



SANTA FE ENERGY RESOURCES, INC.

GENERALIZED WELL COST ESTIMATE

WELL NAME Greenstone Fed. Com. No. 1 Directional Well  
 LOCATION Surface: 480' FSL, 1650' FEL. TD: 1650' FSL Sec. 19, T20S, R34E, Lea Co., N.M.  
 DESCRIPTION Drill and Complete a 13,900' Morrow Gas Well

ACCOUNT	DESCRIPTION OF COSTS		DRY HOLE	PRODUCER
501- 000	TANGIBLE WELL COSTS			
501- 041	Conductor Csg	30" Conductor and 20" Surface @ 475'	20,125	20,125
501- 041	Surface Csg	13-3/8" 68.0 ppf S-80 ST&C @ 3300'	65,175	65,175
501- 041	Protection Csg	8-5/8" 32.0 ppf K-55 & S-80 ST&C @ 5,700'	57,855	57,855
501- 041	Intermediate Csg			
501- 041	Prod Csg	5-1/2" 17 ppf S95 LT&C @ 13900' TVD		116,000
501- 041	Prod Liner			
501- 042	Tubing	2-3/8" 4.7 ppf P-105 AB-Mod EUE @ 14300' MD		41,613
501- 043	Wellhead		5,000	13,000
501- 044	Pmpg Unit			
501- 045	Prime Mover			
501- 050	Other Dwn Hole Equip	Packer		6,500
501- 050	Rods			
501- 050	Subsurface Pmps			
501- 055	Csg Equip		4,000	6,000
501- 055	Electrical			
501- 055	Misc. Tangibles			
501- 055	Rod Equip			
501- 055	Tubing Equip			
	TOTAL TANGIBLE COSTS		152,155	326,268
541- 000	LEASE FACILITY COSTS			
541- 050	Flowlines			20,000
541- 050	Labor			20,000
541- 050	Other Prod Equip	GPU & Dehyd Unit		40,000
541- 050	Tank Facilities	2 Steel & 1 Fiberglass Tank w/ walkway		12,000
	TOTAL LEASE FACILITY COSTS		-	92,000
511- 000	INTANGIBLE WELL COSTS			
511- 021	Location	Dirt Work & Damages Payment	30,000	30,000
511- 022	Fencing		2,000	2,000
511- 026	Drilling Water		20,000	20,000
511- 031	Contractor Moving Exp		20,000	20,000
511- 032	Cont Footage or Turnkey			
511- 032	Contractor Daywork	70 DAYS @ \$6000/D	420,000	420,000
511- 033	Drig Fluid & Additives		60,000	60,000
511- 034	Bits & Reamers		70,000	70,000
511- 036	Coring & Core Analyses			
511- 037	Cement		42,000	51,000
511- 039	Inspection & Tstg of Tang		12,000	15,000
511- 041	Directional Drig Surveys	25 Days @ 6500/day	162,500	162,500
511- 042	Drilling Equip Rental		67,350	67,350
511- 043	Open Hole Logging		55,000	55,000
511- 044	Drill Stem Tstg			
511- 045	Mud Logging	\$500/d X 55 days	27,500	27,500
511- 051	Transportation		5,000	5,000
511- 052	Completion Unit	10 days X \$1500/day		15,000
511- 053	Completion Tool Rental			5,000
511- 054	Cased Hole Logs & Perfing			16,000
511- 055	Stimulation			30,000
511- 056	Rigsite Supervision	70 + 10 X \$500/day	35,000	40,000
511- 074	Drilling Overhead		15,000	20,000
511- 099	Fishing Tools & Exp			
511- 099	Testing: BHP, GOR, 4 Pt Pot			10,000
	Abandonment Cost		10,000	
	Other Intangibles	Rig Fuel at \$400/day X 70 days	28,000	28,000
0.1	Contingency (10%)		108,135	116,935
	TOTAL INTANGIBLES		1,189,485	1,286,285
	TOTAL COSTS		1,341,640	1,704,553

OPERATION DEPT APPROVAL (Initials)	SFER APPROVAL
APPROVAL DATE <i>MRBA/12/99</i>	APPROVAL DATE
ENGINEERING DEPT APPROVAL (Initials)	NON-OPERATOR APPROVAL
APPROVAL DATE <i>WMS 4/12/99</i>	APPROVAL DATE

BEFORE THE  
 OIL CONSERVATION DIVISION  
 Case No. 12158 Exhibit No. 9  
 Submitted By:  
 Santa Fe Energy  
 Hearing Date: April 15, 1999