

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Prospect: Pine Box "21" Well Name & No: Pine Box "21" Federal Com #1
 Field: Dagger Draw Location: 1310' FNL & 1310' FWL
 Section: 21 Block: Survey: Township: 20S Range: 25E
 County: Eddy State: NM Proposed Depth: 9800'

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
INTANGIBLE COST 180			
300	Permits and Surveys	\$3,000	\$1,000
301	Location, Roads and Site Preparation includes restoration	\$57,000	\$1,500
302	Footage or Turnkey Drilling		
303	Day Work (24 Days @ 13000/Day + 2 Days @ TD)	\$312,000	\$26,000
304	Fuel	\$40,000	
305	Completion / Workover Rig		\$15,000
306	Mud and Chemicals	\$30,000	\$1,000
307	Cementing	\$20,000	\$20,000
308	Logging, Wireline and Coring Services	\$28,000	\$12,000
309	Casing, Tubing & Snubbing Services	\$4,500	\$6,000
310	Mud Logging	\$15,000	
311	Testing	\$1,500	\$1,000
312	Treating		\$79,000
313	Water & Other	\$30,000	\$1,000
314	Bits (1 - 14 3/4", 1 - 12 1/4", 3 - 8 3/4")	\$28,000	
315	Inspection & Repair Services	\$3,500	\$6,500
316	Misc. Air and Pumping Services	\$5,000	\$2,000
320	Rig Mobilization & Transportation	\$38,000	\$1,000
321	Welding and Construction	\$2,500	\$2,000
322	Engineering & Contract Supervision	\$2,500	
330	Equipment Rental	\$24,000	\$1,000
334	Well / Lease Legal	\$3,000	\$1,000
335	Well / Lease Insurance	\$3,100	
350	Intangible Supplies	\$1,000	\$500
355	Damages	\$5,000	
360	Pipeline and Electrical ROW and Easements		\$3,000
367	Pipeline Interconnect		
375	Company Supervision	\$15,000	\$3,500
380	Overhead Fixed Rate	\$6,000	\$4,000
398	Well Abandonment	\$12,000	(\$12,000)
399	Contingencies 10% / 10%	\$66,600	\$17,600
Total Intangibles		\$756,200	\$193,600
TANGIBLE COST 181			
797	Conductor Casing 80' 20" (included in location)		
797	Surface Casing		
797	Intermediate Casing 1200' 9 5/8" 40# J-55 STC @ \$28.00/ft	\$33,600	
797	Intermediate Casing		
797	Production Casing 9,800' 5 1/2" 17# P110/N80 LTC @ \$13.90/ft		\$136,300
798	Tubing 9,750' 2 7/8" 6.5# P-110 EUE 8rd @ \$5.95/ft		\$58,000
860	Drilling Head	\$7,000	
870	Tubing Head & Upper Section		\$12,000
875	Sucker Rods		
880	Packer Pump & Subsurface Equipment		\$10,000
884	Artificial Lift Systems		
885	Pumping Unit		
886	Surface Pumps & Prime Movers		
890	Tanks - Steel		\$5,000
891	Tanks - Other		\$3,000
895	Separation Equipment		\$12,000
896	Gas Treating Equipment		
898	Metering Equipment		\$2,500
900	Line Pipe - Gas Gathering and Transportation + 2000, 4" 1.88 wall, X-42 w/coating		\$9,000
901	Line Pipe - Production		\$1,000
906	Miscellaneous Fittings, Valves & Accessories		\$10,000
909	Electrical Installations		
910	Production Equipment Installation		\$15,000
920	Pipeline Construction		\$10,000
Total Tangibles		\$40,600	\$283,800
SUBTOTAL		\$796,800	\$477,400
TOTAL WELL COST		\$1,274,200	

Date Prepared 04/29/05

Prepared by: Mike Johnson

Company Approval: *M. Whitte*

Date Approved: 04/29/05

Joint Owner Approval:

Joint Owner Interest:

Joint Owner Amount:

Total Tangibles

SUBTOTAL

TOTAL WELL COST

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 13519 Exhibit No. 4

Submitted by:

MEWBOURNE OIL COMPANY

Hearing Date: August 25, 2006

Pine Box 21 #1.xls