

Exploration and Production

Dallas, Texas

AUTHORITY FOR EXPENDITURE

 LEASE: Dagger Draw 31 Federal
 WELL NUMBER: 5
 PROPOSED TOTAL DEPTH: 8,100'

 LOCATION: 2,460' FWL and 330' FNL, Unit C, T19S, R25E, Eddy County New Mexico

 FIELD: Dagger Draw Upper Penn North
 PROSPECT:
 EXPLORATORY, DEVELOPMENT, WORKOVER: D

 DESCRIPTION OF WORK: Drill and complete as a pumping Cisco/Canyon oil producer.

DATE PREPARED: Revised 6/7/93 EST. ACCOUNTING WELL NUMBER: 556007 COMMUNICATIONS ACCOUNT NUMBER: 6007

INTANGIBLE COSTS:	CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Drilling Footage 8,100 Ft @ 14.35 \$/Ft	1514.101	116,235	NA		116,235
Drilling Daywork D/C/\$/day 3 2 4500	1514.105	13,500	1515.105	9,000	22,500
Drilling Turnkey	1514 110		1515 110		0
Rig Mobilization and Demobilization	1514.115		1515,115		0
Road & Location Expense	1514 120	20,000	1515.123	1,000	21,000
Damages	1514.125	5,000	1515.125		5,000
Directional Drilling – Tools and Service	1514.130		1515 130		0
Drilling Fluids	1514.135	12,000	NA		12,000
Fuel, Power, and Water	1514.140	10,000	1515 140	1,500	11,500
Supplies – Bits	1514.145		1515 145	750	750
Supplies - Casing Equipment	1514.150	2,000	1515.150	3,000	5,000
Supplies – Liner Equipment	1514.155		1515.155		0
Supplies – Miscellaneous	1514.100	500	1515,160	500	1,000
Cement and Cmt. Services – Surface Csg	1514.165	17,000	NA		17,000
Cement and Cmt, Services - Int. Csg	1514 170		NA		0
Cement and Cmt. Services - Prod. Csg	NA		1515 172	30,000	30,000
Cement and Cmt. Services – Other	1514.175		1515 175	-	0
Rental – Drilling Tools and Equipment	1514.180	3,000	1515.180	1,000	4,000
Rental – Miscellaneous	1514 185	1,500	1515.185	1,000	2,500
Testing - Drill Stem / Production	1514 195	6,000	1515.195		6,000
Open Hole Logging	1514.200	20,000	NA		20,000
Mudlogging Services	1514.210	6,500	NA		6,500
Special Services	1514.190		1515 190		0
Plug and Abandon	1514.215	10,000	1515.215	(10,000)	0
Pulling and/or Swabbing Unit	NA		1515.217	15,000	15,000
Reverse Equipment	NA		1515.219	1,500	1,500
Wireline Services	1514.205		1515.206	5,000	5,000
Stimulation	MA		1515.221	20,000	20,000
Pump / Vacuum Truck Services	1514.220	500	1515.220	500	1,000
Transportation	1514.225	1,500	1515.225	1,500	3,000
Tubular Goods - Inspection & Testing	1514.230	500	1515.230	6,000	6,500
Unclassified	1514.245		1515.245		0
Telephone and Radio Expense	1514.240	500	1515.240	500	1,000
Engineer / Geologist	1514,250	900	1515.250	900	1,800
Company Labor - Field Supervision	1514.255	9,900	1515.255	4,500	14,400
Contract Labor / Roustabout	1514.265	1,000	1515.265	2,500	3,500
Legal and Professional Services	1514.270	500	1515.270	500	1,000
insurance	1514.275	10,000	1515.275		10,000
Overhead	1514.200	4,400	1515.280	2,000	6,400
SUBTOTAL		272,935		98,150	371,085
Contingencies (10%)	F	27,294	Ļ	9,815	37,109
ESTIMATED TOTAL INTANGIBLES		300,229	F	107,965	408,194

BEFORE EXAMINER CATANACH OUCONSERVATION DIVISION // Trug EXHIBIT NO. 1073 CASE NO.

