RECEIVED NOV 1 3 2004

Drilling and Completion Cost Estimate BY:

San Juan Resources of Colorado **AUTHORITY FOR EXPENDITURE** 

Tecumseh #1E

Location: Section 18, S/2 T30N, R11W, San Juan Co., NM

Proposed Depth: 6750' 1470fsl, 1095fwl Objective: Mesaverde and Dakota, with completion in DK & MV

|  | with completion | OU IU DIV & MA |         |
|--|-----------------|----------------|---------|
|  | Tangible        | Intangible     | Total   |
| I. Drilling Costs( Include Running Casing)                               |                 |                |         |
| Survey and Permits   |                 | 1,000          | 1,000   |
| Drilling Title Opinion/Ownership Report/Curative Costs                   |                 | 10,000         | 10,000  |
| Damages  |                 | 5,000          | 5,000   |
| Dirt Work  |                 | 10,000         | 10,000  |
| Pit Liner and Fence  |                 | 1,000          | 1,000   |
| Drilling Daywork at \$8200/day   |                 | 90,200         | 90,200  |
| Rig Rentals  |                 | 16,000         | 16,000  |
| Drill Bits   |                 | 10,000         | 10,000  |
| Rig Mob and Demob  |                 | 8,000          | 8,000   |
| Water and Water Hauling  |                 | 15,000         | 15,000  |
| Drilling Mud, Air Pkg, and Nitrogen                                      |                 | 20,000         | 20,000  |
| Surface Casing (250' of 9-5/8" @ 20.36 \$/ft.)                           | 5,090           | ,              | 5,090   |
| Casing Head  | 10,000          |                | 10,000  |
| Cement Surface   | ,               | 3,500          | 3,500   |
| Logs   |                 | 5,000          | 5,000   |
| Mud Logger   |                 | 0              | 0,000   |
| Intermediate Casing (3625' of 7' @ 11.81 \$/ft.)                         | 42,811          | Ū              | 42.811  |
| Casing Crew  | ,               | 6,000          | 6,000   |
| Cement Intermediate  |                 | 11,000         | 11,000  |
| Miscellaneous  |                 | 6,000          | 6,000   |
| Trucking   |                 | 26,000         | 26,000  |
| Engineering/Supervision  |                 | 8,200          | 8,200   |
| Overhead   |                 | 1,670          | 1,670   |
| * Total Drilling Cost  | 57,901          | 253,570        | 311,471 |
|  |                 | 200,070        | 011,411 |
| 10% Contingency  | 5,790           | 25,357         | 31,147  |
| Grand Total Drilling Costs   | 63,691          | 278,927        | 342,618 |
| ***************************************                                  |                 |                |         |
| II. Completion Costs (as needed). Production Casing (6750' at \$6.86/ft) | 46,305          |                | 46,305  |
| Cement Production Casing   | ,               | 8,200          | 8,200   |
| Casing Crew  |                 | 4.000          | 4,000   |
| Tubing Head and Well Connection Fittings                                 | 600             | 4,000          | 600     |
| Tubing (6750' of 2-3/8" @ 3.29 \$/ft.)                                   | 22,208          |                |         |
| Perf   | . 22,200        | 44.000         | 22,208  |
|  |                 | 11,000         | 11,000  |
| Stimulation  |                 | 105,000        | 105,000 |
| Tool Rental (Frac Vaive)   |                 | 1,100          | 1,100   |
| Frac Tank Rental   |                 | 1,300          | 1,300   |
| Completion Fluids  |                 | 4,000          | 4,000   |
| Completion Rig (7 days at \$2100/day)                                    | 0.000           | 14,700         | 14,700  |
| Separator  | 6,900           |                | 6,900   |
| Flowlines and Install  | 2,000           | 4,650          | 6,650   |
| Tank and Fittings  | 12,900          |                | 12,900  |
| Trucking   |                 | 9 000          | B 000   |

| Engineering/Supervision Overhead Completion Costs | 100.913           | 2,000<br>1,670<br><b>177.120</b> | 2,000<br>1,670<br><b>278.033</b> |
|---|-------------------|----------------------------------|----------------------------------|
| 10% Contingency Total Completion Costs            | 10,091<br>111.004 | 17,712<br>17,712<br>194.832      | 27,803<br>305,836                |
| Grand Total Well Costs                            | 174,695           | 473,759                          | 648,454                          |

Prepared By: Paul C. Thompson, P.E.

Date: Sept 21, 2004

Trucking

Pipelines/gathering Lines

Engineering/Supervision

Restore Location

Working Interest Owner Burlington Res. O&G Co.

9.60529% \$62,285.93 ESTIMATED COSTS ONLY--Each participating Owner to pay Proportionate Share of Actual Well Costs Subject to Operating Agreement

8.000

10,000

1.500

10,000

8,000

20,000

1,500

**Burlington Resources Oil & Gas Company LP** 

Ben Malone, Sr. Landman

OIL CONSERVATION NO. - ON Case No. 1339 / Exhibit No. - ON Case Case No. 13391 Exhibit No. - \\
Case No. 13391 Exhibit No. - \\
Submitted By:
Submitted By:
San Juan Date: January
Hearing Date:

