

WELL COST ESTIMATE

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

	<u>Producer</u>	<u>Dry Hole</u>
<u>Tangible Well Cost</u>		
Tubulars - 500' 8-5/8 @ \$ 9.20/ft	\$ 4,600	\$ 4,600
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	4,000
Wellhead Assembly	5,000	1,500
Subsurface Equipment	4,000	-
Separation Facilities	4,000	-
Tanks	15,000	-
Flow Lines	3,000	-
Pumping Unit & Compressor	-	-
Other Equipment	2,000	-
<hr/> Total Tangibles	<hr/> \$ 95,200	<hr/> \$ 10,100
<u>Intangible Well Cost</u>		
Permits, Surveys	\$ 2,000	\$ 2,000
Location, Road & Damages	12,000	12,000
Contract Drilling---6300 @ \$12/ft	69,300	69,300
3 days @ \$4300/day	12,000	8,000
Bits	1,000	1,000
Completion Unit 5 days @ \$1200/day	6,000	-
Cementing	20,000	4,000
Drilling Fluids	10,000	10,000
Fuel and Water	1,000	1,000
Supplies	1,000	500
Mud Logging	2,000	2,000
Wireline Service - Logging	8,000	8,000
Perforating	3,000	-
Formation Treating	22,000	-
Transportation and Hauling	5,000	2,000
Rentals and Miscellaneous	5,000	3,000
Contract Labor	6,000	3,000
Direct Supervision	6,000	5,000
Engineering Supervision	3,000	3,000
Geological Supervision	2,000	2,000
Insurance and Tax	1,000	1,000
Overhead	3,600	3,000
Contingencies	20,000	14,000
<hr/> Total Intangibles	<hr/> \$220,900	<hr/> \$153,800
<hr/> TOTAL	<hr/> \$315,200	<hr/> \$163,900

COMPANY

BY: Red Creek

Oil Conservation Division

Exhibit No. 8

Case No. 9960

DATE: \_\_\_\_\_