

# DRILLING AFE . ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                             |                           |                     | _       |               |                           |            | FORMERLY W-0        |  |
|-----------------------------|---------------------------|---------------------|---------|---------------|---------------------------|------------|---------------------|--|
| ROPERTY NO.                 |                           |                     | EMS     | ] iTS         | A                         | AFE NO.    | <b>T-02-0092</b> -D |  |
| COUNTY/STATE                | LEA / NEW MEXICO          |                     |         | MIDLAND       |                           | DATE       | 04/24/02            |  |
| LEASE NAME                  | STATE 'A'                 | WELL NO.            |         | 6             | FIELD                     | •          | HOBBS DRINKARD      |  |
| TODE INELL                  |                           | LEGAL /<br>ZIP CODE | SEC 32, | T-18S, R      | -38 E                     | ORIGINAL   |                     |  |
| OPERATOR APACHE CORPORATION |                           | APACHE WI           | 10      | 0.000000      | )%                        | SUPPLEMENT |                     |  |
| OBJECTIVE 7,150' - DRINKARD |                           | PROSPECT#           |         |               | EXPLORATION X DEVELOPMENT |            |                     |  |
| FOCUS AREA                  |                           |                     | API#    |               |                           |            | PUD                 |  |
| ESTIMATED PROJECT           | START DATE                |                     | ESTIMAT | ED PROJECT CO | MPLETION                  | DATE       |                     |  |
| DESCRIPTION                 |                           |                     |         |               |                           |            | <del></del>         |  |
| Dri                         | Il straight hole to 7150' |                     |         |               |                           |            | ·····               |  |
|                             | 990' FNL & 1817' FEL      |                     |         |               |                           |            |                     |  |
|                             |                           |                     |         |               |                           |            |                     |  |
|                             |                           |                     |         |               |                           |            |                     |  |
|                             |                           |                     |         |               |                           |            |                     |  |
|                             |                           |                     |         |               |                           |            |                     |  |

### DRILLING - INTANGIBLE DEVELOPMENT COSTS

| ACCT  | DESCRIPTION                                 | BUDGET  | SUPPLEMENT | TOTAL<br>WELL COST |
|-------|---|---------|------------|--------------------|
| /0002 | AIR TRANSPORTATION                          | 0       | 0          | 0                  |
| 70003 | BITS, COREHEADS AND REAMERS                 | 0       | . 0        | 0                  |
| 70004 | CASING CREWS                                | 0       | 0          | 0                  |
| 70005 | CATERING AND GROCERIES                      | 0       | 0          | 0                  |
| 70006 | CEMENT AND CEMENTING SERVICES               | 9,000   | 0          | 9,000              |
| 70009 | COMPANY LABOR                               | 0       | 0          | 0                  |
| 70011 | COMPANY SUPERVISION                         | 500     | 0          | 500                |
| 70012 | COMPANY VEHICLE EXPENSE                     | 500     | 0          | 500                |
| 70019 | CONTRACT DRILLING - DAYWORK 1 @ \$6,000/DAY | 6,000   | 0          | 6,000              |
| 70020 | CONTRACT DRILLING - FOOTAGE - \$16/Ft.      | 114,400 | 0          | 114,400            |
| 70017 | CONTRACT LABOR                              | 3,000   | 0          | 3,000              |
| 70021 | CONTRACT SUPERVISION                        | 11,000  | 0          | 11,000             |
| 70022 | DIRECTIONAL TOOLS                           | 0       | 0          | 0                  |
| 70025 | DRILLING FLUIDS                             | 6,000   | 0          | 6,000              |
| 65506 | DRILLING OVERHEAD                           | 8,000   | 0          | 8,000              |
| 70059 | DRY HOLE PLUGGING                           | 0       | 0          | 0                  |
| 70031 | EQUIPMENT RENTAL                            | 4,000   | 0          | 4,000              |
| 70033 | FILTRATION                                  | 0       | 0          | 0                  |
| 70035 | FORMATION TESTING                           | 0       | 0          | 0                  |
| 70037 | FUEL AND POWER                              | 0       | 0          | 0                  |
| 70039 | GEOLOGICAL AND ENGINEERING                  | 0       | 0          | 0                  |
| 70045 | INSURANCE                                   | 0       | 0          | 0                  |
| 70046 | LAND AND SITE RECLAMATION                   | 4,500   | 0          | 4,500              |
| 70047 | LEGAL AND CURATIVE                          | 1,000   | 0          | 1,000              |
| 70049 | LOGGING                                     | 13,000  | 0          | 13,000             |
| 70050 | MARINE TRANSPORTATION                       | 0       | 0          | 0                  |
| 70054 | OTHER INTANGIBLE                            | 11,000  | 0          | 11,000             |
| 70064 | RIG MOBILIZATION                            | 0       | 0          | 0                  |
| 70065 | ROADS AND SITE PREPARATION                  | 12,000  | 0          | 12,000             |
| 70069 | SNUBBING/COIL TUBING UNIT                   | 0       | 0          | 0                  |
| 70073 | TAX ON EQUIPMENT                            | 0       | 0          | 0                  |
| 70074 | TRUCKING AND HAULING                        | 1,000   | 0          | 1,000              |
| 70076 | TUBULAR INSPECTIONS                         | 600     | 0          | 600                |
| 70077 | WATER                                       | 13,000  | 0          | 13,000             |
| 70078 | WELLSITE LOSS AND DAMAGES                   | 5,500   | 0          | 5,500              |
|       |   |         |            |                    |
|       | SUB-TOTAL INTANGIBLE DEVELOPMENT COSTS      | 224,000 | 0          | 224,000            |



