

M A R A L E X R E S O U R C E S, I N C

AUTHORITY FOR EXPENDITURE (AFE)

WELL NAME: POLOKOFF BLANCETT NO. 1 (COAL WELL RECOMPLETION)
 LOCATION: Section 24, T30N, R12W
 COUNTY: San Juan STATE: NM
 PURPOSE: Recomplete Existing Well to Fruitland Coals

INTANGIBLE	WORKOVER	COSTS
Service Unit	10 days @ \$1500/ day	15,000.00
Location	Dirt Work and labor \$2500 Pits (Plastic Lined) 1800 Reclamation of reserve pit 1200	5,500.00
Squeeze Cementing	Cement and Services 0	0.00
Logging & Tests	Open-hole Logging 0 Desorption Analysis 0 Cased-hole Logging 1800 BHP Build-up Test 0 Slug Test & other Tests 1600	3,400.00
Perforating	30 feet @ 4 shots per foot 2800	2,800.00
Stimulation	Fracture Treatment 60000	60,000.00
Rental Equipment	Tanks, BOP's, etc. 2200	2,200.00
Water & Hauling	For Completion Only 6000	6,000.00
Labor	Roustabout work, etc. 4400	4,400.00
Supervision	Engineering & field work 4000	4,000.00
Overhead	Land, Legal, Insurance, etc. 3000	3,000.00
Miscellaneous	Contingency (12%)	12,756.00

BEFORE EXAMINER STOGNER
 OIL CONSERVATION DIVISION
 EXHIBIT NO. _____
 CASE NO. 10274
 275
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TOTAL INTANGIBLE DRILLING COSTS \$119,056.00

MARALEX RESOURCES, INC

AUTHORITY FOR EXPENDITURE

TANGIBLE	DRILLING	COSTS
Tubulars	0' of 8-5/8, 24#, J55 csg	\$0.00
	0' of 5-1/2, 17#, J55 csg	0.00
	1950' of 2-3/8, 4.7#, J55 tbg	4,100.00
Rods	1900' of 3/4 Grade D rods	2,300.00
Pumping Equip.	114-175-64 Pumping Unit (used)	9,800.00
	Downhole pump 2"x1.50"x12'RHBC	2,500.00
Prime Mover	30 Hp Electric Motor w/acces- sories (i.e. Power, Controls, etc.)	4,500.00
Production Unit	Vertical Coal gas separator	12,000.00
Water Storage	400 Barrel Fiberglass tank	4,800.00
Wellhead	Larkin or Hinderlighter head	1,600.00
Float Equip.	Guide Shoes, Floats, etc.	0.00
Miscellaneous	Polish rod, pumping tee, gas scrubber, radigan, etc.	3,500.00
Title Opinion	Provided by Miller Law Firm	8,000.00
TOTAL TANGIBLE DRILLING COSTS		\$53,100.00
TOTAL INTANGIBLE DRILLING COSTS		\$119,056.00
AFE GRAND TOTAL COSTS		\$172,156.00

MARALEX AUTHORIZATION: A. M. O'Hare
A. M. O'HARE, P.E.
PRESIDENT

Partner Approval _____
(Company Name):

By: _____

Title: _____