

MATADOR PETROLEUM CORPORATION

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

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12594 Exhibit No. **9**
Submitted By:
Matador Petroleum Corp.
Hearing Date: February 22, 2001

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	10/25/00	AFE NO.:	
PROSPECT NAME:	INDIAN BASIN	OPERATOR:	Matador Operating Company
LEASE NAME:	IB Federal Com #1		
DESCRIPTION:	7700' Cisco Test		
LOCATION:	660' FNL; 660' FEL Section 20, T22S, R23E		
COUNTY:	Eddy	STATE:	NM
		PROPOSED TD:	7700'

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	TOTAL COSTS
01 Land/Legal/Regulatory	\$ 2,500	\$	\$ 2,500
02 Location, surveys & damages	30,000	2,500	32,500
10 Rig Costs, Ftg, DW, Turnkey	21 days @ 7500/day + 1 1/2 days	12,000	181,000
13 Mob & Demob	25,000		25,000
16 Cementing & Float Equip	20,000	20,000	40,000
18 Testing, DST & Production	1 @ 5000	7,500	12,500
19 Coring & Core Evaluation			0
20 Open Hole Logging	20,000		20,000
21 Mudlogging	6,000		6,000
22 Geological Supervision	1,000		1,000
24 Mud & Chemicals	15,000		15,000
25 Mud & Cuttings Disposal			0
26 Freight / Transportation	2,500	2,500	5,000
28 Supervision / Engineering	13,500	6,000	19,500
30 Rental Equipment	Include air package	10,000	40,000
31 Drill Bits	20,000		20,000
32 Fuel & Power	10,000		10,000
33 Water	20,000	5,000	25,000
34 Overhead	5,000	3,500	8,500
38 Directional Drig, Surveys	5,000		5,000
40 Completion Unit / Swab Unit		20,000	20,000
44 Cased Hole Log, Perforating		12,000	12,000
46 Stimulation		15,000	15,000
48 Insurance	1,000		1,000
50 Labor	6,000	15,000	21,000
52 Miscellaneous	10,000	10,000	20,000
54 Contingency			0
TOTAL INTANGIBLES >	\$416,500	\$141,000	\$557,500

TANGIBLE COSTS			
40 Conductor Casing	20" @ 40'	\$ 1,000	\$ 1,000
41 Surface Casing	300' 13 3/8"	6,500	6,500
42 Intermediate Casing	2100' 9 5/8"	30,000	30,000
43 Drilling Liner			0
44 Production Casing	7700' 5 1/2"		60,000
45 Production Liner			0
46 Tubing	7700' 2 7/8"		30,000
47 Wellhead		6,500	12,000
48 Packers, Liner Hangers			5,000
49 Tanks			12,000
50 Production Vessels			15,000
51 Flow Lines			5,000
52 Rod String			0
53 Pump Unit & Prime Mover			0
55 Installation Costs			12,500
57 Miscellaneous			7,500
58 Non-Controllable Surface			5,000
59 Non-Controllable Downhole			2,500
TOTAL TANGIBLES >		\$44,000	\$166,500
TOTAL COSTS >		\$460,500	\$307,500
			\$768,000

MATADOR OPERATING COMPANY

Prepared By:

Date: 10/26/00

Approved By:

Date: 10/26/00

R. F. Burke, Vice President

APPROVAL:

NON-OPERATOR:

CHEVRON USA INC.

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:

50%

Signed by:

Date: