Exploration and Production 3300 North "A" Street Building 2. Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 8, 1999

Post-it Fax Note 7671 Date /2-8-99 pages 4

To Gary Lang From Duke Roush

Phone # Busines Fax # Mail.

Pogo Producing Company P. O. Box 10340 Midland, Texas 79702-7340

ATTN: Gary Lang

Re:

T-18-S, R-26-E

Section 24: E/2 Section 19: W/2

Eddy County, New Mexico

Rio Pecos Prospect

Gentlemen:

Pursuant to our telephone conversation of this date, Nearburg Exploration Company, L.L.C. (NEC) would like to exchange our 17.5 acres located in the S/2 of Section 18, T-20-S, R-25-E (Tract 1) for acreage Pogo Producing Company (Pogo) owns in the captioned acreage (Tract 2) on the following basis:

- 1) NEC shall assign to Pogo the 17.5 acres it owns in Tract 1 in exchange for an assignment of 17.5 acres that Pogo owns in the W/2 of Section 19.
- 2) The parties agree to equalize NRI's on the acreage exchanged.
- NEC agrees to pay Pogo \$125.00 per net acre owned in the balance of Tract 2 for a two (2) year Term Assignment of said interest delivering NEC a 77.5% NRI.
- 4) Said Term Assignment shall contain a 180 day continuous drilling provision.
- 5) Should Pogo not wish to grant a Term Assignment, NEC would be willing to acquire a Farmout of the balance of the acreage in Tract 2 on the following basis.
 - a) On or before April 30, 2000, NEC agrees to spud a 9,600' Morrow test at a legal location in Tract 2.
 - b) Pogo shall reserve an ORRI equal to the difference between existing burdens and 22.5%, proportionately reduced.
 - c) Upon payout of the initial well, Pogo shall have the option to convert said ORRI to a 25% W.I., proportionately reduced.

Submitted by:
Nearburg Exploration Company, LLC
Hearing Date: March 2, 2000

Mr. Gary Lang Pogo Producing Company December 8, 1999 Page Two

d) NEC would have a 180 day continuous drilling option to develop the balance of the acreage not committed to a producing proration unit.

This offer shall expire on its own terms unless accepted by Pogo in writing prior to 5:00 p.m. CST on December 22, 1999.

If we can be of any further assistance, please advise.

Zauch

Yours very truly,

Duke Roush Senior Landman

DR/dw

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 16, 1999

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Pogo Producing Company P. O. Box 10340 Midland, Texas 79702-7340

Attn: Mr. Gary Lang

Re: Letter Agreement to Trade
Acreage and set Farmout Terms
New Cemetery Prospect and
Rio Pecos Prospect
Eddy County, New Mexico

Dear Gary:

Pursuant to your recent telephone conversations with Duke Roush of our office, please consider this letter as Pogo's and Nearburg's agreement to trade the following described acreage in our New Cemetery Prospect and set forth mutual agreements concerning Pogo's further participation or farmout to Nearburg under our Rio Pecos Prospect.

Nearburg hereby agrees to trade our leasehold (17.5 net acres) under the Partridge and Fry leases in the E/2 SW/4 and W/2 SE/4 of Section 18, T-20-S, R-25-E, NMPM, Eddy County, New Mexico for an undivided 17.5 net acres of Pogo's leasehold in the W/2 of Section 19, T-18-S, R-27-E, NMPM, Eddy County, New Mexico. The net revenue interests delivered by both parties shall be 80%, proportionately reduced to the leasehold interest conveyed.

As to the remainder of Pogo's leasehold interest in the W/2 of Section 19 and the E/2 of Section 24, T-18-S, R-26-E, NMPM, Eddy County, New Mexico, Nearburg is agreeable to presenting its geological presentation to Pogo in your offices, if Pogo is agreeable to either of the following:

- Pogo elects to participate with its remaining leasehold interest in said sections by executing Nearburg's AFE and a mutually acceptable joint operating agreement (naming Nearburg as operator) within 15 days of Nearburg's geological presentation; or,
- Pogo agrees to farmout its remaining leasehold interest in said sections, executing a mutually acceptable farmout agreement, delivering a 77.5% net revenue interest proportionately reduced, with the right for Pogo to convert all

Pogo Producing Company December 16, 1999 Page –2-

its retained overriding royalty interest to a proportionately reduced 25% working interest after payout of the initial test well.

If the above meets with Pogo's approval, please so indicate by signing and returning one copy of this agreement to the undersigned at your earliest convenience. Should you have any questions, please feel free to contact me.

Sincerely,

Mark Wheeler, CPL Senior Landman

AGREED TO AND ACCEPTED this _____ day of December, 1999. POGO PRODUCING COMPANY By:_ P 497 369 864 Name: Title: US Postal Service I also wish to receive the following services (for an DEH:
plete items 1 and/or 2 for additional services.
plete items 3, 4a, and 4b.
plete items 3, 4a, and 4b.
your name and address on the reverse of this form so that we can return this
1 your name. 1. Addressee's Address extra tee): 2. Restricted Delivery Consult postmaster for fee. /cmw:rio pecos(1m) permit.
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Addispress Certified 4b. Service Type 3. Article Addressed to: ☐ Insured ☐ Register □ cod ☐ Express ☐ Return Receipt for Merchandise Pogo Producing Company P.O. Box 10340 Midland, Texas 79702-7340 7. Date of Deliv if requested 8. Addres and fo 5. Received By: (Print Name) Eturn Receipt PS Form 3811, December

Exploration and Production 3300 North "A" Street Building 2. Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

Post-it® Fax Note	7671	Date 1-5-00 # of pages > 3
To Mary Lar	۸۶_	From Mark like le
Co./Dept. () Phone #		Co.
Foy# . O		PHOLOKED
12 685 - 815	51	Fax #

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Pogo Producing Company P. O. Box 10340 Midland, Texas 79702-7340 Attn: Mr. Gary Lang

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19.

T-18-S, R-27-E, NMPM Eddy County, New Mexico

Mark Wheelen

Rio Pecos Prospect

Dear Gary:

Please find enclosed Nearburg's AFE to drill the captioned well for Pogo's review and approval. If Pogo desires to participate with its leasehold interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we would be agreeable to taking a farmout of your interest as we outlined in my letter to you on December 16th. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Mark Wheeler, CPL Senior Landman

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Yates Brothers, A Partnership 105 S. Fourth St. Artesia, New Mexico 88210

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Mark Wheelen

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Mark Wheeler, CPL

Senior Landman

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Yates Petroleum Corporation 105 S. Fourth St. Artesia, New Mexico 88210

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19.

T-18-S, R-27-E, NMPM Eddy County, New Mexico

Mark Wheelen

Rio Pecos Prospect

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Sincerely,

Mark Wheeler, CPL Senior Landman

Exploration and Production 3300 North "A" Street Building 2. Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

George Lundblade c/o Dr. Chamber Loughridge, Inc. Exec., 3901 River Drive Alexandria, VA 22309-3053

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Mark Whieler

Dear Dr. Loughridge:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,

Mark Wheeler, CPL Senior Landman

Exploration and Production 3300 North "A" Street Building 2. Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Ruby Rogers c/o Ron Rogers Rural Route 4 Abilene, KS 67410

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico

Mark Wheeler

Rio Pecos Prospect

Dear Mr. Rogers:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,

Mark Wheeler, CPL

Senior Landman

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Jesma Hopper for the Estates of Pauline R. Swearingen and Homer A. Swearingen Dec. 2364 N. Richmond St. Wichita, KS 67204-5538

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

Mark Wheeler

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Dear Ms. Hopper:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,

Mark Wheeler, CPL Senior Landman

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December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

First National Bank of Topeka Bank of America Trustee of the Julie J. Martin Living Trust dated 4/28/80 P. O. Box 88 Topeka, KS 66601

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Mark Wheeler

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,

Mark Wheeler, CPL Senior Landman

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Flora Jane Hopkins 2149 San Anseline Ave. Long Beach, CA 90815

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19.

T-18-S, R-27-E, NMPM Eddy County, New Mexico

Mark Wheelen

Rio Pecos Prospect

Dear Ms. Hopkins:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,

Mark Wheeler, CPL Senior Landman

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Stella P. Herrell 1003 Lynda Lane Arlington, TX 76103

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19.

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Mark Wheeler

Dear Ms. Herrell:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,

Mark Wheeler, CPL Senior Landman

Exploration and Production 3300 North "A" Street Building 2. Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Craig Collins and Sheryl Collins 3209 SW Belle Ave. Topeka, KS 66614-4027

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Mark Wheeler

Dear Mr. and Ms. Collins:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,

Mark Wheeler, CPL Senior Landman

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Sheryl S. Johnson 3209 SW Belle Ave. Topeka, KS 66614-4027

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19.

T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Johnson:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,

Mark Wheeler, CPL Senior Landman

Mark Wheeler

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Bank of America, Trustee for the Birdie F. Coryell Rev. Trust dated 10/2/85 P. O. Box 830308 Dallas, Texas 75283-0308

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Mark Wheelen

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Mark Wheeler, CPL Senior Landman

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Kenneth W. Brown, Ind. Exe. of the Estate of Gleason Brown, Dec. 756 Bacon Road Hinesville, GA 31313

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19.

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Mark Wheelen

Dear Mr. Brown:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Mark Wheeler, CPL Senior Landman

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

James A. and Judith A. Brown RR 2 Miller, MO 65707-9802

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Dear Mr. and Mrs. Brown:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,

Mark Wheeler, CPL Senior Landman

Mark Wheeler

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Louise M. Richardson, Dec. c/o Mary Harris P. O. Box 53 Richmond, KS 66080

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico

Mark Wheeler

Rio Pecos Prospect

Dear Ms. Harris:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,

Mark Wheeler, CPL

Senior Landman

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Marjorie Moran, PR of the Est. of Ernest L. Redford Dec. 111 Nara Vista Albuquerque, New Mexico 87107

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19.

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Mark Wheelen

Dear Ms. Moran:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,

Mark Wheeler, CPL Senior Landman

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Edna Mae Watt 400 Holland Drive Broderick, CA 95605

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico

Rio Pecos Prospect

Dear Ms. Watt:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Mark Wheeler, CPL

Mark Wheele

Senior Landman

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

The Estate of James A. Collier c/o Greg Collier and James Collier, Jr. 1113 Shady Oak McKinney, TX 75070

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Mark Wheeler

Dear Mr. Collier:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,

Mark Wheeler, CPL Senior Landman

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

John Collier Major and Stephen Alfred Major, Trustee UWO John Charles Major P. O. Box 250 Reydon, OK 73660

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Dear Mr. Major:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,

Mark Wheeler, CPL Senior Landman

Mark Wheele

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

James Mayberry 3426 Eastern SE Ave., Apt. #4 Albuquerque, NM 87106

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

1001000

Dear Mr. Mayberry:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,

Mark Wheeler, CPL

Mark Wheelen

Senior Landman

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Chase Bank of Texas
Trustee for Anglea Leigh Simpson Starrett and
UWO R.E. Boyle
500 W. Texas
Midland, Texas 79702

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19.

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Gentlemen:

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Sincerely,

Mark Wheeler, CPL Senior Landman

Mark Wheelen

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Feagan Energy, Inc. P. O. Box 50307 Midland, Texas 79710

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19.

T-18-S, R-27-E, NMPM Eddy County, New Mexico

Rio Pecos Prospect

Gentlemen:

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Sincerely,

Mark Wheeler, CPL Senior Landman

Mark Wheeler

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Rockhill Royalty Partnership P. O. Box 1981 Midland, Texas 79702

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19.

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Gentlemen:

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Sincerely,

Mark Wheeler, CPL Senior Landman

Mark Wheeler

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Winnie Dill Knox, Dec. 300 Crescent Court, Suite 1630 Dallas, Texas 75201

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Gentlemen:

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Sincerely,

Mark Wheeler, CPL Senior Landman

Mark Wheelen

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Winnie Dill Knox, Trustee UWO T. B. Knox Dec. 300 Crescent Court, Suite 1630 Dallas, Texas 75201

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19, T-18-S, R-27-E, NMPM

Eddy County, New Mexico

Mark Wheeler

Rio Pecos Prospect

Gentlemen:

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Sincerely,

Mark Wheeler, CPL Senior Landman

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Jack Dill Knox 300 Crescent Court, Suite 1630 Dallas. Texas 75201

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Dear Mr. Knox:

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Sincerely,

Mark Wheeler, CPL Senior Landman

Mark Wheelen

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Therylene Knox Helm 4401 Edmonson Dallas, Texas 75205

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Mark Wheeler

Dear Ms. Helm:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$150.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,

Mark Wheeler, CPL Senior Landman

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Texacal Oil and Gas, Inc. 4299 McArthur Blvd. New Port Beach, CA 92660

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19.

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Mark Wheeler

Gentlemen:

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Sincerely,

Mark Wheeler, CPL Senior Landman

Exploration and Production 3300 North "A" Street Building 2. Suite 120 Midland. Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

William J. McCaw 1106 W. Main Artesia, New Mexico 88210

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico

Mark Wheelen

Rio Pecos Prospect

Dear Mr. McCaw:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$200.00 per net mineral acre, for a 3 year primary term, with a 1/4th royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,

Mark Wheeler, CPL Senior Landman

Exploration and Production 3300 North "A" Street Building 2. Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Ralph Nix, A Partnership P. O. Box 440 Artesia, New Mexico 88210

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

Mark Wheelen

T-18-S, R-27-E, NMPM Eddy County, New Mexico

Rio Pecos Prospect

Dear Mr. Nix:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$200.00 per net mineral acre, for a 3 year primary term, with a 1/4th royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Mark Wheeler, CPL Senior Landman

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 29, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Spear Brothers Sheep & Cattle P. O. Box 788 Hobbs, New Mexico 88240

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico

Mak 1 Theolog

Rio Pecos Prospect

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Sincerely,

	Rio Pecos	19 Com. #(
cmw:rio pecos afe(1n.	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form	l also wish to receive the following services (for an extra fee):	øj
o	card to you. Attach this form to the front of the mailpiece, or on the beautiful to the mailpiece held.	back if space does not	Ser
· •	The Return Receipt will show to whom the anticle was ordelivered. 3. Article Addressed to:	delivered and the date Consult postmaster for fee. 4a. Article Number 7 236 366 785	Rece
	Spear Brothers Sheep & Cattle	4b. Service Type	rg
	- 1. O. DOX 700	108 S Assess Mail Insur	is
	Hobbs, New Mexico 88240	Date Delivery	you for
'	5. Received By: (Print Name)	8. Addressee's Address (Only if requestee and fee is paid)	Thank pe
•	6. Signature (Anddressee or Agent)	ta	
•	PS Form 3811 , December 1994	102595-98-B-0229 Domestic Return Reco	alpt

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 29, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Martin Yates III 105 S. Fourth St. Artesia, New Mexico 88210

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Gentlemen:

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Sincerely,

*	Mark Wl Rio Pecos	US Postal Service 19 Com. #(I also wish to receive the
/cmw:rio pecos afe(1m)	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Complete items 3, 4a, and 4b. Thirty our name and address on the reverse of this form so and to you. The front of the mailpiece, or on the back	extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.
	Write Return Receipt Hequests whom the article was summer to the Return Receipt will show to whom the article was summer to the Return Receipt will show to whom the article was summer to the Return Receipt Hequests who whom the article was summer to the Return Receipt Hequests who whom the article was summer to the Return Receipt Hequests who whom the article was summer to the Return Receipt Hequests who whom the article was summer to the Receipt Hequests who whom the article was summer to the Return Receipt will show to whom the article was summer to the Return Receipt will show to whom the article was summer to the Return Receipt will show to whom the article was summer to the Return Receipt will show to whom the article was summer to the Return Receipt will show to whom the article was summer to the Return Receipt will show to whom the article was summer to the Return Receipt will show to whom the article was summer to the Return Receipt will show to whom the article was summer to the Return Receipt will show to whom the article was summer to the Return Receipt will show to whom the article was summer to the Return Receipt will show to whom the article was summer to the Return Receipt will show to whom the article was summer to the Return Receipt will show to whom the article was summer to the Return Receipt will show to whom the Return Receipt will show to whom the Return Receipt will show to whom the Return Receipt will be a summer to the Return Receipt will be a summer	4a. Article Number 7 236 366905 4b. Service Type 1 Registered 1 Insured
	Martin Yates III 105 S. Fourth St. Artesia, New Mexico 88210	Return Receipt for Merchandise 7. Date of Delivery Addressee's Address (Only if requested
	5. Received By. (Finite State of State	and fee is paid) 102595-98-B-0229 Domestic Return Receipt
	PS Form 3811, December 1994	

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 29, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Mariene Counts 3217 N. Halstade Street Hutchison, KS 67501

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Wark Wheeler

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,

/cmw:rio pecos afe(1m)

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,	Rio Pacos 19 Man #1	TOTAL Postage & Fees \$				Special Delivery Fee	Mariene Counts Po 3217 N. Halstade Street Cen. Hutchison, KS 67501	श्र	tal Service ipt for (ance Coverse for Inter	7 CJE JL7 1 D1

Exploration and Production 3300 North "A" Street Building 2. Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 29, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Eddie V. Peoples 214 N. Browning Carthage, TX 75633

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Mark Wheelen

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Sincerely,

Mark Wheeler, CPL Senior Landman

/cmw:rio pecos afe(1m)

PS Form 3800, April 1995 N O Special Delivery Fee Vo Insurance Coverage Provided Restricted Delivery Fee etum Receipt Showing hom & Date Delivered Carthage, TX 75633

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 29, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Frank Lee Muncy 7750 E. Broadway #513 Mesa, AZ 85208

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

/cmw:rio pecos afe(1:	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that w card to you. Attach this form to the front of the mailpiece, or on the back if spar permit. Write "Return Receipt Requested" on the mailpiece below the artis The Return Receipt will show to whom the article was delivered as	nace does not 1. ☐ Addressee's Address 2. ☐ Restricted Delivery	=
	delivered. 3. Article Addressed to:	4a. Article Number Z 2 3 6 3 6 7 6 9 4 5 5 5 6 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6	0
	5. Received By: (Print Name) 6. Signature: (Addressee or Agent) 7. PS Form 3811. December 1994	8. Addressee's Address (Only if requested and fee is paid) 102595-98-8-0229 Domestic Return Receipt	-

Exploration and Production 3300 North "A" Street Building 2. Suite 120 Midland. Texas 79705 915/686-8235 Fax 915/686-7806

December 29, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Richard D. Jones, Jr. Route 2, Box 57B Cedar Creek, TX 78612

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,	
,	Z 53P 3P. POJ
-M. A. 1.	US Postal Service
2:- 00005	19 com.#1
SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so card to you. Attach this form to the front of the mailpiece, or on the back	the article number.
delivered. 3. Article Addressed to:	4b. Service Type
Richard D. Jones, Jr. Route 2, Box 57B Cedar Creek, TX 78612	7. Date of Delivery
5. Received By: (Print Name) 6. Signature: Addressee or Agent)	and fee is paid)
PS Form 3811, December 1994	102595-98-B-0229 Domestic Return Receipt
	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form s card to you. Attach this form to the front of the mailpiece, or on the bac permit. Write "Return Receipt Requested" on the mailpiece below The Return Receipt will show to whom the article was del delivered. 3. Article Addressed to: Richard D. Jones, Jr. Route 2, Box 57B Cedar Creck, TX 78612 5. Received By: (Print Name) Chicken Service Servic

Exploration and Production Dallas, Texas

Page 1 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	447.6	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794		0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	##.##	12,296	24,592
Drilling Turnkey	see. 0	20.07	0	0
Rig Mobilization and Demobilization	 0		0	0
Road & Location Expense	18,815	205.65	2,120	20,935
Damages	5,000		0	5,000
Directional Drilling - Tools and Service		##.797	0	0
Drilling Fluids	26,500	86.23	0	26,500
Fuel, Power, and Water	12,720	.50. No.	0	12,720
Supplies - Bits		35.4 6	795	795
Supplies - Casing Equipment	1,060	***	4,240	5,300
Supplies - Liner Equipment		en 23	0	0
Cumpling Misselleneous	0	JA 100	0	0
Cement and Cmt, Services - Surface Csg	10,600	14	0	10,600
Cement and Cmt. Services - Int. Csg	94,29	24	0	0
Cement and Cmt. Services - Prod. Csg	0	ee.10	21,200	21,200
Cement and Cmt. Services - Other	ass 48 0	A65.178	0	0
Rental - Drilling Tools and Equipment	0	\$45.40	. 0	0
Dontol Mico	19,716		3,180	22,896
Testing - Drill Stem / Production	4,770	44.76	2,650	7,420
Open Hole Logging	31,800	16 4	0	31,800
Mostle water Occ. 1	11,925	No.	0	11,925
Special Services	0	68 70	0	0
Plug and Abandon	12,000	***	(12,000)	0
Pulling and/or Swabbing Unit	••• 0	AN 277	15,264	15,264
Reverse Equipment	• 0	20.07	5,300	5,300
Wireline Services	304.389 0	46.29	19,080	19,080
Stimulation	3.4 0		12,720	12,720
Pump / Vacuum Truck Services	0	24.20	6,075	6,075
Transportation	1,590		2,650	4,240
Tubular Goods - Inspection & Testing	1,961	113 290	5,300	7,261
Unclassified	530	84.94	0	530
Telephone and Radio Expense	954	244 844	318	1,272
Engineer / Geologist / Landman	22,500		3,000	25,500
Company Labor - Field Supervision	13,250	***	6,500	19,750
Contract Labor / Roustabout	1,590	22.60	9,540	11,130
Legal and Professional Service	5,000	24 579	0	5,000
Insurance	4,998	, see 374	0	4,998
Overhead	7,000	66.70	3,500	10,500
SUBTOTAL.	401,369		123,728	525,097
Contingencies (10%)	40,137		12,373	52,510
ESTIMATED TOTAL INTANOIDLES	444 500		126 404	577 007
ESTIMATED TOTAL INTANGIBLES	441,506		136,101	577,607

