

HARVEY E. YATES COMPANY

LEASE NAME & WELL NUMBER: ATLANTIC 32 STATE #2  
 LEGAL LOCATION: NW OF THE NW SEC.32 T-18S R-33E  
 COUNTY: LEA DEPTH: 5150  
 AFE TYPE: (1)DRILLING (2)WD (3)RE-COMPLETION (4)OTHERS (5)P&A = 1

ACCT NO.  
 AFE NO. D-01  
 FORMATION: LOCO HILLS/GRAYBURG

DRILLING & COMPLETION COSTS:

920-000 INTANGIBLE DRILLING COSTS:

	DRY HOLE COSTS	PRODUCING WELL COSTS
921-000 STAKING DAMGES & LEGAL FEES-----	\$2,000	\$2,000
921-001 LOCATION, RIGHT OF WAY-----	\$15,000	\$15,000
921-002 FOOTAGE: FEET @ \$/FOOT 5150 \$15.00 -----	\$77,250	\$77,250
921-003 DAYWORK: DAYS & \$/DAY 1 \$4,500 -----	\$4,500	\$4,500
921-004 SURFACE CASING CEMENTING & SERVICE-----	\$5,000	\$5,000
921-005 DRILLING MUD, ADDITIVES & WATER-----	\$15,000	\$15,000
921-006 MUD LOGGING UNIT, SURVEYS ETC.-----	\$2,000	\$2,000
921-007 INTERMEDIATE CASING CEMENTING & SERVICES-----	\$0	\$0
921-008 GENERAL MISC. (BOP TEST, RATHOLE...ETC)-----	\$0	\$0
922-000 RENTAL TOOLS & EQUIPMENT-----	\$0	\$0
922-001 COMPANY SUPERVISION-----	\$4,000	\$4,000
922-004 MISC. BITS, TOOLS & SUPPLIES-----	\$0	\$0
TOTAL INTANGIBLE DRILLING COSTS-----	\$124,750	\$124,750

923-000 INTANGIBLE FORMATION EVALUATION:

923-001 CORING, TOOLS & SERVICE-----	\$0	\$0
923-002 DST: \$ DST TO RUN/ \$ CHARGE -----	\$0	\$0
923-003 ELECTRIC LOGS, SAMPLE SACKS...ETC-----	\$7,500	\$7,500
923-004 MISC. FORMATION EVAL.-----	\$0	\$0
TOTAL INTANGIBLE FORMATION EVALUATION-----	\$7,500	\$7,500

924-000 INTANGIBLE COMPLETION COSTS:

924-001 COMPLETION UNIT COST: DAYS & \$/DAY 8 \$1,800 -----		\$14,400
924-003 MUD, WATER & ADDITIVES-----		\$3,000
924-004 CEMENT, TOOLS & SERVICES (PROD. STRING...ETC)-----		\$18,500
924-005 ELECTRIC LOGS(CBL...ETC.), TESTING-----		\$3,500
924-006 TOOL & EQUIPMENT RENTAL & TRUCKING-----		\$1,500
924-007 STIMULATION & TREATING-----		\$20,000
924-008 COMPANY SUPERVISION-----		\$5,000
925-001 BITS, TOOLS & SUPPLIES-----		\$0
925-002 PLUG BACK-----		\$0
925-003 MISC. CONTINGENCIES-----		\$9,908
950-000 PLUGGING EXPENSE-----	\$7,000	\$0
TOTAL INTANGIBLE COMPLETION COSTS-----	\$7,000	\$75,808

930-000 TANGIBLE DRILLING & COMPLETION COSTS:

