MATADOR PETROLEUM CORPORATION

SUITE 158, PECAN CREEK 8340 MEADOW ROAD DALLAS, TEXAS 75231-3751 (214) 987-3650 FAX # (214) 691-1415

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

AFE NO.:

300526-10-01

DATE:	8/26/98	3	AFE NO.:	300526-10-01	
PROSPECT NAME:	MADURO		OPERATOR: N	MATADOR OPERATIN	G COMPANY
LEASE NAME:	TOPACIO	FEDERAL COM "28" #1			
DESCRIPTION:	13.800 MO	RROW AND WOLFCAMP TEST			
•		& 1980' FEL OF SEC 28, T19S, R33E	· · · · · · · · · · · · · · · · · · ·		
-	LEA	STATE:	NEW MEXICO	PROPOSED T	TD: 13,800'
			DRILLING	COMPLETION	TOTAL
	INTAN	GIBLE COSTS	COSTS	COSTS	COSTS
01 Land/Legal/Regulato			\$ 1,000	\$	\$ 1,000
02 Location, surveys &		48 + 2 DAYS @ \$5800/DAY	40,000 300,000	4,000 12,000	44,000 312,000
10 Rig Costs, Ftg, DW, 13 Mob & Demob	шку	48 + 2 DATS (# \$3000)DAT	25,000	12,000	312,000
16 Cementing & Float E	Equip		40,000	32,000	72,000
18 Testing, DST & Prod		2 DST'S	12,000	9,000	21,000
19 Coring & Core Evalu	ıation				0
20 Open Hole Logging		DLL-MLL-FDC-CNL, OPT RSWC & RFT'S	60,000	·	60,000
21 Mudlogging		BEGINNING @ 3000'	20,000		20,000
22 Geological Supervis 24 Mud & Chemicals	ilon		2,000	2,000	2,000 62,000
26 Freight / Transporta	tion		2,000	10,000	12,000
28 Supervision / Engine			30,000	5,000	35,000
30 Rental Equipment	J		30,000	15,000	45,000
31 Drill Bits			60,000		60,000
32 Fuel & Power					0
33 Water			30,000	5,000	35,000
34 Overhead 38 Directional Drlg, Sur	nove		15,000	5,000	20,000
40 Completion Unit / Sy	_			20,000	20,000
44 Cased Hole Log, Per				24,000	24,000
46 Stimulation	•			75,000	75,000
48 Insurance			8,000	1,000	9,000
50 Labor			15,000	10,000	25,000
52 Miscellaneous			15,000	6,000	21,000
54 Contingency					0
,					
		TOTAL INTANGIBLES >	\$765,000	\$235,000	\$1,000,000
	TANG	TOTAL INTANGIBLES >	\$765,000 DRILLING COSTS	\$235,000 COMPLETION COSTS	
40 Conductor Casing	TANG		DRILLING	COMPLETION	\$1,000,000 TOTAL COSTS
	TANG	SIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	\$1,000,000 TOTAL
40 Conductor Casing 41 Surface Casing 42 Intermediate Casing		400' OF 13 3/8" 48 PPF, K55, STC	DRILLING COSTS \$ 9,000	COMPLETION COSTS	\$1,000,000 TOTAL COSTS \$ 0 0 9,000
40 Conductor Casing 41 Surface Casing 42 Intermediate Casing 43 Drilling Liner		400' OF 13 3/8" 48 PPF, K55, STC 5000' OF 8 5/8" 32 PPF, K55, STC	DRILLING COSTS	COMPLETION COSTS	\$1,000,000 TOTAL COSTS \$ 0 0 9,000 55,000
40 Conductor Casing 41 Surface Casing 42 Intermediate Casing 43 Drilling Liner 44 Production Casing		400' OF 13 3/8" 48 PPF, K55, STC	DRILLING COSTS \$ 9,000	COMPLETION COSTS	\$1,000,000 TOTAL COSTS \$ 0 9,000 55,000 115,000
