



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

AUTHORITY FOR EXPENDITURE
NEW DRILLING, RECOMPLETION & RE-ENTRY

AFE NO. 00-175-0
AFE DATE 3/13/2000
AFEND (rev 8/98)

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

LEASE NAME	Caprock "AVD" State #1	PROJ'D DEPTH	12,500'
COUNTY	Lea	STATE	NM
FIELD	Wildcat	HORIZON	Atoka / Morrow
LOCATION	660' FNL & 510' FEL of Sec. 13, T11S, R32E		

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

PROGNOSIS: Re-enter, drill out cement plugs in 12 3/4" casing & 11" hole and tie back the 8 5/8" casing. Clean out plugs in the 8 5/8" casing to 3,650' then move a drilling rig in and clean out the plugs in the 7 7/8" hole to 10,462' and deepen the well to 12,500'. Log the well and run 4 1/2" casing and attempt a completion in the Atoka or Morrow zones.

INTANGIBLE DRILLING COSTS:		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees		500
920-110	Location, Right-of-Way		7,500
920-120	Drilling, Footage	MOB for drilling rig	30,000
920-130	Drilling, Daywork	7 days @ \$7500/day, & 21 days @ \$5500/day	168,000
920-140	Drilling Water, Fasline Rental	pipe racks, BOPs, lights, etc.	15,000
920-150	Drilling Mud & Additives		25,000
920-160	Mud Logging Unit, Sample Bags		11,000
920-170	Cementing - Surface Casing	cement 8 5/8" casing	12,000
920-180	Drill Stem Testing, OHT		15,000
920-190	Electric Logs & Tape Copies		25,000
920-200	Tools & Equip. Rntl., Trkg. & Welding	includes 2 7/8" AOH workstring	30,000
920-205	Control of Well-Insurance		
920-210	Supervision & Overhead		7,500
920-230	Coring, Tools & Service	8 5/8" casing patch	7,500
920-240	Bits, Tool & Supplies Purchase		20,000
920-350	Cementing - Production Casing		20,000
920-410	Completion Unit - Swabbing		10,000
920-420	Water for Completion		3,500
920-430	Mud & Additives for Completion		
920-440	Cementing - Completion		
920-450	Elec. Logs, Testing, Etc. - Completion		5,000
920-460	Tools & Equip. Rental, Etc. - Completion		11,500
920-470	Stimulation for Completion		35,000
920-480	Supervision & O/H - Completion		5,000
920-490	Additional LOC Charges - Completion		4,000
920-510	Bits, Tools & Supplies - Completion		
920-500	Contingency for Completion		10,000
TOTAL INTANGIBLE DRILLING COSTS		0	478,000

TANGIBLE EQUIPMENT COSTS:			
930-010	Christmas Tree & Wellhead	5000 psi wellhead	25,000
930-020	Casing	1,550' of 8 5/8", 24.00 #/ft., J-55, ST&C	14,000
		12,500' of 4 1/2", 11.60 #/ft., HC P-110, LT&C	56,000
930-030	Tubing	12,500' of 2 3/8", 4.70#/ft., N-80, 8rd EUE	30,000
930-040	Packer & Special Equipment		10,000
940-010	Pumping Equipment		
940-020	Storage Facilities		10,000
940-030	Separation Equip., Flowlines, Misc.		20,000
940-040	Trucking & Construction Costs		20,000
TOTAL TANGIBLE EQUIPMENT COSTS		0	185,000

TOTAL COSTS	0	663,000
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APPROVAL OF THIS AFE CONSTITUTES APPROVAL OF OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM THE OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE.

Prepared By	James W. Pringle B	Operations Approval	1162 14 MAR 2000
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BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12373 Exhibit No. 3
Submitted by:
Yates Petroleum Corporation
Hearing Date: April 20, 2000



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<input type="checkbox"/> Recompletion	<input checked="" type="checkbox"/> Gas	<input checked="" type="checkbox"/> Exploratory	<input checked="" type="checkbox"/> Revised
<input checked="" type="checkbox"/> Re-entry	<input type="checkbox"/> Injector		<input type="checkbox"/> Final
			<input type="checkbox"/> Supplemental

LEASE NAME	Caprock "AVD" State #1	PROJ'D DEPTH	12,500'
COUNTY	Lea	STATE	NM
FIELD	Wildcat	HORIZON	Atoka / Morrow
LOCATION	Surface: 660' FNL & 510' FEL of Sec. 13, T11S, R32E Bottom Hole: 660' N & 660' E		
DIVISION CODE	100	DIVISION NAME	Oil & Gas Division
DISTRICT CODE		DISTRICT NAME	
BRANCH CODE		BRANCH NAME	

PROGNOSIS: Re-enter, drill out cement plugs in 12 3/4" casing & 11" hole and tie back the 8 5/8" casing. Clean out plugs in the 8 5/8" casing to 3,650' then move a drilling rig in and clean out the plugs in the 7 7/8" hole to 9,700' and directionally drill the well using an S shape trajectory to 660' N & E at 10,600' (Atoka top) then vertically drill to a TD of 12,500'.

