

WELL COST ESTIMATE

ELM RIDGE RESOURCES, INC.

Well Name/Project Name				Well Number		Field	
Rylebart Federal				1		Basin Fruitland	
Location				County	State	AFE Number (Drill)	
1350' FNL & 1040' FEL Sec.24-T26N-R13W				San Juan	NM	SJ2000-3	
Project Description				Estimated Total Depth		AFE Number (Complete)	
Drill a Fruitland Coal well to +/- 1340'				1340'			
Tubular Goods:				Producing Well		Dry Hole	
				Sub-Total	Total	Sub-Total	
Surface Casing	150	Ft.	7"			\$1,245.00	
Intermediate Casing		Ft.					
Prod. Casing or Liner	1340	Ft.	4 1/2"	\$6,566.00			
Tubing	1200	Ft.	2 3/8"	\$2,700.00			
Tubing (Salvage)		Ft.			\$9,266.00		
Pipeline Expense (Gathering & Selling):							
Line Pipe 1 (Steel)	1300	Ft.		\$11,700.00			
Line Pipe 2 (PVC)		Ft.					
Casing and Tubing Heads				\$500.00	\$12,200.00	\$200.00	
Production Equipment							
Seperator	\$ 2,400		Rod String	\$ 2,500			
Miscellaneous	\$		Engine/Motor	\$			
Tank (s)	\$ 3,000		Injection Pump	\$			
Pumping Unit	\$ 6,500		Transfer Pumps	\$			
Water Inj. Equip.	\$		Compressor	\$			
Down Hole Equip. (Packers, Anchors, etc.)							
Parts, Supplies and Fittings				\$14,400	\$ 14,400.00		
Drilling/Completion Costs							
Footage		Ft.					
Daywork - Rathole		Day					
Daywork - Drilling	5	Day	\$6,500	\$/Day		\$32,500	
Daywork - Completion	6	Day	\$2,200	\$/Day	\$11,000.00		
Daywork - Water Well		Day					
Rig Move					\$7,000.00	\$18,000.00	
Cementing: (Materials & Services)							
Conductor and/or Surface						\$1,800.00	
Intermediate							
Production or Linear				\$ 4,800.00			
Squeeze Cementing							
Plug and Abandon (Plug Back, Whipstock Plug)						\$4,500.00	
Cementing Downhole Equipment (Shoes, Collars, Tools, etc.)					\$ 4,800.00		
Formation Treatments:							
Acidizing & Miscellaneous Pumping							
Fracturing Treatment (Materials & Equipment)				\$ 43,000.00			
Tank Rental and Transportation				\$ 3,000.00			
Tool Rental (Packer, Bridge Plug, Flanges, etc.)				\$ 500.00	\$46,500.00		
Formation Evaluation Services:							
Open Hole Logging (Electric & Radioactive Logging)							
Perforating and Cased Hole Logging				\$ 3,500.00			
Testing (Mud Logging, Drill Stem Test, Cores, etc.)					\$3,500.00		
Drilling Materials and Services:							
Drilling Mud (Materials & Services)						\$4,000.00	
Drilling Gas or Air							
Water and Trucking				\$ 1,000.00		\$3,000.00	
Drill Bits & Reamers (Special Drilling Tools)						\$3,600.00	
Fuel (Gasoline, Diesel, Butane, Electricity)						\$2,000.00	
Other Services and Materials:							
Contract Labor (Installation, Fabrication and Pipeline)				\$ 1,500.00			
Welding (Installation, Fabrication and Pipeline)							
Miscellaneous Materials, Services and Repairs						\$1,000.00	
Casing Service				\$ 900.00			
Electricity/Electrical Services					\$2,400.00		
Access and Locations:							
Abstract and Title Opinions				\$ 1,700.00			
Location, Roads and Excavation Dirtwork				\$ 3,500.00			
Surface Damages							
Staking and Survey				\$ 800.00			
Supervision and Consulting:							
GOPAS Overhead:							
Sub-Total					\$111,066	\$53,745.00	
Plus 10% Contingency					\$11,107	\$5,374.50	
Estimated Total Cost					\$181,292		
Date of Well Cost Estimate:				ESTIMATED COST ONLY - each participating Owner to pay proportionate share of actual well cost subject to operating agreement.			
6-Dec-00							
Approved:		Title:		Date:		Company:	