# COMPLETION AFE ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| -C       |
|----------|
|          |
|          |
|          |
| т        |
| NT<br>NT |
|          |
|          |
|          |
|          |
|          |
|          |
|          |
|          |
| С        |

#### **COMPLETION - INTANGIBLE DEVELOPMENT COSTS**

| ACCT  | DESCRIPTION                            | BUDGET  | SUPPLEMENT | TOTAL<br>WELL COST |
|-------|--|---------|------------|--------------------|
| /0002 | AIR TRANSPORTATION                     | 0       | 0          | 0                  |
| 70003 | BITS, COREHEADS AND REAMERS            | 200     | 0          | 200                |
| 70004 | CASING CREWS                           | 0       | 0          | 0                  |
| 70005 | CATERING AND GROCERIES                 | 0       | 0          | 0                  |
| 70006 | CEMENT AND CEMENTING SERVICES          | 18,000  | 0          | 18,000             |
| 70009 | COMPANY LABOR                          | 0       | 0          | 0                  |
| 70011 | COMPANY SUPERVISION                    | 3,600   | 0          | 3,600              |
| 70012 | COMPANY VEHICLE EXPENSE                | 0       | 0          | 0                  |
| 70019 | CONTRACT DRILLING - DAYWORK/TURNKEY    | 20,000  | 0          | 20,000             |
| 70020 | CONTRACT DRILLING - FOOTAGE            | 0       | 0          | 0                  |
| 70017 | CONTRACT LABOR                         | 7,000   | 0          | 7,000              |
| 70021 | CONTRACT SUPERVISION                   | 0       | 0          | 0                  |
| 70022 | DIRECTIONAL TOOLS                      | 0       | 0          | 0                  |
| 70025 | DRILLING FLUIDS                        | 0       | 0          | 0                  |
| 65506 | DRILLING OVERHEAD                      | 0       | 0          | 0                  |
| 70059 | DRY HOLE PLUGGING                      | 0       | 0          | 0                  |
| 70031 | EQUIPMENT RENTAL                       | 13,000  | 0          | 13,000             |
| 70033 | FILTRATION                             | 0       | 0          | 0                  |
| 70034 | FORMATION STIMULATION                  | 100,000 | 0          | 100,000            |
| 70035 | FORMATION TESTING                      | 0       | 0          | 0                  |
| 70037 | FUEL AND POWER                         | 0       | 0          | 0                  |
| 70039 | GEOLOGICAL AND ENGINEERING             | 0       | 0          | . 0                |
| 70040 | GRAVEL PACK SERVICES                   | 0       | 0          | 0                  |
| '0045 | INSURANCE                              | 0       | 0          | 0                  |
| 70046 | LAND AND SITE RECLAMATION              | 0       | 0          | 0                  |
| 70047 | LEGAL AND CURATIVE                     | 0       | 0          | 0                  |
| 70049 | LOGGING                                | 20,000  | 0          | 20,000             |
| 70050 | MARINE TRANSPORTATION                  | 0       | 0          | 0                  |
| 70054 | OTHER INTANGIBLE                       | 0       | 0          | 0                  |
| 70064 | RIG MOBILIZATION                       | 0       | 0          | 0                  |
| 70065 | ROADS AND SITE PREPARATION             | 0       | 0          | 0                  |
| 70069 | SNUBBING/COIL TUBING UNIT              | 0       | 0          | 0                  |
| 70073 | TAX ON EQUIPMENT                       | 0       | 0          | 0                  |
| 70074 | TRUCKING AND HAULING                   | 2,200   | 0          | 2,200              |
| 70075 | TUBING CONVEY PERFORATING              | 0       | 0          | 0                  |
| 70076 | TUBULAR INSPECTIONS                    | 1,100   | 0          | 1,100              |
| 70077 | WATER                                  | 2,500   | 0          | 2,500              |
| 70078 | WELLSITE LOSS AND DAMAGES              | 0       | 0          | 0                  |
|       | SUB-TOTAL INTANGIBLE DEVELOPMENT COSTS | 187,600 | 0          | 187,600            |

### COMPLETION - TANGIBLE MATERIAL COSTS

| ACCT  | DESCRIPTION                                   | BUDGET  | SUPPLEMENT | T⊕TAL<br>WELL COST |
|-------|---|---------|------------|--------------------|
| 71024 | LINER HANGERS                                 | 0       | 0          | 0                  |
| 71025 | LINERS - DRILLING OR PRODUCTION               | 0       | 0          | 0                  |
| 71032 | OTHER SUBSURFACE EQUIPMENT                    | 0       | 0          | 0                  |
| 71040 | PRODUCTION CASING 7,150' - 5-1/2" 17# J55 LTC | 34,000  | 0          | 34,000             |
| 71048 | SUCKER RODS                                   | 20,000  | 0.         | 20,000             |
| 71053 | TUBING  | 25,000  | 0          | 25,000             |
| 71056 | WELLHEAD ASSEMBLY                             | 4,500   | 0          | 4,500              |
|       | SUB-TOTAL TANGIBLE MATERIAL COSTS             | 83,500  | 0          | 83,500             |
|       | SUB-TOTAL INTANGIBLE COSTS (PAGE 1)           | 187,600 | 0          | 187,600            |
|       | GRAND TOTAL                                   | 271,100 | 0          | 271,100            |
|       | LESS OUTSIDE INTERESTS                        | 0       | 0          | 0                  |
|       | TOTAL NET COSTS                               | 271,100 | 0          | 271,100            |
|       |   |         |            |                    |

| PREPARED BY |                         |          |   |
|-------------|-------------------------|----------|---|
|             | BILL COPPOC             | DATE     |   |
| APPROVED BY | TIM WALL / Dan          | S//OZ    |   |
| APPROVED BY | ROB JOHNSTON ROLL DIMST | 5/2/c    | 7 |
| APPROVED BY | RODNEY MYERS POLICIAN   | 5/6/00 A | L |
| APPROVED BY |                         | DATE     |   |
| APPROVED BY |                         | DATE     |   |

| A. | GROSS ORIGINAL<br>AFE AMOUNT                   | 271,100       |
|----|--|---------------|
| В. | APACHE ORIGINAL<br>NET AFE AMOUNT              | 271,100       |
| c. | NET ASSET TRANSFERS                            |               |
| D. | TOTAL ORIGINAL NET AFE<br>(LINE B PLUS LINE C) | 271,100       |
| E. | GROSS SUPPLEMENTS                              | 0             |
| F. | APACHE TOTAL NET<br>AFE AMOUNT                 | 271,100       |
|    | IN BUDGET                                      | NOT IN BUDGET |
|    |  |               |

Notice to Nonoperators: Costs shown on this form estimates only. Nonoperators should not consider these estimates as establishing

any limit on monies which will be required to perform the proposed operation.

| COMPANY | WORKING<br>INTEREST | APPROVED BY                            | DATE        |
|---------|---------------------|--|-------------|
| COMPANY | INTEREST            | APPROVED BY                            | DATE        |
|         | :                   |  | 1           |
|         | <del> </del>        |  |             |
|         | •                   |  | 1           |
|         |                     | <del></del>                            | <del></del> |
|         | į                   |  |             |
|         |                     |  |             |
|         |                     |  |             |
|         |                     |  | ŀ           |
|         |                     |  |             |
|         |                     |  | 1           |
|         | <del> </del>        | ······································ |             |
|         |                     |  | }           |
|         |                     |  |             |
|         |                     |  | ľ           |

| COMMENTS: | <br> |  |
|-----------|------|--|
|           |      |  |
|           | <br> |  |



