

## DAVID H. ARRINGTON OIL AND GAS, INC.

## AUTHORITY FOR EXPENDITURE (AFE)

☒ Original  
☐ Supplemental

AFE #: \_\_\_\_\_ Date: 07/10/02

Lease: Triple Teaser Federal Com "1" Well #: 1 Well Type: Exploratory/Gas

Location: 1,200 FNL & 1,665' FEL of Sec 1 County: Lea State: New Mexico  
T16S-R34E

Prospect: West Bulldog Objective: Morrow Proposed TD: 13,400'

Purpose of Expenditure: Drill and Test Atoka & Morrow Intervals

CODE	INTANGIBLE EXPENSE	DRILLING	COMPLETION	TOTAL
	Surveying	800	0	800
	Staking & Permitting	200	0	200
	Location, Roads & Damages	30,000	2,000	32,000
	Lease Restoration	6,000	0	6,000
	Mobilization/Demobilization	40,000	0	40,000
	Drilling - Footage @ /Ft	0	0	0
	Drilling - Daywork 43 @ \$8,000 /Day	344,000	0	344,000
	Drilling - Directional @	0	0	0
	Completion Rig 12 @ \$2,000 /Day	0	24,000	24,000
	Fuel, Power & Lubricants	40,000	0	40,000
	Bits, Reamers & Stabilizers	85,000	0	85,000
	Drilling & Completion Fluids	55,000	2,000	57,000
	Water	25,000	2,000	27,000
	Mud Logging 30 @ \$650 /Day	19,500	0	19,500
	Drill Stem Tests (3 tests)	15,000	0	15,000
	Coring Services	0	0	0
	Logging - Open Hole & Sidewall Cores	55,000	0	55,000
	Cement & Services - Surface	6,000	0	6,000
	Cement & Services - Intermediate	20,000	0	20,000
	Cement & Services - Production	0	20,000	20,000
	Casing Crews/Laydown Machine	4,500	5,500	10,000
	Perforating & Cased Hole Logs	0	15,000	15,000
	Acidizing, Fracturing & Stimulation	0	100,000	100,000
	Rental Equipment	15,000	5,000	20,000
	Installation - Production Facilities/Electrical	0	15,000	15,000
	Inspection & Testing	5,000	1,000	6,000
	Transportation	5,000	3,500	8,500
	Miscellaneous Labor	2,000	3,000	5,000
	Engineering & Geological Services	4,400	2,000	6,400
	Overhead	8,000	2,000	10,000
	Supervision	25,000	7,500	32,500
	Sand Blast & Coat Casing	0	5,000	5,000
	Contingencies	56,000	14,400	70,400
	Gross Receipts Tax	48,000	12,400	60,400
	<b>TOTAL INTANGIBLE EXPENSE</b>	<b>914,400</b>	<b>241,300</b>	<b>1,155,700</b>

CODE	TANGIBLE EXPENSE	DRILLING	COMPLETION	TOTAL
	Casing - Conductor of @ /Ft		0	0
	Casing - Surface 470 of 13 3/8" @ \$18.30 /Ft	8,601	0	8,601
	Casing - Intermediate 2200 of 9 5/8" @ \$14.00 /Ft	30,800	0	30,800
	Casing - Intermediate 4,000 of 9 5/8" @ \$12.00 /Ft	48,000	0	48,000
	Casing - Production 9,000 of 5 1/2" @ \$7.80 /Ft	0	70,200	70,200
	Casing - Production 4,400 of 5 1/2" @ \$8.30 /Ft	0	36,520	36,520
	Tubing 13,200 of 2 7/8" @ \$3.80 /Ft	0	50,160	50,160
	Float & Other Equipment	2,700	1,500	4,200
	Wellhead Equipment, Tree	5,000	20,000	25,000
	Sucker Rods	0		0
	Down Hole Pump	0		0
	Packer/TAC/Misc Downhole	0	15,000	15,000
	Pumping Unit & Prime Mover	0		0
	Tank Battery & Storage Facilities	0	17,000	17,000
	Separator/Heater Treater/Dehydrator	0	30,000	30,000
	Meters & Flowlines	0	8,000	8,000
	Miscellaneous Valves & Fittings	0	20,000	20,000
	Contingencies	5,000	16,300	21,300
	<b>TOTAL TANGIBLE EXPENSE</b>	<b>100,101</b>	<b>284,680</b>	<b>384,781</b>
	<b>TOTAL WELL COST</b>	<b>1,014,501</b>	<b>525,980</b>	<b>1,540,481</b>

NOTE: THIS AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPROVED COPY, YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

David H. Arrington Oil &amp; Gas, Inc. Approval:

Partner Approval:

Prepared

Company:

By:

Chuck Sledge, Petroleum Engineer

Approved

Approved

By:

David H. Arrington, President

Title:

Title:

Date:

Date:

BEFORE THE OIL CONSERVATION

DIVISION

Santa Fe, New Mexico

Exhibit No. 6

Case No. 12956

Submitted by: Great Western Drilling Company

Hearing Date: November 14, 2002