

BURLINGTON RESOURCES

San Juan Division
Post Office Box 4289
Farmington, New Mexico, 87499

AUTHORITY FOR EXPENDITURE

AFE No.: _____ Property Number: _____ Date: 3/22/2002
Lease/Well Name: James Scott #1 AIN Number: _____
Field Prospect: Blanco Mesaverde Region: Farmington
Location: Unit A, Section 18, T30N, R11W County: _____ State: New Mexico
AFE Type: Recompletion (08) Original ☒ Supplement _____ Addendum _____ API Well Type _____
Operator: BURLINGTON RESOURCES
Objective Formation: Blanco Mesaverde Authorized Total Depth: _____
Intermediate TD: _____
Project Description: Recomplete well in Mesaverde. P&A Dakota.
Estimated Start Date: Jul-02 Prepared By: Dan T. Voecks
Estimated Completion Date: Jul-02

GROSS WELL DATA

	Drilling		Workover/ Completion	Construction Facility	Total
	Dry Hole	Suspended			
Rig Days:		0	10	2	12
This AFE:		\$0	\$250,460	\$36,600	\$287,060
Prior AFE's:					\$0
Total Costs:	\$0	\$0	\$250,460	\$36,600	\$287,060

JOINT INTEREST OWNERS

Company:	Working Interest Percent	Dry Hole \$	Completed \$
BR Oil & Gas Co.:	41.992449%	\$0	\$120,544
SJB TRUST	0.000000%	\$0	\$0
Others:	58.007551%	\$0	\$166,516
AFE TOTAL:	100.000000%	\$0	\$287,060

BURLINGTON RESOURCES APPROVAL


Approved: [Signature] Date: 3/22/02 Approved: [Signature] Date: 3/22/02
MV PUD Team MV PUD Team
Approve: [Signature] Date: 3/22/02 Approve: [Signature] Date: 26 MARCH 02
MV PUD Team MV PUD Team

PARTNER APPROVAL

Company Name: _____
Authorized By: _____ Date: _____
Title: _____

**Burlington Resources
Facility Cost Estimate**

Well Name: James Scott #1
 Location: Unit A, Section 18, T30N, R11W
 AFE Type: Recompletion (08)
 Fracture: Blanco Mesaverde


Prepared By: Dan T. Voecks
 Date: 3/20/2002
 Approved By: 
 Date: _____

Intangible Costs

Estimated Days: 2		Total Estimated Cost
Account Number		
247		
2	Labor, Consultants, Roustabout	2,000
03	Company Vehicles	
08	Location Cost	
12	Overhead	
17	Damages, Property Losses	
20	Equip. Coating and Insulation	600
26	SWD Filtering	
27	Separators	11,000
28	Gas Sweetening	
29	Pumping Units	
31	Prime Mover	
32	Tanks	9,000
33	Metering Equipment	
34	Flow Line	
35	Compressors	
36	Building	
39	Flowlines, Piping, Valves & Fittings	1,000
43	Safety	
44	Technical Contract Services	
47	Rental Compressor & Maintenance	
48	Rental Equipment	
49	Cathodic Protection	7,000
50	Right Of Way	
51	Minor Pipelines	
53	Surface Pumps	
54	Electrical Accessories	
55	Miscellaneous-Facility Expense	
57	Pulling Unit Cost @	
60	Operator Owned Equip. / Facilities (District Tools)	
62	Env. Compliance (Assessment)	
63	Env. Compliance (Remediation)	
68	Direct Labor	
69	Benefits	
70	Payroll Taxes and Insurance	
72	Employee Expenses	
73	Freight / Water Transportation	1,000
81	Tubing	
82	Rods	
83	Downhole Pumps	
84	Alternative Artificial Lift Equip.	5,000
86	Conventional Artificial Lift Wellhead Equip.	
88	Communication Systems	
96	Gas Dehydrator	
Total Facilities Cost		36,600

BURLINGTON RESOURCES
 Cost Estimate for Mesaverde Recomplete Only (PTLO/LWR MN)

Well Name: James Scott #1
 Location: Unit A, Section 18, T30N, R11W
 AFE Type: Recompletion (08)
 Formation: Blanco Mesaverde

Prepared By: Dan T. Voecks
 Date: 3/20/2002
 Approved By: 
 Date: _____

Intangible Costs

		Rig Preparation Days: 4 Rig Clean Out Days: 8 Frac & Flowback: 2 Total Project Days: 14						
Account Number					Chacra Cost	Mesaverde Cost	Total Estimated Cost	
249								
03	Location Cost						3,340	
05	Move-in, Move-out						3,670	
07	Rig Cost						38,500	
08	Safety Equipment						100	
10	Air Drilling Fluid						17,500	
16	Stimulation Fluids	(2% KCL)					14,950	
17	Bits						1,500	
18	Cementing						10,200	
22	Coring and Analysis						0	
23	Fuel						2,800	
25	Rentals (Subsurface)						7,000	
26	Fishing						2,500	
28	Other Rental (Surface)	(Twelve 400 bbl frac tanks / misc equip)					2,500	
29	Transportation	(frac tanks, misc equip)					2,400	
32	Directional Svc.						0	
33	Inspection	5,000 ft. @	0.44\$/ft				2,200	
34	Logging Services	(CBL/GRVDL/CCL and perforating)					12,500	
36	Production Testing						0	
37	Swabbing, Snubbing, Coiled Tubing						0	
39	Stimulation	(MV-Two Stg Slickwater)					80,000	
43	Consultants						6,300	
44	Technical Contract Svc.						400	
45	Roustabout Labor						6,000	
46	Miscellaneous						200	
49	Packer Rental						9,000	
53	Env. Cost						0	
54	Disposal Cost						1,350	
60	District Tools						5,000	
72	Overhead Rig Days - 249						2,450	
	Total Intangibles				0	0	232,360	