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

O

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	<u>s:</u>			TO CSG PT	acce.	COMPLETION		TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft		0		0	Ι.	0
Surface Csg	1,100 Ft @	24.00 \$/Ft		26,400	**	0	}	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft		0	*	0		. 0
Protection Csg	0 Ft @	0.00 \$/Ft		0	•	0		0
Production Csg	9,700 Ft @	10.00 \$/Ft	•	0	10.00	97,000		97,000
Protection Liner	0 Ft@	0.00 \$/Ft		0		0		0
Production Liner	0 Ft@	0.00 \$/Ft	**	0	****	0		0
Tubing	9,500 Ft @	3.25 \$/ Ft	-	0	, mar 144	30,875	.	30,875
Rods	0 Ft@	0.00 \$/F t	•/	0	***	0		0
Artificial Lift Equipm	nent		9/	0	ME 100	0		0
Tank Battery				0	## III	10,600		10,600
Separators/Heater	Treater/Gas Ur	nits/FWKO	144	0		12,720	٠	12,720
* Well Head Equipm	nent & Christma	as Tree		2,500	***	11,500		14,000
Subsurface Well Ed	quipment		2/	0	68.577	6,148		6,148
Flow Lines			•	0	ast. 173	13,250		13,250
Saltwater Disposal	Pump		**	0	en 19	0		0
Gas Meter			•/	0	aa)a	1,484		1,484
Lact Unit			2/	0	81E 1#	. 0		0
Vapor Recovery Un	it			0		0		0
Other Well Equipme	ent		94	0	aw.em	0	[. 0
ROW and Damage	8		97	0	set Pri	2,650		2,650
Surface Equipment Installation Costs				0	100 350	9,540	[9,540
Elect. Installation				0	440 500	0	[0
ESTIMATED TOTA	L TANGIBLES	•	[28,900		195,767		224,667
			[Γ	
ESTIMATED TOTA	L WELL COST	rs		470,406		331,868		802,274

WROZAWAROWAŁ		DATE	
PREPARED BY:	HRW	12/28/99	
REVIEWED BY:	TRM		
APPROVED BY:			
APPROVED BY:	/37	12/28/99	
WI APPROVAL:	COMPANY	Pogo Producing Company	47.006429%
WI APPROVAL:	COMPANY BY		
			 .
	TITLE		
	DATE		

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700°

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

Ω

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:					TO CSG PT	SIDE	COMPLETION	Ţ ——	TOTAL WELL
Conductor Casing	•	Ft @	0.00 \$/Ft		0	1 1	0	1	O
	1,100	_	24.00 \$/Ft	10000000	26,400	***	0	1	26,400
1	•	_	0.00 \$ /Ft		20,400	2.4	0	ł	20,400
Intermediate Csg		Ft @		****				{	<u> </u>
Protection Csg		Ft @	0.00 \$/ Ft	200.00	0	266	0	1	0 07 000
1	9,700	_	10.00 \$/Ft	*	0	100.700	97,000		97,000
Protection Liner		Ft @	0.00 \$/Ft		0	*	0	ļ	0
Production Liner		Ft @	0.00 \$/Ft	•	0	4270	. 0	ļ	0
_	9,500	_	3.25 \$/ Ft	•	0	200.00	30,875		30,875
Rods		Ft @	0.00 \$/Ft	· V		***	0		0
Artificial Lift Equipme	nt			9/	0	227.500	0		0
Tank Battery					0	## #B	10,600		10,600
Separators/Heater Tr	reater/G	Gas U	nits/FWKO	94	0	200.00	12,720	i	12,720
* Well Head Equipme	ent & Cl	hristm	as Tree		2,500	***	11,500		14,000
Subsurface Well Equi	ipment				0	842.537	6,148		6,148
Flow Lines				-	0	est.13	13,250		13,250
Saltwater Disposal Pu	ump				0	## ##	0		0
Gas Meter					0	200.3m	1,484		1,484
Lact Unit					0	80E.50F	0	i 1	0
Vapor Recovery Unit					0	418.474	0		. 0
Other Well Equipmen	rt				0		0		0
ROW and Damages					0	est As	2,650		2,650
Surface Equipment Installation Costs				0	400 5%	9,540	Ì	9,540	
Elect. Installation					0	aa 200	0	į	. 0

ESTIMATED TOTAL	TANG	IBLE:	5	ļ	28,900		195,767	Ì	224,667
				ţ		,		ţ	
ESTIMATED TOTAL	WELL	cos	TS		470,406		331,868		802,274

NPC/APPROVAL		DATE
PREPARED BY:	HRW	12/28/99
REVIEWED BY:	TRM	
APPROVED BY:		
APPROVED BY:		12/28/99
		77

WI APPROVAL:	COMPANY	Yates Brothers, A Partnership	1.809438%
	BY		
	TITLE		
	DATE		

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700°

LOCATION: 1,980' FNL 8
FIELD: Wildcat Morrow

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

Λ

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

			10000000000	× -				
TANGIBLE COST			•••	TO CSG PT	gard.	COMPLETION	ļ. ·	TOTAL WELL
Conductor Casing	0 Ft	@ 0.00 \$/Ft		0	•	0		0
Surface Csg	1,100 Ft	@ 24.00 \$ /Ft	****	26,400	**	0		26,400
Intermediate Csg	0 Ft	@ 0.00 \$/Ft		0	**	0	1	. 0
Protection Csg	0 Ft	@ 0.00 \$/ Ft	***	0	84	0		0
Production Csg	9,700 Ft	@ 10.00 \$ /Ft	**	0	***	97,000		97,000
Protection Liner	0 Ft (@ 0.00 \$/Ft		0		0		0
Production Liner	0 Ft (@ 0.00 \$ /Ft	44	0		. 0		0
Tubing	9,500 Ft (@ 3.25 \$ /Ft		0	, m .m	30,875		30,875
Rods	0 Ft (@ 0.00 \$ /Ft	97	0	***	0		0
Artificial Lift Equipm	nent		24	0	ME 107	0		0
Tank Battery			24	0	e# 10	10,600		10,600
Separators/Heater	Treater/Gas	Units/FWKO	**	0	ar	12,720		12,720
* Weil Head Equipr	ment & Chris	stmas Tree		2,500	***	11,500		14,000
Subsurface Well Ed	quipment		24	0	MR 197	6,148		6,148
Flow Lines			4-	0	est.13	13,250		13,250
Saltwater Disposal	Pump	-		0	448.255	0		0
Gas Meter			•/	0	44.3a	1,484		1,484
Lact Unit				0	age 500	0		0
Vapor Recovery Ur	nit			0	400.530	0		0
Other Well Equipme	ent			0	200.700	0	Ī	. 0
ROW and Damage	s		8.7	0	est As	2,650	ſ	2,650
Surface Equipment Installation Costs		0	est 250	9,540	Ī	9,540		
Elect. installation			44	0	***	0	1	0
						•	ı	
ESTIMATED TOTA	AL TANGIBI	LES		28,900		195,767	Ì	224,687
					ľ		t	
ESTIMATED TOTA	L WELL CO	OSTS		470,406		331,868	1.	802,274

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/9

WI APPROVAL:	COMPANY	Yates Petroleum Corporation	.63714
	BY		
	TITLE		
	DATE		

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	<u>\$:</u>			6.5	TO CSG PT	gente	COMPLETION		TOTAL WELL
Conductor Casing	0	Ft @	0.00 \$/Ft		0		0		0
Surface Csg	1,100	Ft @	24.00 \$/Ft		26,400		_0]	26,400
Intermediate Csg	0	Ft @	0.00 \$/Ft		0	. **	_0		0
Protection Csg	0	Ft @	0.00 \$/Ft		0		0		0
Production Csg	9,700	Ft @	10.00 \$/Ft		0	400.340	97,000		97,000
Protection Liner	0	Ft @	0.00 \$/Ft		0	**	0		0
Production Liner	0	Ft @	0.00 \$/Ft		0		. 0		0
Tubing	9,500	Ft @	3.25 \$/Ft		0		30,875		30,875
Rods	0	Ft @	0.00 \$/Ft	•	0	***	0		0
Artificial Lift Equipm	nent			9/	0	400 500	0		0
Tank Battery					0	** ***	10,600		10,600
Separators/Heater	Treater/	Gas Ur	its/FWKO	**	0		12,720		12,720
* Well Head Equipr	nent & C	hristma	as Tree		2,500		11,500		14,000
Subsurface Well Ed	quipment	t		•	0	MEE. 5307	6,148		6,148
Flow Lines				••	0	est.to	13,250		13,250
Saltwater Disposal	Pump			**	0		0		. 0
Gas Meter				9.0	0	200.700	1,484	. [1,484
Lact Unit				•	0	BAR SAF	0		0
Vapor Recovery Ur	nit				0	44.44	0		0
Other Well Equipme	ent			*4	0	AW.78	_0		0
ROW and Damage	8			44	0	10E FL	2,650	[2,650
Surface Equipment	Installati	ion Cos	ts		0	***	9,540		9,540
Elect. Installation				3,4	0	48 111	0		0.
ESTIMATED TOTA	L TANG	SIBLES	;		28,900		195,767		224,667
ESTIMATED TOTA	L WELL	.cos	rs		470,406		331,868		802,274

HPC APPROVAL		DATE	
PREPARED BY: HR	RW	12/28/99	_
REVIEWED BY: TR	М		
APPROVED BY:			
APPROVED BY:		12/28/	}
WI APPROVAL:	COMPANY	George Lundblade	.020267%
	BY		
	TITLE		
	DATE		

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

ŧ	EASE:	Rio	Pecos	19	Com
L	EASE.	KIO	L GCO2	13	COIII.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

	_		100000000000000000000000000000000000000	4				1-0-44 149-4
TANGIBLE COSTS			eset.	TO CSG PT	3404	COMPLETION	1	TOTAL WELL
Conductor Casing	0 Ft	@ 0.00 \$ /F	t 🕮	0	•	0		0
Surface Csg	1,100 Ft	@ 24.00 \$/F	t ******	26,400	2/	0		26,400
Intermediate Csg	0 Ft	@ 0.00 \$/F	t	0	*	0]	. 0
Protection Csg	0 Ft	@ 0.00 \$/F	t 2007.00	0		0	j	0
Production Csg	9,700 Ft	@ 10.00 \$/F	t 62	0	335.36	97,000		97,000
Protection Liner	0 Ft	@ 0.00 \$/F		0	20	0		0
Production Liner	0 Ft	@ 0.00 \$/F	.	0	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	0		0
Tubing	9,500 Ft	@ 3.25 \$/ F	t ee	0	A	30,875		30,875
Rods	0 Ft	@ 0.00 \$/F		0	***	0		0
Artificial Lift Equipm	ent			0	888 TAT	0		0
Tank Battery			**	0		10,600		10,600
Separators/Heater	Treater/Ga	s Units/FWKO	•	0		12,720		12,720
* Well Head Equipn	nent & Chri	stmas Tree	***	2,500	##3·#	11,500		14,000
Subsurface Well Ed	quipment		•	0	MEE 577	6,148		6,148
Flow Lines				0	est. 23	13,250		13,250
Saltwater Disposal i	Pump		**	0	44.3%	0		0
Gas Meter			•	0	14.74	1,484		1,484
Lact Unit				0	88.50	0		. 0
Vapor Recovery Un	it		**	0	400.534	0	· [. 0
Other Well Equipme	ent		**	0	ARC CO.	0		0
ROW and Damages	6		•//	0	80E 21.E	2,650	ſ	2,650
Surface Equipment	installation	Costs	9/	0	em 3%	9,540		9,540
Elect. Installation			244	0	40 90	0	Ì	0
							1	
ESTIMATED TOTA	L TANGIB	LES		28,900	Ì	195,767		224,667
							Ì	
ESTIMATED TOTA	L WELL C	OSTS		470,406		331,868	ľ	802,274

DATE
12/28/99
12/28/9
\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \

WI APPROVAL:	COMPANY	Ruby Rogers Estate	.040534%
	BY		
	TITLE		
	DATE		

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

EXPLORATORY, DEVELOPMENT, WORKOVER: E

FIELD: Wildcat Morrow DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TAMOUN E 6005	<u> </u>		900000000	TO 000 57	**********	CONDITTION	·	TOTAL MELL
TANGIBLE COST			***	TO CSG PT	per e	COMPLETION	1	TOTAL WELL
Conductor Casing	0 Ft @			0	**	0		0
Surface Csg	1,100 Ft @		-	26,400	**	0		26,400
Intermediate Csg	0 Ft @	0.00 \$ /Ft	144.54	0	*	0		0
Protection Csg	0 Ft @	0.00 \$/ Ft	200.500	0	24	0		- 0
Production Csg	9,700 Ft@	10.00 \$/ Ft	· ·	0	100 July 100	97,000		97,000
Protection Liner	0 Ft @	0.00 \$/ Ft		0	8.0	0		0
Production Liner	0 Ft@	0.00 \$/ Ft		0	***	0		0
Tubing	9,500 Ft@	3.25 \$/ Ft	•	0		30,875		30,875
Rods	0 Ft@	0.00 \$/ Ft	**	0	***	0		0
Artificial Lift Equipm	nent			0	ust sar	0		0
Tank Battery				0	u#.10	10,600		10,600
Separators/Heater	Treater/Gas	Units/FWKO	44	0	SEC. AND	12,720		12,720
* Well Head Equipr	ment & Christ	mas Tree	144.50	2,500	222.5ed	11,500		14,000
Subsurface Well Ed	quipment		20	0	800.530	6,148		6,148
Flow Lines				0	set. 273	13,250		13,250
Saltwater Disposal	Pump		944	0	440.5%	0		0
Gas Meter				0	187.76	1,484	Ī	1,484
Lact Unit			-	0	ME 597	0	Ī	0
Vapor Recovery Ur	nit			0	40.50	0	Ì	. 0
Other Well Equipme	ent		84	0	200.200	0	Ī	0
ROW and Damage	8		•	0	aac 21.0	2,650	Ì	2,650
Surface Equipment	Installation C	osts		0	446.3%	9,540	- 1	9,540
Elect. Installation				0		0	Ī	0
							ľ	
ESTIMATED TOTA	L TANGIBL	ES	ľ	28,900	ţ	195,767	ľ	224,667
			ľ		<u> </u>		-	
ESTIMATED TOTA	L WELL CO	STS		470,406		331,868		802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

PREPARED BY: HR	XW	12/28/99
REVIEWED BY: TR	M_	·
APPROVED BY:		
APPROVED BY:		12/28/99
WI APPROVAL:	COMPANY	Jesma Hopper for the Estates of Pauline R. and Homer A. Swearingen162132%
	BY	
	TITLE	

DATE

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

					· .		
TANGIBLE COST	<u>s:</u>		ent	TO CSG PT	and	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft	0.00	\$/Ft 🚙 🚐	0	•	0	0
Surface Csg	1,100 Ft	24.00	\$/Ft	26,400	2 4	0	26,400
Intermediate Csg	0 Ft	0.00	\$/Ft	0	*	0	0
Protection Csg	0 Ft	0.00	\$/Ft ####	0		0	0
Production Csg	9,700 Ft	@ 10.00	\$/Ft ##	0	100.000	97,000	97,000
Protection Liner	0 Ft	@ 0.00	\$/Ft	0	**	0	0
Production Liner	0 Ft	@ 0.00	\$/Ft 🐷	0	****	. 0	. 0
Tubing	9,500 Ft	@ 3.25	\$/Ft wa	0		30,875	30,875
Rods	0 Ft	@ 0.00	\$/Ft 🐷	0	***	0	0
Artificial Lift Equipm	nent			0	MET TAT	0	0.
Tank Battery				0	947.539	10,600	10,600
Separators/Heater	Treater/Ga	s Units/FWKO	84	0	200,040	12,720	12,720
* Weli Head Equipn	nent & Chri	istmas Tree		2,500	222.54	11,500	14,000
Subsurface Well Ed	quipment		24	0	800.337	6,148	6,148
Flow Lines			**	0	84.43	13,250	13,250
Saltwater Disposal	Pump		X.e	0	MM 257	0	0
Gas Meter			**	0	100.70	1,484	1,484
Lact Unit			2.	0	80E.207	0	0
Vapor Recovery Un	nit			0	448.496	σ	0
Other Well Equipme	ent		•	0	200.200	0	0
ROW and Damage	8		••	0	out As	2,650	2,650
Surface Equipment	Installation	Costs	2.	0	em 19	9,540	9,540
Elect. Installation				0	442.557	0	0
			<u>. </u>				
ESTIMATED TOTA	L TANGIB	BLES		28,900		195,767	224,667
ESTIMATED TOTA	L WELL C	COSTS		470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL PREPARED BY: HRV	V	12/28/99
REVIEWED BY: TRA		
APPROVED BY:		
APPROVED BY:	1	12/28/9
		\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\

W/I	Δ	DD	PO	VA	ı٠
AAI		~~	ĸυ	''	L.

First	Na	atio	nal	Bank	of	Topeka
Transaction of the		o.€	+4-	T 1 4 -	. T	Moward.

.054042%

COMPANY

Trustee of the Julie J. Martin Living Trust dated 4/28/80

BY TITLE

DATE

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	<u>s:</u>	-	6794	TO CSG PT	gerre	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft (@ 0.00 \$/F1		0	•	0	O.
Surface Csg	1,100 Ft (② 24.00 \$/Ft		26,400		. 0	26,400
Intermediate Csg	0 Ft (@ 0.00 \$/Ft		0		0	. 0
Protection Csg	0 Ft (@ 0.00 \$/Ft	220.34	0	24	0	0
Production Csg	9,700 Ft (② 10.00 \$/Ft	**	0	40.74	97,000	97,000
Protection Liner	0 Ft (② 0.00 \$/Ft		0		0	0
Production Liner	0 Ft (② 0.00 \$ /Ft	3-1	0		0	0
Tubing	9,500 Ft @	3.25 \$/ Ft	•	0		30,875	30,875
Rods	0 Ft (② 0.00 \$/Ft	•2	0	200.340	. 0	0
Artificial Lift Equipm	nent		•/	0	MEE SAF	0	0
Tank Battery				0	***	10,600	10,600
Separators/Heater	Treater/Gas	Units/FWKO		0	550.04	12,720	12,720
* Well Head Equipr	ment & Chris	tmas Tree		2,500	400 Jul	11,500	14,000
Subsurface Well Ed	quipment		34	0		6,148	6,148
Flow Lines				0		13,250	13,250
Saltwater Disposal	Pump		••	0	##. PS	0	0
Gas Meter			2.	0	197 0	1,484	1,484
Lact Unit			2/	0	BH 317	. 0	0
Vapor Recovery Ur	ait		-	0	au 19	0	0
Other Well Equipme	ent		**	0	AM 218	0	0
ROW and Damage	S		**	0	at As	2,650	2,650
Surface Equipment	Installation (Costs	2.7	0	***	9,540	9,540
Elect. Installation				0		. 0	0
ESTIMATED TOTA	AL TANGIBL	.ES		28,900		195,767	224,687
ESTIMATED TOTA	AL WELL CO	OSTS		470,406		331,868	802,274

ype/apar(e)/al			DATE
PREPARED BY: HR	w		12/28/99
REVIEWED BY: TR	М		
APPROVED BY:			
APPROVED BY:			2/28/99
WI APPROVAL:	COMPANY	Flora Jane Hop	kins .0324 26 %
	BY		
	TITLE		
	DATE		

