

Afe Estimate Summary
 CHI OPERATING, INC
 Report Date: 10/06/97

Afe Id: 1 LD FEDERAL "9" #1
 Property Id: 971504-1 LD FEDERAL "4" #1
 Location: SWSE SEC. 4-17S-27E
 Operator: CHI OPERATING INC.

Field:
 St/County: NM/EDDY

Sub-Category	Estimate Cost
=====	
Intangible Drilling	
SURVEYING & PERMIT	750.00
ROADS & LOCATIONS	15,000.00
DRILLING - FOOTAGE	204,000.00
DRILLING - DAYWORK	21,000.00
CEMENT - SURFACE	6,000.00
CEMENT - INTERMEDIATE	10,000.00
DRILLSTEM TESTING	5,000.00
DRILLING FLUIDS	10,000.00
WATER	14,000.00
GEOLOGICAL	2,000.00
ENGINEERING	4,000.00
MUD LOGGING	14,000.00
OPENHOLE LOGGING	20,000.00
EQUIPMENT RENTAL	10,000.00
TRUCKING	2,000.00
LABOR	2,000.00
LEGAL	2,000.00
OVERHEAD & EXPENSES	4,500.00
CASING CREWS	3,500.00
MISCELLANEOUS INTANGIBLES	5,000.00

Sub-Total Intangible Drilling	354,750.00
Tangible Drilling	
CASING - SURFACE	7,500.00
CASING - INTERMEDIATE	17,900.00
WELLHEAD EQUIPMENT	6,000.00
MISCELLANEOUS TANGIBLES	2,000.00

Sub-Total Tangible Drilling	33,400.00
Total All Drilling	388,150.00

Intangible Completion	
LOCATIONS	1,000.00
COMPLETION UNIT	15,000.00
LOGGING & PERFORATE	15,000.00
CEMENT - PRODUCTIONS	20,000.00
ACIDIZING	10,000.00
FRACTURING	30,000.00
WATER	2,000.00
ENGINEERING	4,000.00

NEW MEXICO
 OIL CONSERVATION DIVISION

EXHIBIT 4
 CASE NO. 11857

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Sub-Category	Estimate Cost
=====	
Intangible Completion	
EQUIPMENT RENTAL	4,000.00
TRUCKING	2,000.00
LABOR	6,000.00
LEGAL	2,000.00
OVERHEAD & EXPENSES	2,000.00
MISCELLANEOUS INTANGIBLES	2,000.00

Sub-Total Intangible Completion	115,000.00
Tangible Completion	
CASING - PRODUCTION	72,000.00
WELLHEAD	10,000.00
TUBING	22,000.00
SEPARATOR	10,000.00
TANKS - PRODUCTION & WATER	10,000.00
VALVES & FITTINGS	5,000.00
MISCELLANEOUS TANGIBLES	5,000.00

Sub-Total Tangible Completion	134,000.00
Total All Completion	249,000.00
	=====
Total AFE	637,150.00