40 Conductor Casing 41 Surface Casing 42 Intermediate Casing 43 Drilling Liner 44 Production Casing 45 Production Liner		400' OF 13 3/8" 48 PPF, K55, STC 5000' OF 8 5/8" 32 PPF, K55, STC 13,750' OF 5 1/2" 17 L80 & S95, LTC	DRILLING COSTS \$ 9,000	COMPLETION COSTS \$ 115,000	\$1,000,000 TOTAL COSTS \$ 0 9,000 55,000 115,000 0
40 Conductor Casing 41 Surface Casing 42 Intermediate Casing 43 Drilling Liner 44 Production Casing		400' OF 13 3/8" 48 PPF, K55, STC 5000' OF 8 5/8" 32 PPF, K55, STC	DRILLING COSTS \$ 9,000	COMPLETION COSTS	\$1,000,000 TOTAL COSTS \$ 0 9,000 55,000 115,000 0 49,000
40 Conductor Casing 41 Surface Casing 42 Intermediate Casing 43 Drilling Liner 44 Production Casing 45 Production Liner 46 Tubing		400' OF 13 3/8" 48 PPF, K55, STC 5000' OF 8 5/8" 32 PPF, K55, STC 13,750' OF 5 1/2" 17 L80 & S95, LTC	\$ 9,000 55,000	COMPLETION COSTS \$	\$1,000,000 TOTAL COSTS \$ 0 9,000 55,000 115,000 0
40 Conductor Casing 41 Surface Casing 42 Intermediate Casing 43 Drilling Liner 44 Production Casing 45 Production Liner 46 Tubing 47 Wellhead 48 Packers, Liner Hang 49 Tanks	gers	400' OF 13 3/8" 48 PPF, K55, STC 5000' OF 8 5/8" 32 PPF, K55, STC 13,750' OF 5 1/2" 17 L80 & S95, LTC	\$ 9,000 55,000	COMPLETION COSTS \$ 115,000 49,000 13,000 15,000 16,000	\$1,000,000 TOTAL COSTS \$ 0 9,000 55,000 115,000 0 49,000 18,000 15,000 16,000
40 Conductor Casing 41 Surface Casing 42 Intermediate Casing 43 Drilling Liner 44 Production Casing 45 Production Liner 46 Tubing 47 Wellhead 48 Packers, Liner Hang 49 Tanks 50 Production Vessels	gers	400' OF 13 3/8" 48 PPF, K55, STC 5000' OF 8 5/8" 32 PPF, K55, STC 13,750' OF 5 1/2" 17 L80 & S95, LTC	\$ 9,000 55,000	COMPLETION COSTS \$ 115,000 49,000 13,000 15,000 16,000 12,500	\$1,000,000 TOTAL COSTS \$ 0 9,000 55,000 115,000 0 49,000 18,000 15,000 16,000 12,500
40 Conductor Casing 41 Surface Casing 42 Intermediate Casing 43 Drilling Liner 44 Production Casing 45 Production Liner 46 Tubing 47 Wellhead 48 Packers, Liner Hang 49 Tanks 50 Production Vessels 51 Flow Lines	gers	400' OF 13 3/8" 48 PPF, K55, STC 5000' OF 8 5/8" 32 PPF, K55, STC 13,750' OF 5 1/2" 17 L80 & S95, LTC	\$ 9,000 55,000	COMPLETION COSTS \$ 115,000 49,000 13,000 15,000 16,000	\$1,000,000 TOTAL COSTS \$ 0 9,000 55,000 115,000 49,000 18,000 15,000 16,000 12,500 2,000
40 Conductor Casing 41 Surface Casing 42 Intermediate Casing 43 Drilling Liner 44 Production Casing 45 Production Liner 46 Tubing 47 Wellhead 48 Packers, Liner Hang 49 Tanks 50 Production Vessels 51 Flow Lines 52 Rod String	gers	400' OF 13 3/8" 48 PPF, K55, STC 5000' OF 8 5/8" 32 PPF, K55, STC 13,750' OF 5 1/2" 17 L80 & S95, LTC	\$ 9,000 55,000	COMPLETION COSTS \$ 115,000 49,000 13,000 15,000 16,000 12,500	\$1,000,000 TOTAL COSTS \$ 0 9,000 55,000 115,000 0 49,000 15,000 16,000 12,500 2,000
