S-R31E

County/Parish: Eddy
State: New Mexico
Prepared By: Ortiz, Marcos

AUTHORITY REQUESTED TO:

Drill and complete Morrow Formation

Code	Intangible Description	Completion Costs	Drilling Costs	Dry Hole Costs	Total Costs
011	DRILL-LAND, LEGAL	0	4,000	0	4,000
011	LAND, LEGAL	5,000	0	0	5,000
012	COMPL-SURF DAMAGES/RIGHTOFWAY	6,000	0	0	6,000
012	DRILL-SURF DMGS/RIGHT OF WAY	0	3,000	0	3,000
013	DRILL-LOCATION,ROADS, PITS, FNCS	0	30,000	0	30,000
019	DRILL-OTHER SITE PREPARATION	0	10,000	0	10,000
019	OTHER SITE PREPARATION	1,000	0	0	1,000
043	DAYWORK	52,500	665,000	0	717,500
044	DRILL-MOB/DEMOBILIZATION	0	65,000	0	65,000
045	DIRECTIONAL DRILLING	0	35,000	0	35,000
049	DRILL-OTHER CONTRACTOR SERVICE	0	7,000	0	7,000
049	OTHER CONTRACTOR SERVICES	5,500	0	0	5,500
101	DRILL BITS	0	66,466	0	66,466
102	COMPLETION FLUIDS	12,000	0	0	12,000
102	DRILL-DRILLING FLUIDS	0	49,000	0	49,000
103	DRILL-SURFACE RENTAL TOOLS & EQUIP	0	21,900	0	21,900
103	SURFACE RENTAL TOOLS & EQUIP (incl. foam/air u	16,500	0	0	16,500
104	COMPL-DOWNHOLE RNTL TOOLS & EQ	5,000	0	0	5,000
104	DOWNHOLE RENTAL TOOLS & EQUIPMENT	0	25,000	0	25,000
109	DRILL-OTHER MATRLS & SUPPLIES	0	2,000	0	2,000
109	OTHER MATERIALS & SUPPLIES	500	0	0	500
201	DRILL-WELD, ROUTABOUT & OTHER	0	10,000	0	10,000
201	WELDING, ROUSTABOUTS & OTHER SERV	11,000	0	0	11,000
202	COMPL-DIRT WORK & HEAVY EQUIPN	1,000	0	0	1,000
202	DIRT WORK & HEAVY EQUIPMENT	0	5,000	0	5,000
203	DRILL-TRUCKING & HOTSHOT	0	15,000	0	15,000
203	TRUCKING & HOTSHOT	4,000	0	0	4,000
204	PIPELINE INSTALLATION	20,000	0	0	20,000
251	CEMENT & CEMENTING SERVICES	75,000	45,000	0	120,000
254	FLOWBACK EQUIP-TESTING SERVICES	8,000	0	0	8,000
255	DRILL-LOGGING	0	60,000	0	60,000
255	LOGGING	25,000	0	0	25,000
257	DRILL-OPEN HOLE EVALUATION	0	20,000	0	20,000
259	CASING & TUBULAR SERVICES	0	12,000	0	12,000
263	DRILL-FLUID DISPOSAL	0	80,000	0	80,000
263	FLUID DISPOSAL	3,500	0	0	3,500
265	STIMULATION & GRAVEL PACK	200,000	0	0	200,000
269	COMPL - CONSULTANTS	20,000	0	0	20,000
269	CONSULTANTS	0	43,750	0	43,750
271	COMPL-FISHING SERVICES	3,000	0	0	3,000

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281	COMMUNICATION SERVICES	0	3,500	0	3,500
302	DRILL-WATER	0	25,000	0	25,000
302	WATER	1,000	0	0	1,000
306	COMPL-OTHER POWER & FUEL	3,500	0	0	3,500
306	DRILL-POWER & FUEL	0	77,000	0	77,000
501	PULLING & SWABBING UNITS	45,000	0	0	45,000
503	BACKFILL PITS/RESTORE LOCATION	2,000	10,000	0	12,000
552	DRILL-SAFETY EQUIP & TRAINING	0	5,400	0	5,400
552	SAFETY EQUIPMENT & TRAINING	1,000	0	0	1,000
559	COMPL-ENVMNT & SAFETY MISC	1,000	0	0	1,000
711	COMPANY SUPERVISION	1,200	0	0	1,200
731	CONSTRUCTION OVERHEAD	1,500	0	0	1,500
831	VEHICLE EXPENSE	500	0	0	500
895	DRILL-TAXES -OTHER IDC	0	139,502	0	139,502
895	TAXES - OTHER	25,000	0	0	25,000
Total Intangibles		556,200	1,534,518	0	2,090,718

Code	Tangible Description	Completion Costs	Drilling Costs	Dry Hole Costs	Total Costs
901	SURFACE CASING	0	18,700	0	18,700
902	INTERMEDIATE CASING	0	92,200	0	92,200
903	PRODUCTION CASING	256,230	0	0	256,230
915	TUBING	74,000	0	0	74,000
925	SUBSURFACE EQUIP	15,000	0	0	15,000
931	WELLHEAD VALVES & EQUIPMENT	16,000	8,666	0	24,666
941	TANKS	33,000	0	0	33,000
945	TREATING EQUIPMENT	20,000	0	0	20,000
961	COMPL-LINE PIPE,METERS & FITTINGS	5,000	0	0	5,000
986	COMPL-SURFACE-OTH TANG EQUIPMENT	10,000	0	0	10,000
Total Tangibles		429,230	119,566	0	548,796

TOTAL ESTIMATED COSTS		985,430	1,654,084	0	2,639,514
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Note: Costs and participations are generally estimates. Billings will be based on actual expenditures

WORKING INTEREST OWNER APPROVAL

Company name:

Signature: _____ Print Name: _____

Title: _____

Date: _____

Email: _____