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	<u>s:</u>			TO CSG PT	serie	COMPLETION	· · · · · · · · · · · · · · · · · · ·	TOTAL WELL
Conductor Casing	0 Ft	@ 0.00 \$/Ft		0		0]	0
Surface Csg	1,100 Ft	@ 24.00 \$/Ft		26,400		0)	26,400
Intermediate Csg	0 Ft	@ 0.00 \$/Ft	***	0	. **	0		0
Protection Csg	0 Ft	@ 0.00 \$/Ft	200.30	0	*	0		0
Production Csg	9,700 Ft	@ 10.00 \$ /Ft	•	0	***	97,000		97,000
Protection Liner	0 Ft	@ 0.00 \$ /Ft		0	**	0		0
Production Liner	0 Ft	@ 0.00 \$/Ft		0		0		0
Tubing	9,500 Ft	@ 3.25 \$/Ft	•	0	A	30,875		30,875
Rods	0 Ft	@ 0.00 \$/Ft	**	0	222.544	0		0
Artificial Lift Equipm	nent		9.7	0	and for	0		0
Tank Battery			40	0	** ##	10,600		10,600
Separators/Heater	Treater/Gas	s Units/FWKO	94	0	AR.48	12,720		12,720
* Well Head Equipr	ment & Chris	stmas Tree		2,500	23.34	11,500		14,000
Subsurface Well Ed	quipment			0	SHE 577	6,148		6,148
Flow Lines				0	ee.13	13,250		13,250
Saltwater Disposal	Pump		144	0	ee. 2%	0		0
Gas Meter			•	0	200.240	1,484	ĺ	1,484
Lact Unit				0	ESE 50°	0		0
Vapor Recovery Un	ait			0	est 10	0	[0
Other Well Equipme	ent			0	AM 200	0	[0
ROW and Damage	\$		**	0	est 91	2,650	[2,650
Surface Equipment	Installation	Costs	•	0	WE 350	9,540	ĺ	9,540
Elect. Installation				0	au 10	0	[0
							• [
ESTIMATED TOTA	AL TANGIBI	LES		28,900		195,767	[224,667
					[Ī	
ESTIMATED TOTA	AL WELL C	OSTS		470,406		331,868		802,274

NPC APPROVAL			DATE
PREPARED BY:	HRW		12/28/99
REVIEWED BY:	TRM		
APPROVED BY:			
APPROVED BY:	/30		12/28/99
			77
		St 11- P 7	11

WI APPROVAL:	COMPANY	Stella P. Herrell .032426%	_
	BY		
	TITLE		
	DATE		

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANOISI E COST	· ·			***********	TO CSG PT	1	COMPLETION		TOTAL WELL
TANGIBLE COST			0.00.054	****		geng		1	
Conductor Casing		Ft @	0.00 \$/Ft		0		0		0 400
Surface Csg	1,100 F	_	24.00 \$/Ft	200.74			0	ł i	26,400
Intermediate Csg	0 8	Ft @	0.00 \$/ Ft	****	0	**	. 0].	0
Protection Csg		Ft @	0.00 \$/Ft	200.00	0		0	l	0
Production Csg	9,700 F	_	10.00 \$/Ft	•/	0	22.34	97,000	j	97,000
Protection Liner		Ft @	0.00 \$/Ft		0	*	0		0
Production Liner	0 F	-t @	0.00 \$/Ft		0	400 325	0	[0
Tubing	9,500 F	-t @	3.25 \$/ Ft	***	0	200.000	30,875]	30,875
Rods	0 F	-t @	0.00 \$/Ft	•4	0	25.34	0		0
Artificial Lift Equipm	nent			2.	0	ger tw	0]. [0
Tank Battery					0	ee 15	10,600		10,600
Separators/Heater	Treater/G	as Uni	ts/FWKO	44	0	507.04	12,720		12,720
* Well Head Equipr	nent & Ch	nristma	s Tree		2,500	\$23.34E	11,500		14,000
Subsurface Well Ed	quipment			97	0	600.570	6,148		6,148
Flow Lines				44	0	set fis	13,250	[13,250
Saltwater Disposal	Pump				0	##2.579	0	· [0
Gas Meter				•	0	100.70	1,484	· [1,484
Lact Unit					0	100 SP	0		0
Vapor Recovery Un	rit				0	48.59	0	ſ	0
Other Well Equipme	ent				0	201.70	0		0
ROW and Damage	5			•	0	100.241	2,650		2,650
Surface Equipment	Installatio	n Cost	s	2,1	0	um 15c	9,540	Ī	9,540
Elect. Installation					0	44.50	0	Γ	0
								ſ	
ESTIMATED TOTA	L TANG	IBLES			28,900		195,767	Ī	224,667
						Ī		Ţ	
ESTIMATED TOTA	L WELL	COST	<u> </u>		470,406		331,868		802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL		DATE
PREPARED BY:	HRW	.12/28/99
REVIEWED BY:	TRM	
APPROVED BY:		
APPROVED BY:		- 12/28/99
		\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \

WI	APPROVAL	:

COMPANY

Craig and Sheryl Collins

.01351%

BY

TITLE

DATE

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700°

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	S:		ene	TO CSG PT	SATUR	COMPLETION	Τ	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/ Ft		0		0	1	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	200.50	26,400	1	0	1	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft		0	*	0		0
Protection Csg	0 Ft @	0.00 \$/Ft	220.700	0	*	0	1	0
Production Csg	9,700 Ft @	10.00 \$/Ft		0	200.500	97,000]	97,000
Protection Liner	0 Ft@	0.00 \$/Ft		0	2.0	0	[0
Production Liner	0 Ft@	0.00 \$/Ft		0	400 324	0		0
Tubing	9,500 Ft @	3.25 \$/Ft	-	0	(III per	30,875		30,875
Rods	0 Ft@	0.00 \$/Ft	•	0		0		0
Artificial Lift Equipm	ent		97	0	un se	0		0
Tank Battery			-	0		10,600		10,600
Separators/Heater	Treater/Gas U	nits/FWKO	**	0	ANT. ANT.	12,720		12,720
* Well Head Equipr	nent & Christm	as Tree	## Tel	2,500	822.34E	11,500		14,000
Subsurface Well Ed	quipment		24	0	SEE 577	6,148		6,148
Flow Lines			9-	0	sac 223	13,250		13,250
Saltwater Disposal	Pump		**	0	****	: 0		0
Gas Meter			24	. 0	344.7E	1,484		1,484
Lact Unit			20	0	88E 18F	0		0
Vapor Recovery Un	it		-	0	***	0		0
Other Well Equipme	ent		**	0	ANT.780	0		0
ROW and Damage	s		•	0	met per	2,650	<u>[</u>	2,650
Surface Equipment	Installation Co	sts		0	402.7W	9,540		9,540
Elect. Installation				0	445 517	0	[0
			L					
ESTIMATED TOTA	L TANGIBLES	S		28,900		195,767	[224,687
			L				L	
ESTIMATED TOTA	L WELL COS	<u>TS</u>		470,406		331,868		802,274

un Zoladariaia.		UAIC	
PREPARED BY:	HRW	12/28/99	
REVIEWED BY:	TRM		
APPROVED BY:			
APPROVED BY:		12/28/99	
WI APPROVAL:	COMPANY	Sheryl S. Johnson	0.0135
	BY		
	TITLE		
	DATE		

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	гs:			TO CSG PT	any	COMPLETION	Ι	TOTAL WELL
Conductor Casing		0.00 \$/ Ft		0		. 0	1	0
Surface Csg	1,100 Ft @	24.00 \$/Ft		26,400		0	1 '	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft				0	İ	0
Protection Csg	0 Ft @	0.00 \$/Ft		0		0		0
Production Csg	9,700 Ft @	10.00 \$/Ft		0		97,000		97,000
Protection Liner	0 Ft@	0.00 \$/Ft		0	**	0		. 0
Production Liner	0 Ft@	0.00 \$ /Ft		0	40.70	0		0
Tubing	9,500 Ft @	3.25 \$ /Ft		0		30,875		30,875
Rods	0 Ft@	0.00 \$/Ft		0	State Seal	0		0
Artificial Lift Equipr	_		94	0	888 500	0		0
Tank Battery				0	** ****	10,600	٠.	10,600
Separators/Heater	Treater/Gas U	nits/FWKO	44	0	ar.au	12,720		12,720
* Well Head Equip	ment & Christm	as Tree	200.24	2,500		11,500		14,000
Subsurface Well E			20	0	MAR STO	6,148		6,148
Flow Lines				0	sec. 27s	13,250		13,250
Saltwater Disposal	Pump		**	0	44.55	0		0
Gas Meter	•			0	44-74	1,484		1,484
Lact Unit				0	MM 3 PF	0		. 0
Vapor Recovery U	nit			0	48.58	0		0
Other Well Equipm	ent			0	ANT 218	0		0
ROW and Damage	98		•	0	at Hi	2,650	•	2,650
Surface Equipment	t Installation Co	sts	87	0	we.3%	9,540		9,540
Elect. Installation			94	0	aa: ***	0		. 0
ESTIMATED TOTA	AL TANGIBLE	s		28,900	}	195,767		224,687
ESTIMATED TOTA	AL WELL COS	TS		470,406		331,868		802,274

PREPARED BY: HI	RW	12/28/99
REVIEWED BY: TE	RM	
APPROVED BY:		
APPROVED BY:		12/28/99
WI APPROVAL:	COMPANY	Bank of America, Trustee for the Birdie F. Coryell Rev. Trust dated 10/2/85
WI ALL KOVAL	BY	
	TITLE	
	DATE	

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

	FACE.	D:-	D	40	^
l.	EASE:	KIO	recos	าษ	Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

EXPLORATORY, DEVELOPMENT, WORKOVER: E

FIELD: Wildcat Morrow DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	<u>`S:</u>		and .	TO CSG PT	Secre	COMPLETION	Γ	TOTAL WELL
Conductor Casing	<u>v.</u> 0 Ft :	@ 0.00 \$ /Ft		0		0	1	0
Surface Csg	1,100 Ft	_		26,400		0	1	26,400
Intermediate Csg	0 Ft	_		0		0	1	0
Protection Csg	0 Ft	•		0		0	1	. 0
Production Csg	9,700 Ft	_		0		97,000		97,000
Protection Liner	0 Ft	_	407.239	0	**	0		0
Production Liner	0 Ft (-		0		0	•	. 0
Tubing	9,500 Ft (_		0	200.244	30,875]	30,875
Rods	0 Ft (@ 0.00 \$/Ft	u	0	220.546	0		0
Artificial Lift Equipm	nent		97	0	ant for	0		0
Tank Battery			.,,	0	est.133	10,600		10,600
Separators/Heater	Treater/Gas	Units/FWKO	84	0	200.046	12,720		12,720
* Well Head Equipr	nent & Chris	stmas Tree		2,500	800.34d	11,500		14,000
Subsurface Well Ed	quipment			0	MEE 330	6,148		6,148
Flow Lines			44	0	aut.173	13,250		13,250
Saltwater Disposal	Pump			0	MMC 251	0	İ	0
Gas Meter				0	200.740	1,484	-1	1,484
Lact Unit			9/	0	805.50	0		0
Vapor Recovery Un	nit		**	0	400.539	0		0
Other Well Equipme	ent			0	SM.780	0		0
ROW and Damage	\$		•/	0	sec.As	2,650		2,650
Surface Equipment	Installation	Costs	97	0	WE.254	9,540	ſ	9,540
Elect. installation				0	442.440	0	[0
							Ī	
ESTIMATED TOTA	AL TANGIBI	LES	[28,900		195,767		224,667
					Ţ		Ī	
ESTIMATED TOTA	L WELL C	OSTS		470,406		331,868		802,274

HE SAFIFICOVAL		DATE
PREPARED BY: I	łrw	12/28/99
REVIEWED BY: 1	гкм	
APPROVED BY:		
APPROVED BY:		12/28/99
		Kenneth W. Brown, Ind. Exe. of the Estate of Gleason Brown, Dec032426%
WI APPROVAL:	COMPANY	
	BY	
	TITLE	
	DATE	

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

FIELD: Wildcat Morrow

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	<u>s:</u>	-		grad	TO CSG PT	sec.	COMPLETION		TOTAL WELL
Conductor Casing-	0	Ft @	0.00	\$/Ft	. 0		0		0
Surface Csg	1,100	Ft @	24.00	\$/Ft	26,400		0	}	26,400
Intermediate Csg	0	Ft @	0.00	S/Ft 🚙	0	•	0		0
Protection Csg	0	Ft @	0.00	\$/Ft	. 0		0		0
Production Csg	9,700	Ft @	10.00	S/Ft 🐷	0	44.34	97,000		97,000
Protection Liner	0	Ft @	0.00	S/Ft ass/a	0	•	0		0
Production Liner	0	Ft @	0.00	5/Ft 🐷	0		0		0
Tubing	9,500	Ft @	3.25	5/Ft ₩	0		30,875		30,875
Rods	0	Ft @	0.00	i/Ft €⁄	0	***	0		0
Artificial Lift Equipm	nent			94	0	441.10	0		0
Tank Battery				•	. 0	est 19	10,600		10,600
Separators/Heater	Treater/	Gas Ur	nits/FWKO	•	0	200.040	12,720		12,720
* Well Head Equipr	nent & C	hristm	as Tree		2,500	200 Self	11,500		14,000
Subsurface Well Ed	quipment	t			0	885.550	6,148		6,148
Flow Lines					0	ee.15	13,250		13,250
Saltwater Disposal	Pump			**	0	****	0		0
Gas Meter				•	0		1,484	[1,484
Lact Unit					0	445.50	0	· [0
Vapor Recovery Un	nit			••	0		0		0
Other Well Equipme					0	AR 20	0	[. 0
ROW and Damage	S			v	. 0		2,650		2,650
Surface Equipment	Installati	on Cos	ts	9.7	0	44.7V	9,540		9,540
Elect. Installation					0	au 311	0		0
ESTIMATED TOTA	L TANG	BLES	:		28,900		195,767	}	224,667
			•		25,500	ŀ	100,101	ŀ	224,007
ESTIMATED TOTA	L WELL	cos	rs		470,406		331,868		802,274

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL:	COMPANY	James A. and Judith A. Brown .016211%
	BY	
	TITLE	
	DATE	

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

FIELD: Wildcat Morrow

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

			2000000000000	<u> </u>		· · · · · · · · · · · · · · · · · · ·	·	
TANGIBLE COST	<u>\$:</u>	•	***	TO CSG PT	serie	COMPLETION	1	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/ Ft		0	•	0]	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	200 34	26,400	24	0		26,400
Intermediate Csg	0 Ft @	0.00 \$/ Ft		0	•	0		0
Protection Csg	0 Ft @	0.00 \$/Ft	****	0	**	0		0
Production Csg	9,700 Ft @	10.00 \$/Ft	•	0	113.50	97,000]	97,000
Protection Liner	0 Ft@	0.00 \$/ Ft		0	**	0		0
Production Liner	0 Ft@	0.00 \$/Ft		0	*** ***	0]	0
Tubing	9,500 Ft @	3.25 \$/Ft	**	0		30,875		30,875
Rods	0 Ft@	0.00 \$/Ft	92	0	***	0		0
Artificial Lift Equipm	nent		2,	0	BH 140	0		0
Tank Battery			**	0	eef 133	10,600		10,600
Separators/Heater	Treater/Gas U	Inits/FWKO	94	0	497.00	12,720		12,720
* Well Head Equip	ment & Christr	nas Tree	100.50	2,500	325.3m	11,500		14,000
Subsurface Well E	quipment		2./	0	MEE 5377	6,148		6,148
Flow Lines			**	0	set.th	13,250		13,250
Saltwater Disposal	Pump			0	44.19	0		0
Gas Meter			47	0	200.00	1,484		1,484
Lact Unit			2/	0	812.537	. 0	. [0
Vapor Recovery Ur	nit		**	0	48 (8	0		0
Other Well Equipm	ent		***	0	100.75	0		0
ROW and Damage	s		14	0	est Pi	2,650		2,650
Surface Equipment	Installation Co	sts	2/	0	***	9,540	[9,540
Elect. Installation				0	440.00	0	ſ	0
ESTIMATED TOTA	AL TANGIBLE	S	i	28,900		195,767	Ì	224,667
							ĺ	
ESTIMATED TOTA	AL WELL COS	STS		470,406		331,868		802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL			DATE	
PREPARED BY: HR	<u>w</u>		12/28/99	,
REVIEWED BY: TR	М			
APPROVED BY:				
APPROVED BY:			12/28/99	
		Louise M. Rich	pardoon Do	nongod.
WI APPROVAL:	COMPANY	c/o Mary Harri	•	.040534%
	BY			

TITLE DATE

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	'S :		0.3	TO CSG PT	gard	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft		0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	****	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft		0	•	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	349.700	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	W	0	12.74	97,000	97,000
Protection Liner	0 Ft@	0.00 \$/Ft	*****	0	1	0	0
Production Liner	0 Ft@	0.00 \$/Ft		0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	**	0	200.000	30,875	30,875
Rods	0 Ft@	0.00 \$/Ft	**	0	***	0	.0
Artificial Lift Equipm	nent			0	422 Ser	0	0
Tank Battery			**	0	ee 13	10,600	10,600
Separators/Heater	Treater/Gas U	nits/FWKO	84	0	AT	12,720	12,720
* Well Head Equip	ment & Christm	as Tree		2,500	22.54	11,500	14,000
Subsurface Well E	quipment		24	0	BEE 577	6,148	6,148
Flow Lines				0		13,250	13,250
Saltwater Disposal	Pump		***	0	eat.1%	0	0
Gas Meter			24	0	w)e	1,484	1,484
Lact Unit			27	0	***	0	0
Vapor Recovery Ur	nit		••	0	42 15	· 0	0
Other Well Equipm	ent		144	0	ANT. 28	. 0	0
ROW and Damage	8		**	0	est AV	2,650	2,650
Surface Equipment	l Installation Co	sts	2/	0	WE 196	9,540	9,540
Elect. Installation				0	and see	0	0
ESTIMATED TOTA	AL TANGIBLES	5		28,900		195,767	224,667
ESTIMATED TOTA	AL WELL COS	TS		470,406		331,868	802,274

NPC APPROVAL		DATE		
PREPARED BY: HE	₹ W	 12/28/99		
REVIEWED BY: TR	RM			
APPROVED BY:			·	
APPROVED BY:		12/28/99	•	
		oran, Personal Rate of Ernest L.	epresentative Redford Deceased	.040534%
WI APPROVAL:	COMPANY			
	BY			
	TITLE			
	DATE			

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

\$\$\$57<u>\$\$</u>\$\$\$\$\$\$\$\$\$\$

EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	<u>\$:</u>		ane	TO CSG PT	gene	COMPLETION		TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/ Ft		0		0		0
Surface Csg	1,100 Ft @	24.00 \$/Ft	****	26,400	24	0		26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft		0	**	0		0
Protection Csg	0 Ft @	0.00 \$/Ft	***	0	*	0		_0
Production Csg	9,700 Ft @	10.00 \$/F t	•/	0	***	97,000		97,000
Protection Liner	0 Ft@	0.00 \$/Ft	***	0	**	0		0
Production Liner	0 Ft@	0.00 \$/Ft	3-4	0		0	i	0
Tubing	9,500 Ft @	3.25 \$/Ft	944	0	390.344	30,875		30,875
Rods	0 Ft@	0.00 \$/Ft	9.4	0	***	0		0
Artificial Lift Equipm	nent			0	are to	0		0
Tank Battery				0		10,600		10,600
Separators/Heater	Treater/Gas U	nits/FWKO	84	0	ARE ARE	12,720		12,720
* Well Head Equipr	ment & Christm	as Tree		2,500	##.W	11,500		14,000
Subsurface Well Ed	quipment		•/	0	ESE 590	6,148		6,148
Flow Lines			••	0	= 13	13,250		13,250
Saltwater Disposal	Pump		***	0	***	0		0
Gas Meter			•	0	***	1,484		1,484
Lact Unit				0	ME SP	0		0
Vapor Recovery Ur	nit			0	487.57	0		0
Other Well Equipme	ent			0	ARC.7 III	0	ſ	0
ROW and Damage	S		•/	0	sec.244	2,650		2,650
Surface Equipment	Installation Co	sts	•	0	488.350	9,540	ſ	9,540
Elect. Installation			90	0		0		0
ESTIMATED TOTA	N TANGIRI E	8		28,900		195,767		224 667
ESIMAIED IOIA	i ANGIDLE	•	}	20,900	ŀ	185,767	}	224,667
ESTIMATED TOTA	AL WELL COS	TS		470,406		331,868		802,274

34.00.00.00.00.00.00.00.00.00.00.00.00.00		
PREPARED BY: HR	kw	12/28/99
REVIEWED BY: TR	М	·
APPROVED BY:		
APPROVED BY:	/81	12/28/99
WI APPROVAL:	COMPANY	Edna Mae Watt .040534%
	BY	
	TITLE	
	DATE	

