

9063

SANTA FE ENERGY RESOURCES, INC.

GENERALIZED WELL COST ESTIMATE

NAME: Kachina 8 Federal No.2

LOC: 1980' FNL & 660' FWL, Section 8-18S-33E, Lea County, New Mexico

DESC: Drill and complete a 11,500' Wolfcamp well

ACCOUNT	DESCRIPTION OF COSTS		DRY HOLE	PRODUCER
501-000	TANGIBLE WELL COSTS			
-41	CONDUCTOR CSG		3,000	3,000
-41	SURFACE CSG	13-3/8" 48.0 ppf H-40 @ 400'	9,200	9,200
-41	PROTECTION CSG	8-5/8" 24.0 ppf K-55 @ 3100'	36,804	36,804
-41	DRILLING LINER			
-41	PROD CSG	5-1/2" 15.5 & 17 ppf K-55 & H-80 @ 11,500'		95,763
-41	PROD LINER			
-42	TUBING	2-7/8" 6.5 ppf H-80 EUE @ 11,500'		52,000
-43	WELLHEAD		2,000	12,000
-44	PMFG UNIT			
-45	PRIME MOVER			
-50	OTHER DWN HOLE EQUIP	Packer		3,500
-50	ROOS			
-50	SUBSURFACE PMFS			
-55	CSG EQUIP		640	940
-55	ELECTRICAL			
-55	MISC. TANGIBLES			1,000
-55	ROD EQUIP			
-55	TUBING EQUIP			2,000
	TOTAL TANGIBLE COSTS		51,644	216,207
541-000	LEASE FACILITY COSTS			
-50	FLOW LINES			3,000
-50	LABOR			15,000
-50	OTHER PROD EQUIP			5,000
-50	TANK FACILITIES			
	TOTAL LEASE FACILITY COSTS		0	23,000
511-000	INTANGIBLE WELL COSTS			
-21	LOCATION		16,000	16,000
-22	FENCING		1,000	4,200
-26	WTR & FUEL FOR RIG		10,000	10,000
-31	CONTRACTOR MOVING EXP			
-32	CONT FOOTAGE OR TURNKEY	\$16.80/ft	193,200	193,200
-32	CONTRACTOR DAY WORK	3 @ \$4500	13,500	13,500
-33	DRLG FLUID & ADDITIVES		10,000	10,000
-34	BITS & REAMERS			
-36	CORING & CORE ANALYSES			
-37	CEMENT		21,000	43,000
-39	INSPECTION & TSTG OF TANG		1,000	5,000
-41	DIRECTIONAL DRLG SURVEYS			
-42	DRILLING EQUIP RENTAL		3,000	3,000
-43	OPEN HOLE LOGGING		33,500	33,500
-44	DRILL STEM TSTG		22,000	22,000
-45	MUD LOGGING		11,000	11,000
-51	TRANSPORTATION		3,000	7,000
-52	COMPLETION UNIT			15,000
-53	COMPLETION TOOL RENTAL			4,000
-54	CASED HOLE LOGS & PERFOR			6,000
-55	STIMULATION			10,000
-56	RIG SITE SUPERVISION		12,250	18,250
-72	ADMINISTRATIVE OVERHEAD		4,600	9,200
-99	FSHG TOOLS & EXPENSES			
-99	TESTING: BHP, GOR, 4 PT. POT			5,000
	ABANDONMENT COST		10,000	
	OTHER INTANGIBLES			
0	CONTINGENCY (10%)		36,505	43,885
	TOTAL INTANGIBLES		401,555	482,735
	TOTAL COSTS		453,199	721,942

Drilling Dept: Danell RobertsDate: 11/8/90Operations Dept: Thomas E. GentryDate: 11-8-90SFER Approval By: Tom E. GentryDate: 11-8-90

Non Operator Approval By: _____

Date: _____