## **EQUIPMENT AFE** ESTIMATE OF COSTS AND AUTHORIZATION & EXPENDITURE

| PROPERTY       | NO. <b>0</b>  |                  | - EMS       | - 17         | 'S         | AFE             | NO. <b>T-02</b> - | -0092                                 | -E          |
|----------------|---|------------------|-------------|--------------|------------|-----------------|-------------------|---------------------------------------|-------------|
| COUNTY/ST      | LEA / NEW MEXICO  | DISTRIC          | T           | MI           | DLAND      | DA              | ΛTE               | 04/24/02                              | <del></del> |
| EASE NAM       | STATE 'A'   | WELL N           | 0.          | 6            |            | FIELD           | HOBBS DE          | RINKARD                               |             |
| PROSPECT       | /LEASE # HOBBS INF  | FILL             | LEGAL /     |              | SEC 32, T  | -18S, R-38      | E                 | ORIGINAL                              |             |
| OPERATOR       | APACHE CORPORA  | ATION            | APACHE      |              | 100        | .000000%        |                   | SUPPLEMENT                            |             |
| OBJECTIVE      | 7,150' - DRINKA   | RD               | PROSPI      | ECT#         |            |                 | 1                 | EXPLORATION                           |             |
| FOCUS ARE      | EA 0  |                  | API#        |              |            | 0               |                   | DEVELOPMENT<br>PUD                    | 1           |
| ESTIMATED      | PROJECT START DATE  | 01/00/00         | EST         | IMATED F     | ROJECT COM | APLETION DA     | TE                | 01/00/00                              |             |
| DESCRIPTION    | ON  |                  |             |              |            |                 |                   |                                       |             |
|                |   |                  |             | ··           |            |                 |                   | · · · · · · · · · · · · · · · · · · · |             |
|                |   |                  |             | ·            |            |                 |                   |                                       |             |
|                |   | EQUIPMENT        | r - TANGII  | BLE MA       | TERIAL CO  | STS             |                   | <del></del>                           |             |
| ACCT           | DESCR   | IPTION           |             |              | аив        | GET             | SUPPLEMENT        | TOTAL<br>WELL COS                     | ST          |
| 71001          | ARTIFICIAL LIFT EQUIPMENT   |                  |             |              |            | 55,000          | 0                 | 5                                     | 55,000      |
| 71005          | COMPRESSOR STATIONS   |                  |             | ,, <u> </u>  |            | 0               | 0                 |                                       | 0           |
| 71008<br>71012 | DEHYDRATION / AMINE UNITS FLOW LINES TO BATTERY   |                  |             | <u>-</u> -   |            | 7,500           | 0                 |                                       | 7,500       |
| 71017          | HIGH PRESSURE KNOCK-OUT   |                  |             |              |            | 0               | 0                 |                                       | 0           |
| 71007          | ONSHORE PLATFORM  |                  |             |              |            | 0               | 0                 |                                       |             |
| 71033          | OTHER SURFACE EQUIPMENT   |                  |             |              |            | 9,000           | 0                 |                                       | 9,000       |
| 71039          | PRIME MOVER   |                  |             | ·····        | <u> </u>   | 0               | 0                 |                                       | 0           |
| 71043          | PUMPS   |                  |             |              |            | 4,000           | 0                 |                                       | 4,000       |
| 71045          | SALES LINE<br>SEPARATORS  | <del></del>      | <del></del> |              |            | 0               | 0                 |                                       | 0           |
| 71046<br>71051 | TANK BATTERY  | ·                | 0           |              | 0          |                 |                   |                                       |             |
| 71052          | TREATERS  |                  |             |              |            | 0               | 0                 |                                       | 0           |
|                | SUB-TOTAL TANGIBLE MATERIAL CO  | 979              |             |              |            | 75,500          | 0                 | -                                     | 75,500      |
|                | OUD-TOTAL TANGIBLE MATERIAL OU  |                  |             |              |            |                 |                   |                                       |             |
|                | GRAND TOTAL   |                  |             |              |            | 75,500          | 0                 | 7                                     | 75,500      |
|                | LESS OUTSIDE INTERESTS TOTAL NET COSTS  |                  |             |              |            | 75,500          | 0                 | <del></del>                           | 75,500      |
|                | 101221210010  |                  |             | ·            | ·          | 10,000          |                   |                                       |             |
| PREPARED .     | BILL COPPOC   |                  | DATE        | ,            | GROSS OF   |                 |                   | 7                                     | 75,500      |
| APPROVED       | TIM WALL / D  | cu               | DATE        |              | APACHE O   |                 |                   | 7                                     | 75,500      |
| APPROVED       | ROB JOHNSTON  | <u> </u>         | 5/2/0       | 2            | . NET ASSE | T TRANSFERS     | 3                 |                                       |             |
| APPROVED       | RODNEY MYERS RALLY  | 1014             | 5/6/DATE    | -  -         |            | IGINAL NET A    | \FE               | 7                                     | 75,500      |
| APPROVED       | PROVED BY   |                  | DATE        |              |            |                 |                   |                                       |             |
| APPROVED       | ву  |                  | DATE        |              | APACHE T   | OTAL NET<br>JNT |                   | 7                                     | 75,500      |
| Nonoperato     | onoperators: Costs shown on this form estings should not consider these estimates as es | stablishing      | 41          |              | 1)         | NBUDGET         | NOT               | IN BUDGET                             |             |
| any limit on   | monies which will be required to perform the  | e proposed opera |             |              |            |                 |                   |                                       |             |
|                | COMPANY   | INTERES          |             | <del></del>  | APF        | PROVED BY       |                   | DATE                                  |             |
|                |   |                  |             |              |            |                 |                   | <del> </del>                          |             |
|                |   |                  |             | <del>,</del> |            | <del></del>     |                   |                                       |             |
| -              |   |                  |             |              |            |                 |                   |                                       |             |
|                |   |                  |             |              |            |                 |                   |                                       |             |
|                |   |                  |             |              |            |                 |                   |                                       |             |
|                |   | 1                | 1           |              |            |                 |                   |                                       |             |



