ARCO Permian a unit of Atlantic Richfield Company Drilling Cost Estimate - Page 1

		<u></u>	Supplem	ent	X _	Original							
Well name							Ī	ſD					
				37.1									
Cedar Lake State 3				6-1				11,500'					
Location													
			1150 5005	E 0 .									
	60' FWI	L, Section 36, 1	17S, R30E,			<u> </u>		Field					
District				1	Area or Group								
ARCO Permi	an			l						Cedar Lake (Morrow)			
Objective	ш.			<u></u> L	1					Count Ease (Monow)			
Objective													
Morrow @					Ft.				@ Ft.				
<u> </u>	Gen					tion							
 										1			
X Development	9171	Single	i	l.	AFC No.			Original/Revision Indicator					
Exploratory	9172	Dual						1=Original 1					
Exploidioly	71/2				l			! !					
Workover/	9171	Multiple	, [2=Revision			
		1		.			_						
Recompletion	<u> </u>	L		· · · · · · · · · · · · · · · · · · ·									
Tangible Costs - S	SUB 500	and 550											
Tubular goods				Drilling	Evaluation	Completion		lem		Total Gross Dollars			
13 3/8 " OD 1		0 ft. to	550	10,000						10,000			
8 5/8 " OD 1		0 ft. to	3600	28,000						28,000			
5 1/2 * OD		0 ft. to	11,500			60,000				60,000			
27/8 OD		0 ft. to	11,000			35,000				35,000			
" OD		ft. to								0			
" OD		ft. to								<u> </u>			
" OD	from	ft. to								0			
										0			
Casinghead, Tubir		Christmas Tree		7,500		5,000		0	4	12,500			
Tubing Accessories						10,000		0	6	10,000			
4. Artificial Lift Acces							5	0	7	0			
Well Protective Str.	uctures					2000	5	0	8	0			
6. Unclassified			2,000		2,000	0	0	0	4,000				
7. Additional Basis (S							<u> </u>			0			
Casinghead, Tubing	-	nristmas Iree					5	0	4	0			
Tubing Accessories						5	0	6	0				
Artificial Lift Accessories						5	0	7	0				
Well Protective Structures						5	0	8	0				
TOTAL TANGIBL	ES			47,500	0	112,000				159,500			
Intangible Costs	- SUB 6	00											
Contract Engineering Technical				-		0	1	3	T of				
9. Boat Operations	Ť						0	5	3	o			
10. Minor Supplies						—	7	8	o				
11. Electric Power and Light						2	4	1	o				
12. Diesel Fuel						2	4	2	o				
13. Natural Gas						2	4	3	o				
14. Water			13,000		5,000	2	4	6	18,000				
15. Property and Equipment Rentals						2	4	8	0				
16. Security, Safety, and Firefighting			2,000		1,000	2	5	0	3,000				
17. Tubular Testing, and Inspection			3,000		2,500	5	0	3	5,500				
18. Trucking Tubulars			5,000		6,000	5	0	9	11,000				
19. Casing Accessories			5,000		5,000	_	1	2	10,000				
20. Site Preparation and Maintenance			30,000		5,000	5	1	4	35,000				
21. Permits, Insurance, and Damanges			10,000			5	1	5	10,000				
22, Rig Moving Expense						5	1	7	0				
23. Shorebases						5	2	1	0				
24. Camp Housekeeping			1,000		1,000		2	2	2,000				
25. Reclamation			1,000		1,000		3	5	2,000				
26. Air Freight and Transportation						5	2	8	0				
27. Disposal and Cleanup			8,000		3,000	5	3	1	11,000				
						<u> </u>				1			
								A	RC	O PERMIAN			
-						В	EFOI	RE	EX	AMINER MORROW			
							10CI			SE NO. 10993			
						DAME: 06/00/04							
										0. 5			

ARCO Permian a unit of Atlantic Richfield Company

Drilling Cost Estimate - Page 2

Weil name	X	Original							
Cedar Lake State 36-1	Supplement				Original/Revision Indicator				
Location	 	AFC No.			I=Original 1				
		AFC NO.			2=Revision				
Lea County, New Mexico District									
District									
ARCO Permian									
					Elen	1	Total Gross Dollars		
Intangible Costs (Cont'd) - SUB 600	Drilling	Evaluation	Completion						
28. Contract Footage Drilling									
<u>11500</u> ft. @ \$ <u>20.00</u> per foot	230,000			5	3	_2	230,000		
29. Contract Drilling Daywork									
Drilling <u>0.5</u> days @ : <u>4,400.00</u> per day	2,200		2,200	5_	3	3	4,400		
30. Mobilization, Demobilization & Rig Mod.				5	3	4	0		
31. Roads and Airstrips				5	3	_6	0		
32. Completion/Workover Daywork	1								
21 days @: 2,000.00 per day			42,000			_2	42,000		
33. Drill String & BHA Rental			7,000	5	4	3	7,000		
34. Well Control Equipment	4,000		2,500	5	4	_7	6,500		
35. Bits, Underreamers, & Hole Openers				5	4	8	0		
36. Drilling Mud and Transportation	20,000				5		20,000		
37. Drilling Mud Equipment and Services	2,000			_	5	2	2,000	_	
38. Completion Fluids	15.000		5,000		5		5,000		
39. Open Hole Surveys	15,000			5		7	15,000		
40. Wireline Work	0.000		 	5		9	0 0 000		
41. Formation Monitoring	9,000		18,000	<u> </u>	6	<u>0</u> 1	9,000	_	
42. Cased Hole Surveys and perf. Fees			8,000	-	5	3	8,000	_	
Surface Well Test Equipment Coring and Analysis	15,000		0,000	5	- 6		15,000		
45. Drill Stem Test Equipment	10,000		 		7		0	_	
46. Fracturing, Acidizing, and Gravel Pack	-		40,000	_			 		
40. Flacialing, Acidizing, and Graver Fack			40,000	-	7	7	0	_	
47. Divers				1	,		0	_	
48. Fishing Tool Rental			· · · · · · · · · · · · · · · · · · ·	5	8		0		
49. Directional Drilling Tool Rental				5	_		0		
50. Telecommunications & Navigational Needs				5	8		 		
51. Material Losses				5	8	8	0		
52. Capitalized Overhead	35,800		23,200	6	0	4	59,000		
53. Cement Running Fees for Casing & Tubing			Ī						
	6,000						6,000		
8 5/8 " OD 2000 Sacks	15,000						15,000		
5/1/02 " OD			20,000				20,000		
							0		
49. Directional Drilling Tool Rental							0		
54. Cementing - Squeezes & Plugs				6	9	9	0		
55. Unclassified	5,000		5,000	0	0	0	10,000		
							0		
			<u> </u>	<u> </u>			0		
TOTAL INTANGIBLES	437,000		202,400				599,400		
TOTAL COST (Tangibles & Intangibles)	484,500	C	314,400	<u> </u>			798,900		
EVALUATED COST	484,500							_	
COMPLETED WELL COST	\$798,900		1						