



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

AUTHORITY FOR EXPENDITURE
NEW DRILLING, RECOMPLETION & RE-ENTRY

AFE NO. 00-1550-0
AFE DATE 11/9/00
AFEND (rev'd 9/8)

AFE Type:	Well Objective:	Well Type:
<input checked="" type="checkbox"/> New Drilling	<input checked="" type="checkbox"/> Oil	<input checked="" type="checkbox"/> Development
<input type="checkbox"/> Recompletion	<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Exploratory
<input type="checkbox"/> Re-entry	<input type="checkbox"/> Injector	

AFE STATUS:

<input checked="" type="checkbox"/> Original	
<input type="checkbox"/> Revised	
<input type="checkbox"/> Final	
<input type="checkbox"/> Supplemental	

LEASE NAME	Chevy AWV State Com. #1	PROJ'D DEPTH	13,300'
COUNTY	Lea	STATE	New Mexico
FIELD		HORIZON	Morrow/Mississippian
LOCATION	Section 13 T15S-R34E, 1650' S & 1650' W		

DIVISION CODE	100	DIVISION NAME	Oil & Gas Division
DISTRICT CODE		DISTRICT NAME	
BRANCH CODE		BRANCH NAME	

PROGNOSIS:

INTANGIBLE DRILLING COSTS:		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees	3,000	3,000
920-110	Location, Right-of-Way	50,000	50,000
920-120	Drilling, Footage 13,300' @ \$29.00/ft	409,000	409,000
920-130	Drilling, Daywork 4 days @ \$6,200/day	26,000	26,000
920-140	Drilling Water, Fasline Rental	35,000	35,000
920-150	Drilling Mud & Additives	45,000	45,000
920-160	Mud Logging Unit, Sample Bags	22,000	22,000
920-170	Cementing - Surface Casing	38,000	38,000
920-180	Drill Stem Testing, OHT 1 dst	6,000	6,000
920-190	Electric Logs & Tape Copies	30,000	30,000
920-200	Tools & Equip. Rntl., Trkg. & Welding	30,000	30,000
920-205	Control of Well-Insurance	4,500	4,500
920-210	Supervision & Overhead	30,000	30,000
920-230	Coring, Tools & Service		
920-240	Bits, Tool & Supplies Purchase	500	500
920-350	Cementing - Production Casing		38,000
920-410	Completion Unit - Swabbing		20,000
920-420	Water for Completion		5,000
920-430	Mud & Additives for Completion		1,000
920-440	Cementing - Completion		0
920-450	Elec. Logs, Testing, Etc. - Completion		20,000
920-460	Tools & Equip. Rental, Etc. - Completion		25,000
920-470	Stimulation for Completion		80,000
920-480	Supervision & O/H - Completion		6,000
920-490	Additional LOC Charges - Completion		3,000
920-510	Bits, Tools & Supplies - Completion		1,800
920-500	Contingency for Completion		
TOTAL INTANGIBLE DRILLING COSTS		729,000	928,800

TANGIBLE EQUIPMENT COSTS:			
930-010	Christmas Tree & Wellhead	5,000	25,000
930-020	Casing 11 3/4" @ 400'	6,500	6,500
	8 5/8" @ 4,600'		54,000
	5 1/2" @ 13,300'		117,000
930-030	Tubing 2 7/8" @ 13,100'		50,000
930-040	Packer & Special Equipment		
940-010	Pumping Equipment		
940-020	Storage Facilities		15,000
940-030	Separation Equip., Flowlines, Misc.		30,000
940-040	Trucking & Construction Costs		15,000
TOTAL TANGIBLE EQUIPMENT COSTS		11,500	312,500

TOTAL COSTS	740,500	1,241,300
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IT IS RECOGNIZED THAT THE AMOUNTS PROVIDED FOR HEREIN ARE ESTIMATED ONLY AND APPROVAL OF THIS AFE SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATIONS SPECIFIED WHETHER MORE OR LESS THAN HEREIN SET OUT.

Prepared By	Cory Frederick	Operations Approval	
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BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12582 Exhibit No. 3
Submitted by:
Yates Petroleum Corporation
Hearing Date: January 25, 2001