

Vertical Well Cost Estimates

El Paso 23 #2

Ross Draw Wolfcamp

	DHC	Intangible	Tangible	Total
Drilling	\$1,096,600	\$954,500	\$355,800	\$1,310,300
Completion	\$0	\$154,000	\$96,000	\$250,000
Facilities	\$0	\$28,000	\$66,000	\$94,000
Total	\$1,096,600	\$1,136,500	\$517,800	\$1,654,300

BURLINGTON RESOURCES DRILLING WELL COST ESTIMATE

LEASE WELL: El Paso "23" Federal #2 PREPARED BY: J. C. Ward DAT 12/11/96
 COUNTY/STATE: Eddy County, New Mexico APPROVED BY: L.H. Sinclair DATE: _____
 PROPOSED TOTAL DEPTH: 12,900 AFE TYPE: DEVELOPMENT DRILLING
 ALTERNATE TOTAL DEPTH: 12,100

ACCT
248-

AFE NOMENCLATURE

DAYS:

SUSPENDED

12,100' TD COSTS

39

SUSPENDED

12,900' TD COSTS

55

INTANGIBLE DRILLING COSTS

- 2 Environmental Studies
- 3 Construction (location, roads, etc)
- 4 Surface restoration
- 5 Move in, move out
- 6 Contractor Fees-Footage; \$/ foot:
- 7 Contractor Fees-Daywork; \$/day: \$7,000.00
- 8 Environmental fire and safety
- 9 Drilling fluids
- 10 Gas and Air Drilling
- 11 Drilling fluids - Processing & Maint. equip
- 12 Specialty fluids and chemicals
- 13 Engineering services-fluids and chemicals
- 14 Salt/brine water
- 15 Salt water disposal
- 16 Water
- 17 Bits, reamers and stabilizers
- 18 Primary cement, services and accessories
- 19 Squeeze cement, services and accessories
- 20 Mud logging/paleo
- 21 Wireline logging
- 22 Coring and analysis
- 23 Fuel
- 24 BOP's and wellhead rentals - surface
- 25 Drill/work string rentals - subsurface
- 26 Fishing tool rentals
- 27 Tank rentals
- 28 Other rentals
- 29 Transportation
- 30 Disposal services (offsite)
- 31 Drill stem tests
- 32 Directional drilling
- 33 Tubular inspection
- 34 Cased hole logs
- 40 Casing crews and laydown services
- 43 Consultants
- 45 Roustabout and contract labor
- 46 Miscellaneous
- 62 Environmental compliance
- 72 Company supervision and overhead

2	\$1,600	2	\$1,600
3	\$25,000	3	\$25,000
4	\$3,500	4	\$3,500
5	\$50,000	5	\$50,000
6		6	
7	\$273,000	7	\$385,000
8	\$4,000	8	\$5,600
9	\$50,000	9	\$75,000
10		10	
11		11	\$6,000
12	\$4,000	12	\$6,000
13		13	
14	\$16,200	14	\$16,200
15	\$2,000	15	\$2,000
16	\$14,000	16	\$14,000
17	\$45,000	17	\$69,000
18	\$84,000	18	\$84,000
19		19	
20	\$19,000	20	\$26,000
21	\$40,000	21	\$40,000
22	\$36,000	22	\$36,000
23		23	
24	\$1,600	24	\$2,400
25	\$6,000	25	\$14,000
26		26	
27		27	
28	\$9,800	28	\$13,800
29	\$9,500	29	\$9,500
30		30	
31		31	
32		32	
33	\$5,000	33	\$5,000
34	\$700	34	\$700
40	\$12,000	40	\$12,000
43	\$10,000	43	\$18,000
45	\$1,200	45	\$1,200
46	\$1,000	46	\$1,000
62		62	
72	\$28,600	72	\$32,000

TOTAL INTANGIBLE COST

\$752,700

\$954,500

TANGIBLE DRILLING COST

- 80 Casing

400	ft. of	13 3/8	in.	\$19.00	/ft	(SURFACE)
3,900	ft. of	9 5/8	in.	\$15.00	/ft	(INTERMEDIATE)
12,150	ft. of	7	in.	\$18.00	/ft	(PRODUCTION)
650/1500	ft. of	5	in.	\$14.00	/ft	(LINER)
- 82 Downhole equipment (packers, bridge plugs)
- 84 Downhole equipment accessories
- 86 Wellhead equipment.
- 87 Miscellaneous

