



AUTHORITY FOR EXPENDITURE

NEW DRILLING

AFE NO.

93-012-0

AFE DATE

2/4/93

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

Objective	
<input checked="" type="checkbox"/>	Oil
<input type="checkbox"/>	Gas

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

AFE STATUS:

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

LEASE NAME	Amole AMM State Com #1	PROJ'D DEPTH	8300'
COUNTY	Eddy	STATE	New Mexico
LEGAL DESC.		LOCATION	760' FSL & 660' FWI
FIELD	Sec. 16-19S-25E	HORIZON	Canyon
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	1,000	1,000
920-110	Location, Right-of-Way	13,000	13,000
920-120	Drilling, Footage 8300' @ \$1500/ft	124,500	124,500
920-130	Drilling, Daywork 5 days @ \$4500/day	22,500	22,500
920-140	Drilling Water, Fasline Rental	20,000	20,000
920-150	Drilling Mud & Additives	15,000	15,000
920-160	Mud Logging Unit, Sample Bags	5,900	5,900
920-170	Cementing - Surface Casing	15,000	15,000
920-180	Drill Stem Testing, OHT 2 DST's	9,600	9,600
920-190	Electric Logs & Tape Copies	18,000	18,000
920-200	Tools & Equip. Rntl., Trkg. & Welding	9,000	9,000
920-210	Supervision & Overhead	10,200	7,500
920-220	Contingency	-	-
920-230	Coring, Tools & Service	-	-
920-240	Bits, Tool & Supplies Purchase	300	300
920-350	Cementing - Production Casing	-	39,000
920-410	Completion Unit - Swabbing	-	7,800
920-420	Water for Completion	-	1,500
920-430	Mud & Additives for Completion	-	600
920-440	Cementing - Completion	-	-
920-450	Elec. Logs, Testing, Etc. - Completion	-	4,500
920-460	Tools & Equip. Rental, Etc. - Completion	-	9,400
920-470	Stimulation for Completion	-	19,500
920-480	Supervision & O/H - Completion	-	2,500
920-490	Additional LOC Charges - Completion	-	1,500
920-510	Bits, Tools & Supplies - Completion	-	1,000
920-500	Contingency for Completion	-	-
TOTAL INTANGIBLE DRILLING COSTS		264,000	348,600

TANGIBLE EQUIPMENT COSTS:

930-010	Christmas Tree & Wellhead	2,200	15,700
930-020	Casing 9-5/8" @ 1150'	16,000	16,000
	7" @ 8300'	-	83,600
		-	-
		-	-
930-030	Tubing 2-7/8" @ 7850'	-	23,700
930-040	Packer & Special Equipment	-	-
940-010	Pumping Equipment	-	80,000
940-020	Storage Facilities (and telemetry)	-	32,200
940-030	Separation Equip., Flowlines, Misc.	-	27,000
940-040	Trucking & Construction Costs	-	14,000
TOTAL TANGIBLE EQUIPMENT COSTS		18,200	292,200

TOTAL COSTS	282,200	640,800
-------------	---------	---------

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

Prepared By	<i>Al Spriggs</i>	Operations Approval	<i>S</i>
-------------	-------------------	---------------------	----------

OWNER

SHADE

YATES	EXHIBIT NO. 3
10709	