‸ANTA FE ENERGY RESOURCE‸ ‸NC.

GENERALIZED WELL COST ESTIMATE

WELL NAME Abe Unit 2 — abeunit2.XLS
LOCATION 660' FSL & 660' FWL, Sec. 21-21S-33E, Lea Co., N.M.
DESCRIPTION Drill and Complete a 15,100' Morrow Gas Well

ACCOUNT	DESCRIPTION OF COSTS		DRY HOLE	PRODUCER
501- 000	**TANGIBLE WELL COSTS**			
501- 041	Conductor Csg		4,000	4,000
501- 041	Surface Csg	13-3/8" 48.0 ppf H-40 ST&C @1650'	22,688	22,688
501- 041	Protection Csg	9-5/8" 40.0 ppf K-55 ST&C @ 5,200'	67,600	67,600
501- 041	Intermediate Csg	7" 26.0 ppf S-95 & P-110 LT&C @ 12,250'	147,000	147,000
501- 041	Prod Csg			
501- 041	Prod Liner	4-1/2" 13.50 ppf S-95 LT&C 11,750'-15,100'		30,150
501- 042	Tubing	2-3/8" 4.7 ppf P-105 AB-Mod EUE @ 15,100'		75,500
501- 043	Wellhead		5,000	40,000
501- 044	Pmpg Unit			
501- 045	Prime Mover			
501- 050	Other Dwn Hole Equip	Liner Top Packer & Hanger		11,000
501- 050	Rods			
501- 050	Subsurface Pmps			
501- 055	Csg Equip		4,000	6,000
501- 055	Electrical			
501- 055	Misc. Tangibles			
501- 055	Rod Equip			
501- 055	Tubing Equip			5,000
	TOTAL TANGIBLE COSTS		250,288	408,938
541- 000	**LEASE FACILITY COSTS**			
541- 050	Flowlines			4,000
541- 050	Labor			8,000
541- 050	Other Prod Equip	Separator, GPU & Dehyd Unit		30,000
541- 050	Tank Facilities			19,000
	TOTAL LEASE FACILITY COSTS		-	61,000
511- 000	**INTANGIBLE WELL COSTS**			
511- 021	Location	Dirt Work & Damages Payment	15,000	15,000
511- 022	Fencing		2,000	4,000
511- 026	Drilling Water		40,000	40,000
511- 031	Contractor Moving Exp		40,000	40,000
511- 032	Cont Footage or Turnkey			
511- 032	Contractor Daywork	35 + 35 days @ $6400/7200 /day	476,000	476,000
511- 033	Drlg Fluid & Additives		75,000	75,000
511- 034	Bits & Reamers		100,000	100,000
511- 036	Coring & Core Analyses	Rotary Sidewall Cores (25)	15,000	15,000
511- 037	Cement		70,000	90,000
511- 039	Inspection & Tstg of Tang		15,000	25,000
511- 041	Directional Drlg Surveys			
511- 042	Drilling Equip Rental		50,000	50,000
511- 043	Open Hole Logging	CNL/LDT/DLL/MSFL/FMI (2 Runs)	65,000	65,000
511- 044	Drill Stem Tstg	One Test over the Morrow	10,000	10,000
511- 045	Mud Logging	$450/d X 50 days	22,500	22,500
511- 051	Transportation		15,000	25,000
511- 052	Completion Unit	10 days X $1500/day		15,000
511- 053	Completion Tool Rental			15,000
511- 054	Cased Hole Logs & Perfing			13,000
511- 055	Stimulation			30,000
511- 056	Rigsite Supervision	70 + 10 X $400/day	28,000	32,000
511- 072	Administrative Overhead		10,000	15,000
511- 099	Fishing Tools & Exp			
511- 099	Testing: BHP,GOR,4 Pt Pot			7,557
	Abandonment Cost		7,602	
	Other Intangibles			
0.1	Contingency (10%)		105,610	118,006
	TOTAL INTANGIBLES		1,161,712	1,298,063
	TOTAL COSTS		1,412,000	1,768,000

NEW MEXICO OIL CONSERVATION DIVISION
EXHIBIT 4
CASE NO. 11787

OPERATION DEPT APPROVAL(Initials) APPROVAL DATE M Benton 4/8/97	SFER APPROVAL APPROVAL DATE D. D. Delalo
ENGINEERING DEPT APPROVAL (Initials) APPROVAL DATE WDF	NON-OPERATOR APPROVAL APPROVAL DATE