930-001 SURFACE CASING COSTS: (SIZE & FEET) 8 5/8 400 -----	\$6,800	\$6,800
930-002 INTERMEDIATE CASING: (SIZE & FEET) -----	\$0	\$0
930-003 PRODUCTION CASING: (SIZE & FEET) 5 1/2 5150 -----		\$46,350
930-004 PRODUCTION TUBING: (SIZE & FEET) 2 3/8 5150 -----		\$18,025
930-005 CASING HEAD-----		\$1,000
930-006 CASING SPOOL-----		\$0
930-007 TUBING HEAD-----		\$1,000
930-008 CHRISTMAS TREE-----		\$1,500
931-000 SUBSURFACE EQUIPMENT-----		\$7,725
931-001 MISC PIPE CONNECTIONS-----		\$1,000
931-002 PACKER & SPECIAL EQUIPMENT-----		\$2,000
931-003 MISCELLANEOUS CONTINGENCIES-----		\$4,270
TOTAL TANGIBLE DRILLING & COMPLETION COSTS-----	\$14,103	\$89,670

BEFORE EXAMINER MORROW  
 OIL CONSERVATION DIVISION

HEXCO EXHIBIT NO. 3

CASE NO. 10315 \$7,303

940-000 GENERAL LEASE & BATTERY EQUIPMENT:

940-001 PUMPING UNIT (PRIME MOVER)-----		\$30,000
940-002 SEPARATORS, GAS PROD. UNITS,...ETC.-----		\$8,000
940-005 TANKS: NO. & SIZE 2 400 BBLs-----		\$12,000
941-000 INSTALLATION COSTS-----		\$12,000
941-001 FLOW LINES, VALVES...ETC-----		\$5,500
941-005 MISCELLANEOUS LEASE EQUIPMENT-----		\$1,500
TOTAL GENERAL LEASE & BATTERY EQUIPMENT COSTS-----	\$0	\$69,000

TOTAL INTANGIBLE COSTS:	\$139,250	\$208,058
TOTAL TANGIBLE COSTS:	\$14,103	\$89,670
TOTAL LEASE & BATTERY EQUIPMENT:	\$0	\$69,000

TOTAL COSTS: \$153,353 \$366,728

PREPARED BY: N.M. YOUNG

DATE: FEBRUARY 26, 1991

APPROVED BY:

\*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  
 FORTH

COMPANY:

DATE:

**HEYCO**

**PETROLEUM PRODUCERS**



**HARVEY E. YATES COMPANY**

P. O. BOX 1933

ONE SUNWEST CENTRE

505 / 623-6601

FAX 505 / 622-4221

ROSWELL, NEW MEXICO 88202-1933

April 5, 1991

ATLANTIC 32 WORKING INTEREST OWNERS  
(See attached mailing list)

Re: Atlantic 32 State #2  
Section 32: SW/4 NW/4  
T-18S, R-33E, N.M.P.M.  
Lea County, New Mexico

Ladies & Gentlemen:

Harvey E. Yates Company (HEYCO) proposes the drilling of the Atlantic 32 State #2 well to be located at a legal location in the SW/4 NW/4 of Section 32, T-18S, R-33E, Lea County, New Mexico. Said well will be drilled to a depth of 5150', or to a depth sufficient to test the Queen and the Grayburg formations. The anticipated spud date for this well is May 15, 1991.

The proposed test is 1700' southwest of HEYCO's Atlantic 32 State #1 discovery well, which was recompleted in the Queen formation pumping 293 BOPD in December, 1990. The sand pay at 4438-46', which is currently pumping 90-100 BOPD, is mapped 10 1/2' low and 15-20' thick at the proposed location. Two other potential pay sands just below the pay interval will also be evaluated at the #2 location. This offset to prolific shallow production also could result in an additional 3-4 wells on the lease.

We have enclosed two copies of the AFE, which lists approximate costs of \$153,353 for a dry hole and \$366,728 for a producing well. Please return one signed copy of the AFE to our office at your earliest convenience.

Thank you for your consideration of this proposal. If you have any questions, please feel free to call. Questions pertaining to geology should be directed to Dave Percy at our office.

