| - 18 J  | 3. 1. 89<br>Surf Div   | 11.26.91 Erhringe W.H.                  | Mgtador Pet.   | Vates Pet.<br>L6-7355 IADM   | Wealing It.  |   | 1  | Se pean-   | 16: 77 . 7 . 4 . 4 . 4 . 4 . 4 . 4 . 4 . 4   | Ashland<br>3.16.91   |
|---|--|---|--|--|--|---|--|--|--|--|
| ĵ.  |  | (S), [ with [3]",                       | Control Series   | bird-5#, 5494<br>State   | "Sfa   | "State"   | State  | U.S., MI   | Bonneville Fuels   | Emory J Yade   |
| rus Oil E<br>Polaris) 1.AA<br>6346 riga   | 12.20   1.00   1 |   | Foran Oil 2 (Yates Ener.) 597 (Nitram Ent.) Fn Res Gro.  | Yates Ener.etal  | . Amerada<br>F395⊕¹  | Chevron   | -  | Amerada<br>(Penerada   | 3.43.99 Bonnwill B 11.30 Williams.<br>5.16.91 S.72 Fuels 5.2 3.4 Craft.<br>3.15.91 W/2 S.12.91 - 6.2 x. Cax. 110.9.99 Cax. 14.4 W. S. Turnipsee  | W.G. Turnpeee  |
|   | F100   Standard   Stan |   | Jdill"<br>(5)  |  | CLOUNGTON LIZZIE Rice, Est. Hawkins Medlin Ruidis Medlin Te PE (C)   |   | 7-5-90 "Homestake Roy"<br>1-30-90 "Homestake Roy"<br>1-10-90 "Mode E. Medlin, etal   Leo Co. | Thomestake Roy TM Cox, M. Leo Co   | 17. Dowyer 18. A. G. D. Williams<br>17. Dowyer 18. A. 19. 19. 19. 19. 19. 19. 19. 19. 19. 19   | G.D.Wilfornson<br>B. 1. 50<br>Penrasii T.V.D.<br>45[14] 1720.<br>H.A. Hushos(S) SE14   |
| <u>-</u> \$   | Soft American Cometra Boss Ent. 3 (A 1 tec). 2 Follow  | int. 1                                  | Nearburg   Pet.   11-1-94   V8-364   Pet.   V8 | , (<br>)  | H.E. Yares<br>E. Lovington - St.<br>To 11,880 Pennzoil   |   | Pennzoil I AH  | Pennzail 7-18-91<br>6-6-918-1-7-18-91<br>Pennzailo 28-36 E/Z<br>Terra Res.   | 12.4.90   3-15-91<br>12.4.90   3-15-91<br>8-6-90   3-15-91<br>Pentzoil   3-16-91   | 4-1491 578-91 5-14<br>3-20-91 5-20<br>4 F. M. Cox. 6   |
| Boss Errt 1.A   | Sass Ac 2 06 4765  | 1 10                                    | 000 ob   | 14.70.30 VB.363<br>"Lovington<br>18903 Ju-p"   | 7.6806<br>4<br>F557  | ♦ Pennzoil<br>State<br>TDII740                      | 7ex 10120  | 1  | Wilsons (20 92 92 92 92 92 92 92 92 92 92 92 92 92   | 6.0 William - 8<br>6.0 William - 8<br>80n 8-11-90<br>8not-Feets 9  |
| Sir Well Drag   | 55 anoard 0:1  | Penzoil<br>244rec-St                    | Pennzoi<br>K-51  | 1,etal   | 9-   | F F406  | Mobil €27  | W B. Robbins 7:13-3<br>Tex / Con T.Y. Dwyer<br>10-25-91 9-2-95 E12<br>8-26-91 7-25-93<br>N-M- Bry J. | 7.25.93 8-2.93 8 | 84. Fuels 6.25-90<br>G.Williamson 6<br>Pentzol 12:3-90 1:18-91   |
| Bars (500)<br>Ceth.: 8 (10)<br>H.Gilmore(S)   | Montreth So 77 P. 1011443 Arterior Weilose Street S. Gilmore CEC   | Stock Frms.(S)                          | State" Sta<br>W/2 Sur. Div.<br>E.P. Caudill, etal  | 3.C<br>Fzss  | F408   | State" 16   | 37 (15 %) Say  | Pennzoil Katherine Coyle, etal M.H. Medlin (S  | 45666 12-3-50 Pennzoul 3-19-91 8-4-30 Coyle, etal M.H. Medlin, etal  | Meriya Ceari   |