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

FIELD: Wildcat Morrow

PREPARED BY: HRW

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	<u>'S:</u>	-		grot	TO CSG PT	gen g	COMPLETION		TOTAL WELL
Conductor Casing	0	Ft @	0.00 \$/	Ft	. 0		0	1 .	0
Surface Csg	1,100	_		Ft see.	26,400	1	.0	1	26,400
Intermediate Csg	0	Ft @	0.00 \$/	Ft	0	1	0	1	O
Protection Csg	0	Ft@	0.00 \$/	Ft man	0	**	0	1	0
Production Csg	9,700	Ft @	10.00 \$/	Ft ex	0	200.745	97,000	1	97,000
Protection Liner	0	Ft @	0.00 \$/	Ft asses	0		0		0
Production Liner	0	Ft@	0.00 \$/	Ft 🐷	0	441.74	0]	0
Tubing	9,500	Ft @	3.25 \$/	Ft 🔐	0		30,875		30,875
Rods	0	Ft@	0.00 \$/	Ft 😼	0		0] .	0
Artificial Lift Equipm	nent			•	0	SEE SEE	. 0]	0
Tank Battery					0	ent.433	10,600		10,600
Separators/Heater	Treater/	Gas L	Inits/FWKO	**	0	200.04	12,720		12,720
* Well Head Equipr	ment & C	hristn	nas Tree		2,500	822.34E	11,500]	14,000
Subsurface Well Ed	quipmen	t		2.	0	888.577	6,148	1	6,148
Flow Lines					0	sst.th	13,250		13,250
Saltwater Disposal	Pump			•	0	48.29	0		0
Gas Meter				· ·	0	200.200	1,484		1,484
Lact Unit				87	0	822.507	0	·	0
Vapor Recovery Ur	nit			**	0	441.59	0		0
Other Well Equipme	ent			w.	0	AM. 2 M	0	ĺ	0
ROW and Damage	8			•	0	86E.PH	2,650		2,650
Surface Equipment	Installati	ion Co	osts	2.7	0	em 1%	9,540		9,540
Elect. Installation				**	0	445 545	0		0
ESTIMATED TOTA	AL TANG	SIBLE	S		28,900		195,767		224,667
			· -		25,500		100,101		
ESTIMATED TOTA	L WELL	cos	STS		470,406		331,868	. 1	802,274

REVIEWED BY: TR	М		•
APPROVED BY:			
APPROVED BY:		12/28/99	
WI APPROVAL:	COMPANY	The Estate of James A. Collier	.032426%
	BY		
	TITLE		
	DATE	· · · · · · · · · · · · · · · · · · ·	

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:		gene	TO CSG PT	garre	COMPLETION		TOTAL WELL
Conductor Casing 0 Ft @	0.00 \$/Ft		0	•	0		0
Surface Csg 1,100 Ft @	24.00 \$/Ft	****	26,400	2.0	_0		26,400
Intermediate Csg 0 Ft @	0.00 \$/Ft		0	2.	0]	0
Protection Csg 0 Ft @	0.00 \$/Ft	337.50	0	•	0	}	0
Production Csg 9,700 Ft @	10.00 \$ /Ft	•	0	123.50	97,000]	97,000
Protection Liner 0 Ft @	0.00 \$/ Ft	ARC 2.55	0	**	0	•	0
Production Liner 0 Ft @	0.00 \$/Ft	••	0	****	0		0
Tubing 9,500 Ft @	3.25 \$/Ft	144	0		. 30,875		30,875
Rods 0 Ft@	0.00 \$/Ft	22	0	***	0		0
Artificial Lift Equipment		97	0	121 Ser	0		. 0
Tank Battery			0		10,600	Ì '	10,600
Separators/Heater Treater/Gas	Units/FWKO	-	0		12,720		12,720
* Well Head Equipment & Christi	mas Tree		2,500	222.544	11,500		14,000
Subsurface Well Equipment		3/	0	MEE 577	6,148		6,148
Flow Lines		*	0	sac 223	13,250		13,250
Saltwater Disposal Pump		**	0	44.70	0		0
Gas Meter		**	0	22.7d	1,484		1,484
Lact Unit		24	0	82E.587	0		0
Vapor Recovery Unit			0		0		0
Other Well Equipment		**	0 .	20070	0		0
ROW and Damages		•	0	m As	2,650		2,650
Surface Equipment Installation C	osts	2/	0		9,540		9,540
Elect. Installation		**	0		0		0
ESTIMATED TOTAL TANGIBLI	ES		28,900		195,767		224,687
ESTIMATED TOTAL WELL CO	STS		470,406		331,868		802,274

Market Salaka Market Market Market Market Market Market Market Market Market Market Market Market Market Market		DAIE
PREPARED BY: 1	HRW	12/28/99
REVIEWED BY:	TRM	
APPROVED BY:		·
APPROVED BY:		12/28/99
WI APPROVAL:	COMPANY	John Collier Major and Stephen Alfred Major, Trustee UWO John Charles Major .032426%
	BY	
	TITLE	
	DATE	

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	S :		0.04	TO CSG PT	arre	COMPLETION		TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft		0	•	0]	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	100.70	26,400	**	0]	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft		0	•	. 0]	0
Protection Csg	0 Ft @	0.00 \$/Ft		0		0		0
Production Csg	9,700 Ft @	10.00 \$/Ft	•	0	18.54	97,000		97,000
Protection Liner	0 Ft@	0.00 \$/Ft		0	**	0		0
Production Liner	0 Ft@	0.00 \$/Ft		0		0		0
Tubing	9,500 Ft @	3.25 \$/Ft		0	,m,m	30,875]	30,875
Rods	0 Ft@	0.00 \$/ Ft	97	0	***	0		0
Artificial Lift Equipm	nent		2/	0	and Ser	0		0
Tank Battery				0	est 15	10,600		10,600
Separators/Heater	Treater/Gas U	nits/FWKO		0	AN	12,720		12,720
* Well Head Equipr	ment & Christm	nas Tree	****	2,500	***	11,500		14,000
Subsurface Well Ed	quipment		2/	0	812 577	6,148] [6,148
Flow Lines				0	sat. 123	13,250		13,250
Saltwater Disposal	Pump		***	0	****	0		0
Gas Meter			**	0	***	1,484		1,484
Lact Unit				0	8H 5F	0		0
Vapor Recovery Un	nit		44	0	400.59	0		0
Other Well Equipme	ent		-	0	AM 210	0		0
ROW and Damage	s		•	0	at N	2,650		2,650
Surface Equipment	Installation Co	sts		0	42.19	9,540		9,540
Elect. Installation				0	44.30	0		0
ESTIMATED TOTA	AL TANGIBLE	s	,	28,900		195,767		224,687
ESTIMATED TOTA	AL WELL COS	TS		470,406		331,868		802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

PREPARED BY:	HRW	12/28	
REVIEWED BY:	TRM		
APPROVED BY:			
APPROVED BY:		12/2	8/99
WI APPROVAL:	COMPANY	James Mayberry	.03278%
	BY		
	TITLE		
	DATE		

NECAEDROVA: DATE

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	<u>'S:</u>		ent.	TO CSG PT	got	COMPLETION		TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft		0	**	0		0
Surface Csg	1,100 Ft @	24.00 \$/Ft	****	26,400	2/	. 0		26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft		0	*	0		0
Protection Csg	0 Ft @	0.00 \$/Ft	48.50	0	24	0		0
Production Csg	9,700 Ft @	10.00 \$/Ft	*/	0		97,000		97,000
Protection Liner	0 Ft@0	0.00 \$/ Ft	200,000	0	**	0		0
Production Liner	0 Ft@	0.00 \$/Ft		0		0		0
Tubing	9,500 Ft @	3.25 \$/Ft	-	0	AN	30,875		30,875
Rods	0 Ft@	0.00 \$/Ft	**	0	***	0		0
Artificial Lift Equipm	nent		2/	0	net ser	0		0
Tank Battery			**	0	w.s.	10,600		10,600
Separators/Heater	Treater/Gas Ur	its/FWKO	***	0	ALC AND	12,720		12,720
* Well Head Equip	ment & Christma	s Tree		2,500		11,500		14,000
Subsurface Well E	quipment		94	0	800.597	6,148		6,148
Flow Lines			4.0	0	sset. 573	13,250	ĺ	13,250
Saltwater Disposal	Pump		**	0	MR SU	0		0
Gas Meter				0	22.74	1,484		1,484
Lact Unit			9.7	0	81E 18F	0	•	0
Vapor Recovery Ui	nit		**	0	400.034	0	. [Ö
Other Well Equipm	ent		***	0		0	. [0
ROW and Damage	es		**	0	est. 241	2,650	ſ	2,650
Surface Equipment	t Installation Cos	its	3./	0	est 2%	9,540	ľ	9,540
Elect. Installation			44	0		0	Ì	0
							ľ	
ESTIMATED TOTA	AL TANGIBLES	:		28,900		195,767	İ	224,667
ESTIMATED TOTA	AL WELL COST	rs		470,406		331,868	Ī	802,274

		577.5
PREPARED BY: H	RW	12/28/99
REVIEWED BY: T	RM	
APPROVED BY:		
APPROVED BY:		12/28/99
		Chase Bank of Texas, Trustee for Anglea Leigh Simpson Starrett and
WI APPROVAL:	COMPANY	UWO R.E. Boyle, Dec520833%
	BY	
	TITLE	
	DATE	

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANCIDI E COST	·			TO CSG PT		COMPLETION	Τ	TOTAL WELL
TANGIBLE COST			***	10 036 71	Acod		-	101VF AASTE
Conductor Casing	0 Ft @			0	**	0	-	0 122
Surface Csg	1,100 Ft @		****	26,400	1	0	-	26,400
Intermediate Csg	0 Ft @			0	*	0	ļ	0
Protection Csg	0 Ft @	0.00 \$/ Ft	2500 540	0	**	0		0
Production Csg	9,700 Ft @	10.00 \$/Ft	*/	0	220.00	97,000		97,000
Protection Liner	0 Ft@	0.00 \$/ Ft	200.230	0	*	0	l	0
Production Liner	0 Ft@	0.00 \$/Ft	84	0	48 34	. 0		0
Tubing	9,500 Ft @	3.25 \$/Ft	-	0	ANT. 244	30,875]	30,875
Rods	0 Ft@	0.00 \$/Ft	•	0		0		0
Artificial Lift Equipm	nent			0	ant sec	0	}	0
Tank Battery				0	est tu	10,600		10,600
Separators/Heater	Treater/Gas	Units/FWKO	84	0	ATT. 244	12,720		12,720
* Well Head Equipr	nent & Christi	mas Tree		2,500	202.3ml	11,500		14,000
Subsurface Well Ed	quipment		3,0	0	MEE. 570'	6,148		6,148
Flow Lines				0	est th	13,250		13,250
Saltwater Disposal	Pump		24	0	440.2%	0		0
Gas Meter			*	0	100.740	1,484		1,484
Lact Unit			3,	0	888.587	0		0
Vapor Recovery Un	nit			0	4H. 53	0		0
Other Well Equipme	ent		44	0	300.210	0		0
ROW and Damage	s		**	0	mt Att	2,650		2,650
Surface Equipment	Installation C	osts	2.	0	est 3%	9,540		9,540
Elect. installation				0		0		0.
							Ì	
ESTIMATED TOTA	AL TANGIBLI	ES		28,900		195,767		224,687
						1		
ESTIMATED TOTA	AL WELL CO	STS		470,406		331,868		802,274

		UAIE
PREPARED BY: HE		12/28/99
REVIEWED BY: TR	M	
APPROVED BY:		
APPROVED BY:		12/28/99
WI APPROVAL:	COMPANY	Feagan Energy, Inc159285%
	BY	
	TITLE	
	DATE	

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

				_
LFASE:	Rio	Pecos	19	Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

						,		
TANGIBLE COST	<u>\$:</u>		8796	TO CSG PT	801	COMPLETION	1 1	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft		0	**	0]	0
Surface Csg	1,100 Ft @	24.00 \$/Ft		26,400		0]	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft		0	**	0		0
Protection Csg	0 Ft @	0.00 \$/ Ft	200.740	0	•	. 0		0
Production Csg	9,700 Ft @	10.00 \$/Ft	•	0		97,000		97,000
Protection Liner	0 Ft@	0.00 \$/Ft		0	**	. 0]	.0
Production Liner	0 Ft@	0.00 \$/Ft		0	****	0		0
Tubing	9,500 Ft@	3.25 \$/Ft	84	0		30,875		30,875
Rods	0 Ft@	0.00 \$/Ft	24	0	12.34E	0] [0
Artificial Lift Equipm	nent		**	0	un su	0	. [0
Tank Battery				0	** ##	10,600	} [10,600
Separators/Heater	Treater/Gas	Units/FWKO		0	490.04	12,720		12,720
* Well Head Equipr	ment & Christ	mas Tree		2,500	A22.5m	11,500		14,000
Subsurface Well E	quipment		34	0	WEE 397	6,148		6,148
Flow Lines				0	ssec. 275	13,250		13,250
Saltwater Disposal	Pump		144	0	. 446.25	0		0
Gas Meter			2.1	0	200.700	1,484		1,484
Lact Unit			20	0	Mad. 3 (F	0		0
Vapor Recovery Ur	nit			0	414.134	0		0
Other Well Equipm	ent		94	0	Aur. 2 to	0		0
ROW and Damage	s		**	0	mt.211	2,650	ſ	2,650
Surface Equipment	Installation C	osts		0	442.75	9,540	ſ	9,540
Elect. Installation				0	44.50	0		0
							· [
ESTIMATED TOTA	AL TANGIBL	ES		28,900		195,767		224,667
							ſ	
ESTIMATED TOTA	AL WELL CO	STS		470,406		331,868		802,274

NEO APPROVAL						DATE	
PREPARED BY:	HRW		<u> </u>			12/28/99	
REVIEWED BY:	TRM						
APPROVED BY:							
APPROVED BY:		<u> </u>	~~	\supset	/	2/28/	39
					> 1	7-7	-/
			Poo	1-1-11	Powa1	tu Dar	tn.

VI APPROVAL:	COMPANY	Rockhill Royalty Partnership	•477855% ———
	BY		
	TITLE		
	DATE		

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	<u>\$:</u>		ane	TO CSG PT	sec e	COMPLETION		TOTAL WELL
Conductor Casing	 0 Ft @	0.00 \$/Ft		0	1	0]	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	258 50	26,400	9.4	0		26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft		0	2.	0		0
Protection Csg	0 Ft @	0.00 \$/Ft	200.740	0		0]	0
Production Csg	9,700 Ft @	10.00 \$/Ft	**	0	428-348	97,000]-	97,000
Protection Liner	0 Ft @	0.00 \$/Ft		0	**	0]	. 0
Production Liner	0 Ft @	0.00 \$/Ft		0		0]	0
Tubing	9,500 Ft @	3.25 \$/Ft	***	0		30,875		30,875
Rods	0 Ft@	0.00 \$/Ft	z,	0	***	0		0
Artificial Lift Equipm	nent		3/	0	424 547	0		0
Tank Battery			•	0		10,600		10,600
Separators/Heater	Treater/Gas Un	its/FWKO	••	0	500.00	12,720	· [12,720
* Well Head Equipr	ment & Christma	as Tree		2,500	***	11,500		14,000
Subsurface Well Ed	quipment		2.	0	84E 570	6,148		6,148
Flow Lines			*	0	sat. 22s	13,250		13,250
Saltwater Disposal	Pump		**	0	***	0		0
Gas Meter			9.0	0)#	1,484	[1,484
Lact Unit			2/	0	an se	0		0
Vapor Recovery Ur	nit			0		. 0		0
Other Well Equipm	ent		94	0	200.200	0	-[0
ROW and Damage	8		•	0	ag pi	2,650		2,650
Surface Equipment	Installation Cos	its	•	0	*** 10	9,540		9,540
Elect. Installation				0		0	[0
ESTIMATED TOTA	AL TANGIBLES	;		28,900		195,767		224,667
ESTIMATED TOTA	AL WELL COST	rs		470,406	·	331,868		802,274

PREPARED BY: HR	RW .	12/28/99	
REVIEWED BY: TR	М		
APPROVED BY:			
APPROVED BY:		12/28/99	
		Winnie Dill Knox, Dec.	.708042%
WI APPROVAL:	COMPANY	willife bill knox, bec.	• / 00042/6
	BY		
	TITLE		· · · · · · · · · · · · · · · · · · ·
	DATE		

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

٥

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

				100000000000	v	T			I
TANGIBLE COST	<u>'S:</u>			****	TO CSG PT	gethe	COMPLETION	·	TOTAL WELL
Conductor Casing	0 F	t @	0.00 \$/Ft		0	.	. 0		0
Surface Csg	1,100 F	t @	24.00 \$/Ft		26,400	2.	0		26,400
Intermediate Csg	0 F	't @	0.00 \$/Ft	441.74	0		0		0
Protection Csg	0 F	t @	0.00 \$/Ft	200.500	0	264	0		0
Production Csg	9,700 F	t @	10.00 \$/Ft	•	0	100.344	97,000		97,000
Protection Liner	0 F	t @	0.00 \$/Ft		0	•	. 0		0
Production Liner	0 F	t @	0.00 \$/Ft		0		0		0
Tubing	9,500 F	t @	3.25 \$/Ft	•	0		30,875		30,875
Rods	0 F	t @	0.00 \$/Ft	w	0	***	0		0
Artificial Lift Equipm	nent			3.7	0	888.507	0		0
Tank Battery					0	est 10	10,600		10,600
Separators/Heater	Treater/G	as Units	/FWKO	**	0	A17.44	12,720		12,720
* Well Head Equip	ment & Ch	ristmas	Tree	***	2,500	122 July	11,500		14,000
Subsurface Well E	quipment			24	0	MEE. 3707	6,148		6,148
Flow Lines				44	0	and. \$25	13,250		13,250
Saltwater Disposal	Pump			**	0	440.350	0		0
Gas Meter				**	0	###.3m	1,484	İ	1,484
Lact Unit				3/	0	MEE. S. 67	0		0
Vapor Recovery Ui	nit			**	0	400 239	0		. 0
Other Well Equipm	ent			144	0	200.200	0		0
ROW and Damage	es			**	0	##.PH	2,650		2,650
Surface Equipment	l Installation	n Costs		2.7	0	ant 2%	9,540	l	9,540
Elect. Installation					0		0		0
ESTIMATED TOTA	AL TANGI	BLES			28,900		195,767		224,667
					20,300		100,707		224,007
ESTIMATED TOTA	AL WELL	COSTS			470,406		331,868		802,274

PREPARED BY: HE	RW	12/28/99
REVIEWED BY: TR	ıM.	
APPROVED BY:		
APPROVED BY:		12/28/99
WI APPROVAL:	COMPANY	Winnie Dill Knox, Trustee UWO T.B. Knox Dec550699%
	BY	
	TITLE	
	DATE	

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	<u>s:</u>		65.0	TO CSG PT	part.	COMPLETION		TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft		0	•	0		· <u>0</u>
Surface Csg	1,100 Ft @	24.00 \$/Ft	****	26,400	24	0		26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft		0	*	0		0
Protection Csg	0 Ft @	0.00 \$/Ft	200 302	0	•	0		0
Production Csg	9,700 Ft @	10.00 \$/Ft		0	100.344	97,000		97,000
Protection Liner	0 Ft@	0.00 \$/Ft		0		0		0
Production Liner	0 Ft@	0.00 \$/Ft		0	*** 10	.0		0
Tubing	9,500 Ft @	3.25 \$/Ft	-	0	***	30,875		30,875
Rods	0 Ft@	0.00 \$/Ft	**	0	335.44	0		0
Artificial Lift Equipm	nent		2.	0	MEE 1.67	0		. 0
Tank Battery			***	0	447.53	10,600		10,600
Separators/Heater	Treater/Gas Ur	nits/FWKO		0	250.04	12,720		12,720
* Well Head Equipr	ment & Christm	as Tree		2,500	823.34E	11,500		14,000
Subsurface Well Ed	quipment		2/	0	862.577	6,148		6,148
Flow Lines			44	0	eec.173	13,250		13,250
Saltwater Disposal	Pump			0	##C.25K	0		0
Gas Meter			•	0	100.70	1,484		1,484
Lact Unit			37	0	400.30	0		0
Vapor Recovery Ur	nit		**	0	400.530	0		0
Other Well Equipme	ent		**	0	300.200	0		. 0
ROW and Damage	8		•	0	10E P.S	2,650	ĺ	2,650
Surface Equipment	Installation Cos	sts	2.7	0	ea.25	9,540		9,540
Elect. Installation			**	0		.0		0
ESTIMATED TOTA	AL TANGIBLES	3		28,900		195,767		224,667
ESTIMATED TOTA	AL WELL COS	rs		470,406		331,868	·	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NECAPEROVAL			DATE
PREPARED BY:	HRW		12/28/99
REVIEWED BY:	TRM		
APPROVED BY:			
APPROVED BY:			12/28/99
			///
WI APPROVAL:	COMPANY	Jack Dill Knor	k •0

