

Horizontal Well Cost Estimates
EI Paso 23 #2H
Ross Draw Wolfcamp

	DHC	Intangible	Tangible	Total
Drilling	\$1,614,100	\$1,338,500	\$304,800	\$1,643,300
Completion	\$0	\$154,000	\$96,000	\$250,000
Facilities	\$0	\$28,000	\$66,000	\$94,000
Total	\$1,614,100	\$1,520,500	\$466,800	\$1,987,300

**BURLINGTON RESOURCES
DRILLING WELL COST ESTIMATE**

LEASE WELL: El Paso "23" Federal #2 PREPARED BY: J. C. Ward DAT 3/11/97
 COUNTY/STATE: Eddy County, New Mexico APPROVED BY: L.H. Sinclair DATE: 3/23/97
 PROPOSED TOTAL DEPTH: 12,100 AFE TYPE: DEVELOPMENT DRILLING
 LATERAL LENGTHS: 2 SHORT RAD. - 1000' EACH

ACCT 248- AFE NOMENCLATURE DRY HOLE 12,100' TD COSTS SUSPENDED 12,100' TD COSTS

AFE NOMENCLATURE	DAYS:	DRY HOLE 12,100' TD COSTS	SUSPENDED 12,100' TD COSTS
INTANGIBLE DRILLING COSTS		68	70
2 Environmental Studies	2	\$1,600	\$1,600
3 Construction (location, roads, etc)	3	\$25,000	\$25,000
4 Surface restoration	4	\$3,500	\$3,500
5 Move in, move out	5	\$50,000	\$50,000
6 Contractor Fees-Footage; \$/ foot:	6		
7 Contractor Fees-Daywork; \$/day: <u>\$7,000.00</u>	7	\$476,000	\$490,000
8 Environmental fire and safety	8	\$5,100	\$5,300
9 Drilling fluids	9	\$55,000	\$55,000
10 Gas and Air Drilling	10		
11 Drilling fluids - Processing & Maint. equip	11	\$12,000	\$12,000
12 Specialty fluids and chemicals	12	\$6,800	\$6,800
13 Engineering services-fluids and chemicals	13		
14 Salt/brine water	14	\$16,500	\$16,500
15 Salt water disposal	15	\$2,000	\$2,000
16 Water	16	\$14,000	\$14,000
17 Bits, reamers and stabilizers	17	\$65,000	\$65,000
18 Primary cement, services and accessories	18	\$60,000	\$60,000
19 Squeeze cement, services and accessories	19	\$10,000	\$10,000
20 Mud logging/paleo	20	\$30,000	\$30,000
21 Wireline logging	21	\$40,000	\$40,000
22 Coring and analysis	22	\$36,000	\$36,000
23 Fuel	23		
24 BOP's and wellhead rentals - surface	24	\$25,000	\$25,000
25 Drill/work string rentals - subsurface	25	\$60,000	\$60,000
26 Fishing tool rentals	26		
27 Tank rentals	27		
28 Other rentals	28	\$9,800	\$13,800
29 Transportation	29	\$9,500	\$9,500
30 Disposal services (offsite)	30		
31 Drill stem tests	31		
32 Directional drilling	32	\$210,000	\$210,000
33 Tubular inspection	33	\$5,000	\$5,000
34 Cased hole logs	34	\$2,500	\$2,500
40 Casing crews and laydown services	40	\$12,000	\$14,000
43 Consultants	43	\$34,000	\$35,000
45 Roustabout and contract labor	45	\$2,000	\$3,000
46 Miscellaneous	46	\$2,000	\$3,000
62 Environmental compliance	62		
72 Company supervision and overhead	72	\$34,000	\$35,000

