



ANTA FE ENERGY RESOURCE INC.

GENERALIZED WELL COST ESTIMATE

WELL NAME	North Lusk Fed Com #1 Well	North Lusk
LOCATION	Section 23, T-18-S, R-31-E. Eddy Co. N.M.	7/21/98
DESCRIPTION	1650' FSL & 1980' FWL - Drill & Complete 12,000 Atoka/Morrow Well	

ACCOUNT	DESCRIPTION OF COSTS	DRY HOLE	PRODUCER
501-	TANGIBLE WELL COSTS		
501- 041	Conductor Csg 40' of 20"	5,000	5,000
501- 041	Surface Csg 13-3/8" 48.0 ppf H-40 ST&C @ 650'	12,032	12,032
501- 041	Protection Csg 8-5/8" 32.0 ppf K-55 ST&C @4,550'	57,330	57,330
501- 041	Intermediate Csg		
501- 041	Prod Csg 5-1/2" 17.0 ppf N-80 LT&C @12,000'		97,650
501- 041	Prod Liner		
501- 042	Tubing 2-3/8" 4.7 ppf N-80 8-rd EUE @12,000'		33,894
501- 043	Wellhead	7,500	12,500
501- 044	Pmpg Unit		
501- 045	Prime Mover		
501- 050	Other Dwn Hole Equip Packer		8,000
501- 050	Rods		
501- 050	Subsurface Pmps		
501- 055	Csg Equip	1,000	2,000
501- 055	Electrical		
501- 055	Misc. Tangibles		1,000
501- 055	Rod Equip		
501- 055	Tubing Equip		
	TOTAL TANGIBLE COSTS	82,862	229,406
541-	LEASE FACILITY COSTS		
541- 050	Flowlines		2,500
541- 050	Labor		10,000
541- 050	Other Prod Equip GPU		20,000
541- 050	Tank Facilities 1-210 bbl oil & 1-210 bbl water tank		10,000
	TOTAL LEASE FACILITY COSTS	0	42,500
511-	INTANGIBLE WELL COSTS		
511- 021	Location	25,000	25,000
511- 022	Fencing	1,000	1,000
511- 026	Drilling Water	25,000	25,000
511- 031	Contractor Moving Exp	25,000	25,000
511- 032	Cont Footage or Turnkey		
511- 032	Contractor Daywork 45 days @ \$5500/d	247,500	258,500
511- 033	Drlg Fluid & Additives	35,000	35,000
511- 034	Bits & Reamers	70,000	70,000
511- 036	Coring & Core Analyses		
511- 037	Cement	21,000	37,000
511- 039	Inspection & Tstg of Tang	3,500	7,500
511- 041	Directional Drlg Surveys		
511- 042	Drilling Equip Rental	15,000	15,000
511- 043	Open Hole Logging CNL/LDT/GR/DLL/MSFL	25,000	25,000
511- 044	Drill Stem Tstg 2 DST's, 1-Atoka & 1-Morrow	20,000	20,000
511- 045	Mud Logging	15,000	15,000
511- 051	Transportation	12,000	20,000
511- 052	Completion Unit		20,000
511- 053	Completion Tool Rental		8,000
511- 054	Cased Hole Logs & Perfing		10,000
511- 055	Stimulation		50,000
511- 056	Rigsite Supervision	20,000	30,000
511- 072	Administrative Overhead	7,500	7,500
511- 099	Fishing Tools & Exp		
511- 099	Testing: BHP, GOR, 4 Pt Pot		5,000
	Abandonment Cost	10,000	
	Other Intangibles Fuel 600g/d for 45 days @ \$0.55/g	14,850	14,850
0.1	0.1 Contingency (10%)	59,235	72,435
	TOTAL INTANGIBLES	651,585	796,785
	TOTAL COSTS	734,447	1,068,691

NEW MEXICO
 CONSERVATION DIVISION
 EXHIBIT
 CASE NO. 12091

OPERATION DEPT APPROVAL (Initials) 7/21/98 APPROVAL DATE <i>Michael K. Burton</i>	SFER APPROVAL APPROVAL DATE <i>[Signature]</i>
ENGINEERING DEPT APPROVAL (Initials) APPROVAL DATE <i>[Signature]</i> North Lusk	NON-OPERATOR APPROVAL APPROVAL DATE