

CHI OPERATING, INC. - AFE WELL COST EST.

OPERATOR: CHI **WELL NAME:** BLUITT **PROSP:** BLUITT
LEASE NO.: _____ **WELL:** 1 **AFE NO.:** _____ **DEPTH:** 4700'
OBJECTIVE: SAN ANDRES **APPROX SPUD DATE:** JULY, 1991
LOCATION: SW/4 SW/4 SEC. 5, 8S-37E **COUNTY/STATE:** ROOSEVELT, NM

1 INTANGIBLE DRILLING:

01 SURVEYING & PERMIT	\$	<u>500</u>
02 DAMAGES		<u>2500</u>
03 ROADS & LOCATIONS		<u>6000</u>
04 RIG MOVE		<u>54000</u>
05 DRILLING - FOOTAGE		<u>3500</u>
06 DRILLING - DAYWORK		<u>3500</u>
07 CEMENT - SURFACE		<u>3500</u>
08 CEMENT - INTERMEDIATE		_____
09 CORING		_____
10 DRILLSTEM TESTING		_____
11 DRILLING FLUIDS		<u>4000</u>
12 WATER		<u>5000</u>
13 BITS & REAMERS		_____
14 GEOLOGICAL		<u>1000</u>
15 ENGINEERING		<u>1500</u>
16 MUD LOGGING		<u>1000</u>
17 OPENHOLE LOGGING		<u>7000</u>
18 EQUIPMENT RENTAL		<u>2000</u>
19 TRUCKING		<u>2000</u>
20 LABOR		<u>2000</u>
21 LEGAL		<u>4000</u>
22 OVERHEAD & EXPENSES		<u>1500</u>
23 INSURANCE & BONDS		<u>1500</u>
24 CASING CREWS		_____
25 PLUGGING & ABANDONING		<u>3000</u>
26 MISCELLANEOUS INTANGIBLES		<u>5000</u>

BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

EXHIBIT NO. 3

CASE NO. 10389.

TOTAL INTANGIBLE DRILLING **\$ 114000**

2 TANGIBLE DRILLING

01 CASING - SURFACE	\$	<u>3500</u>
02 CASING - INTERMEDIATE		_____
03 WELLHEAD EQUIPMENT		<u>1000</u>
16 MISCELLANEOUS TANGIBLES		<u>500</u>

TOTAL TANGIBLE DRILLING **\$ 5000**

TOTAL DRILLING COSTS **\$ 119000**

WELL NO: _____ AFE NO: _____

3 INTANGIBLE COMPLETION

03 LOCATIONS	\$ 2000
05 COMPLETION UNIT	8000
06 LOGGING & PERFORATE	3500
08 CEMENT - PRODUCTION	5000
09 ACIDIZING	3000
10 FRACTURING	12000
12 WATER	1000
15 ENGINEERING	3000
18 EQUIPMENT RENTAL	3000
19 TRUCKING	1000
20 LABOR	3000
21 LEGAL	2000
22 OVERHEAD & EXPENSES	2000
26 MISCELLANEOUS INTANGIBLES	4000

TOTAL INTANGIBLE COMPLETION \$ 52500

4 TANGIBLE COMPLETION

02 CASING - PRODUCTION	\$ 19500
03 WELLHEAD	1000
04 TUBING	8000
05 RODS & DOWNHOLE PUMP	
06 PUMPING UNIT & ENGINE	
07 TREATER	
08 SEPARATOR	3000
09 TANKS - PRODUCTION & WATER	3000
10 VALVES & FITTINGS	3000
11 FLOWLINES	10000
12	
13	
14	
15	
16 MISCELLANEOUS TANGIBLES	5000

TOTAL TANGIBLE COMPLETION \$ 52500

TOTAL COMPLETION COST \$ 105000

TOTAL WELL COSTS \$ 224000

Chi Operating, Inc by:

Mr R. B. Beyer

9-11-91