

YATES ENERGY CORPORATION

LEASE NAME & WELL NUMBER: THORNBUSH FEDERAL #1
 LEGAL LOCATION: 330' FSL & 1980' FWL, SECTION 1 T-18S, R-31E
 COUNTY: EDDY STATE: NEW MEXICO DEPTH: 8800 FORMATION: BONE SPRINGS

DRILLING & COMPLETION COSTS:		Dry Hole	Producing
INTANGIBLE DRILLING COSTS:		Costs	Costs
STAKING DAMAGES & LEGAL FEES.		\$1,500	\$1,500
LOCATION, RIGHT OF WAY.		\$15,000	\$15,000
FOOTAGE: FEET @ \$/FOOT 8800 \$12.75		\$112,200	\$112,200
DAYWORK: DAYS & \$/DAY 2 \$3,600		\$7,200	\$7,200
SURFACE CASING CEMENTING & SERVICE.		\$4,000	\$4,000
DRILLING MUD, ADDITIVES & WATER		\$18,000	\$18,000
MUD LOGGING UNIT, SURVEYS, ETC.		\$4,500	\$4,500
INTERMEDIATE CASING CEMENTING & SERVICES.		\$14,500	\$14,500
GENERAL MISC. (BOP TEST, RATHOLE...ETC)		\$0	\$0
RENTAL TOOLS & EQUIPMENT.		\$1,000	\$1,000
COMPANY SUPERVISION		\$6,500	\$6,500
MISC. BITS, TOOLS & SUPPLIES.		\$0	\$0
TOTAL INTANGIBLE DRILLING COSTS.		<u>\$184,400</u>	<u>\$184,400</u>
INTANGIBLE FORMATION EVALUATION:			
CORING, TOOLS & SERVICE		\$0	\$0
DST: # DST TO RUN/ \$ CHARGE 1 \$4,000.		\$4,000	\$4,000
ELECTRIC LOGS, SAMPLE SACKS...ETC		\$13,000	\$13,000
MISC. FORMATION EVALUATION.		\$0	\$0
TOTAL INTANGIBLE FORMATION EVALUATION		<u>\$17,000</u>	<u>\$17,000</u>
INTANGIBLE COMPLETION COSTS:			
COMPLETION UNIT COST: DAYS & \$/DAY 8 \$1,500			\$12,000
MUD, WATER & ADDITIVES.			\$6,500
CEMENT, TOOLS & SERVICES (PROD. STRING...ETC)			\$20,000
ELECTRIC LOGS (CBL...ETC), TESTING.			\$3,500
TOOL & EQUIPMENT RENTAL & TRUCKING.			\$6,500
STIMULATION & TREATING.			\$70,000
COMPANY SUPERVISION			\$4,500
BITS, TOOLS & SUPPLIES			\$0
PLUG BACK			\$5,000
MISC. CONTINGENCIES			\$16,534
PLUGGING EXPENSE.		\$8,500	\$0
TOTAL INTANGIBLE COMPLETION COSTS		<u>\$8,500</u>	<u>\$144,534</u>
TANGIBLE DRILLING & COMPLETION COSTS:			
SURFACE CASING COSTS: (SIZE & FEET) 13 3/8 350		\$13,000	\$13,000
INTERMEDIATE CASING: (SIZE & FEET) 8 5/8 2350		\$32,000	\$32,000
PRODUCTION CASING: (SIZE & FEET) 5 1/2 8800			\$77,000
PRODUCTION TUBING: (SIZE & FEET) 2 3/8 8800			\$24,000
CASING HEAD			\$3,500
CASING SPOOL.			\$0
TUBING HEAD			\$4,000
CHRISTMAS TREE.			\$1,500
SUBSURFACE EQUIPMENT.			\$14,000
MISC PIPE CONNECTIONS			\$500
PACKER & SPECIAL EQUIPMENT.			\$1,500
MISCELLANEOUS CONTINGENCIES		\$12,809	\$8,550
TOTAL TANGIBLE DRILLING & COMPLETION COSTS		<u>\$57,809</u>	<u>\$179,550</u>
GENERAL LEASE & BATTERY EQUIPMENT:			
PUMPING UNIT (PRIME MOVER).			\$40,000
SEPARATORS, GAS PRODUCTION UNITS, ETC.			\$8,000
TANKS: NO. & SIZE 2 400 BBLS			\$9,000
INSTALLATION COSTS.			\$15,000
FLOW LINES, VALVES, ETC.			\$4,500
MISCELLANEOUS LEASE EQUIPMENT			\$2,000
TOTAL GENERAL LEASE & BATTERY EQUIPMENT COSTS		<u>\$0</u>	<u>\$78,500</u>
TOTAL INTANGIBLE COSTS:		\$209,900	\$345,934
TOTAL TANGIBLE COSTS:		\$57,809	\$179,500
TOTAL LEASE & BATTERY EQUIPMENT:		<u>\$0</u>	<u>\$78,500</u>
TOTAL COSTS		<u>\$267,709</u>	<u>\$603,934</u>

IT IS RECOGNIZED THAT THE AMOUNTS PROVIDED FOR
 HEREIN ARE ESTIMATED ONLY, AND APPROVAL OF THIS
 AUTHORIZATION SHALL EXTEND TO THE ACTUAL COSTS
 INCURRED IN CONDUCTING THE OPERATIONS SPECIFIED,
 WHETHER MORE OR LESS THAN HEREIN SET OUT.

