well



Southern Union Exploration Company

First wife historia Building Datas Tekas 19270 (214) /46-5511

May 3, 1978

Mr. Ray Anaya Eddy County Courthouse Room 105 Carlsbad, New Mexico 88220

Re: NMOCC Case No. 6209

Order No. R-5710 Dated April 21, 1978

Dear Mr. Anaya:

Per the captioned order, please find attached the well cost estimate for the Grynberg Federal #1, located in section 18-T25N-R13W, San Juan County, New Mexico. Due to our lease subject to expiration on 5/1/78, I am not able to provide the Mike Trust Lands with 30 days notice prior to drilling, however this poses no problem. We spudded on April 29, 1978, and this date are logging. There is no indication as yet as to whether we will complete the well.

Yours very truly,

James G. Ellis

Chief Petroleum Engineer

JGE:mt

cc: NMOCC - Santa Fe - w/att
NMOCC - Aztec - w/att

MAY 5 1978 OIL CON. GUM. DIST. 3

SOUTHERN UNION SUPPLY COMPANY WELL COST ESTIMATE

ocation	WC-PC	na 1320' FW	L, Section 18, T-25-N, R-13-W	State New Mexico Estimated Days 6		
rimary Targ	zet Pictu	red Cliffs	County San Juan Depth 1400			
(WC) (D) (SC					· · ·	
EOU	IPMENT QUANT	ITY		EX	PENDITURE CO	ST
Estimated Actual			TANGIBLE EQUIPMENT	Estimated		
_Dry-Hole	Producer	ACLUAI	DESCRIPTION	Dry Hole	Producer	- Actual
100			Casing: 5-1/2"OD, Used \$5/ft.	500		
	1400	 	2-7/8",6.4#,J-55,EUE\$3/ft.	500	4200	
					7200	
			· · · · · · · · · · · · · · · · · · ·			
			Tubing:	ļ		
	1400		1-1/4", ID, 1.7#, J-55, EUE\$2/f		2800	
			Other Equipment:	<u> </u>		
			Well Head		450	
			Packer		75	
				-		
	<u> </u>					
		-	TOTAL TANGIBLES	500	7525	
				<u> </u>	1	
	INTANGIBLE	COST DESCR	IPTION			
Orilling Co	ntract:			5600		
Footage 1400 ft. @ \$4.00 /ft. Daywork, w/D.P. 1 days @ \$1320 /day				5600		
Daywork, w/o D.P. days @ \$ /day				1320		
Completion Rig Costs 2 days @ \$ 500 /day					1000	
Other Rig Costs Drill Pipe Rental					500	
Tool and Equipment Rentals				500	500	
Casing Crews, Tools and Tongs						
Fuel and Wa	ter			450	_	
Bits and Co	reneads		and the second	500		
Drilling Mud and Chemicals Primary Casing Cementing Services and Materials				600	1700	
Squeeze Cem	enting Serv	ices and Ma	terials / \\	•		
Acidizing and Fracturing				2100	5500	
Open Hole Logging MAY 5 1973 Cased Hole Logging and Perforating Cased Hole Logging and Perforating				2100	1000	
Coring Core Analysis and Paleo.						
Mud Logger			DIST. 3			
Drill Stem	Tests			300	300	
Transportation				550	200	
Supervision				500	500	
Geologist				800	535	
Miscellaneous 5% Contingency Production Facilities Hook Up				001	,,,,	
	A GCTATETOS !					
				12001	11005	
			TOTAL INTANGIBLES	13881	11235	
			TOTAL ESTIMATED COST	1.4381.	18760	
			TOTAL ESTIMIED COST			L
	. ,	٠.	COMPLETED WELL	33141		
3Y:	2706 CC	ンナス・センビュー	OO.R BELED WINE	ン フエマエ		
Fril,				Date S	pudded	
1					ompleted	
Date	March 15	, 1978		Total	Depth	