



SANTA FE ENERGY RESOURCE INC.
GENERALIZED WELL COSTS ESTIMATE

WELL NAME Foal "20" Fed. No.1 (Appaloosa Prospect)
LOCATION 660' FNL & 1980' FWL, Sec. 20-22S-28E, Eddy Co., N.M.
DESCRIPTION Drill and Complete A 12,600' Morrow Gas Well

FOAL#1.XLS

ACCOUNT	DESCRIPTION OF COSTS		DRY HOLE	PRODUCER
501- 000	TANGIBLE WELL COSTS			
501- 041	Conductor Csg		4,000	4,000
501- 041	Surface Csg	13-3/8" 48.0 ppf H-40 ST&C @ 450'	8,100	8,100
501- 041	Protection Csg	9-5/8" 36.0 ppf K-55 ST&C @ 2,500'	27,500	27,500
501- 041	Intermediate Csg	7" 26.0 ppf S-95 LT&C @ 10,000'	110,000	110,000
501- 041	Prod Csg			
501- 041	Prod Liner	4-1/2" 13.50 ppf S-95 LT&C 9,700'-12,600'		26,100
501- 042	Tubing	2-3/8" 4.7 ppf N-80 AB-Mod EUE @ 12,600'		40,950
501- 043	Wellhead		5,000	40,000
501- 044	Pmpg Unit			
501- 045	Prime Mover			
501- 050	Other Dwn Hole Equip	Liner Top Packer & Hanger		15,000
501- 050	Rods			
501- 050	Subsurface Pmps		4,000	6,000
501- 055	Csg Equip			
501- 055	Electrical			
501- 055	Misc. Tangibles			
501- 055	Rod Equip			
501- 055	Tubing Equip			5,000
	TOTAL TANGIBLE COSTS		158,600	282,650
541- 000	LEASE FACILITY COSTS			
541- 050	Flowlines			4,000
541- 050	Labor			8,000
541- 050	Other Prod Equip	Separator, GPU & Dehyd Unit		30,000
541- 050	Tank Facilities			19,000
	TOTAL LEASE FACILITY COSTS		-	61,000
511- 000	INTANGIBLE WELL COSTS			
511- 021	Location	Dirt Work & Damages Payment	25,000	25,000
511- 022	Fencing			
511- 026	Drilling Water		30,000	30,000
511- 031	Contractor Moving Exp		30,000	30,000
511- 032	Cont Footage or Turnkey			
511- 032	Contractor Daywork	25 + 30 days @ \$5400/5800 /day	309,000	309,000
511- 033	Drlg Fluid & Additives		60,000	60,000
511- 034	Bits & Reamers		50,000	50,000
511- 036	Coring & Core Analyses	Rotary Sidewall Cores (25)	15,000	15,000
511- 037	Cement		60,000	80,000
511- 039	Inspection & Tstg of Tang		8,000	18,000
511- 041	Directional Drlg Surveys			
511- 042	Drilling Equip Rental		35,000	35,000
511- 043	Open Hole Logging	CNL/LDT/DLL/or ARRAY INDUCTION (3 Runs)	50,000	50,000
511- 044	Drill Stem Tstg			
511- 045	Mud Logging	\$400/d X 50 days	20,000	20,000
511- 051	Transportation		15,000	25,000
511- 052	Completion Unit	10 days X \$1500/day		15,000
511- 053	Completion Tool Rental			15,000
511- 054	Cased Hole Logs & Perfing			12,000
511- 055	Stimulation			30,000
511- 056	Rigsite Supervision	55 + 10 X \$400/day	22,000	26,000
511- 072	Administrative Overhead		6,000	10,000
511- 099	Fishing Tools & Exp			
511- 099	Testing: BHP, GOR, 4 Pt Pot			9,143
	Abandonment Cost		8,238	
	Other Intangibles			
0.05	Contingency (5%)		37,162	43,207
	TOTAL INTANGIBLES		780,400	907,350
	TOTAL COSTS		939,000	1,251,000

OPERATION DEPT APPROVAL (Initials)

APPROVAL DATE 002 11/17/96

SFER APPROVAL

APPROVAL DATE

ENGINEERING DEPT APPROVAL (Initials)

APPROVAL DATE 2004 11/12/96

NON-OPERATOR APPROVAL

APPROVAL DATE