

FASKEN OIL AND RANCH, LTD.

COST ESTIMATE

OPERATOR: Fasken Oil and Ranch, Ltd.
LEASE NAME: Camero Federal
FIELD: Rock Tank (Morrow)
500' FNL & 2285' FWL
Sec. 12, T23S, R24E

DATE: July 30, 1997
WELL NO.: 1
COUNTY: Eddy

AFF NO: 138
STATE: New Mexico

TANGIBLES

TUBULAR GOODS	SIZE (IN)	FOOTAGE (FT)	PRICE (\$/FT)	SUB	TOTAL	DRY HOLE
Conductor Pipe	20.000	0	\$25.00	\$0		\$0
Surface Casing	13.375	500	\$18.00	\$9,000		\$9,000
Inter. Casing	8.625	2,500	\$9.00	\$22,500		\$22,500
Oil string	5.500	10,200	\$7.00	\$71,400		\$0
Tubing	2.375	10,200	\$3.00	\$30,600	\$133,500	\$0
WELLHEAD EQUIPMENT						
Starting Head				\$2,000		\$600
Inter. Head				\$9,500		\$3,500
Tubing Head				\$9,500		\$0
Christmas Tree				\$13,500	\$34,500	\$0
SUB SURFACE PRODUCTION EQUIPMENT						
Tubing Anchor and/or Packer				\$5,000		\$0
Sucker Rods, Pump, BHA, etc.				\$0	\$5,000	\$0
SURFACE PRODUCTION EQUIPMENT						
Pumping Unit c/w Prime Mover				\$0		\$0
Production Unit				\$20,000		\$0
Tanks, Treaters, Separators, Circ. Pump				\$17,100		\$0
Labor				\$11,900	\$49,000	\$0
TOTAL TANGIBLES				\$222,000	\$222,000	\$36,500

INTANGIBLES

CONTRACTOR DRILLING COST

	FOOTAGE	RATE			
Drilling Cost	10,200	\$25.00	\$255,000		\$255,000
Day Work	8	\$6.500	\$39,000		\$39,000
Pulling Unit for Completion	130	\$125	\$16,300		\$0
Reverse Drilling Equipment			\$4,500	\$314,800	\$0

CEMENTING SERVICES & EQUIPMENT

Surface	\$4,000		\$4,000
Intermediates	\$13,700		\$13,700
Oil String	\$21,500		\$0
Other	\$0	\$39,200	\$4,000

FORMATION TREATMENT

Acidizing Services & Material	\$20,000		\$0
Fracturing Services & Material	\$0		\$0
Tank Rental & Hauling	\$0	\$20,000	\$0

SPECIAL SERVICES

Perforating & Wireline Services			\$7,500		\$0
Mud Logging	25	\$400	\$10,000		\$10,000
Open Hole Logging			\$20,000		\$20,000
Cores, DST's, etc.			\$15,000		\$15,000
Packer & BP Rental			\$3,000	\$55,500	\$0

DRILLING FLUIDS

Mud & Chemicals	\$35,000		\$35,000
Fresh & Brine Water	\$30,000		\$30,000
Oil for Drilling Mud	\$0	\$65,000	\$0

MATERIALS & SERVICES OTHER

Bits & Reamers	\$1,500		\$1,500
Fuel	\$0		\$0
Hauling - Trucking, Transport, & Pmp Truck	\$10,800		\$2,300
Tubular Inspection & Testing	\$2,300		\$700
Casing Expense (Run Csg., PU/LD Machine)	\$4,500		\$0
Valves, Piping, & Connections	\$500		\$500
Pit Liners	\$3,000		\$3,000
Rental Equipment	\$32,600		\$21,875
Welding & Roustabout Labor	\$1,300		\$1,300
Cattleguard & Fencing	\$500		\$500
Misc. Services & Supplies	\$5,000	\$62,000	\$4,000

LOCATION ACCESS & CLEAN UP

Surveying	\$1,500		\$1,500
ROAD, LOCATION, PITS, & CLEAN UP	\$29,000	\$30,500	\$29,000

SUPERVISION & LEGAL, ETC.

Geological, Engr. & Supervisory Expense	\$10,100	\$10,100	\$7,700
CONTINGENCIES	\$58,700	\$58,700	\$49,200
TOTAL INTANGIBLES	\$855,800	\$855,800	\$548,800

TOTAL COST

\$877,800 \$877,800 \$584,300

NEW MEXICO
OIL CONSERVATION DIVISION
13
Pecan
EXHIBIT

CASE NO.