

**AUTHORITY FOR EXPENDITURE**

DATE August 2, 1999

AFE No. 99-042 LEASE NAME Primero Federal WELL No. 2  
 DESCRIPTION 542' FWL and 2116' FSL Section 23-26S-24E COUNTY Eddy  
 STATE New Mexico AREA South Washington Ranch OPERATOR Marbob Energy Corporation  
 PROJECT \_\_\_\_\_ PREPARED BY John R. Gray  
 EXPLORATION  DEVELOPMENT  RESULTS: OIL  GAS  DRY  T.D. 8,000 DATE 1999

DRILLING INTANGIBLES:	DRY HOLE WITHOUT PIPE	COMPLETED WELL	ACTUAL COST	OVER (UNDER)
LOCATION, ROADS, PITS, DAMAGES	\$ 20,000	\$		
FOOTAGE <u>8,000</u> FT. @ <u>17.25</u> /FT.	138,000			
DAY WORK _____ DAYS WDP @ \$ _____ /DAY	24,500			
_____ DAYS WODP @ \$ _____ /DAY				
CEMENT AND CEMENTING _____	14,000			
TESTING AND CORING _____	10,500			
LOGGING _____	6,500			
PROFESSIONAL SERVICES (LEGAL, ENGINEERING, GEOLOGICAL, SURVEY) _____	10,000			
MUD MATERIALS, FUEL, WATER _____	35,000			
BITS, COREHEADS AND RENTALS _____				
MISCELLANEOUS SERVICES (INC. MARINE, RIGGING, WELDING ETC.) _____	4,000			
MISCELLANEOUS (INC. LABOR & TRANSPORTATION & BLOWOUT INS.) _____				
CONTINGENCY — <u>10</u> % _____	26,500			
ADMINISTRATIVE, GENERAL EXPENSE _____				
<b>TOTAL DRILLING</b> _____	<b>289,000</b>			
<b>COMPLETION INTANGIBLES:</b>				
COMPLETION UNIT _____ DAYS/HRS. @ \$ _____		\$ 5,000		
CEMENT AND CEMENTING _____		13,600		
PERFORATING AND LOGGING _____		40,000		
FRAC AND/OR ACID TREATMENT _____		16,000		
FUEL, WATER, POWER _____				
BATTERY CONSTRUCTION - DIRT WORK, ETC. _____		7,500		
COMPLETION TOOLS AND EQUIPMENT - RENTALS _____		4,800		
PROFESSIONAL SERVICES (LEGAL, ENGINEER., GEOLOGY, ETC.) _____		2,000		
MISCELLANEOUS SERVICES (INC. MARINE, WELDING, BACK FILL, ETC.) _____		3,200		
OTHER (INCLUDING LABOR & TRANSPORTATION) _____		5,000		
CONTINGENCY — _____ % _____		5,100		
<b>TOTAL COMPLETION</b> _____		<b>102,200</b>		
<b>TOTAL INTANGIBLES</b> _____		<b>\$ 391,200</b>		
<b>DRILLING AND COMPLETION TANGIBLES</b>				
CASING <u>700</u> FT. <u>8 5/8</u> @ \$ <u>6.54</u> /FT.		\$ 4,578		
<u>8000</u> FT. @ \$ <u>4.64</u> /FT.		37,120		
_____ FT. @ \$ _____ /FT.				
_____ FT. @ \$ _____ /FT.				
TUBING <u>8000</u> FT. <u>2 3/8</u> @ \$ <u>2.00</u> /FT.		16,000		
WELLHEAD EQUIPMENT _____		4,000		
FLOATING EQUIPMENT, CENTRALIZERS, SCRATCHERS _____		2,600		
RODS _____ FT. @ \$ _____ /FT.				
SUBSURFACES EQUIPMENT - BH PUMP, ETC. _____				
LINE PIPE _____ FT. @ \$ _____ /FT.		2,000		
_____ FT. @ \$ _____ /FT.				
TANKS, TREATERS, SEPARATORS, LINERS, WALKS, ETC. _____		16,000		
GAS PROCESSING UNIT _____				
MARINE - BARGES, PLATFORMS, ETC. _____				
PUMPING UNIT AND ENGINE _____				
OTHER MISCELLANEOUS EQUIPMENT (FENCES, CULVERT, TOOLS, ETC.) _____		4,000		
CONTINGENCY — _____ % _____				
<b>TOTAL EQUIPMENT COST</b> _____	<b>4,578</b>	<b>\$ 81,720</b>		
<b>TOTAL WELL COST</b> _____	<b>\$ 293,578</b>	<b>\$ 472,920</b>		
LEASES _____ ACRES @ _____ PER ACRE _____				
<b>TOTAL WELL AND LEASE COST</b> _____				

**APPROVALS:**

OPERATOR Marbob Energy Corporation BY \_\_\_\_\_  
 COMPANY \_\_\_\_\_ BY \_\_\_\_\_  
 COMPANY \_\_\_\_\_ BY \_\_\_\_\_

