REVISED

AUTHORITY FOR EXPENDITURE

AUTHORITY	FOR EXPENDITURE		
Date: 7/14/86 Well Name PHANTOM #1 T.D. 8195' (Dakota) Location: SW/4 SW/4 Sec. 16-25N-2W , Rio Arriba County, New Mexico			
Operator: MESA GRANDE RESOURCES, INC. Prepared by: David Blandford			
	Drill/Test	Complete/Equip.	Note:
INTANGIBLE COSTS	DITITITESC	00,50000, 00000	
LOCATION: Survey Location	\$ 600	\$ 400	
Build Roads & Pad Surface Damages	3,500 5,000	3,000	
Restoration DRILLING: \$ 101,275	5,000		
Footage 8:95 ft 0 \$ 11.29 /ft Daywork 2 days WDP 0 \$ 4400 /da	92,525 y 8,800		
Daywork - days WODP (\$4300 /da WIRELINE SERVICES:	ý <u> </u>		
Electric Logs	9,100	3,500	
Cement Bond Logs Perforating		5,000	
PROFESSIONAL SERVICES: Title Opinion	3,500	5,000	
Mud Logger Geological	6,500 4.000	600	(1)
Engineering Other	4,000	5,500 1,000	
SUPPORT SERVICE3: Water Purchase	5,000	2,000	
Mud & Chemicals	28,000	3,000	
Trucking & Hauling Cement Casing - SURFACE	$\frac{6.000}{3,500}$	4,000	(2)
Cement Casing - PRODUCTION Equipment - Rental/Serv.	1,500	<u>23,350</u> 5,000	(3)
Welding Completion Workever Rig	300	2,000 16,200	(4)
Acid Treatment Frac Treatment		8,000 30,000	
Labor - Casing Crews Labor - Miscellaneous	1,500	3,000	
Initial Well Testing		2,000	
Administrative, General Expenses	3,350	4,500	
SUBTOTAL: Contingencies - 5%	<u>192,175</u> 9,609	<u> 127,050</u> <u> 6,353</u>	
Plug and Abandonment			
TOTAL INTANGIBLE:	\$ 201.784	\$ 133,403	
TANGIBLE COSTS			
TUBULAR EQUIPMENT Surface Casing	\$ 4,500		(5)
Production Casing Tubing		\$ 33.825 16.940	(6) (7)
Casing Equipment SURFACE EQUIPMENT	BEFORE THE	8,000	(, ,
	L CONSERVATION CO.	MANISSION 9.500	(8)
Line Pipe/Labor	Santa Fe, New Mex	ico	
Gas Processing Unit Gas Hookup, Fipeline & Meter Run Cd	se No. 2963 Exhibit 1	No. $5 = \frac{10,000}{25,000}$	
Pumping Unit and Engine Sub	omitted by Mesa Gran		(9)
	aring Date August		(10) (11)
MISC. EQUIPMENT Christmas Tree	2,000	3,900	(12)
Packer, Tubirg Anchor Valves and Fittings	500	1,000	(13)
Gates/Culverts/Cattle Guards		3,500	
TOTAL TANGIBLE:	\$ 7,000	\$ 182,665	
DRY HOLE TOTAL: COMPLETED TOTAL:	\$ 208,784	\$ _316,068	
TOTAL ESTIMATED WELL COST: \$ 524,85	2	4 2107000	
Approvals		·	
Company: Mesa Grande, Ltd. By:		W.I. 71.250000 % Dat	e:
Mountain States		W.I. 6.250000 & Dat	
Company: Reading & Bates By:		W.I. 4.166667 & Dat	
Gompany: Williams, Inc. By:			
Company: Arriba Company, Ltd. By:			
Company: Duer Wigner, Jr. By:			
. sompany	· -	w.i Dat	e:

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PHANTOM #1

7/14/86 Well Name PHANTON 1: SW/4 Sw/4 Sec. 16-25N-2W

Location:

AUTHORITY FOR EXPENDITURE

81951

_, Rio Arriba County, New Mexico

T.D.

