



Brooks

Certified Mail-Return Receipt Requested No. 7009 2250 0003 4168 7622

December 1, 2010

New Mexico Oil Conservation Division
Attn: Mark E. Fesmire, P.E.-Director
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Itemized Schedule of Actual Well Costs
Blancett Ranch 24 #1 Well, Unit H, **API #30-045-33769**
T30N- R12W-Section 24: E/2
San Juan County, New Mexico
NMOCD Case No. 14445, Order R-13053-A

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Dear Mr. Fesmire:

Please find enclosed the November 30, 2010, Itemized Schedule of Actual Well Costs for the Blancett Ranch 24 #1 well.

The language per Order number R-13053-A (Paragraph 10) is restated herein: "The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) 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.

Sheryl A. Olson, CPL
Land Manager

Enclosure: one

cc: Kellahin & Kellahin (Thomas Kellahin)

San Juan Resources, Inc.
 Well Name: Blancett Ranch 24 #1 (API 30-045-33769)
 Itemized Schedule of Actual Wells Costs as of November 30, 2010
 Case No. 14445
 Order No. R-13053-A

DRILLING COSTS

SURVEY, STAKE & PERMITS	\$ 2,085.83
TITLE OPINION, CURATIVE	14,055.21
LOCATION CONSTRUCTION/DAMAGES	31,473.82
DIRT WORK	21,811.98
PIT LINER & FENCE	0
DRILLING DAYWORK	114,346.31
RIG RENTALS	5,460.85
DRILL BITS	13,643.31
AIR HAMMER	11,528.13
RIG MOBILIZATION/DEMOBILE	30,599.93
WATER & WATER HAULING	10,383.13
DRILLING MUD	7,142.40
CONDUCTOR CASING	20,554.59
FUEL	1,843.67
SURFACE CASING	9,020.56
CASING HEAD	11,859.49
CEMENT SURFACE	5,789.14
NITROGEN DRILLING PACKAGE	0
DRILLING AIR PACKAGE	27,424.79
LOGS	19,540.69
MUD LOGGER	7,260.00
INTERMEDIATE CASING	68,513.16
CEMENT INTERMEDIATE	16,703.93
MISCELLANEOUS	5,894.16
TRUCKING	7,220.75
ENGINEERING/SUPERVISION	16,116.44
DRILLING OVERHEAD	1,933.33
CLOSED LOOP SYSTEM	18,400.00
DRILLING CONTINGENCIES	0
GRAND TOTAL DRILLING COSTS	500,605.60

COMPLETION COSTS

PRODUCTION CASING	61,787.72
CEMENT PRODUCTION CASING	13,166.91
COMP. AIR PACKAGE PLUS FUEL	7,803.37
CASING CREW	8,728.39
TUBING HEAD & TREE	4,909.20
TUBING	27,129.37
PERFORATIONS	9,408.48
STIMULATION	90,859.38
TOOL RENTAL (FRAC VALVE)	13,935.21
DOWNHOLE TOOLS	0
FISHING TOOLS/SERVICES	8,397.75
FRAC TANK RENTAL	11,167.72
COMPLETION FLUIDS/WATER HAUL	13,804.62
CLEAN UP/DISPOSAL COSTS	24,187.98
COMPLETION RIG	31,949.94
SEPARATOR, HEATER, DEHY	21,456.87
FLOWLINES & INSTALL	14,194.11
TANK & FITTING	28,229.90
MISCELLANEOUS EQUIPMENT	5,348.12
MISCELLANEOUS COMPLETION COSTS	1,111.83
TRUCKING	4,659.02
PIPELINE/GATHERING FACILITY	27,868.02
RESTORE LOCATION	669.77
COMPLETION OVERHEAD	2,126.63
ENGINEERING/SUPERVISION	24,273.50
COMPLETION CONTINGENCIES	0
GRAND TOTAL COMPLETION COSTS	457,173.81

GRAND TOTAL WELL COSTS	\$ 957,779.41
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