TOTAL INTANGIBLE COST \$1,314,300 \$1,338,500

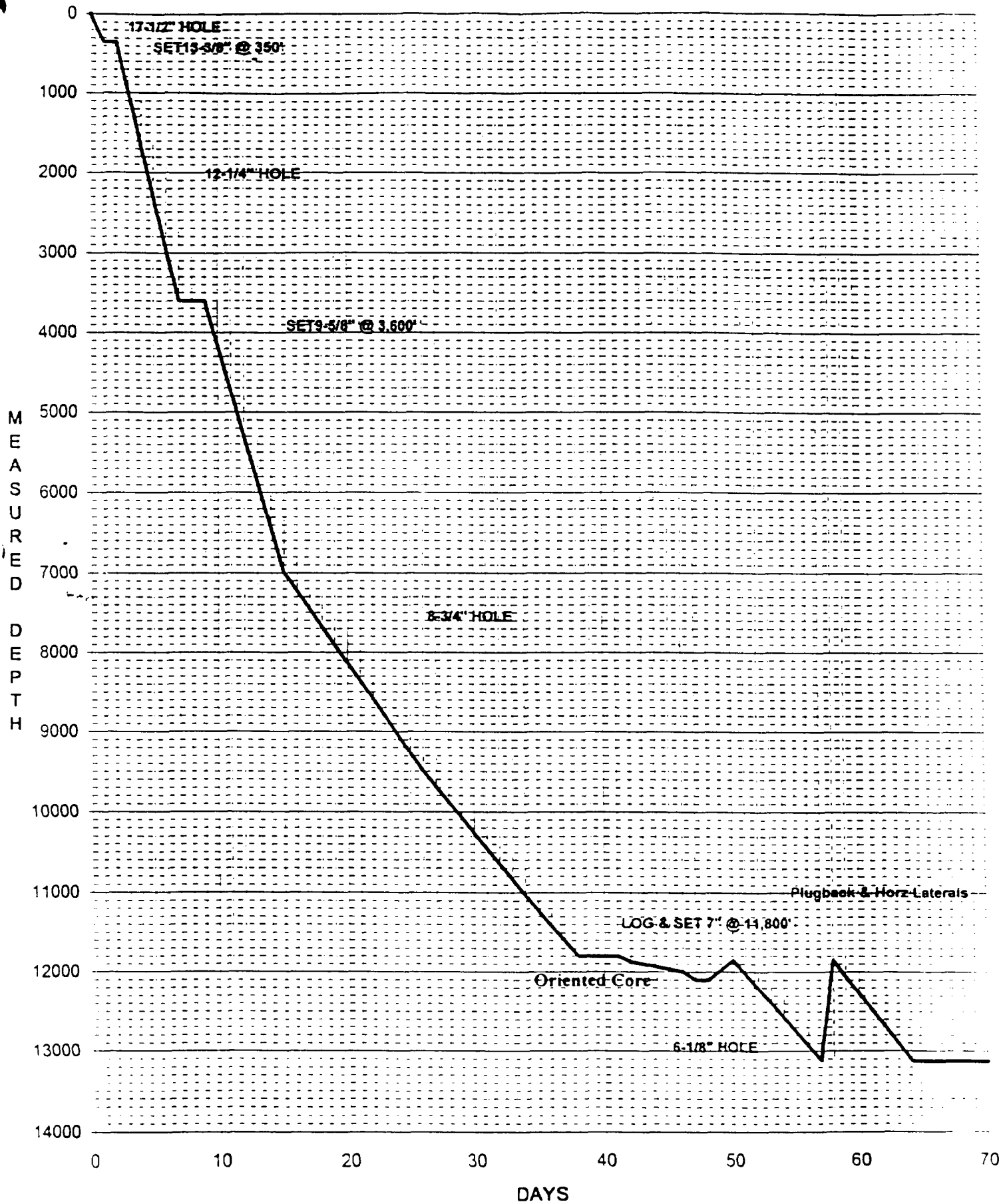
TANGIBLE DRILLING COST		80	80
80 Casing			
400 ft. o 13 3/8 in. \$19.00 /ft (SURFACE)		\$7,600	\$7,600
3,900 ft. o 9 5/8 in. \$15.00 /ft (INTERMEDIATE)		\$58,500	\$58,500
12,150 ft. o 7 in. \$18.00 /ft (PRODUCTION)		\$218,700	\$218,700
ft. of in. /ft (LINER)			
82 Downhole equipment (packers, bridge plugs)	82		
84 Downhole equipment accessories	84		
96 Wellhead equipment.	86	\$15,000	\$20,000
87 Miscellaneous	87		