(Dakota)

David Blandford Operator: MESA GRANDE RESOURCES, INC. Prepared by:_ Complete/Equip. Note: Drill/Test INTANGIBLE COSTS LOCATION: 400 Survey Location Build Roads & Pad \$ 3,000 3,500 5,000 Surface Damages Restoration

DRILLING: \$ 101,275

Footage 8195 ft @ \$ 11.29 /ft

Daywork 2 days WDP @ \$ 4400 /day

Daywork - days WODP @ \$ 4300 /day Restoration 92,525 8,800 Daywork ____d WIRELINE SERVICES: 9,100 Electric Logs Cement Bond Logs 3,500 5.000 Perforating PROFESSIONAL SERVICES: 5,000 Title Opinion (1)Mud Logger Geological 600 000 5,500 Engineering 500 1,000 Other SUPPORT SERVICES: 2,000 Water Purchase Mud & Chemicals ,000 3,000 28,000 Trucking & Hauling Cement Casing - SURFACE Cement Casing - PRODUCTION 6,000 3,500 4,000 (2) 23,350 (3) 5,000 2,000 Equipment - Rental/Serv. Welding Completion Workover Rig Acid Treatment Frac Treatment (4) 200 16 30,000 Labor - Casing C::ews
Labor - Miscellaneous
Initial Well Testing
Administrative, General Expenses 3,000 1,500 3,350 SUBTOTAL: 127.050 192,175 Contingencies - 5% 6,353 9,609 Plug and Abandonnent TOTAL INTANGIBLE: \$ 201.784 \$ 133,403 TANGIBLE COSTS TUBULAR EQUIPMEN! Surface Casing 4,500 (5) (6) Production Caming 33.825 6,940 (7) Tubing Casing Equipment
SURFACE EQUIPMENT
Storage Tanks
Tank Connections
Line Pipe/Labor (8) 9.500 7.000 7.000 Gas Processing Unit Gas Hookup, P.peline & Meter Run 25.000 Water Tank Pumping Unit and Engine Sucker Rod String 40,000 (9) ,500 ,500 (10)P.U. Connections (11)MISC. EQUIPMENT Christmas Tree 2,000 ,900 (12)Packer, Tubing Anchor (13)1,000 2,000 Valves and Finitings Gates/Culverts/Cattle Guards 500 TOTAL TANGIBLE: 7,000 182,665 DRY HOLE TOTAL: 208,784 COMPLETED TOTAL: \$ 316,068 TOTAL ESTIMATED VELL COST: 5 524,852 Approvals _ W.I. 1.951093 P C, Lid. Company: By: % Date: W.I. 1.951093 Ibex Partnership By: % Date:_ Clark & Oatman 0.264484 Company: By: * Date:_ Duer Wagner III 0.218750 Company: W.I. Byı Date: Company: _ By:_ _'W.I._ % Date: Company: _ W.I._ _ By:_ % Date: Byı W.I. _% Date:_

Attachment to the Phantom #1
Authority for Expenditure
Operated by MESA GRANDE RESOURCES, INC.

NOTES

- 1. Mudlogger: Two Man unit for 15 days.
- 2. Cement Casing SURFACE: cost listed includes tools.
- 3. Cement Casing PRODUCTION: cost listed does not include tools.
- 4. Completion Workover Rig: 9 days @ \$1800.00 day
- 5. Surface Casing: 500' 8 5/8" 26# K-55; \$9.00 per foot.
- 6. Production Casing: 8250' 5½" 17# J-55; \$4.10 per foot.
- 7. Tubirg: 7700' 2 7/8" J-55, 8-Rnd; \$2.20 per foot.
- 8. Storage Tanks: Two 400 BBL Tanks
- 9. Pumpimg Unit and Engine: 320 PU and Gas Engine Set
- 10. Sucker Rod String: 3000' 7/8" Dia. w/ Ryton Scrapers
 4000' 3/4" Dia.; all costs \$1.65 per foot.
- 11. P.U. Connections: Includes 11 x 21 x 18 Top Hold Down Pump with a Harbison-Fischer No-Lock Plunger.
- 12. Christmas Tree: McEvoy 3000#, Low Boy Head with valve fittings.
- 13. Packer: $5\frac{1}{2}$ X 2 7/8 Tubing Anchor

ORIGINAL

PHANTOM #1

05/3./86

Well Name

AUTHORITY FOR EXPENDITURE

8190'

T.D.

