

1985 FINAL AFE COST ESTIMATE
EXHIBIT "D"

COST ESTIMATE - DRILLING & COMPLETION

AHEP-2135-1

☒ EXPLORATORY ☐ DEVELOPMENT

BUDGETED
☐ YES ☒ NO

AFE NO.

WELL NAME AND NO. **Homestake Rlty. #1-10** FIELD **Twin** AREA/DISTRICT **Lea Co., N.M.** LOCATION **1700' FSL&2300' FEL, Sec.10,T16S-R37E** PROPOSED DEPTH **12,000'** WORKING INT.

CODE	ITEM AND DESCRIPTION	DRY HOLE	COMPLETION
001	Footage, Drilling Costs Per Foot \$20.00/Ft. No. of Days 36	240,000	240,000
002	Daywork \$4800/Day No. of Days 8	38,400	38,400
003	Transport Rotary Tools, Rig Up, Rig Down		
004	Location, Roads, Canals, Structures, Damages	50,000	50,000
005	Fuel for Rig, Boats, Etc.		
006	Water and Water Hauling	23,000	23,000
007	Bits, Reamers, Stabilizers, Mills		
008	Mud and Chemicals	33,000	33,000
009	Rental Mud Equipment	7,000	7,000
010	Mud Logging and Pressure Detection	12,000	12,000
011	Gas or Air Drilling Tools		
012	Directional Drilling		
013	Deviation Surveys		
014	Coring Services	30,000	30,000
015	Formation Testing	15,000	15,000
016	Well Logs and Surveys	60,200	60,200
017	Special Rentals, Materials, Services	5,000	5,000
018	Basic Rental Tools	2,500	2,500
019	Fishing Tools and Services		
020	Primary Cementing	29,200	29,200
021	Squeeze and Plug Cementing		
022	Tubular Testing and Inspection	6,800	6,800
023	Support Transportation	2,500	2,500
024	Subsistence, Camp and Crew Travel	2,500	2,500
025	Material Lost in Hole		
026	Communications	6,000	6,000
027	Direct Supervision	17,500	17,500
028	Geologic Supervision	2,500	2,500
029	General Overhead		
035	Miscellaneous	2,500	2,500
037	Incentive Drilling Credit		
A TOTAL INTANGIBLE DRILLING COSTS		585,600	585,600
020	Conduct. 40 ft. of 20" @ \$100.00 /ft.	4,000	4,000
020	Surface 500 ft. of 13-3/8" @ 22.40 /ft.	11,200	11,200
020	Interm. 5,200 ft. of 8-5/8" @ 13.30 /ft.	69,200	69,200
020	Liner _____ ft. of _____ @ _____/ft.		
020	Liner _____ ft. of _____ @ _____/ft.		
024	Wellhead Equipment	8,000	8,000
046	Miscellaneous Costs	2,500	2,500
B TOTAL TANGIBLE DRILLING COSTS		94,900	94,900
C TOTAL DRILLING COSTS		680,500	680,500
D AHC NET _____ % DRILLING COSTS			
050	Daywork - Completion or P. & A. \$4800/Day & \$2500/Day No. of Days 2 + 20	9,600	59,600
051	Mud and Chemicals		5,000
052	Bits and Mills		5,000
053	Logging and Perforating		30,000
054	Primary Cementing		21,900
055	Plug and Squeeze Cementing	5,000	10,000
056	Plug and Salvage		
057	Fishing Tools and Services		
058	Special Rentals, Materials, Services	1,000	15,000
059	Tubular Testing and Inspection		10,000
060	Support Transportation		5,000
061	Well Stimulation		5,000
062	Well Testing		5,000
063	Subsistence, Camp and Crew Travel		1,000
064	Communications		50
065	Direct Supervision	1,000	8,800
066	General Overhead		
067	Miscellaneous	500	2,000
E TOTAL INTANGIBLE COMPLETION OR P. & A. COSTS		17,100	183,800
020	Prod. 12,000 ft. of 5-1/2" @ \$10.90 /ft.	130,800	130,800
020	Liner _____ ft. of _____ @ _____/ft.		
021	Tubing 12,000 ft. of 2-3/8" @ 4.50 /ft.	54,000	54,000
021	Tubing _____ ft. of _____ @ _____/ft.		
040	Down Hole Equipment		2,500
024	Wellhead Equipment		10,000
046	Miscellaneous Costs		2,000
F TOTAL TANGIBLE COMPLETION OR P. & A. COSTS			199,300
G TOTAL COMPLETION OR P. & A. COSTS		17,100	383,100
H AHC NET _____ % COMPLETION OR P. & A. COSTS			
I TOTAL DRILLING COMPLETION OR P. & A. COSTS		697,600	1,063,600

BEFORE EXAMINER SIGNATURE

DATE

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