

STRATA PRODUCTION COM. ANY
P.O. BOX 1030
ROSWELL, NEW MEXICO 88202

AFE NUMBER: UTHF-22-32-22
DATE: 5-12-98

AUTHORIZATION FOR EXPENDITURE

LEASE/WELL NAME: UNDER THE HILL FEDERAL #1
FIELD NAME: WEST BOOTLER RIDGE
LEGAL DESCRIPTION: W/2 SECTION 22-T22S-R32E
DESCRIPTION OF WORK: DRILL A WELL TO TEST ATOKA AND MORROW PRODUCTION

DEPTH: 15,000 FT.
OBJECTIVE: MORROW
COUNTY/STATE: LEA, N.M.

ACCOUNT CODE	DESCRIPTION	DRILLING	COMPLETION	TOTAL
INTANGIBLE DRILLING COSTS				
530-002	SURVEYING	800		
530-005	LOCATION, ROAD & DAMAGES	25,000		
530-010	DRILLING - FOOTAGE RATE \$22.00/FT. 15,000 FT.	349,800		
530-015	DRILLING- DAYWORK \$7500/DAY 6 DAYS	47,700		
530-130	CEMENT & SERVICES: SURFACE CASING 700 SX	10,500		
530-132	10 3/4"INTERMEDIATE CASING 2000 SX.	30,000		
530-132	7 5/8"INTERMEDIATE CASING 2500 SX	37,500		
530-025	SUPERVISION 60 DAYS @ \$450	28,620		
530-050	GEOLOGIST 4 DAYS @ \$450	1,908		
530-046	MUD MATERIALS & SPECIAL EQUIPMENT	40,000		
530-045	WATER 30,000 BBLs.	37,500		
530-090	HAULING AND TRANSPORTATION	4,000		
530-070	MUDLOGGING \$450/DAY 45 DAYS	21,465		
530-075	LOGGING	47,700		
530-126	PIT LINING AND FENCING	5,800		
530-020	ADMINISTRATIVE OVERHEAD	14,000		
530-102	LEGAL	10,000		
530-055	DRILL STEM TESTS 1 TEST	15,700		
530-125	MISCELLANEOUS	25,000		
INTANGIBLE COMPLETION COSTS				
532-003	COMPLETION UNIT 10 DAYS @ \$130/HR.		16,536	
532-002	REVERSE UNIT AND EQUIPMENT		5,300	
532-046	WATER 3000 BBLs.		3,657	
532-015	CEMENTING SERVICES PRODUCTION LINER		25,000	
532-025	PERFORATING, CORRELATIONAND BOND LOG		26,500	
532-035	STIMULATION: 2000 GAL. ACID TREATMENT		10,600	
532-086	WELDING		2,120	
532-060	SUPERVISION 15 DAYS @ \$450/DAY		3,600	
532-090	TRANSPORTATION, INSTALLATION & LABOR		4,770	
532-010	EQUIPMENT RENTAL: 2- FRAC TANKS		1,229	
532-045	7 5/8" PACKER		3,500	
532-100	MISCELLANEOUS		5,000	
532-095	LABOR, ROUSTABOUTS 6 DAYS @ \$650/DAY		3,900	
532-056	CASING CREWS: PRODUCTION LINER		3,180	
532-021	ADMINISTRATIVE OVERHEAD		7,000	
532-125	MISCELLANEOUS		10,000	
TOTAL INTANGIBLE COSTS		752,993	131,892	884,885
TANGIBLE COMPLETION COSTS				
134-002	WELLHEAD	25,000	25,000	
134-003	SURFACE CASING 13 3/8" - 760 FT.	14,501		
134-005	INTERMEDIATE CASING 10 3/4" - 4750 FT.	80,759		
134-005	INTERMEDIATE CASING 7 5/8" - 12,200 FT.	201,739		
134-007	PRODUCTION LINER 5" - 3,200 FT.		36,125	
134-010	TUBING 2 7/8" - 15,000 FT.		130,380	
134-032	ANCHORS		1,696	
134-020	LINER HANGER		15,000	
134-035	FLOWLINES VALVES & FITTINGS		7,500	
134-002	SPECIAL EQUIPMENT-PACKER, ON-OFF TOOL, PROFILES, ETC.		15,900	
134-045	TANKS 2 - 500 BBL. STEEL & 1 - 250 BBL. F.G.		16,000	
134-055	3 PHASE H.P. GAS UNIT		25,000	
134-125	MIC. WELL EQUIPMENT		5,000	
TOTAL TANGIBLE COSTS		321,999	272,601	594,600
TOTAL WELL COST		1,074,992	404,493	1,479,485

COMPLETE MORROW WITH TUBING CONVEYED PERFORATING SYSTEM

PREPARED BY: DRUCE A. STUBBS

TITLE: PETROLEUM ENGINEER

DATE: 5-12-98

STRATA PRODUCTION COMPANY

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

APPROVED BY: 
MARK B. MURPHY

DATE: 6/10/98

APPROVED BY:

Case No. 12011 Exhibit No. 3

DATE:

COMPANY:

Submitted by: Strata Petroleum Company

IT IS RECOGNIZED THAT THE AMOUNTS HEREIN ARE AS SPECIFIED ABOVE, WHETHER MORE OR LESS THAN SET

THE OPERATION

Hearing Date: July 23, 1998