(Dakota)

Location: SW/4 SW/4 Sec. 16-25N-2W , Rio Arriba County, New Mexico MESA GRANDE RESOURCES, INC. David Blandford Prepared by:_ Drill/Test Complete/Equip. Note: INTANGIBLE COSTS LOCATION: Survey Location Build Roads & Pad 600 400 \$ 3,500 3,000 Surface Danages 5,000 Restoration 5,000 DRILLING: \$ 101,275

Footage 8.90 ft @ \$ 11.29 /ft

Daywork 2 days WDP @ \$ 4400 /day

Daywork 3 days WODP @ \$ 4300 /day 475 8,800 WIRELINE SERVICES: 9,100 Electric Logs 3,500 Cement Bond Logs 6,500 Perforating PROFESSIONAL SERVICES: <u>3,00</u>0 5,000 Title Opin:.on 6,500 6,000 Mud Logger (1)Geological 600 6,000 500 5,500 1,000 Engineering Other SUPPORT SERVICES: 2,000 5,000 Water Purchase Mud & Chemica.s
Trucking & Hauling
Cement Casing - SURFACE
Cement Casing - PRODUCTION 3,000 28,000 4,000 8,000 3,500 (2) 23,350 8,000 (3) Equipment - Rental/Serv. Welding 2,000 27,000 300 Completion Workover Rig (4)Acid Treatment: Frac Treatment: 15,000 50,000 Labor - Casing Crews Labor - Miscellaneous Initial Well Mesting 3,000 1,500 2,000 Administrative, General Expenses 4,500 3,350 173,350 17,335 SUBTOTAL: 193,625 Contingencies - 10% 19,360 2,500 Plug and Abandonment TOTAL INTANGIBLE: \$ 215,485 \$ 190,685 TANGIBLE COSTS TUBULAR EQUIPMENT Surface Casing 4,500 (5) Production Casing 41,800 20,100 (6) Tubing (7)Casing Equipment SURFACE EQUIPMENT 8,000 Storage Tanks
Tank Connections 14,200 10,500 9,500 10,000 (8) Line Pipe/Labor Gas Processing Unit Separator/Feat-Treat. Water Tank Pumping Unit and Engine 56,000 14,000 3,500 Sucker Rod String (9) P.U. Connections MISC. EQUIPMENT (10)Christmas Tree 2,000 (11)Packer, Tuling Anchor Valves and Fittings 1,250 (12)500 2,000 Gates/Culverts/Cattle Guards 3,500 TOTAL TANGIBLE: 7,000 198,250 DRY HOLE TOTAL: 222,485 COMPLETED TOTAL: \$ 388,935 TOTAL ESTIMATED WELL COST: \$ 611,420 Approvals √Company: <u>Mesa Grande, Ltd.</u> By:_ W.I. 71.250000 % Date: Company: Mntn. Sts. Nat. Gas __ By:_ W.I. <u>6.250000</u>% Date: Company: Reading & Bates _ By:_ W.I. 4.166667 % Date: Company: Hooper, Kimball & Williams, Inc. By: __W.I.__4.166667__% Date:__ Company: Arriba Company, Ltd. _ By:_ W.I. 3.750000 % Date: Company: Ralph Gilliland _ By:_ __ W.I._ <u>3.125000</u> % Date:_ Company: Duer Wagner, Jr. _ By:_ W.I. 2.906250 % Date:

