

AUTHORIZATION FOR EXPENDITURES

Prospect	Angell Ranch	Well No.	1	Date	12/17/96
Lease	To Be Determined	Section	20	AFE No.	
Location	990' FNL-990' FEL	County	Eddy	Twp	20S Range 28E
Field	Atoka Morrow	Prim. Obj.	Morrow	State	New Mexico
Well TD	11250'			Sec. Obj.	

Well TD	11250'	Before Csg Point	After Csg Point	Total	Before Csg Point	After Csg Point	Total
INTANGIBLE COSTS		BCP-820	ACP-840		TANGIBLE COSTS		BCP-830 ACP-850
.01 Location/Damage Payment	4,500		4,500	.01 Cattle Guards & Fencing	0	0	0
.02 Location Construction	17,500	1,500	19,000	.02 Csg: Cond.	0	X	0
.03 Contracted Equipment	0	0	0	.03 Csg: Surface	8,125	X	8,125
.04 Rotary Rig. ML, RU, RD, MO	0	0	0	500' 13-3/8" 48# H-40			
.05 Rotary Rig: Daywork	11,000	11,000	22,000	.04 Csg: Intermediate	30,500	X	30,500
.06 Rotary Rig: Footage	210,950	0	210,950	3000' 8-5/8" 32#			
.07 Fuel	2,000	0	2,000	.05 Csg: Production	X	56,900	56,900
.08 Drilling Bits	0	0	0	4-1/2" @ 11250'			
.09 Drilling Fluid	37,500	1,000	38,500	.06 Float Equip, Centrizers, etc.		2,000	2,000
.10 Mud Disposal	3,000	X	3,000	.07 Well Head	8,800	11,500	20,300
.11 Drill Stem Tests	4,000	X	4,000	.08 Tubing	X	26,700	26,700
.12 Cement and Cementing Service	18,000	12,000	30,000	2-3/8", 4.7#, N-80			
.13 Casing Crew, Equipment	3,500	3,500	7,000	.09 Pump Unit	X	0	0
.14 Logging: Open Hole	9,500	X	9,500	.10 Motor/Engine	X		0
.15 Completion Rig	X	15,000	15,000	.11 Rods & Pump	X	0	0
.16 Stimulation	X	75,000	75,000	.12 Pkr & Sub-surface Equip.	X	10,000	10,000
.17 Misc. Pumping Services	0	3,500	3,500	.13 Tanks	X	6,000	6,000
.18 Log & Perf Cased Hole	X	8,000	8,000	.14 Separator/Production Unit	X	8,000	8,000
.19 Rentals	5,000	5,000	10,000	.15 Heater Treater/Dehydrator	X	8,000	8,000
.20 Water/water Hauling	10,500	6,000	16,500	.16 Fittings & Small Pipe	X	12,500	12,500
.21 Hauling/Freight	0	1,000	1,000	.17 Other Equipment	0	0	0
.22 Tubular Inspection	1,500	2,500	4,000	.18 Installation Costs	X	12,500	12,500
.23 Well Testing	1,500	1,000	2,500	.19 Miscellaneous			
.24 Labor: Contract	2,500	2,500	5,000	.20 Contingency			
.25 Company Geologist/Engineer	2,500	0	2,500	Subtotal	\$47,425	\$154,100	\$201,525
.26 Overhead	3,700	1,000	4,700				
.27 Professional Services	17,500	6,000	23,500	Pipeline		PL-880	
.28 Insurance	1,700	0	1,700	.01 Line Pipe	X	25,000	25,000
.29 Miscellaneous tax	14,000	7,550	21,550	.02 Metering Equipment	X	0	
.30 Contingency	500	0	500	.03 Meter Sta. Valves, Fittings	X	0	
.31 Coiled Tubing Work	0	3,500	3,500	Subtotal		\$25,000	\$25,000
.32 Packer Redress	X		0	TOTAL TANGIBLE COSTS	\$47,425	\$179,100	\$226,525
Subtotal	\$382,350	\$166,550	\$548,900				
Pipeline		PL-880		TOTAL WELL COSTS	\$429,775	\$345,650	\$775,425
.01 Tapping Fee	X			Total Well Cost to Casing Point			\$429,775
.02 Purchased Right of Way	X			Plugging Cost			\$15,000
.03 Damage Payments	X			Total Dry & Abandonment Cost			\$444,775
.04 Right of Way Acquisition	X			Total Cost Through Evaluation of Zone of Interest			\$693,425
.05 Permits	X			Prepared By:	LCF/TLR		
.06 Freight	X			Estimated Spud Date			
.07 PL & Meter Sta. Construction	X						
.08 Surveying and Drafting	X						
.09 Field Construction Sup.	X			InterCoast WIO %			
.10 Misc. and Contingency	X			InterCoast Net Expenditure			\$0
Subtotal				Supplement No.			
TOTAL INTANGIBLE COSTS	\$382,350	\$166,550	\$548,900	Original AFE Amount			

OIL CONSERVATION DIVISION

By: AC Date: InterCast Company Name: 3
By: InterCast Date: EXHIBIT 3 Date: _____
By: _____ Date: _____ Name: AC

CASE NO.