### **Drilling and Completion Cost Estimate**

#### San Juan Resources of Colorado AUTHORITY FOR EXPENDITURE

Tecumseh #1E

Location: Section 18, S/2 T30N, R11W, San Juan Co., NM

Proposed Depth: 6750' 1470fsl, 1095fwl Objective: Mesaverde and Dakota,

| • • • • • • • • • • • • • • • • • • •                  | with completi                          | ion in DK & MV | 1       |                           |              |
|--|--|----------------|---------|---------------------------|--------------|
|  | Tangible                               |                | Total   |                           |              |
| . Drilling Costs( Include Running Casing)              |  |                |         |                           |              |
| Survey and Permits                                     |  | 1,000          | 1,000   |                           |              |
| Drilling Title Opinion/Ownership Report/Curative Costs |  | 10,000         | 10,000  |                           |              |
| Damages  |  | 5,000          | 5,000   |                           |              |
| Dirt Work  |  | 10,000         | 10,000  |                           |              |
| Pit Liner and Fence                                    |  | 1,000          | 1,000   |                           |              |
| Drilling Daywork at \$8200/day                         |  | 90,200         | 90,200  |                           |              |
| Rig Rentals  | •                                      | 16,000         | 16,000  |                           |              |
| Drill Bits   |  | 10,000         | 10,000  |                           |              |
| Rig Mob and Demob                                      |  | 8,000          | 8,000   |                           |              |
| Water and Water Hauling                                |  | 15,000         | 15,000  |                           |              |
| Drilling Mud, Air Pkg, and Nitrogen                    |  | 20,000         | 20,000  |                           |              |
| Surface Casing (250' of 9-5/8" @ 20.36 \$/ft.)         | 5,090                                  | 20,000         | 5,090   |                           |              |
|  |  |                |         |                           |              |
| Casing Head  | 10,000                                 | 2.500          | 10,000  |                           |              |
| Cement Surface   |  | 3,500          | 3,500   |                           |              |
| Logs   |  | 5,000          | 5,000   |                           |              |
| Mud Logger   |  | 0              | 0       |                           |              |
| Intermediate Casing (3625' of 7' @ 11.81 \$/ft.)       | 42,811                                 |                | 42,811  |                           |              |
| Casing Crew  | *                                      | 6,000          | 6,000   |                           |              |
| Cement Intermediate                                    |  | 11,000         | 11,000  |                           |              |
| Miscellaneous  | ,                                      | 6,000          | 6,000   |                           |              |
| Trucking   |  | 26,000         | 26,000  |                           |              |
| Engineering/Supervision                                |  | 8,200          | 8,200   | * * * * *                 |              |
| Overhead   |  | 1,670          | 1,670   |                           |              |
| Total Drilling Cost                                    | 57,901                                 | 253,570        | 311,471 | His raidings              | 7,44         |
|  |  | 200,0.0        | 0       |                           |              |
| 10% Contingency  | 5,790                                  | 25,357         | 31,147  | 100                       |              |
| Grand Total Drilling Costs                             | 63,691                                 | 278,927        | 342,618 | الأعطانية والمناف المادور | g the war is |
|  |  |                |         |                           |              |
| II. Completion Costs (as needed).                      |  |                |         |                           |              |
| Production Casing (6750' at \$6.86/ft)                 | 46,305                                 |                | 46,305  | en kakaten men            | 8 L N L      |
| Cement Production Casing                               | •                                      | 8,200          | 8,200   | *                         |              |
| Casing Crew  |  | 4,000          | 4,000   |                           |              |
| •  | 600                                    | 4,000          |         |                           |              |
| Tubing Head and Well Connection Fittings               | 600                                    |                | 600     |                           |              |
| Tubing (6750' of 2-3/8" @ 3.29 \$/ft.)                 | 22,208                                 |                | 22,208  |                           |              |
| Perf   |  | 11,000         | 11,000  |                           |              |
| Stimulation  |  | 105,000        | 105,000 |                           |              |
| Tool Rental (Frac Valve)                               |  | 1,100          | 1,100   |                           |              |
| Frac Tank Rental                                       | 44 4 4                                 | 1,300          | 1,300   |                           |              |
| Completion Fluids                                      |  | 4,000          | 4,000   |                           |              |
| Completion Rig (7 days at \$2100/day)                  | A 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | 14,700         | 14,700  |                           |              |
| Separator  | 6,900                                  |                | 6,900   | •                         |              |
| Flowlines and Install                                  | 2,000                                  | 4,650          | 6,650   |                           |              |
| Tank and Fittings                                      | 12,900                                 | .,             | 12,900  |                           |              |
| Trucking   | ,                                      | 8,000          | 8,000   |                           |              |
| Pipelines/gathering Lines                              | 10,000                                 | 10,000         | 20,000  |                           |              |
| Restore Location                                       | 10,000                                 | 1,500          | 1,500   |                           |              |
|  |  | •              | **      |                           |              |
| Engineering/Supervision                                |  | 2,000          | 2,000   |                           |              |
| Overhead Completion Conta                              | 100.040                                | 1,670          | 1,670   |                           |              |
| Completion Costs                                       | 100,913                                | 177,120        | 278,033 |                           |              |
| 10% Contingency  | 10,091                                 | 17 710         | 27 802  |                           |              |
| Total Completion Costs                                 |  | 17,712         | 27,803  |                           |              |
| Total Completion Costs                                 | 111,004                                | 194,832        | 305,836 |                           |              |

Prepared By: Paul C. Thompson, P.E.

