

## Rubicon Oil & Gas, LLC

### DRILLING COST ESTIMATE

PROSPECT :	WELL NAME	DEPTH	OPERATOR	AFE NO.
Hightower Devoni	State 27-1	10,000'	Tom Brown, Inc.	0
		LOCATION		DATE
	COUNTY	STATE	Surf. Loc:	01/23/06
	Lea	New Mexico	660' FNL & 660' FEL, Sec 27, BHL Reef: Same	
			DRILLING	X
			SINGLE	0
			RECOMPLETION	
				P & A
				DUAL
				WORKOVER

#### TANGIBLE WELL ITEMS

DETAIL OF EXPENDITURES				DRY HOLE	COMPLETION	TOTAL
<b>CASING</b>				300 06	300 30	
	Length	Size, Wt, Grade	\$/ft			
a	0		\$0.00	\$0		\$0
b	350	13-3/8", 48#, 1140	\$35.00	\$12,250		\$12,250
c	4000	8-5/8", 32 #, K55	\$28.00	\$112,000		\$112,000
d	0		\$0.00	\$0		\$0
e	10000	5-1/2", 17#, N80	\$16.00		\$160,000	\$160,000
f				\$0	\$0	\$0
<b>TOTAL CASING</b>				\$124,250	\$160,000	\$284,250
<b>Tubing</b>					300 31	
	Length	Size, Wt, Grade	\$/ft			
a	10000	2-7/8", 6.5, L80	\$5.75		\$57,500	\$57,500
b					\$0	\$0
<b>TOTAL TUBING</b>					\$57,500	\$57,500
<b>WELLHEAD</b>				300 32	300 32	
a	(Section A)	13-3/8" SOW X 11" 3000#		\$1,500	\$0	\$1,500
b	(Section B)	11" 3000# X 7 1/16" 5000#		\$3,000	\$0	\$3,000
c	(Section C)	7 1/16" 5000# X 2 7/8"		\$0	\$3,000	\$3,000
d	(Section D)			\$0	\$2,000	\$2,000
<b>TOTAL</b>				\$4,500	\$5,000	\$9,500
<b>SEPARATOR/PRODUCTION UNIT/HEATER TREATER</b>					300 33	
a					\$5,000	\$5,000
c					\$0	\$0
d					\$0	\$0
e					\$25,000	\$25,000
f					\$0	\$0
<b>TOTAL</b>					\$30,000	\$30,000
<b>FLOW LINES</b>					300 34	
a					\$2,500	\$2,500
b					\$5,000	\$5,000
					\$0	\$0
					\$7,500	\$7,500
<b>BUILDINGS</b>					300 35	
a					\$0	\$0
<b>TOTAL</b>					\$0	\$0
<b>OTHER SURFACE FACILITIES</b>					300 36	
a					\$0	\$0
b					\$0	\$0
c					\$3,000	\$3,000
<b>TOTAL</b>					\$3,000	\$3,000
<b>ARTIFICIAL LIFT EQUIPMENT, PKRS, HANGERS</b>					300 37	
a					\$0	\$0
b					\$5,000	\$5,000
c					\$0	\$0
d					\$40,000	\$40,000
e					\$30,000	\$30,000
f					\$0	\$0
<b>TOTAL</b>					\$75,000	\$75,000
<b>EQUIPMENT CONSTRUCTION LABOR</b>					300 38	
a					\$5,000	\$5,000
b					\$10,000	\$10,000
c					\$0	\$0
<b>TOTAL</b>					\$15,000	\$15,000
<b>TANKS</b>					300 39	
a					\$20,000	\$20,000
b					\$0	\$0
c					\$10,000	\$10,000
d					\$0	\$0
<b>TOTAL</b>					\$30,000	\$30,000
<b>TOTAL TANGIBLES</b>				\$128,750	\$383,000	\$511,750
<b>TOTAL INTANGIBLES</b>				\$1,198,643	\$260,755	\$1,459,398
<b>TOTAL THIS AFE</b>				\$1,327,393	\$643,755	\$1,971,148

**REMARKS:** Drilling includes 3 DST's, acid stimulation for completion, facilities for a pumping well.

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Case No. 13645 Exhibit No. 2  
 Submitted by:  
**RUBICON OIL & GAS, L.L.C.**  
 Hearing Date: January 5, 2006