BY TITLE

DATE

52447%

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	rs:				TO CSG PT	Atte	COMPLETION		TOTAL WELL
Conductor Casing	0	Ft @	0.00 \$/Ft		0	•	0]	0
Surface Csg	1,100	Ft @	24.00 \$/Ft	344.74	26,400	**	0		26,400
Intermediate Csg	0	Ft @	0.00 \$/Ft		0	*	0]	0
Protection Csg	0	Ft @	0.00 \$/Ft	229.74	0	264	0	.]	0
Production Csg	9,700	Ft @	10.00 \$/Ft		0	828.302	97,000	1	97,000
Protection Liner	0	Ft @	0.00 \$/Ft		0		0	i .	0
Production Liner	0	Ft @	0.00 \$/Ft		0	400 123	. 0] .	0
Tubing	9,500	Ft @	3.25 \$/Ft	•	0	AW.244	30,875		30,875
Rods	0	Ft @	0.00 \$/Ft	•	0	***	0]	0
Artificial Lift Equipr	ment			•	0	MM 540	0]	0
Tank Battery					0	set.133	10,600]	10,600
Separators/Heater	Treater/	Gas Un	its/FWKO	84	0	ANT.244	12,720		12,720
* Well Head Equip	ment & C	hristma	s Tree		2,500	322.54E	11,500	1	14,000
Subsurface Well E	quipmen	t		2.7	0	825.579	6,148		6,148
Flow Lines					0	##C.£73	13,250] ;	13,250
Saltwater Disposal	Pump			**	0	P2.350	0]	0
Gas Meter				9.7	0	200.74E	1,484		1,484
Lact Unit				2.0	0	MEE. 519*	0		0
Vapor Recovery U	nit				0	480.539	0]	0
Other Well Equipm	ent			144	0	197.74	0]	0
ROW and Damage	es			**	0	sec. 24.5	2,650	. 1	2,650
Surface Equipment	t Installati	ion Cos	ts	2.7	0	482.5%	9,540		9,540
Elect. Installation				*	0		0		0
ESTIMATED TOTA	AL TANG	SIBLES			28,900		195,767		224,667
ESTIMATED TOTA	AL WELI	L COST	3		470,406		331,868		802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPO/APPROVAL			DATE
PREPARED BY:	HRW		 12/28/99
REVIEWED BY:	TRM		
APPROVED BY:			
APPROVED BY:		32	12/28/99
			///

WI	APPROVAL:	

COMPANY

Therylene Knox Helm

.052447%

BY

TITLE

DATE

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700°

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANOIDI E COOT	<u> </u>		***********	TO CSG PT		COMPLETION	T	TOTAL WELL
TANGIBLE COST			****		gene		ł	TOTAL WELL
Conductor Casing	0 Ft @			0	•	. 0		0
Surface Csg	1,100 Ft @		****	26,400	**	0		26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft		0	*	0		0
Protection Csg	0 Ft @	0.00 \$/Ft	200.00	0		0		<u> </u>
Production Csg	9,700 Ft @	10.00 \$/Ft	•	0	225,54	97,000		97,000
Protection Liner	0 Ft@	0.00 \$/ Ft		0		0		0
Production Liner	0 Ft@	0.00 \$/Ft	*	0	****	0		0
Tubing	9,500 Ft @	3.25 \$/Ft	•	0	***	30,875		30,875
Rods	0 Ft@	0.00 \$/Ft	47	0	523.54E	0		0
Artificial Lift Equipm	nent		2/	0	822.227	0		0
Tank Battery				0	sec. 133	10,600		10,600
Separators/Heater	Treater/Gas U	nits/FWKO		0	ST 344	12,720		12,720
* Well Head Equipr	ment & Christm	nas Tree		2,500	815.ME	11,500		14,000
Subsurface Well Ed	quipment		34	0	805.537	6,148		6,148
Flow Lines				0	est to	13,250	1	13,250
Saltwater Disposal	Pump			0	442.2%	0		0
Gas Meter			*/	0	100.74	1,484	1	1,484
Lact Unit				0	MM SAF	0	Ì	0
Vapor Recovery Un	it			0	400.53	0		0
Other Well Equipme	ent			0	200.200	. 0	Ī	0
ROW and Damage	s			0	est. 314	2,650	Ì	2,650
Surface Equipment	Installation Co	sts	87	0	44.39	9,540	Ī	9,540
Elect. Installation				0	447.50	0	ľ	0
							Ì	
ESTIMATED TOTA	L TANGIBLE	S		28,900	t	195,767	t	224,667
			ļ .		ļ		1	
ESTIMATED TOTA	L WELL COS	TS		470,406	·	331,868	<u> </u>	802,274

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/9
	<u></u>

WI APPROVAL:	COMPANY	Texacal Oil and Gas, Inc052447
	BY	
	TITLE	
	DATE	

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

	- 1		٠.	D:-	Pecos	40	^
L	⊢ /	45	=:	KIO	Pecos	19	Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

			1000000000000	or				1
TANGIBLE COST	<u>'S:</u>		***	TO CSG PT	serie	COMPLETION		TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	***	0	•	0	1	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	****	26,400	•	0		26,400
Intermediate Csg	0 Ft @	0.00 \$/ Ft		0	2.	0		0
Protection Csg	0 Ft @	0.00 \$/Ft	4834	0		0		0
Production Csg	9,700 Ft @	10.00 \$/Ft	44	0	525.5E	97,000		97,000
Protection Liner	0 Ft@	0.00 \$/Ft	****	0	2.	0		0
Production Liner	0 Ft@	0.00 \$/Ft	•	0	***	0		0
Tubing	9,500 Ft @	3.25 \$/Ft	**	. 0		30,875		30,875
Rods	0 Ft@	0.00 \$/Ft	2.0	0	22.34	0		0
Artificial Lift Equipn	nent		2/	0	881 787	0		0
Tank Battery			4-	0		10,600		10,600
Separators/Heater	Treater/Gas U	nits/FWKO	44	0		12,720		12,720
* Well Head Equip	ment & Christm	as Tree		2,500	223.5e	11,500		14,000
Subsurface Well Equipment			2.	0	NE 377	6,148		6,148
Flow Lines			0	sec.133	13,250		13,250	
Saltwater Disposal	Pump		**	0	## 25E	0		. 0
Gas Meter			•	0	100.70	1,484		1,484
Lact Unit			2/	0	152E.38F	.0		0
Vapor Recovery U	nit		4.	0	447.534	0		0
Other Well Equipm	ent		144	0	nw.em	0	ĺ	0
ROW and Damage	s		**	0	out As	2,650	[2,650
Surface Equipment	Surface Equipment Installation Costs			0	we 150	9,540		9,540
Elect. Installation			264	0		0		0
ESTIMATED TOTA	AL TANGIBLE	s		28,900		195,767	·	224,687
ESTIMATED TOTA	AL WELL COS	TS		470,406		331,868		802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	10000
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

AAI	AP	r	ť	VAL:

CO	MF	PAI	V
	IVI	M	A 1

William J. McCaw

.183568%

BY TITLE DATE

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	<u>2:</u>					TO CSG PT	arre .	COMPLETION		TOTAL WELL
Conductor Casing	0	Ft @	0.00	\$/Ft		0	144	0]	0
Surface Csg	1,100	Ft @	24.00	\$/Ft #	.,,	26,400		0		26,400
Intermediate Csg	0	Ft @	0.00	\$/Ft		0	47	0		0
Protection Csg	0	Ft @	0.00	\$/Ft		0	84	0]	· O
Production Csg	9,700	Ft @	10.00	\$/Ft		0	***	97,000		97,000
Protection Liner	0	Ft @	0.00	\$/Ft		0	24	0		0
Production Liner	0	Ft @	0.00	\$/Ft		0		0		0
Tubing	9,500	Ft @	3.25	\$/Ft		0		30,875	,	30,875
Rods	0 1	Ft @	0.00	\$/Ft		0		.0		Ö
Artificial Lift Equipm	nent					0	***	. 0		0
Tank Battery				•		0		10,600		10,600
Separators/Heater	Treater/C	3as Ur	nits/FWKO			0		12,720	,	12,720
* Well Head Equipr	ment & C	hristm	as Tree			2,500	***	11,500		14,000
Subsurface Well Equipment			▓	0	88E 587	6,148	·	6,148		
Flow Lines				0	00E.EE	13,250		13,250		
Saltwater Disposal	Pump					0	****	0		0
Gas Meter						0	***	1,484		1,484
Lact Unit					▓	0	*** 197	0		0
Vapor Recovery Ur	nit					0		0		0
Other Well Equipme	ent					0		0		0
ROW and Damage	S			•		0		2,650	į	2,650
Surface Equipment Installation Costs				0	***	9,540		9,540		
Elect. Installation						0	44 517	0	ļ	0
ESTIMATED TOTA	AL TANG	IBLES	;		}	28,900	-	195,767		224,667
ESTIMATED TOTA	L WELL	cos	rs			470,406		331,868		802,274

PREPARED BY: HR	<u>w</u> _	12/28/99	
REVIEWED BY: TR	М		
APPROVED BY:			
APPROVED BY:		12/28/99	
WI APPROVAL:	COMPANY	Ralph Nix, A Partnership	.183568%
	BY		
	TITLE		
	DATE		

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700°

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	G.C.	COMPLETION		TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	45456		0	1	174,794
Drilling Daywork 2 2 5,800 \$/day	10.000	\$14.54	12,296	1 .	24,592
Drilling Turnkey		· An ac	0	1	0
Rig Mobilization and Demobilization	0		0	1	0
Road & Location Expense	18,815		2,120	1	20,935
Damages		W.W.	0]	5,000
Directional Drilling - Tools and Service		ee.30	0	1	0
Drilling Fluids	26,500	44.10	0	1	26,500
Fuel, Power, and Water	12,720	All Ne	0	1	12,720
Supplies - Bits		54.4E	795	1	795
Supplies - Casing Equipment	1,060	au ac	4,240	1	5,300
Supplies - Liner Equipment	0	***	0	1	0
Supplies - Miscellaneous	0	A44.44	0	1	0
Cement and Cmt. Services - Surface Csg	10,600	**	0		10,600
Cement and Cmt. Services - Int. Csg	0		0		0
Cement and Cmt. Services - Prod. Csg	0	en 13	21,200		21,200
Cement and Cmt. Services - Other	0	84.73	0		0
Rental - Drilling Tools and Equipment	0	24.AE	0		0
Rental - Misc.	19,716	84.40	3,180		22,896
Testing - Drill Stem / Production	4,770	44.70	2,650		7,420
Open Hole Logging	31,800	*	0		31,800
Mudlogging Services	11,925	**	0	•	11,925
Special Services	0	. www	0		0
Plug and Abandon	12,000		(12,000)		0
Pulling and/or Swabbing Unit	0	an at	15,264		15,264
Reverse Equipment	0	Ma.or	5,300		5,300
Wireline Services	0	40.29	19,080	Ī	19,080
Stimulation	0		12,720	[12,720
Pump / Vacuum Truck Services	0	***	6,075		6,075
Transportation	1,590		2,650	[4,240
Tubular Goods - Inspection & Testing	1,961	24 297	5,300	[7,261
Unclassified	530	35.94	0	[530
Telephone and Radio Expense	954	***	318		1,272
Engineer / Geologist / Landman	22,500		3,000	[25,500
Company Labor - Field Supervision			6,500	į	19,750
Contract Labor / Roustabout		65.80	9,540	Ļ	11,130
Legal and Professional Service		** **	0	ļ	5,000
Insurance	4,998	se #1	0].	4,998
Overhead		80.10	3,500	ļ	10,500
SUBTOTAL	401,369	}	123,728	Ļ	525,097
Contingencies (10%)	40,137	}	12,373	}	52,510
ESTIMATED TOTAL INTANGIBLES	441,506		136,101		577,607

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700°

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	<u>s:</u>		ane	TO CSG PT	serve	COMPLETION		TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft		0	14	0]	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	100 .50	26,400	**	0		26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft		0	•	0]	.0
Protection Csg	0 Ft @	0.00 \$/Ft		0		0		0
Production Csg	9,700 Ft @	10.00 \$/Ft	4.7	0	***	97,000		97,000
Protection Liner	0 Ft@	0.00 \$/Ft		0	**	0		0
Production Liner	0 Ft@	0.00 \$/Ft		0		0		0
Tubing	9,500 Ft @	3.25 \$/Ft	44	0		30,875	Ì	30,875
Rods	0 Ft@	0.00 \$/Ft	•/	0	***	0		0
Artificial Lift Equipm	ent		•	0	485.5AV	0		0
Tank Battery				0	aat 12	10,600		10,600
Separators/Heater	Treater/Gas U	nits/FWKO	94	0	AN AN	12,720		12,720
* Well Head Equipment & Christmas Tree			::::2::	2,500	122.See	11,500		14,000
Subsurface Well Ed	quipment		9/	0	812.377	6,148		6,148
Flow Lines			44	0	set to	13,250		13,250
Saltwater Disposal	Pump		**	0	***	0	. [0
Gas Meter			•/	0	aa-34	1,484		1,484
Lact Unit			9/	0	822.537	0		0
Vapor Recovery Un	nit		**	0		0.		.0
Other Well Equipme	ent		44	0	A#7#	_0		0
ROW and Damage	8		•	0	m ns	2,650		2,650
Surface Equipment	Installation Co	sts	2./	0	***	9,540		9,540
Elect. Installation				0		0		0
ESTIMATED TOTA	L TANGIBLE	S	[28,900		195,767		224,667
			[
ESTIMATED TOTA	L WELL COS	TS		470,406		331,868		802,274

PREPARED BY: HR	W	12/28/99	
REVIEWED BY: TR	М		
APPROVED BY:			
APPROVED BY:		12/28/99	
WI APPROVAL:	COMPANY	Spear Brothers Sheep & Cattle	1.554001%
	BY		
	TITLE		
	DATE		

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:		TO CSG PT		COMPLETION	TOTAL WE	I
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	***	174,794		.0	174,79	4
Dritting Daywork 2 2 5,800 \$/day		12,296	***	12,296	24,59	2
Drilling Turnkey	***	0	an w	0		0
Rig Mobilization and Demobilization		0		0		0
Road & Location Expense	***	18,815	244.60	2,120	20,93	5
Damages		5,000	24.86	.0	5,00	0
Directional Drilling - Tools and Service	204.00	0	##.W	0		0
Drilling Fluids ·	****	26,500	44.00	0	26,50	0
Fuel, Power, and Water	244.40	12,720	m#		12,72	0
Supplies - Bits		0	BE-M	.795	79	5
Supplies - Casing Equipment		1,060	818,607	4,240	5,30	ባ
Supplies - Liner Equipment		0	***	0		╗
Supplies - Miscellaneous		0	84 M	0		0
Cement and Cmt. Services - Surface Csg		10,600		: 0	10,60	7
Cement and Cmt. Services - Int. Csg		0	2.	0		7
Cement and Cmt. Services - Prod. Csg	•	0	44 27	21,200	21,20	J.
Cement and Cmt. Services - Other	200.00	0	803.775	0		٦Ţ
Rental - Drilling Tools and Equipment		0	. Sec. sec	0		7
Rental - Misc.	****	19,716	22.60	3,180	22,896	7
Testing - Drill Stem / Production	88.55	4,770	44.76	2,650	7,420	_
Open Hole Logging	****	31,800		0	31,800	_
Mudlogging Services		11,925	*	0	11,925	
Special Services	*****	0	44. FC	0		_
Plug and Abandon		12,000		(12,000)		J.
Pulling and/or Swabbing Unit	•	0	88.87	15,264	15,264	1
Reverse Equipment		0	44.07	5,300	5,300	-
Wireline Services		0	***	19,080	19,080	
Stimulation		0		12,720	12,720	-
Pump / Vacuum Truck Services	***	0	224 444	6,075	6,075	_
Transportation		1,590		2,650	4,240	_
Tubular Goods - Inspection & Testing	28.59	1,961	34.597	5,300	7,261	-
Unclassified	***	530	22.96	0	530	٧.
Telephone and Radio Expense		954	***	318	1,272	-
Engineer / Geologist / Landman		22,500		3,000	25,500	-
Company Labor - Field Supervision		13,250	#4.30r	6,500	19,750]
Contract Labor / Roustabout		1,590	32.50	9,540	11,130]
Legal and Professional Service		5,000	22.70	0	5,000]
Insurance		4,998		0	4,998]
Overhead	44.00	7,000	#4.797	3,500	10,500]
SUBTOTAL		401,369		123,728	525,097]
Contingencies (10%)		40,137		12,373	52,510]
ESTIMATED TOTAL INTANGIBLES	-	444 500	-	400 404	577 007	1
ESTIMATED TOTAL INTANGIBLES		441,506		136,101	577,607	L

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

					TO 000 BT	T	COMPLETION		TOTAL VAICU
TANGIBLE COST				e****	TO CSG PT	gate	COMPLETION	-	TOTAL WELL
Conductor Casing		Ft @	0.00 \$/Ft		0	•	0	4	0
Surface Csg	1,100	_	24.00 \$/Ft	****	26,400	**	0	4	26,400
Intermediate Csg	0	Ft @	0.00 \$/F t		0	*	0	<u> </u>	0
Protection Csg	0	Ft @	0.00 \$/F t	289.50	. 0		0		0
Production Csg	9,700	Ft @	10.00 \$/Ft	**	0	227.745	97,000		97,000
Protection Liner	0	Ft @	0.00 \$/Ft	407.00	0	2.0	0		0
Production Liner	0	Ft @	0.00 \$/Ft		0		0]	0
Tubing	9,500	Ft @	3.25 \$/Ft	14	0	AR2-44	30,875]	30,875
Rods	0	Ft @	0.00 \$/Ft	14	0	22.MI	0		0
Artificial Lift Equipn	nent				0	600 SAF	0] {	0
Tank Battery					0	487.53	10,600	1 1	10,600
Separators/Heater Treater/Gas Units/FWKO			84	0	A20.544	12,720] [12,720	
* Well Head Equipment & Christmas Tree				2,500	822.3eE	11,500	ì i	14,000	
Subsurface Well E	quipment			24	0	800.577	6,148	1 1	6,148
Flow Lines				200	0	886.578	13,250		13,250
Saltwater Disposal	Pump			94	0	44.19	0		0
Gas Meter	·			9.7	0		1,484	1	1,484
Lact Unit				9/	0	411.50	0	ľ	0
Vapor Recovery U	nit				0	426.579	0	1	0
Other Well Equipm	ent				0	an ra	0		0
ROW and Damage	s				0	ag pr	2,650		2,650
Surface Equipment	t Installatio	on Co	sts		0	san sto	9,540		9,540
Elect. Installation				24	0	440.913	0		0
								<u> </u>	
ESTIMATED TOTA	AL TANG	IBLE	s	ļ	28,900		195,767	i t	224,687
				Ì				·	
ESTIMATED TOTA	AL WELL	cos	TS		470,406		331,868		802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99
	///

AAI	Ar	7	V	VML.	

