

**MEWBOURNE OIL COMPANY**  
AUTHORIZATION FOR EXPENDITURE

Well Name: <b>Burton 4 Federal Com #4H</b>	Prospect: <b>Burton 4</b>
Location: <b>SL: 2120' FNL &amp; 330' FEL, BHL: 2120' FSL &amp; 330' FWL</b>	County: <b>Eddy</b> ST: <b>NM</b>
Sec: <b>4</b> Bk: <b></b> Survey: <b></b>	TWP: <b>20S</b> RNG: <b>29E</b> Prop. TVD: <b>7915'</b> TMD: <b>12,400'</b>

INTANGIBLE COSTS 180	CODE	TCP	CODE	CC
Permits and Surveys	100	\$10,000	200	\$2,000
Location: Roads, Pits & Site Preparation	105	\$80,000	205	\$5,000
Location: Site Restoration, Excavation & Other	106	\$125,000		
Day Work, Footage, Turnkey Drilling 35 days Drlg, 3 day Comp. @ \$17,000/day	110	\$630,700	210	\$51,000
Fuel	114	\$160,000		
Mud	120	\$85,000		
Chemicals and Additives	121		221	\$5,000
Cementing	125	\$136,000	225	
Logging, Wireline & Coring Services	130	\$20,000	230	
Casing, Tubing & Snubbing Services	134	\$35,000	234	\$11,000
Mud Logging	137	\$35,000		
Stimulation			241	\$1,050,000
Stimulation Rentals & Other			242	\$250,000
Water & Other	145	\$45,000		
Bits	148	\$50,000	248	
Inspection & Repair Services	150	\$10,000	250	\$1,500
Misc. Air & Pumping Services	154	\$20,000	254	\$10,000
Testing	158	\$4,000	258	
Completion / Workover Rig			260	\$5,000
Rig Mobilization	164	\$100,000		
Transportation	165	\$25,000	265	\$5,000
Welding and Construction	168	\$8,000	268	\$2,000
Engineering & Contract Supervision	170	\$70,000	270	
Directional Services	175	\$250,000		
Equipment Rental	180	\$200,000	280	\$3,000
Well / Lease Legal	184	\$8,000	284	\$1,000
Well / Lease Insurance	185	\$4,000	285	
Intangible Supplies	188	\$5,000	288	
Damages	190	\$5,000	290	
Pipeline, Road, Electrical ROW & Easements	192		292	\$10,000
Pipeline Interconnect			293	
Company Supervision	195	\$70,000	295	\$35,000
Overhead Fixed Rate	196	\$9,000	296	\$4,000
Well Abandonment	198		298	
Contingencies 10% (TCP) 5% (CC)	199	\$220,000	299	\$72,500
<b>TOTAL</b>		<b>\$2,419,700</b>		<b>\$1,523,000</b>
TANGIBLE COSTS 181				
Casing (19.1" - 30") 350' 20" 94# BTC @ \$100/ft	793	\$35,000		
Casing (10.1" - 19.0") 1200' 13 3/8" 48# STC @ \$35.99/ft	794	\$43,000		
Casing (8.1" - 10.0") 3100' 9 5/8" 40# N80/K55 LTC \$25.20/ft w/GRT	795	\$80,000		
Casing (6.1" - 8.0") 9300' 7" 26# P110 BTC @ \$28.10/ft	796	\$262,000		
Casing (4.1" - 6.0") 4200' 4 1/2" 13.5# P140 LTC @ \$13/ft			797	\$55,000
Tubing (2" - 4") 8300' 2 7/8" 6.5# L80 EUE 8rd @ \$6.60/ft			798	\$55,000
Drilling Head	860	\$8,500		
Tubing Head & Upper Section			870	\$9,000
Sucker Rods			875	\$40,000
Packer Pump & Subsurface Equipment 19 ports + pump assembly			880	\$245,000
Artificial Lift Systems			884	\$10,000
Pumping Unit			885	\$106,000
Surface Pumps & Prime Movers			886	\$6,000
Tanks - Steel			890	
Tanks - Others			891	
Separation Equipment 30"x10"x500# 3 phase separator			895	\$13,000
Gas Treating Equipment			896	
Heater Treaters, Line Heaters			897	
Metering Equipment			898	\$10,000
Line Pipe - Gas Gathering and Transportation			900	\$15,000
Misc. Fittings, Valves, Line Pipe and Accessories			906	\$5,000
Cathodic Protection			908	
Electrical Installations			909	
Production Equipment Installation			910	\$5,000
Pipeline Construction			920	\$5,000
<b>TOTAL</b>		<b>\$428,500</b>		<b>\$579,000</b>
<b>SUBTOTAL</b>		<b>\$2,848,200</b>		<b>\$2,102,000</b>
<b>TOTAL WELL COST</b>		<b>\$4,950,200</b>		

Oil Conservation Division  
Case No. **4**  
Exhibit No. **4**

Prepared by: J Nave Date: 3/26/2012  
 Co. Approval: M. White Date: 3/27/2012  
 Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_  
 Joint Owner Name: \_\_\_\_\_

Joint Owner Approval: \_\_\_\_\_

Operator has secured Operator's Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 185. Non-Operator may elect NOT to be covered by this Operator's Extra Expense Insurance only by signing below. The undersigned elects **NOT to be covered** by Operator's Extra Expense Insurance for their well.

Joint Owner Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Form Rev. 1/1/12