80	\$7,600	80	\$7,600
	\$58,500		\$58,500
	\$194,400		\$218,700
	\$9,100		\$21,000
82		82	
84	\$15,000	84	\$15,000
86	\$35,000	86	\$35,000
87		87	

TOTAL TANGIBLE COST

\$319,600

\$355,800

TOTAL DRILLING COST ESTIMATE

\$1,072,300

\$1,310,300

\$88.62 /ft.

\$101.57 /ft.

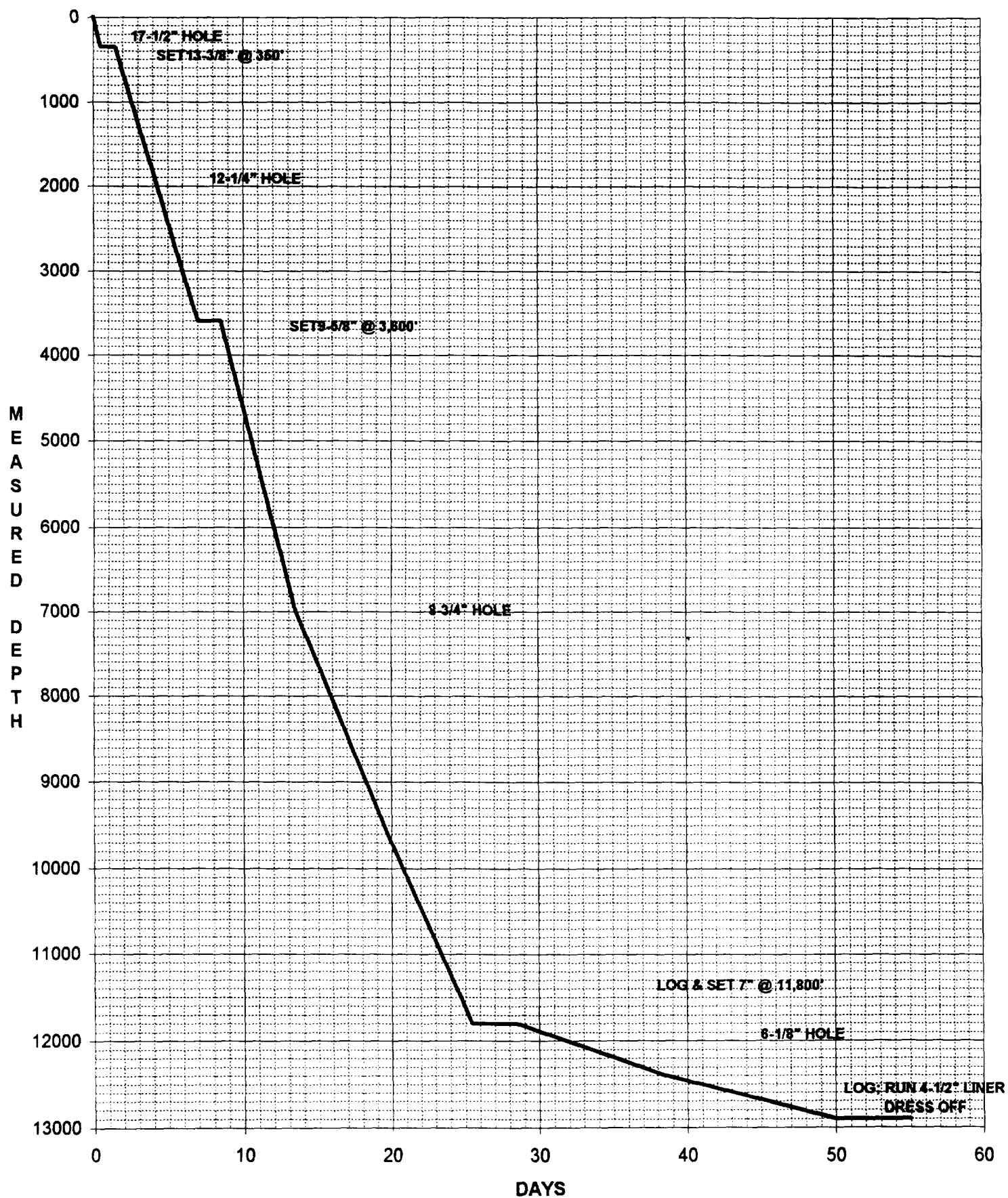
DRY HOLE COST ESTIMATE

\$915,600

\$1,096,600

TROUBLE FREE DAY CURVE

EL PASO "23" FEDERAL #2



MERIDIAN OIL INC.
WELL COST ESTIMATE
COMPLETION

LEASE/WELL NAME: El Paso 23 Federal No. 2
 LEASE/WELL TYPE: Gas Producer
 AFE TYPE: 01- Development

PREPARED BY: Jack R. Gevecker
 APPROVED BY: _____
 COST CENTER: _____

DATE: _____
 DATE: _____

ACCOUNT NO:
 COMP WORK

AFE NOMENCLATURE

BUDGET

DAYS 10

249	244	INTANGIBLE COSTS	
02	02	Location, Roads or Canals (Pre-Contr.)	
03	03	Location, Roads or Canals - Construction and Maintenance	1,500
04	04	Location, Roads or Canals - (Surface Restoration)	
05	05	Move-In, Move-out	
06	06	Fees of Contractor - Footage (____ \$/FT)	
07	07	Fees of Contractor - Daywork and Completion Rig (____ 1500 ____ \$/Day)	15,000
08	08	Fire and Safety Equipment	
09	09	Drilling Fluid Systems - Liquids	
10	10	Drilling Fluid Systems - Gas and Air Drilling	
11	11	Drilling Fluid Systems - Processing and Maintenance	
12	12	Fluids and Chemicals - Specialty Fluids	3,500
14	14	Salt/Brine Water	
15	15	Onsite Disposal Services	
16	16	Fresh Water	3,500
17	17	Bits	1,500
18	18	Primary Cement, Cement Services, & Acces.	
19	19	Remedial Cementing	
