



AUTHORITY FOR EXPENDITURE

NEW DRILLING & RECOMPLETION

AFE NO.
AFE DATE94-098-0
4/4/94105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

AFE Type:

☒ New Drilling
☐ Recompletion

Well Objective:

☐ Oil
☒ Gas
☐ Injector

Well Type:

☒ Development
☐ Exploratory

AFE STATUS:

☒ Original
☐ Revised
☐ FinalLEASE NAME
COUNTY
LEGAL DESC.
FIELD

HANCOCK AHC COM. #3

Chaves

660' FSL & 1980' FEL

PROJ'D DEPTH

4400'

STATE

New Mexico

LOCATION

Section 20-6S-26E

HORIZON

Abo

DIVISION CODE
DISTRICT CODE
BRANCH CODE

100

DIVISION NAME
DISTRICT NAME
BRANCH NAME

Oil & Gas Division

PROGNOSIS:

INTANGIBLE DRILLING COSTS:

		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees	1,500	1,500
920-110	Location, Right-of-Way	15,000	15,000
920-120	Drilling, Footage 4400' @ \$12.50/ft.	59,600	59,600
920-130	Drilling, Daywork 1 day @ \$4500/ day	5,000	5,000
920-140	Drilling Water, Fasline Rental	12,700	12,700
920-150	Drilling Mud & Additives	10,200	10,200
920-160	Mud Logging Unit, Sample Bags	100	100
920-170	Cementing - Surface Casing	10,200	10,200
920-180	Drill Stem Testing, OHT		
920-190	Electric Logs & Tape Copies	8,400	8,400
920-200	Tools & Equip. Rntl., Trkg. & Welding	6,000	6,000
920-210	Supervision & Overhead	5,000	5,000
920-220	Contingency		
920-230	Coring, Tools & Service		
920-240	Bits, Tool & Supplies Purchase		200
920-350	Cementing - Production Casing		10,600
920-410	Completion Unit - Swabbing		14,000
920-420	Water for Completion		6,000
920-430	Mud & Additives for Completion		1,000
920-440	Cementing - Completion		5,600
920-450	Elec. Logs, Testing, Etc. - Completion		4,000
920-460	Tools & Equip. Rental, Etc. - Completion		6,000
920-470	Stimulation for Completion		40,000
920-480	Supervision & O/H - Completion		2,700
920-490	Additional LOC Charges - Completion		800
920-510	Bits, Tools & Supplies - Completion		
920-500	Contingency for Completion		
TOTAL INTANGIBLE DRILLING COSTS		133,700	224,600

TANGIBLE EQUIPMENT COSTS:

930-010	Christmas Tree & Wellhead	220	5,500
930-020	Casing 9 5/8" @ 900'	10,350	10,350
	4 1/2" @ 4400'		15,400
			10,300

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 10991 Exhibit No. 5

Submitted by: Yates Petroleum Corporation

Hearing Date: December 15, 1994

OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS
USE STOCK AT THE RATES STATED ABOVE.Prepared By: *[Signature]* DLS Operations Approval

OWNER

SHARE

YATES PETROLEUM CORPORATION 29.9061%
BY: *[Signature]* DATE 12-7-94YATES DRILLING COMPANY 22.8438%
BY: *[Signature]* DATE 12-7-94ABO PETROLEUM CORPORATION 22.8438%
BY: *[Signature]* DATE 12-7-94MYCO INDUSTRIES, INC. 22.8438%
BY: *[Signature]* DATE 12-7-94