# DRILLING AND COMPLETIC. AFE ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| PROPERTY NO.        | 0                  | -        | EMS - I             | TS          | AFE NO.          | T-02-0092                   |
|---------------------|--------------------|----------|---------------------|-------------|------------------|-----------------------------|
| COUNTY/STATE        | LEA / NEW MEXICO   | DISTRICT | М                   | IDLAND      | DATE             | 04/24/02                    |
| LEASE NAME          | STATE 'A'          | WELL NO. | 6                   |             | FIELD            | HOBBS DRINKARD              |
| PROSPECT/LEASE #    | HOBBS INFILL       |          | LEGAL /<br>ZIP CODE | SEC 32, T   | -18S, R-38 E     | - ORIGINAL                  |
| OPERATOR            | APACHE CORPORATION | N        | APACHE WI           | 100.        | 000 <b>000</b> % | - SUPPLEMENT                |
| OBJECTIVE           | 7,150' - DRINKARD  |          | PROSPECT#           |             |                  | - EXPLORATION X DEVELOPMENT |
| FOCUS AREA          | 0                  |          | API#                |             | 0                | - PUD                       |
| ESTIMATED PROJECT S | START DATE 01/0    | 0/00     | ESTIMATED           | PROJECT COM | PLETION DATE     | 01/00/00                    |
| DESCRIPTION         |                    |          |                     |             |                  |                             |
|                     |                    |          |                     |             |                  |                             |
|                     |                    |          |                     |             |                  |                             |
|                     |                    |          |                     |             |                  |                             |
|                     |                    |          |                     |             |                  |                             |

## INTANGIBLE DEVELOPMENT COSTS

| ACCT  | DESCRIPTION                                 | DRY HOLE | COMPLETION | SUPPLEMENT | TOTAL<br>WELL COST |
|-------|---|----------|------------|------------|--------------------|
| 70002 | AIR TRANSPORTATION                          | 0        | 0          | 0          | 0                  |
| 70003 | BITS, COREHEADS AND REAMERS                 | 0        | 200        | 0          | 200                |
| 70004 | CASING CREWS                                | 0        | 0          | 0          | 0                  |
| 70005 | CATERING AND GROCERIES                      | 0        | 0          | 0          | 0                  |
| 70006 | CEMENT AND CEMENTING SERVICES               | 9,000    | 18,000     | 0          | 27,000             |
| 70009 | COMPANY LABOR                               | 0        | 0          | 0          | 0                  |
| 70011 | COMPANY SUPERVISION                         | 500      | 3,600      | 0          | 4,100              |
| 70012 | COMPANY VEHICLE EXPENSE                     | 500      | 0          | 0          | 500                |
| 70019 | CONTRACT DRILLING - DAYWORK 1 @ \$6,000/DAY | 6,000    | 20,000     | 0,         | 26,000             |
| 70020 | CONTRACT DRILLING - FOOTAGE                 | 114,400  | 0          | 0          | 114,400            |
| 70017 | CONTRACT LABOR                              | 3,000    | 7,000      | 0          | 10,000             |
| 70021 | CONTRACT SUPERVISION                        | 11,000   | 0          | 0          | 11,000             |
| 70022 | DIRECTIONAL TOOLS                           | 0        | 0          | 0          | 0                  |
| 70025 | DRILLING FLUIDS                             | 6,000    | 0          | 0          | 6,000              |
| 65506 | DRILLING OVERHEAD                           | 8,000    | 0          | 0          | 8,000              |
| 70059 | DRY HOLE PLUGGING                           | 0        | 0          | 0          | 0                  |
| 70031 | EQUIPMENT RENTAL                            | 4,000    | 13,000     | 0          | 17,000             |
| 70033 | FILTRATION                                  | 0        | 0          |            | 0                  |
| 70034 | FORMATION STIMULATION                       | 0        | 100,000    | 0          | 100,000            |
| 70035 | FORMATION TESTING                           | 0        | 0          | 0          | 0                  |
| 70037 | FUEL AND POWER                              | 0        | 0          | 0          | 0                  |
| 70039 | GEOLOGICAL AND ENGINEERING                  | 0        | 0          | 0.         | 0                  |
| 70040 | GRAVEL PACK SERVICES                        | 0        | 0          | 0          | 0                  |
| 70045 | INSURANCE                                   | 0        | 0          | 0          | 0                  |
| 70046 | LAND AND SITE RECLAMATION                   | 4,500    | 0          | 0          | 4,500              |
| 70047 | LEGAL AND CURATIVE                          | 1,000    | 0          | 0          | 1,000              |
| 70049 | LOGGING                                     | 13,000   | 20,000     | 0          | 33,000             |
| 70050 | MARINE TRANSPORTATION                       | 0        | 0          | 0          | 0                  |
| 70054 | OTHER INTANGIBLE                            | 11,000   | 0          | 0          | 11,000             |
| 70064 | RIG MOBILIZATION                            | 0        | 0          | 0          | 0                  |
| 70065 | ROADS AND SITE PREPARATION                  | 12,000   | 0          | 0          | 12,000             |
| 70069 | SNUBBING/COIL TUBING UNIT                   | 0        | 0          | 0          | 0                  |
| 70073 | TAX ON EQUIPMENT                            | 0        | 0          | 0          | 0                  |
| 70074 | TRUCKING AND HAULING                        | 1,000    | 2,200      | 0          | 3,200              |
| 70075 | TUBING CONVEY PERFORATING                   | 0        | 0          | 0          | 0                  |
| 70076 | TUBULAR INSPECTIONS                         | 600      | 1,100      | 0          | 1,700              |
| 70077 | WATER                                       | 13,000   | 2,500      | 0          | 15,500             |
| 70078 | WELLSITE LOSS AND DAMAGES                   | 5,500    | 0          | 0          | 5,500              |
| L     | SUB-TOTAL INTANG, DEVELOPMENT COSTS         | 224,000  | 187,600    | 0          | 411,600            |

