



SANTA FE ENERGY RESOURCE INC.
GENERALIZED WELL COSTS ESTIMATE

WELL NAME	Topaz 19 Federal Com. No.1	TOPAZ19.XLS
LOCATION	660' FSL, 2083' FWL, Sec. 19, T-20-S, R-34-E, Lea Co. N. M.	
DESCRIPTION	Clean out, test, plug back, side track to BHL 660' FWL, 1100' FSL	

ACCOUNT	DESCRIPTION OF COSTS		DRY HOLE	PRODUCER
501- 000	TANGIBLE WELL COSTS			
501- 041	Conductor Csg			
501- 041	Surface Csg			
501- 041	Protection Csg			
501- 041	Intermediate Csg			
501- 041	Prod Csg	5-1/2" N-80 & S-95 LT&C @ 14000'		119,000
501- 041	Prod Liner			
501- 042	Tubing	2-3/8" 4.7ppf N-80 8rd EUE @ 14000'		35,000
501- 043	Wellhead			10,000
501- 044	Pmpg Unit			
501- 045	Prime Mover			
501- 050	Other Dwn Hole Equip			
501- 050	Rods			
501- 050	Subsurface Pmps			
501- 055	Csg Equip			750
501- 055	Electrical			
501- 055	Misc. Tangibles			
501- 055	Rod Equip			
501- 055	Tubing Equip			1,000
	TOTAL TANGIBLE COSTS			165,750
541- 000	LEASE FACILITY COSTS			
541- 050	Flowlines			2,000
541- 050	Labor			15,000
541- 050	Other Prod Equip	Separator, GPU, Dehydrator		30,000
541- 050	Tank Facilities			15,000
	TOTAL FACILITY COSTS			62,000
511- 000	INTANGIBLE WELL COSTS			
511- 021	Location		10,000	10,000
511- 022	Fencing		1,000	1,000
511- 026	Drilling Water		15,000	15,000
511- 031	Contractor Moving Exp		30,000	30,000
511- 032	Cont Footage or Turnkey			
511- 032	Contractor Daywork	30 days @ \$7500/day	225,000	225,000
511- 033	Drlg Fluid & Additives		25,000	25,000
511- 034	Bits & Reamers		30,000	30,000
511- 036	Coring & Core Analyses			
511- 037	Cement		10,000	20,000
511- 039	Inspection & Tstg of Tang			5,000
511- 041	Directional Drlg Surveys			
511- 042	Drilling Equip Rental	Directional Drilling Equipment 20@7500/day	150,000	150,000
511- 043	Open Hole Logging		30,000	30,000
511- 044	Drill Stem Tstg		10,000	10,000
511- 045	Mud Logging	20@500/day	10,000	10,000
511- 051	Transportation		5,000	10,000
511- 052	Completion Unit	\$1500/day for 8 days		12,000
511- 053	Completion Tool Rental			5,000
511- 054	Cased Hole Logs & Perfing			5,000
511- 055	Stimulation			15,000
511- 056	Rigsite Supervision	30/40@\$500/day	15,000	20,000
511- 072	Administrative Overhead		5,000	5,000
511- 099	Fishing Tools & Exp			
511- 099	Testing: BHP, GOR, 4 Pt Pot			2,500
	Abandonment Cost		10,000	
	Other Intangibles			
0.05	Contingency (5%)		29,050	31,775
	TOTAL INTANGIBLES		610,050	667,275
	TOTAL COSTS		610,050	895,025

OPERATION DEPT APPROVAL (Initials)	SFER APPROVAL
APPROVAL DATE <i>MD 9/12/97</i>	APPROVAL DATE <i>10/10/97</i>
ENGINEERING DEPT APPROVAL (Initials)	NON-OPERATOR APPROVAL
APPROVAL DATE <i>MD</i>	APPROVAL DATE