Certified MAIL

RECEIVED

2008 JUN -5 PM 1 54

Jones

SAN JUAN
RESOURCES, INC

May 30, 2008

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Kaempf #1E Well
1490'FSL, 1133' FEL, Unit I,
Section 19: T30N, R11W,
~~San Juan County~~, New Mexico
Case No. 13178, Force Pooling Order R-11762-A

WJJ 6/5/08

Ladies and Gentlemen:

Please find enclosed an itemized schedule of actual wells costs for the Kaempf #1E.

The language per Order number R-11762-A (Paragraph 10) is restated here: "The operator shall furnish the Division and each known non-consenting working interest owner an itemized schedule of actual well costs within 90 days following completion of the proposed well."

This shall fulfill the requirements of San Juan Resources, Inc. per the subject order.

Very Truly Yours,
SAN JUAN RESOURCES, INC.

Jerry McHugh, Jr.
President

cc: Kellahin & Kellahin (Thomas Kellahin)
Protocom (Drew Bates)

1499 Blake Street, Suite 10C, Denver, Colorado 80202
www.sanjuanbasin.com T: 303.573.6333 F: 303.573.6444

San Juan Resources, Inc.
Authority for Expenditure - Actual Costs
Well: 20001-27/20001-28 Kaempf #1E MV & DK
Printed on:05/29/08 at 01:07 PM
Rept 230-01 Based:05/31/08
Accounting Basis:Cash Date

	Completion of MV on 3/12/08	Original Drilling & Completion Allocation (1/20/04)		
	Kaempf 1E MV	Kaempf 1E MV	Kaempf 1E DK	Total Well Costs
DRILLING COSTS				
TITLE OPINION, CURATIVE	2,721.71	263.23	515.00	3,499.94
LOCATION CONSTRUCTION/DAMAGES	9,194.40	3,765.70	3,390.14	16,350.24
DIRT WORK	-	961.39	961.37	1,922.76
PIT LINER & FENCE	-	274.03	274.03	548.06
DRILLING DAYWORK	-	36,278.02	36,278.00	72,556.02
RIG RENTALS	-	905.77	905.76	1,811.53
DRILL BITS	-	7,138.31	7,138.30	14,276.61
RIG MOBILIZATION/DEMOBILE	-	2,823.77	2,823.76	5,647.53
WATER & WATER HAULING	332.41	2,451.53	2,451.52	5,235.46
DRILLING MUD, AIR PKG & NITRO	-	15,671.70	15,671.69	31,343.39
SURFACE CASING	-	1,679.18	1,679.17	3,358.35
CEMENT SURFACE	-	1,671.22	1,671.21	3,342.43
LOGS	22,128.20	5,059.41	5,059.40	32,247.01
INTERMEDIATE CASING	-	14,516.68	14,516.68	29,033.36
CASING CREW	-	1,189.82	1,189.81	2,379.63
CEMENT INTERMEDIATE	-	5,168.09	5,168.09	10,336.18
MISCELLANEOUS	2.23	21,808.25	21,087.54	42,898.02
TRUCKING	6,813.31	1,117.17	1,117.14	9,047.62
ENGINEERING/SUPERVISION	2,895.69	3,744.77	3,744.77	10,385.23
DRILLING OVERHEAD	-	750.02	750.01	1,500.03
GRAND TOTAL DRILLING COSTS	44,087.95	127,238.06	126,393.39	297,719.40
COMPLETION COSTS				
PRODUCTION CASING	-	13,768.53	13,768.52	27,537.05
CEMENT PRODUCTION CASING	-	7,129.69	7,129.67	14,259.36
ISOLATION TOOLS & RENTALS	24,358.96			24,358.96
AIR PACKAGE PLUS FUEL	29,374.19			29,374.19
CASING CREW	-	1,976.37	1,976.36	3,952.73
TUBING	848.30	26.82	26.82	901.94
PERFORATIONS	18,982.56			18,982.56
STIMULATION	254,112.02	49,543.67	49,543.65	353,199.34
TOOL RENTAL (FRAC VALVE)	6,987.01			6,987.01
FRAC TANK RENTAL	8,675.60			8,675.60
COMPLETION FLUIDS/WATER HAUL	38,750.66			38,750.66
DISPOSAL COSTS	5,697.62			5,697.62
COMPLETION RIG	43,275.40			43,275.40
TANK & FITTING	1,971.10			1,971.10
MISCELLANEOUS EQUIPMENT	-	18.60		18.60
MISCELLANEOUS COMPLETION COSTS	15,343.92			15,343.92
TRUCKING	18,331.42			18,331.42
COMPLETION OVERHEAD	3,246.49			3,246.49
ENGINEERING/SUPERVISION	28,905.91			28,905.91
GRAND TOTAL COMPLETION COSTS	498,861.16	72,463.68	72,445.02	643,769.86
GRAND TOTAL WELL COSTS	542,949.11	199,701.74	198,838.41	941,489.26