

AUTHORIZATION FOR EXPENDITURE

WELL: <u>Green Flash Fed #1</u>	PROSPECT: <u>Sparks</u>
LOCATION: <u>660' FN & 660' FW-Sec. 30-T18S-R30E</u>	
COUNTY: <u>Eddy</u>	STATE: <u>New Mexico</u>
OBJECTIVE/TD: <u>Morrow/11,900'</u>	AFE DATE: <u>6/10/02</u>

INTANGIBLE DRILLING/DEVELOPMENT COSTS

CODE	ITEM	DRY HOLE	COMPLETION	TOTAL
1	Land & Leasehold Costs			\$0
2	Legal/Title Abstracts	\$10,000	\$5,000	\$15,000
3	Damages			\$0
4	P&A/Lease Restoration	\$10,000	\$2,000	\$12,000
5	Bits, Reamers & Stabilizers			\$0
6	Mobilization & Fuel			\$0
7	Prospect Fee			\$0
8	Geologist/Geophys./Landman Fee's			\$0
9	Surveying & Permits	\$2,000		\$2,000
10	Location & Roads	\$25,000		\$25,000
11	Footage: <u>11900' @ \$30.00</u>	\$357,000		\$357,000
12	Daywork: <u>6 day @ \$7500</u>	\$30,000	\$15,000	\$45,000
13	Completion Unit: <u>14 dy @ \$2000</u>		\$28,000	\$28,000
14	Mud Logging: <u>20dy @ \$650</u>	\$14,000		\$14,000
15	Drill Stem Tests: <u>2 @ \$5000</u>	\$10,000		\$10,000
16	Roustabout/Trucking/Casing Crew	\$3,000	\$5,000	\$8,000
17	Mud & Chemicals	\$40,000		\$40,000
18	Cement: Surface & Conductor	\$5,000		\$5,000
19	Cement: Intermediate	\$16,000		\$16,000
20	Cement: Production		\$25,000	\$25,000
21	Open Hole Logging	\$25,000		\$25,000
22	Tie-In Log/CBL/Perforating		\$15,000	\$15,000
23	Stimulation		\$15,000	\$15,000
24	Labor/Supervision: Contract			\$0
25	Labor/Supervision: Company	\$5,000	\$10,000	\$15,000
26	Administrative Overhead	\$5,000	\$3,000	\$8,000
27	Rental Tools & Equipment	\$5,000	\$10,000	\$15,000
28	Downhole Motor & Services			\$0
29	Water	\$13,000	\$2,000	\$15,000
30	Misc. (2%) & Tax (5%)	\$40,000	\$10,000	\$50,000
31	Core & Core Analysis			\$0
32	Tank Battery/Facility/Electrical		\$10,000	\$10,000
Total Intangible Costs		\$615,000	\$155,000	\$770,000

CODE	TANGIBLE COSTS	DRY HOLE	COMPLETION	TOTAL
36	Surf: <u>400' 13 3/8" @ \$17</u>	\$7,000		\$7,000
37	Interm: <u>3500' 8 5/8" @ \$11.00</u>	\$39,000		\$39,000
38	Prod: <u>11900' 5 1/2" @ \$7.00</u>		\$84,000	\$84,000
39	Tubing: <u>11900' 2 7/8" @ \$3.00</u>		\$36,000	\$36,000
40	Wellhead Equipment	\$6,000	\$10,000	\$16,000
41	Rods			\$0
42	Packers		\$5,000	\$5,000
43	Downhole Pump			\$0
44	Pumping Unit & Prime Mover			\$0
45	Float Equipment	\$2,000	\$4,000	\$6,000
46	Tanks, Flowlines & Fittings		\$25,000	\$25,000
47	Separator/Heater Treater		\$7,000	\$7,000
48	Gas Lines & Meters		\$2,000	\$2,000
49	Misc. (2%) + Tax (5%)	\$6,000	\$12,000	\$18,000
Total Tangible Costs		\$60,000	\$185,000	\$245,000

TOTAL WELL COST EST.	\$675,000	\$340,000	\$1,015,000
-----------------------------	------------------	------------------	--------------------

IT IS RECOGNIZED THAT THE AMOUNTS HEREIN ARE ESTIMATES ONLY AND APPROVAL OF THIS AUTHORIZATION SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATIONS SPECIFIED HEREIN.

MANZANO OIL CORPORATION
P.O. BOX 2107
ROSWELL, NM 88202-2107
(505) 623-1996 (phone)
(505) 625-2620 (fax)

COMPANY: _____

APPROVED BY: _____

TITLE: _____

BY: _____

DATE: _____

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12899 Exhibit No. 6
Submitted by:
MANZANO OIL CORPORATION
Hearing Date: August 1, 2002

SS#/TAX ID _____

CASE No. 12899 - EXHIBIT No. 6