

Drilling/Completion Operations

Detail Cost Estimate

DATE

4/5/00

PROSPECT/ FIELD

Maucho West Prospect

OPERATOR

Southwestern Energy

WELL NAME

Maucho "17" Fed Com

PREPARED BY

J. Tully/PQ

STATE

New Mexico

COUNTY/PARISH

Lee County

LOCATION

1980' FNL & 680' FEL

PROPOSED TOTAL DEPTH

13,700'

DRILL / COMPLETE

☒ WORKOVER-RECOMPLETION

☐ SINGLE

☒ EXPLORATORY

☐ OIL WELL

EQUIP

☐ WORKOVER-MAINTENANCE

☐ DUAL

☐ DEVELOPMENT

☐ GAS WELL

RETIREMENT (P&A)

☐ DRILL & EVALUATE

☐ OTHER

OBJECTIVE / FORMATION(S)

Morrow

SUB ACCOUNT

Completion

INTANGIBLE COST

CASING POINT COST

COMPLETION COST

TOTAL COST

1-001

RIG - TURNKEY

33,600

33,600

1-005

RIG - FOOTAGE

1-010

122-010

RIG - DAYWORK 55 days @ \$6,000/day 8 days @ \$1,200/day

336,000

9,600

345,600

1-012

DRILL RIG MOBILIZATION

27,000

27,000

1-013

CONDUCTOR HOLE/DRIVE PIPE SERVICES

1-015

122-015

ROAD & LOCATION

42,000

42,000

1-020

122-020

FUEL, POWER AND WATER

35,000

35,000

1-025

122-025

DRILLING/COMPLETION FLUIDS & CHEMICALS

60,000

60,000

1-030

122-030

DRILL BITS

60,000

60,000

1-032

DIRECTIONAL DRILLING AND RELATED SERVICES

1-035

OPEN HOLE LOGGING

45,000

45,000

1-040

MUD LOGGING

19,250

19,250

122-040

PERFORATING/CASED HOLE LOGGING

14,000

14,000

1-055

122-055

CEMENT AND CEMENTING

48,000

6,000

54,000

122-060

STIMULATION- ACID/Frac

20,000

20,000

1-063

122-063

TANK TRUCKS/ MISC PUMPING SERVICES

1-065

122-065

EQUIPMENT RENTAL

40,000

4,500

44,500

1-070

122-070

CASING CREW

1-153

122-153

WIRELINE SERVICE

1-075

122-075

TRANSPORTATION- TRUCKING/TUGS/BARGES/ETC.

6,100

6,100

1-080

122-080

SUPERVISION & TECHNICAL

30,800

5,500

36,300

1-085

122-085

CONTRACT LABOR

20,000

20,000

1-090

122-090

CASING/TUBING & DRILL PIPE INSPECTION & TESTING

10,000

10,000

20,000

1-095

122-095

PERMITS,SURVEYS, CURATIVE, TITLE AND DRILL SITE OPINION

1-930

INSURANCE

1-105

122-105

ENVIRONMENTAL & POLLUTION/ DISPOSAL

1-190

PLUGGING AND ABANDONMENT (DRY HOLE)

30,000

1-925

122-925

DRILLING/COMPLETION OVERHEAD

10,000

5,000

15,000

1-950

122-950

MISCELLANEOUS

83,275

4,460

87,735

TOTAL INTANGIBLE COST

916,025

99,060

985,085

TANGIBLE COST

24-005

DRIVE PIPE

24-010

CONDUCTOR PIPE 20" @ 40'

3,000

3,000

24-015

SURFACE CASING 13-3/8" @ 650'

10,673

10,673

24-020

INTERMEDIATE CASING 9-5/8" @ 5,000'

61,200

61,200

24-020

2ND INTERMEDIATE CASING 7" @ 11,800'

135,700

135,700

24-030

DRILLING LINER

125-025

PRODUCTION CASING OR PROD. LINER 4-1/2" @ 11,600'-14,000'

15,696

15,696

125-035

PRODUCTION TUBING 2-3/8" @ 13,700'

40,740

40,740

24-045

125-045

PACKERS/RETAINERS/LINER HANGERS

15,000

15,000

24-055

125-055

WELLHEAD EQUIPMENT

5,000

15,000

20,000

24-950

125-950

MISCELLANEOUS EQUIPMENT

4,000

2,000

6,000

OTHER (SPECIFY CHARGE AND RELATED ACCT. NO.)

TOTAL TANGIBLE COST

219,573

88,436

308,009

PRODUCTION EQUIPMENT

125-040

FLOWLINES

125-047

TANK BATTERY AND ASSOCIATED EQUIPMENT

125-060

SURFACE PROD EQUIPMENT- SEP/HTR TRTR/PROD. UNIT/CMPR/PROD. BARGE

125-062

SURF. PUMPING EQUIPMENT W/ PRIME MOVER

125-065

SUBSURFACE EQUIPMENT-RODS/B.H. PUMP/TBG. ANCHOR

125-075

GATHERING/PIPE LINES

125-095

NON-CONTROLLABLE EQUIPMENT

125-950

MISCELLANEOUS EQUIPMENT

OTHER (SPECIFY CHARGE AND RELATED ACCT. NO.)

TOTAL PRODUCTION EQUIPMENT COST

TOTAL WELL COST

1,135,598

187,496

1,293,094

SEPCO'S estimate of the anticipated costs for the test well or operation are specified above. This estimate shall determine prepaid dry hole costs, completion costs or costs of other operations, and your approval of this estimate signifies that SEPCO's estimate is reasonable. Participating parties in a test well or operation shall be responsible for actual costs in accordance with the terms of the joint operating agreement

SEPCO Approvals

Non-Operator Approvals

BY:

COMPANY:

BY:

BY:

BY:

BY:

BY:

BY:

SEPCO GROSS WORKING INTEREST

41.000% BCP

41.000% ACP

OTHER GROSS WORKING INTEREST

59.000% BCP

59.000% ACP

BEFORE EXAMINER STOCKER

EXHIBIT NO. 3

CASE NO. 12424/12393

M:\Common\Drilling\AFES