

## MEWBOURNE OIL COMPANY

## AUTHORIZATION FOR EXPENDITURE

Well Name: **Layla 35 B2MD Fee #3H** Prospect:   
 Location: **SL: 135' FSL & 470' FWL BHL: 330' FNL & 660' FWL** County: **Eddy** State: **NM**  
 Sec: **35** Bk:  Survey:  TWP: **23S** Rng: **28E** Prop. T/D: **8300'** T/D: **12900'**

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Permits and Surveys		0180-0100	\$13,000	0180-0200	
Location: Roads, Pits & Site Preparation		0180-0105	\$60,000	0180-0205	\$2,500
Location: Site Restoration, Excavation & Other		0180-0106	\$160,000	0180-0206	
Day Work, Footage, Turnkey Drilling 20 days drlg, 3 comp @ \$19,000/Day + GRT		0180-0110	\$406,000	0180-0210	\$61,000
Fuel 1000 gal/day @ \$3.50/day		0180-0114	\$80,500		
Mud		0180-0120	\$50,000		
Chemicals and Additives		0180-0121		0180-0221	
Cementing		0180-0125	\$90,000	0180-0225	
Logging, Wireline & Coring Services Gyro		0180-0130	\$8,000	0180-0230	
Casing, Tubing & Snubbing Services		0180-0134	\$30,000	0180-0234	\$10,000
Mud Logging		0180-0137	\$15,000		
Stimulation				0180-0241	\$800,000
Stimulation Rentals & Other				0180-0242	\$200,000
Water & Other		0180-0145	\$60,000		
Bits		0180-0148	\$60,000	0180-0248	
Inspection & Repair Services		0180-0150	\$25,000	0180-0250	
Misc. Air & Pumping Services		0180-0154		0180-0254	\$3,000
Testing		0180-0158	\$15,000	0180-0258	\$20,000
Completion / Workover Rig 4 days @ \$4500/day				0180-0260	\$18,000
Rig Mobilization		0180-0164	\$100,000		
Transportation		0180-0165	\$20,000	0180-0265	\$1,000
Welding and Construction		0180-0168	\$4,000	0180-0268	
Engineering & Contract Supervision		0180-0170	\$40,000	0180-0270	\$6,000
Directional Services		0180-0175	\$125,000		
Equipment Rental		0180-0180	\$170,000	0180-0280	\$8,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	
Damages		0180-0190	\$8,000	0180-0290	
Pipeline, Road, Electrical ROW & Easements		0180-0192	\$1,500	0180-0292	
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$40,000	0180-0295	\$6,000
Overhead Fixed Rate		0180-0196	\$7,000	0180-0296	
Well Abandonment		0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)		0180-0199	\$160,600	0180-0299	\$56,800
TOTAL			\$1,766,600		\$1,192,300
TANGIBLE COSTS 0181					
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 500' 13 3/8" 48# H40 ST&C @ \$32/ft w/GRT		0181-0794	\$17,100		
Casing (8.1" - 10.0") 2600' 9 5/8" 36# J55 LT&C @ \$24/ft w/GRT		0181-0795	\$66,600		
Casing (6.1" - 8.0") 8600' 7" 26# P110 LT&C/BT&C @ \$26/ft +GRT		0181-0796	\$239,000		
Casing (4.1" - 6.0") 4500' 4 1/2" 13.5# P110 LT&C @ \$14/ft +GRT				0181-0797	\$67,300
Tubing (2" - 4") 8000' 2 7/8" 6.5# L80 EUE 8rd @ \$6.25/ft w/GRT				0181-0798	\$53,400
Drilling Head		0181-0860	\$16,000		
Tubing Head & Upper Section				0181-0870	\$15,000
Downhole Directional Equipment 20 port system				0181-0871	\$250,000
Sucker Rods				0181-0875	\$45,000
Packer Pump & Subsurface Equipment				0181-0880	\$15,000
Artificial Lift Systems Gas Lift Valves				0181-0884	\$12,000
Pumping Unit Lufkin 912				0181-0885	\$135,000
Surface Pumps & Prime Movers				0181-0886	\$7,000
Tanks - Steel				0181-0890	
Tanks - Others				0181-0891	
Separation & Gas Treating Equipment 30"x10"x1000# 3ph & 24"x10"x1000# 2ph				0181-0895	\$26,000
Heater Treaters, Line Heaters				0181-0897	
Metering Equipment				0181-0898	\$16,000
Line Pipe - Gas Gathering and Transportation				0181-0900	\$10,000
Misc. Fittings, Valves, Line Pipe and Accessories				0181-0906	\$20,000
Cathodic Protection				0181-0908	\$5,000
Electrical Installations				0181-0909	\$20,000
Production Equipment Installation				0181-0910	\$15,000
Pipeline Construction				0181-0920	
TOTAL			\$338,700		\$711,700
SUBTOTAL			\$2,105,300		\$1,904,000
TOTAL WELL COST			\$4,009,300		

Oil Conservation Division

Case No. 6Exhibit No. 6Prepared by: J. Nave Date: 5/8/2014Co. Approval: m. white Date: 5/9/2014

Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_

Joint Owner Name: \_\_\_\_\_

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: \_\_\_\_\_

Form Rev. 4/2012