EST. SPUD DATE: 7/15/93

EST. COMPLETION DATE: 9/1/93

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Dagger Draw 31 Federal WELL NUMBER: 5 PROPOSED TOTAL DEPTH: 8,100' LOCATION: 2,460' FWL and 330' FNL, Unit C, T19S, R25E, Eddy County New Mexico FIELD: Dagger Draw Upper Penn North PROSPECT: EXPLORATORY, DEVELOPMENT, WORKOVER: D DESCRIPTION OF WORK: Drill and complete as a pumping Cisco/Canyon oil producer.

DATE PREPARED: Revised 6/7/93 EST. SPUD DATE: 7/15/93 ACCOUNTING WELL NUMBER: 556007 COMMUNICATIONS ACCOUNT NUMBER: 6007

TANGIBLE CO	STS:	CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Conductor Casi	ng	1520.305		NA		0
Surface Csg	1,300 Ft @ 15.30 \$/Ft	1520.310	19,890	NA		19,890
Intermediate Cs	g Ft@ \$/Ft	1520.315	0	NA		0
Protection Csg		1520.320	0	NA		
Production Csg	8,100 Ft @ 12.50 \$/Ft	NA		1522.325	101,250	101,250
Protection Liner		1520.330		M		
Production Line	r	NA		1522.335		
Tubing	7,800 Ft @ 3.10 \$/Ft	NA		1522.340	24,180	24,180
Rods	Ft @ \$/Ft	NA		1522.345	0	0
Artificial Lift Equ	ipment	NA		1522.350	80,000	80,000
Tank Battery		NA		1522,355	15,000	15,000
Separators/Heat	ter Treater/Gas Units/FWKC	NA		1522.360	10,000	10,000
Well Head Equip	oment & Christmas Tree	1520.365	1,500	1522.365	10,500	12,000
Subsurface Wel	l Equipment	NA		1522.370		0
Flow Lines		NA		1522.375	2,500	2,500
Saltwater Dispo	sal Pump	NA		1522.391		0
Gas Meter		NA		1522.385	3,000	3,000
Lact Unit		NA		1522.367		0
Vapor Recovery	Unit	NA		1522.389		0
Other Well Equip	oment	NA _		1522.380		
ROW and Dama	ges	NA		1522.303		
Surface Equipm	ent Installation Costs	MA		1522.395	10,000	10,000
Elect. Installation	n	NA		1522.397	15,000	15,000
ESTIMATED T	OTAL TANGIBLES		21,390	-	271,430	292,820
ESTIMATED T	OTAL WELL COSTS	 	321,619	F	379,395	701,014

APPROVAL OF THIS AFE CONSTITUTES APPROVAL OF THE OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE, OR LESS, UNLESS THE NON-OPERATOR GIVES NOTIFICATION ON THIS FORM OF HIS INTENT TO FURNISH HIS PROPORTIONATE SHARE IN KIND. THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVA	L	DATE
PREPARED BY:	TRM	6/7/93
REVIEWED BY:		
APPROVED BY:		

WI APPROVAL:	COMPANY	
	BY	
	TITLE	
	DATE	

EST. COMPLETION DATE: 9/1/93

Exploration and Production Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Dagger Draw 31 Federal WELL NUMBER: 5 LOCATION: 2,460' FWL and 330' FNL, Unit C, T19S, R25E, Eddy County New Mexico FIELD: Dagger Draw Upper Penn North PROSPECT: EXPLORATORY, DEVELOPMENT, WORKOVER: D DESCRIPTION OF WORK: Directionally drill and complete as a pumping Cisco/Canyon oil producer. Directional work necessary due to archeological reasons. DATE PREPARED: Revised 6/7/93 EST. SPUD DATE: 7/15/93 EST. COMPLETION DATE: 9/1/93 ACCOUNTING WELL NUMBER: 556007