| 71005 COMPRESSOR STATION: 71006 CONDUCTOR CSG - AS N 71008 DEHYDRATION / AMINE L 71012 FLOW LINES TO BATTER 71017 HIGH PRESSURE KNOCK 71019 INTERMEDIATE CSG 71024 LINER HANGERS 71025 LINERS - DRILLING OR P 71007 ONSHORE PLATFORM 71032 OTHER SUBSURFACE EQUIP 71039 PRIME MOVER 71040 PRODUCTION CASING 7 71043 PUMPS 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400'-8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS  | ΤΔΝΟ  |          |              |                  |                               |            |                    |
|---|---|----------|--------------|------------------|-------------------------------|------------|--------------------|
| 71001 ARTIFICIAL LIFT EQUIPM 71005 COMPRESSOR STATION: 71006 CONDUCTOR CSG - AS I 71008 DEHYDRATION / AMINE L 71012 FLOW LINES TO BATTER 71017 HIGH PRESSURE KNOCK 71019 INTERMEDIATE CSG 71024 LINER HANGERS 71025 LINERS - DRILLING OR P 71007 ONSHORE PLATFORM 71032 OTHER SUBSURFACE EQUIP 71033 OTHER SUBSURFACE EQUIP 71039 PRIME MOVER 71040 PRODUCTION CASING : 71043 PUMPS 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400' - 8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY  SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS | 17114   | GIBLE MA | TERIAL       | _ cc             | OST <b>S</b>                  |            |                    |
| 71005 COMPRESSOR STATION: 71006 CONDUCTOR CSG - AS N 71008 DEHYDRATION / AMINE L 71012 FLOW LINES TO BATTER 71017 HIGH PRESSURE KNOCK 71019 INTERMEDIATE CSG 71024 LINER HANGERS 71025 LINERS - DRILLING OR P 71007 ONSHORE PLATFORM 71032 OTHER SUBSURFACE EQUIP 71039 PRIME MOVER 71040 PRODUCTION CASING T 71043 PUMPS 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400' - 8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS  |   | ORY      | / HOLE       |                  | COMPLETION                    | SUPPLEMENT | TO AL<br>WELL COST |
| 71006 CONDUCTOR CSG - AS N 71008 DEHYDRATION / AMINE L 71012 FLOW LINES TO BATTER 71017 HIGH PRESSURE KNOCK 71019 INTERMEDIATE CSG 71024 LINER HANGERS 71025 LINERS - DRILLING OR P 71007 ONSHORE PLATFORM 71032 OTHER SUBSURFACE EQUIP 71039 PRIME MOVER 71040 PRODUCTION CASING 7 71043 PUMPS 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400' - 8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS  | ENT   |          |              | 0                | 55,000                        | 0          | 55,000             |
| 71008 DEHYDRATION / AMINE L 71012 FLOW LINES TO BATTER 71017 HIGH PRESSURE KNOCK 71019 INTERMEDIATE CSG 71024 LINER HANGERS 71025 LINERS - DRILLING OR P 71007 ONSHORE PLATFORM 71032 OTHER SUBSURFACE EQUIP 71039 PRIME MOVER 71040 PRODUCTION CASING 7 71041 PUMPS 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400' - 8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS   | s   |          |              | 0                | 0                             | 0          | 0                  |
| 71012 FLOW LINES TO BATTER 71017 HIGH PRESSURE KNOCK 71019 INTERMEDIATE CSG 71024 LINER HANGERS 71025 LINERS - DRILLING OR P 71007 ONSHORE PLATFORM 71032 OTHER SUBSURFACE EGG 71033 OTHER SUBSURFACE EGG 71039 PRIME MOVER 71040 PRODUCTION CASING 7 71043 PUMPS 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400' - 8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS  | NEEDED  |          | 2.5          | 00               | 0                             | 0          | 2,500              |
| 71017 HIGH PRESSURE KNOCK 71019 INTERMEDIATE CSG 71024 LINER HANGERS 71025 LINERS - DRILLING OR P 71007 ONSHORE PLATFORM 71032 OTHER SUBSURFACE EQUIP 71039 PRIME MOVER 71040 PRODUCTION CASING 7 71043 PUMPS 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400' - 8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS  | JNITS   |          | 0            |                  | 0                             | 0          | 0                  |
| 71019 INTERMEDIATE CSG 71024 LINER HANGERS 71025 LINERS - DRILLING OR P 71007 ONSHORE PLATFORM 71032 OTHER SUBSURFACE EQUIP 71033 OTHER SURFACE EQUIP 71039 PRIME MOVER 71040 PRODUCTION CASING 7 71043 PUMPS 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400' - 8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS  | Y   |          | 0            |                  | 7,500                         | 0          | .500               |
| 71024 LINER HANGERS 71025 LINERS - DRILLING OR P 71007 ONSHORE PLATFORM 71032 OTHER SUBSURFACE EC 71033 OTHER SURFACE EQUIP 71039 PRIME MOVER 71040 PRODUCTION CASING 7 71043 PUMPS 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400' - 6 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS  | C-OUT   |          |              | 0                | 0                             | 0          | 0                  |
| 71025 LINERS - DRILLING OR P 71007 ONSHORE PLATFORM 71032 OTHER SUBSURFACE EQUIP 71033 OTHER SURFACE EQUIP 71039 PRIME MOVER 71040 PRODUCTION CASING 7 71043 PUMPS 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400' - 8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS   |   |          |              | 0                | 0                             | 0          | 0                  |
| 71007 ONSHORE PLATFORM 71032 OTHER SUBSURFACE EQUIP 71033 OTHER SURFACE EQUIP 71039 PRIME MOVER 71040 PRODUCTION CASING 7 71043 PUMPS 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400'-8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS  |   |          |              | 0                | 0                             | 0          | 0                  |
| 71032 OTHER SUBSURFACE EC 71033 OTHER SURFACE EQUIP 71039 PRIME MOVER 71040 PRODUCTION CASING 7 71043 PUMPS 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400' - 8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS  | RODUCTION                                     |          |              | 0                | 0                             | 0          | 0                  |