| 1-TE Yates Yates 5-92 72-932  | 10 15 15 15 15 15 15 15 15 15 15 15 15 15  | Tex/Con<br>II-20-91<br>Cit. Serv        | Trees Crude, Atha<br>Trees Crude, Atha<br>Trees of Forces<br>Montieth Forces   | K 5187   | Pentzoil (Penzoil Stare Tollroo  | Pennicoii   | 90 90  | 1  | Rio Pecos Sorting 1 2.16.90  Rodels Medin, Tr./2(2) 324.91  Subdis Medin, Tr./2(2) 324.91  Su | G D William 8.11-90 Bornevike Fuels 5 15 91 Environment  |
| Trea-st.  | 1   1   1   1   1   1   1   1   1   1  | S.H.Gil-<br>more(S)                     | Texaco   | B.H.   | St.  | E12   | State 2  | Mognolia Yate  | (pennzoil)   | LAW Fox Sterry   |
| Komem<br>Non-St.  | Morrang Heartel  | Prof.                                   | St Sobio 3) Montrell   | Texaco   | Tom Brown<br>Went eff<br>Tough   | Pennas<br>12-73-90<br>1-27-90<br>1-27-90<br>1-27-90 | CLIK Pet Freeman   | (Pernizol)   | Pet etal   | L etal   |
| P55<br>pi.ehorg (.i. prod<br>pi.ehorg | Fina Off.  | 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - | Toligze S.H. Gilmore(S. Yates, Gulf. 1987) Service St. Film 1987 Service St. Film 1987 Service St. Film 1987 Service S | Appropriet (S) F324  Appropriet (S) F324  Interest (S) F324  Americal (C) Americal (C)   | المجاسة الد  |   | W.M.Snippetalh. (S)  | Maude Medlin   | KOTOTE   | A A A A A A A A A A A A A A A A A A A  |
| Texaco<br>HBP<br>B-1565<br>ondo Expl.   | E E O  | 5+076<br>TD1179<br>DIA1.95              | Strend (Septiment Millians 1825)   | TOWNSTRANCES STATES OF STA | **************************************   | BEFORE  | BEFORE EXAMINER MORROW   | DRROW  |  | D44  |
| Mabil   | Į.   | 1317                                    | Wiser-st." 29  | Q Jet Qil<br>(Amerina)   | nin africusta emantida   | OIT COI   | OIL CONSERVATION DIVISION  | NOISI  |  | Pet., et   |
| 3-1527  | 11-  | A) Uffer                                | 7 6 PP 5 W/  | (Bill Selfzer)   | rguuys variabena itaali  | NEARBURG  | EXHIBIT NO   |  |  | rown.  |
| Texaco  | Texas Divetal  | o paselles                              | Monsanto<br>10-1-87<br>10-1-87<br>Contil 900   | (No. Amer. Res) 2 Burton Shipp W.M. Shipp etal, h.(s)  | internation of the State of the | CASE NO.  | 99/01  |  |  | J. A. J. S.  |
|   | C Tet Oiletel  | 2 020 2 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | Amerind Sept   | (1.8.40)<br>(8.74.40)<br>(8.72.74)<br>Texaco, eta  |  |   |  |  |  | STEVEN ST |
| 2Bg   | n w A ch<br>Texaco   | Store<br>Store<br>Diliss                | Texaco<br>P 84   | (Primary Fuels the)  |  | N.  |  |  |  | 5.90<br>19.00  |