COMMUNICATIONS ACCOUNT NUMBER: 6007

INTANGIBLE COSTS:	CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Drilling Footage 0 Ft @ 0.00 \$/Ft	1514.101	0	NA		0
Drilling Daywork D/C/\$/day 35 2 4500	1514.105	157,500	1515.105	9,000	166,500
Drilling Turnkey	1514 110		1515.110		0
Rig Mobilization and Demobilization	1514.115	22,500	1515 115		22,500
Road & Location Expense	1514 120	20,000	1515 123	1,000	21,000
Damages	1514 125	5,000	1515.125		5,000
Directional Drilling – Tools and Service	1514.130	35,000	1515,130		35,000
Drilling Fluids	1514,135	15,000	NA		15,000
Fuel, Power, and Water	1514.140	10,000	1515 140	1,500	11,500
Supplies – Bits	1514.145	50,000	1515.145	750	50,750
Supplies - Casing Equipment	1514 150	2,000	1515.150	3,500	5,500
Supplies – Liner Equipment	1514.155		1515, 155		0
Supplies – Miscellaneous	1514.160	500	1515 160	500	1,000
Cement and Cmt. Services – Surface Csg	1514.165	17,000	NA		17,000
Cement and Cmt. Services - Int. Csg	1514,170		NA		0
Cement and Cmt. Services - Prod. Csg	NA		1515.172	30,000	30,000
Cement and Cmt. Services – Other	1514.175		1515 175	· ·	0
Rental – Drilling Tools and Equipment	1514 180	3,500	1515,180	1,000	4,500
Rental – Miscellaneous	1514.185	1,500	1515.185	1,000	2,500
Testing - Drill Stem / Production	1514 195	6,000	1515 195		6,000
Open Hole Logging	1514.200	20,000	NA T		20,000
Mudlogging Services	1514.210	7,500	NA		7,500
Special Services	1514.190		1515.190		0
Plug and Abandon	1514.215	10,000	1515,215	(10,000)	0
Pulling and/or Swabbing Unit	NA		1515.217	15,000	15,000
Reverse Equipment	MA		1515.219	1,500	1,500
Wireline Services	1514,205		1515.205	5,000	5,000
Stimulation	NA		1515.221	20,000	20,000
Pump / Vacuum Truck Services	1514.220	500	1515.220	500	1,000
Transportation	1514.225	1,500	1515.225	1,500	3,000
Tubular Goods - Inspection & Testing	1514.230	500	1515,230	6,000	6,500
Unclassified	1514.245		1515.245		0
Telephone and Radio Expense	1514.240	500	1515.240	500	1,000
Engineer / Geologist	1514.250	1,350	1515.250	900	2,250
Company Labor - Field Supervision	1514.255	13,500	1515,255	4,500	18,000
Contract Labor / Roustabout	1514.205	1,000	1515.265	2,500	3,500
Legal and Professional Services	1514.270	500	1515.270	500	1,000
Insurance	1514.275	10,000	1515.275		10,000
Overhead	1514.200	6,000	1515,280	2,000	8,000
SUBTOTAL		418,350		98,650	517,000
Contingencies (10%)	-	41,835	Ļ	9,865	51,700
ESTIMATED TOTAL INTANGIBLES		460,185		108,515	568,700

NEW MEXICO OIL CONSERVATION DIVISION 10731

Page 1 of 2

PROPOSED TOTAL DEPTH: 8,100'

CASE NO.

Dallas, Texas

AUTHORITY FOR EXPENDITURE

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LOCATION: 2,460' FWL and 330' FNL, Unit	C, T19S, R25E, Eddy County New	Mexico
FIELD: Dagger Draw Upper Penn North	PROSPECT:	EXPLORATORY, DEVELOPMENT, WORKOVER: D
DESCRIPTION OF WORK: Directionally drill	and complete as a pumping Cisco	o/Canyon oil producer. Directional work
necessary due to	archeological reasons.	