20	20	Mud Logging	
21		Wireline Logging - Open Hole	
22	22	Coring and Analysis	
23	23	Fuel/Electricity	
24	24	BOP's and Wellhead Rentals (Surface)	10,000
25	25	Drill/Work String Rentals (Subsurface)	5,000
26	26	Fishing Tool Rentals Reverse Unit	2,000
27	27	Tanks Rentals	2,000
28	28	Other Rentals	
29	29	Transportation	5,000
30	30	Offsite Disposal Services	500
31	31	Drill Stem Tests	
32	32	Directional Services	
33	33	Tubular Inspection	2,500
34	34	Cased Hole Services	18,000
36	36	Production Testing	3,000
37	37	Swabbing and Coiled Tubing	21,700
38	38	Stimulation	33,300
39	39	Fracturing	
40	40	Casing Crews and Laydown	
41	41	Gravel Pack/Sand Control	
42	42	BOP Testing	3,000
43	43	Consultants	
44	44	Technical Contract Services	2,000
45	45	Roustabout Labor	4,000
46	46	Miscellaneous	3,000
48	48	Communication Systems	
49	49	Packer Rental	
50	50	Pumping Charges	4,000
62	62	Environmental Compliance - Assessment	
63	63	Environmental Compliance - Remediation	
65	65	Company Vehicles	
68	68	Direct Labor	
72	72	Company Supervision and Overhead	10,000
		TOTAL INTANGIBLES	154,000
		TANGIBLE COSTS	
80	80	Casing	
81	81	Tubing & Tiebacks	
		(____ 12,600 ____ ft. ____ 2-3/8 ____ N-80 RTS ____ in. ____ 5.20 ____ \$/ft)	65,500
		(____ ft. ____ in. ____ \$/ft)	
		(____ ft. ____ in. ____ \$/ft)	
82	82	Packers and Bridge Plugs	10,500
84	84	Casing/Liner Equipment	
85	85	Tubing Equipment	2,000
86	86	Wellhead Equipment and Xmas Tree	18,000
		TOTAL TANGIBLE	96,000
		TOTAL COMPLETION	250,000