Grand Total Well Costs

Date: Sept 21, 2004

Working Interest Owner Hartman O&G LLC

1.89588% \$12,293.92 ESTIMATED COSTS ONLY-Each participating Owner to pay Proportionate Share of Actual Well Costs Subject to Operating Agreement

473,759

174,695

Z-114 Title: Managing Member

file Tee # 1E Hartman fale

648,454

### **Drilling and Completion Cost Estimate**

#### San Juan Resources of Colorado AUTHORITY FOR EXPENDITURE

Tecumseh #1E

18 S/2T20N B11W San In

|  | with combien             | on in DK & M\            | <i>'</i>                 |
|--|--------------------------|--------------------------|--------------------------|
|  | Tangible                 | Intangible               | Total                    |
| I. Drilling Costs( Include Running Casing)               |                          |                          |                          |
| Survey and Permits                                       |                          | 1,000                    | 1,000                    |
| Drilling Title Opinion/Ownership Report/Curative Costs   |                          | 10,000                   | 10,000                   |
| Damages  |                          | 5,000                    | 5,000                    |
| Dirt Work  |                          | 10,000                   | 10,000                   |
| Pit Liner and Fence                                      |                          | 1,000                    | 1,000                    |
| Drilling Daywork at \$8200/day                           |                          | 90,200                   | 90,200                   |
| Rig Rentals  |                          | 16,000                   | 16,000                   |
| Drill Bits   |                          | 10,000                   | 10,000                   |
| Rig Mob and Demob  |                          | 8,000                    | 8,000                    |
| Water and Water Hauling                                  |                          | 15,000                   | 15,000                   |
| Drilling Mud, Air Pkg , and Nitrogen                     |                          | 20,000                   | 20,000                   |
| Surface Casing (250' of 9-5/8" @ 20.36 \$/ft.)           | 5,090                    | ,                        | 5,090                    |
| Casing Head  | 10,000                   |                          | 10,000                   |
| Cement Surface   | .0,000                   | 3,500                    | 3,500                    |
| Logs   |                          | 5,000                    | 5,000                    |
| Mud Logger   |                          | 0,000                    | 3,000                    |
| Intermediate Casing (3625' of 7' @ 11.81 \$/ft.)         | 42,811                   | U                        | 42,811                   |
| Casing Crew  | 72,011                   | 6,000                    | 6,000                    |
| Cement Intermediate                                      |                          | 11,000                   | 11,000                   |
| Miscellaneous  |                          | 6,000                    |                          |
| Trucking   |                          |                          | 6,000                    |
|  |                          | 26,000                   | 26,000                   |
| Engineering/Supervision                                  |                          | 8,200                    | 8,200                    |
| Overhead State Political Cont                            | 57.004                   | 1,670                    |                          |
| Total Drilling Cost                                      | 57,901                   | 253,570                  | 311,471                  |
| 10% Contingency  | 5.790                    | 25,357                   | 0<br>31.147              |
| Grand Total Drilling Costs                               | 63,691                   | 278,927                  | 342,618                  |
| il. Completion Costs (as needed).                        |                          |                          |                          |
| Production Casing (6750' at \$6.86/ft)                   | 46,305                   |                          | 46,305                   |
| Cement Production Casing                                 | •                        | 8,200                    | 8,200                    |
| Casing Crew  |                          | 4,000                    | 4,000                    |
| Tubing Head and Well Connection Fittings                 | 600                      | 1,000                    | 600                      |
| Tubing (6750' of 2-3/8" @ 3.29 \$/ft.)                   | 22,208                   |                          | 22,208                   |
| Perf   | 22,200                   | 11,000                   | 11,000                   |
| Stimulation  |                          | 105,000                  | 105,000                  |
| Tool Rental (Frac Valve)                                 |                          | 1,100                    | 1,100                    |
| Frac Tank Rental   |                          | 1,100                    | 1,100                    |
| Completion Fluids  |                          | 4,000                    |                          |
| Completion Fluids  Completion Rig (7 days at \$2100/day) |                          |                          | 4,000                    |
| Separator  | 6,900                    | 14,700                   | 14,700                   |
| Separator<br>Flowlines and Install                       | 2.000                    | A SEC                    | 6,900                    |
| Tank and Fittings  | 12,900                   | 4,650                    | 6,650                    |
|  | 12,900                   | 0.000                    | 12,900                   |
| Trucking   | 40.000                   | 8,000                    | 8,000                    |
| Pipelines/gathering Lines                                | 10,000                   | 10,000                   | 20,000                   |
| Restore Location   |                          | 1,500                    | 1,500                    |
| Engineering/Supervision                                  |                          | 2,000                    | 2,000                    |
| Overhead   |                          | 1,670                    | 1,670                    |
| Completion Costs   | 100,913                  | 177,120                  | 278,033                  |
|  |                          |                          |                          |
| 100/ Cantingana  | 40.001                   | 47 740                   |                          |
| 10% Contingency Total Completion Costs                   | 10,091<br><b>111,004</b> | 17,712<br><b>194,832</b> | 27,803<br><b>305,836</b> |

Prepared By: Paul C. Thompson, P.E. Date: Sept 21, 2004

**Grand Total Well Costs** 

Working Interest Owner Maralex Resources

5.07656% \$32,919.18

ESTIMATED COSTS ONLY-Each participating Owner to pay Proportionate Share of Actual Well Costs Subject to Operating Agreement

