

9033A

SANTA FE ENERGY RESOURCES, INC.

GENERALIZED WELL COST ESTIMATE

NAME: P.G. Fed 4 No. 1

LOC: 1980' FWL & 660' FSL, Section 4-23S-31E, Eddy County, N.M. (B.H. Loc)

DESC: Drill and complete a 14,850' Morrow Gas Well

Surface Location 1980' FWL & 900' FNL Sec. 9 (1560' Displacement)

ACCOUNT	DESCRIPTION OF COSTS	DRY HOLE	PRODUCER
501-000	TANGIBLE WELL COSTS		
-41	CONDUCTOR CSG	3,000	3,000
-41	SURFACE CSG	13 3/8" 48.0 ppf H-40 @ 600'	13,600
-41	PROTECTION CSG	9 5/8" 40.0 ppf K-55 STC @ 4150'	74,550
-41	DRILLING LINER		
-41	PROD CSG	7" 26 ppf S-95 & 29 ppf P-110 @ 12141'MD	231,546
-41	PROD LINER	4 1/2" 13.50 ppf S-95 LTC 11700'-14850'	35,500
-42	TUBING	2 3/8" 4.7 ppf P105 ABMod	68,620
-43	WELLHEAD	5,000	40,000
-44	PMPG UNIT		
-45	PRIME MOVER		
-50	OTHER DWN HOLE EQUIP	Liner Hanger & Packer	14,000
-50	RODS		
-50	SUBSURFACE PMPS		
-55	CSG EQUIP	1,170	1,170
-55	ELECTRICAL		
-55	MISC. TANGIBLES		
-55	ROD EQUIP		
-55	TUBING EQUIP		600
	TOTAL TANGIBLE COSTS	328,866	482,586
541-000	LEASE FACILITY COSTS		
-50	FLOW LINES		5,000
-50	LABOR		5,670
-50	OTHER PROD EQUIP		40,000
-50	TANK FACILITIES		9,790
	TOTAL LEASE FACILITY COSTS	0	60,460
511-000	INTANGIBLE WELL COSTS		
-21	LOCATION	30,000	30,000
-22	FENCING	1,000	1,000
-26	WTR & FUEL FOR RIG		
-31	CONTRACTOR MOVING EXP	30,000	30,000
-32	CONT FOOTAGE OR TURNKEY		
-32	CONTRACTOR DAY WORK	73/76d @ \$4900/d	357,700
-33	DRLG FLUID & ADDITIVES	90,000	90,000
-34	BITS & REAMERS	120,000	120,000
-36	CORING & CORE ANALYSES	10,000	10,000
-37	CEMENT	48,000	68,000
-39	INSPECTION & TSTG OF TANG	7,000	9,000
-41	DIRECTIONAL DRLG SURVEYS	53,000	53,000
-42	DRILLING EQUIP RENTAL	40,000	40,000
-43	OPEN HOLE LOGGING	48,800	48,800
-44	DRILL STEM TSTG	48,000	48,000
-45	MUD LOGGING	26,600	26,600
-51	TRANSPORTATION	10,000	10,000
-52	COMPLETION UNIT	6 days @ \$14000.	8,400
-53	COMPLETION TOOL RENTAL		7,700
-54	CASED HOLE LOGS & PERFRING		20,000
-55	STIMULATION		8,500
-56	RIG SITE SUPERVISION	31,500	31,500
-72	ADMINISTRATIVE OVERHEAD	13,000	18,000
-99	FSHG TOOLS & EXPENSES		
-99	TESTING: BHP, GOR, 4 PT. POT		6,000
	ABANDONMENT COST	10,000	
	OTHER INTANGIBLES	17,000	19,000
0	CONTINGENCY (10%)	99,160	107,590
	TOTAL INTANGIBLES	1,090,760	1,183,490
	TOTAL COSTS	1,419,626	1,726,536

Drilling Dept: Danell RobertsDate: 8/20/90Operations Dept: Robert WinklerDate: 8/21/90SFER Approval By: Tom E. ShafferDate: 8/21/90

Non Operator Approval By: _____

Date: _____

This AFE
is for
Morrow
drilling