



July 31, 2013

Mr. Richard Powals
Environmental Geo-Technologies, LLC
28470 Citrin Drive
Romulus, Michigan 48174

RE: 2013 Plugging and Abandonment Cost Update
UIC Permit Numbers: MI-163-1W-0010, MI-163-1W0011

Dear Mr. Powals:

As requested, Subsurface Technology, Inc. (Subsurface) has completed an update of the plugging and abandonment procedures and associated costs for the closure of Environmental Geo-Technologies, LLC injection Wells No. 1-12 and 2-12. Previously approved field plugging procedures remain consistent with applicable regulations and have been amended to include final ambient reservoir monitoring and a comparison of values to determine if the injection activity has conformed with predicted values [146.71 (d) (2)]. The plugging costs have been adjusted to reflect current rates applicable in the Midwest for oilfield services including workover rigs, oilfield supplies and cementing equipment. A summary of the major cost elements (July 2013) is presented below:

Fall-off Test (24-hr) with BHP Gauge and Analysis	\$ 4,000
Reservoir Analysis/Pressure Comparison to Petition	1,500
Static Temperature Log	9,500
Workover Rig Mobilization – 1 day	2,500
Workover Rig Operations – 3 days	9,000
Workover Rig Demobilization – 1 day	2,500
Location Work/Welding	1,000
Blowout Preventer Rental and Drayage	2,000
Work String Rental and Drayage	2,000
Squeeze Retainer	6,000
Miscellaneous Handling (forklift, etc.)	500
Brine and Hauling	2,000
Cementing	31,500
Disposal of Tubing, Packer and Wellhead	1,000
Field Supervision	5,000
Plugging and Report Preparation	<u>2,200</u>
TOTAL	<u>\$ 82,200</u>

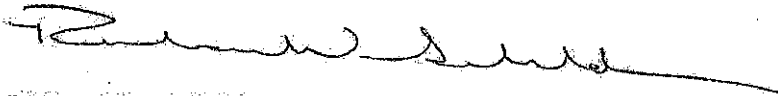
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Thanking you in advance for the opportunity to be of service and please feel free to call me @ (574) 287-2282 should you have any questions.

Sincerely,

Subsurface



Richard W. Schildhouse
Senior Engineer

RWS/rv

