

## DAVID H. ARRINGTON OIL AND GAS, INC.

## AUTHORITY FOR EXPENDITURE (AFE)

AFE #: NM48 Date: 05/18/10 ☒ Original  
☐ Supplemental  
 Lease: Green Eyed Squeaky Worm Well #: 1 Well Type: Morrow  
 Location: 1974 FSL & 1129 FEL County: Lea State: New Mexico  
Section 26, T15S, R34E  
 API #: 30-026-36013 Objective: Re Establish Proposed TD: \_\_\_\_\_  
Production

Purpose of Expenditure: Re Establish Morrow production  
 This AFE supports putting the Morrow zone back in production by pumping the produced water off the formation

## CONVENTIONAL DRILLING

INTANGIBLE EXPENSE				DRILLING	COMPLETION	TOTAL
Surveying						0
Damages						0
Sismic Acquisition						0
Title Opinion						0
Staking & Permitting						0
Location, (drilling location & Frac Pond)						0
road						0
Conductor & Rathole						0
directional gyro						0
Mobilization/Demobilization						0
Drilling - motors	0 @	\$0 /Day				0
Drilling - Daywork	0 @	\$0 /Day				0
Drilling - Directional	0 @	\$0				0
Completion Rig	3 @	\$7,000 /Day			21,000	21,000
Fuel/pwr/tubs	0 @	\$0 /day				0
Drill Bits						0
Drilling & Completion Fluids					2,000	2,000
Air Packages + Hammer Bit	0 @	0				0
Mud Logging	0 @	\$0 /Day				0
snubbing unit	0 @	\$0				0
well tractor	@	\$0				0
Logging - Cased Hole						0
Cement & Services - Surface						0
Cement & Services - Plugback						0
Cement & Services - Production Liner						0
Cement & Services - P & A						0
Casing Crews/Laydown Machine						0
Wireline Services, Set Plug	@				0	0
Acidizing, Fracturing & Stimulation:						0
water transfer						0
Rental Equipment	amount	#			3,000	3,000
Coiled Tubg						0
Drill Out Motors	\$0	0 daily	\$0			0
Nitrogen	\$0	0 daily	\$0			0
Bond Log						0
Misc Drilg Tools	\$0	0 daily	\$0			0
Communications	\$0	0 daily	\$0			0
Generator	\$0	0 daily	\$0			0
Tank/Hoisting/Trawl/Saver	\$0	0 daily	\$0			0
Epoch	\$0	0 daily	\$0			0
Restoration						0
Installation - Production Facilities						0
Inspection (casing)						0
Water Well						0
Flow test	0	\$0				0
Transportation & water hauling (includes hauling waste)					2,000	2,000
Miscellaneous Labor					5,000	5,000
Engineering & Geological Services						0
Overhead						0
Supervision					6,000	6,000
Sand Blast & Coat Casing						0
Contingencies	5%			0	1,950	1,950
TOTAL INTANGIBLE EXPENSE				0	40,950	40,950
TANGIBLE EXPENSE				DRILLING	COMPLETION	TOTAL
Casing - Conductor	of	@	/Ft			0
Casing - Surface	of	@	/Ft			0
Casing - Intermediate	of	@	/Ft			0
Casing - Intermediate	of	@	/Ft			0
Casing - Production	of	@	/Ft			0
Rods	of	@	/Ft		40,000	40,000
Tubing	of	@	/Ft			0
Prime Mover C-640-305-144					60,000	60,000
Wellhead Equipment, Tree						0
Down Hole Pump/gas lift valves					4,000	4,000
Packer/TAC/Misc Downhole						0
Tank Battery & Storage Facilities					10,000	10,000
Separator/Heater Treater/Dehydrator						0
Meters & Flowlines						0
Miscellaneous Valves & Fittings						0
Contingencies	5%				5,700	5,700
TOTAL TANGIBLE EXPENSE				0	119,700	119,700
TOTAL WELL COST				0	160,650	160,650

Partner Approval:

  
 Art Carrasco, Senior Completion Engineer

Company: \_\_\_\_\_

Approved  
By: \_\_\_\_\_

David H. Arrington, President

Title: \_\_\_\_\_

Keith Bucy, General Manager

Date: \_\_\_\_\_

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Case No. 14497 Exhibit No. 5  
 Submitted by:  
 DAVID H. ARRINGTON OIL & GAS INC.  
 Hearing Date: September 2, 2010