### Nearburg Producing Company

Exploration and Production

## DEFORE EXAMINER MORROW OIL CONSERVATION DIVISION

Nestbolg EXHIBIT NO.

Page 1 of 2

#### **AUTHORITY FOR EXPENDITURE**

LEASE: Western 17-F State

WELL #: 1

PROPOSED TOTAL DEPTH: 11,900'

LOCATION: 2130' FNL & 2130' FWL, Sec. 17, T-16-S, R-37-E, Lea County, N. Mexico

DESCRIPTION OF WORK: Re-enter plugged well, sidetrack and drill to new T.D.

DATE PREPARED: 11-19-90

EST. SPUD DATE: 2-12-91 EST. COMPLETION DATE: 3-17-91

AFE NUMBER:

| INTANGIBLE COSTS:                       | CODE | TO CSG PT | CODE        | COMPLETION | TOTAL WELL   |
|---|------|-----------|-------------|------------|--------------|
| Drilling Footage - @ \$./Ft             | 701  |           | 751         |            | 0            |
| Drilling Daywork - 12 days @ \$4700/day | 702  | 56,400    | 752         |            | 56,400       |
| Drilling Turnkey                        | 703  |           | 753         |            | 0            |
| Bits, Stabilizers, Reamers Etc.         | 704  | 30,000    | 754         |            | 30,000       |
| Directional Services                    | 705  | 30,000    | 755         |            | 30,000       |
| Mud & Chemicals                         | 706  | 10,000    | 756         |            | 10,000       |
| Fresh Water                             | 707  | 2,000     | 757         | 1,000      | 3,000        |
| Brine                                   | 708  | 5,000     | 758         |            | 5.000        |
| Fuel & Oil                              | 709  | 0,000     | 759         |            | 0.000        |
| Cement Surface Casing                   | 710  |           | 760         |            | 0            |
| Cement Intermediate Casing              | 711  |           | 761         |            | 0            |
| Cement Production Casing                | 712  |           | 762         | 15,000     | 15,000       |
| Cement - Other                          | 713  |           | 763         | 15,000     | 15,000       |
| Plug and Abandon                        | 714  | 7,000     | 764         | (7,000)    | 0            |
| Road & Location                         | 715  | 7,000     | 765         | (7,000)    | 0            |
| Survey                                  | 716  | 3,500     | 766         |            | 3,500        |
| Damages                                 | 717  | 3,500     | 767         |            | 3,300        |
| Open Hole Logging                       | 718  | 25.000    |             |            |              |
| Testing                                 | 719  | 25,000    | 768<br>769  |            | 25,000       |
| Coring & Analysis                       | 720  |           | 770         |            | 0            |
| Pulling and/or Swabbing Unit            | 721  |           |             | 7.700      | <del> </del> |
| Case Hole Perforate & Wireline          | 722  |           | 77.1<br>772 | 7,700      | 7,700        |
| Acidizing and Fracturing                | 723  |           | 773         | 5,000      | 5,000        |
| Fleld Supervision                       | 724  | 4 500     |             | 7,500      | 7,500        |
| Mudlogging Unit                         |      | 4,500     | 77A         | 2,250      | 6,750        |
| - · · · -                               | 725  | 5,000     | 775         |            | 5,000        |
| Geologist                               | 726  | 1,500     | 776         | 500        | 2,000        |
| Engineering                             | 727  | 2,500     | 777         | 1,000      | 3,500        |
| Equipment Rental                        | 728  | 5,000     | 778         | 1,500      | 6,500        |
| Misc Labor                              | 729  | 1,500     | 779         | 1,500      | 3,000        |
| Tubular Inspection and Testing          | 730  | 500       | 780         | 7,000      | 7,500        |
| Roustabout Labor                        | 731  |           | 781         |            | 0            |
| Supplies .                              | 732  | 250       | 782         | 250        | 500          |
| Insurance                               | 733  | 1,500     | 783         | 500        | 2,000        |
| Overhead                                | 734  | 3,500     | 784         | 1,800      | 5,300        |
| Title Opinion                           | 735  |           | 785         |            | 0            |
| Legal and Professional                  | 736  |           | 786         |            | 0            |
| Telephone                               | 737  | 100       | 787         | 50         | 150          |
| Hauling and Trucking                    | 738  | 4,000     | 788         | 1,500      | 5,500        |
| Fishing Tools                           | 739  |           | 789         |            | 0            |
| Mud Engineer                            | 740  |           | 790         |            | 0            |
| Csg Crew and LD Mach.                   | 741  |           | 791         | 5,000      | 5,000        |
| Mudlogger                               | 742  |           | 792         |            | 0            |
| Reverse Unit and Tools                  | 743  |           | 793         |            | 0            |
| SUBTOTAL                                | }    | 198,750   |             | 52,050     | 250,800      |
| Contingencies                           |      | 19,875    |             | 5,205      | 25,080       |
| ESTIMATED TOTAL INTANGIBLES             |      | 218,625   |             | 57,255     | 275,880      |

