Exhibit 12

MARALEX RESOURCES, INC.

AUTHORITY FOR   EXPENDITURE (AFE)

WELL NAME:	BRIMHALL NO. 1 COAL WELL RECOMPLETION
LOCATION:	NE Section 18, T30N, R11W
COUNTY:	San Juan STATE: NM
PURPOSE:	Recomplete Existing Well to Fruitland Coals

INTANGIBLE   WORKOVER   COSTS

INTANGIBLE	WORKOVER		COSTS
Service Unit	8 days @ $1500/ day		12,000.00
Location	Dirt Work and labor	$1000	
	Pits (Plastic Lined)	800	
	Reclamation of reserve pit	1200	3,000.00
Squeeze Cementing	Cement and Services	4600	4,600.00
Logging & Tests	Open-hole Logging	0	
	Desorption Analysis	0	
	Cased-hole Logging	2800	
	BHP Build-up Test	0	
	Slug Test & other Tests	1600	4,400.00
Perforating	30 feet @ 4 shots per foot	2800	2,800.00
Stimulation	Fracture Treatment	45000	45,000.00
Rental Equipment	Tanks, BOP's, etc.	2200	2,200.00
Water & Hauling	Including Disposal	6000	6,000.00
Labor	Roustabout work, etc.	4400	4,400.00
Supervision	Engineering & field work	3200	3,200.00
Bonding	State Plugging Bond	5000	5,000.00
Overhead	Legal, Insurance, etc.	2400	2,400.00
Miscellaneous	Contingency (15%)		14,250.00
	TOTAL INTANGIBLE RECOMPLETE COSTS		$109,250.00

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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
	2000' of 2-3/8, 4.7#, J55 tbg		4,200.00
Rods	1900' of 3/4" Grade D rods		1,850.00
Artificial Lift Equipment	114-135-64 pumping unit (used)		11,000.00
	Downhole pump 2"x 1.5"x12' RHBC		2,400.00
Prime Mover	20 Hp Gas Engine w/accessories		3,500.00
Production Unit	Combined Coal gas separator/Dehy		7,700.00
Water Storage	300 Barrel Fiberglass tank		4,500.00
Wellhead	Larkin or Hinderlighter head		500.00
Float Equip.	Guide Shoes, Floats, etc.		0.00
Title	Title Opinion, etc.	16100	16,100.00
Miscellaneous	Connections, fittings, etc.		2,500.00

TOTAL TANGIBLE DRILLING COSTS	$54,250.00
TOTAL INTANGIBLE RECOMPLETE COSTS	$109,250.00
AFE GRAND TOTAL COSTS	$163,500.00

MARALEX AUTHORIZATION: _A. M. O'Hare_

A. M. O'HARE, P.E.
PRESIDENT

Company Name: _____

By: _____

Title: _____

Date: _____