

AUTHORITY FOR EXPENDITURE

AFE NO.	2006-007	LEASE	Whiskey Girl Fee	WELL NO.	1
DESCRIPTION	464 FSL 1119 FEL Sec. 14-T22S-R26E	COUNTY	Eddy		
STATE	NM	AREA		OPERATOR	Marbob Energy Corporation
FORMATION	Morrow			PREPARED BY	Sheryl Baker
TOTAL DEPTH	11800	DATE	February 13, 2006		

DRILLING INTANGIBLES

	SUB	DRY HOLE W/O PIPE	COMPLETED WELL	ACTUAL COST	OVER UNDER
STAKING PERMITS LEGAL FEES ROW	100	10,000			
SITE PREPARATION ROADS & LOC	110	55,000	4,500		
DRILLING FOOTAGE CONTRACT	200				
DRILLING DAYWORK/MOBILIZATION	210	600,000			
EQUIP RNTL MACHINERY/MAN HIRE	220	65,000			
DRILLING WATER, HAULING FUEL	250	52,500			
DRILING MUD & CHEMICALS	260	48,000			
CEMENT SURFACE CASING	280	72,500			
FISHING TOOL SERVICES	295				
OTHER DRILLING COSTS/MATERIALS	299	172,500			
CORING & FORMATION TESTING	300	9,500			
MUD LOGGING & GEOLOGICAL SVCS	310	24,000			
ELEC LOGGING, WIRELINE, PERF	350	32,000	24,000		
DRILLING OVERHEAD CHARGE	950	5,000			
DRILLING WELLSITE SUPERVISION	955	24,500			
CONTINGENCY 5%		58,525	1,425		
TOTAL DRILLING		1,229,025	29,925		

COMPLETION INTANGIBLES

CEMENT PRODUCTION CASING	400		40,000		
FORMATION FRACTURING	410		150,000		
FORMATION ACIDIZING	420		18,000		
COMPLETION UNIT	450		30,000		
CONTRACT LABOR/PROFESSIONAL SVCS	500		26,000		
COMPLETION WATER, POWER, FUEL	905		4,500		
BATTERY CONST/SER/MATERIALS	910		38,000		
COMPLETION EQUIP RNTS/SERVICES	915		45,000		
COMPLETION OVERHEAD CHARGE	960		5,000		
COMPLETION SUSPENSION CHARGE	965		5,000		
MISCELLANEOUS IDC EXPENSES	900		7,500		
CONTINGENCY 5%			18,450		
TOTAL COMPLETION		0	387,450		
TOTAL INTANGIBLES		1,229,025	417,375		

DRILLING AND COMPLETION TANGIBLES

SURFACE & INTERMEDIATE CASING	200	267,000			
PRODUCTION CASING	250		135,000		
TUBING & ATTACHMENTS	300		62,500		
PUMPING WELL HOOK UP	350				
WELLHEAD EQUIPMENT	400	18,000	18,000		
PUMP JACKS & PUMPS	500				
TREATER, SEPAR, EQ, METER/ELEC	600		24,500		
TANKS & STORAGE FACILITIES	700		24,500		
MISCELLANEOUS L&W EQUIPMENT	900		7,500		
CONTINGENCY 5%		14,250	13,600		
TOTAL EQUIPMENT COST		299,250	285,600		
TOTAL WELL COST		1,528,275	702,975		
LEASE ACRES @ PER ACRE					
TOTAL WELL COST			2,231,250		

APPROVALS:

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

OPERATOR	Marbob Energy Corporation	BY	<i>Ray Miller</i> WI	DATE	02/13/06
COMPANY		BY	WI	DATE	
PRINT NAME		TITLE			

BEFORE THE OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

Case Nos. 13692 Exhibit No. 4

Submitted by:

Marbob Energy Corporation

Hearing Date: May 11, 2006