

# MEWBOURNE OIL COMPANY

## AUTHORIZATION FOR EXPENDITURE

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|--|--|
| Well Name: <b>Dorado "34" Federal Com #1H</b>                                | Prospect: <b>Dorado 34</b>   |
| Location: <b>SL: 1850' FSL &amp; 620' FEL, BHL: 1850' FSL &amp; 330' FWL</b> | County: <b>Eddy</b> ST: <b>NM</b>  |
| Sec: <b>34</b> Blk: <b></b> Survey: <b></b>                                  | TWP: <b>18S</b> RNG: <b>30E</b> Prop. TVD: <b>8403'</b> TMD: <b>12600'</b> |

| INTANGIBLE COSTS 0180  | CODE      | TCP                | CODE      | CC                 |
|--|-----------|--------------------|-----------|--------------------|
| Permits and Surveys  | 0180-0100 | \$10,000           | 0180-0200 | \$4,000            |
| Location: Roads, Pits & Site Preparation                                     | 0180-0105 | \$80,000           | 0180-0205 | \$10,000           |
| Location: Site Restoration, Excavation & Other                               | 0180-0106 | \$150,000          | 0180-0206 |                    |
| Day Work, Footage, Turnkey Drilling 30 days drlg, 3 days comp @ \$16,500/day | 0180-0110 | \$495,000          | 0180-0210 | \$49,500           |
| Fuel   | 0180-0114 | \$125,000          |           |                    |
| Mud  | 0180-0120 | \$75,000           |           |                    |
| Chemicals and Additives  | 0180-0121 |                    | 0180-0221 | \$5,000            |
| Cementing  | 0180-0125 | \$115,000          | 0180-0225 |                    |
| Logging, Wireline & Coring Services  | 0180-0130 | \$30,000           | 0180-0230 |                    |
| Casing, Tubing & Snubbing Services   | 0180-0134 | \$45,000           | 0180-0234 | \$20,000           |
| Mud Logging  | 0180-0137 | \$25,000           |           |                    |
| Stimulation  |           |                    | 0180-0241 | \$1,000,000        |
| Stimulation Rentals & Other  |           |                    | 0180-0242 | \$300,000          |
| Water & Other  | 0180-0145 | \$50,000           |           |                    |
| Bits   | 0180-0148 | \$70,000           | 0180-0248 |                    |
| Inspection & Repair Services   | 0180-0150 | \$20,000           | 0180-0250 | \$1,500            |
| Misc. Air & Pumping Services   | 0180-0154 |                    | 0180-0254 | \$5,000            |
| Testing  | 0180-0158 | \$15,000           | 0180-0258 | \$15,000           |
| Completion / Workover Rig  |           |                    | 0180-0260 | \$16,000           |
| Rig Mobilization   | 0180-0164 | \$150,000          |           |                    |
| Transportation   | 0180-0165 | \$35,000           | 0180-0265 | \$7,000            |
| Welding and Construction   | 0180-0168 | \$10,000           | 0180-0268 | \$5,000            |
| Engineering & Contract Supervision   | 0180-0170 | \$55,000           | 0180-0270 |                    |
| Directional Services   | 0180-0175 | \$150,000          |           |                    |
| Equipment Rental   | 0180-0180 | \$125,000          | 0180-0280 | \$10,000           |
| Well / Lease Legal   | 0180-0184 | \$8,000            | 0180-0284 | \$1,000            |
| Well / Lease Insurance   | 0180-0185 | \$4,000            | 0180-0285 |                    |
| Intangible Supplies  | 0180-0188 | \$5,000            | 0180-0288 | \$1,000            |
| Damages  | 0180-0190 | \$5,000            | 0180-0290 |                    |
| Pipeline, Road, Electrical ROW & Easements                                   | 0180-0192 |                    | 0180-0292 | \$3,000            |
| Pipeline Interconnect  |           |                    | 0180-0293 |                    |
| Company Supervision  | 0180-0195 | \$100,000          | 0180-0295 | \$35,000           |