C	O	ИΙ	P	W

Martin Yates II	T
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BY

TITLE

DATE

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

EXPLORATORY, DEVELOPMENT, WORKOVER: E FIELD: Wildcat Morrow

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794		174,794
	12,296	12,290	
Drilling Turnkey	*** O		
Rig Mobilization and Demobilization			
Road & Location Expense	ax es 18,815	2,120	20,935
Damages	5,000	- C	
Directional Drilling - Tools and Service	0	- C	-
Drilling Fluids	26,500	44.37	26,500
Fuel, Power, and Water	12,720	22.00	
Supplies - Bits	0	795	
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	ee at 0	_
Supplies - Miscellaneous	0		0
Cement and Cmt. Services - Surface Csg	10,600		10,600
Cement and Cmt. Services - Int. Csg	0	O	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other		O	0
Rental - Drilling Tools and Equipment	0	##.## O	0
Rental - Misc.	44.88 19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	a. 0	31,800
Mudlogging Services	11,925	. 0	11,925
Special Services	0	O	0
Plug and Abandon	12,000	ee se (12,000	
Pulling and/or Swabbing Unit	4 0	as ar 15,264	15,264
Reverse Equipment	4 0	5,300	5,300
Wireline Services	· O	19,080	19,080
Stimulation	0	## 12,720	12,720
Pump / Vacuum Truck Services	0	### 6,075	6,075
	1,590	== 2,650	4,240
1	1,961	au.es 5,300	7,261
I STATE OF THE STA	530	**** <u>0</u>	530
1 1000000	954	318	1,272
	22,500	3,000	25,500
1 3332666	13,250	6,500	19,750
1	1,590	9,540	11,130
I BOOKS	5,000	<u>0</u>	5,000
1 1998888	4,998	0	4,998
l entre	7,000	3,500	10,500
SUBTOTAL Continuousian (40%)	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

F			100000000000000000000000000000000000000	,			Τ .	I
TANGIBLE COST			0.000	TO CSG PT	gette	COMPLETION		TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	***	0		0]	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	22.70	26,400	2.0	.0		26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft		0	*	0		0
Protection Csg	0 Ft @	0.00 \$/Ft	220.50	0		0]	0
Production Csg	9,700 Ft @	10.00 \$/Ft	44	0	22.34	97,000		97,000
Protection Liner	0 Ft@	0.00 \$/Ft	487.230	0	*	0		0
Production Liner	0 Ft@	0.00 \$/Ft	**	0		0		0
Tubing	9,500 Ft @	3.25 \$/Ft		0		30,875		30,875
Rods	0 Ft@	0.00 \$/Ft	14	0		0]	0
Artificial Lift Equipm	nent		•/	0	HE 107	0] .	0
Tank Battery			**	0	eef.59	10,600		10,600
Separators/Heater	Treater/Gas Ur	nits/FWKO		0	AND 244	12,720		12,720
* Well Head Equips	ment & Christma	as Tree		2,500	823.5ec	11,500		14,000
Subsurface Well E	quipment		2.	0	use. 337	6,148		6,148
Flow Lines			**	0	ss#.173	13,250		13,250
Saltwater Disposal	Pump		164	0	48E.25E	0		0,
Gas Meter			**	0	19.74	1,484		1,484
Lact Unit			2.7	0	845 187	0		0
Vapor Recovery Ur	nit			0	68.53	0		0
Other Well Equipm	ent		N/	0	00.70	0		0
ROW and Damage	8		•	0	. men	2,650		2,650
Surface Equipment	t Installation Cos	its	87	0	84E 376	9,540		9,540
Elect. Installation				0	44 50	0		0
								· · · · · · · · · · · · · · · · · · ·
ESTIMATED TOTA	AL TANGIBLES	3		28,900	Ì	195,767		224,667
			İ					
ESTIMATED TOTA	AL WELL COST	rs		470,406		331,868		802,274

PREPARED BY: H	RW	12/28/99
REVIEWED BY: T	RM	
APPROVED BY:		
APPROVED BY:		12/28/99
WI APPROVAL:	COMPANY BY TITLE DATE	Richard D. Jones .173611%

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

Drilling Footage 9,700 Ft @ 17.00 \$/Ft Drilling Daywork 2 2 5,800 \$/day Drilling Turnkey Rig Mobilization and Demobilization Road & Location Expense	TO CSG PT 174,794 12,296 0 18,815 5,000	12,29	0 174,794
Drilling Daywork 2 2 5,800 \$/day Drilling Turnkey Rig Mobilization and Demobilization Road & Location Expense	12,296 0 0 18,815	12,29	6 24,592
Drilling Turnkey Rig Mobilization and Demobilization Road & Location Expense	0 18,815	22.0	
Rig Mobilization and Demobilization Road & Location Expense	0 18,815	88.4	<u>. </u>
Road & Location Expense	18,815		0
	0000000	2.12	0 20,935
			5,000
Discovered Dalling Tools and Condes	0		0 0
	26,500		26,500
First Barrier and Makes	12,720		12,720
0	0	79	
Cumpling Cooling Equipment	1,060	4,24	
Oran Han Alman Faudanant	0		
Ourantina Adiana Managara	0		
Cement and Cmt. Services - Surface Csg	10,600		10,600
Cement and Cmt. Services - Int. Csg	0		0
Cement and Cmt. Services - Prod. Csg	. 0	21,200	21,200
Cement and Cmt. Services - Other	0	244.117	
Rental - Drilling Tools and Equipment	0	grant (
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	
Open Hole Logging	31,800		
Mudlogging Services	11,925	344 C	- ·
Special Services	0	C	
Plug and Abandon	12,000	(12,000	
Pulling and/or Swabbing Unit	. 0	au.az 15,264	4
Reverse Equipment	0	sec.er 5,300	
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	
Pump / Vacuum Truck Services	0	 6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	as as 5,300	7,261
Unclassified	= 530	64.44 O	530
P600000	954	318	1,272
	22,500	== 3,000	25,500
Company Labor - Field Supervision	13,250	est as 6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	84 £79 O	5,000
Insurance	**** 		
<u> </u>	7,000	#a:re 3,500	
SUBTOTAL	401,369	123,728	
Contingencies (10%)	40,137	12,373	52,510
FORMATER TOTAL MITANCINI TO			4
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	<u>s:</u>			TO CSG PT	ant	COMPLETION	<u> </u>	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft		0		0		0
Surface Csg	1,100 Ft @	24.00 \$/Ft	348.50	26,400	**	. 0	}	26,400
Intermediate Csg	0 Ft @	0.00 \$/ Ft		0	**	0	·	. 0
Protection Csg	0 Ft @	0.00 \$/Ft	200.740	0	*	0		0
Production Csg	9,700 Ft @	10.00 \$/Ft	•	0	***	97,000		97,000
Protection Liner	0 Ft@	0.00 \$/Ft		0	2.0	0		0
Production Liner	0 Ft@	0.00 \$/Ft	94	0	****	0		0
Tubing	9,500 Ft @	3.25 \$/Ft	-	0	2002.244	30,875		30,875
Rods	0 Ft@	0.00 \$/Ft	24	0	222.546	0		0
Artificial Lift Equipm	nent		20	0	ser ser	0		0
Tank Battery				0	***	10,600		10,600
Separators/Heater	Treater/Gas Un	its/FWKO	44	0		12,720		12,720
* Well Head Equipr	ment & Christma	s Tree		2,500		11,500		14,000
Subsurface Well Ed	quipment		2/	0	SEE 577	6,148		6,148
Flow Lines				0	wat. 22s	13,250		13,250
Saltwater Disposal	Pump			0	sec.25	0		0
Gas Meter			•	0	140.74	1,484		1,484
Lact Unit			97	0	BEE 147	_0		0
Vapor Recovery Un	nit		**	0	en 19	0		0
Other Well Equipme	ent		84	0	ART 28	0		0
ROW and Damage	s		u	0		2,650		2,650
Surface Equipment	Installation Cos	ts	2,	0	ea 16	9,540	- [9,540
Elect. Installation			4.7	0	***	0	· [0
			l					
ESTIMATED TOTA	NL TANGIBLES		[28,900		195,767		224,667
					[•
ESTIMATED TOTA	L WELL COST	3		470,406		331,868		802,274

NPC APPROVAL		DATE
PREPARED BY:	HRW	12/28/99
REVIEWED BY:	TRM	
APPROVED BY:		
APPROVED BY:		12/28/9
		///

WI APPROVAL:	COMPANY	Mariene Counts	.20979%
	BY		
	TITLE		
	DATE		

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	(m	TO CSG PT			COMPLETION		TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft		174,794	1		0]	174,794
Drilling Daywork 2 2 5,800 \$/day		12,296]		12,298]	24,592
Drilling Turnkey		0] ·		0]	0
Rig Mobilization and Demobilization		0			0	1	0
Road & Location Expense		18,815			2,120	1	20,935
Damages		5,000	1 ·		.0	1	5,000
Directional Drilling - Tools and Service		0	1		0	1	. 0
Drilling Fluids		26,500			0	1	26,500
Fuel, Power, and Water	28.40	12,720			0		12,720
Supplies - Bits		0			795		795
Supplies - Casing Equipment		1,060			4,240		5,300
Supplies - Liner Equipment		0	1		0		0
Supplies - Miscellaneous		0	l (1888)		0		0
Cement and Cmt. Services - Surface Csg		10,600			0		10,600
Cement and Cmt, Services - Int, Csg		0	l !		0		0
Cement and Cmt. Services - Prod. Csg		0	·		21,200		21,200
Cement and Cmt. Services - Other	34.92	0			0		0
Rental - Drilling Tools and Equipment		0			0		0
Rental - Misc.	444.73	19,716	· .		3,180		22,896
Testing - Drill Stem / Production	44.00	4,770			2,650		7,420
Open Hole Logging		31,800			0		31,800
Mudlogging Services		11,925					11,925
Special Services		0			0		0
Plug and Abandon		12,000			(12,000)	·	0
Pulling and/or Swabbing Unit		0			15,264		15,264
Reverse Equipment		0			5,300		5,300
Wireline Services	24.89	0			19,080		19,080
Stimulation		0			12,720		12,720
Pump / Vacuum Truck Services	644 MET	0			6,075		6,075
Transportation		1,590		-	2,650		4,240
Tubular Goods - Inspection & Testing		1,961			5,300		7,261
Unclassified	144.65	530			0	- 1	530
Telephone and Radio Expense		954	!		318	t	1,272
Engineer / Geologist / Landman		22,500		₩Г	3,000		25,500
Company Labor - Field Supervision		13,250			6,500		19,750
Contract Labor / Roustabout		1,590			9,540		11,130
egal and Professional Service		5,000		▓ᅡ	0,040		5,000
nsurance		4,998			0		4,998
Overhead	111.12	7,000		,,,	3,500	ľ	10,500
SUBTOTAL		401,369	Statione		123,728	ľ	525,097
Contingencies (10%)		40,137			12,373		52,510
ESTIMATED TOTAL INTANGIBLES	-	441,506		-	136,101		577,607
					100,101	— , .	3,7,007

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:		general Control	TO CSG PT	3402	COMPLETION	T	TOTAL WELL
Conductor Casing 0 Ft	@ 0.00 \$ /Ft		0	144	0	1	0
Surface Csg 1,100 Ft	· 6		26,400	**	0	1	26,400
Intermediate Csg 0 Ft (–	PE 75	0	20	0	·	0
Protection Csg 0 Ft (_ 8	180.500	0		0	1	. 0
Production Csg 9,700 Ft (- k		0	223.36	97,000	1	97,000
Protection Liner 0 Ft (@ 0.00 \$ /Ft		0	**	0	1	0
Production Liner 0 Ft (- 12		0	44.74	0	1	0
Tubing 9,500 Ft (@ 3.25 \$/Ft		0	200.244	30,875	1 1	30,875
Rods 0 Ft (@ 0.00 \$/Ft	**	0	200.34E	0		0
Artificial Lift Equipment		•/	0	882 547	0		0
Tank Battery		••	0	eef. 534	10,600		10,600
Separators/Heater Treater/Gas	Units/FWKO	••	0	1007.944	12,720		12,720
* Well Head Equipment & Chris	stmas Tree		2,500	322.346	11,500]	14,000
Subsurface Well Equipment		•/	0	MEE. 337	6,148		6,148
Flow Lines		•	0	aut.12s	13,250]	13,250
Saltwater Disposal Pump		••	0	446.25	0		0
Gas Meter		**	0	100.7m	1,484		1,484
Lact Unit		2/	0	ME 387	0		0
Vapor Recovery Unit		**	0	42 (1)	0		0
Other Well Equipment		**	0	49.78	0		. 0
ROW and Damages		•	0	set Ps	2,650		2,650
Surface Equipment Installation (Costs	7/	0	422.5%	9,540		9,540
Elect. Installation			0	***	0	[0
ESTIMATED TOTAL TANGIBL	LES		28,900		195,767		224,667
ESTIMATED TOTAL WELL CO	OSTS		470,406		331,868		802,274

PREPARED BY:	HRW	12/28/99	
REVIEWED BY:	TRM		
APPROVED BY:			
APPROVED BY:	100	12/28/99	-
WI APPROVAL:	COMPANY	Eddie V. Peoples	.094405%
	BY		
	TITLE		
	DATE		

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	TO CSG PT	APPA COMPLETI	ON TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794		0 174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,5	
Drilling Turnkey		344.80	0 0
Rig Mobilization and Demobilization	0	25.6	
Road & Location Expense	sax.es 18,815		20,935
Damages	5,000		0 5,000
Directional Drilling - Tools and Service	SA(39) 0	44.30	0 0
Drilling Fluids	26,500	44.00	0 26,500
Fuel, Power, and Water	12,720	55.90	0 12,720
Supplies - Bits	0	1 100000000	795 795
Supplies - Casing Equipment	1,060	·	5,300
Supplies - Liner Equipment			0 0
Supplies - Miscellaneous	#N ## 0	54.80	0 0
Cement and Cmt. Services - Surface Csg	10,600		0 10,600
Cement and Cmt. Services - Int. Csg	0		0 0
Cement and Cmt. Services - Prod. Csg	. 0	## ## 21,2	00 21,200
Cement and Cmt. Services - Other	an az	an m	0 0
Rental - Drilling Tools and Equipment		\$10.00	0 0
Rental - Misc.	19,716	3,1	80 22,896
Testing - Drill Stem / Production	4,770	2,6	
Open Hole Logging	31,800	•	0 31,800
Mudlogging Services	11,925	34	0 11,925
Special Services			0 0
Plug and Abandon	12,000	(12,0	00) 0
Pulling and/or Swabbing Unit	u 0	asar 15,2	15,264
Reverse Equipment	0	5,3	5,300
Wireline Services	34K 34E 0	#0 ## 19,0	19,080
Stimulation	. 0	## 12,7°	12,720
Pump / Vacuum Truck Services		see 6,0°	75 6,075
Transportation	1,590	2,6	50 4,240
Tubular Goods - Inspection & Testing	1,961	348.590 5,30	7,261
Unclassified	530	98.50	0 530
	954	3.	1,272
	22,500	3,00	25,500
1	13,250	6,5	19,750
I III	1,590	9,5	11,130
I	5,000		0 5,000
l l	4,998		0 4,998
· · · · · · · · · · · · · · · · · · ·	7,000	3,50	
SUBTOTAL	401,369	123,77	-
Contingencies (10%)	40,137	12,3	73 52,510
COTINATED TOTAL INTANOIDI PO	444 555		
ESTIMATED TOTAL INTANGIBLES	441,506	136,10	01 577,607

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700°

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

					······································			
TANGIBLE COST	<u>'S:</u>		e-194	TO CSG PT	and	COMPLETION		TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft		0	•	0		0
Surface Csg	1,100 Ft @	24.00 \$/Ft	144.70	26,400	1	0		26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft		0	**	0	·	0
Protection Csg	0 Ft @	0.00 \$/Ft	200.30	0		0		0
Production Csg	9,700 Ft @	10.00 \$/Ft	•	0	***	97,000		97,000
Protection Liner	0 Ft@	0.00 \$/Ft		0	**	0		0
Production Liner	0 Ft@	0.00 \$/Ft		0		0		0
Tubing	9,500 Ft @	3.25 \$/Ft	**	0		30,875		30,875
Rods	0 Ft@	0.00 \$/Ft	**	0	***	0		0
Artificial Lift Equipn	nent			0	605.500	0		0
Tank Battery				0	sec. to	10,600		10,600
Separators/Heater	Treater/Gas Un	its/FWKO	***	0	(SE), AM	12,720		12,720
* Well Head Equips	ment & Christma	s Tree	148,34	2,500	800.3ml	11,500		14,000
Subsurface Well E	quipment		24	0	MEE 530	6,148	j	6,148
Flow Lines			44	0	sec. 173	13,250		13,250
Saltwater Disposal	Pump		944	0	## 25k	0		0
Gas Meter			•	0	200.70	1,484	1	1,484
Lact Unit			2,	0	858. 98P	0		0
Vapor Recovery Ur	nit			0	445.536	0		0
Other Well Equipm	ent			0	AM. 2 TO	0	. {	0
ROW and Damage	s		44	0	out As	2,650		2,650
Surface Equipment	l Installation Cos	ts	2.0	0	eas.2%	9,540		9,540
Elect. Installation				0	441.00	0	Ī	0
							Ī	
ESTIMATED TOTA	AL TANGIBLES	•		28,900		195,767	Ī	224,667
							1	•
ESTIMATED TOTA	AL WELL COST	3		470,406		331,868		802,274

Market Market Control		3711-	
PREPARED BY: HE	rw	12/28/99	
REVIEWED BY: TR	<u></u>		
APPROVED BY:			
APPROVED BY:	/	12/28/99	
WI APPROVAL:	COMPANY	L.N. Muncy Heirs .629371%	
	BY		
	TITLE		
	DATE		_

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806 cc totem

January 19, 2000

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Larry L. Redford 2608 Pearl Odessa, Texas 79760

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Dear Mr. Redford:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

	SENDEH: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that vectors of the complete item	we can return this	I also wish to following service extra fee):	receive the ices (for an
/cmw:rio pecos afe(1m)	Attach this form to the front of the mailpiece, or on the back if sparentt. Write "Return Receipt Requested" on the mailpiece below the art. The Return Receipt will show to whom the article was delivered a delivered.		1. Addre	ssee's Address cted Delivery paster for fee.
	3. Article Addressed to:	4a. Article N 2 2 3 6 4b. Service Recipror Recipror Recum Rec	Type 367 Type	Certified Insured E
	6. Signature: (Addressee or Agent) X Valua A Red tare	and leas	paid)	y if requested well

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700°

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETIO	N TOTAL WELL
l	174,794		0 174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	38.6¢ 12,29	
Drilling Turnkey	ss.se 0	33,00	0 0
Rig Mobilization and Demobilization	 - 0		0 0
Road & Location Expense	18,815	2,12	0 20,935
Damages	5,000	2000000000	0 5,000
Directional Drilling - Tools and Service			0 0
I	26,500	3.5.0	0 26,500
Fuel, Power, and Water	12,720		0 12,720
Supplies - Bits		**** 79	5 795
Supplies - Casing Equipment	1,060	4,24	0 5,300
Supplies - Liner Equipment		GC -	0
Supplies - Miscellaneous	98.66		0 0
Cement and Cmt. Services - Surface Csg	10,600	*	0 10,600
Cement and Cmt. Services - Int. Csg	0	E.	0 0
Cement and Cmt. Services - Prod. Csg	. 0	21,20	0 21,200
Cement and Cmt. Services - Other	0	as m	0
Rental - Drilling Tools and Equipment	0	296.00	0
Rental - Misc.	19,716	3,18	0 22,896
Testing - Drill Stem / Production	4,770	2,65	
Open Hole Logging	31,800		0 31,800
Mudlogging Services	11,925		0 11,925
A	0		
Olympia di Albandan	12,000	##.3 9 (12,00	0) 0
Pulling and/or Swabbing Unit	0	25,26	
C	0	MA. 67 5,30	
Mireline Condess	0	19,08	
Stimulation	. 0	12,72	_
D	0	6,07	
Transportation	1,590	2,65	
Tubular Goods - Inspection & Testing	1,961	222.232 5,30	-
Unclassified	530		530
Telephone and Radio Expense	954	31	8 1,272
Engineer / Geologist / Landman	22,500	3,00	_
Company Labor - Field Supervision	13,250	6,50	
Contract Labor / Roustabout	DC 865 1,590	9,54	11,130
Legal and Professional Service	5,000	au.ce	5,000
Insurance .	4,998	Sect 200	4,998
	7,000	3,50	10,500
SUBTOTAL	401,369	123,72	525,097
Contingencies (10%)	40,137	12,37	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,10	1 577,607
EVINIALED IVIAL INTRAIGIBLES	1 441,000	130,10	1 377,007

Exploration and Production Dailas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

FIELD: Wildcat Morrow

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0 .

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	6.00	TO CSG PT	MOE	COMPLETION	Γ	TOTAL WELL
Conductor Casing 0 Ft @ 0.00 \$/Ft	MAIL 200	0	X-a	0		0
Surface Csg 1,100 Ft @ 24.00 \$/Ft	100.70	26,400	**	_ 0]	26,400
Intermediate Csg 0 Ft @ 0.00 \$/Ft		0	*	0]	0
Protection Csg 0 Ft @ 0.00 \$/Ft	200.340	0	*	_ 0	Ì	. 0
Production Csg 9,700 Ft @ 10.00 \$/Ft		0	44.74	97,000	Ì	97,000
Protection Liner 0 Ft @ 0.00 \$/Ft	200.535	0	1.	0	ĺ	0
Production Liner 0 Ft @ 0.00 \$/Ft	**	0	14	. 0		0
Tubing 9,500 Ft @ 3.25 \$/Ft	- 2	0	aw.**	30,875	Ì	30,875
Rods 0 Ft @ 0.00 \$/Ft	V.	0	22.34	0	,	0
Artificial Lift Equipment		0	are to	0		0
Tank Battery		0	est to	10,600		10,600
Separators/Heater Treater/Gas Units/FWKO	144	0	A397.440	12,720		12,720
* Well Head Equipment & Christmas Tree	****	2,500	113.74E	11,500		14,000
Subsurface Well Equipment	2/	0	NE 570	6,148		6,148
Flow Lines	44	0	suc (2)	13,250		13,250
Saltwater Disposal Pump	*4	0	44.75	0		0
Gas Meter		0		1,484		1,484
Lact Unit		0	82E 18F	0		0
Vapor Recovery Unit		0	48.19	0		0
Other Well Equipment	V.	0	nac e a	0		0
ROW and Damages	· v	0	est. #14	2,650		2,650
Surface Equipment Installation Costs	2./	0	see 3%	9,540		9,540
Elect. Installation		0	48.20	0		0
ESTIMATED TOTAL TANGIBLES		28,900		195,767		224,667
ESTIMATED TOTAL WELL COSTS		470,406		331,868		802,274

NPC APPROVAL			D/ATTE	
PREPARED BY: HI	RW	/	12/28/99	
REVIEWED BY: TI	RM			
APPROVED BY:				
APPROVED BY:			12/28/99	
WI APPROVAL:	COMPANY	Larry L. Redf of Ernest L.		• .01351134%
	BY			 <u>_</u>
	TITLE	· · · · · · · · · · · · · · · · · · ·		 <u>_</u>
	DATE			

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

,

ac to YRm

January 19, 2000

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Diana Peace 12512 Monarch Dr. NE Albuquerque, New Mexico 87123

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19, T-18-S, R-27-E, NMPM

Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Peace:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

	Sinceraly				_
	Rio Pecos 19	Con	7. #1		
the reverse side?	■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b.	ce does not cle number.	I also wish to rec following service extra fee): 1. Addresse 2. Restricte Consult postmas	ee's Address	
/cmw:rio pecos afe(1m 5	3. Article Addressed to:	4a. Article N			
<u>a</u>		Z 23	<u> </u>	<u>620</u> E	_
	Առեևահովեսեներ	1_ ~ ~		Certified 2	ELL.
o o	Diana Peace 12512 Monarch Dr. NE			, · —	
ODRESS	Albuquerque, New Mexico 87123				_
		7. Date of Delivery			т Т
: ETURN	5. Received By: (Print Name)	Addressee's Address (Only if requested and fee is paid)			
	6. Signature: (Addressee or Agent)	7		ii requested y	
; 10	X Diana &, teaso	<u> </u>			
67	PS Form 3811 December 1004	12595-98-8-0229	Domestic Retu	um Receint	

