



Conoco Inc.
Production & Exploration

Authority for
Expenditure

Department E&P NA		Division Hobbs		40:61-5546	
1 - Drill	4 - Exp. (Maint. & Retirement)	7 - Misc. Exp. Intang.	8 - Acquisition	11 - Dev. 2 - Expt. 3 - Memo	1 - Oil 2 - Gas 3 - Unassigned
2 - Lease Equip.	5 - Capital	6 - Misc. Depr. Intang.			
3 - Imp. Recoveries					
C - Conoco Lease Code				Project Title (Limit 40 Spaces)	
P - Partner					
C				D&E Dee State No. 2	
1st In - Oil	2nd In - Oil	3rd In - Oil	Con - Ltd. Int.		
Ex - Oil Int.					
2	5000000				
Land Lease No.					

(1) Location, Geological Province	(2) Division of Interest	(3) Justification												
(1) 660' FSL & 990' FWL of Section 36, T19S, R24E, Eddy County, New Mexico Geological Province - Northwest Shelf														
(2) See Attachment														
(3) See Attachment														
<u>Cash and Warehouse Outlay</u> <table border="1"><thead><tr><th></th><th>Gross</th><th>Net</th></tr></thead><tbody><tr><td>Drill</td><td>\$505,000</td><td>\$253,000</td></tr><tr><td>Equip</td><td>220,000</td><td>110,000</td></tr><tr><td>Total</td><td>\$725,000</td><td>\$363,000</td></tr></tbody></table>				Gross	Net	Drill	\$505,000	\$253,000	Equip	220,000	110,000	Total	\$725,000	\$363,000
	Gross	Net												
Drill	\$505,000	\$253,000												
Equip	220,000	110,000												
Total	\$725,000	\$363,000												

Description	CC	Ftr.	Gross \$	CC	Ftr.	Gross \$
Used Mtl. & Eq - Whse.	3	0008				XXXXXXX
Pur. Mtl. & Eq - Cash/Whse.	3	0009	289,700			XXXXXXX
Total Material			289,700			XXXXXXX
Fuel, Water, Lubr., Elec.	3	0103		3	0403	20,000
Loc. Drngs., Roads, Bridges	3	0107	10,000	3	0407	16,000
Salv. & Dismantling Costs	3	0108		3	0408	
Drig. Contract - Footage	3	0111		3	0411	105,300
Drig. Contract - Daywork	3	0112	2,600	3	0412	38,000
Drilling Bits & Reamers			XXXXXXX	3	0413	
Fishing Tool Expense			XXXXXXX	3	0414	
Directional Drig. Costs			XXXXXXX	3	0415	
Mud Mtls., Chem. & Svcs.			XXXXXXX	3	0416	15,000
Cement & Cementing Svcs.			XXXXXXX	3	0417	31,000
Noncontrollable Mtls.	3	0118	6,500	3	0418	11,500
Tender Costs & Rentals			XXXXXXX	3	0419	
Boatel Service	3	0120		3	0420	
Sp. Drig. Tool Rentals			XXXXXXX	3	0421	13,000
Coring Costs	3	0125		3	0425	
Drill Stem Test:			XXXXXXX	3	0426	30,000
Perforating			XXXXXXX	3	0427	4,700
Acidg., Fractg., Shooting			XXXXXXX	3	0428	7,500
Well Surv., Elec - Mud Log			XXXXXXX	3	0429	20,000
Transportation	3	0131	2,800	3	0431	5,800
Marine Vess. Costs & Rentals	3	0132		3	0432	
Aircraft Costs & Rentals	3	0133		3	0433	
Overhead - Partner Oper.	3	0136		3	0436	
Division Expense			XXXXXXX	3	0437	1,800
Co. Labor & Supv.	3	0138	3,800	3	0438	6,000
Contract Labor	3	0139	23,000	3	0439	25,000
Platform - Fab & Install	3	0141		3	0441	
Platform Maintenance			XXXXXXX	3	0442	
Keyways - Well Structures			XXXXXXX	3	0443	
Sales Tax (Depr. Inv.)			XXXXXXX	3	0444	
Miscellaneous Costs	3	0145	10,000	3	0445	26,000
Subtotal - Intangibles			58,700			376,600
Dry - Btm. Hole Contrib. Rec.			XXXXXXX	3	0448	
Total Intangibles			58,700			376,600
Total Cash & Whse. Outlay			348,400			376,600
On Hand Mtl. & Eq.	3	0001				XXXXXXX
Grand Total			348,400			376,600
Grand Total - Mtl. & Depr. Intangibles & Exp. Intangibles						725,000
Accounting Distribution						
Accounting Distribution						
Accounting Distribution						

Accounting Use Only			
Approval Date	Ex - Oil	Depr. Acct.	Exp. Acct.
4			
In - Oil	Con - Ltd.	Depr. Acct.	Exp. Acct.
27	31	32	36

Budget Project No.	Estimated In-Operation Date
5 1101	November, 1989
Cash and Warehouse Outlay	
Gross	Conoco Net
725,000	363,000
Project Total	
Gross	Conoco Net
725,000	363,000

Approvals	Date
X	
(Final Approval)	

Distribution:	
OLR JBB DLN SDW GGG TLW AKB TLT FILE(1)	
AFE contains \$ +	Conoco net fo
3,700	
Pollution abatement	Water
AFE Identification	40-61-5546

EXHIBIT 9A

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION

EXHIBIT NO. 9A

CASE NO. 9801

Submitted by Canoco Inc

Hearing Date 11-29-89