

9022

SANTA FE ENERGY RESOURCES, INC.

GENERALIZED WELL COST ESTIMATE

NAME: Muskegon 20 State Com No. 1

LOC: 1980' FNL & 660' FEL, Section 20-17S-29E, Eddy County, New Mexico

DESC: Drill and complete a 10,900' Morrow well

ACCOUNT	DESCRIPTION OF COSTS		DRY HOLE	PRODUCER
501-000	TANGIBLE WELL COSTS			
-41	CONDUCTOR CSG			
-41	SURFACE CSG	13-3/8" 48.0 ppf H-40 @ 450'	10,350	10,350
-41	PROTECTION CSG	8-5/8" 24.0 ppg K-55 ST&C @ 2600'	30,862	30,862
-41	DRILLING LINER			
-41	PROD CSG	5-1/2" 15.5 & 17.0 K-55 & N-80 @ 10,900'		90,470
-41	PROD LINER			
-42	TUBING	2-3/8" 4.7 ppf N-80 8rd		41,000
-43	WELLHEAD		3,000	18,000
-44	PMPG UNIT			
-45	PRIME MOVER			
-50	OTHER DWN HOLE EQUIP			6,000
-50	RODS			
-50	SUBSURFACE PMPS			
-55	CSG EQUIP			2,000
-55	ELECTRICAL			
-55	MISC. TANGIBLES			1,000
-55	ROD EQUIP			
-55	TUBING EQUIP			1,000
	TOTAL TANGIBLE COSTS		44,212	200,682
541-000	LEASE FACILITY COSTS			
-50	FLOW LINES			5,000
-50	LABOR			10,000
-50	OTHER PROD EQUIP			10,000
-50	TANK FACILITIES			15,000
	TOTAL LEASE FACILITY COSTS		0	40,000
511-000	INTANGIBLE WELL COSTS			
-21	LOCATION		18,000	18,000
-22	FENCING		1,000	1,000
-26	WTR & FUEL FOR RIG			
-31	CONTRACTOR MOVING EXP			
-32	CONT FOOTAGE OR TURNKEY	\$14/ft	152,600	152,600
-32	CONTRACTOR DAY WORK	3 @ \$4500/d	13,500	13,500
-33	DRLG FLUID & ADDITIVES		35,000	35,000
-34	BITS & REAMERS			
-36	CORING & CORE ANALYSES			
-37	CEMENT		25,000	45,000
-39	INSPECTION & TSTG OF TANG		3,000	5,000
-41	DIRECTIONAL DRLG SURVEYS			
-42	DRILLING EQUIP RENTAL		5,000	5,000
-43	OPEN HOLE LOGGING		16,000	16,000
-44	DRILL STEM TSTG		5,000	5,000
-45	MUD LOGGING		9,600	9,600
-51	TRANSPORTATION		3,000	8,000
-52	COMPLETION UNIT	\$1200/d		10,800
-53	COMPLETION TOOL RENTAL			9,000
-54	CASED HOLE LOGS & PERFIN			8,000
-55	STIMULATION			10,000
-56	RIG SITE SUPERVISION		11,250	15,250
-72	ADMINISTRATIVE OVERHEAD		5,000	5,000
-99	FSHG TOOLS & EXPENSES			
-99	TESTING: BHP, GOR, 4 PT.POT			5,000
	ABANDONMENT COST		8,000	
	OTHER INTANGIBLES			
0	CONTINGENCY (10%)		31,095	37,675
	TOTAL INTANGIBLES		342,045	414,425
	TOTAL COSTS		386,257	655,107

Drilling Dept: Danell RobertsDate: 4/4/90Operations Dept: Thomas E. RobertsDate: 4-4-90SFER Approval By: DB KilpatrickDate: 4-5-90

Non Operator Approval By: _____

Date: _____

BEFORE EXAMINER	
OIL CONSERVATION DIVISION	
<u>Santa Fe</u>	EXHIBIT NO. <u>3</u>
CASE NO. <u>10001</u>	