473,759

648,454

174,695

Title: Président

### **Drilling and Completion Cost Estimate**

# San Juan Resources of Colorado AUTHORITY FOR EXPENDITURE

Tecumseh #1E

Location: Section 18, S/2 T30N, R11W, San Juan Co., NM

Proposed Depth: 6750' NW/4SW/4 Objective: Mesaverde and Dakota, with completion in DK & MV

|  | With Completic | אט חו חו   | <u> </u> |
|--|----------------|------------|----------|
|  | Tangible       | Intangible | Total    |
| I. Drilling Costs( Include Running Casing)             |                |            |          |
| Survey and Permits                                     |                | 1,000      | 1,000    |
| Drilling Title Opinion/Ownership Report/Curative Costs |                | 10,000     | 10,000   |
| Damages  |                | 5,000      | 5,000    |
| Dirt Work  |                | 10,000     | 10,000   |
| Pit Liner and Fence                                    |                | 1,000      | 1,000    |
| Drilling Daywork at \$8200/day                         |                | 90,200     | 90,200   |
| Rig Rentals  |                | 16,000     | 16,000   |
| Drill Bits   |                | 10,000     | 10,000   |
| Rig Mob and Demob                                      |                | 8,000      | 8,000    |
| Water and Water Hauling                                |                | 15,000     | 15,000   |
| Drilling Mud, Air Pkg, and Nitrogen                    |                | 20,000     | 20,000   |
| Surface Casing (250' of 9-5/8" @ 20.36 \$/ft.)         | 5,090          |            | 5,090    |
| Casing Head  | 10,000         |            | 10,000   |
| Cement Surface   |                | 3,500      | 3,500    |
| Logs   |                | 5,000      | 5,000    |
| Mud Logger   |                | 0          | 0        |
| Intermediate Casing (3625' of 7' @ 11.81 \$/ft.)       | 42,811         |            | 42,811   |
| Casing Crew  |                | 6,000      | 6,000    |
| Cement Intermediate                                    |                | 11,000     | 11,000   |
| Miscellaneous  |                | 6,000      | 6,000    |
| Trucking   |                | 26,000     | 26,000   |
| . Engineering/Supervision                              |                | 8,200      | 8,200    |
| Overhead   |                | 1,670      | 1,670    |
| Total Drilling Cost                                    | 57,901         | 253,570    | 311,471  |
| •  |                |            | 0        |
| . 10% Contingency                                      | 5,790          | 25,357     | 31,147-  |
| Grand Total Drilling Costs                             | 63.691         | 278,927    | 342,618  |

| 174,695 | 473,759   | 648,454   |
|---------|---|---|
| 111,004 | 194,832   | 305,836   |
| 10,091  | 17,712  | 27,803  |
| 100,913 | 177,120   | 278,033   |
|         |   | 1,670   |
|         | •   | 2,000   |
|         | •   | 1,500   |
| 10,000  | 10,000  | 20,000  |
|         | 8,000   | 8,000   |
| 12,900  |   | 12,900  |
| 2,000   | 4,650   | 6,650   |
| 6,900   |   | 6,900   |
|         | 14,700  | 14,700  |
|         | 4,000   | 4,000   |
|         | 1,300   | 1,300   |
|         | 1,100   | 1,100   |
|         | 105,000   | 105,000   |
|         | 11.000  | 11,000  |
|         |   | 22.208  |
| 600     | .,000   | 600   |
|         |   | 4.000   |
|         | 8 200   | 8,200   |
| 46.305  |   | 46,305  |
|         | 2,000<br>12,900<br>10,000<br>100,913<br>10,091<br>111,004 | 8,200 4,000 600 22,208  11,000 105,000 1,100 1,300 4,000 14,700 6,900 2,000 12,900 8,000 10,000 10,000 1,500 2,000 1,670 100,913 177,120  10,091 17,712 111,004 194,832 |

| Prepared | By: Paul ( | C. Thompson, | P.E |
|----------|------------|--------------|-----|
|          |            |              |     |

Date: Sept 21, 2004

Working Interest Owner 1.02587% Leonard Mosley et ux \$6,652.30

ESTIMATED COSTS ONLY—Each participating Owner to pay Proportionate Share of Actual Well Costs Subject to Operating Agreement

| By:    |  |  |
|--------|--|--|
| Title: |  |  |

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BY:\_

WALSH ENGINEERING & PRODUCTION CORP.

### **Drilling and Completion Cost Estimate**

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# San Juan Resources of Colorado AUTHORITY FOR EXPENDITURE

