

to: Ralph Moore

FROM: Jeff Ryan ^u ^{PR} 12/17/90

DATE: December 17, 1990

SUBJECT: AFE's - Forced Pool Hearing
Laredo State 21 Comm #1
Jeep Prospect
South Millman Field
Eddy County, New Mexico

Please find attached for your information a cost estimate to drill, test, and complete the above referenced well. The subject well is a 11,300' Morrow test located in Section 21, T-19-S, R-28-E, Eddy County, New Mexico. Total estimated cost is \$837,960 (\$74.16/ft) with a DHC of \$524,850 (\$46.45/ft) and CWC of \$313,111 (\$27.71/ft).

These costs are estimates based on actual costs provided by conversations with numerous drilling contractors, mud companies, and service companies. The original cost estimate was prepared and provided by OGE Drilling Consultants and is consistent with other Morrow wells in the area. No services have as yet been contracted out, however no costs are expected to change significantly.

cc: Al Buron
Craig Clark

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