



SANTA FE ENERGY RESOURCES, INC.

GENERALIZED WELL COST ESTIMATE

WELL NAME Outland State Unit No. 1
LOCATION Sec. 12, T21S, R34E
DESCRIPTION Drill and Complete a 13,600' Morrow Gas Well

ACCOUNT	DESCRIPTION OF COSTS		DRY HOLE	PRODUCER
501- 000	TANGIBLE WELL COSTS			
501- 041	Conductor Csg	20" Conductor @ 40'	3,000	3,000
501- 041	Surface Csg	13-3/8" 54.5 & 61.0 ppf J-55 ST&C @ 1,300'	27,300	27,300
501- 041	Protection Csg	9-5/8" 40.0 ppf K-55 ST&C @ 5,800'	70,992	70,992
501- 041	Intermediate Csg	7" 26.0 ppf S-95 & P-110 LT&C @ 11,500'	132,250	132,250
501- 041	Prod Csg			
501- 041	Prod Liner	4-1/2" 13.50 ppf S-95 LT&C 11,100'-13,600'		16,350
501- 042	Tubing	2-3/8" 4.7 ppf P-105 AB-Mod EUE @ 13,600'		39,576
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		242,542	333,968
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	40,000	40,000
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	56 DAYS @ \$6200/D	347,200	347,200
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		40,000	40,000
511- 043	Open Hole Logging		45,000	45,000
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	56 + 10 X \$550/day	30,800	36,300
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		30,000	
	Other Intangibles	Rig Fuel at \$600/day X 56 days	33,600	33,600
0.1	Contingency (10%)		84,395	88,855
	TOTAL INTANGIBLES		928,345	977,405
	TOTAL COSTS		1,170,887	1,403,373

OPERATION DEPT APPROVAL(Initials)
APPROVAL DATE MRB 9/13/99

SFER APPROVAL
APPROVAL DATE *M. R. Rie* 9/13/99

ENGINEERING DEPT APPROVAL (Initials)
APPROVAL DATE *WAS*

NON-OPERATOR APPROVAL
APPROVAL DATE