



COST ANALYSIS

36" HOLE SECTION

This section was drilled at programmed cost less \$785.35 (12%), with some mud remaining for used on the following section. This was achieved by pumping 100% rather than 200% excess when displacing the hole at casing depth.

17 1/2" HOLE SECTION

The interval cost \$10147.13 exceeded the programmed cost \$8402.42 by \$1744.71 or 21%. The extra cost was incurred by the high concentration of Bentonite required to produce the high viscosity gel sweeps due to initial poor quality of the drill water.

12 1/4" HOLE SECTION

At \$23459.58, the interval was drilled at \$21525.70 (48%) less than programmed cost. The saving relates to the use of a basic GEL/SEAWATER system for a large part of the interval due to the delayed arrival of mud chemicals. The programmed cost was based on a mud weight of 1.20 SG whereas a mud weight of 1.12 SG was used. Also the programmed cost included the use of 68 x 25 kg drums of IDBOND, a contingency product not used.

8 1/2" HOLE SECTION

The interval cost \$59364.39. Exceeded the programme cost of \$53043.73 by \$6320.66 (12%) due to:

- a. greater concentration of polymers than anticipated was used to maintain yield point, gel strengths and the inhibitive characteristics of the fluid;
- b. the interval cost includes materials used during logging and P & A operations;
- c. extra mud treatment applied to overcome tight hole on trips.

TOTAL WELL

The total well cost \$98974.40, was \$14245.68 less than the estimated costs of \$113210.08 due to an over-estimation in the 12 1/4" hole section.