Tecumseh #1E

Location: Section 18, S/2 T30N, R11W, San Juan Co., NM

Proposed Depth: 6750' 1470fsl, 1095fwl Objective: Mesaverde and Dakota,

|   | with completion                          | on in DK & MV |                 |
|---|--|---------------|-----------------|
|   | Tangible                                 | Intangible    | Total           |
| I. Drilling Costs( Include Running Casing)  |  |               |                 |
| Survey and Permits  |  | 1,000         | 1,000           |
| Drilling Title Opinion/Ownership Report/Curative Costs                              |  | 10,000        | 10,000          |
| Damages   |  | 5,000         | 5,000           |
| Dirt Work   |  | 10,000        | 10,000          |
| Pit Liner and Fence   |  | 1,000         | 1,000           |
| Drilling Daywork at \$8200/day  |  | 90,200        | 90,200          |
| Rig Rentals   |  | 16,000        | 16,000          |
| Drill Bits  |  | 10,000        | 10,000          |
| Rig Mob and Demob   |  | 8,000         | 8,000           |
| Water and Water Hauling   |  | 15,000        | 15,000          |
| Drilling Mud, Air Pkg , and Nitrogen Surface Casing (250' of 9-5/8" @ 20.36 \$/ft.) | 5,090                                    | 20,000        | 20,000          |
| Casing Head   | 10,000                                   |               | 5,090<br>10,000 |
| Cement Surface  | 10,000                                   | 3,500         | 3,500           |
| Logs  |  | 5,000         | 5,000           |
| Mud Logger  |  | 0,000         | 0,000           |
| Intermediate Casing (3625' of 7' @ 11.81 \$/ft.)                                    | 42,811                                   | Ū             | 42,811          |
| Casing Crew   | ,  | 6,000         | 6,000           |
| Cement Intermediate   |  | 11,000        | 11,000          |
| Miscellaneous   |  | 6,000         | 6,000           |
| Trucking  |  | 26,000        | 26,000          |
| Engineering/Supervision   |  | 8,200         | 8,200           |
| Overhead ::   |  | 1,670         | 1,670           |
| Total Drilling Cost   | 57,901                                   | 253,570       | 311,471         |
|   |  |               | 0               |
| 10% Contingency   | 5,790                                    | 25,357        | 31,147          |
| Grand Total Drilling Costs  | 63,691                                   | 278,927       | 342,618         |
|   |  |               |                 |
| II. Completion Costs (as needed).   |  |               |                 |
| Production Casing (6750' at \$6.86/ft)  | 46.305                                   |               | 46 206          |
| Cement Production Casing  | 40,303                                   | 8,200         | 46,305          |
| Casing Crew   |  | 4,000         | 8,200<br>4,000  |
| Tubing Head and Well Connection Fittings  | 600                                      | 4,000         | •               |
| Tubing (6750' of 2-3/8" @ 3.29 \$/ft.)  | 22,208                                   |               | 600<br>22,208   |
| Perf  | , 22,200                                 | 11,000        | 11,000          |
| Stimulation   |  | 105,000       | 105,000         |
| Tool Rental (Frac Valve)  |  | 1,100         | 1,100           |
| Frac Tank Rental  |  | 1,300         | 1,300           |
| Completion Fluids   | 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1 |               | 4,000           |
| Completion Rig (7 days at \$2100/day)   | Section 1985                             | 14,700        | 14,700          |
| Separator   | 6,900                                    |               | 6,900           |
| Flowlines and Install   | 2,000                                    | 4,650         | 6,650           |
| Tank and Fittings   | 12,900                                   |               | 12,900          |
| Trucking  |  | 8,000         | 8,000           |
| Pipelines/gathering Lines   | 10,000                                   | 10,000        | 20,000          |
| Restore Location  |  | 1,500         | 1,500           |
| Engineering/Supervision   |  | 2,000         | 2,000           |
| Overhead  |  | 1,670         | 1,670           |
| Completion Costs  | 100,913                                  | 177,120       | 278,033         |
| 100/ 0  | 40.625                                   | 4 746         | -2.05           |
| 10% Contingency   | 10,091                                   | 17,712        | 27,803          |
| Total Completion Costs  | 111,004                                  | 194,832       | 305,836         |
| Grand Total Well Costs  | 174 605                                  | 472 750       | C40 4F4         |
| Gigily Iolai Heli Costs   | 174,695                                  | 473,759       | 648,454         |

Prepared By: Paul C. Thompson, P.E.

Date: Sept 21, 2004

Working Interest Owner George Mosley et ux

1.02587% \$6,652.30 ESTIMATED COSTS ONLY—Each participating Owner to pay Proportionate Share of Actual Well Costs Subject to Operating Agreement

By: Survey a Masky Title: Ourness

#### **Drilling and Completion Cost Estimate**

#### San Juan Resources of Colorado AUTHORITY FOR EXPENDITURE

Tecumseh #1E

Location: Section 18, S/2 T30N, R11W, San Juan Co., NM

Proposed Depth: 6750' 1470fsl, 1095fwl Objective: Mesaverde and Dakota,

|   | with completi- | on in DK & MV  |                          |
|---|----------------|----------------|--------------------------|
|   | Tangible       | Intangible     | Total                    |
| I. Drilling Costs( Include Running Casing)  | •              |                |                          |
| Survey and Permits  |                | 1,000          | 1,000                    |
| Drilling Title Opinion/Ownership Report/Curative Costs  |                | 10,000         | 10,000                   |
| Damages   |                | 5,000          | 5,000                    |
| Dirt Work   |                | 10,000         | 10,000                   |
| Pit Liner and Fence   | •              | 1,000          | 1,000                    |
| Drilling Daywork at \$8200/day  |                | 90,200         | 90,200                   |
| Rig Rentals   |                | 16,000         | 16,000                   |
| Drill Bits  |                | 10,000         | 10,000                   |
| Rig Mob and Demob   |                | 8,000          | 8,000                    |
| Water and Water Hauling   |                | 15,000         | 15,000                   |
| Drilling Mud, Air Pkg, and Nitrogen   |                | 20,000         | 20,000                   |
| Surface Casing (250' of 9-5/8" @ 20.36 \$/ft.)  | 5,090          |                | 5,090                    |
| Casing Head   | 10,000         |                | 10,000                   |
| Cement Surface  | ,.             | 3,500          | 3,500                    |
| Logs  |                | 5,000          | 5,000                    |
| Mud Logger  |                | 0              | 0,555                    |
| Intermediate Casing (3625' of 7' @ 11.81 \$/ft.)  | 42,811         | ·              | 42,811                   |
| Casing Crew   | 72,011         | 6,000          | 6,000                    |
| Cement Intermediate   |                | 11,000         | 11,000                   |
| Miscellaneous   |                | 6,000          | 6,000                    |
|   |                | 26,000         | 26,000                   |
| Trucking  |                | 8,200          | 8,200                    |
| Engineering/Supervision   |                | 1,670          |                          |
| Overhead :  | 57,901         | -              | 1,670                    |
| Total Drilling Cost   |                | 253,570        | 311,471                  |
| 100/ Contingency  | 5,790          | 25,357         | 0<br>31,147              |
| 10% Contingency Grand Total Drilling Costs  | 63,691         | 278,927        | 342,618                  |
| II. Completion Costs (as needed). Production Casing (6750' at \$6.86/ft) Cement Production Casing Casing Crew | 46,305         | 8,200<br>4,000 | 46,305<br>8,200<br>4,000 |
| Tubing Head and Well Connection Fittings  | 600            |                | 600                      |
| Tubing (6750' of 2-3/8" @ 3.29 \$/ft.)  | 22,208         |                | 22,208                   |
| Perf  | •              | 11,000         | 11,000                   |
| Stimulation   |                | 105,000        | 105,000                  |
| Tool Rental (Frac Valve)  |                | 1,100          | 1,100                    |
| Frac Tank Rental  |                | 1,300          | 1,300                    |
| Completion Fluids   |                | 4,000          | 4,000                    |
| Completion Rig (7 days at \$2100/day)   |                | 14,700         | 14,700                   |
| Separator   | 6,900          |                | 6,900                    |
| Flowlines and Install   | 2,000          | 4,650          | 6,650                    |
| Tank and Fittings   | 12,900         |                | 12,900                   |
| Trucking  |                | 8,000          | 8,000                    |
| Pipelines/gathering Lines   | 10,000         | 10,000         | 20,000                   |
| Restore Location  | ٠.             | 1,500          | 1,500                    |
| Engineering/Supervision   |                | 2,000          | 2,000                    |
| Overhead  |                | 1,670          | 1,670                    |
| Completion Costs  | 100,913        | 177,120        | 278,033                  |
|   |                |                |                          |
| 10% Contingency   | 10,091         | 17,712         | 27,803                   |
| Total Completion Costs  | 111,004        | 194,832        | 305,836                  |
| Grand Total Well Costs  | 174,695        | 473,759        | 648,454                  |
|   |                | 7.0,700        | 2-3,704                  |

