

COST ESTIMATE and AUTHORITY FOR EXPENDITURE (AFE)

SUBMERSIBLE PUMP TEST DEVONIAN

LOWE #1-A, Unit A, Section 34, T-21S, R-37E, Lea County, New Mexico

TANGIBLE

1 - 500 bbl Water Tank	\$ 6,000
1 - 10' x 15' Free Water Knockout	30,000
1 - Centripetal Pump	1,500
600' - 4" poly pipe @ \$3.40/ft.	2,000
Misc. Valves and fittings	1,000
2800' - 2 7/8" L-80 tbg. @ \$7.50/ft.	21,000
New Mexico State Tax @ 6.25%	4,000
Total Tangibles for Test	\$65,500

INTANGIBLE

Pulling Unit - 10 days	\$45,000
Reverse Unit - 5 days	15,000
Squeeze Wolfcamp Zone	13,000
1 month test rental: 170 hp / 300 stage	8,000
Installation Charges	2,500
Services and spooling	3,800
Electrical work	2,000
1 month rental - 205 kw generator @ \$275/day	8,500
Fuel for generator @ 200 gallons / day @ \$2.25/gal.	14,000
Install water tank and centripetal	1,000
Trucking	3,000
Miscellaneous	5,000
Supervision	5,000
New Mexico State Tax @ 6.25%	8,200
Total Intangible for Test	\$134,000

TOTAL AFE FOR TEST **\$199,500**

Tangible

Submersible Pump, 170 hp	\$80,000
Transformers	7,400
Lea County Voltage Regulators	38,000
New Mexico State tax	8,100
Total Tangibles	\$133,500

Intangible

Change out rented submersible	\$4,000
Pulling Unit	4,000
Trucking	1,000
Miscellaneous	3,000
Supervision	2,000
New Mexico State tax	900
Total Intangibles	\$14,900

TOTAL ADDITIONAL COST IF TEST IS SUCCESSFUL **\$148,400**
Permanent Installation

APPROVED: _____

Signature	Printed Name	Date
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Company Name (if applicable)	Title
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Oil Conservation Division
Case No. _____
Exhibit No. **5**