WELL COST ESTIMATE

6,300' Delaware Test, SE/4 SE/4, Section 15-23S-28E Eddy County, New Mexico

Permits, Surveys \$2,000 \$			Producer	Dry Hole
6,300' 5-1/2 @ \$ 5.50/ft 34,700 6,300' 2-7/8 @ \$ 3.00/ft 18,900 Transportation and hauling 4,000 Wellhead Assembly 5,000 Subsurface Equipment 4,000 Separation Facilities 4,000 Tanks 15,000 Flow Lines 3,000 Pumping Unit & Compressor - Other Equipment 2,000 Total Tangibles \$ 95,200 Total Tangibles \$ 95,200 Intangible Well Cost Permits, Surveys \$ 2,000 Contract Drilling6300 @ \$12/ft 69,300 3 days @ \$4300/day 12,000 Bits 1,000 Completion Unit 5 days @ \$1200/day 6,000 Cementing 20,000 Drilling Fluids 10,000 Fuel and Water 1,000 Supplies 1,000 Mud Logging 2,000 Wireline Service - Logging 8,000 Formation Treating 22,000 Transportation and Hauling 5,000 Rentals and Miscellaneous 5,000 Contract Labor 6,000 Direct Supervision 6,000 Engineering Supervision 3,000 Geological Supervision 3,000 Geological Supervision 2,000 Insurance and Tax 1,000 Overhead 3,600 Contraction Contingencies 20,000 Total Intangibles \$220,900 \$15 **COMPANY** Lighthat Total **Company** Lighthat	Tangi	ible Well Cost		
Permits, Surveys \$2,000 \$		6,300' 5-1/2 @ \$ 5.50/ft 6,300' 2-7/8 @ \$ 3.00/ft Transportation and hauling Wellhead Assembly Subsurface Equipment Separation Facilities Tanks Flow Lines Pumping Unit & Compressor	34,700 18,900 4,000 5,000 4,000 4,000 15,000 3,000	\$ 4,600 - - 4,000 1,500 - - - -
Permits, Surveys Location, Road & Damages Location, Road & Damages Contract Drilling6300 @ \$12/ft 69,300 3 days @ \$4300/day 12,000 Bits Completion Unit 5 days @ \$1200/day 6,000 Cementing Drilling Fluids Fuel and Water Supplies Mud Logging Wireline Service - Logging Transportation and Hauling Formation Treating Transportation and Hauling Rentals and Miscellaneous Contract Labor Direct Supervision Engineering Supervision Geological Supervision Geological Supervision Total Intangibles Total Intangibles \$2,000 \$1 \$1 \$315,200 \$16 \$16 \$16 \$16 \$17 \$17 \$17 \$17 \$17 \$17 \$17 \$17 \$17 \$17		Total Tangibles	\$ 95,200	\$ 10,100
Location, Road & Damages Contract Drilling6300 @ \$12/ft 69,300 3 days @ \$4300/day 12,000 Bits Completion Unit 5 days @ \$1200/day 6,000 Cementing 20,000 Drilling Fluids 10,000 Fuel and Water 1,000 Supplies 1,000 Mud Logging 2,000 Wireline Service - Logging 8,000 Formation Treating 22,000 Transportation and Hauling 5,000 Rentals and Miscellaneous 5,000 Contract Labor 6,000 Direct Supervision 6,000 Engineering Supervision 3,000 Geological Supervision 2,000 Insurance and Tax 1,000 Overhead 3,600 Contingencies 20,000 Total Intangibles \$220,900 Total Intangibles \$220,900 \$15 **Company** **Exhibit*** No.** **Total Intangibles \$220,900	<u>Intar</u>	ngible Well Cost		
TOTAL \$315,200 \$16 COMPANY SK Exhibit No. 3		Permits, Surveys Location, Road & Damages Contract Drilling6300 @ \$12/ft	12,000 69,300 12,000 1,000 6,000 20,000 10,000 1,000 2,000 8,000 3,000 22,000 5,000 5,000 6,000 6,000 3,000 2,000 1,000 3,000 3,000 2,000 1,000 3,600	\$ 2,000 12,000 69,300 8,000 1,000 - 4,000 10.000 1,000 2,000 8,000 - 2,000 3,000 3,000 3,000 2,000 1,000 3,000 1,000 3,000
TOTAL \$315,200 \$16 Conservation is company Exhibit No. 8	, ,	Total Intangibles	\$220,900	\$153,800
Skhibit Ho. O	C optors	sta C	\$315,200	\$163,900
. N. 9619	sk Ethi	of No. O		
G ENT: DATE:	e Mv:	9959	DATE:	