

PUBCO PETROLEUM CORPORATION
Cost Analysis - Verde-Gallup Wells
Average Costs for Six Wells in Sec. 18, 31N-14W

Intangible Drilling Costs:

Supervision		\$ 2,300
Drilling Contracts: Rotary (Average Depth 2500')	\$10,800	
Completion	<u>3,200</u>	14,000
Hauling		600
Water		500
Formation Stimulation		5,100
Cement		1,800
Mud		900
Roads & Location		1,500
Logs & Tests		1,100
Guide Shoes, Float Shoes, Centralizers, Welding, Etc.		700
Total Intangible Drilling Costs		<u>\$28,500</u>

Tangible Drilling Costs:

Casing		\$ 4,400
Tubing		1,700
Wellhead		<u>400</u>
Total Costs Through Wellhead		\$35,000
Surface Equipment		<u>9,100</u>
TOTAL DRILLING & EQUIPPING COSTS		<u><u>\$44,100</u></u>

EXHIBIT _____

OIL CORPORATION COMMISSION
 VERDE-GALLUP WELLS
Pubco
 10/11/11