SANTA FE ENERGY RESOURCES, INC.

GENERALIZED WELL COST ESTIMATE

WELL NAME Kemosabe Unit No.1
LOCATION 1320' FSL & 1980' FEL, Section 13-T18S-R34E, Lea County, New Mexico+D12
DESCRIPTION Drill and Complete a 10,500' Bone Spring Oil Well

ACCOUNT	DESCRIPTION OF COSTS		DRY HOLE	PRODUCER
501-	**TANGIBLE WELL COSTS**			
501- 041	Conductor Csg			
501- 041	Surface Csg	13-3/8" 48.0 ppf H-40 ST&C @400'	6,800	6,800
501- 041	Protection Csg	8-5/8" 32.0 ppf K-55 ST&C @3,300'	29,700	29,700
501- 041	Intermediate Csg			
501- 041	Prod Csg	5-1/2" 15.50 & 17.0 ppf K-55 LT&C @10,500'		60,375
501- 041	Prod Liner			
501- 042	Tubing	2-7/8" 6.5 ppf N-80 8-rd EUE @10,500'		36,750
501- 043	Wellhead		2,000	8,000
501- 044	Pmpg Unit	640 Conventional		40,000
501- 045	Prime Mover	60 HP Electric & Panel		3,500
501- 050	Other Dwn Hole Equip	TAC		1,000
501- 050	Rods	Fiberglass, Steel & Sinker Bars		35,000
501- 050	Subsurface Pmps	1-1/4" Rod Pump		2,500
501- 055	Csg Equip		700	1,200
501- 055	Electrical			8,000
501- 055	Misc. Tangibles			1,000
501- 055	Rod Equip			
501- 055	Tubing Equip			3,000
	TOTAL TANGIBLE COSTS		39,200	236,825
541-	**LEASE FACILITY COSTS**			
541- 050	Flowlines			4,000
541- 050	Labor			6,000
541- 050	Other Prod Equip			8,000
541- 050	Tank Facilities			15,000
TOTAL LEASE FACILITY COSTS			0	33,000
511-	**INTANGIBLE WELL COSTS**			
511- 021	Location		15,000	15,000
511- 022	Fencing		1,000	1,000
511- 026	Drilling Water		12,000	12,000
511- 031	Contractor Moving Exp			
511- 032	Cont Footage or Turnkey	10500' X $14/ft	147,000	147,000
511- 032	Contractor Daywork	3 days X $4500/day	13,500	13,500
511- 033	Drlg Fluid & Additives		12,000	12,000
511- 034	Bits & Reamers			
511- 036	Coring & Core Analyses	Rotary Sidewall Cores (25-50)	12,000	12,000
511- 037	Cement		15,000	45,000
511- 039	Inspection & Tstg of Tang		3,000	12,000
511- 041	Directional Drlg Surveys			
511- 042	Drilling Equip Rental		6,000	6,000
511- 043	Open Hole Logging	ARI/CNL/LDT/GR	20,000	20,000
511- 044	Drill Stem Tstg	One Test in the 3rd Bone Spring Carbonate	4,000	4,000
511- 045	Mud Logging		10,000	10,000
511- 051	Transportation		4,000	8,000
511- 052	Completion Unit	Complete & Place on Pump Later		20,000
511- 053	Completion Tool Rental			8,000
511- 054	Cased Hole Logs & Perfing			14,000
511- 055	Stimulation			12,000
511- 056	Rigsite Supervision		8,800	12,800
511- 072	Administrative Overhead		4,700	9,400
511- 099	Fishing Tools & Exp			
511- 099	Testing: BHP,GOR,4 Pt Pot	4		6,467
	Abandonment Cost		8,952	
	Other Intangibles	11383		
0.05 0.05	Contingency (5%)		14,848	20,008
	TOTAL INTANGIBLES		311,800	420,175
	TOTAL COSTS		351,000	690,000

OPERATION DEPT APPROVAL (Initials) DDL **APPROVAL DATE** 9/19/95	**SFER APPROVAL** **APPROVAL DATE** D D DeLaCruz
ENGINEERING DEPT APPROVAL (Initials) JJ **APPROVAL DATE** 9/19/95	**NON-OPERATOR APPROVAL** **APPROVAL DATE**