

NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT 6

CASE NO. _____

AUTHORITY FOR EXPENDITURE

OPERATOR: Texakoma Oil and Gas Corporation
LEASE: Texakoma - La Plata No. 18 - 1
LOCATION: NE/4 NE/4 (1296' FNL & 665' FEL) of Section 18, Township 31 North, Range 13 West
COUNTY, STATE: San Juan County, New Mexico
COMMENTS: Estimated Costs To D & C
Coal Bed Methane Gas Well

Total days: 12

Ceg. PT.: _____

TD: 6

Comp.: 6

PTD: 1,750 ft
ZONE: Basal Fruitland Coal

INTANGIBLE	Days	\$/day		TD	P&A	COMPL	Total
Location, Road, Damages	-	-	-	\$8,000		\$2,000	\$10,000
Permits, Survey	ond, Unit, Archeo-			\$1,000			\$1,000
Rig Move				\$600		\$0	\$600
Drilling							
Day Work w/ DP:	1	\$3,600		\$3,600		\$0	\$3,600
Day Work w/out DP:	0	\$3,600	0	\$0		\$0	\$0
Footage:	1750	\$14.00		\$24,500			\$24,500
Turnkey:							\$0
W/O Rig:	6	\$2,000				\$12,000	\$12,000
Bits & Stabilizers				\$0		\$0	\$0
Mud & Chemicals				\$500		\$0	\$500
Fresh Water				\$1,000		\$2,000	\$3,000
Brine Water:				\$500		\$2,500	\$3,000
Rental SE:	0	\$500	0	\$1,100		\$2,000	\$3,100
Rental Services:				\$0		\$2,000	\$2,000
Rental Downhole:				\$0		\$500	\$500
Casing Crew & Tool				\$0		\$1,500	\$1,500
Cement, Surface				\$2,000			\$2,000
Cement, Production				\$0		\$7,500	\$7,500
Cement Plug, BP or Sqz.				\$0			\$0
DST or Form. Testing				\$0			\$0
Mud Logger:	0	\$500		\$0			\$0
Open Hole Log				\$6,500			\$6,500
Coring & DST				\$0			\$0
Fuel				\$0		\$500	\$500
Trucking				\$1,000		\$2,000	\$3,000
Contract Labor				\$500		\$1,000	\$1,500
Welding				\$0		\$500	\$500
Engineering:	3	\$300	6	\$900		\$1,800	\$2,700
Geological:	0	\$600	0	\$0		\$0	\$0
Insurance				\$100			\$100
Wireline services				\$0		\$5,000	\$5,000
Miscellaneous				\$0		\$1,000	\$1,000
P&A Costs				\$2,000		(\$2,000)	\$0
Internal Professional Origination Fee				\$0			\$0
Fixed Well Rate Overhead	0	\$187	0	\$0		\$0	\$0
Stimulation						\$70,000	\$70,000
Equip. Inspec. & Testing				\$0			\$0
Contingency & Tax @ 5.00%		5.00%		\$13,600		\$11,460	\$25,060
TOTAL:				\$67,400	\$0	\$123,260	\$190,660

AUTHORITY FOR EXPENDITURE

LEASE: Texakoma - La Plata No. 18 - 1							
TANGIBLE				ID	P&A	Comp	Total
CASING	In. OD	feet	@ \$/ft				
Conductor:	13-5/8"	0	\$0.00	\$0			\$0
Surface: 7"		125	\$8.00	\$1,000			\$1,000
Intermediate:							\$0
Production: 4-1/2"		1,750	\$5.00			\$8,750	\$8,750
Liner:						\$0	\$0
Tubing: 2 3/8"		1,750	\$2.50			\$4,375	\$4,375
Packer, Lnr. Hanger, etc. ---						\$0	\$0
Casinghead ---				\$1,000		\$1,500	\$2,500
Float Equip. & DV Tool ---				\$500		\$1,000	\$1,500
Contingency & Tax @ 5.00%	5.00%	5.00%		\$260		\$1,800	\$1,860
Total Tangible:				\$2,760		\$17,225	\$19,985
Total Drill & Complete:				\$70,160		\$140,485	\$210,645

ARTIFICIAL LIFT

Pmpng Unit, Bee, Primvr ---						\$12,000	\$12,000
Rods: ---		1750	\$1.25			\$2,188	\$2,188
Pump, SN & TA, Etc. ---						\$2,000	\$2,000
Installation ---						\$4,000	\$4,000
Electrical ---						\$0	\$0
Contingency & Tax @ 5.00%	5.00%	5.00%				\$2,070	\$2,070
Total Artificial Lift:						\$22,258	\$22,258

TANK BATTERY

Flow Line, Meter ---						\$25,000	\$25,000
Valves & Connection ---						\$10,000	\$10,000
SEPAHT/Etc. ---						\$4,200	\$4,200
Oil Tank ---						\$0	\$0
SW Tank ---						\$6,000	\$6,000
Labor ---						\$7,500	\$7,500
Miscellaneous ---						\$2,000	\$2,000
Contingency & Tax @ 5.00%	5.00%	5.00%				\$5,470	\$5,470
Total Tank Battery:						\$60,170	\$60,170

Total D&C, Art Lift & SE:	\$70,160	\$222,913	\$293,073
WI 100 % Drilling + 100 % Completio	\$70,160	\$222,913	\$293,073