Very truly yours,

Robert H. Bell  
Landman

RHB/dlm  
Enclosures

atlntc32.st2/LL

ATLANTIC "32" STATE #2

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SPIRAL, INC.  
EXPLORERS PETROLEUM CORPORATION  
HEYCO EMPLOYEES, LTD.  
HEYCO DEVELOPMENT CORP.  
P. O. Box 1933  
Roswell, New Mexico 88202

JAMES H. YATES, INC.  
COLKELAN CORPORATION  
906 S. St. Francis Drive  
Suite C  
Santa Fe, New Mexico 87501

F. J. MORGAN  
174 S. Mansfield Avenue  
Los Angeles, CA. 90036

ROBERT K. KERLAN  
c/o Ryder Stilwell Inc.  
5900 Wilshire Blvd. #1100  
Los Angeles, CA. 90036

SYBIL BLACKMAN CARNEY  
#21 Trolvita  
Irvine, Ca. 92720-1952

CONSOLIDATED OIL & GAS  
410 17th St., Suite 440  
Denver, Colorado 80202

EDGAR J. BRAUN  
907 Keeler Avenue  
Berkeley, CA. 94708

DR. ROBERT B. CAHAN  
2340 Sutter Street  
San Francisco, CA. 94115

LAURELIND CORPORATION  
P. O. Box 2143  
Roswell, New Mexico 88202

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P O BOX 1933

ONE SUNWEST CENTRE

505/623-6601

ROSWELL, NEW MEXICO 88201

October 6, 1987

Edgar J. Braun  
907 Keeler Avenue  
Berkeley, California 94708

Re: Atlantic "32" State #1 Well  
T-18S, R-33E, N.M.P.M.  
Section 32: W/2  
Lea County, New Mexico

Dear Mr. Braun:

Harvey E. Yates Company (HEYCO) purchased the above captioned well from Morexco, Inc. Morexco had previously obtained this well from Kaneb Operating Company, Ltd., effective July 1, 1987. Our purchase price for 100% Working interest was \$25,474.00.

HEYCO is offering to buy your working interest in the Atlantic "32" State #1 for a total sum of \$32.25 which represents your proportionate share (.00126580 ) of \$25,474.00.

This offer, if accepted, will be subject to approval of title and the receipt of a recordable conveyance, assignment and Bill of Sale.

If the above is acceptable to you, please fill out the questionnaire below and return one copy of this letter to the undersigned in the enclosed stamped return envelope.

BEFORE EXAMINER MORROW  
OIL CONSERVATION DIVISION

HEYCO EXHIBIT NO. 4

CASE NO. 10315

RHB/dlm  
Enclosures

Very truly yours,

Robert H. Bell  
Land Department

Marital Status: \_\_\_\_\_ Spouse: \_\_\_\_\_  
Any change in address: \_\_\_\_\_ Telephone: \_\_\_\_\_  
Correct status of ownership (capacity in which this interest is owned)

SSN/Tax ID: \_\_\_\_\_  
Name of depository bank: \_\_\_\_\_  
Comments: \_\_\_\_\_

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P.O. BOX 1933

ONE SUNWEST CENTRE

505/623-6601

FAX 505/622-4221

ROSWELL, NEW MEXICO 88202-1933

June 16, 1988

Owner #10679

Edgar J. Braun  
907 Keeler Avenue  
Berkeley, CA 94708

Gentlemen:

At this date our records reflect an outstanding balance in your accounts receivable of \$ 11.87. This amount is comprised of the following statements.

<u>Invoice #</u>	<u>Invoice Date</u>	<u>Inv. Amount</u>
02880032	03/16/88	\$ 10.26
03880036	04/15/88	.82
04880037	05/10/88	.79
	Total	\$ <u>11.87</u> =====

We would appreciate your attention to this matter. If you have any questions or need additional information please contact me at 505-623-6601.

Very truly yours,

*Shelly Chrisman*

Shelly Chrisman  
Joint Interest Acctg.

