

Brooks

**Certified Mail-Return Receipt Requested No. 7009 2250 0003 4168 7660**

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  
Monarch Crest 24 #1 Well, Unit C, **API #30-045-34770**  
T30N- R12W-Section 24: W/2  
San Juan County, New Mexico  
NMOCD Case No. 14464 Order R-13249

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2010 DEC - 6 A 11:33

Dear Mr. Fesmire:

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

The language per Order number R-<sup>13249</sup>~~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: Monarch Crest 24 #1 (API 30-045-34770)

Itemized Schedule of Actual Wells Costs as of November 30, 2010

Case No. 14464

Order No. R-13249

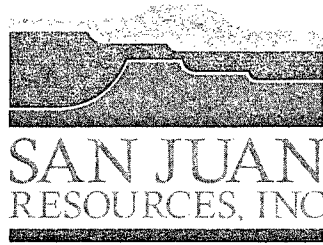
#### DRILLING COSTS

SURVEY, STAKE & PERMITS	\$ 609.00
TITLE OPINION, CURATIVE	35,925.70
LOCATION CONSTRUCTION/DAMAGES	20,196.30
DIRT WORK	32,572.80
PIT LINER & FENCE	-
DRILLING DAYWORK	194,946.49
RIG RENTALS	8,083.19
DRILL BITS	16,819.98
AIR HAMMER	12,552.04
RIG MOBILIZATION/DEMOBILE	34,496.35
WATER & WATER HAULING	11,744.40
DRILLING MUD	16,757.96
CONDUCTOR CASING	24,389.56
FUEL	2,987.11
SURFACE CASING	9,042.42
CASING HEAD	11,987.80
CEMENT SURFACE	5,888.91
NITROGEN DRILLING PACKAGE	-
DRILLING AIR PACKAGE	27,109.96
LOGS	21,225.82
MUD LOGGER	7,943.25
INTERMEDIATE CASING	66,436.34
CEMENT INTERMEDIATE	16,479.03
MISCELLANEOUS	14,345.21
TRUCKING	7,846.61
ENGINEERING/SUPERVISION	13,471.77
DRILLING OVERHEAD	3,286.61
CLOSED LOOP SYSTEM	32,200.00
DRILLING CONTINGENCIES	-
<b>GRAND TOTAL DRILLING COSTS</b>	<b>649,344.61</b>

#### COMPLETION COSTS

PRODUCTION CASING	59,662.26
CEMENT PRODUCTION CASING	14,590.48
COMP. AIR PACKAGE PLUS FUEL	9,752.39
CASING CREW	19,172.59
TUBING HEAD & TREE	4,909.20
TUBING	29,783.81
PERFORATIONS	7,563.11
STIMULATION	85,350.08
TOOL RENTAL (FRAC VALVE)	24,105.64
DOWNHOLE TOOLS	-
FISHING TOOLS/SERVICES	-
FRAC TANK RENTAL	11,224.18
COMPLETION FLUIDS/WATER HAUL	14,263.64
CLEAN UP/DISPOSAL COSTS	36,536.71
COMPLETION RIG	25,949.58
SEPARATOR, HEATER, DEHY	21,456.87
FLOWLINES & INSTALL	17,073.15
TANK & FITTING	26,932.94
MISCELLANEOUS EQUIPMENT	3,750.28
MISCELLANEOUS COMPLETION COSTS	1,048.09
TRUCKING	3,784.73
PIPELINE/GATHERING FACILITY	57,624.42
RESTORE LOCATION	430.57
COMPLETION OVERHEAD	1,739.97
ENGINEERING/SUPERVISION	19,813.27
COMPLETION CONTINGENCIES	-
<b>GRAND TOTAL COMPLETION COSTS</b>	<b>496,517.96</b>

<b>GRAND TOTAL WELL COSTS</b>	<b>\$ 1,145,862.57</b>
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**Certified Mail-Return Receipt Requested No. 7009 2250 0003 4168 7677**

December 1, 2010

Union Pacific Railroad Company  
c/o Farmers National Company  
Attn: Ms. Samantha Morgan  
5110 So Yale, Suite 400  
Tulsa, OK 74135

RE: Itemized Schedule of Actual Well Costs  
Monarch Crest 24 #1 Well, Unit C, **API #30-045-34770**  
T30N- R12W-Section 24: W/2  
San Juan County, New Mexico  
NMOCD Case No. 14464 Order R-13249

Dear Ms. Morgan:

Please find enclosed the November 30, 2010, Itemized Schedule of Actual Well Costs for the Monarch Crest 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

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*NMOCD*