

Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

CERTIFIED MAIL/RETURN RECEIPT #7001 1140 0002 4297 1405

July 3, 2002

**BWB Partners 1** P. O. Box 51407 Midland, Texas 79710

> Dayton Flyer #1 Township 18 South, Range 26 East Section 20: N/2 1,980' FNL & 1,980' FEL **Eddy County, New Mexico**

#### Gentlemen:

Concho Oil & Gas Corp. proposes the drilling of the Dayton Flyer #1 well as a 9,000' Morrow test at the captioned location under a unit comprised of the N/2 of Section 20, Township 18 South, Range 26 East, N.M.P.M. Enclosed is an Authority For Expenditure estimating the cost of our proposed operation. If you desire to participate in the drilling of this proposed well, please signify your election to participate by executing and returning one copy of the enclosed Authority For Expenditure to the letterhead address. If you desire to participate in the well we will furnish you with an Operating Agreement for your review and execution. Please call me if you have any questions.

> Michael M. Gray Senior Landman

enclosure MMG/tb:Dayton(11) O WATION DIVISION

CAULD OF THE STATE OF THE STATE

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>1. Article Addressed to:</li> <li>BWB FARTNERS 1 POBOX 51407 MIDLAND TX 79710</li> </ul>	A. Signature  X
MIDDAND IX 79710	3. Service Type  Certified Mail  Registered  Insured Mail  C.O.D.  Express Mail  C.O.D.
2. Artic 7001 1140 0002 4297 140	05

## CONCHO OIL & GAS CORP. AUTHORITY FOR EXPENDITU.

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton

LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM

1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' 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	20,000	2,000	22,000
DRILLING/COMPLETION OVERHEAD RATE	5,000	1,000	6,000
TURNKEY CONTRACT			0
FOOTAGE CONTRACT \$22.00/ft	198,000		198,000
DAYWORK-CONTRACT 4 days	13,000	13,000	26,000
FUEL & POWER			0 000
WATER BITS & REAMERS	20,000	3,000 1,000	23,000 1,000
MUD & CHEMICALS	30,000	1,000	30,000
DRILL STEM TEST	4,500		4,500
CORING & ANALYSIS		<del></del>	0
CEMENT SURFACE	6,000		6,000
CEMENT INTERMEDIATE			0
CEMENT PRODUCTION		13,000	13,000
CASING CREWS & EQUIPMENT		3,000	3,000
FISHING TOOLS & SERVICE	0.000	40.000	12,000
CONTRACT LABOR COMPANY SUPERVISION	2,000	10,000	3,000
CONTRACT SUPERVISION	2,000 14,000	1,000	20,000
TESTING CASING/TUBING	1,000	4,000	5,000
MUD LOGGING UNIT	6,000	7,000	6,000
LOGGING/WIRELINE SERVICES	13,000	3,000	16,000
PERFORATING		7,000	7,000
STIMULATION/TREATING		80,000	000,08
COMPLETION UNIT		14,000	14,000
RENTALS TRUCKING/FORKLIFT/RIG MOBILIZATION	8,000	3,000	11,000 3,500
WELDING SERVICES	1,500 1,000	<u>2,000</u> 500	1,500
FLOAT EQUIPMENT & CENTRALIZERS	1,000	1,500	2,500
MISCELLANEOUS	1,000	1,000	2,000
CONTINGENCY	35,400	16,900	52,300
TOTAL INTANGIBLES	389,400	185,900	575,300
TANGIBLE COSTS			
SURFACE CASING	12,000		12,000
1300°8 5/8" INTERMEDIATE CASING	<del></del>		
INTERMEDIATE CASING	<del></del>		
PRODUCTION CASING / LINER	<del></del>	45,000	45,000
9000' 4 1/2"	<del></del>		
TUBING 8800' 2 3/8" N-80	·	22,000	22,000
WELLHEAD EQUIPMENT	3,000	10,000	13,000
PUMPING UNIT			0
RODS			0
PUMPS	<del></del>	45,000	45 000
TANKS FLOWLINES	<del></del>	15,000 2,000	15,000 2,000
HEATER TREATER/SEPARATOR		17,000	17,000
ELECTRICAL SYSTEM			0
PACKERS/ANCHORS/HANGERS	<del></del>	6,000	6,000
COUPLINGS/FITTINGS/VALVES		10,000	10,000
GAS COMPRESSORS/METERS		2,000	2,000
MISCELLANEOUS	1,000	1,000	2,000
CONTINGENCY	1,600	13,000	14,600
TOTAL TANGIBLES	17,600	143,000	160,600
TOTAL WELL COSTS	407,000	328,900	735,900
PLUGGING COST			
TOTAL DRY HOLE			
(51/125/111/022			

By: Erick W. Nelson

Date Prepared: 6/24/02

We approve:

By:	
Name/Title:	
Date:	



Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

CERTIFIED MAIL/RETURN RECEIPT #7001 1140 0002 8295 7445

July 3, 2002

Earlene C. Tweedy Trust 812 East Fifth Street Roswell, New Mexico 88201

Dayton Flyer #1
Township 18 South, Range 26 East
Section 20: N/2
1,980' FNL & 1,980' FEL
Eddy County, New Mexico

#### Gentlemen:

Concho Oil & Gas Corp. proposes the drilling of the Dayton Flyer #1 well as a 9,000' Morrow test at the captioned location under a unit comprised of the N/2 of Section 20, Township 18 South, Range 26 East, N.M.P.M. Enclosed is an Authority For Expenditure estimating the cost of our proposed operation. If you desire to participate in the drilling of this proposed well, please signify your election to participate by executing and returning one copy of the enclosed Authority For Expenditure to the letterhead address. If you desire to participate in the well we will furnish you with an Operating Agreement for your review and execution. Please call me if you have any questions.

Yours truly,

Michael M. Gray Senior Landman

enclosure MMG/tb:Dayton(21)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>1. Article Addressed to:</li> <li>EARLENE C TWEEDY TRUST 812 EAST FIFTH STREET ROSWELL NM 88201</li> </ul>	A. Signature  X		
KOSWELL IVIII 00201	3. Service Type  ☐ Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.  4. Restricted Delivery? (Extra Fee) ☐ Yes/		
2. 7001 1140 0002 8295 7445			

CONCHO OIL & GAS CORP. **AUTHORITY FOR EXPENDITULE** WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well **INTANGIBLE COSTS** TOTAL **BCP** <u>ACP</u> TITLE/CURATIVE/PERMIT 1,000 1,000 DAMAGES/ROW 5,000 5,000 SURVEY/STAKE LOCATION 1,000 1,000 LOCATION/PITS/ROAD EXPENSE 20,000 2.000 22,000 DRILLING/COMPLETION OVERHEAD RATE 5,000 1,000 6.000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT \$22.00/ft 198,000 198,000 DAYWORK-CONTRACT 4 days 26,000 13,000 13,000 **FUEL & POWER** 0 WATER 23,000 20,000 3.000 **BITS & REAMERS** 1,000 1,000 **MUD & CHEMICALS** 30.000 30,000 DRILL STEM TEST 4,500 4,500 **CORING & ANALYSIS** ō **CEMENT SURFACE** 6,000 6,000 **CEMENT INTERMEDIATE** n CEMENT PRODUCTION 13,000 13.000 **CASING CREWS & EQUIPMENT** 3,000 3,000 FISHING TOOLS & SERVICE n 12,000 **CONTRACT LABOR** 2,000 10,000 COMPANY SUPERVISION 3,000 2,000 1,000 CONTRACT SUPERVISION 20,000 14,000 6,000 TESTING CASING/TUBING 5,000 1,000 4,000 MUD LOGGING UNIT 6,000 6,000 LOGGING/WIRELINE SERVICES 16,000 13,000 3,000 PERFORATING 7.000 7.000 STIMULATION/TREATING 80,000 80,000 COMPLETION UNIT 14,000 14.000 RENTALS 8,000 3,000 11,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 3,500 1,500 2,000 WELDING SERVICES 1,500 500 1.000 **FLOAT EQUIPMENT & CENTRALIZERS** 1,000 1,500 2,500 **MISCELLANEOUS** 1,000 2,000 1.000 52,300 CONTINGENCY 35,400 16,900 TOTAL INTANGIBLES 389,400 185,900 575,300 **TANGIBLE COSTS** SURFACE CASING 12,000

12,000 1300' 8 5/8" INTERMEDIATE CASING 0 PRODUCTION CASING / LINER 45,000 45,000 9000' 4 1/2' TUBING 8800' 2 3/8" N-80 22,000 22,000 WELLHEAD EQUIPMENT 3,000 10,000 13,000 **PUMPING UNIT** Ō RODS 0 PUMPS ō 15,000 **TANKS** 15,000 2,000 **FLOWLINES** 2,000 17,000 HEATER TREATER/SEPARATOR 17,000 0 **ELECTRICAL SYSTEM** PACKERS/ANCHORS/HANGERS 6,000 6,000 10,000 COUPLINGS/FITTINGS/VALVES 10,000 GAS COMPRESSORS/METERS 2,000 2,000 2,000 MISCELLANEOUS 1,000 1,000 14,600 CONTINGENCY 1,600 13,000 160,600 **TOTAL TANGIBLES** 17,600 143,000 407,000 TOTAL WELL COSTS 735,900 328.900

TOTAL DRY HOLE

Concho Oil & Gas Corp.

**PLUGGING COST** 

By: Erick W. Nelson

Date Prepared: 6/24/02

We approve:

#### EARLENE C. TWEEDY TRUST

Ву:
Name/Title:
Datas



Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

CERTIFIED MAIL/RETURN RECEIPT #7001 1140 0002 8295 7438

July 3, 2002

Nortex Corporation 1415 Louisiana Street, Suite 3100 Houston, Texas 77002

Dayton Flyer #1
Township 18 South, Range 26 East
Section 20: N/2
1,980' FNL & 1,980' FEL
Eddy County, New Mexico

#### Gentlemen:

Concho Oil & Gas Corp. proposes the drilling of the Dayton Flyer #1 well as a 9,000' Morrow test at the captioned location under a unit comprised of the N/2 of Section 20, Township 18 South, Range 26 East, N.M.P.M. Enclosed is an Authority For Expenditure estimating the cost of our proposed operation. If you desire to participate in the drilling of this proposed well, please signify your election to participate by executing and returning one copy of the enclosed Authority For Expenditure to the letterhead address. If you desire to participate in the well we will furnish you with an Operating Agreement for your review and execution. Please call me if you have any questions.

Muy

Yours truly

Michael M. Gray Senior Landman

enclosure MMG/tb:Dayton(20)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature  X	
Article Addressed to:	If YES, enter delivery address below:	
NORTEX CORPORATION 1415 LOUISIANA STREET SUITE 3100		
HOUSTON TX 77002	3. Service Type  Certified Mail	
	4. Restricted Delivery? (Extra Fee) ☐ Yes	
2. / 7001 1140 0002 8295 743	B 3 8 8 6 (	
PS Form 3811, August 2001 Domestic Re	turn Receipt 102595-01-M-2509	

CONCHO OIL & GAS CORP. **AUTHORITY FOR EXPENDITULE** WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well **INTANGIBLE COSTS** TOTAL **BCP ACP** TITLE/CURATIVE/PERMIT 1,000 1,000 DAMAGES/ROW 5,000 5,000 SURVEY/STAKE LOCATION 1,000 1,000 LOCATION/PITS/ROAD EXPENSE 2,000 22,000 20,000 DRILLING/COMPLETION OVERHEAD RATE 1,000 6,000 5,000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT 198,000 \$22.00/ft 198,000 DAYWORK-CONTRACT 4 days 26,000 13,000 13,000 0 **FUEL & POWER** WATER 23,000 20,000 3,000 BITS & REAMERS 1,000 1,000 MUD & CHEMICALS 30,000 30,000 DRILL STEM TEST 4,500 4,500 CORING & ANALYSIS Ω CEMENT SURFACE 6,000 6,000 CEMENT INTERMEDIATE 0 13,000 CEMENT PRODUCTION 13,000 CASING CREWS & EQUIPMENT 3,000 3,000 FISHING TOOLS & SERVICE O **CONTRACT LABOR** 12,000 2,000 10,000 3,000 COMPANY SUPERVISION 2,000 1,000 20,000 CONTRACT SUPERVISION 14,000 6,000 TESTING CASING/TUBING 1,000 4,000 5,000 MUD LOGGING UNIT 6,000 6.000 16,000 LOGGING/WIRELINE SERVICES 13,000 3,000 PERFORATING 7,000 7,000 STIMULATION/TREATING 80,000 80.000 **COMPLETION UNIT** 14,000 14,000 RENTALS 3,000 11,000 8:000 3.500 TRUCKING/FORKLIFT/RIG MOBILIZATION 1,500 2,000 **WELDING SERVICES** 1,500 1,000 500 FLOAT EQUIPMENT & CENTRALIZERS 2,500 1,500 1,000 MISCELLANEOUS 1,000 1,000 2,000 CONTINGENCY 35,400 16,900 52,300 **TOTAL INTANGIBLES** 575,300 389,400 185,900 **TANGIBLE COSTS** 12,000 SURFACE CASING 12,000 1300' 8 5/8" 0 INTERMEDIATE CASING 45,000 PRODUCTION CASING / LINER 45,000 9000' 4 1/2"

22,000 22,000 TUBING 8800' 2 3/8" N-80 13,000 WELLHEAD EQUIPMENT 3,000 10,000 **PUMPING UNIT** ō 0 RODS **PUMPS** 0 15,000 15,000 **TANKS FLOWLINES** 2,000 2.000 17,000 HEATER TREATER/SEPARATOR 17,000 0 **ELECTRICAL SYSTEM** 6,000 6,000 PACKERS/ANCHORS/HANGERS 10,000 10.000 COUPLINGS/FITTINGS/VALVES 2,000 2,000 GAS COMPRESSORS/METERS 2,000 1,000 MISCELLANEOUS 1,000 13,000 14,600 CONTINGENCY 1,600 160,600 143,000 **TOTAL TANGIBLES** 17,600 735,900 **TOTAL WELL COSTS** 407,000 328,900

PLUGGING COST
TOTAL DRY HOLE

Concho Oil & Gas Corp.

By: Erick W. Nelson

Date Prepared: 6/24/02

We approve:

#### **NORTEX CORPORATION**

Ву:		 	 
Name	:/Title:	 	 
Date.			



Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

CERTIFIED MAIL/RETURN RECEIPT #7001 1140 0002 8295 7421

July 3, 2002

McBride Oil & Gas Corporation P. O. Box 1515 Roswell, New Mexico 88202

Dayton Flyer #1
Township 18 South, Range 26 East
Section 20: N/2
1,980' FNL & 1,980' FEL
Eddy County, New Mexico

### Gentlemen:

Concho Oil & Gas Corp. proposes the drilling of the Dayton Flyer #1 well as a 9,000' Morrow test at the captioned location under a unit comprised of the N/2 of Section 20, Township 18 South, Range 26 East, N.M.P.M. Enclosed is an Authority For Expenditure estimating the cost of our proposed operation. If you desire to participate in the drilling of this the enclosed Authority For Expenditure to the letterhead address. If you desire to participate in the well we will furnish you with an Operating Agreement for your review and execution.

Yours truly,

Michael M. Gray Senior Landman

enclosure MMG/tb:Dayton(19)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
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•	☐ Certified Mail ☐ Expr <b>de</b> Mail ☐ Registered ☐ Return Recept for Merchandise ☐ Insured Mail ☐ O. ☐ Setting Reserved Fee ☐ Yes	
2. A		

CONCHO OIL & GAS CORP. AUTHORITY FOR EXPENDITURE WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton COUNTY & STATE: Eddy, NM LOCATION: Sec.20-T18S-R26E 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well TOTAL **INTANGIBLE COSTS** BCP **ACP** TITLE/CURATIVE/PERMIT 1,000 1,000 DAMAGES/ROW 5,000 5,000 SURVEY/STAKE LOCATION 1,000 1,000 LOCATION/PITS/ROAD EXPENSE 2.000 22,000 20,000 DRILLING/COMPLETION OVERHEAD RATE 1,000 6,000 5,000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT \$22.00/ft 198,000 198,000 DAYWORK-CONTRACT 4 days 26,000 13,000 13,000 **FUEL & POWER** n WATER 23,000 20,000 3.000 **BITS & REAMERS** 1.000 1,000 **MUD & CHEMICALS** 30,000 30,000 4,500 DRILL STEM TEST 4,500 **CORING & ANALYSIS** O **CEMENT SURFACE** 6,000 6,000 CEMENT INTERMEDIATE O CEMENT PRODUCTION 13,000 13.000 CASING CREWS & EQUIPMENT 3,000 3,000 **FISHING TOOLS & SERVICE** 0 CONTRACT LABOR 12,000 2,000 10,000 COMPANY SUPERVISION 2,000 1,000 3,000 20,000 CONTRACT SUPERVISION 14,000 6,000 TESTING CASING/TUBING 4,000 5,000 1.000 MUD LOGGING UNIT 6,000 6,000 LOGGING/WIRELINE SERVICES 13,000 3,000 16,000 PERFORATING 7,000 7,000 80,000 STIMULATION/TREATING 80,000 COMPLETION UNIT 14,000 14,000 RENTALS 11,000 3,000 8,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 1,500 2,000 3.500 1,500 WELDING SERVICES 1,000 500 2,500 FLOAT EQUIPMENT & CENTRALIZERS 1,000 1,500 MISCELLANEOUS 2,000 1,000 1,000 52,300 CONTINGENCY 35,400 16,900 **TOTAL INTANGIBLES** 185,900 575,300 389,400 **TANGIBLE COSTS** 12,000 SURFACE CASING 12,000 1300' 8 5/8" 0 INTERMEDIATE CASING 45,000 45,000 PRODUCTION CASING / LINER 9000' 4 1/2" 22,000 TUBING 8800' 2 3/8" N-80 22,000 13,000 WELLHEAD EQUIPMENT 10,000 3,000 **PUMPING UNIT** O 0 RODS ō PUMPS TANKS 15,000 15,000 2,000 2,000 **FLOWLINES** 17,000 HEATER TREATER/SEPARATOR 17,000 0 **ELECTRICAL SYSTEM** 6,000 6,000 PACKERS/ANCHORS/HANGERS 10,000 COUPLINGS/FITTINGS/VALVES 10,000

PLUGGING COST
TOTAL DRY HOLE

Concho Oil & Gas Corp.

