

		BTA 160.0 net ac - 100%	
<u>Fee Min.</u>		<u>Fee Min.</u>	
Wolfcamp 43.3335 net ac - 27.0834 % Amerada 104.4443 net ac - 65.2777 % Christmas 10.0 net ac - 6.25 % Carmichael 2.2222 net ac - 1.3889 %			
Wolfcamp 135.65986 net ac. RBS Venture 84.7874 % Amerada 21.76871 net ac. 13.6054 % Open 2.57143 net ac. 1.6072 %		<u>Fee Min.</u>	<u>State Min.</u>
Fee Min.		Wolfcamp 47.52408 net ac - 59.405 % Amerada 9.93327 net ac - 12.4167 % Sun 10.66667 net ac - 13.3333 % Felmont 9.0 net ac - 11.25 % Sanders & Van Zant 2.5 net ac - 3.125 % Barton & Chanley 0.37598 net ac - 0.47 % Fee Min.	

Section 11, T-16-S, R-36-E
S/2 Proration Unit

$\frac{1}{840} = \text{Opal Poovey}$
0.19048 NET ACRES

$\frac{1}{112} = \text{Jim Nagel}$

$\frac{1}{168} = \text{Alva Hagen}$

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION

Mansano EXHIBIT NO. 1

CASE NO. 8844

MANZANO OIL CORPORATION

P. O. BOX 571

ROSWELL, NEW MEXICO 88201

AUTHORIZATION FOR EXPENDITURE

Date: OCTOBER 30, 1985

Lease/Well HUDGENS #1 Location 1980' FSL & 1980' FEL Sec 11, T16S, R36E
 County LEA State NM Prospect SE LOVINGTON Proposed TD 12,000'
 Objective zones MORROW Type Well OIL&GAS Est. Start Date DECEMBER 15, 1985

ITEM	DRY HOLE	COMPLETION	TOTAL
INTANGIBLE COSTS:			
Surveying.....	\$ 1,000	\$	\$ 1,000
Location & Roads.....	15,000		15,000
Drilling-Footage:Depth <u>12,000</u> @ \$ <u>17.00</u> Ft.	204,000		204,000
Drilling-Daywork: <u>6</u> Days @ \$ <u>4500</u> /Day	27,000		27,000
Completion Rig: <u>10</u> Days @ \$ <u>1500</u> /Day		15,000	15,000
Mud Logging.....	6,000		6,000
Drill Stem Tests: No <u>3</u>	12,000		12,000
Roustabouts & Trucking.....	3,500	7,500	11,000
Mud Chemicals.....	30,000		30,000
Cement & Services - Surface.....	3,000		3,000
- Intermediate.....	11,000		11,000
- Production.....		10,000	10,000
Open Hole Logging.....	20,000		20,000
Tie-In Logging & Perforation.....		8,000	8,000
Acidizing & Fracturing.....		10,000	10,000
Engineering & Geological Services.....	5,000		5,000
Well Supervision.....	2,000	2,000	4,000
Administrative Overhead.....	4,500	2,000	6,500
Rental Tools & Equipment.....	2,500	2,500	5,000
Permits, Title & Damages.....	5,000		5,000
Water.....	12,000		12,000
Miscellaneous & Contingencies.....	15,000	5,000	20,000
Gross Receipts Tax.....	15,100	2,500	17,600
TOTAL INTANGIBLE COSTS:	\$393,600	\$ 64,500	\$458,100
TANGIBLE COSTS:			
Casing - Surface <u>400</u> ' of <u>13 3/8"</u> @ \$ <u>13.15</u> /ft.	\$ 5,300	\$	\$ 5,300
- Inter. <u>4900</u> ' of <u>8 5/8"</u> @ \$ <u>9.50</u> /ft.	47,000		47,000
- Prod. <u>12,000</u> ' of <u>4 1/2"</u> @ \$ <u>6.00</u> /ft.		72,000	72,000
Tubing <u>12,000</u> ' of <u>2 7/8"</u> @ \$ <u>3.75</u> /ft.		45,000	45,000
Wellhead Equipment.....	2,000	7,500	9,500
Sucker Rods.....			
Packer & Sleeves.....		1,500	1,500
Down Hole Pump.....			
Pumping Unit & Prime Mover.....			
Float & Other Equipment.....		5,000	5,000
Tanks, Flow Lines & Fittings.....		20,000	20,000
Separator/Heater-Treater.....		10,000	10,000
Gas Lines & Meters.....		2,000	2,000
Miscellaneous.....		10,000	10,000
Gross Receipts Tax.....	2,200	7,000	9,200
TOTAL TANGIBLE COSTS:	\$ 56,500	\$180,000	\$236,500
TOTAL WELL COSTS:	\$450,100	\$244,500	\$694,600

IT IS RECOGNIZED THAT THE AMOUNTS HEREIN ARE ESTIMATES ONLY AND APPROVAL OF THIS AUTHORIZATION SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATION SPECIFIED, WHETHER MORE OR LESS THAN THAT SET OUT HEREIN. THE ABOVE ESTIMATES ARE BASED UPON A FLOWING WELL.

MANZANO OIL CORPORATION

APPROVED BY: [Signature]

DATE: 11-4-85

COMPANY _____

APPROVED BY: _____

DATE: _____

BEFORE EXAMINER STOGNER OIL CONSERVATION DIVISION	
MANZANO EXHIBIT NO.	<u>2</u>
CASE NO.	<u>8844</u>