

APR  
WELL COST ESTIMATE

DRILLING & TESTING  
Footage Bid

Operator	Fuel Products, Inc.	Well Name	Illinois Camp 18 State	No.	1
Projected Depth	11,000 Objective	Morrow	Expl	X	Devel
Location	990' FSL & 660' FEL (Unit P)	Sec. 18, T-18-S, R-28-E	Elev.		
Area	Wildcat	County	Eddy	State	N M

ESTIMATED

INTANGIBLE DRILLING COSTS

Surface Damages		\$	5,500
Roads & Location:	Survey & Stake		2,000
	Roads, Pad & Clearing		21,000
Drilling: Footage	11,000 @ 19.10 /ft.		210,100
Day work w/ pipe	2 Days @ \$ 6,000 /day		12,000
Day work w/o pipe	Days @ \$ /day		0
Rig mob & RD			0
Bits & Drilling tools			0
Cementing:			
	Surface Csg Cmt, Services & Hardware		4,000
	Intermed. Csg Cmt, Services & Hardware		13,000
Water Hauling			16,000
Mud & Chemicals			35,000
Coring			
Testing	DSTs		5,000
Contract Services:			
	Casing Crews		8,000
	Welding		1,000
	Pit Lining		2,000
	Equipment Rental		18,000
	Hauling		2,000
Logging: Mud Log from	_____ to _____		11,000
	Electrical Surveys _____ to _____		30,000
Wellsite Geologist			4,000
Engineering Supervision			15,000
Expense in Field: Geological			1,500
	Engineering		3,000
Overhead - Drilling Well Rate			6,000
Insurance* - General Liability			6,000
Miscellaneous, Taxes, Contingencies			20,000
TOTAL INTANGIBLE DRILLING COSTS:		\$	451,100

TANGIBLE DRILLING COSTS

Surface Csg	425 feet of 13 3/8" @ 23.50 /ft	\$	9,988
Intermed. Csg	2,900 feet of 9 5/8" @ 13.60 /ft		39,440
Wellhead			3,000
Miscellaneous			5,000
TOTAL TANGIBLE DRILLING COSTS		\$	57,428

TOTAL DRILLING COSTS

\$ 508,528

INTANGIBLE ABANDONMENT COSTS

Rig Time		\$	6,000
Cement for Plugging & Cementing Service			4,500
Location Clean-up and Fence Work			3,500
Miscellaneous			1,600

TOTAL INTANGIBLE ABANDONMENT COSTS

\$ 15,600

TOTAL DRY-HOLE COSTS

\$ 524,128

\* Optional OEE Insurance \$10,000

AFB  
WELL COST ESTIMATE

**COMPLETION & EQUIPMENT**  
Footage bid - Flowing from Morrow

Operator	Fuel Products, Inc.	Well Name	Illinois Camp 18 State	No.	1
Projected Depth	11,000	Objective	Morrow	Expl	X
Location	990' FSL & 660' FEL (Unit P) Sec. 18, T-18-S, R-28-E			Devel	WO
Area	Wildcat	County	Eddy	Elev.	
				Stat	N M

**ESTIMATED**

INTANGIBLE COMPLETION COSTS

Pulling Unit Day Work	10 Days @	\$1,500 /day	\$	15,000
Cement, Services & Hardware				19,000
Logging: Electrical Surveys				4,500
Perforating				3,000
Treating: Formation Stimulation				12,000
Engineering Supervision				4,000
Engineering Expense in Field				1,500
Testing				4,000
Equipment Rental:	Surface			2,500
	Subsurface			5,000
Hauling				3,000
Overhead Drilling Well Rate				2,000
Clean-up				5,000
Miscellaneous				12,000
TOTAL INTANGIBLE COMPLETION COSTS			\$	92,500

TANGIBLE COMPLETION COSTS

Production Casing:				
11,000	of 5 1/2"	Csg	@ \$ 10	/ft, \$ 110,000
Tubing:				
10,800	of 2 7/8"	6.5# J-55 Tbg	@ \$ 3.25	/ft, 35,100
Sucker Rods:				
	of		@ \$	/ft. 0
Subsurface Pump & Accessories Packer				4,000
Xmas Tree				9,000
Pumping Unit, Base, Engine/Motor & Controls				0
Tank Battery (Complete w/ Connections)				15,000
Heater/Treater				12,500
Flow Lines				15,000
Contract Services: Installation Labor				10,000
Miscellaneous & Fencing				6,000
TOTAL TANGIBLE COMPLETION COSTS			\$	216,600
TOTAL COMPLETION COSTS			\$	309,100
TOTAL COMPLETED WELL COSTS			\$	817,628

Interest : \_\_\_\_\_ %  
Share: \$ \_\_\_\_\_

APPROVED:		APPROVED:	
COMPANY:	Fuel Products, Inc.	COMPANY:	
BY:	<i>Thomas M. Sale</i>	BY:	
DATE:	June 15, 2000	DATE:	

"It is recognized that the amounts provided for herein are estimated only, and approval of this authorization shall extend to the actual costs incurred in conducting the operations specified, whether more or less than herein set out"