SC

Atlantic 3.2 State #1

*Edgar J. Braun*  
*Attorney at Law*

*The Hartford Building - 25th Floor*  
*650 California Street*  
*San Francisco, California 94108*  
*Tel: 415/433-3000*

June 21, 1988

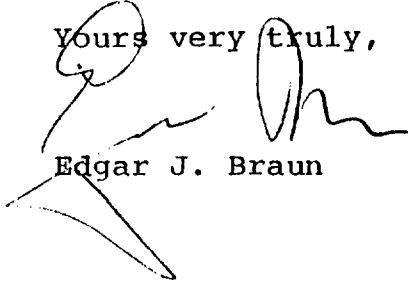
Harvey E. Yates Company  
P.O. Box 1933  
One Sunwest Center  
Roswell, New Mexico 88202-1933

Attention: Shelly Chrisman

Dear Ms. Chrisman:

I am returning the invoice of June 16th. I have no idea who you are and why you are billing me for anything. I have not asked for any services from you.

Yours very truly,

  
Edgar J. Braun

EJB:jm  
Encl.

**HEYCO**

**PETROLEUM PRODUCERS**



**HARVEY E. YATES COMPANY**

P.O. BOX 1933

ONE SUNWEST CENTRE

505/623-6601

FAX 505/622-4221

ROSWELL, NEW MEXICO 88202-1933

June 24, 1988

Edgar J. Braun  
The Hartford Building 25th Floor  
650 California Street  
San Francisco, CA 94108

Dear Mr. Braun,

Enclosed is a copy of the letter we sent offering to buy your share of the Atlantic "32" State #1. We have highlighted your note declining our offer. Therefore you are an active interest owner in the well which is now operated by HEYCO.

Sincerely,

*Shelly Chrisman*

Shelly Chrisman

Enclosure

**HEYCO**

**PETROLEUM PRODUCERS**



**HARVEY E. YATES COMPANY**

P.O. BOX 1933

ONE SUNWEST CENTRE

505/623-6601

FAX 505/622-4221

ROSWELL, NEW MEXICO 88202-1933

April 20, 1989

Dr. Edgar J. Braun  
907 Keeler Avenue  
Berkeley, California 94708

Re: Atlantic "32" State #1  
1980' FWL & 660' FNL Sec. 32  
T-18S, R-33E, N.M.P.M.  
Lea County, New Mexico

Dear Dr. Braun:

Harvey E. Yates Company proposes to plug back the Atlantic "32" State #1 well from the Morrow formation to attempt a completion in the Cisco formation.

We have enclosed an information sheet explaining the various procedures and two copies of an AFE for your review and signature. Estimated dry hole costs for this procedure are \$52,625, and producing well costs are estimated to be \$154,164. Your working interest is .00126580.

Please return one signed copy of the AFE to our office at your very earliest convenience. If you have any questions, please do not hesitate to call.

Very truly yours,

Robert H. Bell  
Landman

RHB/dlm  
Enclosures

atlantic/LL



# **ATLANTIC 32 STATE # 1**

## **MORROW:**

1. EXISTING PERFS= ORIGINAL Pts= 1500# & Pws=3325#  
11-29-74 Pts= 1238# & Pws=NA  
FOR .278 BCF PROD.

CURRENT STATUS: 31 MCFPD w/ 50# FTP.  
CUMS: .64 BCF TO 3-89.

ESTIMATED ULTIMATE RECOVERY FOR EXISTING PERFS:  
= 1 BCF +/-

ECONOMIC LIMIT REACHED IN 34.28 MONTH WITH ONLY  
48MMCF ADDITIONAL PRODUCED.

## **CISCO:**

### **BHC ACOUSTIC LOG/DI FOCUSED/SAMPLE LOG EVALUATION:**

2. ZONES OF INTEREST: (TOP TO BOTTOM)

- #1 10,924-58' 22'NET w/ 7% MAX (2') AND  
NORMALIZED POROSITY OF 4.54%.
- \* #2 10,970-95' 18'NET w/ 19% MAX (1') AND  
NORMALIZED POROSITY OF 13%.
- #3 11,120-60' 18'NET w/ 27% MAX (2') AND  
NORMALIZED POROSITY OF 11.1%.
- \* #4 11,170-202' 12'NET w/ 12% MAX (1') AND  
NORMALIZED POROSITY OF 7.125%.
- #5 11,207-47' 40'NET w/ 11% MAX (1') AND  
NORMALIZED POROSITY OF 7.512%.