GAS COMPRESSORS/METERS

**TOTAL WELL COSTS** 

TOTAL TANGIBLES

MISCELLANEOUS

CONTINGENCY

By: Erick W. Nelson

Date Prepared: 6/24/02

1,000 1,600

17.600

407,000

We approve:

McBRIDE	OIL &	<b>GAS</b>	CORPOR	NOTAL
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This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

2,000

1,000

13,000

143,000

328,900

2,000

2,000

14,600

160,600

735,900

By:	
Name/Title:	
Date:	



Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

CERTIFIED MAIL/RETURN RECEIPT #7001 1140 0002 8295 7414

July 3, 2002

Candace Good Jacobson Trust B c/o Ms. Candace Good Jacobson P. O. Box 2981 Ruidoso, New Mexico 88345

> Dayton Flyer #1 Township 18 South, Range 26 East Section 20: N/2 1,980' FNL & 1,980' FEL **Eddy County, New Mexico**

Dear Ms. Jacobson:

Concho Oil & Gas Corp. proposes the drilling of the Dayton Flyer #1 well as a 9,000' Morrow test at the captioned location under a unit comprised of the N/2 of Section 20, Township 18 South, Range 26 East, N.M.P.M. Enclosed is an Authority For Expenditure estimating the cost of our proposed operation. If you desire to participate in the drilling of this proposed well, please signify your election to participate by executing and returning one copy of the enclosed Authority For Expenditure to the letterhead address. If you desire to participate in the well we will furnish you with an Operating Agreement for your review and execution. Please call me if you have any questions.

Yours truly,

Michael M. Grav Senior Landman

enclosure MMG/tb:Dayton(18)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
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RUIDOSO NM 88345	3. Seprice Type  Certified Mail Registered Return Receipt for Merchandise C.O.D.  4. Restricted Delivery? (Extra Fee)
7001 1140 0002 8295 7414	
DO Come 2011 Avenue 0001	Topint 100505 01 M 0500

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton COUNTY & STATE: Eddy, NM LOCATION: Sec.20-T18S-R26E 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well **INTANGIBLE COSTS BCP** ACP **TOTAL** TITLE/CURATIVE/PERMIT 1,000 1,000 5,000 DAMAGES/ROW 5,000 SURVEY/STAKE LOCATION 1,000 1,000 LOCATION/PITS/ROAD EXPENSE 20,000 2,000 22,000 DRILLING/COMPLETION OVERHEAD RATE 6,000 1,000 5,000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT \$22.00/ft 198,000 198,000 DAYWORK-CONTRACT 4 days 13,000 26,000 13,000 **FUEL & POWER** WATER 20,000 3,000 23,000 **BITS & REAMERS** 1,000 1,000 **MUD & CHEMICALS** 30,000 30,000 DRILL STEM TEST 4,500 4,500 **CORING & ANALYSIS** n CEMENT SURFACE 6,000 6,000 **CEMENT INTERMEDIATE** 0 13,000 CEMENT PRODUCTION 13.000 3,000 **CASING CREWS & EQUIPMENT** 3,000 **FISHING TOOLS & SERVICE** 12,000 **CONTRACT LABOR** 2,000 10,000 COMPANY SUPERVISION 2,000 1,000 3,000 20,000 CONTRACT SUPERVISION 14,000 6,000 TESTING CASING/TUBING 1,000 4,000 5,000 6,000 MUD LOGGING UNIT 6,000 LOGGING/WIRELINE SERVICES 13,000 3,000 16,000 7,000 PERFORATING 7,000 STIMULATION/TREATING 80,000 80,000 COMPLETION UNIT 14,000 14,000 11,000 RENTALS 8,000 3,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 1,500 2,000 3,500 1,500 **WELDING SERVICES** 1,000 500 FLOAT EQUIPMENT & CENTRALIZERS 1,500 2,500 1,000 2,000 MISCELLANEOUS 1,000 1,000 CONTINGENCY 16,900 52,300 35,400 TOTAL INTANGIBLES 185,900 575,300 389,400 TANGIBLE COSTS 12,000 **SURFACE CASING** 12,000 1300' 8 5/8" INTERMEDIATE CASING 0 45,000 45,000 PRODUCTION CASING / LINER 9000' 4 1/2" 22,000 TUBING 8800' 2 3/8" N-80 22,000 13,000 WELLHEAD EQUIPMENT 3,000 10,000 0 **PUMPING UNIT** 0 RODS 0 PUMPS 15,000 TANKS 15.000 2,000 **FLOWLINES** 2,000 17,000 17,000 HEATER TREATER/SEPARATOR 0 **ELECTRICAL SYSTEM** 6,000 PACKERS/ANCHORS/HANGERS 6,000 10,000 COUPLINGS/FITTINGS/VALVES 10.000 2,000 GAS COMPRESSORS/METERS 2,000 1,000 2,000 MISCELLANEOUS 1,000 13,000 14,600 CONTINGENCY 1,600 160,600 143,000 **TOTAL TANGIBLES** 17,600 735,900 **TOTAL WELL COSTS** 407,000 328,900 **PLUGGING COST TOTAL DRY HOLE** Concho Oil & Gas Corp. By: Erick W. Nelson Date Prepared: 6/24/02

We approve:

#### CANDACE GOOD JACOBSON TRUST B

Ву:	
Name/Title:	
D-ta.	



Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

CERTIFIED MAIL/RETURN RECEIPT #7001 1140 0002 4297 1467

July 3, 2002

Candace Good Jacobson Trust A c/o Ms. Candace Good Jacobson P. O. Box 2981 Ruidoso, New Mexico 88345

Dayton Flyer #1
Township 18 South, Range 26 East
Section 20: N/2
1,980' FNL & 1,980' FEL
Eddy County, New Mexico

Dear Ms. Jacobson:

Concho Oil & Gas Corp. proposes the drilling of the Dayton Flyer #1 well as a 9,000' Morrow test at the captioned location under a unit comprised of the N/2 of Section 20, Township 18 South, Range 26 East, N.M.P.M. Enclosed is an Authority For Expenditure estimating the cost of our proposed operation. If you desire to participate in the drilling of this proposed well, please signify your election to participate by executing and returning one copy of the enclosed Authority For Expenditure to the letterhead address. If you desire to participate in the well we will furnish you with an Operating Agreement for your review and execution. Please call me if you have any questions.

Míchael M. Gray Senior Landman

enclosure MMG/tb:Dayton(17)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3. Also complete item 4 it Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Article Addressed to:</li> <li>CANDACE GOOD JACOBSON TRUST A C/O CANDACE GOOD JACOBSON P O BOX 2981</li> </ul>	A. Signature  Agent Addressee  B. Raceivad by (Rrinted Name)  C. Date of Delivery  C. Date of Delivery  D. Is delivery address different from item 1?  Yes  If YES, enter delivery address below:  No
RUIDOSO NM 88345	3. Service Type  Certified Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.  Restricted Delivery? (Extra Fee)
2. Ar	
(L) 1007 7740 0005 4575 746	?

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well **INTANGIBLE COSTS BCP ACP** TOTAL TITLE/CURATIVE/PERMIT 1,000 1,000 DAMAGES/ROW 5,000 5,000 1,000 1,000 SURVEY/STAKE LOCATION LOCATION/PITS/ROAD EXPENSE 20,000 2,000 22,000 DRILLING/COMPLETION OVERHEAD RATE 6,000 1,000 5,000 TURNKEY CONTRACT n FOOTAGE CONTRACT \$22.00/ft 198,000 198,000 DAYWORK-CONTRACT 4 days 13,000 26,000 13,000 **FUEL & POWER** WATER 23,000 20,000 3,000 BITS & REAMERS 1,000 1,000 **MUD & CHEMICALS** 30,000 30,000 DRILL STEM TEST 4,500 4,500 **CORING & ANALYSIS** 0 **CEMENT SURFACE** 6,000 6,000 CEMENT INTERMEDIATE 0 CEMENT PRODUCTION 13,000 13,000 CASING CREWS & EQUIPMENT 3,000 3,000 **FISHING TOOLS & SERVICE** 0 **CONTRACT LABOR** 12,000 2,000 10,000 COMPANY SUPERVISION 3,000 2,000 1.000 CONTRACT SUPERVISION 20,000 14,000 6,000 **TESTING CASING/TUBING** 5.000 4.000 1,000 MUD LOGGING UNIT 6,000 6,000 LOGGING/WIRELINE SERVICES 13,000 3.000 16,000 PERFORATING 7,000 7.000 STIMULATION/TREATING 80,000 80,000 14,000 COMPLETION UNIT 14.000 RENTALS 11,000 8,000 3,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 3.500 1,500 2.000 **WELDING SERVICES** 1,000 500 1,500 **FLOAT EQUIPMENT & CENTRALIZERS** 2,500 1,500 1.000 MISCELLANEOUS 1,000 1,000 2,000 CONTINGENCY 16,900 52,300 35,400 **TOTAL INTANGIBLES** 575,300 389,400 185,900 TANGIBLE COSTS SURFACE CASING 12,000 12,000 1300' 8 5/8" INTERMEDIATE CASING ō PRODUCTION CASING / LINER 45,000 45,000 9000' 4 1/2" 22,000 TUBING 8800' 2 3/8" N-80 22,000 WELLHEAD EQUIPMENT 13,000 3,000 10,000 PUMPING UNIT 0 RODS 0 **PUMPS** 0 **TANKS** 15,000 15,000 2,000 **FLOWLINES** 2,000 17,000 HEATER TREATER/SEPARATOR 17,000 **ELECTRICAL SYSTEM** n PACKERS/ANCHORS/HANGERS 6,000 6,000 COUPLINGS/FITTINGS/VALVES 10,000 10,000 GAS COMPRESSORS/METERS 2,000 2,000 **MISCELLANEOUS** 1,000 1,000 2,000 13,000 CONTINGENCY 1,600 14,600 **TOTAL TANGIBLES** 17,600 143,000 160,600 **TOTAL WELL COSTS** 328,900 735,900 407,000 **PLUGGING COST** TOTAL DRY HOLE Concho Oil & Gas Corp. By: Erick W. Nelson Date Prepared: 6/24/02

We approve:

#### CANDACE GOOD JACOBSON TRUST A

By:	 		
Name/Title:			_
Date	 	 	



Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

CERTIFIED MAIL/RETURN RECEIPT #7001 1140 0002 4297 1450

July 3, 2002

Myrl Sawyer Good 2609 Coronado Drive Roswell, New Mexico 88202

> Dayton Flyer #1 **Township 18 South, Range 26 East** Section 20: N/2 1,980' FNL & 1,980' FEL **Eddy County, New Mexico**

Dear Mr. Good:

Concho Oil & Gas Corp. proposes the drilling of the Dayton Flyer #1 well as a 9,000' Morrow test at the captioned location under a unit comprised of the N/2 of Section 20, Township 18 South, Range 26 East, N.M.P.M. Enclosed is an Authority For Expenditure estimating the cost of our proposed operation. If you desire to participate in the drilling of this proposed well, please signify your election to participate by executing and returning one copy of the enclosed Authority For Expenditure to the letterhead address. If you desire to participate in the well we will furnish you with an Operating Agreement for your review and execution. Please call me if you have any questions.

Yours truly,

Michael M. Gray Senior Landman

enclosure MMG/tb:Dayton(16)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature  X
1. Article Addressed to:	D. Is delivery address different from item 1?
MYRL SAWYER GOOD 2609 CORONADO DRIVE ROSWELL NM 88201	
	3. Service Type ☐ Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.
	4. Restricted Delivery? (Extra Fee)
2. Art 7001 1140 0002 4297 14	+50
PS Form 3811 August 2001 Domestic F	Return Receipt 102595-01-M-25

### CONCHO OIL & GAS CORP. AUTHORITY FOR EXPENDITU

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well **INTANGIBLE COSTS** TOTAL **BCP** <u>ACP</u> TITLE/CURATIVE/PERMIT 1,000 1,000 DAMAGES/ROW 5,000 5,000 SURVEY/STAKE LOCATION 1,000 1,000 LOCATION/PITS/ROAD EXPENSE 20,000 2,000 22,000 DRILLING/COMPLETION OVERHEAD RATE 5,000 1,000 6,000 **TURNKEY CONTRACT** 0 FOOTAGE CONTRACT \$22.00/ft 198,000 198,000 DAYWORK-CONTRACT 4 days 26,000 13,000 13.000 **FUEL & POWER** 0 WATER 23,000 20,000 3,000 **BITS & REAMERS** 1,000 1,000 **MUD & CHEMICALS** 30,000 30,000 DRILL STEM TEST 4,500 4,500 **CORING & ANALYSIS** 0 **CEMENT SURFACE** 6,000 6,000 CEMENT INTERMEDIATE 0 CEMENT PRODUCTION 13,000 13,000 **CASING CREWS & EQUIPMENT** 3,000 3,000 **FISHING TOOLS & SERVICE** 0 CONTRACT LABOR 2,000 10,000 12,000 COMPANY SUPERVISION 2,000 1,000 3,000 CONTRACT SUPERVISION 20,000 6.000 14,000 TESTING CASING/TUBING 1,000 4,000 5,000 MUD LOGGING UNIT 6,000 6.000 LOGGING/WIRELINE SERVICES 13,000 3,000 16,000 **PERFORATING** 7,000 7,000 STIMULATION/TREATING 80,000 80.000 COMPLETION UNIT 14,000 14,000 RENTALS 8,000 3.000 11.000 TRUCKING/FORKLIFT/RIG MOBILIZATION 3,500 1,500 2,000 **WELDING SERVICES** 1.500 1,000 500 FLOAT EQUIPMENT & CENTRALIZERS 2,500 1,000 1,500 MISCELLANEOUS 2,000 1.000 1,000 CONTINGENCY 52,300 35,400 16,900 TOTAL INTANGIBLES 575,300 389,400 185,900 **TANGIBLE COSTS** SURFACE CASING 12,000 12.000 1300' 8 5/8" INTERMEDIATE CASING 0 PRODUCTION CASING / LINER 45,000 45,000 9000' 4 1/2" 22,000 TUBING 8800' 2 3/8" N-80 22,000 13,000 WELLHEAD EQUIPMENT 10.000 3,000 **PUMPING UNIT** 0 0 RODS **PUMPS** 0 **TANKS** 15,000 15,000 **FLOWLINES** 2,000 2,000 17,000 HEATER TREATER/SEPARATOR 17,000 **ELECTRICAL SYSTEM** 0 6,000 PACKERS/ANCHORS/HANGERS 6,000 COUPLINGS/FITTINGS/VALVES 10,000 10.000 GAS COMPRESSORS/METERS 2,000 2.000 MISCELLANEOUS 1,000 1,000 2,000 13,000 14,600 CONTINGENCY 1,600 **TOTAL TANGIBLES** 17,600 143,000 160,600 735,900 **TOTAL WELL COSTS** 407,000 328,900 **PLUGGING COST** TOTAL DRY HOLE Concho Oil & Gas Corp. By: Erick W. Nelson Date Prepared: 6/24/02

We approve:

**MYRL SAWYER GOOD** 

By:
Date



Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

CERTIFIED MAIL/RETURN RECEIPT #7001 1140 0002 4297 1443

July 3, 2002

H. F. Glover Estate c/o Mr. Raymond Harris 1 Stephens Circle Roswell, New Mexico 88201

Dayton Flyer #1
Township 18 South, Range 26 East
Section 20: N/2
1,980' FNL & 1,980' FEL
Eddy County, New Mexico

#### Gentlemen:

Concho Oil & Gas Corp. proposes the drilling of the Dayton Flyer #1 well as a 9,000' Morrow test at the captioned location under a unit comprised of the N/2 of Section 20, Township 18 South, Range 26 East, N.M.P.M. Enclosed is an Authority For Expenditure estimating the cost of our proposed operation. If you desire to participate in the drilling of this proposed well, please signify your election to participate by executing and returning one copy of the enclosed Authority For Expenditure to the letterhead address. If you desire to participate in the well we will furnish you with an Operating Agreement for your review and execution. Please call me if you have any questions.

