



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

AUTHORITY FOR EXPENDITURE NEW DRILLING, RECOMPLETION & RE-ENTRY

AFE NO. 99-166-0
AFE DATE 5/6/99
AFEND (rev 6/98)

AFE Type:	Well Objective:	Well Type:	AFE STATUS:
<input checked="" type="checkbox"/> New Drilling	<input type="checkbox"/> Oil	<input checked="" type="checkbox"/> Development	<input checked="" type="checkbox"/> Original
<input type="checkbox"/> Recompletion	<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Exploratory	<input type="checkbox"/> Revised
<input type="checkbox"/> Re-entry	<input type="checkbox"/> Injector		<input type="checkbox"/> Final
			<input type="checkbox"/> Supplemental

LEASE NAME	Reinauer RC Federal Com. #3	PROJ'D DEPTH	4,100'
COUNTY	Chaves	STATE	New Mexico
FIELD	Abo	HORIZON	Abo
LOCATION	Sec. 20 T7S-R25E, 1,980' S & 1000' E		

DIVISION CODE	100	DIVISION NAME	Oil & Gas Division
DISTRICT CODE		DISTRICT NAME	
BRANCH CODE		BRANCH NAME	

PROGNOSIS:

INTANGIBLE DRILLING COSTS:		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees	500	500
920-110	Location, Right-of-Way	9,500	9,500
920-120	Drilling, Footage 4,100' @ \$12.75/ft	52,300	52,300
920-130	Drilling, Daywork 1 day @ \$5,200/day	5,200	5,200
920-140	Drilling Water, Fasline Rental	14,000	14,000
920-150	Drilling Mud & Additives	9,000	9,000
920-160	Mud Logging Unit, Sample Bags		
920-170	Cementing - Surface Casing	20,000	20,000
920-180	Drill Stem Testing, OHT		
920-190	Electric Logs & Tape Copies		
920-200	Tools & Equip. Rntl., Trkg. & Welding	4,800	4,800
920-205	Control of Well-Insurance		
920-210	Supervision & Overhead	4,400	4,400
920-230	Coring, Tools & Service		
920-240	Bits, Tool & Supplies Purchase	500	500
920-350	Cementing - Production Casing		10,500
920-410	Completion Unit - Swabbing		9,500
920-420	Water for Completion		6,000
920-430	Mud & Additives for Completion		
920-440	Cementing - Completion		
920-450	Elec. Logs, Testing, Etc. - Completion		4,000
920-460	Tools & Equip. Rental, Etc. - Completion		7,000
920-470	Stimulation for Completion		50,000
920-480	Supervision & O/H - Completion		2,000
920-490	Additional LOC Charges - Completion		1,000
920-510	Bits, Tools & Supplies - Completion		500
920-500	Contingency for Completion		
TOTAL INTANGIBLE DRILLING COSTS		120,200	210,700

TANGIBLE EQUIPMENT COSTS:			
930-010	Christmas Tree & Wellhead	1,500	3,600
930-020	Casing 11 3/4" @ 850'	14,300	14,300
	8 5/8" @ 1,500'	13,500	13,500
	4 1/2" @ 4,100'		17,500
930-030	Tubing 2 3/8" @ 3,600'		7,600
930-040	Packer & Special Equipment		
940-010	Pumping Equipment		
940-020	Storage Facilities		
940-030	Separation Equip., Flowlines, Misc.		4,000
940-040	Trucking & Construction Costs		500
TOTAL TANGIBLE EQUIPMENT COSTS		29,300	61,000
TOTAL COSTS		149,500	271,700

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.

RB	Prepared By Cory Frederick	Operations Approval	
	YATES PETROLEUM CORPORATION		56.0616%
	YATES DRILLING COMPANY		12.2932%
BY	DATE		
	ABO PETROLEUM CORPORATION		12.2932%
BY	DATE		
	MYCO INDUSTRIES, INC.		12.2932%
BY	DATE		
	BEFORE THE OIL CONSERVATION DIVISION		
	Santa Fe, New Mexico		
	Case No. 12219 Exhibit No. 3		
	Submitted by: Yates Petroleum Corporation		
	Hearing Date: September 2, 1999		
BY			

REINAUER RC FEDERAL COM #3
Sec. 20-T17S-R25E
Chaves County, New Mexico

AFE #99-166-0
Date: 5-6-99
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	SHARE
GROVER BROTHERS LTD PARTNERSHIP	0.126000
By: _____ DATE _____	
MCKAY OIL CORPORATION	3.593800
By: _____ DATE _____	
THE NINETY-SIX CORPORATION	0.126000
By: _____ DATE _____	
PENNANT PETROLEUM, INC.	0.063000
By: _____ DATE _____	
WESTERN RESOURCES, INC.	3.150000
By: _____ DATE _____	
TOTAL	100.000000