



SANTA FE ENERGY RESOURCES 'INC.

GENERALIZED WELL COST ESTIMATE

WELL NAME Rio Blanco 4 Fed. No. 2
LOCATION 660' FSL & 660' FWL, Sec. 4-T23S-R34E, Lea Co., N.M.
DESCRIPTION Drill and Complete a 13,250' Morrow Gas Well

COUNT	DESCRIPTION OF COSTS		DRY HOLE	PRODUCER
501- 000	TANGIBLE WELL COSTS			
501- 041	Conductor Csg	30" Conductor and 20" Surface @ 850"	36,100	36,100
501- 041	Surface Csg	13-3/8" 54.5 & 61.0 ppf K-55 ST&C @ 2200'	41,900	41,900
501- 041	Protection Csg	9-5/8" 40.0 ppf K-55 ST&C @ 5,000'	63,800	63,800
501- 041	Intermediate Csg	7" 26.0 ppf S-95 & P-110 LT&C @ 11,800'	130,900	130,900
501- 041	Prod Csg			
501- 041	Prod Liner	4-1/2" 13.50 ppf S-95 LT&C 11,600'-13,250'		15,600
501- 042	Tubing	2-3/8" 4.7 ppf P-105 AB-Mod EUE @ 13,250'		44,500
501- 043	Wellhead		5,000	20,000
501- 044	Pmpg Unit			
501- 045	Prime Mover			
501- 050	Other Dwn Hole Equip	Liner Top Packer & Hanger		15,000
501- 050	Rods			
501- 050	Subsurface Pmps			
501- 055	Csg Equip		4,000	6,000
501- 055	Electrical			
501- 055	Misc. Tangibles			
501- 055	Rod Equip			
501- 055	Tubing Equip			3,500
	TOTAL TANGIBLE COSTS		281,700	377,300
541- 000	LEASE FACILITY COSTS			
541- 050	Flowlines			20,000
541- 050	Labor			20,000
541- 050	Other Prod Equip	GPU & Dehyd Unit		40,000
541- 050	Tank Facilities	2 Steel & 1 Fiberglass Tank w/ walkway		12,000
	TOTAL LEASE FACILITY COSTS		-	92,000
511- 000	INTANGIBLE WELL COSTS			
511- 021	Location	Dirt Work & Damages Payment	25,000	25,000
511- 022	Fencing		2,000	2,000
511- 026	Drilling Water		35,000	35,000
511- 031	Contractor Moving Exp		27,000	27,000
511- 032	Cont Footage or Turnkey			
511- 032	Contractor Daywork	55 DAYS @ \$5500/D	302,500	302,500
511- 033	Drlg Fluid & Additives		60,000	60,000
511- 034	Bits & Reamers		60,000	60,000
511- 036	Coring & Core Analyses			
511- 037	Cement		48,000	54,000
511- 039	Inspection & Tstg of Tang		10,000	10,000
511- 041	Directional Drlg Surveys			
511- 042	Drilling Equip Rental		100,000	100,000
511- 043	Open Hole Logging		50,800	50,800
511- 044	Drill Stem Tstg			
511- 045	Mud Logging	\$550/d X 35 days	19,250	19,250
511- 051	Transportation		6,100	6,100
511- 052	Completion Unit	8 days X \$1200/day		9,600
511- 053	Completion Tool Rental			4,500
511- 054	Cased Hole Logs & Perfing			14,000
511- 055	Stimulation			20,000
511- 056	Rigsite Supervision	55 + 10 X \$550/day	30,250	35,750
511- 072	Administrative Overhead		10,000	15,000
511- 099	Fishing Tools & Exp			
511- 099	Testing: BHP, GOR, 4 Pt Pot			10,000
	Abandonment Cost		20,000	
	Other Intangibles	Rig Fuel at \$60/day X 55 days	33,000	33,000
0.1	Contingency (10%)		83,890	89,350
	TOTAL INTANGIBLES		922,790	982,850
	TOTAL COSTS		1,204,490	1,452,150

OPERATION DEPT APPROVAL (Initials)
APPROVAL DATE *MRB 1/8/99*

SFER APPROVAL
APPROVAL DATE *D D Delala 1/11/99*

ENGINEERING DEPT APPROVAL (Initials)
APPROVAL DATE *URS*

NON-OPERATOR APPROVAL
APPROVAL DATE