

AUTHORITY FOR EXPENDITURE

AFE NO. 2000-053		LEASE SL Deep Federal Com		WELL NO. 1	
DESCRIPTION J - Section 30-19S-32E		COUNTY Lea			
STATE NM		AREA Lusk Morrow		OPERATOR Marbob Energy Corporation	
PROJECT		PREPARED BY Sheryl Baker			
EXPLORATION DEVELOPMENT		RESULTS: OIL DRY		TD DATE 11/17/00	

DRILLING INTANGIBLES

	SUB	DRY HOLE W/O PIPE	COMPLETED WELL	ACTUAL COST	OVER UNDER
STAKING PERMITS LEGAL FEES ROW	100	20000			
SITE PREPARATION ROADS & LOC	110	15000	40000		
DRILLING FOOTAGE CONTRACT	200	396800			
DRILLING DAYWORK/MOBILIZATION	210	57600			
EQUIP RNTL MACHINERY/MAN HIRE	220	24500			
DRILLING WATER, HAULING FUEL	250	40000			
DRILING MUD & CHEMICALS	260	35000			
CEMENT SURFACE CASING	280	87500			
FISHING TOOL SERVICES	295	2000			
OTHER DRILLING COSTS/MATERIALS	299	4500			
CORING & FORMATION TESTING	300	10500			
MUD LOGGING & GEOLOGICAL SVCS	310	19500			
ELEC LOGGING, WIRELINE, PERF	350	28500	22500		
DRILLING OVERHEAD CHARGE	950	5000			
DRILLING WELLSITE SUPERVISION	955	5000			
CONTINGENCY 5%		37570	3125		
TOTAL DRILLING		788970	65625		

COMPLETION INTANGIBLES

CEMENT PRODUCTION CASING	400		43500		
FORMATION FRACTURING	410		75000		
FORMATION ACIDIZING	420		7500		
COMPLETION UNIT	450		15000		
CONTRACT LABOR/PROFESSIONAL SVCS	500		25000		
COMPLETION WATER, POWERM FUEL	905		4500		
BATTERY CONST/SER/MATERIALS	910		20000		
COMPLETION EQUIP RNTS/SERVICES	915		22500		
DRIL/COM OVERHEAD CHARGE	950		5000		
DRIL/COM OVERHEAD CHARGE	955		5000		
MISCELLANEOUS IDC EXPENSES	900		7500		
CONTINGENCY 5%			11500		
TOTAL COMPLETION			242000		
TOTAL INTANGIBLES			307625		

DRILLING AND COMPLETION TANGIBLES

SURFACE & INTERMEDIATE CASING	200	149045			
PRODUCTION CASING	250		132480		
TUBING & ATTACHMENTS	300		45000		
PUMPING WELL HOOK UP	350				
WELLHEAD EQUIPMENT	400		32500		
PUMP JACKS & PUMPS	500				
TREATER, SEPAR, EQ, METER/ELEC	600		32500		
TANKS & STORAGE FACILITIES	700		7500		
MISCELLANEOUS L&W EQUIPMENT	900		7500		
CONTINGENCY		7452	12874		
TOTAL EQUIPMENT COST		156497	270354		
TOTAL WELL COST		945467	643604		
LEASE ACRES @ PER ACRE					
TOTAL WELL COST			1589071		

APPROVALS:

OPERATOR Marbob Energy Corporation	BY <u>Alfred Lopez</u>	WI 37.3599% DATE 11/20/00
COMPANY	BY	DATE
COMPANY	BY	DATE
BEFORE THE OIL CONSERVATION DIVISION		
Santa Fe, New Mexico		
Case No. 12600 Exhibit No. 10		
Submitted by:		
Marbob Energy Corporation		
Hearing Date: February 22, 2001		