**\* INTERVALS TO BE EVALUATED AFTER CBL/CNL LOGS HAVE BEEN  
RUN TO CONFIRM TESTING:**

### **OTHER INTERVALS TO BE EVALUATED AFTER LOGGING:**

CISCO 10,570-85;10,712-32;10,758-76  
BONE SPRING 7550-70';8842-65';9150-9300';9300-  
9925' (OA);10,000-410'.

## **AREA OFFSETS:**

AMOCO FED. AM # 1 IN SEC. 33. (A 1.42 MI SE OFFSET)  
PROD. ZONE APPEARS TO BE THE SAME ZONE AS # 5  
IN THE ATLANTIC 32 STATE # 1. THE AMOCO ZONE  
IS THINNER AND DIRTIER BUT HAS SIMILAR  
RESISTIVITY. CUMS 9-88: 40,811 BO, 95MMCF &  
7855 BW.

MERIDIAN QUERECHO PLAINS UNIT # 1 IN SEC. 28 (A  
1.11 MI ENE OFFSET) PRODUCING FROM THE SAME  
ZONES AS # 3 & 5 ZONES IN OUR WELL.  
MERIDIAN'S PERFS: 11,118-206' (OA). THE LOWER  
ZONE IN UNIT #1 LOOKS CLEANER ON THE LOGS THAN  
OUR ZONE w/ ABOUT THE SAME NET PAY. THE UPPER  
ZONE, EQUIVALENT TO #3 IN THE ATLANTIC 32,  
SEEMS TO BE BETTER DEVELOPED THAN IN OUR WELL.  
CUMS 9-88: 107,445 BO, 140MMCF & 606 BW.

MERIDIAN QUERECHO PLAINS UNIT # 2 COMPLETED IN THE  
SAME INTERVALS AS THEIR #1 WELL IS LOCATED DUE  
SOUTH OF THEIR #1. THE WELL IP'D FOR 544 BOPD  
& 200 BW IN JAN. 89.

PENNZOIL HUDSON 29 #1 (P&A 7-87) IN SEC. 29,  
(A 1 MI NNE OFFSET), CUM'D 15,939 BO, 437MMCF  
AND 1,121 BW BEFORE BEING PLUGGED. THE  
PRODUCING ZONE IS NOT KNOWN BU APPEARS THAT IT  
WAS PRODUCING FROM A GAS CAP.

