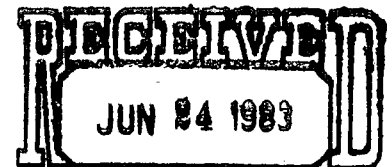


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OIL CONSERVATION DIVISION

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June 21, 1983

*Stamets*

Joe D. Ramey, Director  
Oil Conservation Division  
New Mexico Department of  
Energy and Minerals  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Re: Oil Conservation Division Case Number 7889:  
Application of C and E Operators, Inc. for  
compulsory pooling, San Juan County, New Mexico

Dear Mr. Ramey:

On June 6, 1983 the Oil Conservation Division entered Order Number R-7303 granting the application of C and E Operators in the above-referenced case pooling all mineral interests in the Mesaverde formation underlying the south half of Section 4, Township 30 North, Range 11 West, N.M.P.M., San Juan County, New Mexico.

That pursuant to Order paragraph 3 of said Order C and E is hereby furnishing the Division with an itemized schedule of estimated well costs for the well proposed in the south half of Section 4. A copy of this itemized schedule of estimated well costs has been mailed by certified mail to each interest owner in the south half of Section 4 which will be pooled by Order R-7303.

Your attention to this matter is appreciated

Very truly yours,

William F. Carr  
Attorney for C and E  
Operators, Inc.

encl.  
WFC:mdl

certified mail-- return receipt  
requested

cc: M.W. Carr

AFE - Gas Development Drilling C. & E. Operators, Inc.

Lease: Fee _____	Well No. <u>4-A</u>	Depth: <u>4930</u>	Hole & Casing Size <u>7-7/8 &amp; 5 1/2"</u>
Location: <u>NW/SE/4 L Sec. 4-30N-11W</u>		County <u>San Juan</u>	
Dirt Work: Road & Location	<u>\$4000</u>	Clean up	<u>\$3000</u>
			<u>\$ 7000</u>
Drilling Fluids: Mud	<u>\$8000</u>	Water	<u>\$6000</u>
			<u>14000</u>
Cement & Services: Surface	<u>\$2125</u>	Production	<u>\$11200</u>
			<u>13500</u>
Casing Hardware: <u>Stage collar etc.</u>			<u>5000</u>
Logging: OH	<u>\$10500</u>	CH	<u>\$2500</u>
			<u>13000</u>
Perforating	<u>\$4500</u>		<u>4500</u>
Other Cased Hole Wireline Services	<u>x</u>		<u>-</u>
Pressure tests & spot acid	<u>1000 gal. MSA</u>		<u>1800</u>
Packers for breakdown	<u>Straddle</u>		<u>1800</u>
Pump charge & acid for breakdown	<u>1500 gal. 15% HCl.</u>		<u>3200</u>
Fracture Treatment	<u>150000# sd. \$36000</u>	Frac water	<u>\$3600</u>
			<u>39600</u>
Fracture Tanks	<u>15 \$3400</u>	Guyline Anchors	<u>\$500</u>
			<u>3900</u>
Rental Tools	<u>\$1500</u>	Dual Equipment	<u>x</u>
			<u>1500</u>
N <sub>2</sub> for Clean up or Natural Gas Cost			<u>6000</u>
Consulting (Eng. & Geol.)			<u>4750</u>
Roustabout Labor for Surface Hook up	<u>\$3500</u>		<u>3500</u>
Fencing Material and Installation	<u>\$1000</u>		<u>1000</u>
Cathodic Protection	<u>\$5600</u>		<u>5600</u>
Conductor Pipe & Setting charge	<u>100 ft. of 13-3/8" @ \$80.00 /ft.</u>		<u>8000</u>
Rig Contract -	<u>4930 ft. @ \$11.50 /ft.</u>		<u>56695</u>
Daywork:	<u>1 days @ \$5300 /day</u>		<u>5300</u>
Completion Rig:	<u>5 days @ \$2200 /12 hr. day</u>		<u>11000</u>
Trucking: Rig:	<u>\$1500</u>	Casing	<u>\$1500</u>
		Misc.	<u>\$500</u>
			<u>3500</u>
Tangible Costs:			
Well Head: Series 600			<u>15325</u>
Surface casing:	<u>350 ft. @ \$11.00 /ft</u>	Size & grade	<u>8-5/8" 24# J</u>
			<u>3850</u>
Production casing:	<u>4980 ft. @ \$ 7.25 /ft.</u>	Size & grade	<u>5 1/2" 15.5# J</u>
			<u>36105</u>
Tubing	<u>4600 ft. @ \$ 2.37 /ft.</u>	Size & grade	<u>2-3/8" 4.7# J</u>
			<u>10902</u>
Flow line & connections	<u>\$2200</u>		<u>2200</u>
Stock tank & stairway	<u>1 - 300 bbl.</u>		<u>4000</u>
Production unit	<u>1 - 3 phase</u>		<u>7980</u>
Intermitter & Piston Installation:	<u>2"</u>		<u>3515</u>
Other			
Total Estimated Cost			<u>\$298,022.00</u>