

# WALSH ENGINEERING & PRODUCTION CORP.

## Drilling and Completion Cost Estimate

San Juan Resources of Colorado  
AUTHORITY FOR EXPENDITURE

Tecumseh #1E

Location: Section 18, S/2 T30N, R11W, San Juan Co., NM

Proposed Depth: 6750'

NW/4SW/4

Objective: Mesaverde and Dakota,

with completion in DK & MV

	Tangible	Intangible	Total
<b>I. Drilling Costs( Include Running Casing)</b>			
Survey and Permits		1,000	1,000
Drilling Title Opinion/Ownership Report/Curative Costs		10,000	10,000
Damages		5,000	5,000
Dirt Work		10,000	10,000
Pit Liner and Fence		1,000	1,000
Drilling Daywork at \$8200/day		90,200	90,200
Rig Rentals		16,000	16,000
Drill Bits		10,000	10,000
Rig Mob and Demob		8,000	8,000
Water and Water Hauling		15,000	15,000
Drilling Mud, Air Pkg, and Nitrogen		20,000	20,000
Surface Casing (250' of 9-5/8" @ 20.36 \$/ft.)	5,090		5,090
Casing Head	10,000		10,000
Cement Surface		3,500	3,500
Logs		5,000	5,000
Mud Logger		0	0
Intermediate Casing (3625' of 7" @ 11.81 \$/ft.)	42,811		42,811
Casing Crew		6,000	6,000
Cement Intermediate		11,000	11,000
Miscellaneous		6,000	6,000
Trucking		26,000	26,000
Engineering/Supervision		8,200	8,200
Overhead		1,670	1,670
<b>Total Drilling Cost</b>	<b>57,901</b>	<b>253,570</b>	<b>311,471</b>
10% Contingency	5,790	25,357	31,147
<b>Grand Total Drilling Costs</b>	<b>63,691</b>	<b>278,927</b>	<b>342,618</b>

<b>II. Completion Costs (as needed).</b>			
Production Casing (6750' at \$6.86/ft)	46,305		46,305
Cement Production Casing		8,200	8,200
Casing Crew		4,000	4,000
Tubing Head and Well Connection Fittings	600		600
Tubing (6750' of 2-3/8" @ 3.29 \$/ft.)	22,208		22,208
Perf		11,000	11,000
Stimulation		105,000	105,000
Tool Rental (Frac Valve)		1,100	1,100
Frac Tank Rental		1,300	1,300
Completion Fluids		4,000	4,000
Completion Rig (7 days at \$2100/day)		14,700	14,700
Separator	6,900		6,900
Flowlines and Install	2,000	4,650	6,650
Tank and Fittings	12,900		12,900
Trucking		8,000	8,000
Pipelines/gathering Lines	10,000	10,000	20,000
Restore Location		1,500	1,500
Engineering/Supervision		2,000	2,000
Overhead		1,670	1,670
<b>Completion Costs</b>	<b>100,913</b>	<b>177,120</b>	<b>278,033</b>
10% Contingency	10,091	17,712	27,803
<b>Total Completion Costs</b>	<b>111,004</b>	<b>194,832</b>	<b>305,836</b>
<b>Grand Total Well Costs</b>	<b>174,695</b>	<b>473,759</b>	<b>648,454</b>

Prepared By: Paul C. Thompson, P.E.  
Date: Sept 21, 2004

Working Interest Owner 1.02587%  
Leonard Mosley et ux \$6,652.30

ESTIMATED COSTS ONLY--Each participating  
Owner to pay Proportionate Share of Actual  
Well Costs Subject to Operating Agreement

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**BEFORE THE**  
**OIL CONSERVATION DIVISION**  
Case No. 13391 Exhibit No. **3**  
Submitted By:  
**San Juan Resources**  
Hearing Date: January 6, 2005