

HARVEY E. YATES COMPANY

LEASE NAME & NO.: POCO LOCO 8 FED COM #1  
LEGAL LOCATION: 860' FSL & 1980' FWL SEC 8, T18S, R29E  
COUNTY: EDDY STATE: NM

AFE TYPE: DRILLING  
DEPTH: 11,200

ACCOUNTING NO: 712000-001  
AFE NO: DO1  
FORMATION: MORROW

DRILLING & COMPLETION COSTS:

						DRY HOLE COSTS	PRODUCING WELL COSTS
920-000	INTANGIBLE DRILLING COSTS:						
920-009	ABSTRACTS & TITLE OPINIONS					\$2,500	\$2,500
921-000	STAKING DAMAGES & LEGAL FEES					\$1,500	\$1,500
921-001	LOCATION, RIGHT OF WAY					\$15,000	\$15,000
921-002	FOOTAGE: FEET @ \$/FOOT	11,200	\$24.20			\$271,040	\$271,040
921-003	DAYWORK: DAYS & \$/DAY	3	\$6,250			\$18,750	\$18,750
921-004	SURFACE CASING CEMENTING & SERVICE					\$5,500	\$5,500
921-005	DRILLING MUD, ADDITIVES & WATER					\$80,300	\$80,300
921-006	MUD LOGGING UNIT, SURVEYS ETC.					\$14,500	\$14,500
921-007	INTERMEDIATE CASING CEMENTING & SERVICES					\$15,000	\$15,000
921-008	GENERAL MISC. (BOP TEST, RATHOLE...ETC)					\$1,000	\$1,000
922-000	RENTAL TOOLS & EQUIPMENT					\$7,700	\$7,700
922-001	COMPANY SUPERVISION & OVERHEAD					\$16,200	\$16,200
922-004	MISC. BITS, TOOLS & SUPPLIES					\$22,975	\$22,975
	TOTAL INTANGIBLE DRILLING COSTS					\$471,965	\$471,965
923-000	INTANGIBLE FORMATION EVALUATION:						
923-001	CORING, TOOLS & SERVICE (SIDEWALL CORES)					\$10,000	\$10,000
923-002	DST: # DST TO RUN/\$ CHARGE	1	\$4,200			\$4,200	\$4,200
923-003	ELECTRIC LOGS, ...ETC					\$30,000	\$30,000
923-004	MISC. FORMATION EVAL.					\$2,210	\$2,210
	TOTAL INTANGIBLE FORMATION EVALUATION					\$46,410	\$46,410
924-000	INTANGIBLE COMPLETION COSTS:						
924-001	COMPLETION UNIT: DAYS & \$/DAY	10	\$1,800			\$0	\$18,000
924-003	MUD, WATER & ADDITIVES					\$0	\$5,000
924-004	CEMENT, TOOLS & SERVICES (PROD.STRING...ETC)					\$0	\$31,800
924-005	ELECTRIC LOGS(CBL...ETC.),TESTING					\$0	\$5,000
924-006	TOOL & EQUIPMENT RENTAL & TRUCKING					\$0	\$3,000
924-007	STIMULATION & TREATING					\$0	\$80,000
924-008	COMPANY SUPERVISION & OVERHEAD					\$0	\$4,500
925-001	BITS, TOOLS & SUPPLIES					\$0	\$500
925-002	PLUG BACK					\$0	\$5,000
925-003	MISCELLANEOUS					\$650	\$7,640
951-000	PLUGGING EXPENSE					\$13,000	\$0
	TOTAL INTANGIBLE COMPLETION COSTS					\$13,650	\$160,440
930-000	TANGIBLE DRILLING & COMPLETION COSTS:						
930-001	SURFACE CASING COSTS (SIZE/FT)	13 3/8"	300'			\$5,700	\$5,700
930-002	INTERMEDIATE CASING (SIZE/FT)	8 5/8"	3200'			\$36,700	\$36,700
930-003	PRODUCTION CASING (SIZE/FT)	5 1/2"	11,200			\$0	\$98,000
930-004	PRODUCTION TUBING (SIZE/FT)	2 3/8"	11,200			\$0	\$33,000
930-005	CASING HEAD					\$0	\$3,000
930-006	CASING SPOOL					\$0	\$7,250
930-007	TUBING HEAD					\$0	\$5,900
930-008	CHRISTMAS TREE					\$0	\$6,500
931-000	SUBSURFACE EQUIPMENT					\$0	\$0
931-001	MISC PIPE CONNECTIONS					\$0	\$1,500
931-002	PACKER & SPECIAL EQUIPMENT					\$0	\$3,800
931-003	MISCELLANEOUS					\$2,120	\$10,068
	TOTAL TANGIBLE DRILLING & COMPLETIONS COSTS					\$44,520	\$211,418
940-000	GENERAL LEASE & BATTERY EQUIPMENT:						
940-001	PUMPING UNIT (PRIME MOVER)					\$0	\$0
940-002	SEPARATORS, GAS PROD.UNITS,...ETC.					\$0	\$15,000
940-005	TANKS: NO. & SIZE	2	400			\$0	\$8,500
941-000	INSTALLATION COSTS					\$0	\$15,000
941-001	FLOW LINES, VALVES...ETC					\$0	\$3,000
941-005	MISCELLANEOUS LEASE EQUIPMENT					\$0	\$3,650
	TOTAL GENERAL LEASE & BATTERY EQUIPMENT COSTS					\$0	\$45,150

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Case No. 12486  
Submitted by:  
Harvey E. Yates Company  
Hearing Date: September 7, 2000  
Exhibit No. 4

TOTAL INTANGIBLE COSTS: \$532,025 \$678,815  
TOTAL TANGIBLE COSTS: \$44,520 \$211,418  
TOTAL LEASE & BATTERY EQUIPMENT: \$0 \$45,150  
\$576,545 \$935,383

RETURN ONE  
SIGNED AFE TO  
Vernon D. Dyer  
HEYCO  
P.O. Box 1933  
Roswell, NM 88202-1933

R.C.

TOTAL COSTS PREPARED BY: BOB WILLIAMS DATE: 3/2/00

APPROVED BY: \_\_\_\_\_  
COMPANY: \_\_\_\_\_  
DATE: \_\_\_\_\_

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