Tangible Costs

80	Casing						0	
81	Tubing	(5000ft @ \$2.91/ft)					15,100	
84	Casing & Tubing Equipment						0	
84	Wellbore Compensation (Credit 211-01)						0	
86	Wellhead Equipment						3,000	
	Total Tangibles				0	0	18,100	

Total

250,460

BURLINGTON RESOURCES

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Post Office Box 4289
Farmington, New Mexico, 87499

AUTHORITY FOR EXPENDITURE

AFE No.: _____ Property Number: 071145500 Date: 11/1/2001
Lease/Well Name: James Scott #1 AIN Number: 1100801
Field Prospect: Basin Dakota Region: Farmington
Location: Unit A, Section 18, T30N, R11W County: San Juan State: New Mexico
AFE Type: Plug & Abandon (05) Original ☒ Supplement ☐ Addendum ☐ API Well Type _____
Operator: BURLINGTON RESOURCES
Objective Formation: Basin Dakota Authorized Total Depth: 6650'
Intermediate TD _____
Project Description: P&A Dakota. Recomplete well in Mesaverde and Chacra.

Estimated Start Date: Dec-01 Prepared By: Sean Corrigan
Estimated Completion Date: Dec-01

GROSS WELL DATA

	Drilling		Workover/ Completion	Construction Facility	Total
Days:	Dry Hole	Suspended			
This AFE:		0	2		2
Prior AFE's:		\$0	\$20,155	\$0	\$20,155
					\$0
Total Costs:	\$0	\$0	\$20,155	\$0	\$20,155

JOINT INTEREST OWNERS

Company:	Working Interest Percent	Dry Hole \$	Completed \$
BR Oil & Gas Co.:	38.356116%	\$0	\$7,731
SJB TRUST	0.000000%	\$0	\$0
Others:	61.643890%	\$0	\$12,424
AFE TOTAL:	100.000006%	\$0	\$20,155

BURLINGTON RESOURCES APPROVAL

Recommend: Sean Corrigan Date: 11/6/01 Recommend: William C. C. C. Date: 11-6-01
MV PUD Team MV PUD Team
Approved: David Ward Date: 11/6/01 Approved: [Signature] Date: 11/7/01
MV PUD Team MV PUD Team

PARTNER APPROVAL

Company Name: _____
Authorized By: _____ Date: _____
Title: _____

BURLINGTON RESOURCES
Cost Estimate for Mesaverde / Chacra Producer

Well Name: James Scott #1
Location: Unit A, Section 18, T30N, R11W
AFE Type: Plug & Abandon (05)
Formation: Basin Dakota

Prepared By: S. Corrigan
Date: 11/1/2001
Approved By: [Signature]
Date: 11/1/2001

Intangible Costs

Total Project Days: 2

Account Number		Dakota Cost	Total Estimated Cost
244			
03	Location Cost	1,670	1,670
05	Move-in, Move-out	1,835	1,835
07	Rig Cost	5,500	5,500
08	Safety Equipment	100	100
10	Air Drilling Fluid	2,500	2,500
16	Stimulation Fluids	0	0
17	Bits	0	0
18	Cementing	6,000	6,000
22	Coring and Analysis	0	0
23	Fuel	150	150
25	Rentals (Subsurface)	0	0
26	Fishing	0	0
28	Other Rental (Surface)	0	0
29	Transportation	0	0
32	Directional Svc.	0	0
33	Inspection	0	0
34	Logging Services (GRVDL/CBL and perforating)	0	0
36	Production Testing	0	0
37	Swabbing, Snubbing, Coiled Tubing	0	0
39	Stimulation	0	0
43	Consultants	900	900
44	Technical Contract Svc.	0	0
45	Roustabout Labor	0	0
46	Miscellaneous	0	0
49	Packer Rental	1,000	1,000
53	Env. Cost	0	0
54	Disposal Cost	150	150
60	District Tools	0	0
72	Overhead Rig Days - 249,\$175	350	350
	Total Intangibles	20,155	20,155
	Tangible Costs		
80	Casing	0	0
81	Tubing	0	0
84	Casing & Tubing Equipment	0	0
84	Wellbore Compensation (Credit 211-01)	0	0
86	Wellhead Equipment	0	0
	Total Tangibles	0	0
	Total	20,155	20,155

JAMES SCOTT #1 ECONOMIC SUMMARY

WELL COST:

Recompletion Costs =	\$ 250,460.00
Facilities Costs =	\$ 36,600.00
P & A Costs (DK) =	<u>\$ 20,155.00</u>
Total Costs	\$ 307,215.00

ECONOMIC PARAMETERS:

Estimated Reserves = 0.734 Bcf

Estimated P/I without non-consent = 0.46

Estimated P/I with Maralex non-consent (Recovery + 100% Penalty) = 0.34