

SANTA FE ENERGY RESOURCES, INC.

GENERALIZED WELL COST ESTIMATE

NAME: Ocotillo ACI Fed No. 1

LOC: 660' FNL & 660' FEL, Section 10-20S-24E, Eddy County, New Mexico

DESC: Drill and complete a 9,375' Morrow well

ACCOUNT	DESCRIPTION OF COSTS		DRY HOLE	PRODUCER
501-000	TANGIBLE WELL COSTS			
-41	CONDUCTOR CSG		3,000	3,000
-41	SURFACE CSG	9-5/8" @ 1200'	20,730	20,730
-41	PROTECTION CSG			
-41	DRILLING LINER			
-41	PROD CSG	7" @ 9,375'		131,000
-41	PROD LINER			
-42	TUBING	2-7/8" @ 9,150'		42,820
-43	WELLHEAD		1,200	14,000
-44	PMPG UNIT			
-45	PRIME MOVER			
-50	OTHER DWN HOLE EQUIP			2,900
-50	RODS			
-50	SUBSURFACE PMPS			75,000
-55	CSG EQUIP		300	3,000
-55	ELECTRICAL			2,500
-55	MISC. TANGIBLES			
-55	ROD EQUIP			
-55	TUBING EQUIP			
	TOTAL TANGIBLE COSTS		25,230	294,950
541-000	LEASE FACILITY COSTS			
-50	FLOW LINES			2,500
-50	LABOR			10,000
-50	OTHER PROD EQUIP			20,000
-50	TANK FACILITIES			13,500
	TOTAL LEASE FACILITY COSTS		0	46,000
511-000	INTANGIBLE WELL COSTS			
-21	LOCATION		10,000	10,000
-22	FENCING		1,000	1,000
-26	WTR & FUEL FOR RIG			
-31	CONTRACTOR MOVING EXP			
-32	CONT FOOTAGE OR TURNKEY		159,375	159,375
-32	CONTRACTOR DAY WORK		8,000	8,000
-33	DRLG FLUID & ADDITIVES		21,500	21,500
-34	BITS & REAMERS			
-36	CORING & CORE ANALYSES			
-37	CEMENT		10,000	30,000
-39	INSPECTION & TSTG OF TANG			2,000
-41	DIRECTIONAL DRLG SURVEYS			
-42	DRILLING EQUIP RENTAL		8,000	8,000
-43	OPEN HOLE LOGGING		5,000	15,000
-44	DRILL STEM TSTG		10,000	10,000
-45	MUD LOGGING		10,500	10,500
-51	TRANSPORTATION		5,000	5,000
-52	COMPLETION UNIT			6,000
-53	COMPLETION TOOL RENTAL			10,000
-54	CASED HOLE LOGS & PERFIN			10,000
-55	STIMULATION			25,000
-56	RIG SITE SUPERVISION		12,250	15,750
-72	ADMINISTRATIVE OVERHEAD		4,220	8,440
-99	FSHG TOOLS & EXPENSES			
-99	TESTING: BHP, GOR, 4 PT. POT			5,000
	ABANDONMENT COST		10,000	
	OTHER INTANGIBLES			
0	CONTINGENCY (10%)		28,485	36,057
	TOTAL INTANGIBLES		313,330	396,622
	TOTAL COSTS		338,560	737,572

Drilling Dept: Michael R. BurtDate: 4/2/90Operations Dept: Thomas E. BurtDate: 4-2-90SFER Approval By: DBK [Signature]Date: 4-3-90

Non Operator Approval By: _____

Date: _____