TOTAL TANGIBLE COST \$299,800 \$304,800

TOTAL DRILLING COST ESTIMATE \$1,614,100 \$1,643,300

\$133.40 /ft. \$135.81

TROUBLE FREE DAY CURVE EL PASO "23" FEDERAL #2



MERIDIAN OIL INC.
WELL COST ESTIMATE
COMPLETION

LEASE/WELL NAME: El Paso 23 Federal No. 2 PREPARED BY: Jack R. Gevecker DATE: _____
LEASE/WELL TYPE: Gas Producer APPROVED BY: _____ DATE: _____
AFE TYPE: 01- Development COST CENTER: _____

ACCOUNT NO:

COMP	WORK	AFE NOMENCLATURE	BUDGET
			DAYS 10
INTANGIBLE COSTS			
248	244	Location, Roads or Canals (Pre-Const.)	
02	02	Location, Roads or Canals - Construction and Maintenance	1,500
03	03	Location, Roads or Canals - (Surface Restoration)	
04	04	Move-in, Move-out	
05	05	Fees of Contractor - Footage (_____ \$/FT)	
06	06	Fees of Contractor - Daywork and Completion Rig (_____ 1500 _____ \$/Day)	15,000
07	07	Fire and Safety Equipment	
08	08	Drilling Fluid Systems - Liquids	
09	09	Drilling Fluid Systems - Gas and Air Drilling	
10	10	Drilling Fluid Systems - Processing and Maintenance	
11	11	Fluids and Chemicals - Specialty Fluids	3,500
12	12	Salt/Brine Water	
14	14	Onsite Disposal Services	
15	15	Fresh Water	3,500
16	16	Bits	1,500
17	17	Primary Cement, Cement Services, & Acces.	
18	18	Remedial Cementing	
19	19	Mud Logging	
20	20	Wireline Logging - Open Hole	
21	21	Coring and Analysis	
22	22	Fuel/Electricity	
23	23	BOP's and Wellhead Rentals (Surface)	10,000
24	24	Drill/Work String Rentals (Subsurface)	5,000
25	25	Fishing Tool Rentals Reverse Unit	2,000
26	26	Tanks Rentals	2,000
27	27	Other Rentals	
28	28	Transportation	5,000
29	29	Offsite Disposal Services	500
30	30	Drill Stem Tests	
31	31	Directional Services	
32	32	Tubular Inspection	2,500
33	33	Cased Hole Services	18,000
34	34	Production Testing	3,000
36	36	Swabbing and Coiled Tubing	21,700
37	37	Stimulation	33,300
38	38	Fracturing	
39	39	Casing Crews and Laydown	
40	40	Gravel Pack/Sand Control	
41	41	BOP Testing	3,000
42	42	Consultants	
43	43	Technical Contract Services	2,000
44	44	Roustabout Labor	4,000
45	45	Miscellaneous	3,000
46	46	Communication Systems	
48	48	Packer Rental	
49	49	Pumping Charges	4,000
50	50	Environmental Compliance - Assessment	
62	62	Environmental Compliance - Remediation	
63	63	Company Vehicles	
65	65	Direct Labor	
68	68	Company Supervision and Overhead	10,000
72	72	TOTAL INTANGIBLES	154,000
TANGIBLE COSTS			
80	80	Casing	
81	81	Tubing & Tiebacks	
		(_____ 12,600 _____ ft. _____ 2-3/8 N-80 RTS _____ in. _____ 5.20 _____ \$/ft)	65,500
		(_____ ft. _____ in. _____ \$/ft)	
		(_____ ft. _____ in. _____ \$/ft)	
82	82	Packers and Bridge Plugs	10,500
84	84	Casing/Liner Equipment	
85	85	Tubing Equipment	2,000
86	86	Wellhead Equipment and Xmas Tree	18,000
		TOTAL TANGIBLE	96,000
		TOTAL COMPLETION	250,000