Exploration and Production

#### **AUTHORITY FOR EXPENDITURE**

LEASE: Western 17-F State

WELL #: 1

PROPOSED TOTAL DEPTH: 11,900'

LOCATION: 2130' FNL & 2130' FWL, Sec. 17, T-16-S, R-37-E, Lea County, N. Mexico

DESCRIPTION OF WORK: Re-enter plugged well, sidetrack and drill to new T.D.

DATE PREPARED: 11-19-90

EST. SPUD DATE: 2-12-91 EST. COMPLETION DATE:

3-17-91

AFE NUMBER:

| TANGIBLE COSTS:                       | CODE | TO CSG PT | CODE | COMPLETION | TOTAL WELL |
|---------------------------------------|------|-----------|------|------------|------------|
| Conductor Casing                      | 201  |           | 201  |            | 0          |
| Surface Casing @ \$./Ft               | 202  |           | 202  |            | 0          |
| Intermediate Casing @ \$./Ft          | 203  |           | 203  |            | 0          |
| Production Casing 11,900' @ \$9.00/Ft | 205  |           | 205  | 107,100    | 107,100    |
| Tubing 11,800'@ \$3.00/Ft             | 206  |           | 206  | 35,400     | 35,400     |
| Rods                                  | 207  |           | 207  |            | 0          |
| Pumping Unit                          | 208  |           | 208  |            | 0          |
| Tanks                                 | 209  |           | 209  | 12,000     | 12,000     |
| Separators & Heater Treat.            | 210  |           | 210  | 9,000      | 9,000      |
| Well Head - Csg                       | 211  | 1,500     | 211  |            | 1,500      |
| Flow Lines                            | 212  |           | 212  | 1,500      | 1,500      |
| Valves, Fittings & Connections        | 213  |           | 213  | 2,500      | 2,500      |
| Packer                                | 214  |           | 214  | 3,500      | 3,500      |
| Subsurface Pump                       | 215  |           | 215  |            | 0          |
| Gas Meter                             | 216  |           | 215  | 2,000      | 2,000      |
| Artificial Lift Equipment             | 217  |           | 217  |            | 0          |
| Compressor                            | 218  |           | 218  |            | 0          |
| Production Unit                       | 219  |           | 219  |            | 0          |
| Installation Costs                    | 225  |           | 225  | 7,500      | 7,500      |
| Lact Unit                             | 226  |           | 225  | 10,000     | 10,000     |
| Vapor Recovery Unit                   | 227  |           | 227  |            | 0          |
| Well Head - Tbg                       | 221  |           | 221  | 12,000     | 12,000     |
| Elect, Installation                   | 229  |           | 229  | 5,000      | 5,000      |
| ESTIMATED TOTAL TANGIBLES             |      | 1,500     |      | 207,500    | 209,000    |
| ESTIMATED TOTAL WELL COSTS            |      | 220,125   |      | 264,755    | 484,880    |

