

SAN JUAN RECEIVED
RESOURCES, INC

2007 NOV 16 PM 1 48

November 12, 2007

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

VIA CERTIFIED MAIL

RE: Case No. 13784, Order No. R-12642
Schedule of Actual Well Costs

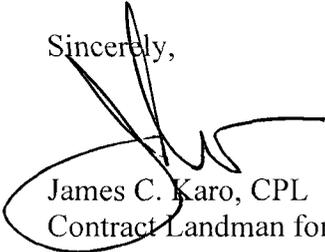
Dear Sir or Madam:

Pursuant to Order No. R-12642, in the above-referenced case, San Juan Resources, Inc., hereby provides a schedule of actual well costs for the Memgem Walters 34 #1 well (API No. 30-045-33768).

By copy of this letter, each known pooled working interest owner is also being provided with the same.

Please do not hesitate to contact me at 303-279-0789 if you have any further comments or questions regarding this matter.

Sincerely,



James C. Karo, CPL
Contract Landman for San Juan Resources, Inc.

Encl.

cc: Chevron USA Inc.
Chateau Oil and Gas, Inc.
Samson Resources Co.
Doris T. Leeds Trust
Shirley Mizzy Trust
Prime Energy Corporation
Segal Oil and Gas

San Juan Resources, Inc
Printed on: 10/26/07 at 02:13 PM
Rept 230-01 Based: 03/20/07
Accounting Basis: Cash Date

Memgem Walters 34 #1 MV/DK

DRILLING COSTS

SURVEY & PERMITS	2,753.48
TITLE OPINION, CURATIVE	25,709.21
LOCATION CONSTRUCTION & DAMAGES	95,162.10
DIRT WORK	22,500.00
PIT LINER & FENCE	2,754.18
DRILLING DAYWORK	273,087.20
RIG RENTALS	17,310.42
DRILL BITS	22,843.14
MUD MOTOR	31,452.39
RIG MOBILIZATION/DEMOBILE	29,075.47
WATER & WATER HAULING	14,046.94
DRILLING MUD, AIR PKG & NITRO	66,128.36
FUEL	26,843.09
SURFACE CASING	6,116.40
CASING HEAD	9,955.28
CEMENT SURFACE	14,083.38
NITROGEN DRILLING PACKAGE	0
LOGS	23,261.42
MUD LOGGER	17,321.69
INTERMEDIATE CASING	0
CASING CREW	2,626.85
CEMENT INTERMEDIATE	0
MISCELLANEOUS	18,763.68
TRUCKING	8,172.03
ENGINEERING/SUPERVISION	28,119.01
DRILLING OVERHEAD	3,387.09
DRILLING CONTINGENCIES	0
GRAND TOTAL DRILLING COSTS	<u>761,472.81</u>

COMPLETION COSTS

PRODUCTION CASING	57,396.16
CEMENT PRODUCTION CASING	63,214.14
CASING CREW	8,172.90
TUBING	24,424.36
PERFORATIONS	33,538.54
STIMULATION	227,942.46
TOOL RENTAL (FRAC VALVE)	3,954.52
FISHING TOOLS/SERVICES	0
FRAC TANK RENTAL	15,439.60
COMPLETION FLUIDS	53,226.42
DISPOSAL COSTS	17,652.05
COMPLETION RIG	85,970.16
SEPARATOR HEATER, DEHY	17,970.50
FLOWLINES & INSTALL	15,976.62
TANK & FITTING	8,933.20
MISCELLANEOUS EQUIPMENT	12,368.77
PUMP & PARTS	0
MISCELLANEOUS COMPLETION COSTS	5,916.21
TRUCKING	20,106.51
PIPELINE/GATHERING FACILITY	0
RESTORE LOCATION	444.98
COMPLETION OVERHEAD	4,354.83
ENGINEERING/SUPERVISION	22,360.87
COMPLETION CONTINGENCIES	0
GRAND TOTAL COMPLETION COSTS	<u>699,363.80</u>

GRAND TOTAL WELL COSTS 1,460,836.61