APPROVED BY: _____
 COMPANY: _____
 DATE: _____

AFE
THORNESHA FED #1
#93-005

JUNE, 1990

ACCOUNT NUMBERS		ACTUAL CRSING PT.	AFE CRSING PT.	VARIANCE	ACTUAL COMPLETION	AFE COMPLETION	VARIANCE	TOTAL COSTS	TOTAL AFE	TOTAL VARIANCE
9210 9211	Location, roads, survey, damages	17,371	16,500	871				17,371	16,500	871
9212 9213	Rig move in and move out							0	0	0
	Footage or turnkey	124,782	112,200	12,582				124,782	112,200	12,582
9214	Daywork	6,633	7,200	(567)				6,633	7,200	(567)
9218	Fuel, power, water	9,208	0	9,208				14,612	0	14,612
9217	Mud and additives	9,457	18,000	(8,543)	5,404	0	5,404	9,457	24,500	(15,043)
	Bits and reamers		0	0		6,500	(6,500)	0	0	0
9221	Rental equipment		1,000	(1,000)				0	1,000	(1,000)
9215 9216 9219	Casing crew, tongs, tools	2,736	4,000	(1,264)				2,736	4,000	(1,264)
	Directional drilling svc.			0				0	0	0
	Fishing tools and svc.			0				0	0	0
9251	Cement and svc.	15,409	14,500	909	26,542	20,000	6,542	41,951	34,500	7,451
9223	Open hole logs, form, testing	20,814	13,000	7,814		3,500	(3,500)	20,814	16,500	4,314
9224 9225	DST, coring, analysis	0	4,000	(4,000)			0	0	4,000	(4,000)
9226	Mud logging	8,240	4,500	3,740			0	8,240	4,500	3,740
9222	Transportation	0	0	0	198		198	198	0	198
	Equipment inspection			0			0	0	0	0
9248 9258	Supervision			0	13,457	4,500	8,957	13,457	4,500	8,957
9265	Drilling O/H	3,371	6,500	(3,129)	6,346		6,346	9,717	6,500	3,217
9249	Geologist	2,713		2,713			0	2,713	0	2,713
9227 9229 9297	Misc and contingency				25,918	21,534	4,384	25,918	21,534	4,384
9262	Completion and snab unit				43,865	12,000	31,865	43,865	12,000	31,865
9253	Casing crew, prod string				4,520	0	4,520	4,520	0	4,520
9256	Cased hole logs, perforate				15,388	0	15,388	15,388	0	15,388
9257	Stimulation svc				45,182	70,000	(24,818)	45,182	70,000	(24,818)
9255	Rental equipment				2,650	6,500	(3,850)	2,650	6,500	(3,850)
9254 9259	Transportation, compl chees				1,545	0	1,545	1,545	0	1,545
	Location restoration				0	0	0	0	0	0
9228 9260 9261 9262	Misc and contingency				0	0	0	0	0	0
Total intangible		220,733	201,400	19,333	191,016	144,534	46,482	411,750	345,934	65,816

APE
THORNBUISH FED #1
#93-005

JUNE, 1990

ACCOUNT NUMBERS		ACTUAL COSTING PT.	APE COSTING PT.	VARIANCE	ACTUAL COMPLETION	APE COMPLETION	VARIANCE	TOTAL COSTS	TOTAL APE	TOTAL VARIANCE
9301	Cond. casing	*		*			*			
9302	Surf. casing	*	7,782	13,000	(5,218)	*		7,782	13,000	(5,218)
9303	Inter. casing	*	31,233	32,000	(767)	*		31,233	32,000	(767)
9306	Wellhead	*	7,922	3,500	4,422	*		7,922	3,500	4,422
	Float, cent, scratchers	*				*		0	0	0
9304	Prod. casing	*				*		61,915	77,000	(15,085)
9305	Tubing	*				*		20,566	24,000	(3,434)
9308 9309	Downhole, packers, mandrels	*				*		0	15,500	(15,500)
9307	Wellhead, tree and wing	*				*		8,679	5,500	3,179
9310-9317	Production facilities	*				*		13,073	78,500	(65,427)
9360	Misc. and contingency	*				*		136	9,000	(8,864)
	Total tangible	*	46,936	48,500	(1,564)	*		151,306	258,000	(106,694)
	Total well cost	*	267,670	249,900	17,770	*		563,053	603,934	(40,879)