



MYCO INDUSTRIES, INC.
OIL PRODUCERS
P.O. BOX 840 / 331 WEST MAIN, SUITE C
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

RECEIVED
MAR 17 1995
Oil Conservation Division

March 13, 1995

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: Case #11190
Order #R-10322
Reflex Federal #1
Eddy County, New Mexico

Gentlemen:

In reference to the captioned area, enclosed please find an itemized schedule of estimated well cost to drill the Reflex Federal #1 well.

Should you have any questions, please advise.

Very truly yours,

MYCO INDUSTRIES, INC.

Douglas W. Hurlbut
Landman

DWH:tmr
Enclosure



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THORITY FOR EXPENDITURE
NEW DRILLING & RECOMPLETION

AFE NO. _____
AFE DATE _____

AFE Type: New Drilling Recompletion
Well Objective: Oil Gas Injector
Well Type: Development Exploratory

AFE STATUS:
 Original
 Revised
 Final

LEASE NAME: REFLEX FEDERAL # 01
COUNTY: EDDY
LEGAL DESC.: 1980' FSL & 660' FEL
FIELD: _____
PROJ'D DEPTH: 11,600'
STATE: NM
LOCATION: S22-T18S-R29E NMPM
HORIZON: MORROW
DIVISION CODE: 100
DIVISION NAME: Oil & Gas Division
DISTRICT CODE: _____
DISTRICT NAME: _____
BRANCH CODE: _____
BRANCH NAME: _____

PROGNOSIS: DRILL A 12-1/4" HOLE OUT OF SURFACE CASING THRU SAN ANDRES AT APPROXIMATELY 4000'.
*IF WATER FLOW ENCOUNTERED SET 8-5/8" @ TD - IF NO WATER FLOW SET 8-5/8" @ 3200'. PRIMARY OBJECTIVE IS THE ATOKA AT 10,700'.

INTANGIBLE DRILLING COSTS:	DRY HOLE	COMP'D WELL
920-100 Staking, Permit & Legal Fees	1,800	1,800
920-110 Location, Right-of-Way	12,000	12,000
920-120 Drilling, Footage 11,600' @ \$18.00/FOOT + TAX	221,850	221,850
920-130 Drilling, Daywork 4-DAYS @ \$4500/DAY	19,000	19,000
920-140 Drilling Water, Fasline Rental	20,000	20,000
920-150 Drilling Mud & Additives	16,000	16,000
920-160 Mud Logging Unit, Sample Bags & GEOLOGIST	6,500	6,500
920-170 Cementing - Surface Casing & INTERMEDIATE CASING	26,000	26,000
920-180 Drill Stem Testing, OHT 2-DST'S	7,200	7,200
920-190 Electric Logs & Tape Copies	9,000	9,000
920-200 Tools & Equip. Rntl., Trkg. & Welding	3,500	3,500
920-210 Supervision & Overhead	10,500	10,500
920-220 Contingency	500	1,000
920-230 Coring, Tools & Service	0	0
920-240 Bits, Tool & Supplies Purchase	500	500
920-350 Cementing - Production Casing	0	28,500
920-410 Completion Unit - Swabbing	0	8,500
920-420 Water for Completion	0	1,500
920-430 Mud & Additives for Completion	0	500
920-440 Cementing - Completion CBL	0	2,000
920-450 Elec. Logs, Testing, Etc. - Completion	0	7,500
920-460 Tools & Equip. Rental, Etc. - Completion	0	8,000
920-470 Stimulation for Completion ONE ZONE	0	30,000
920-480 Supervision & O/H - Completion	0	4,500
920-490 Additional LOC Charges - Completion	0	1,500
920-510 Bits, Tools & Supplies - Completion	0	0
920-500 Contingency for Completion	0	1,000
TOTAL INTANGIBLE DRILLING COSTS	354,350	448,350

TANGIBLE EQUIPMENT COSTS:	DRY HOLE	COMP'D WELL
930-010 Christmas Tree & Wellhead	1,800	9,500
930-020 Casing 13-3/8" 48# H-40 @ 350'	8,100	8,100
* 8-5/8" 32# J-55 @ 3200'	34,000	34,000
5-1/2" 17-20# N-80 @ 11,600'	0	118,500
930-030 Tubing 2-7/8" 6.5# N-80 @ 11,600'	0	46,000
930-040 Packer & Special Equipment	0	5,500
940-010 Pumping Equipment	0	0
940-020 Storage Facilities 2-210 BBL STOCK TANKS/1-300 BBL F/G WTR TANK	0	9,500
940-030 Separation Equip., Flowlines, Misc.	0	15,500
940-040 Trucking & Construction Costs	0	10,000
TOTAL TANGIBLE EQUIPMENT COSTS	43,900	256,600
TOTAL COSTS	398,250	704,950

APPROVAL OF THIS AFE CONSTITUTES APPROVAL OF OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM THE OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE.

Prepared By: *Am* Operations Approval: *A.N. Mummy*

OWNER	SHARE
MYCO INDUSTRIES, INC. BY <i>Frank Yates</i> DATE <i>7-17-94</i>	30.00000%
LILLIE M. YATES ESTATE BY <i>Frank Yates</i> DATE <i>7-15-94</i>	05.45292%
MARTIN YATES III ESTATE BY <i>Frank Yates</i> DATE <i>7-15-94</i>	05.45292%
YATES PETROLEUM CORP BY <i>Frank Yates</i> DATE <i>7-15-94</i>	19.99667%