

MATADOR PETROLEUM CORPO

8340 MEADOW ROAD, Ste 158
DALLAS, TEXAS 75231-3751
(214) 987-3650
FAX # (214) 691-1415

BEFORE THE
OIL CONSERVATION DIVISION

Case No. 12572 Exhibit No. **S**

Submitted By:

Matador Petroleum Corp.

Hearing Date: January 11, 2001

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE: 11/13/00 AFE NO.:
PROSPECT NAME: S. MONUMENT OPERATOR: MATADOR OPERATING COMPANY
LEASE NAME: NEW MEXICO "H" STATE NCT-4 #36 RE-ENTRY
DESCRIPTION: RE-ENTER P&A'D TEXACO WELLBORE / DEEPEN FROM 9,620' TO 12,300' (SIMPSON / MCKEE TEST)
LOCATION: 2200' FSL & 1980' FWL OF SEC 19, T20S - R37E
COUNTY: LEA STATE: NM PROPOSED TD: 12,300'

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	TOTAL COSTS
01 Land/Legal/Regulatory	\$ 5,000	\$	\$ 5,000
02 Location, surveys & damages	15,000		15,000
10 Rig Costs, Ftg, DW, Turnkey	18 / 2 DAYS @ \$7600/DAY (w/ fuel)	15,000	152,000
13 Mob & Demob	30,000		30,000
16 Cementing & Float Equip		30,000	30,000
18 Testing, DST & Production	10,000		10,000
19 Coring & Core Evaluation			0
20 Open Hole Logging	25,000		25,000
21 Mudlogging	8,000		8,000
22 Geological Supervision	2,000		2,000
24 Mud & Chemicals	25,000		25,000
25 Mud & Cuttings Disposal		5,000	5,000
26 Freight / Transportation	4,000	7,000	11,000
28 Supervision / Engineering	12,000	10,000	22,000
30 Rental Equipment	15,000	10,000	25,000
31 Drill Bits	30,000		30,000
32 Fuel & Power			0
33 Water	10,000	5,000	15,000
34 Overhead	4,000	8,000	12,000
38 Directional Drig, Surveys			0
40 Completion Unit / Swab Unit		15,000	15,000
44 Cased Hole Log, Perforating		6,000	6,000
46 Stimulation		8,000	8,000
48 Insurance	2,000		2,000
50 Labor	7,000	16,000	23,000
52 Miscellaneous	4,000	5,000	9,000
54 Contingency			0
TOTAL INTANGIBLES >	\$345,000	\$140,000	\$485,000

TANGIBLE COSTS			
40 Conductor Casing	\$	\$	\$ 0
41 Surface Casing			0
42 Intermediate Casing			0
43 Drilling Liner			0
44 Production Casing	5-1/2" CASING	105,000	105,000
45 Production Liner			0
46 Tubing	2-7/8" TUBING	50,000	50,000
47 Wellhead	5,000	10,000	15,000
48 Packers, Liner Hangers		5,000	5,000
49 Tanks		12,000	12,000
50 Production Vessels		13,000	13,000
51 Flow Lines		3,000	3,000
52 Rod String			0
53 Pump Unit & Prime Mover			0
55 Installation Costs			0
57 Miscellaneous		5,000	5,000
58 Non-Controllable Surface		4,000	4,000
59 Non-Controllable Downhole		3,000	3,000
TOTAL TANGIBLES >	\$5,000	\$210,000	\$215,000
TOTAL COSTS >	\$350,000	\$350,000	\$700,000

MATADOR OPERATING COMPANY

Prepared By:

Date: 11/13/00

Approved By:

Date: 11/13/00

J.W. Bick Drilling Manager Vice President

APPROVAL:
NON-OPERATOR:

Iron Exp. Joint Venture

This AFE is an estimate only. By signing this AFE,
you agree to pay your share of the total actual costs.

Approved:

Disapproved:

Tax ID:

Working Interest:

Signed by:

Sid Clarke

Date: 11-8-01