Prepared By: Paul C. Thompson, P.E.

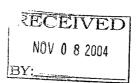
Date: Sept 21, 2004

Working Interest Owner Mary Mosley

1.02587% \$6,652.30

ESTIMATED COSTS ONLY--Each participating Owner to pay Proportionate Share of Actual Well Costs Subject to Operating Agreement

Mary Greendolyn Mosley : therest owner by will be buying in.



### **Drilling and Completion Cost Estimate**

# San Juan Resources of Colorado AUTHORITY FOR EXPENDITURE

Tecumseh #1E

Location: Section 18, S/2 T30N, R11W, San Juan Co., NM

Proposed Depth: 6750' 1470fsl, 1095fwl Objective: Mesaverde and Dakota,

|  | with completion | on in DK & MV |                          |
|--|-----------------|---------------|--------------------------|
|  | Tangible        | Intangible    | Tota                     |
| I. Drilling Costs( Include Running Casing)             |                 |               |                          |
| Survey and Permits                                     |                 | 1,000         | 1,000                    |
| Drilling Title Opinion/Ownership Report/Curative Costs |                 | 10,000        | 10,000                   |
| Damages  |                 | 5,000         | 5,000                    |
| Dirt Work  |                 | 10,000        | 10,000                   |
| Pit Liner and Fence                                    |                 | 1,000         | 1,000                    |
| Drilling Daywork at \$8200/day                         |                 | 90,200        | 90,200                   |
| Rig Rentals  |                 | 16,000        | 16,000                   |
| Drill Bits   |                 | 10,000        | 10,000                   |
| Rig Mob and Demob                                      |                 | 8,000         | 8,000                    |
| Water and Water Hauling                                |                 | 15,000        | 15,000                   |
| Drilling Mud, Air Pkg , and Nitrogen                   |                 | 20,000        | , 20,000                 |
| Surface Casing (250' of 9-5/8" @ 20.36 \$/ft.)         | 5,090           |               | 5,090                    |
| Casing Head  | 10,000          |               | 10,000                   |
| Cement Surface   |                 | 3,500         | 3,500                    |
| Logs   |                 | 5,000         | 5,000                    |
| Mud Logger   |                 | 0             | C                        |
| Intermediate Casing (3625' of 7' @ 11.81 \$/ft.)       | 42,811          |               | 42,811                   |
| Casing Crew  |                 | 6,000         | 6,000                    |
| Cement Intermediate                                    |                 | 11,000        | 11,000                   |
| Miscellaneous  |                 | 6,000         | 6,000                    |
| Trucking   |                 | 26,000        | 26,000                   |
| Engineering/Supervision                                |                 | 8,200         | 8,200                    |
| Overhead:  |                 | 1,670         | 1,670                    |
| Total Drilling Cost                                    | 57,901          | 253,570       | 311,471                  |
| 40% 0  |                 |               |                          |
| 10% Contingency  | 5,790           | 25,357        | 31,147                   |
| Grand Total Drilling Costs                             | 63,691          | 278,927       | 342,618                  |
|  |                 |               |                          |
| II. Completion Costs (as needed).                      |                 |               |                          |
| Production Casing (6750' at \$6.86/ft)                 | 46,305          |               | 46,305                   |
| Cement Production Casing                               | .0,000          | 8,200         | 8,200                    |
| Casing Crew  |                 | 4,000         | 4,000                    |
| Tubing Head and Well Connection Fittings               | 600             | 4,000         | 4,000                    |
| Tubing (6750' of 2-3/8" @ 3.29 \$/ft.)                 | 22,208          |               | 22,208                   |
| Perf   | 22,200          | 11,000        | 11,000                   |
| Stimulation  |                 |               |                          |
| Tool Rental (Frac Valve)                               |                 | 105,000       | 105,000                  |
| Frac Tank Rental                                       |                 | 1,100         | 1,100                    |
|  |                 | 1,300         | 1,300                    |
| Completion Fluids                                      |                 | 4,000         | 4,000                    |
| Completion Rig (7 days at \$2100/day)                  | C 000           | 14,700        | 14,700                   |
| Separator  | 6,900           | 4.050         | 6,900                    |
| Flowlines and Install                                  | 2,000           | 4,650         | 6,650                    |
| Tank and Fittings                                      | 12,900          |               | 12,900                   |
| Trucking   | 40.000          | 8,000         | 8,000                    |
| Pipelines/gathering Lines                              | 10,000          | 10,000        | 20,000                   |
| Restore Location                                       |                 | 1,500         | 1,500                    |
| Engineering/Supervision                                |                 | 2,000         | 2,000                    |
| Overhead Completion Costs                              | 400.040         | 1,670         | 1,670                    |
| Completion Costs                                       | 100,913         | 177,120       | 278,033                  |
| 10% Contingency  | 10,091          | 17,712        | מחב דכ                   |
| Total Completion Costs                                 | 111,004         | 194,832       | 27,803<br><b>305,836</b> |
|  |                 |               | 000,000                  |

