

SOUTHWEST ENERGY PRODUCTION COMPANY

Drilling/Completion Operations

DATE1/10/01 revised		Detail Cost Estimate				PREPARED BYJMT					
PROSPECT/ FIELDChalk Bluff		OPERATORSEPCO		WELL NAMEBig Bluff "31" State Com.		WELL NUMBER1					
STATENew Mexico		COUNTY/PARISH Eddy		LOCATION1980' FNL & 1980' FWL Sec. 31-17S-28E		PROPOSED TOTAL DEPTH10,200'					
DRILL / COMPLETE		<input checked="" type="checkbox"/> WORKOVER-RECOMPLETION		<input type="checkbox"/> SINGLE		<input checked="" type="checkbox"/> EXPLORATORY		<input type="checkbox"/> OIL WELL		OBJECTIVE / FORMATION(S)	
EQUIP		<input checked="" type="checkbox"/> WORKOVER-MAINTENANCE		<input type="checkbox"/> DUAL		<input checked="" type="checkbox"/> DEVELOPMENT		<input checked="" type="checkbox"/> GAS WELL		MORROW	
RETIREMENT (P&A)		<input type="checkbox"/> DRILL & EVALUATE		<input type="checkbox"/> OTHER							
SUB-ACCOUNT		INTANGIBLE COST				CASING POINT COST		COMPLETION COST		TOTAL COST	
Csg. Pt.	Completion										
121-001		FIG - TURNKEY									
121-005		FIG - FOOTAGE									
121-010	122-010	FIG - DAYWORK35 days @ \$90008 days @ \$2000				315,000		16,000		331,000	
121-012		DRILL RIG MOBILIZATION				35,000				35,000	
121-013		CONDUCTOR HOLE/DRIVE PIPE SERVICES				2,000				2,000	
121-015	122-015	ROAD & LOCATION				40,000		2,500		42,500	
121-020	122-020	FUEL, POWER AND WATER				22,000		2,000		24,000	
121-025	122-025	DRILLING/COMPLETION FLUIDS & CHEMICALS				50,000				50,000	
121-030	122-030	DRILL BITS				25,000				25,000	
121-032		DIRECTIONAL DRILLING AND RELATED SERVICES									
121-035		OPEN HOLE LOGGING2 DSTs				49,000				49,000	
121-040		MUD LOGGING				18,000				18,000	
	122-040	PERFORATING/CASED HOLE LOGGING						15,000		15,000	
121-055	122-055	CEMENT AND CEMENTING				13,000		30,000		43,000	
	122-060	STIMULATION- ACID/FRAC						25,000		25,000	
121-063	122-063	TANK TRUCKS/ MISC PUMPING SERVICES						5,000		5,000	
121-065	122-065	EQUIPMENT RENTAL				32,000		5,000		37,000	
121-070	122-070	CASING CREW				4,500		4,500		9,000	
121-153	122-153	WIRELINE SERVICE									
121-075	122-075	TRANSPORTATION- TRUCKING/TUGS/BARGES/ETC.				3,000		5,000		8,000	
121-080	122-080	SUPERVISION & TECHNICAL				20,000		5,000		25,000	
121-085	122-085	CONTRACT LABOR				4,000		3,000		7,000	
121-090	122-090	CASING/TUBING & DRILL PIPE INSPECTION & TESTING				3,000				3,000	
121-095	122-095	PERMITS,SURVEYS, CURATIVE, TITLE AND DRILL SITE OPINION				1,500				1,500	
121-930		INSURANCE				3,000				3,000	
121-105	122-105	ENVIRONMENTAL & POLLUTION/ DISPOSAL				4,000		2,000		6,000	
121-190		PLUGGING AND ABANDONMENT (DRY HOLE)				6,500				6,500	
121-925	122-925	DRILLING/COMPLETION OVERHEAD				4,500		2,000		6,500	
121-950	122-950	MISCELLANEOUS				6,000		8,000		14,000	
TOTAL INTANGIBLE COST						661,000		130,000		784,500	
TANGIBLE COST											
124-005		DRIVE PIPE									
124-010		CONDUCTOR PIPE20" @ 40'				1,000				1,000	
124-015		SURFACE CASING13-3/8" 61# @ 425'				11,500				11,500	
124-020		INTERMEDIATE CASING8-5/8" 32# @ 2000'				21,000				21,000	
124-020		2ND INTERMEDIATE CASING									
124-030		DRILLING LINER									
	125-025	PRODUCTION CASING OR PROD. LINER5-1/2" 17# @ 10,200'						61,000		61,000	
	125-035	PRODUCTION TUBING2-7/8" 6.5# @ 10,200'						30,500		30,500	
124-045	125-045	PACKERS/RETAINERS/LINER HANGERS									
124-055	125-055	WELLHEAD EQUIPMENT				8,000		12,000		20,000	
124-950	125-950	MISCELLANEOUS EQUIPMENT						10,000		10,000	
		OTHER (SPECIFY CHARGE AND RELATED ACCT. NO.)									
TOTAL TANGIBLE COST						41,500		113,500		155,000	
PRODUCTION EQUIPMENT											
	125-040	FLOWLINES						12,000		12,000	
	125-047	TANK BATTERY AND ASSOCIATED EQUIPMENT						11,000		11,000	
	125-060	SURFACE PROD EQUIPMENT- SEP/HTR TRTR/PROD. UNIT/CMPR/PROD. BARGE						12,000		12,000	
	125-062	SURF. PUMPING EQUIPMENT W/ PRIME MOVER									
	125-065	SUBSURFACE EQUIPMENT-RODS/B.H. PUMP/TBG. ANCHOR									
	125-075	GATHERING/PIPE LINES						20,000		20,000	
	125-095	NON-CONTROLLABLE EQUIPMENT									
	125-950	MISCELLANEOUS EQUIPMENT									
		OTHER (SPECIFY CHARGE AND RELATED ACCT. NO.)									
TOTAL PRODUCTION EQUIPMENT COST								55,000		55,000	
TOTAL WELL COST						702,500		298,500		994,500	
SEPCO'S estimate of the anticipated costs for the test well or operation are specified above. This estimate shall determine prepaid dry hole costs, completion costs, or costs of other operations, and your approval of this estimate signifies that SEPCO's estimate is reasonable. Participating parties in a test well or operation shall be responsible for actual costs in accordance with the terms of the joint operating agreement.											
SEPCO Approvals						Non-Operator Approvals					
BY						COMPANY:					
BY						BY:					
BY						BY:					
BY						BY:					
SEPCO GROSS WORKING INTEREST						OTHER GROSS WORKING INTEREST					
22.00% BCP 22.00% ACP						22.00% BCP 22.00% ACP					

OIL CONSERVATION DIVISION
CASE NUMBER 12500
EXHIBIT 5