| 71032 OTHER SUBSURFACE EC 71033 OTHER SURFACE EQUIP 71039 PRIME MOVER 71040 PRODUCTION CASING 7 71043 PUMPS 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400'-6 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS  |   |          |              | 0                | 0                             | 0          | 0                  |
| 71033 OTHER SURFACE EQUIP 71039 PRIME MOVER 71040 PRODUCTION CASING 7 71043 PUMPS 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400'-8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS  | QUIPMENT                                      |          |              | 0                | 0                             | 0          | 0                  |
| 71039 PRIME MOVER 71040 PRODUCTION CASING 7 71043 PUMPS 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400'-8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY  SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS   |   |          |              | 0                | 9,000                         | 0          | 9,000              |
| 71040 PRODUCTION CASING 7 71043 PUMPS 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400'-6 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY  SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS   |   |          |              | 0                | 0                             | 0          | 0                  |
| 71043 PUMPS 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400'-8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY SUB-TOTAL TANGIBLE M SUB-TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS   | PRODUCTION CASING 7,150' - 5-1/2" 17# J55 LTC |          |              | 0                | 34,000                        | 0          | 34,000             |
| 71045 SALES LINE 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400'-8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY  SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS   | 7.00  |          |              | 0                | 4,000                         | 0          | 4,000              |
| 71046 SEPARATORS 71048 SUCKER RODS 71050 SURFACE CSG 1,400' - 8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY  SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS  |   | -        |              | 0                | 0                             | 0          | 0                  |
| 71048 SUCKER RODS 71050 SURFACE CSG 1,400'-8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS  |   |          |              | 0                | 0                             | 0          | 0                  |
| 71050 SURFACE CSG 1,400'- 8 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY  SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS  |   |          |              | 0                | 20,000                        | 0          | 20,000             |
| 71051 TANK BATTERY 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY  SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE  GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS   |   |          | 9,8          | <del>-  </del> - | 0                             | 0          | 9,800              |
| 71052 TREATERS 71053 TUBING 71056 WELLHEAD ASSEMBLY  SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE  GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS  | 70,0 11100001                                 |          |              | 0                | 0                             | 0          | 0                  |
| 71053 TUBING 71056 WELLHEAD ASSEMBLY  SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE  GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS   |   |          |              | 0                | 0                             | 0          | 0                  |
| 71056 WELLHEAD ASSEMBLY  SUB-TOTAL TANGIBLE M SUB-TOTAL INTANGIBLE  GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS  |   |          |              | 0                | 25,000                        | 0          | 25,001             |
| SUB-TOTAL TANGIBLE IN SUB-TOTAL INTANGIBLE GRAND TOTAL LESS OUTSIDE INTERES TOTAL NET COSTS   | ****  |          | 1,1          |                  | 4,500                         | 0          | 5,60               |
| GRAND TOTAL  LESS OUTSIDE INTERES  TOTAL NET COSTS  |   |          |              | -                | 1,000                         |            | 3,00               |
| GRAND TOTAL  LESS OUTSIDE INTERES  TOTAL NET COSTS  | SUB-TOTAL TANGIBLE MATERIAL COSTS             |          | 13,4         | 00               | 159,000                       | 0          | 172,400            |
| LESS OUTSIDE INTERES TOTAL NET COSTS  | SUB-TOTAL INTANGIBLE COSTS (PAGE 1)           |          | 224,0        | 00               | 187,600                       | 0          | 411,600            |
| LESS OUTSIDE INTERES TOTAL NET COSTS  |   |          |              |                  |                               |            |                    |
| LESS OUTSIDE INTERES TOTAL NET COSTS  | GRAND TOTAL                                   |          | 237,4        | 00               | 346,600                       | 0          | 584,000            |
| TOTAL NET COSTS   |   |          | <del>_</del> | 0                | 0                             | 0          | Q                  |
|   |   |          | 237,4        | 00               | 346,600                       | 0          | 584,000            |
|   |   |          |              |                  |                               |            |                    |
|   |   | 1/20/    | Ι Γ          | 10               | PROSE ORIGINAL                |            |                    |
| PREPARED BY  GARY POULAIN   | Glf   | 1/30/0 E | -            |                  | ROSS ORIGINAL FE AMOUNT       |            | 584,000            |
| PREPARED BY BILL COPPOC   | _   | DATE     |              |                  | PACHE ORIGINAL IET AFE AMOUNT |            | 584,000            |
| APPROVED BY  JIM MCKINNEY   | COLL  | STUDY    |              | C. N             | IET ASSET TRANSFER            | s          |                    |