Yourg truly,

Michael M. Gray

Senior Landman

enclosure MMG/tb:Dayton(15)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Réstricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature  X Agent Addressee  B. Received by (Printed Name) C. Date of Delivery
Article Addressed to:	D. s delivery eddress different from item 17
H F GLOVER ESTATE	
Ç/O RAYMOND HARRIS INSTEPHENS CIRCLE	
ROSWELL NM 88201	3. Serviće Type
	☐ Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.
, 	4. Restricted Delivery? (Extra Fee)
2. Article N 7001 1140 0002 4297	<u> 1</u> 443

## CONCHO OIL & GAS CORPAUTHORITY FOR EXPENDITURE

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton COUNTY & STATE: Eddy, NM LOCATION: Sec.20-T18S-R26E 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well **BCP INTANGIBLE COSTS** TOTAL ACP TITLE/CURATIVE/PERMIT 1.000 1,000 DAMAGES/ROW 5,000 5,000 1.000 SURVEY/STAKE LOCATION 1,000 LOCATION/PITS/ROAD EXPENSE 20,000 2,000 22,000 DRILLING/COMPLETION OVERHEAD RATE 1,000 6.000 5,000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT \$22.00/ft 198,000 198.000 DAYWORK-CONTRACT 4 days 13,000 13,000 26,000 **FUEL & POWER** 23.000 WATER 20,000 3.000 BITS & REAMERS 1,000 1,000 30,000 MUD & CHEMICALS 30.000 DRILL STEM TEST 4,500 4,500 **CORING & ANALYSIS** 6,000 **CEMENT SURFACE** 6,000 CEMENT INTERMEDIATE ō CEMENT PRODUCTION 13.000 13,000 **CASING CREWS & EQUIPMENT** 3,000 3,000 **FISHING TOOLS & SERVICE** ō **CONTRACT LABOR** 2,000 10,000 12,000 COMPANY SUPERVISION 3,000 1,000 2,000 CONTRACT SUPERVISION 6,000 20,000 14,000 **TESTING CASING/TUBING** 4,000 5,000 1,000 MUD LOGGING UNIT 6,000 6,000 LOGGING/WIRELINE SERVICES 13,000 16,000 3.000 7,000 **PERFORATING** 7,000 STIMULATION/TREATING 80,000 80,000 COMPLETION UNIT 14,000 14,000 RENTALS 3,000 11,000 8,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 2,000 3,500 1.500 WELDING SERVICES 1,000 500 1,500 **FLOAT EQUIPMENT & CENTRALIZERS** 2,500 1,000 1,500 2.000 MISCELLANEOUS 1,000 1,000 CONTINGENCY 35,400 16,900 52,300 **TOTAL INTANGIBLES** 185,900 575,300 389.400 **TANGIBLE COSTS** SURFACE CASING 12,000 12,000 1300' 8 5/8" 0 INTERMEDIATE CASING 45,000 PRODUCTION CASING / LINER 45,000 9000' 4 1/2" 22,000 TUBING 8800' 2 3/8" N-80 22,000 13,000 WELLHEAD EQUIPMENT 10,000 3,000 **PUMPING UNIT** 0 0 RODS PUMPS 0 TANKS 15,000 15,000 **FLOWLINES** 2,000 2,000 17,000 17,000 HEATER TREATER/SEPARATOR **ELECTRICAL SYSTEM** n PACKERS/ANCHORS/HANGERS 6,000 6.000 COUPLINGS/FITTINGS/VALVES 10,000 10,000 2,000 GAS COMPRESSORS/METERS 2,000 2,000 **MISCELLANEOUS** 1,000 1,000 14,600 CONTINGENCY 1,600 13,000 **TOTAL TANGIBLES** 143,000 160,600 17,600 **TOTAL WELL COSTS** 328,900 735,900 407,000 PLUGGING COST **TOTAL DRY HOLE** Concho Oil & Gas Corp. By: Erick W. Nelson Date Prepared: 6/24/02

We approve:

#### H. F. GLOVER ESTATE

By:	 	
Name/Title:	 	
Date:		



Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

## CERTIFIED MAIL/RETURN RECEIPT #7001 1140 0002 4297 1436

July 3, 2002

FISCO, Inc. P. O. Box 1518 Roswell, New Mexico 88201

> Dayton Flyer #1 Township 18 South, Range 26 East Section 20: N/2 1,980' FNL & 1,980' FEL **Eddy County, New Mexico**

#### Gentlemen:

Concho Oil & Gas Corp. proposes the drilling of the Dayton Flyer #1 well as a 9,000' Morrow test at the captioned location under a unit comprised of the N/2 of Section 20, Township 18 South, Range 26 East, N.M.P.M. Enclosed is an Authority For Expenditure estimating the cost of our proposed operation. If you desire to participate in the drilling of this proposed well, please signify your election to participate by executing and returning one copy of the enclosed Authority For Expenditure to the letterhead address. If you desire to participate in the well we will furnish you with an Operating Agreement for your review and execution.

Yours/truly,

Michael M. Gray Senior Landman

enclosure MMG/tb:Dayton(14)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY,
<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Article Addressed to:</li> <li>FISCO INC</li> <li>POBOX 1518</li> </ul>	A. Signature  A. Signature  Addressee  B. Received by (Printed Name)  C. Date of Delivery  7-8-6-6-6  D. Is delivery address different from item 1?  Yes  If YES, enter delivery address below:  No
ROSWELL NM 88201	3. Service Type  Certified Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.  4. Restricted Delivery? (Extra Fee)
<sup>2</sup> <b>7001 1</b> 140 0002 4297 1436	
20.5 0011 1 10001 2 110.	10000 A M 0500

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well TOTAL **INTANGIBLE COSTS BCP ACP** TITLE/CURATIVE/PERMIT 1,000 1,000 DAMAGES/ROW 5.000 5,000 1,000 SURVEY/STAKE LOCATION 1,000 20,000 22,000 LOCATION/PITS/ROAD EXPENSE 2,000 DRILLING/COMPLETION OVERHEAD RATE 5,000 1,000 6,000 0 **TURNKEY CONTRACT** FOOTAGE CONTRACT \$22.00/ft 198,000 198,000 DAYWORK-CONTRACT 4 days 13,000 13,000 26,000 **FUEL & POWER** 0 WATER 23,000 20,000 3,000 1,000 BITS & REAMERS 1,000 **MUD & CHEMICALS** 30,000 30,000 DRILL STEM TEST 4,500 4,500 **CORING & ANALYSIS** Ö CEMENT SURFACE 6,000 6,000 **CEMENT INTERMEDIATE** n CEMENT PRODUCTION 13,000 13,000 **CASING CREWS & EQUIPMENT** 3,000 3,000 O FISHING TOOLS & SERVICE 12,000 **CONTRACT LABOR** 2,000 10,000 3,000 COMPANY SUPERVISION 2,000 1.000 20,000 **CONTRACT SUPERVISION** 14,000 6,000 5,000 TESTING CASING/TUBING 1,000 4,000 6.000 MUD LOGGING UNIT 6,000 LOGGING/WIRELINE SERVICES 16,000 13,000 3,000 PERFORATING 7,000 7,000 STIMULATION/TREATING 80,000 80.000 14,000 COMPLETION UNIT 14,000 11,000 RENTALS 8,000 3,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 3,500 1,500 2,000 **WELDING SERVICES** 1,500 500 1,000 FLOAT EQUIPMENT & CENTRALIZERS 1,500 2,500 1,000 MISCELLANEOUS 1,000 1,000 2,000 CONTINGENCY 35,400 16,900 52,300 575,300 TOTAL INTANGIBLES 389,400 185,900 **TANGIBLE COSTS** 12,000 SURFACE CASING 12,000 1300' 8 5/8" ō INTERMEDIATE CASING PRODUCTION CASING / LINER 45,000 45,000 9000' 4 1/2" TUBING 8800' 2 3/8" N-80 22,000 22,000 WELLHEAD EQUIPMENT 3,000 10,000 13,000 **PUMPING UNIT** Ō RODS 0 PUMPS 0 15,000 **TANKS** 15,000 **FLOWLINES** 2,000 2,000 HEATER TREATER/SEPARATOR 17,000 17,000 **ELECTRICAL SYSTEM** 0 6,000 PACKERS/ANCHORS/HANGERS 6,000 10.000 COUPLINGS/FITTINGS/VALVES 10,000 2,000 GAS COMPRESSORS/METERS 2,000 2,000 MISCELLANEOUS 1,000 1,000 13,000 14,600 CONTINGENCY 1,600 **TOTAL TANGIBLES** 160,600 143,000 17,600 **TOTAL WELL COSTS** 735,900 407,000 328,900 **PLUGGING COST** TOTAL DRY HOLE Concho Oil & Gas Corp. By: Erick W. Nelson Date Prepared: 6/24/02

We approve:

FISCO INC.

Ву:	
Name/Title:	
Datas	



Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

CERTIFIED MAIL/RETURN RECEIPT #7001 1140 0002 4297 1429

July 3, 2002

Eastland Exploration, Inc. P. O. Box 3488 Midland, Texas 79702

Dayton Flyer #1
Township 18 South, Range 26 East
Section 20: N/2
1,980' FNL & 1,980' FEL
Eddy County, New Mexico

#### Gentlemen:

Concho Oil & Gas Corp. proposes the drilling of the Dayton Flyer #1 well as a 9,000' Morrow test at the captioned location under a unit comprised of the N/2 of Section 20, Township 18 South, Range 26 East, N.M.P.M. Enclosed is an Authority For Expenditure estimating the cost of our proposed operation. If you desire to participate in the drilling of this proposed well, please signify your election to participate by executing and returning one copy of the enclosed Authority For Expenditure to the letterhead address. If you desire to participate in the well we will furnish you with an Operating Agreement for your review and execution. Please call me if you have any questions.

Yours truly

Michael M. Gray Senior Landman

enclosure MMG/tb:Dayton(13)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 22; and 3. Also complete item 4 if Restricted Delivery is desired.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.  1. Azicle Addressed to:  EASTLAND EXPLORATION INC POBOX 3488	A. Signature  Agent Addressee B. Received by (Printed Name) C. Date of Delivery  T-8-02  D. Is delivery address different from item 1? Yes If YES, enter delivery address below:
MIDLAND TX 79702	3. Service Type  Certified Mail
<sup>2.</sup> 7001 1140 0002 4297 1429	

## CONCHO OIL & GAS CORP. AUTHORITY FOR EXPENDITUL.

WELL NAME: Dayton Flyer #1	PROSPECTINAL		
LOCATION: Sec.20-T18S-R26E	COUNTY & STA		
1980' FNL & 1980' FEL	OBJECTIVE: D&	C 9000' Morrow well	
NITTANOIS I COOTO			<b>2021</b>
INTANGIBLE COSTS	<u>BCP</u>	<u>ACP</u>	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	20,000	2,000	22,000
DRILLING/COMPLETION OVERHEAD RATE	5,000	1,000	6,000
TURNKEY CONTRACT			0
FOOTAGE CONTRACT \$22.00/ft	198,000	10.000	198,000 26,000
DAYWORK-CONTRACT 4 days FUEL & POWER	13,000	13,000	20,000
WATER	20,000	3,000	23,000
BITS & REAMERS	20,000	1,000	1,000
MUD & CHEMICALS	30,000	1,000	30,000
DRILL STEM TEST	4,500		4,500
CORING & ANALYSIS	<del></del>	<del></del>	0
CEMENT SURFACE	6,000		6,000
CEMENT INTERMEDIATE			0
CEMENT PRODUCTION		13,000	13,000
CASING CREWS & EQUIPMENT		3,000	3,000
FISHING TOOLS & SERVICE			0
CONTRACT LABOR	2,000	10,000	12,000
COMPANY SUPERVISION	2,000	1,000	3,000
CONTRACT SUPERVISION	14,000	6,000	20,000
TESTING CASING/TUBING MUD LOGGING UNIT	1,000	4,000	5,000
LOGGING/WIRELINE SERVICES	6,000	3,000	16,000
PERFORATING	13,000	7,000	7,000
STIMULATION/TREATING	<del></del>	80,000	80,000
COMPLETION UNIT	•	14,000	14,000
RENTALS	8,000	3,000	11,000
TRUCKING/FORKLIFT/RIG MOBILIZATION	1,500	2,000	3,500
WELDING SERVICES	1,000	500	1,500
FLOAT EQUIPMENT & CENTRALIZERS	1,000	1,500	2,500
MISCELLANEOUS	1,000	1,000	2,000
CONTINGENCY	35,400	16,900	52,300
TOTAL INTANGIBLES	389,400	185,900	575,300
TANCIDI E COCTO			
TANGIBLE COSTS SURFACE CASING	40.000		12,000
1300°8 5/8"	12,000		12,000
INTERMEDIATE CASING			
THE PARTY OF COMMO			
PRODUCTION CASING / LINER		45,000	45,000
9000' 4 1/2"			
TUBING 8800' 2 3/8" N-80	<del></del>	22,000	22,000
WELLHEAD EQUIPMENT	3,000	10,000	13,000
PUMPING UNIT			
RODS			
PUMPS			(
TANKS		15,000	15,000
FLOWLINES	<del></del>	2,000	2,000
HEATER TREATER/SEPARATOR	<del></del>	17,000	17,000
PACKERS/ANCHORS/HANGERS		6,000	6,000
COUPLINGS/FITTINGS/VALVES		10,000	10,000
GAS COMPRESSORS/METERS	<del></del>	2,000	2,00
MISCELLANEOUS	1,000	1,000	2,00
CONTINGENCY	1,600	13,000	14,60
TOTAL TANGIBLES	17,600	143,000	160,60
TOTAL WELL COSTS	407,000	328,900	735,90
			<del></del>
PLUGGING COST			
TOTAL DRY HOLE			
	,		
Concho Oil & Gas Corp.	•		
By: Erick W. Nelson	0-4-5	20	
By: Erick W. Nelson	Date Prepared: 6/24/0	JZ	
- (			

We approve:

EASTLAND EXPLORATION, INC.

By:	
Name/Title:	
Date:	

RECEIVED

AUG 2 1 2007

#### EASTLAND EXPLORATION, INC.

P.O. Box 5279 Austin, TX 78763 (512) 480-8058 (512) 480-8059 fax

August 19, 2002

Michael M. Gray Conco Oil and Gas Corp. 110 W. Louisiana, Suite 410 Midland, TX 79701

Re: Dayton Flyer #1, Eddy Co., NM

Mr. Gray:

Thank you for your letter and AFE concerning the referenced. As I mentioned, please let us know when you are ready to move forward. I think we would consider joining or farming out, so if you want to forward and proposed Operating Agreement and a proposed Farmout Agreement, we will get back to you.

I can be reached more directly at the letterhead address rather than the one previously used.

Regards,

Thomas A. Sikes

Vice President



Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

CERTIFIED MAIL/RETURN RECEIPT #7001 1140 0002 4297 1412

July 3, 2002

Eastland Oil Company P. O. Box 3488 Midland, Texas 79702

> Dayton Fiyer #1 **Township 18 South, Range 26 East** Section 20: N/2 1,980' FNL & 1,980' FEL **Eddy County, New Mexico**

#### Gentlemen:

Concho Oil & Gas Corp. proposes the drilling of the Dayton Flyer #1 well as a 9,000' Morrow test at the captioned location under a unit comprised of the N/2 of Section 20, Township 18 South, Range 26 East, N.M.P.M. Enclosed is an Authority For Expenditure estimating the cost of our proposed operation. If you desire to participate in the drilling of this proposed well, please signify your election to participate by executing and returning one copy of the enclosed Authority For Expenditure to the letterhead address. If you desire to participate in the well we will furnish you with an Operating Agreement for your review and execution. Please call me if you have any questions.

> Michael M. Gray Senior Landman

enclosure MMG/tb:Dayton(12)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1,2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>1. Article Addressed to:</li> <li>EASTLAND OIL COMPANY P O BOX 3488</li> <li>MIDLAND TX 79702</li> </ul>	A. Signature  X. Sale, Elliot
WIDDAND IX 19102	3. Service Type  ☐ Certified Mail ☐ Express Mail ☐ Registered ☐ Feturn Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.  4. Restricted Delivery? (Extra Fee) ☐ Yes
2 Article Number 7001 1140 0002 4297 1412	
PS Form 3811. August 2001 Domestic R	leturn Receipt 102595-01-M-2509

### CONCHO OIL & GAS CORP AUTHORITY FOR EXPENDITU

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well **INTANGIBLE COSTS** ACP **TOTAL BCP** 1,000 TITLE/CURATIVE/PERMIT 1,000 DAMAGES/ROW 5,000 5,000 1,000 SURVEY/STAKE LOCATION 1,000 22,000 LOCATION/PITS/ROAD EXPENSE 2,000 20,000 DRILLING/COMPLETION OVERHEAD RATE 1,000 6.000 5,000 TURNKEY CONTRACT n FOOTAGE CONTRACT \$22.00/ft 198,000 198,000 DAYWORK-CONTRACT 4 days 13,000 13,000 26,000 **FUEL & POWER** 0 WATER 20,000 3,000 23,000 BITS & REAMERS 1,000 1,000 30,000 **MUD & CHEMICALS** 30,000 DRILL STEM TEST 4,500 4,500 ō **CORING & ANALYSIS CEMENT SURFACE** 6,000 6,000 CEMENT INTERMEDIATE 0 13,000 **CEMENT PRODUCTION** 13,000 3,000 **CASING CREWS & EQUIPMENT** 3.000 ō **FISHING TOOLS & SERVICE** 12,000 CONTRACT LABOR 2,000 10,000 3,000 COMPANY SUPERVISION 2,000 1,000 20,000 CONTRACT SUPERVISION 14.000 6.000 5,000 **TESTING CASING/TUBING** 1,000 4,000 6,000 MUD LOGGING UNIT 6.000 LOGGING/WIRELINE SERVICES 3,000 16,000 13,000 7,000 PERFORATING 7,000 80,000 80.000 STIMULATION/TREATING COMPLETION UNIT 14,000 14,000 8,000 3,000 11,000 RENTALS TRUCKING/FORKLIFT/RIG MOBILIZATION 3.500 1,500 2.000 WELDING SERVICES 1,000 500 1,500 2,500 FLOAT EQUIPMENT & CENTRALIZERS 1,500 1,000 2,000 MISCELLANEOUS 1,000 1,000 52,300 CONTINGENCY 16,900 35,400 575,300 **TOTAL INTANGIBLES** 389,400 185,900 **TANGIBLE COSTS** SURFACE CASING 12,000 12,000 1300 8 5/8" ō INTERMEDIATE CASING PRODUCTION CASING / LINER 45,000 45,000 9000' 4 1/2" TUBING 8800' 2 3/8" N-80 22,000 22,000 13,000 WELLHEAD EQUIPMENT 10,000 3.000 **PUMPING UNIT** n 0 RODS ō PUMPS 15,000 15,000 2,000 FLOWLINES 2.000 17,000 **HEATER TREATER/SEPARATOR** 17,000 **ELECTRICAL SYSTEM** 0 6,000 PACKERS/ANCHORS/HANGERS 6,000 COUPLINGS/FITTINGS/VALVES 10,000 10,000 GAS COMPRESSORS/METERS 2,000 2,000 2,000 MISCELLANEOUS 1,000 1.000 CONTINGENCY 1,600 13,000 14,600 **TOTAL TANGIBLES** 143,000 160,600 17,600 **TOTAL WELL COSTS** 407,000 328,900 735,900 **PLUGGING COST TOTAL DRY HOLE** Concho Oil & Gas Corp. By: Erick W. Nelson Date Prepared: 6/24/02

We approve:

#### **EASTLAND OIL COMPANY**

By:	 
Name/Title:	
Date:	



Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

CERTIFIED MAIL/RETURN RECEIPT #7001 1140 0002 4297 1382

July 3, 2002

Read & Stevens, Inc. P. O. Box 1518 Roswell, New Mexico 88202

> Dayton Flyer #1 **Township 18 South, Range 26 East** Section 20: N/2 1,980' FNL & 1,980' FEL **Eddy County, New Mexico**

#### Gentlemen:

Concho Oil & Gas Corp. proposes the drilling of the Dayton Flyer #1 well as a 9,000' Morrow test at the captioned location under a unit comprised of the N/2 of Section 20, Township 18 South, Range 26 East, N.M.P.M. Enclosed is an Authority For Expenditure estimating the cost of our proposed operation. If you desire to participate in the drilling of this proposed well, please signify your election to participate by executing and returning one copy of the enclosed Authority For Expenditure to the letterhead address. If you desire to participate in the well we will furnish you with an Operating Agreement for your review and execution. Please call me if you have any questions.

