

**BURLINGTON RESOURCES**

San Juan Division  
Post Office Box 4289  
Farmington, New Mexico, 87499

**AUTHORITY FOR EXPENDITURE**

AFE No.: \_\_\_\_\_ Property Number: \_\_\_\_\_ Date: 10/22/98

Lease/Well Name: Brookhaven Com B #3B DP Number: \_\_\_\_\_

Field Prospect: Blanco Mesaverde Region: Farmington

Location: Unit I, Section 16, T31N, R11W County: San Juan State: New Mexico

AFE Type: Developmental (01) Original ☒ Supplement ☐ API Well Type \_\_\_\_\_

Operator: BURLINGTON RESOURCES

Objective Formation: Blanco Mesaverde Authorized Total Depth: 5600'

Project Description: Drill, complete, and facilitate a Mesaverde well.

Estimated Start Date: Jul-99 Prepared By: Kenneth M. Collins

Estimated Completion Date: Jul-99

**GROSS WELL DATA**

	Drilling		Workover/ Completion	Construction Facility	Total
Days:	Dry Hole	Suspended			
This AFE:		<u>7</u>	<u>5</u>	<u>2</u>	<u>14</u>
Prior AFE's:		<u>\$185,600</u>	<u>\$155,888</u>	<u>\$45,000</u>	<u>\$386,488</u>
					<u>\$0</u>
Total Costs:	<u>\$0</u>	<u>\$185,600</u>	<u>\$155,888</u>	<u>\$45,000</u>	<u>\$386,488</u>

**JOINT INTEREST OWNERS**

Company:	Working Interest Percent	Dry Hole \$	Completed \$
BR Oil & Gas Co.:	<u>50.927123%</u>	<u>\$0</u>	<u>\$196,827</u>
TRUST	<u>0.000000%</u>	<u>\$0</u>	<u>\$0</u>
Others:	<u>49.072877%</u>	<u>\$0</u>	<u>\$189,661</u>
AFE TOTAL:	<u>100.000000%</u>	<u>\$0</u>	<u>\$386,488</u>

**BURLINGTON RESOURCES APPROVAL**

Recommended: Kenneth M. Collins Date: 10-22-98 Recommended: Jim Washburn Date: 10/25/98  
MV PUD Team MV PUD Team

Approved: Randy Clark Date: 10/24/98 Approved: Jim Washburn Date: 10-9-98  
MV PUD Team MV PUD Team

**PARTNER APPROVAL**

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

Authorized By: \_\_\_\_\_ Date: \_\_\_\_\_

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

**Burlington Resources  
Facility Cost Estimate**

Well Name: Brookhaven Com B #3B  
 Location: Unit I, Section 16, T31N, R11W  
 FE Type: Developmental (01)  
 Formation: Blanco Mesaverde

Prepared By: BWF  
 Date: 10/22/98  
 Approved By: KUC  
 Date: 10-22-98

**Intangible Costs**

Account		Estimated Days: 2.0	Mesaverde	Total
Number			Cost	Estimated
247				Cost
2	Labor, Consultants, Roustabout		6,000	6,000
03	Company Vehicles		100	100
08	Location Cost		750	750
12	Overhead			0
17	Damages, Property Losses			0
20	Equip. Coating and Insulation		750	750
26	SWD Filtering			0
27	Separators		14,000	14,000
28	Gas Sweetening			0
29	Pumping Units			0
31	Prime Mover			0
32	Tanks		6,500	6,500
33	Metering Equipment			0
34	Flow Line			0
35	Compressors			0
36	Building			0
39	Flowlines, Piping, Valves & Fittings		5,300	5,300
43	Safety			0
44	Technical Contract Services			0
47	Rental Compressor & Maintenance			0
48	Rental Equipment			0
49	Cathodic Protection		6,000	6,000
50	Right Of Way			0
51	Minor Pipelines			0
53	Surface Pumps			0
54	Electrical Accessories			0
55	Miscellaneous-Facility Expense		800	800
57	Pulling Unit Cost @			0
60	Operator Owned Equip. / Facilities (District Tools)			0
62	Env. Compliance (Assessment)			0
63	Env. Compliance (Remediation)			0
68	Direct Labor		500	500
69	Benefits			0
70	Payroll Taxes and Insurance			0
72	Employee Expenses		300	300
73	Freight / Water Transportation		500	500
81	Tubing			0
82	Rods			0
83	Downhole Pumps			0
84	Alternative Artificial Lift Equip.			0
86	Convent Artifical Lift Wellhead Equip.		3,500	3,500
88	Communication Systems			0
96	Gas Dehydrator			0
Total Facilities Cost			45,000	45,000

