

Exhibit 12  
 MARALEX RESOURCES, INC.

*Recompletion*

AUTHORITY FOR EXPENDITURE (AFE)

WELL NAME: BRIMHALL NO. 1 COAL WELL RECOMPLETION  
 LOCATION: NE Section 18, T30N, R10W  
 COUNTY: San Juan STATE: OIL CONSERVATION DIVISION  
 PURPOSE: Recomplete Existing Well to Fruitland Coals

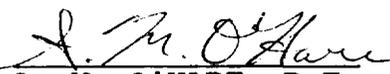
BEFORE EXAMINER STOGNER  
 OIL CONSERVATION DIVISION  
 10274  
 275  
 276

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 RECOMLETE COSTS		\$109,250.00

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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, P.E.  
PRESIDENT

Company Name: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_