

Winter G #1 Authorization for Expenditure/Cost Estimate

Explanation &

Justification: This Authorization for Expenditure/Cost Estimate is prepared and submitted pursuant to Section 23-0901 of the New York State Environmental Conservation Law in order to effect the compulsory integration of uncontrolled owners into the spacing unit for the Winter well

Details:	100 % (USD)	Percentage
Drill	\$ 3,431,739	100
Completion	\$ 326,450	100
Equipping	\$ 351,500	100
Plug, Abandon, Reclaim	<u>\$ 397,437</u>	100
Total	<u>\$ 4,507,126</u>	100

Little #1 Authorization for Expenditure/Cost Estimate

Explanation &

Justification: This Authorization for Expenditure/Cost Estimate is prepared and submitted pursuant to Section 23-0901 of the New York State Environmental Conservation Law in order to effect the compulsory integration of uncontrolled owners into the spacing unit for the Little well

Details:	100 % (USD)	Percentage
Drill	\$ 2,501,226	100
Completion	\$ 326,450	100
Equipping	\$ 376,500	100
Tie-in	\$ 2,934,500	100
Plug, Abandon, Reclaim	<u>\$ 316,940</u>	100
Total	<u>\$ 6,455,615</u>	100

Hulett #1 Authorization for Expenditure/Cost Estimate

Explanation &

Justification: This Authorization for Expenditure/Cost Estimate is prepared and submitted pursuant to Section 23-0901 of the New York State Environmental Conservation Law in order to effect the compulsory integration of uncontrolled owners into the spacing unit for the Hulett #1 well.

Details:	100 % (USD)
Drill	\$3,442,021
Completion	\$347,550
Equipping	\$370,600
Plug, Abandon, Reclaim	<u>\$385,907</u>
Total	<u>\$4,546,078</u>

Stoscheck #1 Authorization for Expenditure/Cost Estimate

Explanation &

Justification: This Authorization for Expenditure/Cost Estimate is prepared and submitted pursuant to Section 23-0901 of the New York State Environmental Conservation Law in order to effect the compulsory integration of uncontrolled owners into the spacing unit for the Stoscheck #1 well.

Details:	100 % (USD)	Percentage
Drill	\$ 3,619,911	100
Completion	\$ 350,450	100
Equipping	\$ 370,600	100
Plug, Abandon, Reclaim	\$ 507,990	100
Total	\$ 4,848,951	100

10/1-10/31/2002 - 10/1/02 - 10/31/02 - 10/1/02 - 10/31/02

Stoscheck #1 AFE (Cost Estimate) for Tie In Costs

Funds are required to install a well flowline from Fortuna Stoscheck #1 . This Cost estimate has been detailed by work activity and represents estimated costs on a 100% working interest basis.

Description	Estimated Cost
TECHNICAL & PROFESIONAL EMPLOYEES/CONTRACTORS	\$ 57,800
SURFACE LEASES	\$ 8,500
ROAD CONSTRUCTION	\$ 4,000
SURVEYING	\$ 19,900
COMPENSATION FOR DAMAGES	\$ 34,000
PIPE INSTALLATION	\$ 604,500
PAINTING SERVICES	\$ 2,000
MATERIALS TRANSPORTATION	\$ 40,000
VALVES	\$ 8,000
PIPE	\$ 76,200
STRUCTURAL STEEL	\$ 200
PIPE FITTINGS	\$ 16,000
LUBRICANTS & PROCESS CHEMICAL	\$ 700
MISCELLANEOUS EXPENSE	\$ 17,400
AFE PROJ OVERHEAD	\$ 12,900
Sub Total	\$ 902,100