Prepared By: Paul C. Thompson, P.E. Date: Sept 21, 2004

**Grand Total Well Costs** 

Working Interest Owner Bob L. Mosley 1.02587% \$6,652.30 ESTIMATED COSTS ONLY-Each participating Owner to pay Proportionate Share of Actual Well Costs Subject to Operating Agreement

473,759

648,454

174,695

By: Bob & Modey
Title: Wasting Tutteres Townson

NOV 0 8 2004

Total

# WALSHENGINEERING & PRODUCTION CORP.

### **Drilling and Completion Cost Estimate**

Tangible Intangible

## San Juan Resources of Colorado AUTHORITY FOR EXPENDITURE

Tecumseh #1E

Location: Section 18, S/2 T30N, R11W, San Juan Co., NM

Proposed Depth: 6750' 1470fsl, 1095fwl Objective: Mesaverde and Dakota, with completion in DK & MV

|  | Tangible | Intangible                              | Total   |
|--|----------|---|---------|
| I. Drilling Costs( Include Running Casing)             |          |   |         |
| Survey and Permits                                     |          | 1,000                                   | 1,000   |
| Drilling Title Opinion/Ownership Report/Curative Costs |          | 10,000                                  | 10,000  |
| Damages  |          | 5,000                                   | 5,000   |
| Dirt Work  |          | 10,000                                  | 10,000  |
| Pit Liner and Fence                                    |          | 1,000                                   | 1,000   |
| Drilling Daywork at \$8200/day                         |          | 90,200                                  | 90.200  |
| Rig Rentals  |          | 16,000                                  | 16,000  |
| Drill Bits   |          | 10,000                                  | 10,000  |
| Rig Mob and Demob                                      |          | 8,000                                   | 8,000   |
| Water and Water Hauling                                |          | 15,000                                  | 15,000  |
| Drilling Mud, Air Pkg , and Nitrogen                   |          | 20,000                                  | 20,000  |
| Surface Casing (250' of 9-5/8" @ 20.36 \$/ft.)         | 5,090    | ,                                       | 5,090   |
| Casing Head  | 10,000   |   | 10,000  |
| Cement Surface   |          | 3,500                                   | 3,500   |
| Logs   |          | 5,000                                   | 5,000   |
| Mud Logger   |          | 0                                       | 0       |
| Intermediate Casing (3625' of 7' @ 11.81 \$/ft.)       | 42,811   | •                                       | 42,811  |
| Casing Crew  | ,        | 6,000                                   | 6,000   |
| Cement Intermediate                                    |          | 11,000                                  | 11,000  |
| Miscellaneous  |          | 6,000                                   | 6,000   |
| Trucking   |          | 26,000                                  | 26,000  |
| Engineering/Supervision                                |          | 8,200                                   | 8,200   |
| Overhead   |          | 1,670                                   | 1,670   |
| Total Drilling Cost                                    | 57,901   | 253,570                                 | 311,471 |
| Total Diffing Cook                                     |          | 200,070                                 | 0       |
| 10% Contingency  | 5,790    | 25,357                                  | 31,147  |
| Grand Total Drilling Costs                             | 63,691   | 278,927                                 | 342,618 |
|  |          | *************************************** |         |
|  |          |   |         |
| II. Completion Costs (as needed).                      |          |   |         |
| Production Casing (6750' at \$6.86/ft)                 | 46,305   |   | 46,305  |
| Cement Production Casing                               |          | 8,200                                   | 8,200   |
| Casing Crew  |          | 4,000                                   | 4,000   |
| Tubing Head and Well Connection Fittings               | 600      |   | 600     |
| Tubing (6750' of 2-3/8" @ 3.29 \$/ft.)                 | 22,208   |   | 22,208  |
| Perf   | ·        | 11,000                                  | 11,000  |
| Stimulation  |          | 105,000                                 | 105,000 |
| Tool Rental (Frac Valve)                               |          | 1,100                                   | 1,100   |
| Frac Tank Rental                                       |          | 1,300                                   | 1,300   |
| Completion Fluids                                      |          | 4,000                                   | 4,000   |
| Completion Rig (7 days at \$2100/day)                  |          | 14,700                                  | 14,700  |
| Separator  | 6,900    | 14,100                                  | 6,900   |
| Flowlines and Install                                  | 2,000    | 4,650                                   | 6,650   |
| Tank and Fittings                                      | 12,900   | 7,000                                   | 12,900  |
| Trucking   | 12,300   | 8,000                                   | 8,000   |
| Pipelines/gathering Lines                              | 10,000   | 10,000                                  | 20,000  |
| Restore Location                                       | 10,000   | 1,500                                   | 1,500   |
| Engineering/Supervision                                |          | 2,000                                   | 2,000   |
| Overhead   |          | 1,670                                   | 1,670   |
| Completion Costs                                       | 400.042  | 1,070                                   | 1,070   |

