

HARVEY E. YATES COMPANY

LEASE NAME & NO.: HOWARD DWT FEE #1
 LEGAL LOCATION: 2130' FNL & 660' FWL, SEC 8, T17S, R38E
 COUNTY: LEA STATE: NM DEPTH: 11,900
 AFE TYPE: 1=DRG. 2=W/O 3=RE-COMP 4=OTHER 5=P&A TYPE= DRILLING

ACCT NO: 0
 FILE NO: HOWARD DWT
 AFE NO: D01
 FORMATION: ATOKA

DRILLING & COMPLETION COSTS:

920-000	INTANGIBLE DRILLING COSTS:				DRY HOLE COSTS	PRODUCING WELL COSTS
921-000	STAKING DAMAGES & LEGAL FEES				\$3,500	\$3,500
921-001	LOCATION, RIGHT OF WAY				\$20,000	\$20,000
921-002	FOOTAGE: FEET @ \$/FOOT	11,900	\$22.10		\$262,990	\$262,990
921-003	DAYWORK: DAYS & \$/DAY	3	\$7,368		\$22,104	\$22,104
921-004	SURFACE CASING CEMENTING & SERVICE				\$4,500	\$4,500
921-005	DRILLING MUD, ADDITIVES & WATER				\$55,000	\$55,000
921-006	MUD LOGGING UNIT, SURVEYS ETC.				\$12,300	\$12,300
921-007	INTERMEDIATE CASING CEMENTING & SERVICES				\$26,000	\$26,000
921-008	GENERAL MISC. (BOP TEST, RATHOLE...ETC)				\$1,000	\$1,000
922-000	RENTAL TOOLS & EQUIPMENT				\$6,000	\$6,000
922-001	COMPANY SUPERVISION & OVERHEAD				\$15,750	\$15,750
922-004	MISC. BITS, TOOLS & SUPPLIES				\$500	\$500
	TOTAL INTANGIBLE DRILLING COSTS				\$429,644	\$429,644

923-000	INTANGIBLE FORMATION EVALUATION:					
923-001	CORING, TOOLS & SERVICE				\$0	\$0
923-002	DST: # DST TO RUN/ \$ CHARGE	1	\$3,500		\$3,500	\$3,500
923-003	ELECTRIC LOGS, ...ETC				\$22,000	\$22,000
923-004	MISC. FORMATION EVAL.				\$0	\$0
	TOTAL INTANGIBLE FORMATION EVALUATION				\$25,500	\$25,500

924-000	INTANGIBLE COMPLETION COSTS:					
924-001	COMPLETION UNIT: DAYS & \$/DAY	10	\$1,800		\$0	\$18,000
924-003	MUD, WATER & ADDITIVES				\$0	\$5,000
924-004	CEMENT, TOOLS & SERVICES (PROD.STRING...ETC)				\$0	\$32,000
924-005	ELECTRIC LOGS(CBL...ETC.), TESTING				\$0	\$5,000
924-006	TOOL & EQUIPMENT RENTAL & TRUCKING				\$0	\$3,000
924-007	STIMULATION & TREATING				\$0	\$80,000
924-008	COMPANY SUPERVISION & OVERHEAD				\$0	\$4,500
925-001	BITS, TOOLS & SUPPLIES				\$0	\$500
925-002	PLUG BACK				\$0	\$5,000
925-003	MISC. CONTINGENCIES				\$0	\$30,407
950-000	PLUGGING EXPENSE				\$15,000	
	TOTAL INTANGIBLE COMPLETION COSTS				\$15,000	\$183,407

930-000	TANGIBLE DRILLING & COMPLETION COSTS:					
930-001	SURFACE CASING COSTS (SIZE/FT)	13 3/8	400		\$7,600	\$7,600
930-002	INTERMEDIATE CASING (SIZE/FT)	8 5/8	4450		\$58,950	\$58,950
930-003	PRODUCTION CASING (SIZE/FT)	5 1/2	11900		\$0	\$101,000
930-004	PRODUCTION TUBING (SIZE/FT)	2 7/8	11900		\$0	\$50,000
930-005	CASING HEAD				\$0	\$3,000
930-006	CASING SPOOL				\$0	\$7,250
930-007	TUBING HEAD				\$0	\$5,900
930-008	CHRISTMAS TREE				\$0	\$6,500
931-000	SUBSURFACE EQUIPMENT				\$0	\$23,750
931-001	MISC PIPE CONNECTIONS				\$0	\$1,500
931-002	PACKER & SPECIAL EQUIPMENT				\$0	\$3,800
931-003	MISCELLANEOUS CONTINGENCIES				\$26,835	\$36,970
	TOTAL TANGIBLE DRILLING & COMPLETION COSTS				\$93,385	\$306,220

940-000	GENERAL LEASE & BATTERY EQUIPMENT:					
940-001	PUMPING UNIT (PRIME MOVER)				\$0	\$80,000
940-002	SEPARATORS, GAS PROD.UNITS,...ETC.				\$0	\$8,000
940-005	TANKS: NO. & SIZE	2	400 BBL		\$0	\$8,500
941-000	INSTALLATION COSTS				\$0	\$15,000
941-001	FLOW LINES, VALVES...ETC				\$0	\$3,000
941-005	MISCELLANEOUS LEASE EQUIPMENT				\$0	\$1,500
	TOTAL GENERAL LEASE & BATTERY EQUIPMENT COSTS				\$0	\$116,000

TOTAL INTANGIBLE COSTS: \$470,144 \$638,551
 TOTAL TANGIBLE COSTS: \$93,385 \$306,220
 TOTAL LEASE & BATTERY EQUIPMENT: \$0 \$116,000

\$563,529 \$1,060,771

TOTAL COSTS PREPARED BY: BOB WILLIAMS DATE: 11/13/97

APPROVED BY: _____

"IT IS RECOGNIZED THAT THE AMOUNTS PROVIDED FOR HEREIN ARE ESTIMATED ONLY, AND APPROVAL OF THIS AUTHORIZATION SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATIONS SPECIFIED, WHETHER MORE OR LESS THAN HEREIN SET OUT"

COMPANY: _____

DATE: _____