DATE PREPARED: Revised 6/7/93 EST. SPUD DATE: 7/15

ACCOUNTING WELL NUMBER: 556007 COMMUNICATIONS ACCOUNT NUMBER: 6007

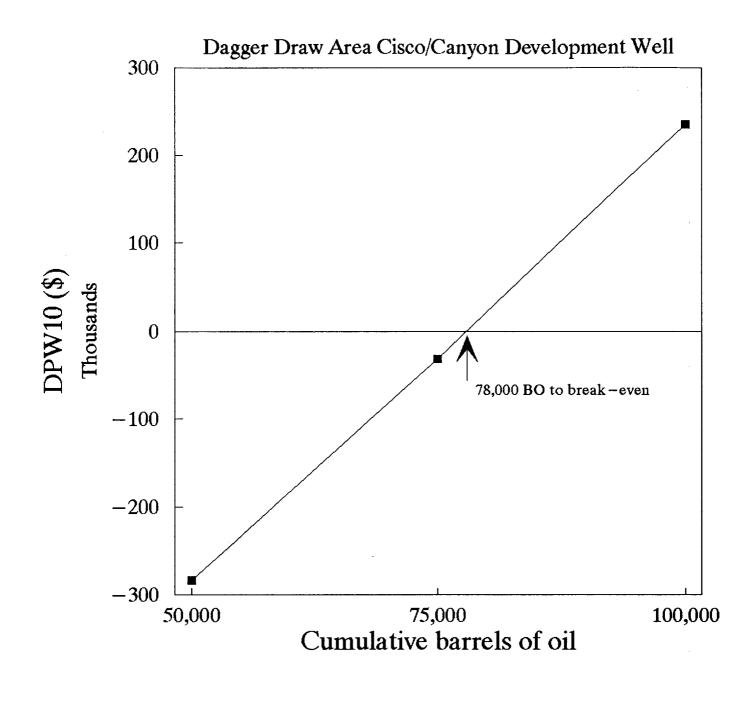
EST. SPUD DATE: 7/15/93 EST. COMPLETION DATE: 9/1/93

TANGIBLE COST	<u>rs:</u>	CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Conductor Casing		1520.305		AA [0
Surface Csg	1,300 Ft @ 15.30 \$/Ft	1520,910	19,890	NA		19,890
Intermediate Csg	Ft @ \$/Ft	1520.315	0	NA		0
Protection Csg		1520.320	0	NA [
Production Csg	8,120 Ft @ 12.50 \$/Ft	NA		1522.325	101,500	101,500
Protection Liner		1520.330		NA		
Production Liner		NA		1522.335		
Tubing	7,820 Ft @ 3.10 \$/Ft	NA		1522.340	24,242	24,242
Rods	Ft @ \$/Ft	NA		1522.345	0	0
Artificial Lift Equipr	nent	NA		1522.350	80,000	80,000
Tank Battery		NA		1522.355	15,000	15,000
Separators/Heater	Treater/Gas Units/FWKO	NA		1522.300	10,000	10,000
Well Head Equipm	ent & Christmas Tree	1520.365	1,500	1522.365	10,500	12,000
Subsurface Well Ed	quipment	NA [1522.370		0
Flow Lines		NA		1522.375	2,500	2,500
Saltwater Disposal	Pump	NA		1522.391		0
Gas Meter		NA		1522.385	3,000	3,000
Lact Unit		NA		1522.367		0
Vapor Recovery Ur	nit	NA		1522.389		0
Other Well Equipm	ent	NA		1522.380		
ROW and Damage	s	NA		1522.593		
Surface Equipment	t Installation Costs	NA		1522.395	10,000	10,000
Elect. Installation		NA		1522.397	15,000	15,000
		L		L		
ESTIMATED TOT	TAL TANGIBLES		21,390		271,742	293,132
		L				
ESTIMATED TOT	AL WELL COSTS		481,575		380,257	861,832

APPROVAL OF THIS AFE CONSTITUTES APPROVAL OF THE OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE, OR LESS, UNLESS THE NON-OPERATOR GIVES NOTIFICATION ON THIS FORM OF HIS INTENT TO FURNISH HIS PROPORTIONATE SHARE IN KIND. THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: TRM	6/7/93
REVIEWED BY:	
APPROVED BY:	

WI APPROVAL:	COMPANY	
	BY	
	TITLE	
	DATE	



Assumptions:

\$701,014 completed well cost 2000 SCF/BBL GOR 185 BOPD, 370 N 86.5% net revenu \$18.00/BBL oil fo \$1.20/MCF gas f \$8,000/Month fix \$0.40/BBL salt v

NWPD initial rate

Ited at 5% thereafter lated at 5% thereafter costs for 1993 escalated at 5% thereafter I costs

BEFORE EXAMINER CATA OLA CONSERVATION DIVISION karling EXHIBIT NO. 13 10731 CASE NO. .

