



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

AUTHORITY FOR EXPENDITURE
NEW DRILLING & RECOMPLETION

AFE NC 96-287-0
AFE DATE 11/14/96

| | | |
|--|---|---|
| AFE Type: | Well Objective: | Well Type: |
| <input checked="" type="checkbox"/> New Drilling | <input type="checkbox"/> Oil | <input type="checkbox"/> Development |
| <input type="checkbox"/> Recompletion | <input checked="" type="checkbox"/> Gas | <input checked="" type="checkbox"/> Exploratory |
| | <input type="checkbox"/> Injector | |

AFE STATUS:

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

| | | | |
|---------------|---------------------------|---------------|--------------------|
| LEASE NAME | Stonewall AOK St. Com. #1 | PROJ'D DEPTH | 11,500' |
| COUNTY | Eddy | STATE | New Mexico |
| LEGAL DESC. | 990' FNL & 990' FEL | LOCATION | Section 20-20S-28E |
| FIELD | | HORIZON | Morrow |
| DIVISION CODE | 100 | DIVISION NAME | Oil & Gas Division |
| DISTRICT CODE | | DISTRICT NAME | |
| BRANCH CODE | | BRANCH NAME | |
| PROGNOSIS: | | | |

| INTANGIBLE DRILLING COSTS: | | DRY HOLE | COMP'D WELL |
|---------------------------------|--|----------|-------------|
| 920-100 | Staking, Permit & Legal Fees | 500 | 500 |
| 920-110 | Location, Right-of-Way | 15,000 | 15,000 |
| 920-120 | Drilling, Footage 11,500' @ \$18.75/ft. | 228,600 | 228,600 |
| 920-130 | Drilling, Daywork 6 days @ \$5200/day | 33,000 | 33,000 |
| 920-140 | Drilling Water, Fasline Rental | 16,000 | 16,000 |
| 920-150 | Drilling Mud & Additives | 35,200 | 35,200 |
| 920-160 | Mud Logging Unit, Sample Bags | 13,000 | 13,000 |
| 920-170 | Cementing - Surface Casing | 32,100 | 32,100 |
| 920-180 | Drill Stem Testing, OHT 3 DST'S | 15,000 | 15,000 |
| 920-190 | Electric Logs & Tape Copies | 31,500 | 31,500 |
| 920-200 | Tools & Equip. Rntl., Trkg. & Welding | 15,200 | 15,200 |
| 920-210 | Supervision & Overhead | 16,200 | 16,200 |
| 920-220 | Contingency | | |
| 920-230 | Coring, Tools & Service | | |
| 920-240 | Bits, Tool & Supplies Purchase | | 2,500 |
| 920-350 | Cementing - Production Casing | | 36,500 |
| 920-410 | Completion Unit - Swabbing | | 11,700 |
| 920-420 | Water for Completion | | 4,600 |
| 920-430 | Mud & Additives for Completion | | |
| 920-440 | Cementing - Completion | | |
| 920-450 | Elec. Logs, Testing, Etc. - Completion | | 12,000 |
| 920-460 | Tools & Equip. Rental, Etc. - Completion | | 16,700 |
| 920-470 | Stimulation for Completion | | 50,000 |
| 920-480 | Supervision & O/H - Completion | | 6,000 |
| 920-490 | Additional LOC Charges - Completion | | 1,200 |
| 920-510 | Bits, Tools & Supplies - Completion | | 1,800 |
| 920-500 | Contingency for Completion | | |
| TOTAL INTANGIBLE DRILLING COSTS | | 451,300 | 594,300 |

| TANGIBLE EQUIPMENT COSTS: | | | |
|--------------------------------|-------------------------------------|---------|---------|
| 930-010 | Christmas Tree & Wellhead | 2,000 | 26,000 |
| 930-020 | Casing 13-3/8" @ 600' | 10,800 | 10,800 |
| | 8-5/8" @ 3000' | 38,200 | 38,200 |
| | 5-1/2" @ 11,500' | | 98,600 |
| 930-030 | Tubing 2-7/8" @ 11,300' | | 36,000 |
| 930-040 | Packer & Special Equipment | | |
| 940-010 | Pumping Equipment | | |
| 940-020 | Storage Facilities | | 15,000 |
| 940-030 | Separation Equip., Flowlines, Misc. | | 28,000 |
| 940-040 | Trucking & Construction Costs | | 14,600 |
| TOTAL TANGIBLE EQUIPMENT COSTS | | 51,000 | 267,200 |
| TOTAL COSTS | | 502,300 | 861,500 |

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 | <i>Al Springer</i> | Operations Approval | |
|-------------|--------------------|---------------------|--|

| | |
|-----------------------------|------------|
| YATES PETROLEUM CORPORATION | 17.433008% |
| YATES DRILLING COMPANY | 7.741985 |
| BY <i>[Signature]</i> DATE | |
| AND PETROLEUM CORPORATION | 2.580662 |
| BY <i>[Signature]</i> | |
| MYCO INDUSTRIES, INC. | 7.741985 |
| BY <i>[Signature]</i> | |
| UNIT PETROLEUM COMPANY | 8.828676 |
| BY <i>[Signature]</i> | |

BEFORE THE
OIL CONSERVATION COMMISSION
Case No. 11677 Exhibit No. 4
Submitted By:
Yates Petroleum Company
Hearing Date: February 13, 1997

WHITING PETROLEUM CORPORATION 2.202137

By: _____ DATE _____

ERNIE BELLO 0.020248

By: _____ DATE _____

FRANCES B. BUNN 0.020248

By: _____ DATE _____

J.W. GENDRON 0.030374

By: _____ DATE _____

DAVID GOODNOW 0.020248

By: _____ DATE _____

JOSEPH R. HODGE 0.003376

By: _____ DATE _____

SANFORD J. HODGE, III 0.003376

By: _____ DATE _____

E.G. HOLDEN TEST. TRUST 0.010122

By: _____ DATE _____

ISAAC A. KAWASAKI 0.020248

By: _____ DATE _____

BETSY H. KELLER 0.010122

By: _____ DATE _____

CHARLES CLINE MOORE 0.050622

By: _____ DATE _____

AGNES CLUTHE OLIVER TRUST 0.020248

By: _____ DATE _____

WILLIAM B. OLIVER TRUST 0.020248

By: _____ DATE _____

ADOLPH P. SCHUMAN 0.020248

By: _____ DATE _____

SHARE

SPACE BUILDING CORPORATION 0.050622

By: _____ DATE _____

FREDERICK VAN VRANKEN 0.020243

By: _____ DATE _____

CLAREMONT CORPORATION 0.306158

By: _____ DATE _____

MARY HUDSON ARD 1.632844

By: _____ DATE _____

W.A. & E.R. HUDSON, INC. 3.265689

By: _____ DATE _____

HAYES PROPERTIES, INC. 0.230081

By: _____ DATE _____

KERR-MCGEE CORPORATION 0.017892

By: _____ DATE _____

DIAMOND HEAD PROPERTIES, L.P. 23.416249

By: _____ DATE _____

PENNZOIL EXPLORATION & PRODUCTION COMPANY 0.086280

By: _____ DATE _____

R. KEN WILLIAMS 0.012372

By: _____ DATE _____

EDWARD H. JUDSON 0.012372

By: _____ DATE _____

MARTIN LIVING TRUST 0.012372

By: _____ DATE _____

DEVON ENERGY CORPORATION 0.057520

By: _____ DATE _____

INTERCOAST OIL & GAS 24.101120

By: _____ DATE _____

TOTAL 100.000000