



AUTHORITY FOR EXPENDITURE

207 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210

\* Revised 6-8-89

AFE # 89-056-0  
REVISION #  
DATE 4-26-89

LEASE NAME Drover State Unit #1 LOCATION 990/S&E, Sec. 20-T13S-R32E  
 COUNTY Lea STATE New Mexico FIELD \_\_\_\_\_  
 HORIZON Mississippian EST. T. D. 11500' EST. SPUD DATE \_\_\_\_\_  
 EST. COMPLETION DATE \_\_\_\_\_ DRILLING CONTRACTOR \_\_\_\_\_

PRIMARY OBJECTIVE:  OIL  GAS  OIL AND/OR GAS  
 PURPOSE :  DRILLING-NEW  RECOMPLETION  OTHER (SUPPLEMENTAL AFE, ETC.)  
 TYPE WELL :  DEVELOPMENT  EXPLORATION

INTANGIBLE COSTS:		DRY HOLE	COMPLETION
9210	STAKING PERMIT & LEGAL FEES	\$ 300	\$ 300
9211	LOCATION, RIGHT-OF-WAY	13000	13000
9212	DRILLING, FOOTAGE <u>11500'</u> @ <u>\$16/ft</u>	184000	184000
9213	DRILLING, DAYWORK <u>4 days</u> @ <u>\$4100/day</u>	16600	16600
9214	DRILLING WATER	15000	15000
9215	DRILLING MUD & ADDITIVES	28000	28000
9216	MUD LOGGING UNIT	7500	7500
9217	SURFACE & INT. CEMENT, CSG., TOOLS & SERVICES	28000	28000
9218	DRILL STEM TESTING	8000	8000
9219	ELECTRIC LOGS - OPEN HOLE	17000	17000
9220	TOOL & EQUIP. RENTAL, TRUCKING, WELDING	10000	10000
9221	SUPERVISION & OVERHEAD	3000	3000
9223	CORING, TOOLS & SERVICES	-	-
9224	BITS, TOOLS & SUPPLIES	-	-
9235	PRODUCTION CEMENT, CASING, TOOLS & SERVICES	-	14000
9222	CONTINGENCY	5000	5000
9241	COMPLETION UNIT	-	9000
9242	WATER FOR COMPLETION	-	1000
9243	MUD ADDITIVES FOR COMPLETION	-	1000
9244	CEMENT, TOOLS, SERVICES & TEMP. SURV. FOR COMP.	-	3500
9245	ELECTRIC LOGS, PERFORATION TEST FOR COMPLETION	-	9600
9246	TOOLS, TRUCK, WELD. & EQUIP. RENTAL FOR COMP.	-	10000
9247	STIMULATION - COMPLETION	-	20000
9248	SUPERVISION & OVERHEAD - COMPLETION	-	3000
9249	ADDT'L LOCATION, ROAD WORK & SURFACE DAMAGES	-	1200
9251	BITS, TOOLS, ETC. PURCHASED FOR COMPLETION	-	1000
9250	CONTINGENCY - COMPLETION	-	-
<u>TOTAL INTANGIBLES</u>		<u>335400</u>	<u>408700</u>

EQUIPMENT COSTS:			
9301	CHRISTMAS TREE AND WELL HEAD	1200	12000
9302	CASING 13-3/8" 54# J-55 @450'	10300	10300
9302	8-5/8" 32# J-55 @4200'	46200	46200
9302	5-1/2" 17# N-80&S-95 @11500'	-	105800
9303	TUBING 2-7/8" 6.5# J-55 @11200'	-	28000
9304	PACKER & SPECIAL EQUIPMENT	-	-
9350	CONTINGENCY	-	-
<u>WELL EQUIPMENT</u>		<u>57700</u>	<u>202300</u>

LEASE & BATTERY EQUIPMENT COSTS:			
9401	PUMPING EQUIPMENT	-	-
9402	STORAGE 2-210b. welded tnk/walkway+stairs/fbgl tnk	-	8000
9403	SEPARATION EQUIP., FLOWLINES, VALVES, FITTINGS	-	12000
9404	TRUCKING & CONSTRUCTION COSTS	-	6000
<u>TOTAL LEASE &amp; BATTERY EQUIP.</u>		<u>-</u>	<u>26000</u>
<u>TOTALS</u>		<u>\$393100</u>	<u>\$637000</u>

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.

<u>YATES PETROLEUM CORPORATION</u>	<u>DATE</u>	<u>SHARE</u>
BY <u>Alfred L. Springer III</u>	_____	<u>40.573777%</u>
BY <u>ABO: PETROLEUM CORPORATION</u>	_____	_____
BY <u>YATES DRILLING COMPANY</u>	_____	<u>13.524590%</u>
BY <u>MYCO INDUSTRIES, INC.</u>	<u>6/21/89 Examiner Hearing Exhibit No. 6</u>	<u>13.524590%</u>
BY <u>Frank W. Yate Jr</u>	_____	<u>13.524590%</u>

DROVER STATE UNIT #1  
Sec. 20-T13S-R32E  
Lea County, New Mexico

	<u>Date</u>	<u>Share</u>
CHEVRON USA INC. By _____	_____	.819672%
<del>DEVON ENERGY CORPORATION</del> By _____	_____	.819672%
FRAZIER & RAY OIL & GAS CORPORATION By _____	_____	5.737705%
MOBIL EXPLORATION & PRODUCING U.S. INC. By _____	_____	4.918033%
WOODS PETROLEUM CORPORATION By _____	_____	6.557378%

ILLEGIBLE