

Requested By:  
Prepared By: G. WOMACK

OXY USA INC.  
DETAILED WELL ESTIMATE

LEASE - WELL NO. OXY ENGLEBERT NO. 2 DATE: 29-Nov-01  
LOCATION DEPTH: 7,300  
15 T 18S R 25E COUNTY Eddy STATE New Mexico AFE NO.

DESCRIPTION	GRADE	\$/FT	QUAN.	W	ESTIMATE PRODUCER	ESTIMATE BCP	ESTIMATE ACP	REVISED BCP	REVISED EST PROD
<b>TANGIBLES</b>									
Casing									
Surface 13-3/8", 48#, H-40 ST&C	A	19.65	400		7,860	7,860			
Intermediate 9-5/8", 36#, K-55 ST&C	A	12.50	1500		18,750	18,750			
Production 5-1/2", 17#, N-80 LT&C	A	8.25	7300		60,225		60,225		
Wellhead Connections					12,000	4,000	8,000		
Tubing 2-7/8", 6.5#, L-80		3.25	6800		22,100		22,100		
sucker Rods	A		6800		18,972				
Bottom Hole Pump					2,000				
Engine or Motor									
Lumping Unit					38,500				
Electrical Equipment					10,500				
Line Pipe & Fittings					15,000		15,000		
Tracker and Accessories									
<b>TANK BATTERY</b>									
Stock Tanks 2 500 bbl					12,500		12,500		
Separator, Heater Treater, Dehydrator					20,000		20,000		
Meter Run & Housing					5,000		5,000		
Labor & Transportation					25,000		25,000		
<b>Total Tangibles</b>					<b>268,407</b>	<b>30,610</b>	<b>237,797</b>		
<b>INTANGIBLES</b>									
Contract Drilling Labor					153,000	153,000			
Rotary Day Work									
Service Rig Work @ \$1800/day					31,500		31,500		
Subsurface Casing Equipment					7,000	3,000	4,000		
W.S.T., Electric, Radioactivity Logs, etc.					25,000	25,000			
Acidizing, Fracing					55,000		55,000		
Perforating					9,500		9,500		
Disc. Company & Contract Labor					20,000	10,000	10,000		
Road Building, Location					30,000	20,000			
Cement & Cementing Services					35,000	20,000	15,000		
Cement Squeeze Jobs									
Drilling Mud, Chemicals					10,000	10,000			
Diamond Coring & Analyses, Bits, Reamers					25,000	25,000			
Mud Logging Unit					10,500	10,500			
Rental of Miscellaneous Equipment					15,000	10,000	5,000		
Contract Hauling					15,000	8,000	7,000		
Water					15,000	12,500	2,500		
Fuel					12,500	16,000			
Miscellaneous Incidentals					30,000	20,000	10,000		
Archaeological Services					2,500	2,500			
<b>Total Intangibles</b>					<b>501,500</b>	<b>345,500</b>	<b>156,000</b>		
<b>Total Estimated Cost - 100%</b>					<b>769,907</b>	<b>376,110</b>	<b>393,797</b>		

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No.12776 Exhibit No. 7  
Submitted By:  
OXY USA, Inc.  
Hearing Date: December 6, 2001