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BEFORE EXAMINER CATANACH OK CONSERVATION DIVISION 10731 SENO. .

Drainage Calculations

Nearburg Reservoir Parameters

Wells Evaluated:	Nearburg Dagger Draw 31 Federal #1				
	Nearburg Dagger Draw 31 Federal #2				
	Nearburg Dagger Draw 31 Federal #4				
	Conoco Dagger Draw 11				
	Yates Pincushion AHN #1				
	Yates Pincushion AHN #3				

Average feet of pay =	76
Average water saturation =	50%
Average Porosity =	12.8%
Bo =	1.52
Recovery Factor =	30%

Oil Reserves = 7758 (Porosity %) (1-Sw) (Acres) (Feet of pay) (Recovery Factor) Bo

NEW MEXICO INSERVATION DIVISION Real Thig ENHIBIT

Well: Conoco Dagger Draw 11

		Log	Log	Adjusted (2 Times)	Adjusted
Footage	Feet	Porosity	Porosity(Feet)	Porosity	Porosity(Feet)
7636-7642	6	0.055	0.33	0.110	0.66
7 64 2-7645	3	0.090	0.27	0,180	0,54
7645-7650	5	0.040	0.20	0.080	0.40
7656-7660	4	0.050	0.20	0.100	0.40
7660-7664	4	0.040	0.16	0.080	0.32
76 6 4-7666	2	0.130	0.26	0.260	0.52
7 666 -7670	4	0.050	0.20	0.100	0.40
7670-7678	8	0.010	0,08	0.020	0.16
7680 7686	6	0.050	0.30	0.100	0.60
7686-7690	4	0.125	0.50	0.250	1.00
76 90 -7694	4	0.025	0.10	0.050	0.20
7696-7706	10	0.035	0,35	0.070	0,70
7732-7738	6	0.050	0.30	0.100	0.60
7738-7748	10	0.120	1.20	0.240	2.40
7748-7750	2	0.080	0.16	0.160	0.32
7750-7756	6	0.055	0.33	0.110	0.66
7756-7760	4	0.030	0.12	0.060	0.24
778 5-7800	15	0.040	0.60	0.080	1.20
Total	103		5.66		11.32

Cumulative prod. as of $1/1/93 =$	315,849	BO
Projected ultimate recovery =	925,457	BO

Based on Nearburg Average Parameters

Estimated drainage as of $1/1/93 =$	42 Acres
Estimated ultimate drainage =	124 Acres

NEW MEXICO OIL CONSERVATION DIVISION Marking EXHIBIT 193 CASE NO. ____/073 /

ECO3/DD11PH.WK3

Well: NPC Dagger Draw #2

		Log	Log	Adjusted (2 Times)	Adjusted
Footage	Feet	Porosity	Porosity(Feet)	<u>Porosity</u>	Porosity(Feet)
7654-7670	16	0.35	5.6	0.70	11.20
7670-7672	2	0.03	0.06	0.06	0.12
7692-7694	2	0.17	0.34	0.34	0.68
7700-7704	4	0.06	0.24	0.12	0.48
7743-7750	7	0.04	0.28	0.08	0.56
7796-7816	20	0.07	1.4	0.14	2.80
Total	51		7.92		15.84

Cumulative prod. as of $1/1/93 =$	305,047	BO
Projected ultimate recovery =	553,313	BO

Based on Nearburg Average Parameters

Estimated drainage as of $1/1/93 =$	41	Acres
Estimated ultimate drainage =	74	Acres

OD2PH.WK3