Yours truly,

Michael M. Gray Senior Landman

enclosure MMG/tb:Dayton(9)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Article Addressed to:</li> <li>READ &amp; STEVENS INC</li> <li>P O BOX 1518</li> <li>ROSWELL NM 88202</li> </ul>	A. Signature  X  Addressee  B. Received by (Printed Name)  C. Date of Delivery  D. Is delivery address different from item 1?  If YES, enter delivery address below:
ROSWELL NW 88202	3. Service Type  ☐ Certified Mail ☐ Registered ☐ Insured Mail ☐ C.O.D.
	4. Restricted Delivery? (Extra Fee)
2. Ar 7001 1140 0002 4297 138	2

## CONCHO OIL & GAS CORP. AUTHORITY FOR EXPENDITU.

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton COUNTY & STATE: Eddy, NM LOCATION: Sec.20-T18S-R26E 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well TOTAL **INTANGIBLE COSTS BCP ACP** TITLE/CURATIVE/PERMIT 1.000 1,000 5.000 DAMAGES/ROW 5,000 SURVEY/STAKE LOCATION 1,000 1,000 LOCATION/PITS/ROAD EXPENSE 20,000 2,000 22,000 DRILLING/COMPLETION OVERHEAD RATE 1,000 6,000 5.000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT \$22.00/ft 198,000 198,000 DAYWORK-CONTRACT 4 days 13,000 26,000 13,000 **FUEL & POWER** 0 23,000 WATER 20,000 3,000 1,000 **BITS & REAMERS** 1,000 30,000 MUD & CHEMICALS 30,000 4,500 DRILL STEM TEST 4,500 **CORING & ANALYSIS** ō **CEMENT SURFACE** 6,000 6,000 CEMENT INTERMEDIATE 0 13,000 CEMENT PRODUCTION 13,000 CASING CREWS & EQUIPMENT 3,000 3,000 FISHING TOOLS & SERVICE 12,000 CONTRACT LABOR 2,000 10,000 3,000 **COMPANY SUPERVISION** 2,000 1.000 20,000 CONTRACT SUPERVISION 14,000 6,000 5,000 TESTING CASING/TUBING 1,000 4,000 6.000 MUD LOGGING UNIT 6,000 LOGGING/WIRELINE SERVICES 16,000 13,000 3,000 7.000 PERFORATING 7,000 STIMULATION/TREATING 80,000 80,000 COMPLETION UNIT 14,000 14,000 11,000 RENTALS 8,000 3,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 3,500 1,500 2,000 500 1,500 WELDING SERVICES 1,000 FLOAT EQUIPMENT & CENTRALIZERS 1,000 1,500 2.500 2,000 MISCELLANEOUS 1,000 1,000 CONTINGENCY 52,300 35,400 16.900 TOTAL INTANGIBLES 185,900 575,300 389,400 **TANGIBLE COSTS SURFACE CASING** 12,000 12,000 1300' 8 5/8" INTERMEDIATE CASING 0 PRODUCTION CASING / LINER 45,000 45.000 9000' 4 1/2" TUBING 8800' 2 3/8" N-80 22,000 22.000 13,000 WELLHEAD EQUIPMENT 3,000 10,000 **PUMPING UNIT** 0 RODS 0 **PUMPS** 0 15,000 **TANKS** 15,000 **FLOWLINES** 2,000 2.000 HEATER TREATER/SEPARATOR 17,000 17,000 0 **ELECTRICAL SYSTEM** PACKERS/ANCHORS/HANGERS 6,000 6.000 COUPLINGS/FITTINGS/VALVES 10,000 10,000 GAS COMPRESSORS/METERS 2,000 2,000 MISCELLANEOUS 1,000 2,000 1.000 14,600 CONTINGENCY 1,600 13,000 **TOTAL TANGIBLES** 17,600 143,000 160,600 **TOTAL WELL COSTS** 407,000 328,900 735,900 **PLUGGING COST** TOTAL DRY HOLE Concho Oil & Gas Corp. By: Erick W. Nelson Date Prepared: 6/24/02

We approve:

#### READ & STEVENS, INC.

By:	
Name/Title:	
Date:	



Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

CERTIFIED MAIL/RETURN RECEIPT #7001 1140 0002 8295 7452

July 3, 2002

Western Oil Producers, Inc. 1200 South Richardson' Roswell, New Mexico 88201

Dayton Flyer #1
Township 18 South, Range 26 East
Section 20: N/2
1,980' FNL & 1,980' FEL
Eddy County, New Mexico

#### Gentlemen:

Concho Oil & Gas Corp. proposes the drilling of the Dayton Flyer #1 well as a 9,000' Morrow test at the captioned location under a unit comprised of the N/2 of Section 20, Township 18 South, Range 26 East, N.M.P.M. Enclosed is an Authority For Expenditure estimating the cost of our proposed operation. If you desire to participate in the drilling of this proposed well, please signify your election to participate by executing and returning one copy of the enclosed Authority For Expenditure to the letterhead address. If you desire to participate in the well we will furnish you with an Operating Agreement for your review and execution. Please call me if you have any questions.

Meale

Yours, truly,

Michael M. Gray Senior Landman

enclosure MMG/tb:Dayton(23)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
item 4 if Poetricted Delivery is desired	A. Signature  X		
1. Article Addressed to:	If YES, enter delivery address below:		
WESTERN OIL PRODUCERS INC	1		
1200 SOUTH RICHARDSON ROSWELL NM 88201	1		
	3. Service Type  Gertified Mail Registered Insured Mail C.O.D.		
	4. Restricted Delivery? (Extra Fee)		

#### CONCHO OIL & GAS CORP AUTHORITY FOR EXPENDITURA

PROSPECT NAME: Dayton

WELL NAME: Dayton Flyer #1 LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well TOTAL **INTANGIBLE COSTS BCP ACP** TITLE/CURATIVE/PERMIT 1.000 1,000 DAMAGES/ROW 5,000 5,000 1,000 SURVEY/STAKE LOCATION 1,000 LOCATION/PITS/ROAD EXPENSE 22,000 20,000 2,000 6,000 **DRILLING/COMPLETION OVERHEAD RATE** 5,000 1,000 0 **TURNKEY CONTRACT** 198,000 FOOTAGE CONTRACT \$22,00/ft 198,000 DAYWORK-CONTRACT 4 days 13,000 26,000 13,000 **FUEL & POWER** WATER 23,000 3,000 20,000 BITS & REAMERS 1,000 1,000 **MUD & CHEMICALS** 30,000 30,000 4,500 DRILL STEM TEST 4,500 **CORING & ANALYSIS** 0 **CEMENT SURFACE** 6,000 6,000 CEMENT INTERMEDIATE 0 13,000 CEMENT PRODUCTION 13,000 3,000 **CASING CREWS & EQUIPMENT** 3,000 FISHING TOOLS & SERVICE 0 **CONTRACT LABOR** 10,000 12,000 2,000 **COMPANY SUPERVISION** 1,000 3,000 2,000 CONTRACT SUPERVISION 14,000 6,000 20,000 TESTING CASING/TUBING 5,000 4,000 1,000 MUD LOGGING UNIT 6,000 6,000 LOGGING/WIRELINE SERVICES 3,000 16,000 13,000 7,000 PERFORATING 7,000 STIMULATION/TREATING COMPLETION UNIT 80,000 80,000 14,000 14,000 RENTALS 8,000 3,000 11,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 1,500 2,000 3,500 WELDING SERVICES 1,000 500 1.500 FLOAT EQUIPMENT & CENTRALIZERS 2,500 1,000 1,500 2,000 MISCELLANEOUS 1,000 1,000 CONTINGENCY 16,900 52,300 35,400 **TOTAL INTANGIBLES** 185,900 575,300 389.400 **TANGIBLE COSTS** SURFACE CASING 12,000 12,000 1300' 8 5/8" 0 INTERMEDIATE CASING 45,000 PRODUCTION CASING / LINER 45,000 9000' 4 1/2" TUBING 8800' 2 3/8" N-80 22,000 22,000 WELLHEAD EQUIPMENT 13,000 10,000 3,000 0 **PUMPING UNIT** 0 RODS ō **PUMPS TANKS** 15,000 15,000 **FLOWLINES** 2,000 2.000 17,000 HEATER TREATER/SEPARATOR 17,000 **ELECTRICAL SYSTEM** 0 6,000 PACKERS/ANCHORS/HANGERS 6,000 COUPLINGS/FITTINGS/VALVES 10.000 10,000 GAS COMPRESSORS/METERS 2,000 2.000 1,000 2,000 MISCELLANEOUS 1.000 14,600 CONTINGENCY 1,600 13,000 TOTAL TANGIBLES 17,600 143,000 160,600 735,900 **TOTAL WELL COSTS** 407,000 328,900 **PLUGGING COST** TOTAL DRY HOLE Concho Oil & Gas Corp. By: Erick W. Nelson Date Prepared: 6/24/02

We approve:

#### WESTERN OIL PRODUCERS, INC.

By:	
Name/Title:	



Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

Certified/Return Receipt #7001 1140 0002 4297 0910

July 3, 2002

Devon Energy Production Company, L.P. P. O. Box 108838 Oklahoma City, Oklahoma 73101-8838

Attention: Ms. Meg Muhlinghause

Dayton Flyer #1
Township 18 South, Range 26 East
Section 20: N/2
1,980' FNL & 1,980' FEL
Eddy County, New Mexico

Dear Meg:

Concho Oil & Gas Corp. proposes to drill the Dayton Flyer #1 well as a 9,000' Morrow test at the captioned location. An Authority For Expenditure is enclosed herewith estimating the cost of our proposed well. According to our title examination Devon is the owner of 100% of the leasehold interest, less and except the Morrow formation, under the NW/4NW/4 of Section 20, Township 18 South, Range 26 East, BLM Lease #NM-04182-A. Although our well proposal will be drilled to a depth sufficient to test the Morrow formation, Devon is the holder of leasehold rights in other potential gas formations to be penetrated by our well. If Devon desires to participate in this proposed test well, please advise us and we will submit an Operating Agreement for your review. If Devon does not desire to participate in this proposed test well Concho will purchase a two (2) year Term Assignment from Devon of Devon's interest in the NW/4NW/4 of Section 20, 185, 26E, for the cash consideration of \$100.00 per net acre. Devon would retain an overriding royalty interest equal to the difference between lease burdens and 20%.

If you have any questions please call me. We look forward to your response.

Michael M. Grav

Yours truly.

Senior Landman

enclosure

CERDER: COMPLETE TING CECTION	
<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> </ul>	A. Signature  X
Attach this card to the back of the mailpiece, or on the front if space permits.	D. Is delivery address different from item (**). Yes
Article Addressed to:	If YES, enter delivery address below:
DEVON ENERGY PRODUCTION COMPANY, L.P. P O BOX 108838 OKLAHOMA CITY OK 73101-8838 ATTENTION: MEG MUHLINGHAUSE	Sas (Sas 2)
	3. Service Type  TY Certified Mail  Registered  Insured Mail  C.O.D.
	4. Restricted Delivery? (Extra Fee) ☐ Yes
2 2001 1100 0002 4297 0910	

#### **AUTHORITY FOR EXPENDITURE**

WELL NAME: Dayton river #1 PROSPECT NAME: Dayton LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well **TOTAL INTANGIBLE COSTS** BCP <u>ACP</u> TITLE/CURATIVE/PERMIT 1.000 1,000 DAMAGES/ROW 5.000 5,000 SURVEY/STAKE LOCATION 1.000 1,000 LOCATION/PITS/ROAD EXPENSE 22,000 20,000 2,000 DRILLING/COMPLETION OVERHEAD RATE 6,000 5,000 1.000 TURNKEY CONTRACT n FOOTAGE CONTRACT \$22.00/ft 198,000 198,000 DAYWORK-CONTRACT 4 days 13,000 26,000 13,000 FUEL & POWER ก WATER 3,000 23,000 20,000 **BITS & REAMERS** 1,000 1,000 MUD & CHEMICALS 30,000 30,000 DRILL STEM TEST 4,500 4,500 CORING & ANALYSIS O CEMENT SURFACE 6,000 6,000 CEMENT INTERMEDIATE 0 CEMENT PRODUCTION 13,000 13,000 CASING CREWS & EQUIPMENT 3,000 3,000 FISHING TOOLS & SERVICE 0 CONTRACT LABOR 2,000 10,000 12,000 COMPANY SUPERVISION 3,000 2,000 1,000 CONTRACT SUPERVISION 20,000 6,000 14,000 TESTING CASING/TUBING 5,000 1,000 4,000 MUD LOGGING UNIT 6.000 6,000 LOGGINGWIRELINE SERVICES 3,000 16,000 13,000 PERFORATING 7,000 7,000 STIMULATION/TREATING 80.000 80,000 COMPLETION UNIT 14,000 14,000 RENTALS 11,000 8.000 3.000 TRUCKING/FORKLIFT/RIG MOBILIZATION 1,500 2,000 3,500 WELDING SERVICES 1,500 1.000 500 FLOAT EQUIPMENT & CENTRALIZERS 2,500 1,000 1.500 MISCELLANEOUS 2,000 1,000 1,000 CONTINGENCY 52,300 35,400 16,900 TOTAL INTANGIBLES 389,400 185,900 575,300 **TANGIBLE COSTS** SURFACE CASING 12,000 12,000 1300' 8 5/8" INTERMEDIATE CASING 0 PRODUCTION CASING / LINER 45,000 45,000 9000' 4 1/2" TUBING 8800' 2 3/8" N-80 22,000 22,000 WELLHEAD EQUIPMENT 3,000 10,000 13,000 PUMPING UNIT 0 RODS 0 PUMPS 0 TANKS 15,000 15,000 2,000 **FLOWLINES** 2,000 17,000 HEATER TREATER/SEPARATOR 17.000 **ELECTRICAL SYSTEM** 0 PACKERS/ANCHORS/HANGERS 6.000 6,000 COUPLINGS/FITTINGS/VALVES 10,000 10,000 GAS COMPRESSORS/METERS 2,000 2.000 **MISCELLANEOUS** 1,000 1,000 2,000 CONTINGENCY 14,600 1,600 13,000 **TOTAL TANGIBLES** 17,600 143,000 160,600 **TOTAL WELL COSTS** 735,900 407,000 328,900 **PLUGGING COST** TOTAL DRY HOLE Concho Oil & Gas Corp. By: Erick W. Nelson Date Prepared: 6/24/02

We approve:

#### **DEVON ENERGY PRODUCTION COMPANY, L.P.**

By:	
Name/Title:	
Data:	



Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

CERTIFIED MAIL/RETURN RECEIPT #7001 1140 0002 4297 0897

July 3, 2002

Westway Petro, a Texas Joint Partnership 500 North Akard, LB 70 Dailas, Texas 75201

> **Dayton Flyer #1 Township 18 South, Range 26 East** Section 20: N/2 1,980' FNL & 1,980' FEL **Eddy County, New Mexico**

#### Gentlemen:

Concho Oil & Gas Corp. proposes the drilling of the Dayton Flyer #1 well as a 9,000' Morrow test at the captioned location under a unit comprised of the N/2 of Section 20, Township 18 South, Range 26 East, N.M.P.M. Enclosed is an Authority For Expenditure estimating the cost of our proposed operation. If you desire to participate in the drilling of this proposed well, please signify your election to participate by executing and returning one copy of the enclosed Authority For Expenditure to the letterhead address. If you desire to participate in the well we will furnish you with an Operating Agreement for your review and execution. Please call me if you have any questions.