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:		TO CSG PT	Control of the Contro	COMPLETION	1	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft		174,794	1 1	O	i	174,794
Drilling Daywork 2 2 5,800 \$/day		12,298	•	12,296	1	24,592
Drilling Turnkey		12,290	21. 44 22. 40	12,200	1	0
Rig Mobilization and Demobilization		- 0	1 1888	0	1	
Road & Location Expense		18,815	94.45	2,120	i	20,935
Damages		5,000	-	-0	1	5,000
Directional Drilling - Tools and Service		0,000	44.39	0		0,000
Drilling Fluids		26,500	*****	0		26,500
Fuel, Power, and Water		12,720		0	}	12,720
Supplies - Bits		0	****	795	1	795
Supplies - Casing Equipment		1,060		4,240		5,300
Supplies - Liner Equipment		1,000		0	i i	0,000
Supplies - Miscellaneous		0		0		0
Cement and Cmt. Services - Surface Csg		10,600	***	0		10,600
Cement and Cmt. Services - int. Csg		.0,000		0		0,000
Cement and Cmt. Services - Prod. Csg		0	44 47	21,200		21,200
Cement and Cmt. Services - Other	24.00	0	AL 77	0		0
Rental - Drilling Tools and Equipment		0	214.76	0		0
Rental - Misc.	*****	19,716	84.18	3,180		22,896
Testing - Drill Stem / Production	44.44	4,770		2,650		7,420
Open Hole Logging		31,800	•	0		31,800
Mudlogging Services		11,925	Į.	0		11,925
Special Services		0_0	w. 70	0		0
Plug and Abandon		12,000	***	(12,000)		0
Pulling and/or Swabbing Unit		0	DA MI	15,264		15,264
Reverse Equipment	· ·	0	au or	5,300		5,300
Wireline Services		0	40.30	19,080		19,080
Stimulation		0		12,720		12,720
Pump / Vacuum Truck Services		0	55 AM	6,075		6,075
Transportation		1,590	av ar	2,650		4,240
Tubular Goods - Inspection & Testing	****	1,961	34.00	5,300		7,261
Unclassified		530	***	0	j	530
Telephone and Radio Expense		954	***	318	1	1,272
Engineer / Geologist / Landman		22,500		3,000		25,500
Company Labor - Field Supervision		13,250	80.80	6,500		19,750
Contract Labor / Roustabout	ere)	1,590	u.u.	9,540		11,130
Legal and Professional Service	****	5,000	****	0		5,000
Insurance .		4,998		0	[4,998
Overhead		7,000	80.787	3,500	 	10,500
SUBTOTAL		401,369		123,728		525,097
Contingencies (10%)	1	40,137		12,373		52,510
	ļ					
ESTIMATED TOTAL INTANGIBLES		441,508		138,101		577,607

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700°

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	620	TO CSG PT	act 6	COMPLETION		TOTAL WELL
Conductor Casing 0 Ft @ 0.00 \$/Ft	MEL DO	0		0	1	0
Surface Csg 1,100 Ft @ 24.00 \$/Ft	100.70	26,400		0	1	26,400
Intermediate Csg 0 Ft @ 0.00 \$/Ft		0		0]	0
Protection Csg 0 Ft @ 0.00 \$/Ft	250 141	0	24	0]	0
Production Csg 9,700 Ft @ 10.00 \$/Ft		0	427.246	97,000]	97,000
Protection Liner 0 Ft @ 0.00 \$/Ft		0	**	0]	0
Production Liner 0 Ft @ 0.00 \$/Ft		0		0		0
Tubing 9,500 Ft @ 3.25 \$/Ft	•	0	A30.44	30,875]	30,875
Rods 0 Ft @ 0.00 \$/Ft	*4	0	220,546	0		0
Artificial Lift Equipment	2.0	0	ace say	0		0
Tank Battery	••	0	see to	10,600]	10,600
Separators/Heater Treater/Gas Units/FWKO	144	0	cor.se	12,720		12,720
* Well Head Equipment & Christmas Tree	200.04	2,500	1222.54d	11,500		14,000
Subsurface Well Equipment		0	EE 100	6,148		6,148
Flow Lines		0	9 47 273	13,250		13,250
Saltwater Disposal Pump		0	442.5%	0		0
Gas Meter	•	0	***	1,484		1,484
Lact Unit	•	0	en 19	0		0
Vapor Recovery Unit		0	48.19	0		0
Other Well Equipment	**	0	200.70	0		0
ROW and Damages	•	0	m As	2,650		2,650
Surface Equipment Installation Costs	0	***	9,540		9,540	
Elect. Installation	0	442.517	0		0	
ESTIMATED TOTAL TANGIBLES		28,900		195,767		224,667
ESTIMATED TOTAL WELL COSTS		470,406		331,868		802,274

(MEXONAPLE ROYVAL		DATE	
PREPARED BY: HE	<u> </u>	12/28/99	
REVIEWED BY: TR	RM		
APPROVED BY:			
APPROVED BY:	/257	12/28/99	
WI APPROVAL:	COMPANY BY	Diana Peace, Heir to the Estate of Ernest L. Redford, Deceased	.01351133
	TITLE		
	DATE		

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806 CC: TRM

January 19, 2000

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Sonja Lopez 4006 San Andres NE Albuquerque, New Mexico 87110

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Dear Ms. Lopez:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely.

/cmw:rio pecos afe(1)	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we card to you. Attach this form to the front of the mailpiece, or on the back if space permit. Write "Return Receipt Requested" on the mailpiece below the articl The Return Receipt will show to whom the article was delivered and delivered.	1. ☐ Addressee's Address 2. ☐ Restricted Delivery Consult postmaster for fee.
	a A di la Address ad to:	4a. Article Number Z 2 3 6 3 6 7 6 2 7 4b. Service Type Registered Express Mail Return Receipt for Merchandise 7. Date of Delivery
	5. Received By: (Print Name) 6. Signature: (Addressee or Agent) X PS Form 3811, December 1994	8. Addressee's Address (Only if requested and fee is paid) 102595-98-B-0229 Domestic Return Receipt

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700°

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST, START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETIO	N TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794		0 174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	BE NE 12,29	6 24,592
Drilling Turnkey		23.00	0 0
Rig Mobilization and Demobilization	 0	ALC W	0 0
Road & Location Expense	as es 18,815	34.45 2,12	20,935
Damages	5,000	34.86 ·	5,000
Directional Drilling - Tools and Service	a4.39 0	44.130	0
Drilling Fluids ·	26,500	44.00	26,500
Fuel, Power, and Water	ax es 12,720		12,720
Supplies - Bits	0	ss.se 79	795
Supplies - Casing Equipment	1,060	sec. 4,24	5,300
Supplies - Liner Equipment		***	0
Supplies - Miscellaneous	38.8 MB 0	333 M	0
Cement and Cmt. Services - Surface Csg	10,600		10,600
Cement and Cmt. Services - Int. Csg		2.0	0
Cement and Cmt. Services - Prod. Csg	0	21,20	21,200
Cement and Cmt. Services - Other	94.44	24.07	0
Rental - Drilling Tools and Equipment	0	98.00	
Rental - Misc.	19,716	946/8F 3,18	22,896
Testing - Drill Stem / Production	4,770	44.W 2,65	7,420
Open Hole Logging	www. 31,800	3-0	31,800
Mudlogging Services	awar 11,925		11,925
Special Services	0	w.n	
Plug and Abandon	12,000	**. ➤ (12,00	0)
Pulling and/or Swabbing Unit	u 0	ss. er 15,26	15,264
Reverse Equipment	ez 0	5,30	5,300
Wireline Services	av 0	19,08	19,080
Stimulation	. 0	## 12,72	12,720
Pump / Vacuum Truck Services	4-/48 0	6,07	6,075
Transportation	1,590	ev.ev 2,65	4,240
Tubular Goods - Inspection & Testing	1,961	au co: 5,30	7,261
Unclassified	530	242.54	530
Telephone and Radio Expense	954	316	1,272
Engineer / Geologist / Landman	22,500	3,00	25,500
Company Labor - Field Supervision	axas 13,250	6,50	
Contract Labor / Roustabout	1,590	9,54	
Legal and Professional Service	5,000	## CC	5,000
Insurance .	4,998	av. av.	4,998
Overhead	7,000	3,50	
SUBTOTAL	401,369	123,72	525,097
Contingencies (10%)	40,137	12,37	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,10	577,607

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

FIELD: Wildcat Morrow

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000

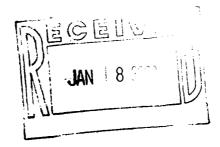
ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	<u>s:</u>		698	TO CSG PT	360.6	COMPLETION		TOTAL WELL
Conductor Casing	0 Ft (@ 0.00 \$/Ft		0	**	0]	0
Surface Csg	1,100 Ft (24.00 \$/Ft	348.50	26,400	*/	0		26,400
Intermediate Csg	0 Ft (0.00 \$ /Ft		0	v	0]	0
Protection Csg	0 Ft (0.00 \$/Ft	280.340	0		0		0
Production Csg	9,700 Ft @	② 10.00 \$/Ft	W	0	148.74	97,000	ì	97,000
Protection Liner	0 Ft (0.00 \$/Ft		0	2.	0		0
Production Liner	0 Ft@	0.00 \$/Ft	5.0	0				0
Tubing	9,500 Ft @	② 3.25 \$ /Ft	•	0		30,875		30,875
Rods	0 Ft ⊘	② 0.00 \$/Ft		0	330 Mar	0		0
Artificial Lift Equipn	nent		47	0	ner ser	0		0
Tank Battery			**	0	.e. u	10,600		10,600
Separators/Heater	Treater/Gas	Units/FWKO		0	42.00	12,720		12,720
* Well Head Equip	ment & Chris	tmas Tree	****	2,500	W. w.	11,500		14,000
Subsurface Well E	quipment			0	848.337	6,148		6,148
Flow Lines			44	0	ss#C \$23	13,250		13,250
Saltwater Disposal	Pump			0	see 250	0		0
Gas Meter	i		•	0	200.74	1,484		1,484
Lact Unit				0	un 187	0		0
Vapor Recovery U	nit			0	48.19	0		0
Other Well Equipm	ent			0	AM. 2 W	0		0
ROW and Damage	8			0	ME.PU	2,650		2,650
Surface Equipment	t Installation (Costs	2.0	0	482.7V	9,540		9,540
Elect. Installation				0	44.25	0		0
1								
ESTIMATED TOTA	AL TANGIBI	LES		28,900		195,767		224,667
ESTIMATED TOTAL WELL COSTS				470,406		331,868		802,274

WRO APPEROVAL		DATE	
PREPARED BY: HE	RW	12/28/99	
REVIEWED BY: TR	RM		
APPROVED BY:			
APPROVED BY:		12/28/99	
	-	Sonja Lopez, Heir to the Estate	
WI APPROVAL:	COMPANY	of Ernest L. Redford, Deceased	.01351133%
	BY		
	TITLE		_
	DATE		

December 29, 1999



HEARBUIZG EXPLORATION CO., LLC. 3300 NORTH "A" STREET BUDG 2, STE 120 MIDLAND, TX 79705

Re:

Dear Sir or Madam:

Thank you for your interest in the above referenced property. Ernest L. Redford is deceased and his heirs prefer that they are contacted on an individual basis and therefore all correspondence needs to be redirected to their attention. Their names and addresses are listed below:

Larry L. Redford 2608 Pearl Odessa, TX 79760

Diana Peace 12512 Monarch Dr NE Albuquerque, NM 87123

Sonja Lopez 4006 San Andres NE Albuquerque, NM 87110 resent AFE'S 1-19-00

Sincerely,

Marjorie M. Moran

cc. Kastie Mac Norald

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Marjorie Moran, PR of the Est. of Ernest L. Redford Dec. 111 Nara Vista Albuquerque, New Mexico 87107

Re:

AFE to drill Rio Pecos "19" Com. #1 Well 1980' FNL & 660' FWL of Section 19, T-18-S, R-27-E, NMPM Eddy County, New Mexico

Rio Pecos Prospect

Dear Ms. Moran:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Mark Wheeler, CPL Senior Landman

Mark Wheeler

/cmw:rio pecos afe(1m)

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

February 17, 2000

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Jack Dill Knox 300 Crescent Court, Suite 1630 Dallas, Texas 75201

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Dear Mr. Knox:

Please find enclosed Nearburg's revised AFE to drill the captioned well for your review and approval. We have revised this AFE to reflect the correct interest for you, Gwendolyn Knox and Therylene Knox.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Mark Wheeler, CPL Senior Landman

/cmw:rio pecos afe(1m)

Z 236 366 990
US Postal Service
Receipt for Certified Mail

Return Receipt Showing to Whom & Date Delivered
Return Receipt Showing to Whom Date, & Addressee's Address
TOTAL Postage & Fees
Postmark or Date

S Form 3800,

Postmark or Date
Rio Pecos" 9"
Com # 1

Restricted Delivery Fee

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

February 17, 2000

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Therylene Knox Helm 4401 Edmonson Dallas, Texas 75205

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Dear Ms. Helm:

Please find enclosed Nearburg's revised AFE to drill the captioned well for your review and approval. We have revised this AFE to reflect the correct interest for you, Gwendolyn Knox and Jack D. Knox.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Mark Wheeler, CPL Senior Landman

/cmw:rio pecos afe(1m)

Z 236 366 989

US Postal Service Receipt for Certified Mail No Insurance Coverage Provided. Do not use for International Mail (See reverse) Sent to Stre Handdanhillandanill Therylene Knox Helm Pos 4401 Edmonson Dallas, Texas 75205 Pos Certified Fee Special Delivery Fee Restricted Delivery Fee Return Receipt Showing to Whom & Date Delivered Return Receipt Showing to Whom Date, & Addressee's Address TOTAL Postage & Fees Postmark or Date

Exploration and Production 3300 North "A" Street Building 2. Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

February 18, 2000

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Gwendolyn Knox P. O. Box 9026 Dallas, Texas 75209

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Dear Ms. Knox:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we would like to lease your mineral interest for \$150.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next few weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Mark Wheeler, CPL Senior Landman

/cmw:rio pecos afe(1m)

Z 236 366 988

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Gwendolyn Knox
P. O. Box 9026
Dallas, Texas 75209

Certified Fee Special Delivery Fee

Restricted Delivery Fee

Return Receipt Showing to Whom & Date Delivered Return Receipt Showing to Whom

Date, & Addressee's Address
TOTAL Postage & Fees

Postmark or Date

Form

Rio Pecos "19" Com. #1

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

INTANGIBLE COSTS:	ANDE TO CSG PT	per C	OMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	### 174,794		0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	332.63	12,296	24,592
Drilling Turnkey	ass.40	22.80	0	0
Rig Mobilization and Demobilization	 0	826.46	0	0
Road & Location Expense	axes 18,815	20.00	2,120	20,935
Damages	5,000	\$4.88	0	5,000
Directional Drilling - Tools and Service	<i>324</i> 239 0	44.30	0	0
Drilling Fluids	26,500	44.79	0	26,500
Fuel, Power, and Water	ля на 12,720	201.44	0	12,720
Supplies - Bits	0	SPE ME	795	795
Supplies - Casing Equipment	1,060	84.40	4,240	5,300
Supplies - Liner Equipment	**** O		0	0
Supplies - Miscellaneous	23.4 ME 0	54.00	0	0
Cement and Cmt. Services - Surface Csg	10,600		0	10,600
Cement and Cmt. Services - Int. Csg	*** 0		0	0
Cement and Cmt. Services - Prod. Csg	* 0	04 27	21,200	21,200
Cement and Cmt. Services - Other	ans #12 0	44.71	0	0
Rental - Drilling Tools and Equipment	0 عدسه	SM ret	0	0
Rental - Misc.	w.m 19,716	##./#	3,180	22,896
Testing - Drill Stem / Production	4,770	44.76	2,650	7,420
Open Hole Logging	##.## 31,800		0	31,800
Mudlogging Services	11,925	14	0	11,925
Special Services	0	w.ne	0	0
Plug and Abandon	12,000		(12,000)	0
Pulling and/or Swabbing Unit	34 0	44.87	15,264	15,264
Reverse Equipment	0	44.07	5,300	5,300
Wireline Services	0	43.39	19,080	19,080
Stimulation	. 0		12,720	12,720
Pump / Vacuum Truck Services	6 47.362 0	355.488	6,075	6,075
Transportation	44.39	20 AC	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	334,290	5,300	7,261
Unclassified	**** 530	24.94	0	530
Telephone and Radio Expense	954	***	318	1,272
Engineer / Geologist / Landman	22,500		3,000	25,500
Company Labor - Field Supervision	as as 13,250		6,500	19,750
Contract Labor / Roustabout	1,590	85.86	9,540	11,130
Legal and Professional Service	5,000	88.59	0	5,000
Insurance ,	4,998	es #1	0	4,998
Overhead	7,000	80.70	3,500	10,500
SUBTOTAL	401,369	creeze cree	123,728	525,097
Contingencies (10%)	40,137		12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506		136,101	577,607

Exploration and Production Dallas, Texas

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WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

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DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	<u>'S:</u>		9006	TO CSG PT	sate	COMPLETION		TOTAL WELL
Conductor Casing	 0 Ft @	0.00 \$/Ft	100,100	0	***	0	Ī	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	1888 3 <i>6</i> 0	26,400	2.0	0	1 [26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	# 15	0	20	0] [0
Protection Csg	0 Ft @	0.00 \$/Ft	200.342	0		0] [0
Production Csg	9,700 Ft@	10.00 \$/Ft	**	0	322.365	97,000] [97,000
Protection Liner	0 Ft@	0.00 \$/Ft	a#.59	0	**	0] [0
Production Liner	0 Ft@	0.00 \$/Ft		0	44 14	0] [0
Tubing	9,500 Ft @	3.25 \$/Ft		0		30,875] [30,875
Rods	0 Ft@	0.00 \$/Ft	**	0	***	0	ll	0
Artificial Lift Equipm	nent		20	0	150 TeV	0	[0
Tank Battery			•••	0	***	10,600		10,600
Separators/Heater	Treater/Gas U	nits/FWKO	94	0	207.00	12,720		12,720
* Well Head Equip	ment & Christm	nas Tree	35E 34F	2,500	***	11,500		14,000
Subsurface Well E	quipment		20	0	M22 737	6,148		6,148
Flow Lines			44	0	es e 27	13,250		13,250
Saltwater Disposal	Pump		144	0	***	0		0
Gas Meter			**	0	342.7df	1,484		1,484
Lact Unit			2/	0	81E 38	0		Ö
Vapor Recovery Ur	nit		94	0	447.59	0		0
Other Well Equipm	ent		**	0	.0H.2H	0		0
ROW and Damage	es		**	0	10E 211	2,650	ſ	2,650
Surface Equipment Installation Costs			0	see 3%	9,540		9,540	
Elect. Installation			0	44 347	0		0	
ESTIMATED TOTA	AL TANGIBLE	s	ĺ	28,900		195,767		224,667
ESTIMATED TOTAL WELL COSTS			470.400		004.500			
ESTIMATED TOTA	AL WELL COS	<u> </u>		470,406	L	331,868		802,274

PREPARED BY:	HRW	12/28/99	
REVIEWED BY:	TRM		
APPROVED BY:			
APPROVED BY:		12/28/	99
			/
WI APPROVAL:	COMPANY	Gwendolyn Knox	.590625%
	BY		
	TITLE		
	DATE		

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL 8
FIELD: Wildcat Morrow

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

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DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	400	TO CSG PT	sare	COMPLETION		TOTAL WELL
Conductor Casing 0 Ft @ 0.00 \$/Ft		0	₩.	0		0
Surface Csg 1,100 Ft @ 24.00 \$/Ft	100 10	26,400	w.	0		26,400
Intermediate Csg 0 Ft @ 0.00 \$/Ft	100.50	0	2.	0		0
Protection Csg 0 Ft @ 0.00 \$/Ft	2007.562	0	34	0		0
Production Csg 9,700 Ft @ 10.00 \$/Ft	**	0	222.344	97,000		97,000
Protection Liner 0 Ft @ 0.00 \$/Ft	487.538	0	•	0		0
Production Liner 0 Ft @ 0.00 \$/Ft	**	0	400 154	0		0
Tubing 9,500 Ft @ 3.25 \$/Ft	**	0	200 AND	30,875		30,875
Rods 0 Ft @ 0.00 \$/Ft	• •	0		0		0
Artificial Lift Equipment	**	0	eur sar	0		0
Tank Battery	*	0	set tu	10,600		10,600
Separators/Heater Treater/Gas Units/FWKO	**	0	ner Au	12,720		12,720
* Well Head Equipment & Christmas Tree	MR 247	2,500	423.Net	11,500		14,000
Subsurface Well Equipment	2/	0	eur sav	6,148		6,148
Flow Lines		0	ust tis	13,250		13,250
Saltwater Disposal Pump	*4	0	442.5%	0		0
Gas Meter	**	0	447.00	1,484	. [1,484
Lact Unit	2/	0	42E SP	0		0
Vapor Recovery Unit	**	0	448.50	0	-	0
Other Well Equipment	**	0	0#J#	0		0
ROW and Damages	*/	0	mg Ps	2,650		2,650
Surface Equipment Installation Costs	2/	0	422.394	9,540	ſ	9,540
Elect. Installation		0	445 545	0		0
					ĺ	
ESTIMATED TOTAL TANGIBLES		28,900	ĺ	195,767		224,667
			[
ESTIMATED TOTAL WELL COSTS	L	470,406		331,868		802,274

