READ & STEVENS, INC. OIL PRODUCERS

400 Penn Plaza, Suite-1000 EIVED Roswell, New Mexico 8520 EIVED

Phone: 575/622-3770 Fax: 575/622-8643

2009 JUN 11 AM 11 32

Warnell

June 10, 2009

Case 14152

New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505 ATTN: Florence Davidson

RE: Highway 5 Federal Com. #1 N/2 Section 5, T20S-R34E Lea County, NM R&S #10,265W

Gentlemen:

In accordance with NMOCD Order No. R-12985, please find the attached itemized schedule of actual well costs for the captioned well which was completed on April 21, 2009.

Respectfully,

Robert N. Watson /A.

Robert H. Watson Land Manager

RHW/jas

Enclosure

Mailing address P. O. Box 1518 Roswell, New Mexico 88202

READ & STEVENS, INC. DJ210

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JIB BILLED ITEMS HISTORY BY PROPERTY/CATEGORY

PAGE 1

06/09/09

D10295 HIGHWAY 'S' FEDERAL COM #1 1-10 ABSTRACT & RECORDING FEES 5,868.90 D10295 TOTAL LEASEHOLD COST 5,868.90 2-03 FUEL 89,998.65 2-06 2-04 ADMINISTRATIVE DRILLING OHEAD 14,225.88 2-05 BTIS & REAMERS 72,811.74 2-14 CUTTING DISPOSAL 24,695.00 2-15 CEMENT SERVICES 93,627.94 2-20 DATWORK 546,476.88 2-30 DATWORK 546,476.88 2-30 DATWORK 546,476.88 2-35 LEGAL 29,892.38 2-36 MUD LOGGING 10,162.08 2-35 LEGAL 29,892.38 2-36 MUD COGGINO 56,972.30 2-36 MUD COGGINO 56,972.30 2-37 MOROEMOB 416,723.00 2-38 SUPERVISION 67,643.04 2-39 INSURANCERIC ONO UTGULUMRELLA 15,426.69 2-34 TRANSPORTATION & HAULING 42,690.41 2-46 <	CO CENTI	AMOUNT	CATEGORY DESCRIPTION	JIB CATEGORY	PROPERTY NAME	PROPERTY
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4-03 SURFACE CASING 124,937.84 4-05 PRODUCTION CASING 6,759.19 4-21 INTERMEDIATE CASING 249,250.13		7,332.25	WATER	3-90		
4-05 PRODUCTION CASING 6,759.19 4-21 INTERMEDIATE CASING 249,250.13		520,073.20	INTANGIBLE COMPLETION COST-ACP	TOTAL		
4-05 PRODUCTION CASING 6,759.19 4-21 INTERMEDIATE CASING 249,250.13		124,937.84	SURFACE CASING	4-03		
4-21 INTERMEDIATE CASING 249,250.13						
4-60 WELLHEAD 42,016.62						

READ & STEVENS, INC. DJ210

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JIB BILLED ITEMS HISTORY BY PROPERTY/CATEGORY

PAGE 2

06/09/09

PROPERTY	PROPERTY NAME	JIB CATEGORY	CATEGORY DESCRIPTION	AMOUNT	COST CENTER
010265	HIGHWAY "5" FEDERAL COM #1	4-99	OTHER TANGIBLES	32,641.01	0
		TOTAL	TANGIBLE DRILLING COSTS - BCP	455,693.66	
		5-33	PIT LINING	573.55	0
		5-36	PRODUCTION CASING	453,993.60	0
		5-45	SEPARATOR	1,200.00	0
		5-51	TANKS & ACCESSORY EQUIPMENT	2,700.00	0
		5-54	TUBING	1,608.90	0
		5-57	VALVES & FITTINGS	8,783.15	0
		5-60	WELLHEAD	11,757.54	0
		5-99	OTHER TANGIBLES	426.16	0
		TOTAL	TANGIBLE COMPLETION COST - ACP	481,042.90	
		8-66	PROFESSIONAL FEES	40.00	0
		TOTAL	LEASE OPERATING EXPENSES	40.00	
		TOTAL PRO	OPERTY	3,404,627.96	
		RECAP T	OTAL	3,404,627.96	·

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