Yours truly,

Michael M. Gray Senior Landman

enciosure MMG/tb:Dayton(22)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature  Agent  Addressee  B. Received by (Printed Name)  C. Date of Delivery  C. Date of Delivery  D. Is delivery address different from item 1?	
WESTWAY PETRO 500 NORTH AKARD, LB 70	If YES, enter delivery address below:	
DALLAS TX 75201	3. Service Type  ☐ Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.	
	4. Restricted Delivery? (Extra Fee)	

COMPLETE THIS SECTION ON DELIVERY

### CONCHO OIL & GAS CORP. AUTHORITY FOR EXPENDITURE

WELL NAME: Dayton Flyer #1	PROSPECT NA	ME: Dayton	
LOCATION: Sec.20-T18S-R26E	COUNTY & STA	ATE: Eddy, NM	
1980' FNL & 1980' FEL	OBJECTIVE: D&C 9000' Morrow well		
			TOTAL
INTANGIBLE COSTS	BCP	ACP	1,000
TITLE/CURATIVE/PERMIT	1,000		5,000
DAMAGES/ROW	5,000		1,000
SURVEY/STAKE LOCATION	1,000	0.000	22,000
LOCATION/PITS/ROAD EXPENSE	20,000	2,000 1,000	6,000
DRIEUNG/COMPLETION OVERHEAD RATE	5,000	1,000	0
TURNKEY CONTRACT \$22.00/ft	198,000		198,000
DAYWORK-CONTRACT 4 days	13,000	13,000	26,000
FUEL & POWER			0
WATER	20,000	3,000	23,000
BITS & REAMERS		- 1,000	1,000
MUD: & CHEMICALS	30,000		30,000 4,500
DRILL STEM TEST	4,500		4,500
CORING & ANALYSIS CEMENT SURFACE	6,000		6,000
CEMENT INTERMEDIATE	0,000		0
CEMENT PRODUCTION		13,000	13,000
CASING CREWS & EQUIPMENT		3,000	3,000
FISHING TOOLS & SERVICE			0
CONTRACT LABOR	2,000	10,000	12,000
COMPANY SUPERVISION	2,000	1,000	3,000 20,000
CONTRACT SUPERVISION TESTING CASING/TUBING	14,000	6,000 4,000	5,000
MUD'LOGGING UNIT	6,000	7,000	6,000
LOGGING/WIRELINE SERVICES	13,000	3,000	16,000
PERFORATING		7,000	7,000
STIMULATION/TREATING		80,000	80,000
COMPLETION UNIT	0.000	14,000 3,000	14,000
TRUCKING/FORKLIFT/RIG MOBILIZATION	8,000 1,500	2,000	3,500
WELDING SERVICES	1,000	500	1,500
FLOAT EQUIPMENT & CENTRALIZERS	1,000	1,500	2,500
MISCELLANEOUS	1,000	1,000	2.000
CONTINGENCY	35,400	16,900	62,300
TOTAL INTANGIBLES	389,400	185,900	575,300
TANGIBLE COSTS			
SURFACE CASING	12,000		12,000
1300' 8 5/8"	12,000		7-1000
INTERMEDIATE CASING	<del>7.,</del>	****	0
PRODUCTION CASING / LINER		45,000	45,000
1900° 4 1/2° TUBING 8800° 2 3/8° N-80		00.000	22,000
WELLHEAD EQUIPMENT	3,000	22,000 10,000	13,000
PUMPING UNIT	0,000	10,000	0
RODS			. 0
PUMPS			0
TANKS FLOWLINES		15,000	15,000
HEATER TREATER/SEPARATOR		2,000	2,000
ELECTRICAL SYSTEM	·	17,000	17,000 Q
PACKERS/ANCHORS/HANGERS		6,000	5,000
COUPLINGS/FITTINGS/VALVES		10,000	10,000
GAS COMPRESSORS/METERS		2,000	2,000
MISCELLANEOUS	1,000	1,000	2,000
CONTINGENCY	1,600	13,000	14,600
TOTAL TANGIBLES TOTAL WELL COSTS	17,600	143,000	160,600
TOTAL VILLE COSTS	407,000	328,900	735,900
PLUGGING COST TOTAL DRY HOLE			
Concho Oil & Gas Corp.	ľ		
By: Erick W. Nelson ESW 29 12	Date Prepared: 6/24/	02	
We man decline: 9/26/	02		

**WESTWAY PETRO** 

Ву:		\/
Name/Title:	X	
Date:		7

### Westway Petro

200 Lincoln Plaza 500 North Akard Dallas, Texas 75201

Tel: 214-740-4080 Fax: 214-740-4090

## facsimile transn

Tel 915-683-744=

	•	
To: Concho O'il	THEO FAX: 915 - 68	3 - 7441
		-2002
Re: WE Real	Pages:	
CC:		
☐ Urgent ☐ For Raview	☐ Please Comment ☐ Please Reply	☐ Please Recycle
Michael &	Gray -	
	ecline on AFE	for
Dayton Fl		
	2.00	
	•	
PLUGGING COST TOTAL DRY HOLE	407,900 328,900	735,900
Concho Oll & Gas Corp.		
By: Erick W. Nelson ETW 29 12	Date Prepared: 6/24/02	
We approve decline. 9/26/8		
WESTWAY PETRO	This AFE is only an estimate. By signing the page	ee to pay your share
By:	of the actual costs incurred.	, , , ,

Date:\_\_\_



Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

CERTIFIED MAIL/RETURN RECEIPT #7002 0460 0002 0064 5624

July 11, 2002

First Century Oil, Inc. P. O. Box 1518 Roswell, New Mexico 88202

Dayton Flyer #1
Township 18 South, Range 26 East
Section 20: N/2
1,980' FNL & 1,980' FEL
Eddy County, New Mexico

#### Gentlemen:

Concho Oil & Gas Corp. proposes the drilling of the Dayton Flyer #1 well as a 9,000' Morrow test at the captioned location under a unit comprised of the N/2 of Section 20, Township 18 South, Range 26 East, N.M.P.M. Enclosed is an Authority For Expenditure estimating the cost of our proposed operation. If you desire to participate in the drilling of this proposed well, please signify your election to participate by executing and returning one copy of the enclosed Authority For Expenditure to the letterhead address. If you desire to participate in the well we will furnish you with an Operating Agreement for your review and execution. Please call me if you have any questions.

Yours truly,

COMPLETE THIS SECTION ON DELIVERY

Michael M. Gray Senior Landman

enclosure MMG/tb:Dayton(25)

ENDER: COMPLETE THIS SECTION

em 4 if Restricted Delivery is desired.  rint your name and address on the reverse or that we can return the card to you.  attach this card to the back of the mailpiece, or on the front if space permits.  article Addressed to:	Agent Addressee  B. Received by (Printed Name)  C. Date of Delivery  C. Date of Delivery  D. Is delivery address different from item 1?   Yes  If YES, enter delivery address below:
First Century O'11 Inc PO Box 1518	
1 0 000 1218	3. Service Type
	☐ Certified Mail ☐ Express Mail
Poswell NM 88202	☐ Registered ☐ Return Receipt for Merchandise
-	☐ Insured Mail ☐ C.O.D.
	4. Restricted Delivery? (Extra Fee)
7002 0460 0002 0064 5624	

## CONCHO OIL & GAS CORPAUTHORITY FOR EXPENDITU

PROSPECT NAME: Dayton WELL NAME: Dayton Flyer #1 LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well TOTAL **INTANGIBLE COSTS BCP** <u>ACP</u> 1,000 TITLE/CURATIVE/PERMIT 1,000 5,000 DAMAGES/ROW 5,000 1,000 SURVEY/STAKE LOCATION 1,000 LOCATION/PITS/ROAD EXPENSE 20,000 2,000 22,000 DRILLING/COMPLETION OVERHEAD RATE 6,000 5,000 1,000 TURNKEY CONTRACT 0 198,000 FOOTAGE CONTRACT \$22.00/ft 198,000 DAYWORK-CONTRACT 4 days 13,000 26,000 13,000 **FUEL & POWER** 0 WATER 23,000 20,000 3.000 1,000 BITS & REAMERS 1,000 30,000 MUD & CHEMICALS 30,000 DRILL STEM TEST 4,500 4,500 **CORING & ANALYSIS** O CEMENT SURFACE 6,000 6,000 CEMENT INTERMEDIATE 0 CEMENT PRODUCTION 13,000 13,000 **CASING CREWS & EQUIPMENT** 3,000 3.000 FISHING TOOLS & SERVICE 0 **CONTRACT LABOR** 12,000 2,000 10,000 3,000 **COMPANY SUPERVISION** 2,000 1,000 CONTRACT SUPERVISION 20,000 14,000 6,000 TESTING CASING/TUBING 5,000 1,000 4,000 MUD LOGGING UNIT 6,000 6,000 LOGGING/WIRELINE SERVICES 16,000 3,000 13,000 PERFORATING 7,000 7,000 STIMULATION/TREATING 80,000 80.000 14,000 **COMPLETION UNIT** 14,000 RENTALS 11,000 8,000 3,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 3,500 1.500 2,000 **WELDING SERVICES** 1,000 500 1,500 FLOAT EQUIPMENT & CENTRALIZERS 1,000 1,500 2,500 MISCELLANEOUS 2,000 1,000 1.000 CONTINGENCY 35,400 16,900 52,300 TOTAL INTANGIBLES 185,900 575,300 389,400 **TANGIBLE COSTS** SURFACE CASING 12,000 12,000 1300' 8 5/8" INTERMEDIATE CASING 0 PRODUCTION CASING / LINER 45,000 45,000 9000' 4 1/2" TUBING 8800' 2 3/8" N-80 22,000 22.000 WELLHEAD EQUIPMENT 10,000 13,000 3,000 PUMPING UNIT 0 ō RODS **PUMPS** Ō **TANKS** 15,000 15,000 2,000 FLOW! INFS 2.000 17,000 HEATER TREATER/SEPARATOR 17,000 **ELECTRICAL SYSTEM** 0 PACKERS/ANCHORS/HANGERS 6,000 6,000 COUPLINGS/FITTINGS/VALVES 10,000 10,000 GAS COMPRESSORS/METERS 2.000 2,000 MISCELLANEOUS 2,000 1,000 1,000 14,600 CONTINGENCY 1,600 13,000 **TOTAL TANGIBLES** 17,600 143,000 160,600 735,900 **TOTAL WELL COSTS** 407,000 328,900 **PLUGGING COST** TOTAL DRY HOLE

We approve:

#### FIRST CENTURY OIL, INC.

Concho Oil & Gas Corp.

By: Erick W. Nelson

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

Date Prepared: 6/24/02

By:		
Name/Title:		
Date:	 <del></del>	

Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

Via Certified/Return Receipt

January 14, 2003

To the Working Interest Owners shown on the attached Exhibit "A"

Dayton Flyer #1
Township 18 South, Range 26 East
Section 20: N/2
1,980' FNL & 1,980' FEL
Eddy County, New Mexico
Dayton Prospect
COG File #306096-01 & 706069

#### Gentlemen:

Please refer to our previous letter dated July 3, 2002, proposing the drilling of the captioned well along with the AFE attached hereto. Enclosed is an updated AFE estimating the cost of the Dayton Flyer #1 Well as a 9,000' Morrow Test at the captioned location. We estimate that the completed cost of the well will be \$776,300 verses our previous estimate of \$735,900, a 5.49% increase. If you desire to participate in our proposed well please signify your election by executing and returning one (1) copy of the enclosed Authority For Expenditure. It is also requested that you please complete and return the enclosed Well Information Requirement Schedule or furnish us with your own Well Information Requirement letter.

//wex

Michael M. Gray Senior Landman

## Exhibit "A" Working Interest Owners

## Dayton Flyer #1 (New Drill Prosposal)

Township 18 South, Range 26 East Section 20: N/2 1,980' FNL & 1,980' FEL Eddy County, New Mexico Dayton Prospect

Devon Energy Production Company, L.P. P. O. Box 108838 Oklahoma City, Oklahoma 73101-8838 Attention: Ms. Meg Muhlinghause

First Century Oil, Inc. P. O. Box 1518 Roswell, New Mexico 88202

Nortex Corporation 1415 Louisiana Street, Suite 3100 Houston, Texas 77002 Attention: Mr. Bob Kent

Western Oil Producers, Inc. 1200 South Richardson Roswell, New Mexico 88201

Westway Petro, a Texas Joint Partnership 500 North Akard, LB 70 Dallas, Texas 75201

Earlene C. Tweedy Trust 812 East Fifth Street Roswell, New Mexico 88201

McBride Oil & Gas Corporation P. O. Box 1515 Roswell, New Mexico 88202

Candace Good Jacobson Trust A and Candace Good Jacobson Trust B c/o Ms. Candace Good Jacobson P. O. Box 2981 Ruidoso, New Mexico 88345

Myrl Sawyer Good 2609 Coronado Drive Roswell, New Mexico 88202 H. F. Glover Estate c/o Mr. Raymond Harris 1 Stephens Circle Roswell, New Mexico 88201

FISCO, Inc. P. O. Box 3087 Roswell, New Mexico 88202-3087

Eastland Exploration, Inc. P. O. Box 5279 Austin, Texas 78763

Eastland Oil Company P. O. Box 3488 Midland, Texas 79702

BWB Partners 1 P. O. Box 51407 Midland, Texas 79710

Read & Stevens, Inc. P. O. Box 1518 Roswell, New Mexico 88202

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at we can return the card to you.	B. Received by ( Printed Name) C. Date of Delivery	so that we can return the card to you.  Attach this card to the back of the mailpiece,	B. Received by ( Printed Name) C. Date of Deliv
the front if space permits.	D. Is delivery address different from item 12 Yes	or on the front if space permits.	D. Is delivery address different introduction 1?  Yes
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YRL SAWYER GOOD	į	TYRICO INC	(5( 16) )Z
09 CORONADO DRIVE	•	FISCO INC P O BOX 3087	(3/2003)
OSWELL NM 88201	3 Sepvice Type	ROSWELL NM 88202-3087	3. Service Type 001-999
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	☐ Insured Mail ☐ C.O.D.		☐ Registered ☐ Return Receipt for Merchan ☐ Insured Mail ☐ C.O.D.
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old Page 5550 Co.	If YES, enter delivery address below:   No	Article Addressed to:	If YES, enter delivery address below:
/B PARTNERS 1		McBRIDE OIL & GAS CORPORATION	1
BOX 51407		P O BOX 1515	1
DLAND TX 79710	3. Service Type	ROSWELL NM 88202	3. Service Type
	☐ Certified Mai! ☐ Express Mail ☐ Registered ☐ Registere	,	☐ Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merch
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that we can return the card to you.	B. Received by ( Printed Name) C. Date of Delivery	so that we can return the card to you.	B. Received by ( Printed Name) C. Date of C
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	1	DEVON ENERGY PRODUCTION	∭ .o#:
EAD & STEVENS INC	,	COMPANY, L.P. P @ BOX 108838	* <sub>1</sub>
O BOX 1518	3. Service Type	OKLAHOMA CITY OK 73101 9929	2 Senios Tips
OSWELL NM 88202	Certified Mail □ Express Ma.I	ATTENTION: MEG MUHLINGHAUSE	3. Service Type  Descripted Mail  Express Mail
	☐ Insured Maii ☐ C.O.D.		☐ Registered ☐ Return Receipt for Merch ☐ Insured Mail ☐ C.O.D.
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ticle Number 7002 2410 0	4. Restricted Delivery? (Extra Fee) Yes	2.	
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NDER: COMPLETE THIS SECTION  Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece or on the front if space permits.  Article Addressed to:  EASTLAND OIL COMPANY P O BOX 3488	COMPLETE THIS SECTION ON DELIVERY  A. Signature  X. Soll Addressee  B. Received by (Printed Name)  D. is delivery address different from item 1? YES, enter delivery address below:  No  3. Service Type    Certified Mail	SENDER: COMPLETE THIS SECTION  Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.  Article Addressed to:  NORTEX CORPORATION 1415 LOUISIANA STREET	COMPLETE THIS SECTION ON DELIVERY  A. Signature  X.   Age   Add  B. Seceived by (Pfinited Name)   C Dayl of D  U
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CERTIFIED MAIL RECEIPT  COMMESTIC Mail Only: No Insurance Coverage Provided)  For delivery information visit our website at www.usps.coms  Postage S  Certified Fee Return Reciept Fee (Endorsement Required)  Restricted Delivery Fee Endorsement Required)  Total Fo:  Sant Yo EARLENE C TWEEDY TRUST  812 EAST FIFTH STREET  of PO Box ROSWELL NM 88201  City, State,	CERTI (Domestic For delivery TEZD  Centi Return Rec (Endorsement R  Total Post H  Sent Yo C	F GLOVER ESTATE ORAYMOND HARRIS STEPHENS CIRCLE OSWELL NM 88201
CERTIFIED MAIL RECEIPT CERTIFIED MAIL RECEIPT (Pornestic Mail Only: No Insurance Coverage Provided)  Fordeliver, information visit our website at www.uspc.coms  Certified Fee (Endorsement Required)  Restricted Deliver, Fee (Encorsement Required)  Total F  Sem To 1200 SOUTH RICHARDSON  Street, A ROSWELL NM 88201  City, Stat  GET dm. 8800 June 2002  See Rovers to Instriction	CERT (Domestic For deliver)  Retricted Del (Endorsement Far Total Programment Far Sant 70 Programment Programment Programment Far Sant 70 Programment Programment Far Sant 70	ASTLAND EXPLORATION INC D BOX 5279 USTIN TX 78763  June 2002 See Reverse for measuration  COMPLETE THIS SECTION ON DELIVERY  A. Signature  Agent Address
U.S. Postal Service To CERTIFIED MAIL RECEIPT (Comestic Mail Only; No Insurance Coverage Provided)  For delivery information visit our website at www.usps.comb  Postage \$ Certified Fee (Endorsement Required) Resturn Recipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Restricted	Attach this card to the back of the mailpiece, or on the front if space permits.  Article Addressed to.  WESTWAY PETRO 500 NORTH AKARD, LB 70 DALLAS TX 75201	B. Received by (*Printed Name) C. Date of Delivery Adversed inferent from item 1? Yes If YES, enter delivery address below: No  3. Service Type   Certified Mail   Express Mail   Registered   Return Receipt for Merchandi   Insured Mail   C.O.D.  4. Restricted Delivery? (Extra Fee)   Yes
U.S. Postal Service MERTIFIED MAIL MECEIPT (Domestic Mail Only; No Insurance Coverage Provided)  For delivery information visit our website at www.usps.come  Postage \$ Certified Fee (Endorsement Required)  Restricted Delivery Fee (Endorsement Required)  Total Pos CANDACE GOOD JACOBSON TRUST A  Sent To C/O CANDACE GOOD JACOBSON P O BOX 2981  Sincel Apr. RUIDOSO NM 88345	SENDER: COMPLETE THIS SECTION  Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.  1. Article Addressed to:  FIRST CENTURY OIL INC P O BOX 1518  ROSWELL NM 88202	A. Service Type O Certified Call Insured Mail Insured Mail Insured Mail Insured Delivery Care Delivery A. Restricted Delivery Care Delivery Acress Mail Insured Mai

(EASTLAND)

# THE EASTLAND OIL COMPANY

P. O. DRAWER 3488 • MIDLAND, TEXAS 79702 TELEPHONE: (915) 683-6293 • FAX: (915) 683-6295

January 17, 2003

Concho Oil & Gas Corp. Suite 410 110 W. Louisiana Midland, Texas 79701

Re: Dayton Flyer #1

Township 18 South, Range 26 East Section 20: N/2
1,980' FNL & 1,980' FEL
Eddy County, New Mexico
Dayton Prospect
COG File #306096-01 & 706069

Dear Mr. Michael Gray,

Enclosed is the approved AFE on the above well.

