

AUTHORITY FOR EXPENDITURE

LEASE: Kaiser Lake 4 Fed Com WELL NUMBER: 1 PBTD: 10,100'
 LOCATION: 1,650' FNL & 1,650' FEL, Section 4, T19S, R27E, Eddy County NM
 FIELD: Wildcat EXPLORATORY, DEVELOPMENT, WORKOVER: E
 DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 7/27/00 EST. START DATE: 8/15/00 EST. COMPLETION DATE: 9/1/00
 ACCOUNTING WELL NUMBER:
 COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Drilling Footage 10,100 Ft @ 21.00 \$/Ft	1514.101	224,826	NA	0	224,826
Drilling Daywork 2 2 6,200 \$/day	1514.102	13,144	1515.102	13,144	26,288
Drilling Turnkey	1514.103	0	1515.103	0	0
Rig Mobilization and Demobilization	1514.115	0	1515.115	0	0
Road & Location Expense	1514.120	28,355	1515.120	2,120	30,475
Damages	1514.125	5,000	1515.125	0	5,000
Directional Drilling - Tools and Service	1514.130	0	1515.130	0	0
Drilling Fluids	1514.135	37,100	1515.135	0	37,100
Fuel, Power, and Water	1514.140	15,900	1515.140	0	15,900
Supplies - Bits	1514.145	0	1515.145	1,060	1,060
Supplies - Casing Equipment	1514.150	1,720	1515.150	4,770	6,490
Supplies - Liner Equipment	1514.155	0	1515.155	0	0
Supplies - Miscellaneous	1514.160	0	1515.160	0	0
Cement and Cmt. Services - Surface Csg	1514.165	4,240	NA	0	4,240
Cement and Cmt. Services - Int. Csg	1514.170	12,720	NA	0	12,720
Cement and Cmt. Services - Prod. Csg	NA	0	1515.170	21,200	21,200
Cement and Cmt. Services - Other	1514.175	0	1515.175	0	0
Rental - Drilling Tools and Equipment	1514.180	0	1515.180	0	0
Rental - Misc.	1514.185	20,564	1515.185	3,180	23,744
Testing - Drill Stem / Production	1514.190	4,770	1515.190	2,650	7,420
Open Hole Logging	1514.200	31,800	NA	0	31,800
Mudlogging Services	1514.210	13,250	NA	0	13,250
Special Services	1514.215	0	1515.215	0	0
Plug and Abandon	1514.218	12,000	1515.218	(12,000)	0
Pulling and/or Swabbing Unit	NA	0	1515.219	15,264	15,264
Reverse Equipment	NA	0	1515.219	5,300	5,300
Wireline Services	1514.230	0	1515.230	19,080	19,080
Stimulation	NA	0	1515.235	12,720	12,720
Pump / Vacuum Truck Services	1514.235	0	1515.235	6,646	6,646
Transportation	1514.238	2,120	1515.238	2,650	4,770
Tubular Goods - Inspection & Testing	1514.240	1,590	1515.240	5,300	6,890
Unclassified	1514.245	530	1515.245	0	530
Telephone and Radio Expense	1514.248	1,113	1515.248	318	1,431
Engineer / Geologist / Landman	1514.250	15,000	1515.250	3,000	18,000
Company Labor - Field Supervision	1514.255	15,900	1515.255	6,500	22,400
Contract Labor / Roustabout	1514.258	1,590	1515.258	9,540	11,130
Legal and Professional Service	1514.270	5,000	1515.270	0	5,000
Insurance	1514.275	5,836	1515.275	0	5,836
Overhead	1514.280	7,000	1515.280	3,500	10,500
SUBTOTAL		481,068		125,942	607,010
Contingencies (10%)		48,107		12,594	60,701
ESTIMATED TOTAL INTANGIBLES		529,175		138,536	667,711

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Case No. 12517 Exhibit No. 4
 Submitted by:
 Nearburg Exploration Company, L.L.C.
 Hearing Date: October 19, 2000

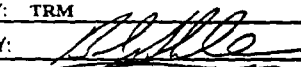

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<u>TANGIBLE COSTS:</u>	CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Conductor Casin 0 Ft @ 0.00 \$/Ft	1520.519	0	NA	0	0
Surface Csg 350 Ft @ 24.00 \$/Ft	1520.510	8,400	NA	0	8,400
Intermediate Cs 2,300 Ft @ 14.00 \$/Ft	1520.518	32,200	NA	0	32,200
Protection Csg 0 Ft @ 0.00 \$/Ft	1520.520	0	NA	0	0
Production Csg 10,100 Ft @ 8.00 \$/Ft	NA	0	1522.148	80,800	80,800
Protection Liner 0 Ft @ 0.00 \$/Ft	1520.512	0	NA	0	0
Production Line 0 Ft @ 0.00 \$/Ft	NA	0	1522.116	0	0
Tubing 9,900 Ft @ 3.38 \$/Ft	NA	0	1522.146	33,462	33,462
Rods 0 Ft @ 0.00 \$/Ft	NA	0	1522.148	0	0
Artificial Lift Equipment	NA	0	1522.150	0	0
Tank Battery	NA	0	1522.151	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO	NA	0	1522.150	12,720	12,720
* Well Head Equipment & Christmas Tree	1520.548	5,500	1522.148	11,500	17,000
Subsurface Well Equipment	NA	0	1522.147	6,148	6,148
Flow Lines	NA	0	1522.178	13,250	13,250
Saltwater Disposal Pump	NA	0	1522.198	0	0
Gas Meter	NA	0	1522.188	1,484	1,484
Lact Unit	NA	0	1522.187	0	0
Vapor Recovery Unit	NA	0	1522.189	0	0
Other Well Equipment	NA	0	1522.190	0	0
ROW and Damages	NA	0	1522.191	0	0
Surface Equipment Installation Costs	NA	0	1522.192	9,540	9,540
Elect. Installation	NA	0	1522.197	0	0
ESTIMATED TOTAL TANGIBLES		46,100		179,504	225,604
ESTIMATED TOTAL WELL COSTS		575,275		318,040	893,315

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

<u>NPC APPROVAL</u>	<u>DATE</u>
PREPARED BY: HRW	07/27/00
REVIEWED BY: TRM	
APPROVED BY: 	
APPROVED BY: 	7/27/00

WI APPROVAL: COMPANY EOG Resources, Inc. 50%
BY _____
TITLE _____
DATE _____