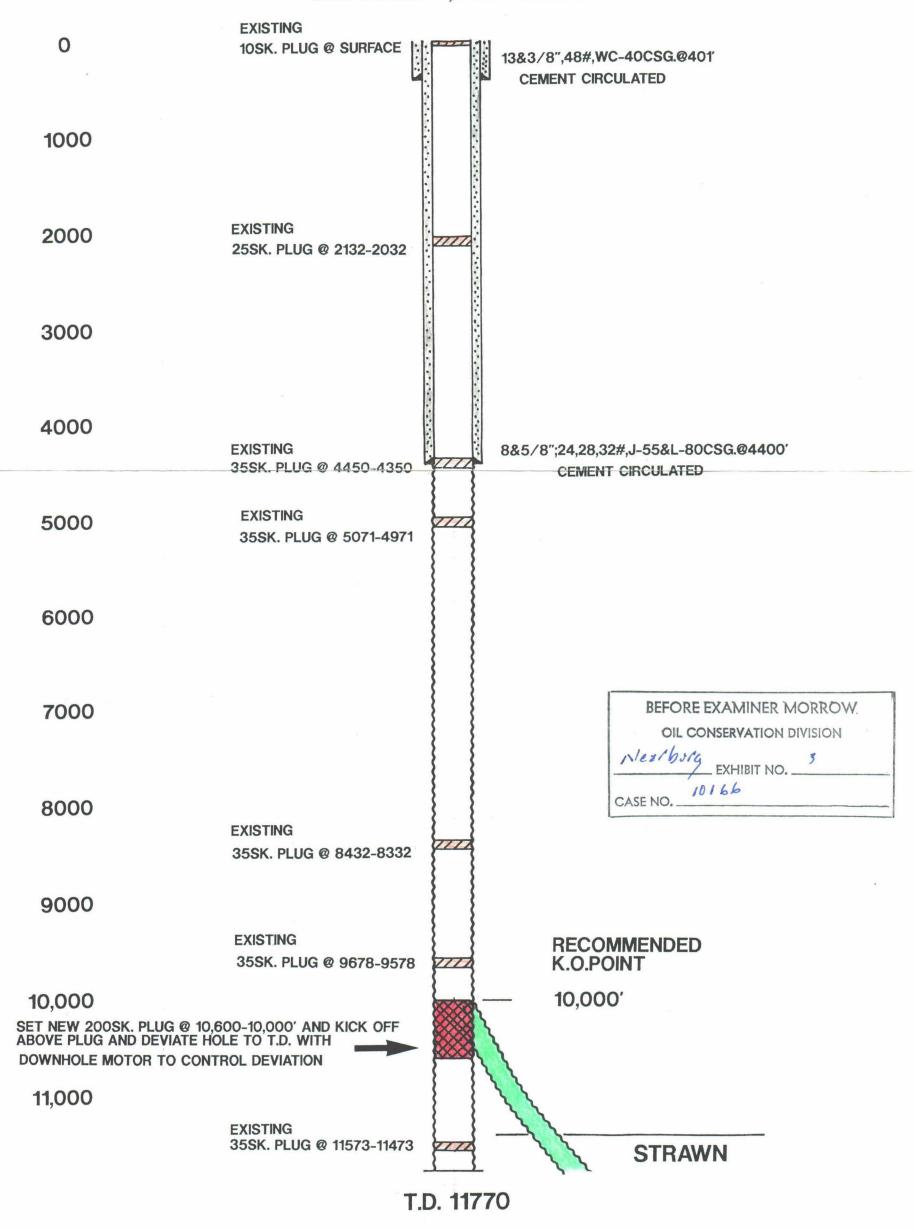
APPROVAL OF THIS AFE CONSTITUTES APPROVAL OF THE OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE, OR LESS, UNLESS THE NON-OPERATOR GIVES NOTIFICATION ON THIS FORM OF HIS INTENT TO FURNISH HIS PROPORTIONATE SHARE IN KIND. THIS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

| NPC APPROVAL | BY | DATE |
|--------------|----|------|
| LAND:        |    |      |
| DRLG / PROD: |    |      |
| ENGINEERING: |    |      |
| EXECUTIVE:   |    |      |

WI APPROVAL: COMPANY

# NEARBURG PRODUCING COMPANY WESTERN 17-F#1

LEA COUNTY, NEW MEXICO



V.S. 1"=1000" H.S.- NONE

K.W.HARBIN 11/15/90

No exhibit #4,

Notice to

BTA.

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