



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

Re-Entry
AUTHORITY FOR EXPENDITURE
NEW DRILLING

AFE NO. 92-442-0
AFE DATE 10/22/92

Objective	Type of Well
<input type="checkbox"/> Oil	<input type="checkbox"/> Development
<input checked="" type="checkbox"/> Gas	<input checked="" type="checkbox"/> Exploratory

AFE STATUS:

<input checked="" type="checkbox"/> Original	
<input type="checkbox"/> Revised	
<input type="checkbox"/> Final	

LEASE NAME	Pan Am Pardue ALZ Fed #1	PROJ'D DEPTH	10350'
COUNTY	Eddy	STATE	New Mexico
LEGAL DESC.	1140' FSL, 1350'FWL	LOCATION	Sec. 27-21S-24E
FIELD		HORIZON	Morrow
DIVISION CODE	100	DIVISION NAME	Oil & Gas Division
DISTRICT CODE		DISTRICT NAME	
BRANCH CODE		BRANCH NAME	

INTANGIBLE DRILLING COSTS:

		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees	5,000	5,000
920-110	Location, Right-of-Way	10,000	10,000
920-120	Drilling, Footage Mobilization / Demobilization	25,000	25,000
920-130	Drilling, Daywork	60,000	54,000
920-140	Drilling Water, Fasline Rental	12,000	12,000
920-150	Drilling Mud & Additives	12,000	12,000
920-160	Mud Logging Unit, Sample Bags		
920-170	Cementing - Surface Casing		
920-180	Drill Stem Testing, OHT		
920-190	Electric Logs & Tape Copies	15,000	15,000
920-200	Tools & Equip. Rntl., Trkg. & Welding	15,000	15,000
920-210	Supervision & Overhead	3,000	3,000
920-220	Contingency		
920-230	Coring, Tools & Service		
920-240	Bits, Tool & Supplies Purchase		2,500
920-350	Cementing - Production Casing		20,000
920-410	Completion Unit - Swabbing		15,000
920-420	Water for Completion		2,000
920-430	Mud & Additives for Completion		500
920-440	Cementing - Completion	3,000	
920-450	Elec. Logs, Testing, Etc. - Completion		7,500
920-460	Tools & Equip. Rental, Etc. - Completion		10,000
920-470	Stimulation for Completion		40,000
920-480	Supervision & O/H - Completion		4,000
920-490	Additional LOC Charges - Completion	2,000	1,000
920-510	Bits, Tools & Supplies - Completion		1,000
920-500	Contingency for Completion		
TOTAL INTANGIBLE DRILLING COSTS		162,000	254,500

TANGIBLE EQUIPMENT COSTS:

930-010	Christmas Tree & Wellhead	5,000	15,000
930-020	Casing 10350' x 6.90/ft.		71,500
930-030	Tubing 10300' 2 7/8" 6.5 N80 x 4.20/ft.		43,000
930-040	Packer & Special Equipment		6,500
940-010	Pumping Equipment		
940-020	Storage Facilities		15,000
940-030	Separation Equip., Flowlines, Misc.		25,000
940-040	Trucking & Construction Costs		5,000
TOTAL TANGIBLE EQUIPMENT COSTS		5,000	181,000

TOTAL COSTS 167,000 435,500

APPROVAL OF THIS AFE COSTITUTES APPROVAL OF OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM THE OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE.

Prepared By	Pravin Talwar 10-23-92	Operations Approval	<u>S</u>
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OWNER		SHARE
Santa Fe Energy Operating Partners, L.P.		12.50
BY	DATE	
BY	DATE	
BY	DATE	
BY	DATE	
EXHIBIT C		
BY	DATE	