

WELL COST ESTIMATE DRILLING AND COMPLETION

First Draft

State: N. Mexico County: Eddy Expenditure Type: (X) Development Drilling
Field: Rock Tank Lease: Rock Tank () Injection Well
Well Number: 5 File: () Exploratory Drilling
Location: 2490' FEL & 500' FNL, Sec. 12, T23S, R24E () Recompletion
Formation: Morrow
Estimated TD: 10,500 feet

	COST TO DRILL	COST TO COMPLETE	TOTAL WELL COST ESTIMATE	SUB ACCT	QTY
INTANGIBLE COSTS					
Location & Roads	\$25,000	\$5,000	\$30,000		
Damages & Right of Way	\$2,000		\$2,000		
Move in, Rig up and Rig down	\$0		\$0		
Drilling - Footage: 10,500' @ \$25.50/ft	\$267,750		\$267,750		
Drilling - Daywork: 3 days @ \$6500 /day	\$20,400		\$20,400		
Fuel	\$0		\$0		
Cement & Cementing Services	\$24,600	\$14,000	\$38,600		
Mud & Chemicals	\$20,000		\$20,000		
Mud Logging: 10 days @ 400 /day	\$4,000		\$4,000		
Water, including water hauling	\$20,000		\$20,000		
Coring, Core Analysis			\$0		
Bits, Reamers & Mills			\$0		
Rentals	\$20,000	\$10,000	\$30,000		
Formation Testing			\$0		
Logging, Open Hole	\$14,000		\$14,000		
Trucking, incl. Casing & Hot Shot Serv.	\$2,500		\$2,500		
Supervision (Engineering & Geological)	\$4,000	\$5,250	\$9,250		
Other, Drlg Cost (misc. Labor)	\$2,500		\$2,500		
Overhead	\$1,000		\$1,000		
Completion, W.O. & Swabbing Units		\$27,000	\$27,000		
Logging Cased Hole		\$3,000	\$3,000		
Perforating		\$5,600	\$5,600		
Stimulation (acid)			\$0		
Completion Testing		\$5,000	\$5,000		
Other Compl Cost (misc Labor)		\$2,500	\$2,500		
Cement & Cement Services P & A			\$0		
Contingencies @ 5%	\$21,388	\$3,868	\$25,255		
TOTAL INTANGIBLE COSTS	\$449,138	\$81,218	\$530,355		
PERMANENT WELL EQUIPMENT					
Conductor Pipe	\$1,500		\$1,500		
Surface Casing 400', 13 3/8", @ \$17.79 /ft.	\$7,116		\$7,116		
Intermediate Casing 2500' 8 5/8" @ \$9.05 & 11.86/ft	\$24,030		\$24,030		
Production Casing: 10,500', 5 1/2", @ \$6.39 & 7.98 /ft.		\$73,137	\$73,137		
Tubing: 10200', 2 3/8", @ \$2.20 /ft.		\$22,440	\$22,440		
Casing & Tubing Heads	\$5,780	\$3,600	\$9,380		
XMAS Tree & Manifold Assembly		\$4,500	\$4,500		
Production Packer/Anchor Catcher		\$8,000	\$8,000		
Sucker Rods & Bottom Hole Pump			\$0		
Compressor			\$0		
Labor		\$10,000	\$10,000		
Treating, Separation & Tank Bty. Equip		\$10,000	\$10,000		
Flowlines, Gas Lines		\$5,000	\$5,000		
Misc. Fittings		\$10,000	\$10,000		
Trucking (Other than casing)		\$1,500	\$1,500		
Other		\$1,000	\$1,000		
TOTAL WELL EQUIPMENT	\$38,426	\$149,177	\$187,603		
TOTAL COST	\$487,564	\$230,395	\$717,958		

NEW MEXICO
OIL CONSERVATION DIVISION
Redstone
EXHIBIT 12

CASE NO.

RECOMMENDED BY: Scott Royal

DATE: 2/1/98

OPERATOR APPROVAL: REDSTONE OIL & GAS COMPANY

BY: [Signature]

DATE: 2/4/98

TITLE: V.R. Operations

JOINT INTEREST APPROVAL:

BY: _____

DATE: _____

TITLE: _____