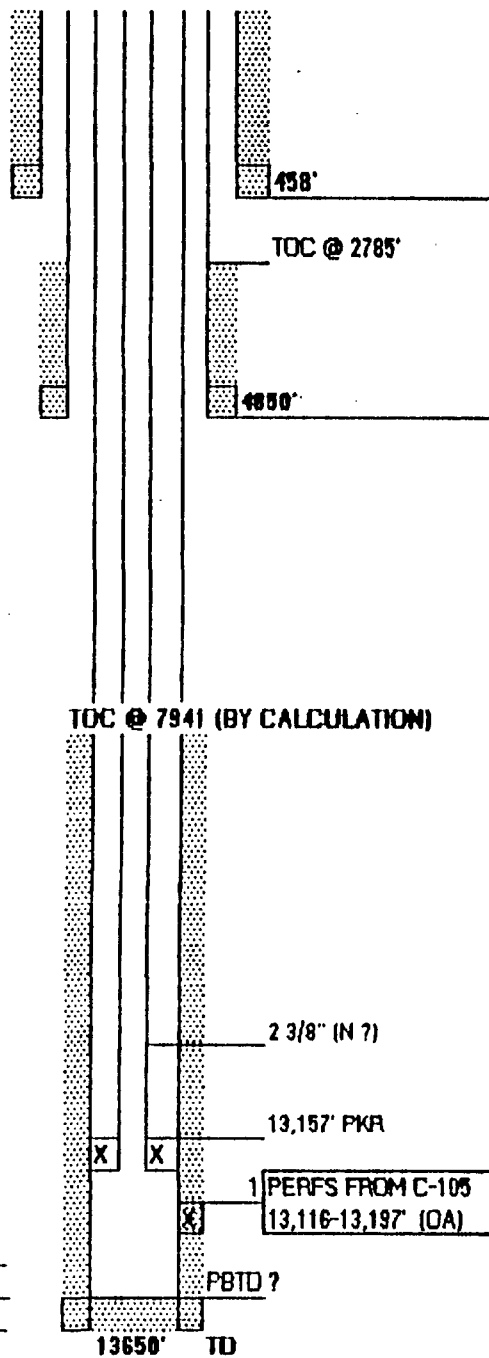
RFN 4-7-89

5-Apr-89

# **HARVEY E. YATES COMPANY** **WELL HISTORY SUMMARY SHEET** BY RAY F. NOKES

OPERATOR: HARVEY E. YATES COMPANY  
 WELL NAME: ATLANTIC "32" STATE # 1  
 LEASE #: K-1860  
 LOCATION: 1980' FWL & 660' FNL  
 C, SEC. 32, T-18S, R-33E LEA CO., NM.  
 FIELD: SOUTH CORBIN MORROW  
 ELEVATION: 3754' GL (18' KB)

SPUD DATE: 2/14/69  
 COMP DATE: 3/30/70  
 TD: 13,650'  
 PBTD: 13650'

**SURFACE**

WT & GRD: 13 3/8" 48H H-40  
 DEPTH: 458'  
 SXS CMT: 460  
 TOC: CIRC. CMT  
 BIT SIZE: 17 1/2"

**INTERMEDIATE**

WT & GRD: 8 5/8" 32H H-40  
 DEPTH: 4850'  
 SXS CMT: 550  
 TOC: 2785' BY ?  
 BIT SIZE: 11"

**TUBING:**

SIZE: 2 3/8" (N ?)  
 DEPTH: 13,157'  
 PKR/ANCHOR: 13,157' PKR

**PRODUCTION:**

WT & GRD: 4 1/2" 11.6 & 13.5 H-80  
 DEPTH: 13650'  
 SXS CMT: 865  
 TOC: 7941' BY CACL.  
 BIT SIZE: 7 7/8"  
 DV TOOL @ ?  
 MARKER JOINT ?

DATE: 7-Apr-89  
 WELL NAME: ATLANTIC 32 ST. H 1  
 LOCATION: 1980' FWL & 660' FNL OF SEC. 32, T-18S, R-33E.  
 FIELD: CORBIN MORROW, SOUTH GAS  
 ELEVATION: 3754' GL (18' KB)  
 TD: 13,650'  
 PBTD: 13,650'

WD-AFE	AFE H	W-2
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CASING SIZE:	WT & GRADE	DEPTH	CEMENT	TOC
	13 3/8" 48H H-40	458'	450 SXS	CIRC CMT
	8 5/8" 32H H-40	4950'	550 SXS	2785' BY ?
	4 1/2" 11.6&13.5N	13,650'	865 SXS	7941 CALC.

TUBING:	SIZE & GRADE	PKR OR SN	ANCHOR
	2 3/8" N ?	13,157' PKR	

PRESENT PERFS:	13,116'-197' (OA) MORROW
PRESENT PROD:	

BO/D= 0  
 MCFG/D= 31  
 BW/D= 0

SUPERVISION: RAY F. NOKES 624-1818 834 OR AT OFFICE  
 FOREMAN CURTIS TOLLE 624-1818 837  
 FOREMAN BOB WILLIAMS 624-1818 867  
 OFFICE 623-6601

#### RECOMMENDED PROCEDURE:

1. KILL WELL w/ 2% KCL WTR.
2. NO WH NU BOP. UNSET PKR AND POH w/ TBG & 4 1/2" PKR.
3. GRH & SET 4 1/2" CIBP w/ 30' CMT.
4. RU HALLIBURTON LOGGING (1-392-7541 HOBBS) & RUN GR/CCL/CBL FROM 11,500' TO 7,000'. DETERMINE TOC & RUN DUAL SPACED NEUTRON FROM 11,500' TO TOC.
5. EVALUATE PROPOSED INTERVALS LISTED ON PGMT OF INFO SHEET.
6. PERFORATE CISCO PER EVALUATION.
7. ACDZ AND SWAB TO TEST.
8. IF WELL DOES NOT FLOW THEN INSTALL PUMPING EQUIP. & BUILD BATTERY.
9. TURN OVER TO PUMPER.