Sincerely,

Robert R. Donnelly

WELL NAME: Dayton Flyer #1	PROSPECT NA		
LOCATION: Sec.20-[18S-R26E	COUNTY & STA	TE: Eddy, NM	
1980' FNL & 1980' FEL	OBJECTIVE: D8	C 9000' Morrow well	
			·
INTANGIBLE COSTS	<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
TITLE/CURATIVE/PERMIT	1,000		1,000
DAMAGES/ROW	5,000		5,000
SURVEYSTAKE LOCATION	1,000		1,000
LOCATION/PITS/ROAD EXPENSE	20,000	2,000	22,000
DRILLING/COMPLETION OVERHEAD RATE	5,000	1,000	6,000
TURNKEN CONTRACT   FOOTAGE CONTRACT			<u> </u>
DAYWORK-CONTRACT \$7200/day	158,400	14,400	172,800
FUELLPOWER	17,600	1,800	19,200
WATER	18,000	3,000	21,000
BITS & REAMERS	30,000	1,000	31,000
MUDIAGHEMICALS	25,000		25,000
DRIESTEM TEST	4,500		4,500
CORINGO ANALYSIS			0
CEMENT SURFACE	5,000		5,000
CEMENT PRODUCTION	8,000	48.000	8,000 15,000
CASING SREWS & EQUIPMENT	4,000	15,000 5,000	9,000
FISHING TOOLS & SERVICE		~, 444	0
CONTRACT LABOR	2,000	10,000	12,000
COMPANY SUPERVISION	2,000	1,000	3,000
SCHIFFAGT SUPERVISION	15,000	6,000	21,000
TESTING CASING/TUBING	1,500	2,500	4,000
MUD LOGGING UNIT	6,000		6,000 16,000
LOGGINGWIRELINE SERVICES PERFORATING	13,000	3,000 5,000	5,000
STMULATION/TREATING		80,000	80,000
COMPLETION UNIT		20,000	20,000
RENTALS	15,000	3,000	18,000
TEUCKING/FORKLIFT/RIG MOBILIZATION	20,000	2,000	22,000
WELDING SERVICES	1,000	1,000	2,000
FUGAT EQUIPMENT & CENTRALIZERS	1,500	1,500 1,000	3,000 2,000
MISCELLANEOUS CONTINGENCY	1,000 38,100	17,900	56,000
TOTAL INTANGIBLES	418,600	196,900	615,500
TANGIBLE COSTS			
SURFACE CASING	5,700		5,700
404 19 8/8.			
INTERMEDIATE CASING	12,500		12,500
1300% 2.678	-	45,000	45,000
PRODUCTION CASING ALINER		45,000	10,000
TUBING 8800 2 3/8" N-80		21,000	21,000
WENTEADZEOUIPMENT	4,000	10,000	14,000
PUMPING UNIT			
RODS			
PUMPS			(
TANKS		12,000	12,000 1,00
FLOWENES		1,000 15,000	15,00
HEATER TREATER/SEPARATOR EXECTRICAL SYSTEM		13,000	10,00
PACKERS/ANCHORS/HANGERS	والمساحد وال	6,000	6,00
COUPEMBS/FITTINGS/VALVES		10,900	10,00
GAS COMPRESSORS/METERS		2,000	2,00
MISCELLANEOUS	1,000	1,000	2,00
GONTINGENCY	2,300	12,300	14,60
TOTAL TANGIBLES	25,500	135,300	160,80 776,30
TOTAL WELL COSTS	444,100	332,200	110,31
Distroction oper	•		
PLUGGING COST TOTAL DRY HOLE			
CANAL MAL EVAL			
Conche Oli & Gas Corp.			
By: Erick W. Nelson ESW \\ \13\03			
By: Erick W. Nelson	Date Prepared: 1/1:	3/03	
f			

We approve:

EASTLAND OIL COMPANY

January 2003

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

0,065301546 estimated

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM OBJECTIVE: D&C 9000' Morrow well 1980' FNL & 1980' FEL **BCP INTANGIBLE COSTS** ACP TOTAL 1,000 TITLE/CURATIVE/PERMIT 1.000 DAMAGES/ROW 5.000 5,000 SURVEY/STAKE LOCATION 1,000 1,000 22,000 LOCATION/PITS/ROAD EXPENSE 2.000 20,000 **DRILLING/COMPLETION OVERHEAD RATE** 5,000 1,000 6,000 TURNKEY CONTRACT ō FOOTAGE CONTRACT 0 DAYWORK-CONTRACT \$7200/day 158,400 14,400 172,800 **FUEL & POWER** 1,600 19,200 17,600 WATER 18,000 3,000 21,000 BITS & REAMERS 31,000 1,000 30,000 **MUD & CHEMICALS** 25,000 25,000 4,500 DRILL STEM TEST 4.500 **CORING & ANALYSIS** ٥ CEMENT SURFACE 5,000 5,000 CEMENT INTERMEDIATE 8,000 8,000 CEMENT PRODUCTION. 15,000 15,000 9,000 CASING CREWS & EQUIPMENT 4,000 5.000 FISHING TOOLS & SERVICE 0 CONTRACT LABOR 10,000 12,000 2.000 3.000 COMPANY SUPERVISION 2,000 1.000 CONTRACT SUPERVISION 6,000 21,000 15,000 TESTING CASING/TUBING 2,500 4,000 1.500 6,000 **MUD LOGGING UNIT** 6,000 LOGGING/WIRELINE SERVICES 3,000 16,000 13,000 PERFORATING 5,000 5.000 STIMULATION/TREATING 80,000 80,000 COMPLETION UNIT 20.000 20,000 RENTALS 15,000 3,000 18,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 20,000 2,000 22,000 WELDING SERVICES 1,000 1,000 2.000 3,000 **FLOAT EQUIPMENT & CENTRALIZERS** 1,500 1,500 2.000 MISCELLANEOUS 1,000 1.000 38,100 CONTINGENCY 17,900 56,000 **TOTAL INTANGIBLES** 418,600 196,900 615,500 **TANGIBLE COSTS** 5,700 SURFACE CASING 5,700 400' 13 3/8" 12,500 INTERMEDIATE CASING 12,500 45,000 45,000 PRODUCTION CASING / LINER 9000' 4 1/2 21,000 TUBING 8800' 2 3/8" N-80 21,000 14,000 WELLHEAD EQUIPMENT 4,000 10,000 0 **PUMPING UNIT** 0 RODS 0 **PUMPS** 12,000 12,000 **TANKS** 1,000 1,000 **FLOWLINES** HEATER TREATER/SEPARATOR 15,000 15,000 **ELECTRICAL SYSTEM** 6,000 6,000 PACKERS/ANCHORS/HANGERS 10.000 COUPLINGS/FITTINGS/VALVES 10,000 2,000 2.000 GAS COMPRESSORS/METERS 2.000 1,000 MISCELLANEOUS 1,000 14,600 12,300 2.300 CONTINGENCY 160,800 25,500 135,300 **TOTAL TANGIBLES** 776,300 444,100 332,200 **TOTAL WELL COSTS PLUGGING COST** TOTAL DRY HOLE Concho Oil & Gas Corp. Date Prepared: 1/13/03 By: Erick W. Nelson

We approve:

**READ & STEVENS, INC.** 

By:
Name/Title:

VELL NAME: Dayton Flyer #1	PROSPECT NAM		
OCATION: Sec.20-T18S-R26E	COUNTY & STAT		
1980' FNL & 1980' FEL	OBJECTIVE: D&C	2 9000' Morrow well	
NTANGIBLE COSTS	BCP	ACP	TOTAL
ITLE/CURATIVE/PERMIT	1,000	VOL	1,000
AMAGES/ROW	5,000	<del></del>	5,000
URVEY/STAKE LOCATION			1,000
OCATION/PITS/ROAD EXPENSE	1,000 20,000	2,000	22,000
PRILLING/COMPLETION OVERHEAD RATE	5,000	1,000	6,000
URNKEY CONTRACT	0,000	1,000	0,00
OOTAGE CONTRACT			
DAYWORK-CONTRACT \$7200/day	158,400	14,400	172,80
UEL & POWER	17,600	1,600	19,20
WATER	18,000	3,000	21,00
BITS & REAMERS	30,000	1,000	31,00
MUD & CHEMICALS	25,000		25,00
ORILL STEM TEST	4,500	·····	4,50
CORING & ANALYSIS CEMENT SURFACE	£ 000		5,00
CEMENT INTERMEDIATE	5,000 8,000	<del></del>	8,00
CEMENT PRODUCTION		15,000	15,00
CASING CREWS & EQUIPMENT	4,000	5,000	9,00
FISHING TOOLS & SERVICE	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-1	
CONTRACT LABOR	2,000	10,000	12,00
COMPANY SUPERVISION	2,000	1,000	3,00
CONTRACT SUPERVISION	15,000	6,000	21,00
TESTING CASING/TUBING	1,500	2,500	4,00
MUD LOGGING UNIT	6,000		6,00
LOGGING/WIRELINE SERVICES	13,000	3,000	16,00
PERFORATING		5,000	5,00
STIMULATION/TREATING COMPLETION UNIT		80,000	80,00
RENTALS	15,000	20,000 3,000	20,0 18,0
TRUCKING/FORKLIFT/RIG MOBILIZATION	20,000	2,000	22,0
WELDING SERVICES	1,000	1,000	2,0
FLOAT EQUIPMENT & CENTRALIZERS	1,500	1,500	3,0
MISCELLANEOUS	1,000	1,000	2,0
CONTINGENCY	38,100	17,900	56,0
TOTAL INTANGIBLES	418,600	196,900	615,5
TANGIBLE COSTS			
SURFACE CASING	5,700		5,7
400' 13 3/8"			
INTERMEDIATE CASING	12,500		12,5
1300' 8 5/8"			
PRODUCTION CASING (LINER		45,000	45,0
9000' 4 1/2"	· · · · · · · · · · · · · · · · · · ·		
TUBING 8800' 2 3/8" N-80		21,000	21,0
WELLHEAD EQUIPMENT PUMPING UNIT	4,000	10,000	14,0
RODS			
PUMPS			
TANKS		12,000	12,0
FLOWLINES		1,000	1,
HEATER TREATER/SEPARATOR		15,000	15,
ELECTRICAL SYSTEM			
PACKERS/ANCHORS/HANGERS		6,000	6,
		10,000	10,
COUPLINGS/FITTINGS/VALVES			2,
COUPLINGS/FITTINGS/VALVES GAS COMPRESSORS/METERS		2,000	
COUPLINGS/FITTINGS/VALVES GAS COMPRESSORS/METERS MISCELLANEOUS	1,000	1,000	
COUPLINGS/FITTINGS/VALVES GAS COMPRESSORS/METERS MISCELLANEOUS CONTINGENCY	2,300	1,000 12,300	14
COUPLINGS/FITTINGS/VALVES GAS COMPRESSORS/METERS MISCELLANEOUS CONTINGENCY TOTAL TANGIBLES	2,300 25,500	1,000 12,300 135,300	14 160
COUPLINGS/FITTINGS/VALVES GAS COMPRESSORS/METERS MISCELLANEOUS CONTINGENCY	2,300	1,000 12,300	14 160
COUPLINGS/FITTINGS/VALVES GAS COMPRESSORS/METERS MISCELLANEOUS CONTINGENCY TOTAL TANGIBLES TOTAL WELL COSTS  PLUGGING COST	2,300 25,500	1,000 12,300 135,300	14 160
COUPLINGS/FITTINGS/VALVES GAS COMPRESSORS/METERS MISCELLANEOUS CONTINGENCY TOTAL TANGIBLES TOTAL WELL COSTS	2,300 25,500	1,000 12,300 135,300	2, 14 160 776
COUPLINGS/FITTINGS/VALVES GAS COMPRESSORS/METERS MISCELLANEOUS CONTINGENCY TOTAL TANGIBLES TOTAL WELL COSTS  PLUGGING COST TOTAL DRY HOLE  Concho Oil & Gas Corp.	2,300 25,500	1,000 12,300 135,300	14, 160
COUPLINGS/FITTINGS/VALVES GAS COMPRESSORS/METERS MISCELLANEOUS CONTINGENCY TOTAL TANGIBLES TOTAL WELL COSTS  PLUGGING COST TOTAL DRY HOLE	2,300 25,500	1,000 12,300 135,300	14 160

We approve:

FIRST CENTURY OIL, INC.

By:	
Name/Title:	
Date:	

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton LOCATION: Sec.20-IT18S-R26E COUNTY & STATE: Eddy, NM OBJECTIVE: D&C 9000' Morrow well 1980' FNL & 1980' FEI TOTAL **INTANGIBLE COSTS** BCP **ACP** TITLE/CURATIVE/PERMIT 1,000 1.000 5,000 DAMAGES/ROW 5,000 SURVEY/STAKE LOCATION 1,000 1,000 22,000 2,000 LOCATION/PITS/ROAD EXPENSE 20,000 1,000 DRILLING/COMPLETION OVERHEAD RATE 5,000 6,000 0 TURNKEY CONTRACT ō FOOTAGE CONTRACT DAYWORK-CONTRACT; \$7200/day 14,400 172,800 158,400 19,200 **FUEL & POWER** 17,600 1,600 21,000 WATER 3,000 18,000 31,000 BITS & REAMERS 30,000 1,000 MUD & CHEMICALS 25,000 25,000 4,500 DRILL STEM TEST 4,500 CORING & ANALYSIS 0 5,000 CEMENT SURFACE 5,000 CEMENT INTERMEDIATE 8,000 8,000 CEMENT PRODUCTION 15,000 15,000 CASING CREWS & EQUIPMENT 4,000 5,000 9,000 ō FISHING TOOLS & SERVICE 10,000 12,000 CONTRACT LABOR 2,000 COMPANY SUPERVISION 1,000 3,000 2,000 CONTRACT SUPERVISION 15,000 6,000 21,000 4.000 TESTING CASING/TUBING 1,500 2,500 MUD LOGGING UNIT 6,000 6,000 16,000 3,000 **LOGGINGWIRELINE SERVICES** 13,000 5,000 5,000 PERFORATING STIMULATION/TREATING 80,000 80.000 COMPLETION UNIT 20,000 20,000 18,000 RENTALS 15,000 3.000 TRUCKING/FORKLIFT/RIG MOBILIZATION 2,000 22,000 20,000 2,000 WELDING SERVICES 1.000 1.000 3,000 FLOAT EQUIPMENT & CENTRALIZERS 1,500 1,500 2,000 1,000 MISCELLANEOUS 1.000 56,000 CONTINGENCY 38,100 17,900 196,900 615,500 TOTAL INTANGIBLES 418,600 TANGIBLE COSTS 5,700 SURFACE CASING 5,700 400' 13 3/8" 12,500 12,500 INTERMEDIATE CASING 1300' 8 5/8" 45,000 PRODUCTION CASING LINER 45,000 9000' 4 1/2" 21,000 TUBING 8800' 2 3/8" N-80 21,000 14,000 10,000 WELLHEAD EQUIPMENT 4,000 0 PUMPING UNIT 0 RODS ō **PUMPS** 12,000 12,000 TANKS 1,000 **FLOWLINES** 1.000 15,000 15,000 HEATER TREATER/SEPARATOR 0 **ELECTRICAL SYSTEM** 6.000 6,000 PACKERS/ANCHORS/HANGERS 10,000 10,000 COUPLINGS/FITTINGS/VALVES 2,000 2,000 GAS COMPRESSORS/METERS 1,000 2,000 1,000 MISCELLANEOUS 14,600 12,300 CONTINGENCY 2,300 25,500 135,300 160,800 **TOTAL TANGIBLES** 776,300 332,200 444,100 **TOTAL WELL COSTS PLUGGING COST TOTAL DRY HOLE** Concho Oil & Gas Corp. By: Erick W. Nelson Date Prepared: 1/13/03

We approve:

FISCO INC.

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By:\_\_\_\_\_\_Name/Title:\_\_\_\_\_

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well **INTANGIBLE COSTS BCP** <u>ACP</u> **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 20,000 2,000 22,000 DRILLING/COMPLETION OVERHEAD RATE 5,000 1,000 6,000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT 0 DAYWORK-CONTRACT: \$7200/day 14,400 172,800 158,400 FUEL & POWER 17,600 19,200 1,600 WATER 21,000 18,000 3.000 BITS & REAMERS 31,000 30,000 1,000 MUD & CHEMICALS 25,000 25,000 **DRILL STEM TEST** 4,500 4,500 **CORING & ANALYSIS CEMENT SURFACE** 5,000 5.000 CEMENT INTERMEDIATE 8,000 8,000 CEMENT PRODUCTION! 15,000 15.000 **CASING CREWS & EQUIPMENT** 9,000 4,000 5,000 FISHING TOOLS & SERVICE CONTRACT LABOR 12,000 2,000 10,000 COMPANY SUPERVISION 3,000 2,000 1,000 CONTRACT SUPERVISION 21.000 15,000 6,000 TESTING CASING/TUBING 1,500 2,500 4,000 MUD LOGGING UNIT 6,000 6,000 **LOGGINGWIRELINE SERVICES** 16,000 3,000 13,000 PERFORATING 5,000 5,000 STIMULATION/TREATING 80,000 80,000 COMPLETION UNIT 20.000 20,000 3,000 18,000 RENTALS 15,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 20,000 22,000 2.000 WELDING SERVICES 1,000 1,000 2.000 **FLOAT EQUIPMENT & CENTRALIZERS** 1,500 3,000 1,500 2,000 MISCELLANEOUS 1,000 1,000 CONTINGENCY 56,000 38,100 17,900 TOTAL INTANGIBLES 615,500 196,900 418,600 **TANGIBLE COSTS** 5,700 SURFACE CASING 5,700 400' 13 3/8" 12,500 12,500 INTERMEDIATE CASING 1300' 8 5/8" 45,000 **PRODUCTION CASING ALINER** 45,000 9000' 4 1/2" 21,000 TUBING 8800' 2 3/8" N-80 21,000 10,000 14,000 WELLHEAD EQUIPMENT 4,000 0 **PUMPING UNIT** 0 RODS 0 **PUMPS** 12,000 12,000 **TANKS** 1,000 **FLOWLINES** 1.000 15,000 15,000 HEATER TREATER/SEPARATOR ā **ELECTRICAL SYSTEM** 6,000 PACKERS/ANCHORS/HANGERS 6,000 10,000 COUPLINGS/FITTINGS/VALVES 10,000 2,000 2,000 GAS COMPRESSORS/METERS 1,000 2,000 MISCELLANEOUS 1.000 14,600 12,300 CONTINGENCY 2,300 160,800 25,500 135,300 **TOTAL TANGIBLES** 444,100 332,200 776,300 **TOTAL WELL COSTS PLUGGING COST TOTAL DRY HOLE** Concho Oil & Gas Corp. By: Erick W. Nelson Date Prepared: 1/13/03

We approve:

MYRL SAWYER GOOD

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

By:\_\_\_\_

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well **INTANGIBLE COSTS BCP TOTAL** <u>ACP</u> TITLE/CURATIVE/PERMIT 1,000 1,000 DAMAGES/ROW 5,000 5,000 SURVEY/STAKE LOCATION 1,000 1,000 LOCATION/PITS/ROAD EXPENSE 22,000 20,000 2,000 DRILLING/COMPLETION OVERHEAD RATE 6,000 5,000 1,000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT ٥ DAYWORK-CONTRACT: \$7200/day 158,400 14,400 172,800 **FUEL & POWER** 17,600 19,200 1,600 WATER 21,000 18,000 3,000 BITS & REAMERS 31,000 30,000 1,000 **MUD & CHEMICALS** 25,000 25,000 DRILL STEM TEST 4,500 4,500 CORING & ANALYSIS 0 **CEMENT SURFACE** 5,000 5,000 CEMENT INTERMEDIATE 8,000 8,000 CEMENT PRODUCTION 15,000 15,000 CASING CREWS & EQUIPMENT 4,000 5,000 9,000 FISHING TOOLS & SERVICE 0 CONTRACT LABOR 10.000 12,000 2,000 COMPANY SUPERVISION 2,000 1,000 3,000 21,000 **CONTRACT SUPERVISION** 15,000 6,000 TESTING CASING/TUBING 4.000 1,500 2,500 MUD LOGGING UNIT 6,000 6,000 LOGGING/WIRELINE SERVICES 16,000 13,000 3,000 PERFORATING 5,000 5,000 STIMULATION/TREATING 80,000 80.000 **COMPLETION UNIT** 20,000 20,000 RENTALS 15,000 18,000 3.000 TRUCKING/FORKLIFT/RIG MOBILIZATION 20,000 2,000 22,000 WELDING SERVICES 1,000 1,000 2,000 **FLOAT EQUIPMENT & CENTRALIZERS** 1,500 1,500 3,000 MISCELLANEOUS 1,000 2,000 1.000 CONTINGENCY 38,100 17,900 56,000 TOTAL INTANGIBLES 615,500 418,600 196,900 **TANGIBLE COSTS** 5,700 SURFACE CASING 5,700 400" 13 3/8" 12,500 INTERMEDIATE CASING 12,500 1300' 8 5/8" PRODUCTION CASING (LINER 45,000 45,000 9000' 4 1/2" 21,000 21,000 TUBING 8800' 2 3/8" N-80 14,000 WELLHEAD EQUIPMENT 4,000 10,000 **PUMPING UNIT** 0 Ô RODS PUMPS 0 12,000 **TANKS** 12,000 **FLOWLINES** 1,000 1,000 15,000 15.000 HEATER TREATER/SEPARATOR 0 **ELECTRICAL SYSTEM** 6,000 PACKERS/ANCHORS/HANGERS 6,000 10,000 10,000 COUPLINGS/FITTINGS/VALVES 2,000 2,000 GAS COMPRESSORS/METERS 2,000 1,000 1.000 MISCELLANEOUS 14,600 2,300 12,300 CONTINGENCY 135,300 160,800 25,500 TOTAL TANGIBLES 444,100 332,200 776,300 **TOTAL WELL COSTS PLUGGING COST** TOTAL DRY HOLE Concho Oil & Gas Corp. By: Erick W. Nelson Date Prepared: 1/13/03

We approve:

CANDACE GOOD JACOBSON TRUST B

Ву:	
Name/Title:	

PROSPECT NAME: Dayton

WELL NAME: Dayton Flyer #1

LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' 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 20,000 2,000 22,000 **DRILLING/COMPLETION OVERHEAD RATE** 5,000 1,000 6,000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT 0 DAYWORK-CONTRACT \$7200/day 172,800 158,400 14,400 **FUEL & POWER** 17,600 1,600 19,200 WATER 18,000 3,000 21,000 BITS & REAMERS 31,000 30,000 1,000 **MUD & CHEMICALS** 25,000 25,000 DRILL STEM TEST 4,500 4,500 CORING & ANALYSIS CEMENT SURFACE 5,000 5,000 **CEMENT INTERMEDIATE** 8,000 8,000 CEMENT PRODUCTION 15 000 15,000 **CASING CREWS & EQUIPMENT** 4,000 9,000 5,000 FISHING TOOLS & SERVICE 0 CONTRACT LABOR 2,000 10,000 12,000 COMPANY SUPERVISION 3,000 2,000 1.000 **CONTRACT SUPERVISION** 15,000 6,000 21,000 TESTING CASING/TUBING 1,500 2,500 4,000 MUD LOGGING UNIT 6,000 6.000 **LOGGINGWIRELINE SERVICES** 13,000 3,000 16,000 **PERFORATING** 5,000 5.000 STIMULATION/TREATING 80,000 80,000 COMPLETION UNIT 20,000 20,000 RENTALS 15,000 3,000 18,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 22,000 20,000 2,000 WELDING SERVICES 2,000 1.000 1,000 **FLOAT EQUIPMENT & CENTRALIZERS** 1,500 1,500 3.000 MISCELLANEOUS 2,000 1,000 1.000 CONTINGENCY 56,000 38,100 17,900 **TOTAL INTANGIBLES** 615,500 418,600 196,900 **TANGIBLE COSTS** 5,700 SURFACE CASING 5,700 400' 13 3/8" 12,500 INTERMEDIATE CASING 12,500 1300' 8 5/8" 45,000 PRODUCTION CASING /LINER 45,000 9000' 4 1/2' 21,000 21,000 TUBING 8800' 2 3/8" N-80 WELLHEAD EQUIPMENT 14,000 4,000 10,000 **PUMPING UNIT** 0 0 RODS **PUMPS** 0 12,000 12,000 TANKS 1,000 1,000 15,000 HEATER TREATER/SEPARATOR 15,000 **ELECTRICAL SYSTEM** 6,000 6,000 PACKERS/ANCHORS/HANGERS 10,000 10,000 COUPLINGS/FITTINGS/VALVES 2,000 2,000 GAS COMPRESSORS/METERS 2,000 1,000 MISCELLANEOUS 1,000 12,300 14,600 CONTINGENCY 2,300 135,300 160,800 TOTAL TANGIBLES 25,500 444,100 776,300 **TOTAL WELL COSTS** 332,200 **PLUGGING COST** TOTAL DRY HOLE Concho Oil & Gas Corp. Date Prepared: 1/13/03 By: Erick W. Nelson

We approve:

### **CANDACE GOOD JACOBSON TRUST A**

By:	
Name/Title:	
Data	— — ·-

## CONCHO OIL & GAS CORP.

**AUTHORITY FOR EXPENDITURE** WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well **INTANGIBLE COSTS** BCP TOTAL ACP TITLE/CURATIVE/PERMIT 1,000 1,000 DAMAGES/ROW 5,000 5,000 SURVEY/STAKE LOCATION 1,000 1,000 LOCATION/PITS/ROAD EXPENSE 20,000 22,000 2.000 DRILLING/COMPLETION OVERHEAD RATE 5,000 1,000 6,000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT ō DAYWORK-CONTRACT \$7200/day 158,400 14,400 172,800 **FUEL & POWER** 17,600 19,200 1.600 WATER 18,000 3,000 21,000 BITS & REAMERS 30,000 1,000 31,000 MUD & CHEMICALS 25.000 25,000 DRILL STEM TEST 4,500 4,500 **CORING & ANALYSIS** 0 CEMENT SURFACE 5,000 5,000 **CEMENT INTERMEDIATE** 8,000 8,000 CEMENT PRODUCTION 15,000 15,000 CASING CREWS & EQUIPMENT 4,000 5,000 9,000 FISHING TOOLS & SERVICE 0 CONTRACT LABOR 12,000 2,000 10,000 COMPANY SUPERVISION 2,000 1,000 3.000 CONTRACT SUPERVISION 15,000 21,000 6,000 TESTING CASING/TUBING 2,500 4,000 1.500 MUD LOGGING UNIT 6,000 6,000 LOGGING/WIRELINE SERVICES 13,000 3,000 16,000 PERFORATING 5,000 5,000 STIMULATION/TREATING 80,000 80,000 COMPLETION UNIT 20,000 20.000 RENTALS 18,000 15,000 3,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 20,000 2.000 22.000 **WELDING SERVICES** 1,000 1,000 2,000 **FLOAT EQUIPMENT & CENTRALIZERS** 1,500 3,000 1.500 MISCELLANEOUS 1,000 1,000 2,000 CONTINGENCY 38,100 17,900 56,000 TOTAL INTANGIBLES 418,600 196,900 615.500 **TANGIBLE COSTS** SURFACE CASING 5,700 5,700 400' 13 3/8" 12,500 INTERMEDIATE CASING 12,500 1300' 8 5/8" 45,000 PRODUCTION CASING !LINER 45,000 9000' 4 1/2" 21,000 TUBING 8800' 2 3/8" N-80 21,000 WELLHEAD EQUIPMENT 14,000 4,000 10,000 **PUMPING UNIT** 0 0 RODS PUMPS 0 TANKS 12,000 12,000 1,000 **FLOWLINES** 1,000 HEATER TREATER/SEPARATOR 15,000 15,000

**PLUGGING COST TOTAL DRY HOLE** 

Concho Oil & Gas Corp.

ELECTRICAL SYSTEM

**MISCELLANEOUS** 

CONTINGENCY

PACKERS/ANCHORS/HANGERS COUPLINGS/FITTINGS/VALVES

GAS COMPRESSORS/METERS

TOTAL TANGIBLES

By: Erick W. Nelson

**TOTAL WELL COSTS** 

Date Prepared: 1/13/03

1,000

2,300

25,500

444,100

We approve:

## H. F. GLOVER ESTATE

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

6,000

10,000

2,000

1,000

12,300

135,300

332,200

ō 6,000

10,000

2,000

2,000

14,600

160,800

776,300

By:	
Name/Title:	
Date:	

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton LOCATION: Sec.20-IT18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' 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 2,000 22,000 20,000 DRILLING/COMPLETION OVERHEAD RATE 5,000 1,000 6,000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT 0 DAYWORK-CONTRACT \$7200/day 14,400 172.800 158,400 **FUEL & POWER** 17,600 1,600 19,200 WATER 3.000 21,000 18,000 BITS & REAMERS 30,000 1,000 31,000 MUD & CHEMICALS 25,000 25,000 DRILL STEM TEST 4,500 4,500 **CORING & ANALYSIS** 0 CEMENT SURFACE 5.000 5,000 CEMENT INTERMEDIATE 8,000 8,000 CEMENT PRODUCTION 15,000 15,000 CASING CREWS & EQUIPMENT 4,000 5,000 9,000 FISHING TOOLS & SERVICE **CONTRACT LABOR** 10,000 12.000 2,000 COMPANY SUPERVISION 3,000 2,000 1,000 CONTRACT SUPERVISION 21,000 15,000 6,000 TESTING CASING/TUBING 1,500 2,500 4,000 MUD LOGGING UNIT 6,000 6,000 LOGGING/WIRELINE SERVICES 3,000 16,000 13,000 PERFORATING 5,000 5,000 STIMULATION/TREATING 80,000 80,000 **COMPLETION UNIT** 20,000 20,000 18,000 RENTALS 15,000 3,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 22,000 20,000 2,000 WELDING SERVICES 1.000 2,000 1.000 3.000 **FLOAT EQUIPMENT & CENTRALIZERS** 1,500 1,500 MISCELLANEOUS 2,000 1,000 1,000 CONTINGENCY 17,900 56,000 38,100 TOTAL INTANGIBLES 418,600 196,900 615,500 TANGIBLE COSTS SURFACE CASING 5,700 5,700 400" 13 3/8" INTERMEDIATE CASING 12,500 12,500 1300' 8 5/8" PRODUCTION CASING (LINER 45,000 45,000 9000' 4 1/2" TUBING 8800' 2 3/8" N-80 21,000 21,000 14,000 WELLHEAD EQUIPMENT 4,000 10,000 **PUMPING UNIT** ō O RODS **PUMPS** n 12,000 12,000 TANKS 1,000 **FLOWLINES** 1,000 15,000 HEATER TREATER/SEPARATOR 15,000 Ô **ELECTRICAL SYSTEM** PACKERS/ANCHORS/HANGERS 6,000 6.000 10,000 10,000 COUPLINGS/FITTINGS/VALVES 2,000 GAS COMPRESSORS/METERS 2,000 1,000 2,000 1,000 MISCELLANEOUS 14,600 12,300 CONTINGENCY 2,300 135,300 160,800 TOTAL TANGIBLES 25,500 776,300 TOTAL WELL COSTS 444,100 332,200 **PLUGGING COST** TOTAL DRY HOLE Concho Oil & Gas Corp. By: Erick W. Nelson Date Prepared: 1/13/03

We approve:

EASTLAND EXPLORATION, INC.

By:	
Name/Title:	

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well **INTANGIBLE COSTS BCP** TOTAL **ACP** TITLE/CURATIVE/PERMIT 1,000 1,000 DAMAGES/ROW 5,000 5,000 SURVEY/STAKE LOCATION 1.000 1,000 LOCATION/PITS/ROAD EXPENSE 20,000 2,000 22,000 DRILLING/COMPLETION OVERHEAD RATE 1,000 6,000 5.000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT ō DAYWORK-CONTRACT \$7200/day 158,400 14,400 172,800 17,600 **FUEL & POWER** 19,200 1,600 WATER 18,000 3,000 21,000 BITS & REAMERS 1,000 31,000 30,000 **MUD & CHEMICALS** 25,000 25,000 **DRILL STEM TEST** 4,500 4,500 **CORING & ANALYSIS** 0 CEMENT SURFACE 5,000 5,000 CEMENT INTERMEDIATE 8,000 8,000 CEMENT PRODUCTION 15,000 15,000 9,000 CASING CREWS & EQUIPMENT 4,000 5.000 FISHING TOOLS & SERVICE n CONTRACT LABOR 12,000 2,000 10,000 COMPANY SUPERVISION 3.000 2.000 1.000 CONTRACT SUPERVISION 15,000 6,000 21,000 TESTING CASING/TUBING 2,500 4,000 1.500 6,000 MUD LOGGING UNIT 6,000 LOGGINGWIRELINE SERVICES 16,000 13,000 3,000 PERFORATING 5,000 5,000 STIMULATION/TREATING 80,000 80,000 **COMPLETION UNIT** 20,000 20,000 18,000 RENTALS 15,000 3,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 20,000 2.000 22,000 **WELDING SERVICES** 1,000 2,000 1,000 **FLOAT EQUIPMENT & CENTRALIZERS** 1,500 3,000 1,500 **MISCELLANEOUS** 1,000 1,000 2,000 CONTINGENCY 17,900 56,000 38.100 TOTAL INTANGIBLES 615,500 418,600 196,900 **TANGIBLE COSTS** SURFACE CASING 5,700 5,700 400' 13 3/8" 12,500 INTERMEDIATE CASING 12,500 1300' 8 5/8" 45,000 PRODUCTION CASING / LINER 45,000 9000' 4 1/2' 21,000 TUBING 8800' 2 3/8" N-80 21,000 10,000 14,000 WELLHEAD EQUIPMENT 4,000 0 **PUMPING UNIT** 0 RODS PUMPS 0 12,000 TANKS 12,000 1,000 1,000 **FLOWLINES** 15,000 15,000 **HEATER TREATER/SEPARATOR ELECTRICAL SYSTEM** 0 6,000 6,000 PACKERS/ANCHORS/HANGERS 10,000 **COUPLINGS/FITTINGS/VALVES** 10,000 2,000 2,000 GAS COMPRESSORS/METERS 2.000 MISCELLANEOUS 1,000 1,000 12,300 14,600 2,300 CONTINGENCY 160,800 TOTAL TANGIBLES 25,500 135,300 776,300 **TOTAL WELL COSTS** 444,100 332,200 **PLUGGING COST** TOTAL DRY HOLE Concho Oil & Gas Corp. By: Erick W. Nelson Date Prepared: 1/13/03

We approve:

#### **BWP PARTNERS 1**

By:	
Name/Title:	
Datos	

## CONCHO OIL & GAS CORP.

**AUTHORITY FOR EXPENDITURE** WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well **BCP INTANGIBLE COSTS** TOTAL **ACP** TITLE/CURATIVE/PERMIT 1.000 1.000 DAMAGES/ROW 5,000 5.000 SURVEY/STAKE LOCATION 1,000 1,000 LOCATION/PITS/ROAD EXPENSE 20,000 2,000 22,000 DRILLING/COMPLETION OVERHEAD RATE 6,000 1.000 5,000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT 0 DAYWORK-CONTRACT \$7200/day 158,400 14,400 172,800 FUEL & POWER 17,600 1,600 19,200 WATER 18,000 3.000 21,000 BITS & REAMERS 30,000 1,000 31,000 MUD & CHEMICALS 25,000 25,000 **DRILL STEM TEST** 4,500 4.500 **CORING & ANALYSIS** a **CEMENT SURFACE** 5,000 5,000 8,000 **CEMENT INTERMEDIATE** 8,000 CEMENT PRODUCTION 15.000 15,000 9,000 **CASING CREWS & EQUIPMENT** 4,000 5,000 FISHING TOOLS & SERVICE 0 **CONTRACT LABOR** 2,000 10,000 12,000 2,000 COMPANY SUPERVISION 3,000 1.000 **CONTRACT SUPERVISION** 15,000 6,000 21,000 TESTING CASING/TUBING 4,000 1.500 2,500 MUD LOGGING UNIT 6,000 6.000 16,000 LOGGINGWIRELINE SERVICES 13,000 3,000 PERFORATING 5.000 5.000 STIMULATION/TREATING 80,000 80,000 COMPLETION UNIT 20,000 20,000 18,000 RENTALS 15,000 3.000 TRUCKING/FORKLIFT/RIG MOBILIZATION 2,000 22,000 20,000 2,000 WELDING SERVICES 1.000 1.000 **FLOAT EQUIPMENT & CENTRALIZERS** 1,500 1,500 3,000 MISCELLANEOUS 2,000 1,000 1.000 56,000 CONTINGENCY 38,100 17,900 615,500 TOTAL INTANGIBLES 418,600 196,900 **TANGIBLE COSTS** SURFACE CASING 5,700 5,700 400' 13 3/8" 12,500 INTERMEDIATE CASING 12,500 1300' 8 5/8" 45,000 45,000 PRODUCTION CASING (LINER 9000' 4 1/2" 21,000 21,000 TUBING 8800' 2 3/8" N-80 14,000 WELLHEAD EQUIPMENT 10,000 4,000 PUMPING UNIT 0 ō RODS **PUMPS** 0 12,000 12,000 TANKS 1.000 **FLOWLINES** 1,000 15,000 15,000 HEATER TREATER/SEPARATOR 0 **ELECTRICAL SYSTEM** 6,000 6,000 PACKERS/ANCHORS/HANGERS 10,000 10,000 COUPLINGS/FITTINGS/VALVES 2,000 2,000 GAS COMPRESSORS/METERS 2,000 1,000 MISCELLANEOUS 1,000 12,300 14,600 2,300 CONTINGENCY 160,800 135.300 TOTAL TANGIBLES 25.500 776,300 444,100 332,200 **TOTAL WELL COSTS PLUGGING COST** 

Concho Oil & Gas Corp.