Prepared By: Paul C. Thompson, P.E. Date: Sept 21, 2004

**Completion Costs** 

10% Contingency

**Total Completion Costs** 

**Grand Total Well Costs** 

Working Interest Owner Betty Neims 1.02587% \$6,652.30 ESTIMATED COSTS ONLY—Each participating Owner to pay Proportionate Share of Actual Well Costs Subject to Operating Agreement

177,120

17,712

194,832

473,759

278,033

27,803

305,836

648,454

100,913

10,091

111,004

174,695

By After J. Telme 11/04/04 Title: Jakking Interest Owner

### **Drilling and Completion Cost Estimate**

#### San Juan Resources of Colorado AUTHORITY FOR EXPENDITURE

Tecumseh #1E

Location: Section 18, S/2 T30N, R11W, San Juan Co., NM

Objective: Mesaverde and Dakota, Proposed Depth: 6750' 1470fsl, 1095fwl

|  | with completion in DK & MV |                |        |
|--|----------------------------|----------------|--------|
|  | Tangible                   | Intangible     | Tota   |
| I. Drilling Costs( Include Running Casing)             |                            |                |        |
| Survey and Permits                                     |                            | 1,000          | 1,00   |
| Orilling Title Opinion/Ownership Report/Curative Costs |                            | 10,000         | 10,000 |
| Damages  |                            | 5,000          | 5,00   |
| Dirt Work  |                            | 10,000         | 10,00  |
| Pit Liner and Fence                                    |                            | 1,000          | 1,00   |
| Drilling Daywork at \$8200/day                         |                            | 90,200         | 90,20  |
| Rig Rentals  |                            | 16,000         | 16,00  |
| Orill Bits   |                            | 10,000         | 10,00  |
| Rig Mob and Demob                                      |                            | 8,000          | 8,00   |
| Water and Water Hauling                                | •                          | 15,000         | 15,00  |
| Drilling Mud, Air Pkg , and Nitrogen                   | £ 000                      | 20,000         | 20,00  |
| Surface Casing (250' of 9-5/8" @ 20.36 \$/ft.)         | 5,090                      |                | 5,09   |
| Casing Head<br>Cement Surface                          | 10,000                     | 3 500          | 10,00  |
| Logs   |                            | 3,500<br>5,000 | 3,50   |
| Logs<br>Mud Logger .                                   |                            | 5,000          | 5,00   |
| ntermediate Casing (3625' of 7' @ 11.81 \$/ft.)        | 42,811                     | υ              | 42,81  |
| Casing Crew  | 42,0!!                     | 6,000          | 6,00   |
| Cement Intermediate                                    |                            | 11,000         | 11,00  |
| Miscellaneous  | •                          | 6,000          | 6,00   |
| Frucking   |                            | 26,000         | 26,00  |
| Engineering/Supervision                                |                            | 8,200          | 8,20   |
| Dverhead   |                            | 1,670          | 1,67   |
| Total Drilling Cost                                    | 57,901                     | 253,570        | 311,47 |
| .,,  |                            |                |        |
| 10% Contingency  | 5,790                      | 25,357         | 31,14  |
| Grand Total Drilling Costs                             | 63,691                     | 278,927        | 342,61 |
|  |                            |                |        |
| I. Completion Costs (as needed).                       |                            |                |        |
| Production Casing (6750' at \$6.86/ft)                 | 46,305                     |                | 46,30  |
| Dement Production Casing                               |                            | 8,200          | 8,20   |
| Casing Crew  |                            | 4,000          | 4,00   |
| Tubing Head and Well Connection Fittings               | 600                        |                | 60     |
| Tubing (6750' of 2-3/8" @ 3.29 \$/ft.)                 | 22,208                     |                | 22,20  |
| Perf   |                            | 11,000         | 11,00  |
| Stimulation  |                            | 105,000        | 105,00 |
| [ool Rental_(Frac Valve)                               |                            | 1,100          | 1,10   |
| rac Tank Rental  |                            | 1,300          | 1,30   |
| Completion Fluids                                      |                            | 4,000          | 4,00   |
| Completion Rig (7 days at \$2100/day)                  |                            | 14,700         | 14,70  |
| Separator  | 6,900                      | 4.050          | 6,90   |
| Flowlines and Install                                  | 2,000                      | 4,650          | 6,65   |
| ank and Fittings                                       | 12,900                     | P 000          | 12,90  |
| Frucking   | 10.000                     | 8,000          | 8,00   |
| Pipelines/gathering Lines Restore Location             | 10,000                     | 10,000         | 20,00  |
| restore Education<br>Engineering/Supervision           |                            | 1,500          | 1,50   |
| overhead   |                            | 2,000          | 2,00   |
| Completion Costs                                       | 100,913                    | 1,670          | 1,67   |
| Completion costs                                       | 100,913                    | 177,120        | 278,03 |
| 10% Contingency  | 10.001                     | 17 710         | חם לכ  |
| Total Completion Costs                                 | 10,091<br><b>111,004</b>   | 17,712         | 27,80  |
| i orat combienon costs                                 | 111,004                    | 194,832        | 305,83 |

Prepared By: Paul C. Thompson, P.E. Date: Sept 21, 2004

**Grand Total Well Costs** 

Working Interest Owner ConocoPhillips

9.60529% \$62,285.93 ESTIMATED COSTS ONLY--Each participating Owner to pay Proportionate Share of Actual Well Costs Subject to Operating Agreement

473,759

174,695

648,454

Cenow Phillips