



## **MARVEL PROSPECT**

## **LIPSCOMB COUNTY, TEXAS**

Operator: Amarillo Exploration, Inc., P.O. Box 601539, Dallas, TX 75360

### **Legal Description and Rights:**

All of Section 16, Block 10, HT&B Survey, Lipscomb County, containing 640 acres, more or less.

### **Leasehold Rights and Term**

The primary term of the leases is three (3) years with a 180 day continuous development clause. At the expiration of the primary term or the end of the continuous development period, release all rights deeper than the producing horizon and any lands outside of a Railroad Commission established production unit.

### **Initial Test Well**

The initial test well will be located in the SE/4 of Section 16, Block 10, HT&B Survey, and shall be drilled to a depth sufficient to test the Tonkawa formation, estimated to be 6,350' in depth.

### **Potential Pay Zones: Tonkawa**

### **Drilling Prognosis:**

Drill and vertically complete a Tonkawa Formation Oil well. If successful, we would most likely have 2 or 3 more drilling locations. The downside is that there are NO bailout zones up the hole.

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4925 Greenville Ave.  
Dallas, TX 75206  
Phone 214.271.8963

**Mailing Address:**  
P.O. Box 601539  
Dallas, TX 75360-1539

**Prospect Cost: \$2,725 for each 1% WI**  
(Includes Acreage, Geology, and Landman Costs)

**Estimated Drilling Cost: \$419,734**

**Estimated Completion Cost: \$405,836**

**EXAMPLE – Estimated Cost of 1% WI Participation**

|                         |                 |
|-------------------------|-----------------|
| Prospect Cost           | \$ 2,725        |
| Drilling (w/ 25% Carry) | \$ 5,596        |
| Completion              | <u>\$ 4,058</u> |
| TOTAL                   | \$12,379        |

**Estimated Payout: 13 months**

**ROI: 8.0 : 1**

Estimated Payout, and ROI are based on 1 Tonkawa completion only. Multiple wells may be drilled in the Tonkawa Formation.

**Enclosures:**

Geologic Discussion  
Area Production Map  
Various Isopach and Structure Maps  
Log Cross-Section  
Offset Production – McDaniel #1  
Pro Forma Economics based on Offset Production  
Authority For Expenditure  
Participation Agreement