

WELL COST ESTIMATE

ELM RIDGE RESOURCES, INC.

Well Name/Project Name		Well Number		Field	
Rylebart Federal		1		Basin Fruitland	
Location		County	State	AFE Number (Drill)	
1350' FNL & 1040' FEL Sec.24-T26N-R13W		San Juan	NM	SJ2000-3	
Project Description		Estimated Total Depth		AFE Number (Complete)	
Drill a Fruitland Coal well to +/- 1340'		1340'			
Tubular Goods:		Producing Well		Dry Hole	
Surface Casing	150 Ft. 7" \$8.30 \$/Ft.	Sub-Total	Total	Sub-Total	
Intermediate Casing	Ft. \$/Ft.			\$1,245.00	
Prod. Casing or Liner	1340 Ft. 4 1/2" \$4.90 \$/Ft.	\$6,566.00			
Tubing	1200 Ft. 2 3/8" \$2.25 \$/Ft.	\$2,700.00			
Tubing (Salvage)	Ft. \$/Ft.		\$9,266.00		
Pipeline Expense (Gathering & Selling):					
Line Pipe 1 (Steel)	1300 Ft. \$9.00 \$/Ft.	\$11,700.00			
Line Pipe 2 (PVC)	Ft. \$/Ft.				
Casing and Tubing Heads		\$500.00	\$12,200.00	\$200.00	
Production Equipment					
Separator	\$ 2,400	Rod String	\$ 2,500		
Miscellaneous	\$	Engine/Motor	\$		
Tank (s)	\$ 3,000	Injection Pump	\$		
Pumping Unit	\$ 6,500	Transfer Pumps	\$		
Water Inj. Equip.	\$	Compressor	\$		
Down Hole Equip. (Packers, Anchors, etc.)					
Parts, Supplies and Fittings		\$14,400	\$ 14,400.00		
Drilling/Completion Costs					
Footage	Ft. \$/Ft.				
Daywork - Rathole	Day \$/Day				
Daywork - Drilling	5 Day \$6,500 \$/Day			\$32,500	
Daywork - Completion	6 Day \$2,200 \$/Day	\$11,000.00			
Daywork - Water Well	Day \$/Day				
Rig Move		\$7,000.00	\$18,000.00		
Cementing: (Materials & Services)					
Conductor and/or Surface				\$1,800.00	
Intermediate					
Production or Linear		\$ 4,800.00			
Squeeze Cementing					
Plug and Abandon (Plug Back, Whipstock Plug)				\$4,500.00	
Cementing Downhole Equipment (Shoes, Coilers, Tools, etc.)			\$ 4,800.00		
Formation Treatments:					
Acidizing & Miscellaneous Pumping					
Fracturing Treatment (Materials & Equipment)		\$ 43,000.00			
Tank Rental and Transportation		\$ 3,000.00			
Tool Rental (Packer, Bridge Plug, Flanges, etc.)		\$ 500.00	\$46,500.00		
Formation Evaluation Services:					
Open Hole Logging (Electric & Radioactive Logging)					
Perforating and Cased Hole Logging		\$ 3,500.00			
Testing (Mud Logging, Drill Stem Test, Cores, etc.)			\$3,500.00		
Drilling Materials and Services:					
Drilling Mud (Materials & Services)				\$4,000.00	
Drilling Gas or Air					
Water and Trucking		\$ 1,000.00		\$3,000.00	
Drill Bits & Reamers (Special Drilling Tools)				\$3,600.00	
Fuel (Gasoline, Diesel, Butane, Electricity)				\$2,000.00	
Other Services and Materials:					
Contract Labor (Installation, Fabrication and Pipeline)		\$ 1,500.00			
Welding (Installation, Fabrication and Pipeline)					
Miscellaneous Materials, Services and Repairs				\$1,000.00	
Casing Service		\$ 900.00			
Electricity/Electrical Services			\$2,400.00		
Access and Locations:					
Abstract and Title Opinions		\$ 1,700.00			
Location, Roads and Excavation Dirtwork		\$ 3,500.00			
Surface Damages					
Staking and Survey		\$ 800.00			
Supervision and Consulting:					
GOPAS Overhead:					
	Sub-Total		\$111,066	\$53,745.00	
	Plus 10% Contingency		\$11,107	\$5,374.50	
	Estimated Total Cost		\$181,292		
Date of Well Cost Estimate:		ESTIMATED COST ONLY - each participating Owner to pay proportionate share of actual well cost subject to operating agreement.			
6-Dec-00					
Approved:	Title:	Date:	Company:		

OIL CONSERVATION DIVISION
CASE NUMBER _____
EXHIBIT 3