PREPARED BY: HI	RW	12/28/99	
REVIEWED BY: TE	RM		
APPROVED BY:			
APPROVED BY:		12/28/99	
		The anylone Vacy Helm	1.8984375%
WI APPROVAL:	COMPANY	Therylene Knox Helm	1.0704373%
	BY		
	TITLE		
	DATE		

Exploration and Production Dallas, Texas

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ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS	<u>s:</u>		9796	TO CSG PT	sate	COMPLETION		TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/ Ft		0	•	0		0
Surface Csg	1,100 Ft @	24.00 \$/Ft	38E 3.0	26,400	24	0	'	26,400
Intermediate Csg	0 Ft @	0.00 \$/ Ft	see for	0	24	0		0
Protection Csg	0 Ft @	0.00 \$/ Ft	210.342	0	2-4	0		0
Production Csg	9,700 Ft @	10.00 \$/Ft	**	0	227-346	97,000		97,000
Protection Liner	0 Ft@	0.00 \$/Ft	007.938	0	**	0		0
Production Liner	0 Ft@	0.00 \$/Ft	24	0	en 111	0		0
Tubing	9,500 Ft@	3.25 \$/Ft	94	0	SW-AH	30,875		30,875
Rods	0 Ft@	0.00 \$/Ft	**	0	523.ME	0		0
Artificial Lift Equipm	ent		2.0	0	SEE SEE	0		0
Tank Battery			Asr .	0	ust su	10,600		10,600
Separators/Heater	Treater/Gas \	Jnits/FWKO	*4	0	arr. 440	12,720		12,720
* Well Head Equipn	nent & Christi	nas Tree	# ##	2,500	***	11,500		14,000
Subsurface Well Ed	quipment		2.0	0	tat 577	6,148	' j	6,148
Flow Lines			4+	0	ust ffs	13,250		13,250
Saltwater Disposal	Pump		**	0	442.5%	0		0
Gas Meter			**	0	447.34c	1,484		1,484
Lact Unit			2,0	0	un 1 <i>0</i>	0		0
Vapor Recovery Un	iit			0	est 130	0		0
Other Well Equipme	ent		*4	0	497.78	0		0
ROW and Damage	s		***	0	nec 149	2,650	[2,650
Surface Equipment	Installation C	osts	2,	0	wat.1%	9,540		9,540
Elect. Installation			264	0	485.517	0		.0
ESTIMATED TOTA	AL TANGIBLI	ES		28,900		195,767		224,667
ESTIMATED TOTA	AL WELL CO	STS		470,406		331,868		802,274

PREPARED BY:	HRW	12/28/99	
REVIEWED BY:	TRM		
APPROVED BY:			
APPROVED BY:	/37	12/28/9	9
WI APPROVAL:	COMPANY	Jack Dill Knox	1.8984375%
WI AFFROVAL.	BY TITLE		
	DATE		

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

February 21, 2000

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Mr. Doug Hurlbut Yates Petroleum Corporation Sharbro Oil Ltd. Co. Estate of Lillie M. Yates 105 S. Fourth St. Artesia, New Mexico 88210

Re:

AFE to drill Rio Pecos "19" Com. #1 Well

1980' FNL & 660' FWL of Section 19,

T-18-S, R-27-E, NMPM Eddy County, New Mexico Rio Pecos Prospect

Dear Mr. Hurlbut:

Please find enclosed Nearburg's amended AFE to drill the captioned well for your review and approval. This AFE has been amended to reflect the correct Yates entities and percentages. The Ralph Nix, A Partnership, interest has also been taken into account with regard to these percentages. Please execute one copy of the enclosed AFE.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Mark Wheeler, CPL Senior Landman

/cmw:rio pecos afe(1m)

Z 236 366 996 US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Yates Petroleum Corporation 105 S. 4th Street Artesia, New Mexico 88210

Certified Fee
Special Delivery Fee

Restricted Delivery Fee
Return Receipt Showing to
Whom & Date Delivered
Return Receipt Showing to Whom
Date, & Addressee's Address

TOTAL Postage & Fees
Postmark or Date

io Pecos 19 Com.#

Exploration and Production Dallas, Texas

مد از مگو

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INTANGIBLE COSTS:	TO CSG PT	arra. (COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft		-	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	34.04	12,296	24,592
Drilling Turnkey	an.a. 0	Au es	0	0
Rig Mobilization and Demobilization		-	0	0
Road & Location Expense	sa. ss 18,815	1	2,120	20,935
Damages	5,000		.0	5,000
Directional Drilling - Tools and Service	aux 200 0	44.39	0	0
Drilling Fluids	26,500	44.19	0	26,500
Fuel, Power, and Water	sx sz 12,720	#4.##	0	12,720
Supplies - Bits	0	54.44	795	795
Supplies - Casing Equipment	1,060	84.40	4,240	5,300
Supplies - Liner Equipment	ex.## 0		0	0
Supplies - Miscellaneous	au 40 O	84.40	0	0
Cement and Cmt. Services - Surface Csg	10,600		0	10,600
Cement and Cmt. Services - Int. Csg	666.20		0	0
Cement and Cmt. Services - Prod. Csg	* 0	86 27	21,200	21,200
Cement and Cmt. Services - Other	214 98 O	A13.778	0	0
Rental - Drilling Tools and Equipment		\$4.40	0	0
Rental - Misc.	m 19,716	89.66	3,180	22,896
Testing - Drill Stem / Production	4,770	44.74	2,650	7,420
Open Hole Logging	31,800		0	31,800
Mudlogging Services	ara 11,925	**	0	11,925
Special Services	ex.xe 0	***	0	0
Plug and Abandon	12,000	** **	(12,000)	0
Pulling and/or Swabbing Unit	0		15,264	15,264
Reverse Equipment	٠ 0	Ma.or	5,300	5,300
Wireline Services	0	40.33	19,080	19,080
Stimulation	• 0	e4 No	12,720	12,720
Pump / Vacuum Truck Services	0	***	6,075	6,075
Transportation	1,590		2,650	4,240
Tubular Goods - Inspection & Testing	1,961	252 250	5,300	7,261
Unclassified	530	55.34	0	530
Telephone and Radio Expense	954		318	1,272
	 22,500		3,000	25,500
1	13,250	## No.	6,500	19,750
Contract Labor / Roustabout	1,590	371.86E	9,540	11,130
l.	5,000	311.778	0	5,000
1 1998	4,998	w #i	0	4,998
	7,000	40.70	3,500	10,500
SUBTOTAL	401,369	<u></u>	123,728	525,097
Contingencies (10%)	40,137	<u> </u>	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506		138 101	577 607
TO THE INTENTIONEES	1 441,000		136,101	577,607

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ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COST	<u>s:</u>		6796	TO CSG PT	serie	COMPLETION	T	TOTAL WELL
Conductor Casing	0 Ft	@ 0.00 \$/Ft		0	.	0	}	0
Surface Csg	1,100 Ft	@ 24.00 \$/Ft	****	26,400	**	0]	26,400
Intermediate Csg	0 Ft	@ 0.00 \$/Ft		0	*	0		0
Protection Csg	0 Ft	@ 0.00 \$/Ft	200.341	0	\$ d	0]	0
Production Csg	9,700 Ft	@ 10.00 \$/Ft	•/	0	329,346	97,000		97,000
Protection Liner	0 Ft	@ 0.00 \$/Ft	487.09	0	1	0]	0
Production Liner	0 Ft	@ 0.00 \$/Ft	**	0	am 10	0]	0
Tubing	9,500 Ft	@ 3.25 \$/Ft	*4	0		30,875]	30,875
Rods	0 Ft	@ 0.00 \$/Ft	•	0	***	0	Ī	0
Artificial Lift Equipm	nent		2,7	0	E22 180	0		0
Tank Battery			24	0	est 111	10,600		10,600
Separators/Heater	Treater/Ga	as Units/FWKO	9.4	0	307.84	12,720		12,720
* Well Head Equipr	ment & Chr	istmas Tree		2,500	223,946	11,500		14,000
Subsurface Well Ed	quipment		2.	0	828 SW	6,148		6,148
Flow Lines			**	0	sat.13	13,250		13,250
Saltwater Disposal	Pump		**	0	442.5%	0	[0
Gas Meter			•/	0	****	1,484		1,484
Lact Unit			2./	0	est 5#	0		0
Vapor Recovery Ur			44	0	44.19	0		0
Other Well Equipme	ent			0	300.730	0		0
ROW and Damage	s		•	0	100 PH	2,650		2,650
Surface Equipment	Installation	Costs	2/	0	*** 150	9,540		9,540
Elect. Installation			34	0	441.00	0		0
ESTIMATED TOTA	AL TANGIE	BLES		28,900		195,767		224,667
ESTIMATED TOTA	AL WELL C	COSTS		470,406		331,868		802,274

2000/06/2000/06/06/09/20			
PREPARED BY: HR	w	12/28/99	
REVIEWED BY: TRI	м		
APPROVED BY:			
APPROVED BY:		12/28/99	
WI APPROVAL:	COMPANY	Yates Petroleum Corporation	2.630146%
	ВҮ		
	TITLE		
	DATE		
WI APPROVAL:	BY TITLE		



Exploration and Production Dallas, Texas

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ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANCIDI E COST	· ·			TO CSG PT		COMPLETION	Г.	TOTAL WELL
TANGIBLE COST		0.00.05	****		ace		1	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft		0	*	0	-	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	944576	26,400	10	0	Į.	26,400
Intermediate Csg	0 Ft @	0.00 \$/ Ft	****	0	*	0	ļ	0
Protection Csg	0 Ft @	0.00 \$/ Ft	222.50	0	*	0		0
Production Csg	9,700 Ft @	10.00 \$/Ft	v.	0	22.20	97,000		97,000
Protection Liner	0 Ft@	0.00 \$/Ft	2007,038	0		0	,	0
Production Liner	0 Ft@	0.00 \$/Ft		0		0		0
Tubing	9,500 Ft @	3.25 \$/Ft		0		30,875		30,875
Rods	0 Ft@	0.00 \$/Ft	97	0	22.04	0]	0
Artificial Lift Equipn	nent		9/	0	BEE 3.67	0		0
Tank Battery				0	44.14	10,600		10,600
Separators/Heater	Treater/Gas U	nits/FWKO	44	0	A18.244	12,720		12,720
* Well Head Equip	ment & Christm	as Tree		2,500	822.346	11,500		14,000
Subsurface Well E	quipment		2,	0	802.577	6,148		6,148
Flow Lines				0	54.13	13,250		13,250
Saltwater Disposal	Pump		744	0	44C.250	0		0
Gas Meter			**	0	an ya	1,484		1,484
Lact Unit			2.0	0	80E.78F	0		0
Vapor Recovery U	nit		•	0	400.534	0		0
Other Well Equipm	ent		**	0	200.200	0		0
ROW and Damage	es		47	0	sat As	2,650		2,650
Surface Equipment	t Installation Co	sts	2.7	0	682.2W	9,540		9,540
Elect. Installation			2.0	0	um str	0		0
COTHATED TOT	AL TANCIDI E	6		00.000	ļ	405 707		004.007
ESTIMATED TOTA	AL IANGIBLE	•		28,900		195,767		224,667
ESTIMATED TOTA	AI WELL COS	Te	}	470,406		331,868		902 274
LOTINIA I LOTI	11LLL 003			470,400		331,000		802,274

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/9
	<u> </u>

WI APPROVAL:	COMPANY	Estate of Lillie M. Yates	0.393356%
	BY		
	TITLE		
	DATE		



Exploration and Production Dallas, Texas

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DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS	<u>:</u>		ane.	TO CSG PT	save	COMPLETION		TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft		0	**	0]	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	288.50	26,400	**	0]	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft		0	*	0]	0
Protection Csg	0 Ft @	0.00 \$/Ft	***	0		0]	0
Production Csg	9,700 Ft@	10.00 \$/Ft	•	0	129.34	97,000]	97,000
Protection Liner	0 Ft@	0.00 \$/Ft	200.000	0	**	0		0
Production Liner	0 Ft@	0.00 \$/Ft		0		0	}	0
Tubing	9,500 Ft@	3.25 \$/Ft		0	200.000	30,875]	30,875
Rods	0 Ft@	0.00 \$/F t	24	0		0		0
Artificial Lift Equipm	ent		2.0	0	net ter	0	<u>'</u>	0
Tank Battery			34	0	***	10,600		10,600
Separators/Heater	Treater/Gas U	Inits/FWKO	94	0	ART.AM	12,720]	12,720
* Well Head Equipm	nent & Christm	nas Tree	100,544	2,500	322.5m	11,500		14,000
Subsurface Well Eq	uipment		27	0	652 537	6,148		6,148
Flow Lines			4.0	0	eec. (7)	13,250		13,250
Saltwater Disposal I	Pump		94	0	44.79	0		0
Gas Meter			4.0	0	***	1,484		1,484
Lact Unit			2/	0		0		0
Vapor Recovery Uni	it			0	48 19	0		0
Other Well Equipme	ent		44	0	200.700	0		0
ROW and Damages	5		•	0	est As	2,650		2,650
Surface Equipment	Installation Co	ests	2/	0		9,540		9,540
Elect. Installation			A.	0	442.50	0		0
ESTIMATED TOTA	L TANGIBLE	S	[28,900		195,767		224,667
			. [·			
ESTIMATED TOTA	L WELL COS	ets		470,406	,	331,868		802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/
	3//

VVI	APPROVAL:	

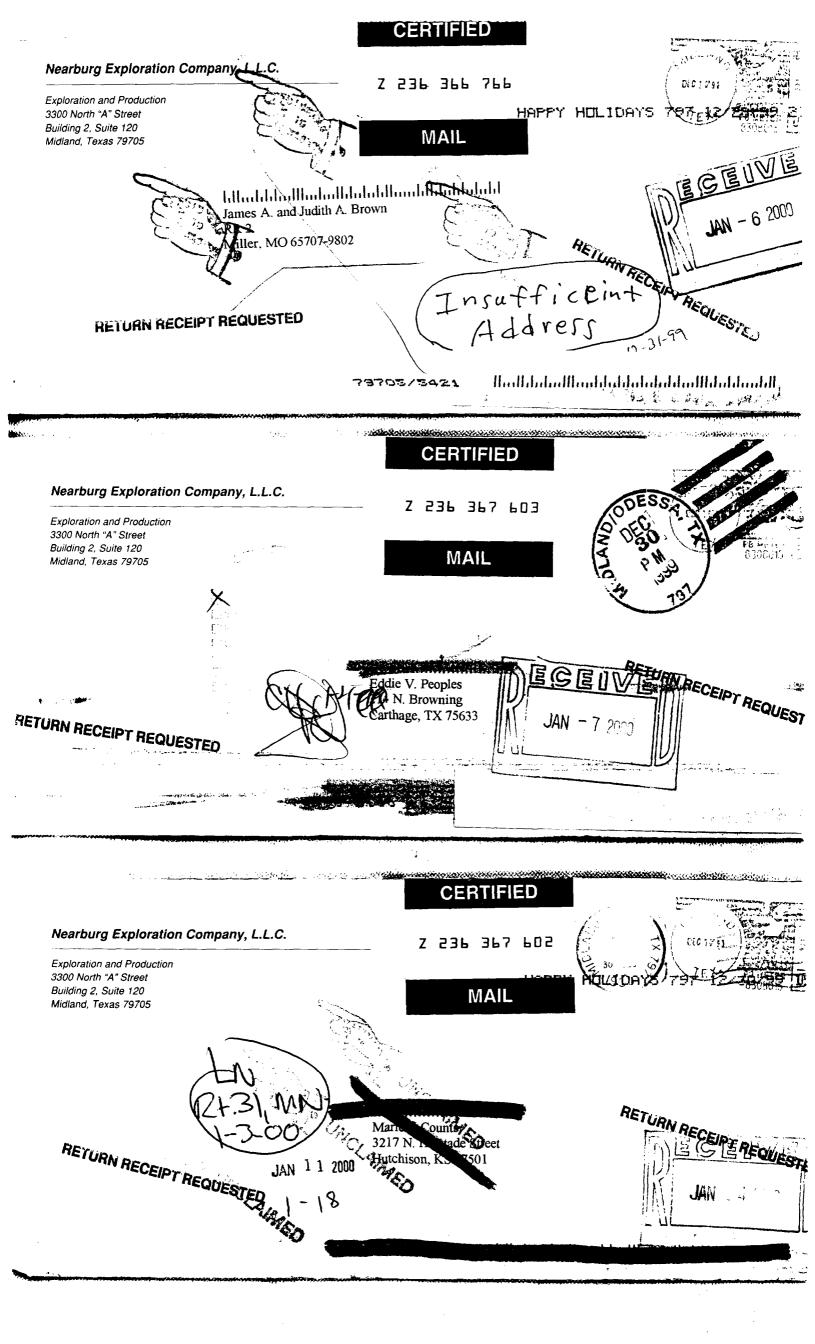
COMPANY BY

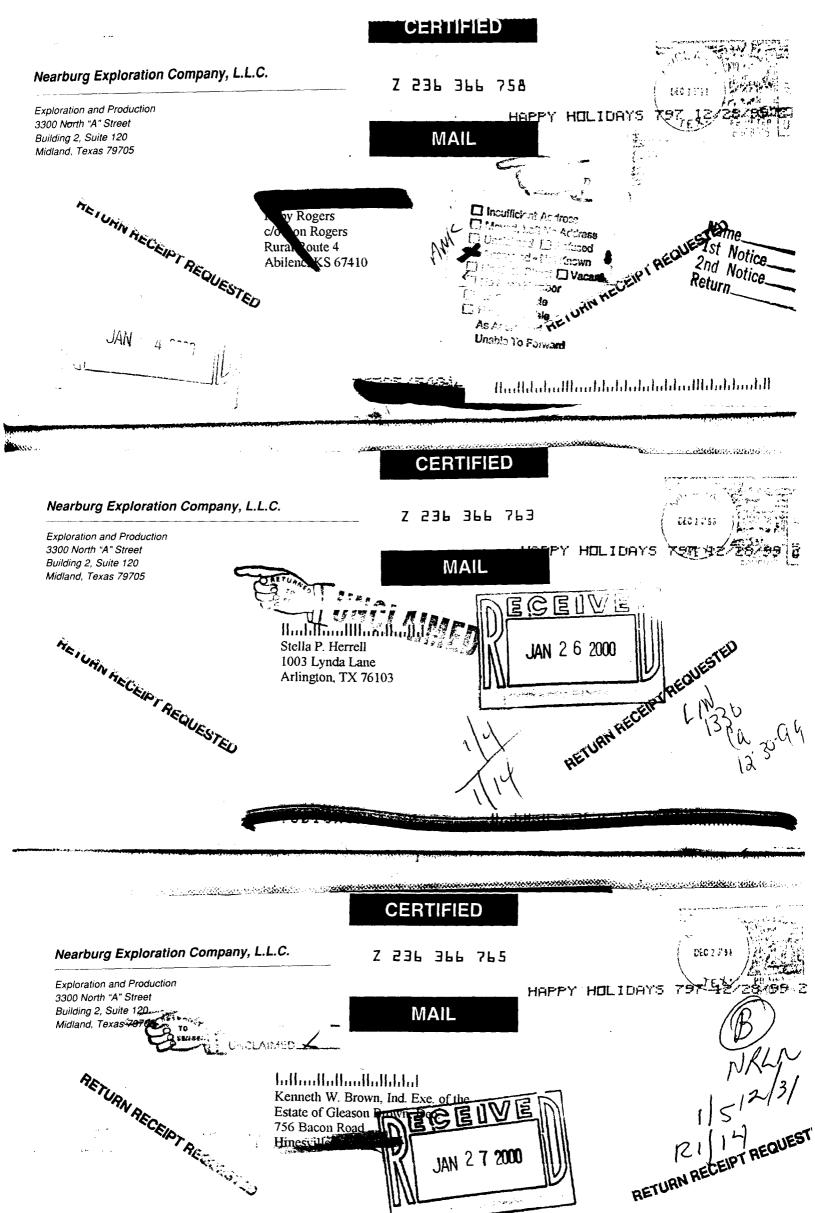
Sharbro Oil Ltd. Co.

0.393356%

TITLE

DATE





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