

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: Layla 35 MD Fee #2H	Prospect: Layla 35
Location: SL: 150' FSL & 660' FWL BHL: 330' FNL & 660' FWL	County: Eddy NM
Sec: 35 E1K: 1 Survey: 1	TWP: 23S RNC: 28E Prop. TWP: 10633' MP: 15200'

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Permits and Surveys		0180-0100	\$12,000	0180-0200	\$2,000
Location: Roads, Pits & Site Preparation		0180-0105	\$75,000	0180-0205	\$20,000
Location: Site Restoration, Excavation & Other		0180-0106	\$135,000	0180-0206	
Day Work, Footage, Turnkey Drilling 38 days drlg & 2 comp @ \$17000/day + GRT		0180-0110	\$684,800	0180-0210	\$36,100
Fuel		0180-0114	\$120,000		
Mud		0180-0120	\$185,000		
Chemicals and Additives		0180-0121		0180-0221	\$5,000
Cementing		0180-0125	\$105,000	0180-0225	
Logging, Wireline & Coring Services		0180-0130	\$40,000	0180-0230	
Casing, Tubing & Snubbing Services		0180-0134	\$30,000	0180-0234	\$10,000
Mud Logging		0180-0137	\$40,000		
Stimulation				0180-0241	\$1,400,000
Stimulation Rentals & Other				0180-0242	\$300,000
Water & Other		0180-0145	\$60,000		
Bits		0180-0148	\$70,000	0180-0248	
Inspection & Repair Services		0180-0150	\$25,000	0180-0250	\$1,500
Misc. Air & Pumping Services		0180-0154		0180-0254	\$5,000
Testing		0180-0158	\$25,000	0180-0258	\$15,000
Completion / Workover Rig				0180-0260	\$15,000
Rlg Mobilization		0180-0164	\$140,000		
Transportation		0180-0165	\$6,000	0180-0265	\$10,000
Welding and Construction		0180-0168	\$6,000	0180-0268	\$2,000
Engineering & Contract Supervision		0180-0170	\$60,000	0180-0270	\$5,000
Directional Services		0180-0175	\$215,000		
Equipment Rental		0180-0180	\$220,000	0180-0280	\$10,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	\$1,000
Well / Lease Insurance		0180-0185	\$4,000	0180-0285	
Intangible Supplies		0180-0188	\$15,000	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	\$60,000	0180-0295	\$30,000
Overhead Fixed Rate		0180-0196	\$9,000	0180-0296	\$4,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)		0180-0199	\$235,200	0180-0299	\$93,800
TOTAL			\$2,587,000		\$1,969,400
TANGIBLE COSTS 0181					
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 420' 13 3/8" 48# J55 STC @ \$33.59/ft +GRT		0181-0794	\$15,100		
Casing (8.1" - 10.0") 2700' 9 5/8" 36# N80 LTC @ \$23.81/ft		0181-0795	\$67,000		
Casing (6.1" - 8.0") 11000' 7" 26# P110 BTC/LTC @ \$24.38/ft		0181-0796	\$285,000		
Casing (4.1" - 6.0") 4400' 4 1/2" 13.5# P110 LTC @ \$12.75/ft				0181-0797	\$60,000
Tubing (2" - 4") 10000' 2 7/8" 6.5# EUE 8rd @ \$6.22/ft				0181-0798	\$67,000
Drilling Head		0181-0860	\$15,000		
Tubing Head & Upper Section				0181-0870	\$10,000
Downhole Directional Equipment 30 stage Baker system				0181-0871	\$450,000
Sucker Rods				0181-0875	
Packer Pump & Subsurface Equipment				0181-0880	
Artificial Lift Systems Gas Lift				0181-0884	\$15,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers				0181-0886	
Tanks - Steel 3 - 500 bbl steel				0181-0890	\$45,000
Tanks - Others 2 - 500 bbl fiberglass				0181-0891	\$23,000
Separation & Gas Treating Equipment 30"x10"x1000# 3phase & 24"x10"x1000# 2phase				0181-0895	\$65,000
Heater Treaters, Line Heaters 6'x20'x75# heater treater & 2 MMBTU stack pack				0181-0897	\$20,000
Metering Equipment				0181-0898	\$12,000
Line Pipe - Gas Gathering and Transportation				0181-0900	\$45,000
Misc. Fittings, Valves, Line Pipe and Accessories				0181-0906	\$60,000
Cathodic Protection				0181-0908	
Electrical Installations				0181-0909	
Production Equipment Installation				0181-0910	\$30,000
Pipeline Construction				0181-0920	\$70,000
TOTAL			\$382,100		\$972,000
SUBTOTAL			\$2,969,100		\$2,941,400
TOTAL WELL COST			\$5,910,500		

Prepared by: B.Hlavaty Date: 10/11/2013

Co. Approval: m. whitte Date: 10/11/2013

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 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: _____ Signature: _____