INTANGIBLE DRILLING COSTS:		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees		500
920-110	Location, Right-of-Way		7,500
920-120	Drilling, Footage	MOB for drilling rig	30,000
920-130	Drilling, Daywork	7 days @ \$7500/day, & 34 days @ \$5500/day	245,000
920-140	Drilling Water, Fasline Rental		17,000
920-150	Drilling Mud & Additives		30,000
920-160	Mud Logging Unit, Sample Bags		19,000
920-170	Cementing - Surface Casing	cement 8 5/8" casing	12,000
920-180	Drill Stem Testing, OHT		15,000
920-190	Electric Logs & Tape Copies		25,000
920-200	Tools & Equip. Rntl., Trkg. & Welding	& directional services	85,000
920-205	Control of Well-Insurance		
920-210	Supervision & Overhead		7,500
920-230	Coring, Tools & Service	8 5/8" casing patch	7,500
920-240	Bits, Tool & Supplies Purchase		50,000
920-350	Cementing - Production Casing		20,000
920-410	Completion Unit - Swabbing		10,000
920-420	Water for Completion		3,500
920-430	Mud & Additives for Completion		
920-440	Cementing - Completion		
920-450	Elec. Logs, Testing, Etc. - Completion		5,000
920-460	Tools & Equip. Rental, Etc. - Completion		11,500
920-470	Stimulation for Completion		35,000
920-480	Supervision & O/H - Completion		5,000
920-490	Additional LOC Charges - Completion		4,000
920-510	Bits, Tools & Supplies - Completion		
920-500	Contingency for Completion		10,000
TOTAL INTANGIBLE DRILLING COSTS		0	655,000

TANGIBLE EQUIPMENT COSTS:			
930-010	Christmas Tree & Wellhead	5000 psi wellhead	25,000
930-020	Casing	1,550' of 8 5/8", 24.00 #/ft., J-55, ST&C	14,000
		12,500' of 4 1/2", 11.60 #/ft., HC P-110, LT&C	56,000
930-030	Tubing	12,500' of 2 3/8", 4.70#/ft., N-80, 8rd EUE	30,000
930-040	Packer & Special Equipment		10,000
940-010	Pumping Equipment		
940-020	Storage Facilities		10,000
940-030	Separation Equip., Flowlines, Misc.		20,000
940-040	Trucking & Construction Costs		20,000
TOTAL TANGIBLE EQUIPMENT COSTS		0	185,000

TOTAL COSTS	0	840,000
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APPROVAL OF THIS AFE CONSTITUTES APPROVAL OF OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM THE OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE.

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<input type="checkbox"/> Recompletion	<input checked="" type="checkbox"/> Gas	<input checked="" type="checkbox"/> Exploratory
<input type="checkbox"/> Re-entry	<input type="checkbox"/> Injector	

AFE STATUS:

<input type="checkbox"/>	Original	
<input checked="" type="checkbox"/>	Revised	
<input type="checkbox"/>	Final	
<input type="checkbox"/>	Supplemental	

LEASE NAME	Caprock "AVD" State #1	PROJ'D DEPTH	12,500'
COUNTY	Lea	STATE	NM
FIELD	Wildcat	HORIZON	Atoka / Morrow
LOCATION	660' FNL & 660' FEL of Sec. 13, T11S, R32E		

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

PROGNOSIS: New well drilled to 12,500'.

INTANGIBLE DRILLING COSTS:		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees	2,000	2,000
920-110	Location, Right-of-Way	15,000	15,000
920-120	Drilling, Footage 12,500' @ @ \$28.00/ft	350,000	350,000
920-130	Drilling, Daywork 5 days @ \$5,500/day	27,500	27,500
920-140	Drilling Water, Fasline Rental	17,000	17,000
920-150	Drilling Mud & Additives	30,000	30,000
920-160	Mud Logging Unit, Sample Bags	19,000	19,000
920-170	Cementing - Surface Casing	25,000	25,000
920-180	Drill Stem Testing, OHT	15,000	15,000
920-190	Electric Logs & Tape Copies	25,000	25,000
920-200	Tools & Equip. Rntl., Trkg. & Welding	20,000	20,000
920-205	Control of Well-Insurance		
920-210	Supervision & Overhead		20,000
920-230	Coring, Tools & Service		
920-240	Bits, Tool & Supplies Purchase		1,000
920-350	Cementing - Production Casing		20,000
920-410	Completion Unit - Swabbing		10,000
920-420	Water for Completion		3,500
920-430	Mud & Additives for Completion		
920-440	Cementing - Completion		
920-450	Elec. Logs, Testing, Etc. - Completion		5,000
920-460	Tools & Equip. Rental, Etc. - Completion		11,500
920-470	Stimulation for Completion		35,000
920-480	Supervision & O/H - Completion		5,000
920-490	Additional LOC Charges - Completion		4,000
920-510	Bits, Tools & Supplies - Completion		
920-500	Contingency for Completion		10,000
TOTAL INTANGIBLE DRILLING COSTS		545,500	670,500

TANGIBLE EQUIPMENT COSTS:			
930-010	Christmas Tree & Wellhead 5000 psi wellhead	5,000	25,000
930-020	Casing 13 3/8" @ 400'	7,000	7,000
	8 5/8" @ 3,900'	39,000	39,000
	4 1/2" @ 12,500'		56,000
930-030	Tubing 2 3/8" @ 12,500'		30,000
930-040	Packer & Special Equipment		10,000
940-010	Pumping Equipment		
940-020	Storage Facilities		10,000
940-030	Separation Equip., Flowlines, Misc.		20,000
940-040	Trucking & Construction Costs		20,000
TOTAL TANGIBLE EQUIPMENT COSTS		51,000	217,000

TOTAL COSTS	596,500	887,500
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