

H. E. (Gene) Lee
DRILLING CONSULTANT
OIL OR GAS DEVELOPMENT



JAPROCK NO 9493
ROSWELL - 623-0989
HOBBES - 397-6511

AUTHORITY FOR EXPENDITURE

1306 MEADOW LANE
ROSWELL, NM 88201
822-7355

LEASE C.W. Trainer-----"BETTY STATE" Well No. 1 Date 2-12-86
Location 1940' FSL & 660' FSL Sec. 16-17S-35E County LEA
State NEW MEXICO Total Depth 12700' (Morrow) Field #110001

DRILLING INTANGIBLES	DRY HOLE	PRODUCER
Stake loc., & road, damages, legal fees	2500	2500
Location & road	16000	16000
Footage 12700' @ \$18.75	239000	239000
Daywork 6 @ \$5000	30000	30000
Rathole Digger	2500	2500
Surface Csg. service & cement	4000	4000
Intermediate Csg. service & cement	15000	15000
Electric Logs	21000	21000
Welding	600	600
Drilling Mud & Additives	19000	19000
Water	12000	12000
DST's 6 @ \$7000	42000	42000
Mudlogging Unit	7500	7500
Rental Tools & Equip.	5000	5000
Company Overhead	18000	18000
Supervision & Engineering	11000	11000
Misc. Costs & Contingencies	10000	20000
TOTAL DRILLING INTANGIBLES	\$455100	\$465100

COMPLETION INTANGIBLES		
Completion unit 14 @ 1500		21000
Water & Additives		3000
Cased Hole Logging & Perforating		14000
Tool & Packer Rentals		6000
Stimulation & Treating		15000
Plug Back Exp.		6000
P & A: Restore Loc.	10500	10500
Company Overhead		6000
Supervision & Engineering		4500
Cement Prod. Csg. & Service		14000
COMPLETION INTANGIBLE TOTAL		\$104000

TANGIBLES		
Surface Csg. 450' @ \$14.00	6300	6300
Inter. Csg. 2750' @ \$12.50	59000	59000
Prod. Casing 12750' @ \$7.00		89250
Tubing 12700' @ \$3.75		47700
Casing Head	6500	6500
Casing Spool	7500	7500
Tubing Head & Tree		24000
Subsurface Equip.		10000
Tanks, Sep., & Connections		40500
Pumping Unit & Prime Mover		-
Flow Lines & Meter Runs		5000
Installation Costs		6000
Misc. & Contingencies	7500	15000
TOTAL TANGIBLE COSTS	\$86500	\$316500
TOTAL INTANGIBLE COSTS	\$465600	\$569100
TOTAL WELL COSTS	\$552400	\$885600

APPROVALS

OPERATOR _____ BY _____ DATE _____
PARTICIPANT _____ BY _____ DATE _____

"It is recognized that the amounts provided 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."

Prepared by: H.E. "Gene" LEE DATE 2-12-86

MARAT HON

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