**WELL COST ESTIMATE
FACILITIES / PRODUCTION FACILITIES**

LEASE/WELL NAME: <u>El Paso 23 Federal #2</u>	PREPARED BY: <u>Ralph Castillo</u>	DATE: <u>1/31/97</u>
COUNTY/STATE: <u>Eddy County, New Mexico</u>	PREPARED BY: _____	DATE: _____
AFE TYPE: <u>(05) Capital Facilities</u>	APPROVED BY: _____	
PROPOSED TO: <u>12,100' TVD - Wolfcamp Ross Draw Field</u>	<u>1980' FNL & 1980' FEL, Sec. 23, T28S R30E</u>	
JOB SCOPE: <u>NDW facilities - well flows, no artificial lift, stack pack vessel</u>	<u>Two (2) 100' short radius laterals</u>	

ACCOUNT NO: _____ AFE NOMENCLATURE _____

247 FACILITIES

	<u>PRODUCTION</u>	<u>FACILITIES</u>	<u>ESTIMATED COST</u>
Intangible			
02 Install Labor.....	0	0	
Labor.....	0	\$10,000	
Dirt Work.....	0	\$4,000	\$18,000
Painting.....	0	\$4,000	
03 Company Vehicles.....	0	0	\$ 0
08 Location, Roads or Canals.....	0	0	\$ 0
12 Overhead.....	0	0	\$ 0
17 Damages, Property Losses and Other.....	0	0	\$ 0
43 Safety.....	0	\$5,000	\$5,000
44 Engineering/Lab/Technical Contract Services.....	0	0	\$ 0
47 Rental Compressor & Maintenance.....	0	0	\$ 0
48 Rental Equipment.....	0	0	\$ 0
49 Cathodic Protection.....	0	0	\$ 0
50 Right-of-Way _____ @ \$ _____ / rod.....	0	0	\$ 0
57 Pulling Unit Cost - (Subsurface).....	0	0	\$ 0
62 Environment Compliance (Assessment).....	0	0	\$ 0
63 Environment Compliance (Remediation).....	0	0	\$ 0
68 Company Supervision.....	0	\$3,000	\$3,000
73 Freight / Transportation.....	0	\$2,000	\$2,000
Total Intangible.....	\$ 0	\$28,000	\$28,000
Tangible			
20 Equipment Coating and Insulation.....	0	0	\$ 0
27 Separators			\$22,000
Unfired.....	0	0	
Fired..... stack pack.....	0	\$22,000	
28 Gas Sweetening Equipment.....	0	0	\$ 0
29 Pumping Unit.....	0	0	\$ 0
31 Prime Mover.....	0	0	\$ 0
32 Tanks			\$21,000
Oil Tank <u>2</u> 500 BBL @ _____.....	0	\$12,000	
Wtr Tank <u>1</u> 500 BBL @ _____.....	0	\$6,000	
Tank Walkway.....	0	\$3,000	
33 Metering Equipment.....	0	0	\$ 0
LACT Unit.....	0	0	
35 Compressor - Company Owned.....	0	0	\$ 0
36 Buildings.....	0	0	\$ 0
39 Misc. Flowlines, Pipes, Valves, & Fittings.....	0	\$18,000	\$18,000
51 Minor Pipelines.....	0	0	\$ 0
53 Surface Pumps.....	0	0	\$ 0
54 Electrical Accessories.....	0	0	\$ 0
55 Miscellaneous - Facility Expense.....	0	\$5,000	\$5,000
81 Tubing.....	0	0	\$ 0
82 Rods.....	0	0	\$ 0
83 Down Hole Pumps.....	0	0	\$ 0
84 Alternative Artificial Lift Equipment.....	0	0	\$ 0
86 Conventional Artificial Lift Well Head Equipment.....	0	0	\$ 0
96 Gas Dehydrator.....	0	0	\$ 0
Total Tangible.....	\$ 0	\$66,000	\$66,000
Total (Production / Facility)			
	\$ 0	\$94,000	
TOTAL FACILITY COST ESTIMATE			\$94,000