

9033A

SANTA FE ENERGY RESOURCES, INC.

GENERALIZED WELL COST ESTIMATE

NAME: P.G. Fed 4 No. 1

LOC: 1980' FWL & 660' FSL, Section 4-23S-31E, Eddy County, N.M. (B.H. Loc)

DESC: Drill and complete a 14,850' Morrow Gas Well

Surface Location 1980' FWL & 900' FNL Sec. 9 (1560' Displacement)

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 @ 600'	13,600	13,600
-41	PROTECTION CSG	9 5/8" 40.0 ppf K-55 STC @ 4150'	74,550	74,550
-41	DRILLING LINER			
-41	PROD CSG	7" 26 ppf S-95 & 29 ppf P-110 @ 12141'MD	231,546	231,546
-41	PROD LINER	4 1/2" 13.50 ppf S-95 LTC 11700'-14850'		35,500
-42	TUBING	2 3/8" 4.7 ppf P105 ABMod		68,620
-43	WELLHEAD		5,000	40,000
-44	PMPG UNIT			
-45	PRIME MOVER			
-50	OTHER DWN HOLE EQUIP	Liner Hanger & Packer		14,000
-50	RODS			
-50	SUBSURFACE PMPS			
-55	CSG EQUIP		1,170	1,170
-55	ELECTRICAL			
-55	MISC. TANGIBLES			
-55	ROD EQUIP			
-55	TUBING EQUIP			600
	TOTAL TANGIBLE COSTS		328,866	482,586
541-000	LEASE FACILITY COSTS			
-50	FLOW LINES			5,000
-50	LABOR			5,670
-50	OTHER PROD EQUIP			40,000
-50	TANK FACILITIES			9,790
	TOTAL LEASE FACILITY COSTS		0	60,460
511-000	INTANGIBLE WELL COSTS			
-21	LOCATION		30,000	30,000
-22	FENCING		1,000	1,000
-26	WTR & FUEL FOR RIG			
-31	CONTRACTOR MOVING EXP		30,000	30,000
-32	CONT FOOTAGE OR TURNKEY			
-32	CONTRACTOR DAY WORK	73/76d @ \$4900/d	357,700	372,400
-33	DRLG FLUID & ADDITIVES		90,000	90,000
-34	BITS & REAMERS		120,000	120,000
-36	CORING & CORE ANALYSES		10,000	10,000
-37	CEMENT		48,000	68,000
-39	INSPECTION & TSTG OF TANG		7,000	9,000
-41	DIRECTIONAL DRLG SURVEYS		53,000	53,000
-42	DRILLING EQUIP RENTAL		40,000	40,000
-43	OPEN HOLE LOGGING		48,800	48,800
-44	DRILL STEM TSTG		48,000	48,000
-45	MUD LOGGING		26,600	26,600
-51	TRANSPORTATION		10,000	10,000
-52	COMPLETION UNIT	6 days @ \$1400		8,400
-53	COMPLETION TOOL RENTAL			7,700
-54	CASED HOLE LOGS & PERFING			20,000
-55	STIMULATION			8,500
-56	RIG SITE SUPERVISION		31,500	31,500
-72	ADMINISTRATIVE OVERHEAD		13,000	18,000
-99	FSHG TOOLS & EXPENSES			
-99	TESTING: BHP, GOR, 4 PT. POT			6,000
	ABANDONMENT COST		10,000	
	OTHER INTANGIBLES		17,000	19,000
0	CONTINGENCY (10%)		99,160	107,590
	TOTAL INTANGIBLES		1,090,760	1,183,490
	TOTAL COSTS		1,419,626	1,726,536

Drilling Dept:

Danyell Roberts

Date:

8/20/90

Operations Dept:

Robert Winkler

Date:

8/21/90

SFER Approval By:

Tom E. Shultz

Date:

8/21/90

Non Operator Approval By:

Date:

BEFORE EXAMINER CASE NO. 10049
OF CONSERVATION DIVISION
Santa Fe EXHIBIT NO. 3
CASE NO. 10049