

## 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	
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

BEFORE EXAMINER STOGNER TOTAL INTANGIBLE RECOMPLETE COSTS

\$109,250.00

OIL CONSERVATION DIVISION

EXHIBIT NO.

CASE NO.

10274

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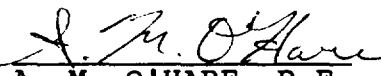
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TANGIBLE	DRILLING	COSTS
Tubulars	0' of 8-5/8, 24#, J55 csg	\$0.00
	0' of 5-1/2, 17#, J55 csg	0.00
	2000' of 2-3/8, 4.7#, J55 tbg	4,200.00
Rods	1900' of 3/4" Grade D rods	1,850.00
Artificial Lift Equipment	114-135-64 pumping unit (used)	11,000.00
	Downhole 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: \_\_\_\_\_