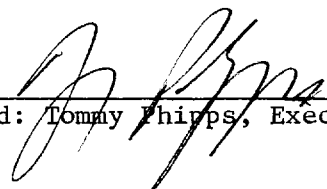


AUTHORITY FOR EXPENDITURE

Mike #1 - 4400' San Andres Test
Lea County, New Mexico
660' FSL 660' FEL Section 32, T18S, R37E

<u>Items</u>	<u>Tangible</u>	<u>Intangible</u>	<u>Total</u>
Surface Damages (Roads & Location)	\$	\$ 7,000	\$ 7,000
Construction of Roads & Location		30,000	30,000
Drilling @ \$12/Ft. & \$4500/Day		60,000	60,000
Drilling Fluids (Brine & Fresh)		5,000	5,000
Drilling Mud & Chemicals		6,000	6,000
Surface (56 - 8-5/8" 400' @ \$9/Ft.)	4,000		4,000
Cement & Services @ 300 Sacks		5,000	5,000
8-5/8" Float Equipment	850		850
Casing Head & Connection	1,500		1,500
Pit Lining		1,250	1,250
Equipment Rentals		2,000	2,000
Logging (CDN - Guard Forxo)		10,000	10,000
Roustabouts, Trucking, Misc.		5,000	5,000
Contingencies @ 3%		4,000	4,000
Cost to Casing Point	<u>\$ 6,350</u>	<u>\$135,250</u>	<u>\$141,600</u>
Production Casing - 5½" 4400' @ \$6/Ft.	\$ 30,000	\$	\$ 30,000
5½" Float Equipment	1,000		1,000
Cement & Services @ 1200 Sacks		15,000	15,000
Tubing Head & Connections	1,000		1,000
Well Service Unit @ 10 Days		17,000	17,000
Logging (DSN, GR, CL) & Perforating		10,000	10,000
Tubing - 2-3/8" 4400' @ \$4/Ft.	18,000		18,000
Acidizing - 4000 Gals.		7,500	7,500
Fracturing - 50,000 Gals. (50% CO ₂)		50,000	50,000
Treated 2% KCL Water		5,000	5,000
Pump & Access.	2,500		2,500
Rental Equipment		6,000	6,000
Treating Packer		1,500	1,500
Sucker Rods - 3/4" 4400' @ \$2/Ft.	8,800		8,800
Pumping Unit - American 180	15,000		15,000
Electrify w/Parts & Labor		7,500	7,500
Anchors		750	750
Separator - 30" X 10'	2,500		2,500
Heater Treater - 4' X 20'	5,500		5,500
2 - 210 Steel Tanks	6,000		6,000
1 - 210 Fiberglass	2,000		2,000
Roustabouts, Trucking, Misc.		8,000	8,000
Valves & Connections	2,000		2,000
Contingencies @ 3%		6,000	6,000
Completion Costs	<u>\$ 94,300</u>	<u>\$134,250</u>	<u>\$228,550</u>
Total Costs	<u>\$100,650</u>	<u>\$269,500</u>	<u>\$370,150</u>

ALPHA TWENTY-ONE PRODUCTION COMPANY

Signed:  Tommy Phipps, Exec. Vice President

Signed: _____

BEFORE EXAMINER <u>Stamets</u>
OIL CONSERVATION DIVISION
EXHIBIT NO. <u>3</u>
CASE NO. <u>82504 8251</u>
SUBMITTED BY <u>Applicant</u>
HEARING DATE <u>7/11/84</u>