

# BWB PARTNERS I

AUTHORITY FOR EXPENDITURE

LEASE & WELL NO.: Byers 23 No. 1  
COUNTY: Lea

PROSPECT: Osudo, West  
STATE: New Mexico

TOTAL DEPTH: 13,450 ft  
WELL TYPE: Flowing Gas/Development

LOCATION: 990 ft FNL and 1980 ft FEL Section 23, T20S, R35E

OBJECTIVE: Morrow Sands

## INTANGIBLE DRILLING COST

			DRY HOLE	COMPLETE	TOTAL
Title Opinion			3,000		3,000
Land & Legal Fees			2,000		2,000
Survey, Permits & Professional Fees			2,000		2,000
Surface Damages			3,000		3,000
Road & Location Dirtwork			15,000	2,000	17,000
Drilling Footage	13,450	28 per ft	377,000		377,000
Drilling Daywork	3 day @ \$	6,000 per day	18,000		18,000
Rig Mobilization					
Pulling Unit	12 day @ \$	1,600 per day		19,200	19,200
Reverse Unit & Power Swivel					
Fuel & Lubricants					
Mud & Chemical Services			50,000		50,000
Bits, Stabilizers & Reamers					
Directional Service					
Casing Crews & Equipment			4,000	5,000	9,000
Equipment Rental			5,000	5,000	10,000
Waterwell, Pump & Line					
Water Transport			10,000	3,000	13,000
Cement Service			18,000	15,000	33,000
Drill Stem Testing		@ \$	per test		
Coring & Core Analysis		ft @ \$	per ft		
Geological Services			3,000		3,000
Mud Logging		day @ \$	per day		
Open Hole Log Service			30,000		30,000
Cased Hole Log Service				5,000	5,000
Perforating				4,000	4,000
Acid Stimulation				8,000	8,000
Frac Stimulation					
Pump Truck & Nitrogen Service				2,000	2,000
Air Drilling Services					
Transportation			5,000	4,000	9,000
Contract Labor & Welding			5,000	5,000	10,000
Tubular Inspection					
Engineering & Wellsite Supervision			10,000	7,000	17,000
Abandonment			4,000		4,000
Environmental, Disposal & Restoration			2,000	1,000	3,000
Administrative Overhead			7,000	3,000	10,000
Insurance			2,000		2,000
Miscellaneous, Contingencies, and Tax			58,000	11,800	69,800
Subtotal:			633,000	100,000	733,000

## LEASE & WELL EQUIPMENT

Tubulars:	Size/Wt./Grade/Thd	Footage	Price			
Conductor Pipe		ft @ \$	per ft			
Surface Casing	13 3/8 68# Butt.	400	ft @ \$ 16.00	per ft	6,400	6,400
Intermediate Casing	8 5/8 40 # LT&C	4,100	ft @ \$ 12.00	per ft	49,200	49,200
Protection Liner			ft @ \$	per ft		
Production Casing	5 1/2 17, 20, & 23#	13,450	ft @ \$ 7.50	per ft	100,900	100,900
Production Liner			ft @ \$	per ft		
Production Tubing	2 7/8 6.5# N80	13,000	ft @ \$ 4.00	per ft	52,000	52,000
Wellhead Equipment						
Flowing Tree				7,000	5,000	12,000
Pumping Hookup						
Liner Hanger, Packer & Tubing Anchor					6,000	6,000
Pumping Unit w/ Base & Prime Mover						
Electrical Installation						
Rods, Subsurface Pump & Accessories						
Compressor & Accessories						
SWD Equipment						
Oil Storage Tanks					12,000	12,000
SW Fiberglass Tanks					3,000	3,000
Separator						
Heater-Treater						
Dehydrator/Line Heater					15,000	15,000
Meters, Valves & Connections					3,000	3,000
Installation					2,000	2,000
Flowline & Connections					1,000	1,000
Gas Pipeline, Meter & Installation					1,000	1,000
Other Non-Controllable Equipment				500	1,000	1,500
Miscellaneous, Contingencies, and Tax				6,900	18,100	25,000
Subtotal:				70,000	220,000	290,000
Grand Total:				703,000	320,000	1,023,000

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Approved By: Andy Burleson DATE: Oct-26-00  
Andy Burleson, Partner & Petroleum Engineer

WORKING INTEREST PARTNER

Company Name: \_\_\_\_\_  
Approved By: \_\_\_\_\_ DATE: \_\_\_\_\_  
Title: \_\_\_\_\_

BEFORE THE  
OIL CONSERVATION DIVISION

Case No. 12571 Exhibit No. 7  
Submitted By:  
BWB Partners  
Hearing Date: January 11, 2001