| Overhead Fixed Rate  | 0180-0196 | \$9,000            | 0180-0296 | \$7,000            |
| Well Abandonment   | 0180-0198 |                    | 0180-0298 |                    |
| Contingencies 10% (TCP) 5% (CC)  | 0180-0199 | \$196,100          | 0180-0299 | \$74,800           |
| <b>TOTAL</b>   |           | <b>\$2,157,100</b> |           | <b>\$1,569,800</b> |
| TANGIBLE COSTS 0181  |           |                    |           |                    |
| Casing (19.1" - 30")   | 0181-0793 |                    |           |                    |
| Casing (10.1" - 19.0") 500' - 13 3/4" 48# H40 @ \$37/ft                      | 0181-0794 | \$18,500           |           |                    |
| Casing (8.1" - 10.0") 1800' - 9 3/4" 36# J55 @ \$25/ft                       | 0181-0795 | \$45,000           |           |                    |
| Casing (6.1" - 8.0") 8800' - 7" 26# P110 @ \$29/ft                           | 0181-0796 | \$255,200          |           |                    |
| Casing (4.1" - 6.0") 4000' - 4 1/2" 13.5# P110 @ \$15/ft                     |           |                    | 0181-0797 | \$60,000           |
| Tubing (2" - 4") 7500' - 2 7/8" 6.5# N80 EUE 8rd @ \$7.10/ft                 |           |                    | 0181-0798 | \$53,500           |
| Drilling Head  | 0181-0860 | \$18,000           |           |                    |
| Tubing Head & Upper Section  |           |                    | 0181-0870 | \$15,000           |
| Downhole Directional Equipment   |           |                    | 0181-0871 | \$300,000          |
| Sucker Rods  |           |                    | 0181-0875 | \$25,000           |
| Packer Pump & Subsurface Equipment   |           |                    | 0181-0880 | \$13,000           |
| Artificial Lift Systems  |           |                    | 0181-0884 | \$15,000           |
| Pumping Unit   |           |                    | 0181-0885 | \$6,000            |
| Surface Pumps & Prime Movers   |           |                    | 0181-0886 | \$36,000           |
| Tanks - Steel  |           |                    | 0181-0890 | \$45,000           |
| Tanks - Others   |           |                    | 0181-0891 | \$24,000           |
| Separation & Gas Treating Equipment  |           |                    | 0181-0895 | \$46,000           |
| Heater Treaters, Line Heaters  |           |                    | 0181-0897 | \$25,000           |
| Metering Equipment   |           |                    | 0181-0898 | \$6,000            |
| Line Pipe - Gas Gathering and Transportation                                 |           |                    | 0181-0900 | \$10,000           |
| Misc. Fittings, Valves, Line Pipe and Accessories                            |           |                    | 0181-0906 | \$50,000           |
| Cathodic Protection  |           |                    | 0181-0908 |                    |
| Electrical Installations   |           |                    | 0181-0909 | \$50,000           |
| Production Equipment Installation  |           |                    | 0181-0910 | \$50,000           |
| Pipeline Construction  |           |                    | 0181-0920 |                    |
| <b>TOTAL</b>   |           | <b>\$336,700</b>   |           | <b>\$829,500</b>   |
| <b>SUBTOTAL</b>  |           | <b>\$2,493,800</b> |           | <b>\$2,399,300</b> |
| <b>TOTAL WELL COST</b>   |           |                    |           | <b>\$4,893,100</b> |

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

Prepared by: J. Burnett Date: 8/8/2012  
Co. Approval: *M. Whittier* Date: 8/8/2012

Joint Owner Interest: 0.54925% Amount: \$26,875.35  
Joint Owner Name: Exxon Mobil Corporation

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 0180-0185. 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: Exxon Mobil Corporation Signature: \_\_\_\_\_ Form Rev. 4/2012