TOTAL DRY HOLE

By: Erick W. Nelson ESW 1/13/03

Date Prepared: 1/13/03

We approve:

#### NORTEX CORPORATION

By:	
Name/Title:	
Data	

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well **INTANGIBLE COSTS BCP** TOTAL <u>ACP</u> TITLE/CURATIVE/PERMIT 1,000 1,000 DAMAGES/ROW 5.000 5,000 SURVEY/STAKE LOCATION 1,000 1.000 LOCATION/PITS/ROAD EXPENSE 20,000 2,000 22,000 DRILLING/COMPLETION OVERHEAD RATE 6,000 5,000 1,000 TURNKEY CONTRACT 0 **FOOTAGE CONTRACT** 0 DAYWORK-CONTRACT | \$7200/day 14,400 172,800 158,400 FUEL & POWER 1,600 19,200 17,600 WATER 3,000 21,000 18,000 **BITS & REAMERS** 30,000 1,000 31,000 MUD & CHEMICALS 25,000 25,000 DRILL STEM TEST 4,500 4,500 **CORING & ANALYSIS** 0 CEMENT SURFACE 5,000 5,000 **CEMENT INTERMEDIATE** 8,000 8,000 CEMENT PRODUCTION 15,000 15,000 CASING CREWS & EQUIPMENT 9,000 4,000 5,000 FISHING TOOLS & SERVICE O CONTRACT LABOR 2,000 10,000 12,000 COMPANY SUPERVISION 1,000 3,000 2.000 CONTRACT SUPERVISION 21,000 15,000 6.000 TESTING CASING/TUBING 4,000 1,500 2,500 MUD LOGGING UNIT 6,000 6.000 LOGGING/WIRELINE SERVICES 13,000 3,000 16,000 PERFORATING 5,000 5,000 STIMULATION/TREATING 80,000 80,000 COMPLETION UNIT 20,000 20.000 18,000 RENTALS 15,000 3,000 22,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 20,000 2,000 2,000 WELDING SERVICES 1,000 1,000 1,500 3,000 **FLOAT EQUIPMENT & CENTRALIZERS** 1,500 2.000 1,000 MISCELLANEOUS 1,000 CONTINGENCY 38,100 17,900 56,000 TOTAL INTANGIBLES 615,500 418,600 196,900 **TANGIBLE COSTS** 5,700 **SURFACE CASING** 5,700 400" 13 3/8" 12,500 INTERMEDIATE CASING 12,500 1300' 8 5/8" 45,000 45,000 PRODUCTION CASING ALINER 9000' 4 1/2' 21,000 21,000 TUBING 8800' 2 3/8" N-80 10,000 14,000 WELLHEAD EQUIPMENT 4,000 0 **PUMPING UNIT** 0 RODS 0 **PUMPS** 12,000 12,000 **TANKS** 1,000 1,000 **FLOWLINES** 15,000 15,000 HEATER TREATER/SEPARATOR **ELECTRICAL SYSTEM** 6,000 6,000 PACKERS/ANCHORS/HANGERS 10,000 10,000 COUPLINGS/FITTINGS/VALVES 2,000 2,000 GAS COMPRESSORS/METERS 1,000 2,000 1,000 **MISCELLANEOUS** 12,300 14,600 CONTINGENCY 2,300 135,300 160,800 **TOTAL TANGIBLES** 25,500 776,300 **TOTAL WELL COSTS** 444,100 332,200 PLUGGING COST **TOTAL DRY HOLE** Concho Oil & Gas Corp. Date Prepared: 1/13/03 By: Erick W. Nelson

We approve:

WESTERN OIL PRODUCERS, INC.

Ву:	
Name/Title:	
Date:	

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton

LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM

1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' Morrow well

1980' FNL & 1980' FEL	OBJECTIVE: DO	C 9000' Morrow well	
INTANGIBLE COSTS	ВСР	ACP	TOTAL
TITLE/CURATIVE/PERMIT	1,000	TOL.	1,000
DAMAGES/ROW	5,000		5,000
SURVEY/STAKE LOCATION			1,000
LOCATION/PITS/ROAD EXPENSE	1,000	2,000	22,000
DRILLING/COMPLETION OVERHEAD RATE	20,000	1,000	6,000
TURNKEY CONTRACT	3,000	1,000	0,000
FOOTAGE CONTRACT			0
DAYWORK-CONTRACT \$7200/day	158,400	14,400	172,800
FUEL & POWER	17,600	1,600	19,200
WATER	18,000	3,000	21,000
BITS & REAMERS	30,000	1,000	31,000
MUD & CHEMICALS	25,000		25,000
DRILL STEM TEST	4,500		4,500
CORING & ANALYSIS			0
CEMENT SURFACE	5,000		5,000
CEMENT INTERMEDIATE	8,000		8,000
CEMENT PRODUCTION	1.000	15,000	15,000
CASING CREWS & EQUIPMENT	4,000	5,000	9,000
FISHING TOOLS & SERVICE CONTRACT LABOR	2.000	10,000	12,000
COMPANY SUPERVISION	2,000 2,000	1,000	3,000
CONTRACT SUPERVISION	15,000	6,000	21,000
TESTING CASING/TUBING	1,500	2,500	4,000
MUD LOGGING UNIT	6,000	2,000	6,000
LOGGING/WIRELINE SERVICES	13,000	3,000	16,000
PERFORATING		5,000	5,000
STIMULATION/TREATING		80,000	80,000
COMPLETION UNIT		20,000	20,000
RENTALS	15,000	3,000	18,000
TRUCKING/FORKLIFT/RIG MOBILIZATION	20,000	2,000	22,000
WELDING SERVICES	1,000	1,000	2,000
FLOAT EQUIPMENT & CENTRALIZERS	1,500	1,500	3,000
MISCELLANEOUS	1,000	1,000 17,900	2,000 56,000
TOTAL INTANGIBLES	38,100 418,600	196,900	615,500
14th itthiamed	410,000	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
TANGIBLE COSTS			
SURFACE CASING	5,700		5,700
400' 13 3/8"			
INTERMEDIATE CASING	12,500		12,500
1300' 8 5/8"			
PRODUCTION CASING (LINER		45,000	45,000
9000' 4 1/2"			
TUBING: 8800' 2 3/8" N-80		21,000	21,000
WELLHEAD EQUIPMENT	4,000	10,000	14,000
PUMPING UNIT			
RODS	<del></del>		
PUMPS TANKS		12,000	12,000
FLOWLINES		1,000	1,000
HEATER TREATER/SEPARATOR		15,000	15,000
ELECTRICAL SYSTEM			C
PACKERS/ANCHORS/HANGERS	<del></del>	6,000	6,000
COUPLINGS/FITTINGS/VALVES		10,000	10,000
GAS COMPRESSORS/METERS		2,000	2,000
MISCELLANEOUS	1,000	1,000	2,000
CONTINGENCY	2,300	12,300	14,600
TOTAL TANGIBLES	25,500	135,300	160,800
TOTAL WELL COSTS	444,100	332,200	776,300
	•		
PLUGGING COST			
TOTAL DRY HOLE			
0 0.11.0			
Concho Oil & Gas Corp.			
By: Erick W. Nelson ESW \13/03	Date Prepared: 1/13/0	าว	
By: Erick W. Nelson	Date Flehated. 1/13/		

We approve:

McBRIDE OIL & GAS CORPORATION

By:	
Name/Title:	

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' 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 22,000 20,000 2,000 DRILLING/COMPLETION OVERHEAD RATE 5,000 1.000 6.000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT Ö DAYWORK-CONTRACT \$7200/day 158,400 14,400 172,800 **FUEL & POWER** 17,600 1,600 19,200 WATER 18,000 3,000 21,000 BITS & REAMERS 31,000 30,000 1,000 MUD & CHEMICALS 25,000 25,000 **DRILL STEM TEST** 4,500 4.500 **CORING & ANALYSIS** 0 CEMENT SURFACE 5,000 5,000 CEMENT INTERMEDIATE 8,000 8,000 CEMENT PRODUCTION! 15,000 15,000 CASING CREWS & EQUIPMENT 9,000 4,000 5,000 FISHING TOOLS & SERVICE ō CONTRACT LABOR 2,000 10,000 12,000 COMPANY SUPERVISION 3,000 2,000 1,000 CONTRACT SUPERVISION 21,000 15,000 6,000 TESTING CASING/TUBING 1,500 4.000 2,500 MUD LOGGING UNIT 6,000 6,000 **LOGGINGWIRELINE SERVICES** 16,000 13,000 3.000 PERFORATING 5,000 5,000 STIMULATION/TREATING 80,000 80,000 COMPLETION UNIT 20,000 20,000 RENTALS 15,000 3,000 18,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 20,000 2,000 22.000 **WELDING SERVICES** 2,000 1,000 1,000 FLOAT EQUIPMENT & CENTRALIZERS 3.000 1.500 1.500 **MISCELLANEOUS** 1,000 2,000 1,000 CONTINGENCY 17,900 56,000 38.100 615,500 **TOTAL INTANGIBLES** 418,600 196.900 **TANGIBLE COSTS** SURFACE CASING 5,700 5,700 400' 13 3/8" 12,500 INTERMEDIATE CASING 12,500 1300' 8 5/8" 45,000 PRODUCTION CASING LINER 45,000 9000' 4 1/2' 21,000 TUBING 8800' 2 3/8" N-80 21,000 WELLHEAD EQUIPMENT 14,000 4,000 10,000 **PUMPING UNIT** 0 RODS Ō ō **PUMPS** 12,000 TANKS 12,000 1,000 1.000 **FLOWLINES** HEATER TREATER/SEPARATOR 15,000 15,000 **ELECTRICAL SYSTEM** 0 6,000 PACKERS/ANCHORS/HANGERS 6.000 10,000 COUPLINGS/FITTINGS/VALVES 10,000 2,000 2,000 GAS COMPRESSORS/METERS 2,000 MISCELLANEOUS 1,000 1,000 14,600 12,300 CONTINGENCY 2,300 160,800 TOTAL TANGIBLES 25,500 135,300 TOTAL WELL COSTS 444,100 332,200 776,300 **PLUGGING COST TOTAL DRY HOLE** Concho Oil & Gas Corp. By: Erick W. Nelson Date Prepared: 1/13/03

We approve:

**EARLENE C. TWEEDY TRUST** 

By:
Name/Title:

WELL NAME: Dayton Flyer #1	PROSPECT NAME: Dayton		
LOCATION: Sec.20-T18S-R26E	COUNTY & STATE: Eddy, NM		
1980' FNL & 1980' FEL	OBJECTIVE: D&C	2 9000' Morrow well	
INTANGIBLE COSTS	ВСР	ACP	TOTAL
TITLE/CURATIVE/PERMIT	1,000	<u>var</u>	1,000
DAMAGES/ROW	5,000		5,000
SURVEY/STAKE LOCATION			
LOCATION/PITS/ROAD EXPENSE	1,000 20,000	2,000	1,000 22,000
DRILLING/COMPLETION OVERHEAD RATE	5,000	1,000	6,000
TURNKEY CONTRACT	3,000	1,000	0,000
FOOTAGE CONTRACT	<del></del>		0
DAYWORK-CONTRACT \$7200/day	158,400	14,400	172,800
FUEL & POWER	17,600	1,600	19,200
WATER	18,000	3,000	21,000
BITS & REAMERS	30,000	1,000	31,000
MUD & CHEMICALS	25,000	·	25,000
DRILL STEM TEST CORING & ANALYSIS	4,500	<del></del>	4,500
CEMENT SURFACE	5,000		5,000
CEMENT INTERMEDIATE	8,000		8,000
CEMENT PRODUCTION		15,000	15,000
CASING CREWS & EQUIPMENT	4,000	5,000	9,000
FISHING TOOLS & SERVICE			0
CONTRACT LABOR	2,000	10,000	12,000
COMPANY SUPERVISION	2,000	1,000	3,000
CONTRACT SUPERVISION	15,000	6,000	21,000
TESTING CASING/TUBING	1,500	2,500	4,000
MUD LOGGING UNIT	6,000		6,000
LOGGING/WIRELINE SERVICES	13,000	3,000	16,000
PERFORATING STIMULATION/TREATING		5,000 80,000	5,000 80,000
COMPLETION UNIT		20,000	20,000
RENTALS	15,000	3,000	18,000
TRUCKING/FORKLIFT/RIG MOBILIZATION	20,000	2,000	22,000
WELDING SERVICES	1,000	1,000	2,000
FLOAT EQUIPMENT & CENTRALIZERS	1,500	1,500	3,000
MISCELLANEOUS	1,000	1,000	2,000
CONTINGENCY	38,100	17,900	56,000
TOTAL INTANGIBLES	418,600	196,900	615,500
TANGIBLE COSTS			
SURFACE CASING	5,700		5,700
400' 13 3/8"	3,700		0,100
INTERMEDIATE CASING	12,500		12,500
1300' 8 5/8"			
PRODUCTION CASING LINER	<del></del>	45,000	45,000
9000' 4-1/2"			
TUBING 8800' 2 3/8" N-80		21,000	21,000
WELLHEAD EQUIPMENT	4,000	10,000	14,000
PUMPING UNIT			0
RODS PUMPS	<del></del>		
TANKS		12,000	12,000
FLOWLINES		1,000	1,000
HEATER TREATER/SEPARATOR		15,000	15,000
ELECTRICAL SYSTEM			0
PACKERS/ANCHORS/HANGERS		6,000	6,000
COUPLINGS/FITTINGS/VALVES		10,000	10,000
GAS COMPRESSORS/METERS		2,000	2,000
MISCELLANEOUS	1,000	1,000	2,000
CONTINGENCY	2,300	12,300	14,600
TOTAL TANGIBLES	25,500	135,300	160,800
TOTAL WELL COSTS	444,100	332,200	776,300
DI LICCING COST	•		
PLUGGING COST TOTAL DRY HOLE			
IOIAL DAT DOLE			
Concho Oil & Gas Corp.			
· , , , ,			
By: Erick W. Nelson ESW 1303	Date Prepared: 1/13/03	_	

We approve:

**DEVON ENERGY PRODUCTION COMPANY, L.P.** 

Ву:	
Name/Title:	
Data	

WELL NAME: Dayton Flyer #1 PROSPECT NAME: Dayton LOCATION: Sec.20-T18S-R26E COUNTY & STATE: Eddy, NM 1980' FNL & 1980' FEL OBJECTIVE: D&C 9000' 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 20,000 2,000 22,000 **DRILLING/COMPLETION OVERHEAD RATE** 1,000 6,000 5,000 **TURNKEY CONTRACT** 0 FOOTAGE CONTRACT 0 DAYWORK-CONTRACT: \$7200/day 158,400 14,400 172,800 FUEL & POWER 17,600 1,600 19,200 WATER 18,000 3,000 21,000 **BITS & REAMERS** 31,000 30,000 1,000 MUD & CHEMICALS 25,000 25,000 **DRILL STEM TEST** 4,500 4,500 **CORING & ANALYSIS** 0 CEMENT SURFACE 5,000 5,000 CEMENT INTERMEDIATE 8,000 8,000 CEMENT PRODUCTION 15,000 15,000 CASING CREWS & EQUIPMENT 9,000 4,000 5,000 **FISHING TOOLS & SERVICE** ō 12,000 CONTRACT LABOR 2,000 10,000 COMPANY SUPERVISION 3,000 2,000 1,000 CONTRACT SUPERVISION 15,000 6,000 21,000 TESTING CASING/TUBING 1,500 2,500 4,000 MUD LOGGING UNIT 6,000 6,000 16,000 LOGGING/WIRELINE SERVICES 13,000 3,000 PERFORATING 5.000 5.000 STIMULATION/TREATING 80,000 80,000 COMPLETION UNIT 20,000 20.000 RENTALS 18,000 15,000 3,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 22,000 20,000 2,000 WELDING SERVICES 2.000 1,000 1 000 **FLOAT EQUIPMENT & CENTRALIZERS** 1,500 1,500 3,000 MISCELLANEOUS 1,000 2,000 1.000 CONTINGENCY 38,100 17,900 56,000 TOTAL INTANGIBLES 418,600 196,900 615,500 TANGIBLE COSTS 5,700 SURFACE CASING 5,700 400" 13 3/8" 12,500 INTERMEDIATE CASING 12,500 1300' 8 5/8" 45,000 45,000 PRODUCTION CASING (LINER 9000' 4 1/2" 21.000 TUBING 8800' 2 3/8" N-80 21,000 14,000 WELLHEAD EQUIPMENT 10,000 4,000 0 **PUMPING UNIT** ō RODS 0 PUMPS 12,000 12,000 **TANKS** 1,000 1,000 **FLOWLINES** 15,000 15,000 HEATER TREATER/SEPARATOR 0 **ELECTRICAL SYSTEM** PACKERS/ANCHORS/HANGERS 6,000 6,000 10,000 10,000 COUPLINGS/FITTINGS/VALVES 2,000 GAS COMPRESSORS/METERS 2,000 2,000 1.000 1.000 MISCELLANEOUS 14,600 2,300 12,300 CONTINGENCY 160,800 25,500 TOTAL TANGIBLES 135,300 776,300 **TOTAL WELL COSTS** 444,100 332,200 **PLUGGING COST TOTAL DRY HOLE** Concho Oil & Gas Corp. By: Erick W. Nelson Date Prepared: 1/13/03

We approve:

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

### **WESTWAY PETRO**

By:\_\_\_\_\_\_ Name/Title:\_\_\_\_\_