

WALSH ENGINEERING AND PRODUCTION CORPORATION  
DRILLING AND COMPLETION COST ESTIMATE

OPERATOR: THOMPSON ENGINEERING


WELL: BLANCETT #2R                      FORMATION: Aztec PC & Fruitland Coal    TOTAL DEPTH: 1950'

LOCATION: 790 FSL 830 FEL, SEC 13, T30N, R12W, SAN JUAN COUNTY, NEW MEXICO

					SUB	TOTAL
TUBULAR GOODS-----						
Surface Casing	120 Ft.	7 Inch	0.00 \$/Ft.	:	0	
Prod. Casing	1950 Ft.	4-1/2 Inch	0.00 \$/Ft.	:	0	
Tubing	1900 Ft.	2-3/8 Inch	0.00 \$/Ft.	:	0	0
WELLHEAD EQUIPMENT: Rector 2000# WP						
				:	0	0
OTHER EQUIPMENT-----						
Surface Production Equipment (Separator, Dehy, and 210 tank)				:	0	
Well Connection Equipment				:	0	
Pipeline Construction	900 ft.	@	4.00 \$/ft.	:	0	
Liner Hangers and Production Packers				:	0	
Pump, Rods, Wellhead Equip, and Pump Jack w/ Motor				:	600	600
TOTAL TANGIBLE COSTS						
				:	600	
DRILLING COSTS-----						
Footage	1950 Ft.		0.00 \$/Ft.	:	0	
Day Work	.25 Days		0 \$/Day	:	0	
Service Unit	3 Days		1800 \$/Day	:	5,400	
Rig Rental Tools: BOP,BOP Adapter Flange,ect.				:	2,250	
Rig Moving Costs				:	1,000	8,650
CEMENTING (Cement,Pump Trucks and Drayage)-----						
Surface				:	0	
Intermediate				:	0	
Production				:	0	
Squeeze Jobs				:	0	
Float Equipment				:	0	0
FORMATION TREATMENT-----						
Acidizing:___0___ gals.				:	0	
Fracturing Equipment:				:	8,500	
Fluid 320 bbls.				:	320	
Fluid Additives:				:	4,600	
Nitrogen:				:	7,500	
Propping Agent 50,000 lbs.				:	4,800	
Tank Rental				:	500	26,220
SPECIAL SERVICES-----						
Perforating				:	3,200	
Electric and Radioactive Logging				:	0	
Other_____Temperature Survey_____				:		3,200
MATERIALS-----						
Drilling Mud and Chemicals				:	0	
Water				:	0	
Bits				:	400	
Frac Valve				:	900	
Hauling				:	0	
Nitrogen Cleanout:				:	2,000	
RBP Rental:				:	1,500	4,800
ACCESS and LOCATION and CLEANUP-----						
				:	500	
SUPERVISION, PERMITS, LEGAL etc.				:	1,125	1,625
TOTAL INTANGIBLE COST						
				:	44,495	
Total Direct Cost						
				:		45,095
Plus 10% Contingency						
				:		4,510
Total Cost						
				:		49,605

Date : 11/03/97

Partner's Approval

Prepared By : Paul C. Thompson, P.E. 

Date \_\_\_\_\_

WORKING INTREST-----

Coleman Oil and Gas\_\_\_%

Others\_\_\_\_\_%

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

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11865 Exhibit No. 3

Submitted by: Thompson Engineering &  
Production Corp.

Hearing Date: December 4, 1997