WELL COST ESTIMATE FACILITIES / PRODUCTION FACILITIES

LEASE/WELL NAME: <u>El Paso 23 Federal #2</u>	PREPARED BY: <u>Ralph Castile</u>	DATE: <u>1/31/97</u>
COUNTY/STATE: <u>Eddy County, New Mexico</u>	PREPARED BY: _____	DATE: _____
APE TYPE: <u>(06) Capital Facilities</u>	APPROVED BY: _____	
PROPOSED TO: <u>12,100' TVD - Wolfcamp Ross Draw Field</u>	<u>1980' FNL & 1980' FEL, Sec. 23, T26S R30E</u>	
JOB SCOPE: <u>NDW facilities - well flows, no artificial lift, stack pack vessel</u>	<u>Two (2) 1000' short radius laterals</u>	

ACCOUNT NO: _____ AFE NOMENCLATURE

247 FACILITIES

	PRODUCTION	FACILITIES	ESTIMATED COST
Intangible			
02 Install Labor.....	0	0	
Labor.....	0	\$10,000	
Dirt Work.....	0	\$4,000	\$18,000
Painting.....	0	\$4,000	
03 Company Vehicles.....	0	0	\$ 0
08 Location, Roads or Canals.....	0	0	\$ 0
12 Overhead.....	0	0	\$ 0
17 Damages, Property Losses and Other.....	0	0	\$ 0
43 Safety.....	0	\$5,000	\$5,000
44 Engineering/Lab/Technical Contract Services.....	0	0	\$ 0
47 Rental Compressor & Maintenance.....	0	0	\$ 0
48 Rental Equipment.....	0	0	\$ 0
49 Cathodic Protection.....	0	0	\$ 0
50 Right-of-Way @ \$ _____ / rod.....	0	0	\$ 0
57 Pulling Unit Cost - (Subsurface).....	0	0	\$ 0
62 Environment Compliance (Assessment).....	0	0	\$ 0
63 Environment Compliance (Remediation).....	0	0	\$ 0
68 Company Supervision.....	0	\$3,000	\$3,000
73 Freight / Transportation.....	0	\$2,000	\$2,000
Total Intangible.....	\$ 0	\$28,000	\$28,000
Tangible			
20 Equipment Coating and Insulation.....	0	0	\$ 0
27 Separators			\$22,000
Unfired.....	0	0	
Fired..... stack pack.....	0	\$22,000	
28 Gas Sweetening Equipment.....	0	0	\$ 0
29 Pumping Unit.....	0	0	\$ 0
31 Prime Mover.....	0	0	\$ 0
32 Tanks			\$21,000
Oil Tank <u>2</u> 500 BBL @ _____	0	\$12,000	
Wtr Tank <u>1</u> 500 BBL @ _____	0	\$6,000	
Tank Walkway.....	0	\$3,000	
33 Metering Equipment.....	0	0	\$ 0
LACT Unit.....		0	
35 Compressor - Company Owned.....	0	0	\$ 0
36 Buildings.....	0	0	\$ 0
39 Misc. Flowlines, Pipes, Valves, & Fittings.....	0	\$18,000	\$18,000
51 Minor Pipelines.....	0	0	\$ 0
53 Surface Pumps.....	0	0	\$ 0
54 Electrical Accessories.....	0	0	\$ 0
55 Miscellaneous - Facility Expense.....	0	\$5,000	\$5,000
81 Tubing.....	0	0	\$ 0
82 Rods.....	0	0	\$ 0
83 Down Hole Pumps.....	0	0	\$ 0
84 Alternative Artificial Lift Equipment.....	0	0	\$ 0
86 Conventional Artificial Lift Well Head Equipment.....	0	0	\$ 0
96 Gas Dehydrator.....	0	0	\$ 0
Total Tangible.....	\$ 0	\$66,000	\$66,000
	\$ 0	\$94,000	
Total (Production / Facility)			\$94,000

TOTAL FACILITY COST ESTIMATE

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