

CONCHO OIL & GAS CORP.
AUTHORITY FOR EXPENDITURE

OIL CONSERVATION DIVISION
Case No. 12775 Exhibit No. **A-12**
Submitted By: Concho Resources, Inc.
Hearing Date: December 6, 2001

WELL NAME: Big "D" State #1
LOCATION: Lot 11, Sec 6-T16S-R34E
3498' FNL & 1200' FWL

PROSPECT NAME: Sundance
COUNTY & STATE: Lea, NM
OBJECTIVE: D&C 13,000' Morrow Well

INTANGIBLE COSTS

	BCP	ACP	TOTAL
TITLE/CURATIVE/PERMIT	1,000		1,000
DAMAGES/ROW	5,000		5,000
SURVEY/STAKE LOCATION	1,000		1,000
LOCATION/PITS/ROAD EXPENSE	12,000	2,000	14,000
DRILLING/COMPLETION OVERHEAD RATE	1,000	1,000	2,000
TURNKEY CONTRACT			0
FOOTAGE CONTRACT			0
DAYWORK-CONTRACT \$8500/DAY	365,500	17,000	382,500
FUEL & POWER	30,000	1,500	31,500
WATER	25,000	5,000	30,000
BITS & REAMERS	40,000	1,000	41,000
MUD & CHEMICALS	35,000		35,000
DRILL STEM TEST	5,000		5,000
CORING & ANALYSIS			0
CEMENT SURFACE	5,000		5,000
CEMENT INTERMEDIATE	13,000		13,000
CEMENT PRODUCTION		17,000	17,000
CASING CREWS & EQUIPMENT	3,000	5,000	8,000
FISHING TOOLS & SERVICE			0
CONTRACT LABOR	5,000	10,000	15,000
COMPANY SUPERVISION	2,000	2,000	4,000
CONTRACT SUPERVISION	25,000	6,000	31,000
TESTING CASING/TUBING	1,500	2,000	3,500
MUD LOGGING UNIT	12,000		12,000
LOGGING/WIRELINE SERVICES	30,000	4,000	34,000
PERFORATING		7,000	7,000
STIMULATION/TREATING		75,000	75,000
COMPLETION UNIT		20,000	20,000
RENTALS	15,000	7,000	22,000
TRUCKING/FORKLIFT/RIG MOBILIZATION	25,000	2,000	27,000
WELDING SERVICES	2,000	1,000	3,000
FLOAT EQUIPMENT & CENTRALIZERS	1,500	1,500	3,000
MISCELLANEOUS	1,000	1,000	2,000
CONTINGENCY	66,000	19,000	85,000
TOTAL INTANGIBLES	727,500	207,000	934,500

TANGIBLE COSTS

SURFACE CASING	7,000		7,000
400' 13 3/8"			
INTERMEDIATE CASING	45,000		45,000
4300' 8 5/8"			
PRODUCTION CASING / LINER		96,000	96,000
13,000' 5 1/2"			
TUBING 12,800' 2 7/8" N-80		41,000	41,000
WELLHEAD EQUIPMENT	6,000	10,000	16,000
PUMPING UNIT			0
RODS			0
PUMPS			0
TANKS		12,000	12,000
FLOWLINES		2,000	2,000
HEATER TREATER/SEPARATOR		15,000	15,000
ELECTRICAL SYSTEM			0
PACKERS/ANCHORS/HANGERS		8,000	8,000
COUPLINGS/FITTINGS/VALVES		10,000	10,000
GAS COMPRESSORS/METERS		2,000	2,000
MISCELLANEOUS		2,000	2,000
CONTINGENCY	5,800	20,000	25,800
TOTAL TANGIBLES	63,800	218,000	281,800
TOTAL WELL COSTS	791,300	425,000	1,216,300

PLUGGING COST
TOTAL DRY HOLE

Concho Oil & Gas Corp.

By: Erick W. Nelson

Date Prepared: 10/19/01

We approve:
_____% Before Tanks / _____ % After Tanks

Company:

By:

Printed Name:

Title:

Date:

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