/86 Well Name PHANTOM #1 T.D. 8190' (Dako SW/4 SW/4 Sec. 16-25N-2W , Rio Arriba County, New Mexico (Dakota) 05/31/86 Location: Prepared by:__ David Blandford Operator: MESA GRANDE RESOURCES, INC. Drill/Test Complete/Equip. Note: INTANGIBLE CCSTS LOCATION: Survey Location Build Roads & Pad 400 600 3,000 3,500 5,000 5,000 Surface Damages Restoration DRILLING: \$ 101,275
Footage 8190 ft @ \$ 11.29 /ft
Daywork 2 days WDP @ \$ 4400 /day
Daywork - days WODP @ \$ 4300 /day 92,475 8,800 WIRELINE SERVICES: 9,100 Electric Logs Cement Bond Logs Perforating 6,500 PROFESSIONAL SERVICES: Title Opinion 3,000 5,000 Mud Logger Geological 6,500 6,000 (1) 600 6,000 Engineering 1,000 Other 500 SUPPORT SERVICES: 5,000 28,000 4,000 3,500 Water Purchase
Mud & Chemicals 2,000 3,000 8,000 Trucking & Hailing
Cement Casing - SURFACE
Cement Casing - PRODUCTION (2) (3) 8,000 <u>1,50</u>0 Equipment - Rantal/Serv. Welding 300 2,000 27,000 Completion Workover Rig (4)Acid Treatmen: Frac Treatmen: 15,000 50,000 Labor - Casin; Crews Labor - Miscellaneous 1,500 3,000 Initial Well Testing 2,000 Administrative, General Expenses 3,350 4,500 173,350 17,335 SUBTOTAL: 193,625 19,360 Contingencies - 10% Plug and Abandonment TOTAL INTANGIBLE: \$ 215,485 \$ 190,685 TANGIBLE COSTS TUBULAR EQUIPMENT Surface Caming 4,500 (5) Production Casing ,800 (6) Tubing 20,100 (7) Casing Equ:.pment 8,000 SURFACE EQUIPMENT Storage Tanks (8) 10,500 9,500 10,000 Tank Connections Line Pipe/Labor Gas Processing Unit Separator/Heat-Treat. Water Tank
Pumping Unit and Engine
Sucker Rod String 56,000 14,000 3,500 (9) P.U. Connections (10)MISC. EQUIPMENT Christmas Tree 2,000 3,900 (11) 1,250 Packer, Tuting Anchor (12)Valves and Fittings 2,000 500 Gates/Culverts/Cattle Guards 3,500 TOTAL TANGIBLE: 7,000 198,250 \$ DRY HOLE TOTAL: \$ 222,485 COMPLETED TOTAL: \$ 388,935 TOTAL ESTIMATED WELL COST: \$ 611,420 Approvals Company: Mess Grande, Ltd. By: W.I. 71.250000 % Date: Company: P.C., Ltd. _By:__ __ W.I.__1.951093 % Date:__ Company: IBEX Partnership W.I. 1.951093 % Date: By: W.I. 0.264484 Company: Clark & Oatman et al By: % Date:__ Company: Duer Vagner, III W.I. 0.218750 % Date: __ By:__ _ By:____ _____ W.I.____ Company: % Date:_

_ By:_

W.I.__

% Date:

Company:

Attachment to the Phantom #1
Authority for Expenditure
Operated by MESA GRANDE RESOURCES, INC.

NOTES

- 1. Mudlogger: Two Man unit for 15 days.
- 2. Cement Casing SURFACE: cost listed includes tools.
- 3. Cement Casing PRODUCTION: cost listed does not include tools.
- 4. Completion Workover Rig: 15 days @ \$1800.00 day
- 5. Surface Casing: 500' 8 5/8" 20# K-55; \$9.00 per foot.
- 6. Production Casing: 8190' 5½" 17# J-55; \$5.10 per foot.
- 7. Tubing: 7700' 2 7/8" J-55, 8-Rnd; \$2.60 per foot.
- 8. Storage Tanks: Three 400 BBL Tanks
- 9. Sucker Rod String: 3000' 7/8" Dia. w/ Ryton Scrapers
 4000' 3/4" Dia.; all costs \$2.00 per foot.
- 10. P.U. Connections: Includes 1½" x 2½" x 18' Top Hold Down Pump with a Harbison-Fischer No-Lock Plunger.
- 11. Christmas Tree: McEvoy 3000#, Low Boy Head with valve fittings.
- 12. Packer: 5½ X 2 7/8 Tubing Anchor