40 Conductor Casing 41 Surface Casing 42 Intermediate Casing 43 Drilling Liner 44 Production Casing 45 Production Liner 46 Tubing 47 Wellhead 48 Packers, Liner Hang 49 Tanks 50 Production Vessels 51 Flow Lines	gers	400' OF 13 3/8" 48 PPF, K55, STC 5000' OF 8 5/8" 32 PPF, K55, STC 13,750' OF 5 1/2" 17 L80 & S95, LTC	\$ 9,000 55,000	COMPLETION COSTS \$ 115,000 49,000 13,000 15,000 16,000 12,500 2,000	\$1,000,000 TOTAL COSTS \$ 0 9,000 55,000 115,000 18,000 15,000 16,000 12,500 2,000 0
40 Conductor Casing 41 Surface Casing 42 Intermediate Casing 43 Drilling Liner 44 Production Casing 45 Production Liner 46 Tubing 47 Wellhead 48 Packers, Liner Hang 49 Tanks 50 Production Vessels 51 Flow Lines 52 Rod String 53 Pump Unit & Prime	gers	400' OF 13 3/8" 48 PPF, K55, STC 5000' OF 8 5/8" 32 PPF, K55, STC 13,750' OF 5 1/2" 17 L80 & S95, LTC	\$ 9,000 55,000	COMPLETION COSTS \$ 115,000 49,000 13,000 15,000 16,000 12,500	\$1,000,000 TOTAL COSTS \$ 0 9,000 55,000 115,000 49,000 18,000 15,000 16,000 12,500 2,000 0 10,500
40 Conductor Casing 41 Surface Casing 42 Intermediate Casing 43 Drilling Liner 44 Production Casing 45 Production Liner 46 Tubing 47 Wellhead 48 Packers, Liner Hang 49 Tanks 50 Production Vessels 51 Flow Lines 52 Rod String 53 Pump Unit & Prime 55 Installation Costs 57 Miscellaneous 58 Non-Controllable St	jers Mover urface	400' OF 13 3/8" 48 PPF, K55, STC 5000' OF 8 5/8" 32 PPF, K55, STC 13,750' OF 5 1/2" 17 L80 & S95, LTC	\$ 9,000 55,000	COMPLETION COSTS \$ 115,000 49,000 13,000 15,000 16,000 12,500 2,000 10,500 5,000 5,000	\$1,000,000 TOTAL COSTS \$ 0 9,000 55,000 115,000 18,000 15,000 16,000 12,500 2,000 0
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40 Conductor Casing 41 Surface Casing 42 Intermediate Casing 43 Drilling Liner 44 Production Casing 45 Production Liner 46 Tubing 47 Wellhead 48 Packers, Liner Hang 49 Tanks 50 Production Vessels 51 Flow Lines 52 Rod String 53 Pump Unit & Prime 55 Installation Costs 57 Miscellaneous 58 Non-Controllable Su 59 Non-Controllable Do	gers Mover urface ownhole	400' OF 13 3/8" 48 PPF, K55, STC 5000' OF 8 5/8" 32 PPF, K55, STC 13,750' OF 5 1/2" 17 L80 & S95, LTC 13,750' OF 2 7/8" 6.5 PPF, L80 8RD EUE TOTAL TANGIBLES > TOTAL COSTS >	\$ 9,000 55,000	COMPLETION COSTS \$ 115,000 49,000 13,000 15,000 16,000 2,000 10,500 5,000 5,000 2,000	\$1,000,000 TOTAL COSTS \$ 0 9,000 55,000 115,000 18,000 15,000 12,500 2,000 0 10,500 5,000 6,000 2,000
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