## Burlington Resources

## Cost Estimate

Well Name: Brookhaven Com B #3B  
 Location: Unit I, Section 16, T31N, R11W  
 AFE Type: 01-Development Drilling  
 Formation: Blanco Mesa Verde  
 Proposed TD: 5600'

Prepared By: Kurt A. Shipley  
 Date: 11/18/97  
 Approved By: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Int. TD: 3200'  
 Cost/ft \$33.14

## Intangible Costs

Account		Estimated Days: 7.0		Total
Number				Estimated
248				Cost
03	Location Cost			8,000
05	Move-in, Move-out			6,000
07	Rig Cost	(7 days @ \$6,000/day)		44,500
08	Safety Equipment			0
10	Drilling Fluid	(7 days @ \$1,600/day) + mud		14,900
16	Stimulation Fluids			6,000
17	Bits			11,000
18	Cementing			22,000
22	Coring and Analysis			0
23	Fuel			1,500
25	Rentals			2,000
26	Fishing			0
28	Other Rentals			1,000
29	Transportation			1,500
32	Directional Service			0
33	Inspection			0
34	Logging Services			0
36	Production Testing			0
37	Swabbing, Snubbing, Coiled Tubing			0
39	Stimulation			0
43	Consultants	(7 days @ \$500/day)		3,500
44	Technical Services			0
45	Roustabout Labor			4,500
46	Miscellaneous			1,000
49	Packer Rentals			0
53	Environmental Costs			1,000
54	Disposal Costs			1,000
60	District Tools			
72	Overhead	(7 days @ \$150/day)		1,100
	<b>Total Intangibles</b>			<b>130,500</b>

## Tangible Costs

80	Casing			44,900
	9-5/8" 32.3# WC-50	200'	@ \$11.78/ft)	2,400
	7.0" 20.0# J-55	3200'	@ \$9.31/ft)	29,800
	4-1/2" 10.5# J-55	2500'	@ \$5.07/ft)	12,700
81	Tubing			0
84	Casing & Tubing Equipment			7,200
86	Wellhead Equipment			3,000
	<b>Total Tangibles</b>			<b>55,100</b>

Total Cost

185,600

\*Assume 6% sales tax where appropriate

**Burlington Resources**  
**Cost Estimate**

Well Name: Brookhaven Com B #3B  
Location: Unit I, Section 16, T31N, R11W  
Type: Developmental (01)  
Formation: Blanco Mesaverde

Prepared By: KMC  
Date: 10/22/98  
Approved By: KMC  
Date: 10-22-98  
2-3/8" Tbg: 5600'

**Intangible Costs**

Estimated Days: 5.0

Account  
Number  
249

Total  
Estimated  
Cost

03	Location Cost			4,000
05	Move-in, Move-out			5,000
07	Rig Cost	(5 days @ \$5,500/day)		27,500
08	Safety Equipment			100
10	Air Drilling Fluid	(5 days @ \$1,800/day)		9,000
16	Stimulation Fluids	(4400 Bbls KCL)		10,000
17	Bits			750
18	Cementing			0
22	Coring and Analysis			0
23	Fuel			1,500
25	Rentals (Subsurface)			1,500
26	Fishing			0
28	Other Rental (Surface)	(Twelve 400 bbl frac tanks / misc equip)		1,000
29	Transportation	(frac tanks, misc equip)		2,000
32	Directional Svc.			0
33	Inspection			750
34	Logging Services	(GR/CNL/CBL and perforating)		10,000
36	Production Testing			0
37	Swabbing, Snubbing, Coiled Tubing			0
39	Stimulation	(MV-2 Slickwater)		50,000
43	Consultants	(6 days @ \$450/day)		2,700
44	Technical Contract Svc.			400
45	Roustabout Labor			0
46	Miscellaneous			1,500
49	Packer Rental			0
53	Env. Cost			0
54	Disposal Cost			250
60	District Tools			0
68	Direct Labor			2,000
72	OH Rig Days - 249,\$134	(7 days @ \$134/day)		938
<b>Total Intangibles</b>				<b>130,888</b>

**Tangible Costs**

80	Casing			0
81	Tubing	(5600 ft of 2-3/8" 4.7# tubing)	17,700	17,700
84	Casing & Tubing Equip.	(1.81" Seat nipples /PO plug)	2,800	2,800
86	Wellhead Equipment		4,500	4,500
<b>Total Tangibles</b>				<b>25,000</b>

**Total Cost**

**25,000**

**155,888**