

AUTHORITY FOR EXPENDITURE

DRILLING WELL

Date 10-4-85

A
Co. Cd.

District West Texas Well Name Grisso Well No. 1
Well Location 2310' FNL & 660' FEL, Sec 4, T-17-S, R-37-E Depth 11,500'
Field Midway (Strawn) County Lea State NM
Prepared By: Randall S. Cate Submitted By: W.M.H. Dallas District

CAT. NO.	NATURE OF EXPENDITURE	QUANTITY	ESTIMATED COST		
			CASH	MAT. L ON HAND	TOTAL
	DRILLING 400' 11 3/4" 42# H-40 ST&C				
01	Casing 4300' 8 5/8"- 2200' 24# K-55 ST&C		59 000		59 000
02	Casinghead 2100' 28# S-80 ST&C		7 000		7 000
03	Location, Road & Dirt Work & damages		15 000		15 000
04	Drilling - Footage/Turnkey \$20/ft		225 000		225 000
05	Drilling - Daywork				
06	Drilling - Rig Support				
07	Bits				
08	Supervision 41 days @ \$250/day		10 250		10 250
09	Overhead				
10	Mud & Chemicals & wtr		35 000		35 000
11	Cementing Services & Supplies		35 000		35 000
12	Testing & Logging & mud logger		25 000		25 000
13	Rentals		15 000		15 000
14	Other IDC out liners, csg crew, etc.		20 000		20 000
15	Other Equipment		3 000		3 000
	TOTAL DRILLING		449 250		449 250
	COMPLETION 10,000' 17# N-80 LT&C				
17	Casing 11,150' 5 1/2"-1500' 20# N-80 LT&C		101 000		101 000
18	Tubing 11,150' 2 7/8" 6.5# N-80 EUE		49 000		49 000
19	Wellhead		6 000		6 000
20	Subsurface Equipment		4 000		4 000
21	Supervision 7 days @ \$250		1 750		1 750
22	Mud & Chemicals & KCL wtr		5 000		5 000
23	Testing, Logging & Perforating		11 000		11 000
24	Stimulation		15 000		15 000
25	Overhead				
26	Rentals		5 000		5 000
27	Service Rig 7 days @ \$1600		11 200		11 200
28	Cementing Services & Supplies		15 000		15 000
29	Other IDC				
	TOTAL COMPLETION		223 950		223 950
	PRODUCTION EQUIPMENT				
32	Pumping Unit				
33	Engine & Motor				
34	Rods				
35	Flow Lines		5 000		5 000
36	Meters		2 000		2 000
37	Installation		5 000		5 000
38	Storage		15 000		15 000
39	Separation & Treating		12 000		12 000
40	Other Equipment		3 000		3 000
	TOTAL PRODUCTION EQUIPMENT		42 000		42 000
	TOTALS		715 200		715 200

WI OWNER NAME

BILLING INT
(7 decimals)DATE
APPROVED

APPROVED: (this space for approval only)

TXO PRODUCTION CORP.
Case No. 8719
10/9/85 Examiner Hearing
Exhibit No. 3

AFE No. Property No.