| PREPARED BY  | GARY POULAIN SLF     | 7730/0 t        |  |  |  |
|--|----------------------|-----------------|--|--|--|
|  | GART FOREAM 50       | DATE            |  |  |  |
| PREPARED BY  |                      |                 |  |  |  |
|  | BILL COPPOC          | DATE            |  |  |  |
| APPROVED BY  | JIM MCKINNEY         | STUDY<br>DATE   |  |  |  |
| APPROVED BY  | TIMWALL / We Jane    | S/o//ot<br>DATE |  |  |  |
| APPROVED BY  | ROB JOHNSTON         | 5/2/02.         |  |  |  |
| APPROVED BY  | RODNEY MYERS WILLIAM | 5/402<br>DATE   |  |  |  |
| Notice to Nonoperators: Costs shown on this form estimates only.  Nonoperators should not consider these estimates as establishing any limit on monies which will be required to perform the proposed operation. |                      |                 |  |  |  |

| A. GROSS ORIGINAL<br>AFE AMOUNT      | 584,000       |
|--------------------------------------|---------------|
| B. APACHE ORIGINAL<br>NET AFE AMOUNT | 584,000       |
| C. NET ASSET TRANSFERS               |               |
| D. (LINE B PLUS LINE C)              | 584,000       |
| E. GROSS SUPPLEMENTS                 | 0             |
| F. APACHE TOTAL NET<br>AFE AMOUNT    | 584,000       |
| IN BUDGET                            | NOT IN BUDGET |

| WORKING<br>INTEREST | APPROVED BY | DATE                 |
|---------------------|-------------|----------------------|
|                     |             | 5.(72                |
|                     |             |                      |
|                     |             |                      |
|                     |             |                      |
|                     |             |                      |
|                     |             |                      |
|                     |             |                      |
|                     | INTEREST    | INTEREST APPROVED BY |

| COMMENTS: |  |
|-----------|--|
|-----------|--|