

AUTHORITY FOR EXPENDITURE

DATE 1/14/2000

AFE NO. 2000-004 LEASE NAME GILES STATE COM WELL NO. 1
 DESCRIPTION 1980' FSL 660' FEL COUNTY LEA
 STATE NEW MEXICO AREA MID-WAY UPPER PENN WEST OPERATOR MARBOB ENERGY CORPORATION
 PROJECT LOWER MORROW PREPARED BY D. CHANDLER
 EXPLORATION ☐ DEVELOPMENT ☐ RESULTS: OIL ☐ GAS ☒ DRY ☐ T.D. 12,650' DATE 1/14/2000

DRILLING INTANGIBLES:

LOCATION, ROADS, PITS, DAMAGES \$25,000
 FOOTAGE 21.75 FT. @ 12,650' /FT. 311,137
 DAY WORK 6 DAYS WDP @ \$ 6000 /DAY
 5 DAYS WODP @ \$ 5800 /DAY
 CEMENT AND CEMENTING 23,000
 TESTING AND CORING 10,000
 LOGGING 28,000
 PROFESSIONAL SERVICES (LEGAL, ENGINEERING, GEOLOGICAL, SURVEY) 18,500
 MUD MATERIALS, FUEL, WATER 65,500
 BITS, COREHEADS AND RENTALS 6,000
 MISCELLANEOUS SERVICES (INC. MARINE, RIGGING, WELDING ETC.) 4,500
 MISCELLANEOUS (INC. LABOR & TRANSPORTATION & BLOWOUT INS.) 4,000
 CONTINGENCY — % 24,782
 ADMINISTRATIVE, GENERAL EXPENSE
 TOTAL DRILLING 520,419

COMPLETED WELL	ACTUAL COST	OVER (UNDER)
\$ 4,000		
29,000		
18,000		
7,000		
578,419		

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Case No. 12358 Exhibit No. 12
 Submitted by:
 Marbob Energy Corporation
 Hearing Date: March 15, 2000

COMPLETION INTANGIBLES:

COMPLETION UNIT 10 DAYS/HRS. @ \$ 1500
 CEMENT AND CEMENTING
 PERFORATING AND LOGGING
 FRAC AND/OR ACID TREATMENT
 FUEL, WATER, POWER
 BATTERY CONSTRUCTION - DIRT WORK, ETC.
 COMPLETION TOOLS AND EQUIPMENT - RENTALS
 PROFESSIONAL SERVICES (LEGAL, ENGINEER., GEOLOGY, ETC.)
 MISCELLANEOUS SERVICES (INC. MARINE, WELDING, BACK FILL, ETC.)
 OTHER (INCLUDING LABOR & TRANSPORTATION)
 CONTINGENCY — 5%
 TOTAL COMPLETION
 TOTAL INTANGIBLES 520,419

\$ 15,000
16,400
22,000
6,700
4,000
8,600
4,500
2,000
11,000
4,510
94,710
\$673,129

DRILLING AND COMPLETION TANGIBLES

CASING 450 FT. 13 3/8", 48# @ \$ 16.75 /FT. 7,537
 2100,600 FT. 8 5/8", 24# & 32# @ \$ 7.90 & 13.65 /FT. 24,780
 2300 FT. 8 5/8" J55 32# @ \$ 10.25 /FT. 23,575
 12650 FT. 5 1/2", 17# @ \$ 6.70 & 7.11 /FT. 86,087
 TUBING 12650 FT. 2 7/8", N-80 @ \$ 3.38 /FT. 42,757
 WELLHEAD EQUIPMENT 3,800
 FLOATING EQUIPMENT, CENTRALIZERS, SCRATCHERS 6,000
 RODS FT. @ \$ /FT.
 SUBSURFACES EQUIPMENT - BH PUMP, ETC. 10,000
 LINE PIPE FT. @ \$ /FT.
 FT. @ \$ /FT.
 TANKS, TREATERS, SEPARATORS, LINERS, WALKS, ETC. 35,000
 GAS PROCESSING UNIT
 MARINE - BARGES, PLATFORMS, ETC.
 PUMPING UNIT AND ENGINE
 OTHER MISCELLANEOUS EQUIPMENT (FENCES, CULVERT, TOOLS, ETC.)
 CONTINGENCY — 5% 2,984
 TOTAL EQUIPMENT COST 62,676
 TOTAL WELL COST \$583,095

\$ 7,537
24,780
23,575
86,087
42,757
12,300
6,000
10,000
35,000
12,401
\$260,437
\$933,566

APPROVALS:

OPERATOR Marbob Energy Corporation BY John R. Gray WI 75 % DATE 1/17/2000
 COMPANY BY WI % DATE
 COMPANY BY WI % DATE