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Case No. 12370 Exhibit No. 6  
 Submitted by:  
Marbob Energy Corporation  
 Hearing Date: April 6, 2000

**AUTHORITY FOR EXPENDITURE**

DATE March 30, 2000

AFE No. 2000-018 LEASE NAME Primero Federal WELL No. 2  
 DESCRIPTION 660' FWL and 1980' FSL Section 23-26S-24E COUNTY Eddy  
 STATE New Mexico AREA South Washington Ranch OPERATOR Marbob Energy Corporation  
 PROJECT \_\_\_\_\_ PREPARED BY Raye Miller  
 EXPLORATION  DEVELOPMENT  RESULTS: OIL  GAS  DRY  T.D. 8,000 DATE 1999

DRILLING INTANGIBLES:	DRY HOLE WITHOUT PIPE	COMPLETED WELL	ACTUAL COST	OVER (UNDER)
LOCATION, ROADS, PITS, DAMAGES	\$ 20,000	\$		
FOOTAGE _____ FT. @ _____ /FT.				
DAY WORK _____ DAYS WDP @ \$ _____ /DAY	222,500			
_____ DAYS WODP @ \$ _____ /DAY				
CEMENT AND CEMENTING	14,000			
TESTING AND CORING	10,500			
LOGGING	6,500			
PROFESSIONAL SERVICES (LEGAL, ENGINEERING, GEOLOGICAL, SURVEY)	10,000			
MUD MATERIALS, FUEL, WATER	35,000			
BITS, COREHEADS AND RENTALS				
MISCELLANEOUS SERVICES (INC. MARINE, RIGGING, WELDING ETC.)	43,000			
MISCELLANEOUS (INC. LABOR & TRANSPORTATION & BLOWOUT INS.)				
CONTINGENCY — <u>10%</u>	36,000			
ADMINISTRATIVE, GENERAL EXPENSE				
TOTAL DRILLING	397,500			
<b>COMPLETION INTANGIBLES:</b>				
COMPLETION UNIT _____ DAYS/HR. @ \$ _____		\$ 5,000		
CEMENT AND CEMENTING		13,600		
PERFORATING AND LOGGING		40,000		
FRAC AND/OR ACID TREATMENT		16,000		
FUEL, WATER, POWER				
BATTERY CONSTRUCTION - DIRT WORK, ETC.		7,500		
COMPLETION TOOLS AND EQUIPMENT - RENTALS		4,800		
PROFESSIONAL SERVICES (LEGAL, ENGINEER., GEOLOGY, ETC.)		2,000		
MISCELLANEOUS SERVICES (INC. MARINE, WELDING, BACK FILL, ETC.)		3,200		
OTHER (INCLUDING LABOR & TRANSPORTATION)		5,000		
CONTINGENCY — _____ %		5,100		
TOTAL COMPLETION		102,200		
TOTAL INTANGIBLES		\$ 499,700		
<b>DRILLING AND COMPLETION TANGIBLES</b>				
CASING <u>700</u> FT. <u>8 5/8</u> @ \$ <u>6.54</u> /FT.		\$ 4,578		
<u>8000</u> FT. @ \$ <u>4.64</u> /FT.		37,120		
_____ FT. @ \$ _____ /FT.				
<u>8000</u> FT. <u>2 3/8</u> @ \$ <u>2.00</u> /FT.		16,000		
WELLHEAD EQUIPMENT		4,000		
FLOATING EQUIPMENT, CENTRALIZERS, SCRATCHERS		2,600		
RODS _____ FT. @ \$ _____ /FT.				
SUBSURFACES EQUIPMENT - BH PUMP, ETC.				
LINE PIPE _____ FT. @ \$ _____ /FT.		2,000		
_____ FT. @ \$ _____ /FT.				
TANKS, TREATERS, SEPARATORS, LINERS, WALKS, ETC.		16,000		
GAS PROCESSING UNIT				
MARINE - BARGES, PLATFORMS, ETC.				
PUMPING UNIT AND ENGINE				
OTHER MISCELLANEOUS EQUIPMENT (FENCES, CULVERT, TOOLS, ETC.)		4,000		
CONTINGENCY — _____ %				
TOTAL EQUIPMENT COST	4,578	\$ 81,720		
TOTAL WELL COST	\$ 402,078	\$ 581,420		
LEASES _____ ACRES @ _____ PER ACRE				
TOTAL WELL AND LEASE COST				

**APPROVALS:**

OPERATOR Marbob Energy Corporation BY \_\_\_\_\_ WI \_\_\_\_\_ % DATE \_\_\_\_\_  
 COMPANY \_\_\_\_\_ BY \_\_\_\_\_ WI \_\_\_\_\_ % DATE \_\_\_\_\_  
 COMPANY \_\_\_\_\_ BY \_\_\_\_\_ WI \_\_\_\_\_ % DATE \_\_\_\_\_