RAY F. NOKES  
 PROD. MGR/ ENG.  
 HARVEY E. YATES COMPANY  
 ROSWELL, NM



# HARVEY E. YATES COMPANY

WO-AFEED W-2

LEASE NAME & WELL NUMBER: **ATLANTIC 32 ST. # 1**  
 LEGAL LOCATION: 1980' FWL & 660' FNL OF SEC. 32, T-18S, R-33E.  
 COUNTY: LEA CO., NM DEPTH: 11000+  
 WFE TYPE: (2) WO (3) RECOMPLETION (4) OTHERS (5) P & A= 3

ACCT NO. 05730-01-0

FORMATION: CISCO

## COMPLETION COSTS:

DRY HOLE PRODUCING  
COSTS WELL COSTS

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9240	INTANGIBLE COMPLETION COSTS:									
9241	COMPLETION UNIT COST: DAYS & \$/DAY	11	\$1,425					\$15,675	\$15,675	
9243	MUD, WATER & ADDITIVES							\$800	\$800	
9244	CEMENT, TOOLS & SERVICES (PROD.STRING...ETC)							\$0	\$0	
9245	ELECTRIC LOGS(CBL...ETC)							\$5,287	\$5,287	
9246	TOOL & EQUIPMENT RENTAL & TRUCKING							\$960	\$960	
9247	(PERFORATING), STIMULATION & TREATING							\$18,460	\$18,460	
9248	COMPANY SUPERVISION							\$2,750	\$2,750	
9251	BITS, TOOLS & SUPPLIES							\$0	\$0	
9252	PLUG BACK							\$3,800	\$3,800	
9253	MISC. CONTINGENCIES							\$2,387	\$2,387	
9510	PLUGGING EXPENSE							\$0	\$0	
	TOTAL INTANGIBLE COMPLETION COSTS							\$50,119	\$50,119	

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9300	TANGIBLE DRILLING & COMPLETION COSTS:									
9301	SURFACE CASING COSTS:(SIZE & FEET)									\$0
9302	INTERMEDIATE CASING:(SIZE & FEET)									\$0
9303	PRODUCTION CASING:(SIZE & FEET)									
9304	PRODUCTION TUBING:(SIZE & FEET)									
9305	CASING HEAD									
9306	CASING SPOOL									
9307	TUBING HEAD									
9308	CHRISTMAS TREE									
9310	SUBSURFACE EQUIPMENT									\$16,240
9311	MISC PIPE CONNECTIONS									\$250
9312	PACKER & SPECIAL EQUIPMENT									\$2,460
9313	MISCELLANEOUS CONTINGENCIES								\$2,506	\$1,895
	TOTAL TANGIBLE COMPLETIONS COSTS								\$2,506	\$20,845

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9400	GENERAL LEASE & BATTERY EQUIPMENT:									
9401	PUMPING UNIT (PRIME MOVER)									\$60,000
9402	SEPARATORS, GAS PROD.UNITS,...ETC.									\$8,800
9405	TANKS: NO. & SIZE	2 - 436	BBLS							\$8,800
9410	INSTALLATION COSTS									\$2,900
9411	FLOW LINES, VALVES...ETC									\$1,500
9415	MISCELLANEOUS LEASE EQUIPMENT									\$1,200
	TOTAL GENERAL LEASE & BATTERY EQUIPMENT COSTS								\$0	\$83,200

=====

TOTAL INTANGIBLE COSTS:

\$50,119 \$50,119

TOTAL TANGIBLE COSTS:

\$2,506 \$20,845

TOTAL LEASE & BATTERY EQUIPMENT:

\$0 \$83,200

=====

TOTAL COSTS===== \$52,625 \$154,164

PREPARED BY: RAY F. NOKES

DATE: 7-Apr-89

APPROVED BY:

"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"

COMPANY:

DATE:

# HARVEY E. YATES COMPANY

WO-AFE# W-2

WELL NAME & WELL NUMBER: **ATLANTIC 32 ST. # 1**  
 WELL LOCATION: 1980' FWL & 660' FNL OF SEC. 32, T-18S, R-33E.  
 COUNTY: LEA CO., NM DEPTH: 11000+  
 WELL TYPE: (2) WO (3) RECOMPLETION (4) OTHERS (5) P & A= 3

ACCT NO. 05730-01-0

FORMATION: CISCO

## COMPLETION COSTS:

DRY HOLE PRODUCING  
COSTS WELL COSTS

### 9240 INTANGIBLE COMPLETION COSTS:

9241	COMPLETION UNIT COST: DAYS & \$/DAY	11	\$1,425		\$15,675	\$15,675
9243	MUD, WATER & ADDITIVES				\$800	\$800
9244	CEMENT, TOOLS & SERVICES (PROD. STRING...ETC)				\$0	\$0
9245	ELECTRIC LOGS(CBL...ETC)				\$5,287	\$5,287
9246	TOOL & EQUIPMENT RENTAL & TRUCKING				\$960	\$960
9247	(PERFORATING), STIMULATION & TREATING				\$18,460	\$18,460
9248	COMPANY SUPERVISION				\$2,750	\$2,750
9251	BITS, TOOLS & SUPPLIES				\$0	\$0
9252	PLUG BACK				\$3,800	\$3,800
9253	MISC. CONTINGENCIES				\$2,387	\$2,387
9510	PLUGGING EXPENSE				\$0	\$0
	TOTAL INTANGIBLE COMPLETION COSTS				\$50,119	\$50,119

### 9300 TANGIBLE DRILLING & COMPLETION COSTS:

9301	SURFACE CASING COSTS:(SIZE & FEET)				\$0	
9302	INTERMEDIATE CASING:(SIZE & FEET)				\$0	
9303	PRODUCTION CASING:(SIZE & FEET)					
9304	PRODUCTION TUBING:(SIZE & FEET)					
9305	CASING HEAD					
9306	CASING SPOOL					
9307	TUBING HEAD					
9308	CHRISTMAS TREE					
9310	SUBSURFACE EQUIPMENT					\$16,240
9311	MISC PIPE CONNECTIONS					\$250
9312	PACKER & SPECIAL EQUIPMENT					\$2,460
9313	MISCELLANEOUS CONTINGENCIES				\$2,506	\$1,895
	TOTAL TANGIBLE COMPLETION COSTS				\$2,506	\$20,845

### 9400 GENERAL LEASE & BATTERY EQUIPMENT:

9401	PUMPING UNIT (PRIME MOVER)					\$60,000
9402	SEPARATORS, GAS PROD. UNITS,...ETC.					\$8,800
9405	TANKS: NO. & SIZE 2 - 436BBLs					\$8,800
9410	INSTALLATION COSTS					\$2,900
9411	FLOW LINES, VALVES...ETC					\$1,500
9415	MISCELLANEOUS LEASE EQUIPMENT					\$1,200
	TOTAL GENERAL LEASE & BATTERY EQUIPMENT COSTS				\$0	\$83,200

TOTAL INTANGIBLE COSTS:

TOTAL TANGIBLE COSTS:

TOTAL LEASE & BATTERY EQUIPMENT:

\$50,119	\$50,119
\$2,506	\$20,845
\$0	\$83,200
\$52,625	\$154,164

TOTAL COSTS=====

PREPARED BY: RAY F. NOKES

DATE: 7-Apr-89

APPROVED BY:

COMPANY:

DATE:

"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"