

Cost of drilling a new well to 5,000 ft

➤ Moving/rig up and rig down	= \$ 20,000
➤ Rig 5 days at 15,000 \$/d	= \$ 75,000
➤ Bits	= \$ 15,000
➤ Mud	= \$ 15,000
➤ Logging	= \$ 15,000
➤ Casing 5.1/2"	= \$ 75,000
➤ <u>Cementing</u>	= \$ 15,000
Total	= \$ 230,000

Cost to complete the well and start up of production

➤ Workover rig	\$ 40,000
➤ Perforating	\$ 7,000
➤ Production tubing	\$ 25,000
➤ Sucker rod string	\$ 10,000
➤ <u>Sub Surface pump</u>	<u>\$ 2,500</u>
Total	\$ 84,500

Cost comparison

➤ Drilling a new regular well	\$ 230,000
➤ Completing a regular well	\$ 84,500
➤ Total	\$ 314,500
➤ Rehab a ABD well	<110,000>
➤ Difference/savings	\$ 204,500