
From: Richard Kahn <[REDACTED]>
Sent: Tuesday, July 17, 2012 6:48 PM
To: Jeffrey vacation
Subject: Fwd: Zorro Ranch Revised
Attachments: HGS Contract Revised.pdf; Untitled attachment 00660.htm

I just spoke with the owner Bill Whaley who was reluctant to discount his pricing any further than the \$1,600 offered in this email.

I was able to persuade him to agree to a total discount of \$6,000 which represents a 4.85% discount from original quote. Accordingly their price to drill would be \$117,221 They will be ready to start next week around July 25th + or - a day

Please note that this quote is priced for the full 800 feet of drilling If we only drill 700 feet then the cost will be reduced by approximately \$6,300

Other costs involved with drilling other than HGS \$117,221 are as follows:

- a) Casey Cook - consultant to oversee job and file reports - approximately \$12,500 (billing rate of \$150 per hour) - costs already incurred and paid in 2012 with identifying well, meeting with Brice and filing permits, etc. amount to \$9,000
- b) RMC Electric - approximately \$17,500 per Brice (i will forward his quote and negotiate with him as well)

Estimated total drilling costs with gross receipts tax: \$165,974

(this number includes \$9,000 costs already incurred and New Mexico gross receipts tax rate of 6.625% - darren is looking into why gross receipts is applicable)

Please advise

PLEASE NOTE EFFECTIVE JUNE 5TH MY CONTACT INFO WILL BE AS FOLLOWS:

Richard Kahn
HBRK Associates Inc.
575 Lexington Avenue, 38th Floor,
New York, New York 10022
tel = [REDACTED]
fax = [REDACTED]
cell = [REDACTED]

Begin forwarded message:

From: Casey Cook <[REDACTED]>

Date: July 17, 2012 =0:17:42 AM EDT

To: Richard Kahn <[REDACTED]>

Cc: brice gordon <[REDACTED]>

Subject: Fwd: Zorro Ranch =evised

Richard K.;

Hydrogeologic Services sent the =ttached revised draft contract with a price adjustment on the 8-inch =creen. The price is reduced from \$28/foot to \$24/foot from the =original bid, which reduces the total well cost by \$1600. The =ther unit costs are the same as in the original bid. Please note =hat the estimated cost of the pump may change depending on the tested =ell capacity, which may be more or less than the 100 gpm planned for =stimating purposes. A larger pump will cost more, a smaller pump =ess. Also, the drilled and constructed depth may be less than the =lanned 800 feet depending on determination in the field of the final =epth. I understand HGS will invoice Cypress, Inc for the actual =ootage drilled and cased on the basis of the proposed unit =rices.

Hydrogeologic Services indicates they are available to mobilize to =he Ranch next week to begin drilling.

I recommend Cypress, Inc. award the contract to Hydrogeologic Services =or drilling the 8-inch well at Zorro Ranch because of their lower bid =rice and earlier availability than the other responsive bidder (Yellow =acket Drilling), and for their previous experience drilling a =imilar well into the target formation at the Ranch.

Please call with any questions you may have, or if you wish to discuss =his in further detail.

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Casey W. Cook, P.E.
Balleau Groundwater, Inc.
901 Rio Grande Blvd. NW
Suite =-242
Albuquerque, NM 87104
[REDACTED]
[REDACTED] /fax
www.balleau.com <http://www.balleau.com/>

----- Forwarded =essage -----

From: Esperanza Cordova <[REDACTED] <mailto:[REDACTED]>>
Date: =on, Jul 16, 2012 at 4:53 PM
Subject: Zorro Ranch Revised
To: "Casey W. Cook" <[REDACTED] <mailto:[REDACTED]>>

Thanks,

Esperanza D. Meis

Office Administrator

HydroGeologic Services, Inc.

P.O. Box 94716

Albuquerque, NM 87199-4716

NM License No. [REDACTED]

[REDACTED] > Fax [REDACTED]

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