

BEFORE EXAMINER NUTTER

REGISTRATION COMMISSION

EXHIBIT NO. 2

C.A.S. NO. 2691

WELL COST ESTIMATE OR FINAL COST

Form 22-32 (Rev. 2-62)

EP Exhibit

LEASE NAME		WELL NO.		FIELD	
Lusk Deep Unit Area		Single Completion		Lusk Deep Unit	
LOCATION		COUNTY		STATE	
T - 19S, R - 32E		Lea		New Mexico	
FORMATION		TOTAL DEPTH		TOTAL DAYS	
Morrow - Single		12,700'		90	
		PRODUCING WELL		DRY HOLE	
		SUB		TOTAL	
TUBULAR GOODS:					
Surface Casing	800 Ft. 13-3/8 Inch 6.861 \$/Ft.	\$ 5,490		\$	
Int. Casing	4,600 Ft. 9-5/8 Inch 5.709 \$/Ft.	26,220			
Prod. Casing	12,700 Ft. 4-1/2 Inch 1.800 \$/Ft.	22,860			
	Ft. Inch \$/Ft.				
	Ft. Inch \$/Ft.				
Tubing	12,700 Ft. 2-3/8 Inch 0.70 \$/Ft.	8,890			
	Ft. Inch \$/Ft.		\$ 63,460		
WELLHEAD EQUIPMENT		5,800	5,800		
OTHER EQUIPMENT:		8,000			
Surface Production Equipment		1,000			
Liner Hangers and Production Packers			9,000		
Tubing Accessories					
DRILLING COSTS:					
Footage	10,000 Ft. \$/Ft.				
Day Work	45 Days \$/Day				
Day Work	10 Days \$/Day				
Day Work	Days \$/Day				
Service Unit	Days \$/Day				
Rig Rental Tools			109,200		
Rig Moving Costs					
CEMENTING: (Cement, Pump Trucks and Drayage)		2,300			
Surface		6,000			
Intermediate		2,200			
Production					
Liner					
Liner					
Sq. Jobs		3,000	13,500		
FORMATION TREATMENT: NO.					
Acidizing					
Fracturing - Equipment					
Fluid Gal.					
Fluid Additives					
Propping Agent Lbs.					
Tank Rental					
SPECIAL SERVICES (Surveys and Tests)		1,800			
Perforating		6,000			
Mud Logging		1,000			
Electric and Radioactive Logging			8,800		
Drill Stem Tests					
Cores					
MATERIALS:		28,000			
Drilling Mud and Chemicals		10,000			
Drilling Gas or Air		11,500			
Water		5,000			
Bits		5,000			
Fuel		2,000			
Hauling		28,000	89,500		
Tubular Inspection		7,000			
Miscellaneous		2,000	9,000		
ACCESS AND LOCATION AND CLEANUP SUPERVISION, LEGAL, ETC.		308,260	308,260		
		15,410	15,410		
		\$ 323,670	\$ 323,670	\$	\$
Total Direct Cost					
Plus 5% Contingency					
TOTAL COST					
WORKING INTEREST:		ESTIMATED COST ONLY - Each Participating Owner to Pay Proportionate Share of Actual Well Cost Subject to Operating Agreement.			
El Paso Natural Gas Company					
Others					
DATE		PARTNER'S APPROVAL:			
PREPARED BY		DATE			
APPROVED BY		BY			