

AUTHORITY FOR EXPENDITURE

NO. _____

COMPANY Reading & Bates Petroleum Co.

AMOUNT REQUESTED, Company Share Only \$ _____

Requested By R. B. Shindhelm Location NW Division - Denver

Lease No. _____ Lease Federal Well No. #44-15

Field Wildcat (Gavilan Prospect) County Rio Arriba State New Mexico

REASON FOR EXPENDITURE:

(Include basis for payout. Use attachment for supporting data if necessary.)

To drill and equip a 8,050' Dakota well in SE SE Sec. 15, T25N, R2W, Rio Arriba County, NM

Estimated Primary Formation & Top _____ @ _____ ()
Estimated Secondary Formation & Top _____ @ _____ ()

COST ESTIMATE:

Dry Hole Cost

Case & Test Cost

Production Equipment Cost

Total	Tangible	Intangible
\$	\$	\$
267,040	9,140	257,900
242,075	153,225	88,850
170,550	36,000	134,550
\$ 679,665	\$ 198,365	\$ 481,300

BEFORE EXAMINER STOGNER

Oil Conservation Division

Exhibit No. 8

Case No. 8766

ESTIMATED DATE OF EXPENDITURE:

Month June Year 1985

Less Salvage Credit

Project Total \$ 679,665

Salvage credit to be taken only if equipment is sold from the project.

APPROVED:

D. G. Campbell, Sr. Vice Pres. Domestic Exploration
Name _____ Title _____ Date _____

Charles E. Seery, Jr. Vice Pres., Domestic Operations
Name _____ Title _____ Date _____

PARTNERS APPROVAL ACCEPTED:

Company _____

Name _____

Title _____ Date _____

Working Interest Participation:

Company	% Interest	Share
Reading & Bates	70.833	\$481,429
Hooper, Kimball & Wlms	8.333	\$ 56,639
Mountain States Nat. Gas	6.250	\$ 42,479
Ralph Gilliland	3.125	\$ 21,240
Duer Wagner, Jr.	2.906	\$ 19,751
Duer Wagner III	0.219	\$ 1,488
P.C. Ltd.	3.902	\$ 26,522
Ibex Partnership	3.902	\$ 26,522
Warren Clark Trust	0.204	\$ 1,383
Carolyn Clark Trust	0.219	\$ 1,486
Testamentary Trust of Warren Clark	0.107	\$ 726
	100.00%	\$679,665

WELL COST ESTIMATECOMPANY Reading & Bates Petroleum Co.DATE 5/21/85WELL Federal #44-15LOCATION SE SE (660 FSL & 660 FEL), Sec. 15-25N-2W, Rio Arriba Co., N.M.PROPOSED TD 8050' EST. DRILLING DAYS 16Tangible Well Costs

Well Pipe

500' of 9-5/8 @ \$ 12.00 /ft.
8050' of 5-1/2 @ \$ 10.50 /ft.
8000' of 2-7/8 @ \$ 6.50 /ft.
 _____ of _____ @ \$ _____ /ft.

Wellhead Assembly

Subsurface Equip. - pocker, rods, pumps, etc.

Separation Facilities, Installed

Tanks and Shipping Facilities, Installed

Flow Lines, Pipe & Electric Lines, Installed

Other Equipment - Pumping Unit, Misc.

Total Tangibles

Producer

Dry Hole

\$

\$

142,525

6,000

4,000

4,500

2,500

9,500

12,000

8,000

\$ 180,525

\$ 8,500

Intangible Well Costs

Permits, Surveys, Foundations

Location, Roads & Damages

Contract Drilling

8050' ft. @ \$ 15.00 /ft.2 days @ \$ 5000 /day5 days @ \$ 2000 /dayCompl. Unit 15 days @ \$ 2000 /day

Cement and Cement Service

Drilling Fluid Materials

Fuel, Water & Power

Supplies

Drill Stem Testing 1 @ \$ 5000

Coring and Analysis

Wireline Service

Logging \$21,000Perforating 3,500Other Mud Logging - \$3000

Formation Treating

Transportation and Hauling

Rentals, Contract Labor, Misc.

Engineering Supervision

Geological Supervision

Overhead

Contingencies

Total Intangibles

\$ 3,500

\$ 3,500

17,500

13,500

170,750

120,750

26,500

8,500

25,000

20,000

15,000

10,000

4,000

5,000

5,000

27,500

20,500

73,000

6,000

2,000

25,500

8,000

14,250

7,500

2,000

2,000

7,000

3,000

76,640

34,290

\$ 499,140

\$ 258,540

TOTAL

\$ 679,665

\$ 267,040

Prepared By:

T. Bruce Petitt