

COST COMPARISON
Strawn vs. Morrow
Kitty Hawk No. 1

	<u>Strawn</u>	<u>Morrow</u>
Dry Hole	\$643,300	\$759,000
Drl & case	\$762,200	\$896,650
Complete	\$963,800	\$1,025,120

See attached AFE's

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 13198 Exhibit No. 4
Submitted By:
Lynx Petroleum Consultants
Hearing Date: January 8, 2004

**DETAILED WELL COST ESTIMATE
AND
AUTHORITY FOR EXPENDITURE**

Well Name : Kitty Hawk No. 1 Loc. Section 1, T-19S, R-31E Co. Eddy St. NM
 Estimated T.D. _____ Field or Prospect North Lusk Formation Strawn

				Estimated Cost	
				Dry Hole (\$)	Producer (\$)
Intangible Costs:					
Location:	Damages & R.O.W.			1,500	1,500
	Roads & Location			23,500	23,500
Drilling:	Footage	_____ ft. @ _____ /ft.			
	Daywork	Drilling	<u>26</u> days @ <u>\$8,000</u> /day	208,000	208,000
		Completing	<u>6</u> days @ <u>\$1,850</u> /day		11,100
Mud Materials				25,000	25,000
Fuel				30,000	30,000
Water				35,000	37,500
Transportation				16,000	18,000
Cement, Cementing & Accessories				38,000	65,000
Logging Open Hole				24,500	24,500
Drill Stem Testing				5,200	5,200
Perforating					9,500
Stimulation					5,000
Supervision				10,400	12,800
Special Services & Bits				52,000	52,000
Tool Rental				37,500	37,500
Miscellaneous				60,000	80,000
TOTAL INTANGIBLE COSTS				566,600	646,100
Tangible Well Costs:					
Wellhead				7,500	14,000
Casing	<u>800</u>	ft.	<u>13 3/8"</u>	15,200	15,200
	<u>4,500</u>	ft.	<u>8 5/8"</u>	54,000	54,000
	<u>11,500</u>	ft.	<u>5 1/2"</u>		89,000
		ft.			
Tubing	<u>11,300</u>	ft.	<u>2 7/8"</u>		39,550
Rods	<u>8 - 6 String</u>				16,950
Artificial Lift Equipment	<u>640 Pumping Unit</u>				55,000
Miscellaneous Well Equipment					1,500
TOTAL TANGIBLE WELL COSTS				76,700	277,200
Tangible Lease Costs:					
Tankage					11,000
Separating & Treating					9,000
Flowlines					1,000
Special Equipment	<u>Electrical</u>				10,000
Miscellaneous Valves & Fittings					3,500
Transportation, Installation & Labor					6,000
TOTAL TANGIBLE LEASE COSTS					40,500
TOTAL WELL COSTS				\$643,300	\$963,800

**DETAILED WELL COST ESTIMATE
AND
AUTHORITY FOR EXPENDITURE**

Well Name : Kittyhawk No. 1 Loc. Section 1, T-19S, R-31E Co. Eddy St. NM
 Estimated T.D. _____ Field or Prospect North Lusk Formation Morrow

		Estimated Cost	
		Dry Hole (\$)	Producer (\$)
Intangible Costs:			
Location:	Damages & R.O.W.	1,500	1,500
	Roads & Location	23,500	23,500
Drilling:	Footage _____ ft. @ _____ /ft.	0	0
	Daywork Drilling <u>32</u> days @ <u>\$8,000</u> /day	256,000	256,000
	Completing <u>6</u> days @ <u>\$1,850</u> /day		11,100
	Mud Materials	36,000	36,000
	Fuel	35,000	35,000
	Water	37,500	40,000
	Transportation	17,000	19,000
	Cement, Cementing & Accessories	38,000	70,000
	Logging Open Hole	27,000	27,000
	Drill Stem Testing	10,500	10,500
	Perforating		9,500
	Stimulation		5,000
	Supervision	12,800	15,200
	Special Services & Bits	67,500	67,500
	Tool Rental	40,000	40,000
	Miscellaneous	80,000	100,000
	TOTAL INTANGIBLE COSTS	682,300	766,800
Tangible Well Costs:			
	Wellhead	7,500	19,000
	Casing <u>800</u> ft. <u>13 7/8"</u>	15,200	15,200
	<u>4,500</u> ft. <u>8 5/8"</u>	54,000	54,000
	<u>12,800</u> ft. <u>5 1/2"</u>		97,750
	_____ ft. _____		
	Tubing <u>12,700</u> ft. <u>2 3/8"</u>		39,370
	Rods		
	Artificial Lift Equipment		
	Miscellaneous Well Equipment		2,500
	TOTAL TANGIBLE WELL COSTS	76,700	227,820
Tangible Lease Costs:			
	Tankage		11,000
	Separating & Treating		9,000
	Flowlines		1,000
	Special Equipment		
	Miscellaneous Valves & Fittings		3,500
	Transportation, Installation & Labor		6,000
	TOTAL TANGIBLE LEASE COSTS	0	30,500
	TOTAL WELL COSTS	\$759,000	\$1,025,120