

IEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: Salado Draw 9 W1DM Fed Com #2H Prospect: _____
 Location: SL: 320' FNL & 500' FWL, BHL: 330' FSL & 500' FWL County: Lea ST: NM
 Sec: 9 Bk: _____ Survey: _____ TWP: 26S RNG: 33E Prop. T.V.D.: 12500' T.M.D.: 16900'

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Permits and Surveys		0180-0100	\$5,000	0180-0200	
Location: Roads, Pits & Site Preparation	Frac Pond	0180-0105	\$75,000	0180-0205	\$25,000
Location: Site Restoration, Excavation & Other		0180-0106	\$225,000	0180-0206	\$50,000
Day Work, Footage, Turnkey Drilling	32 days drlg & 3 comp @ \$18,000/day	0180-0110	\$615,200	0180-0210	\$57,700
Fuel	1000 gal/day @ \$2.45/gal	0180-0114	\$85,800		
Mud		0180-0120	\$200,000		
Chemicals and Additives		0180-0121		0180-0221	
Cementing		0180-0125	\$85,000	0180-0225	\$25,000
Logging, Wireline & Coring Services	Gyro/Wireline for 20 Stage Plug and Perf	0180-0130	\$5,000	0180-0230	\$130,000
Casing, Tubing & Snubbing Services		0180-0134	\$25,000	0180-0234	\$140,000
Mud Logging		0180-0137	\$30,000		
Stimulation	20stg 7MM gals/7MM sand			0180-0241	\$1,000,000
Stimulation Rentals & Other				0180-0242	\$600,000
Water & Other		0180-0145	\$30,000		
Bits		0180-0148	\$80,000	0180-0248	\$2,500
Inspection & Repair Services		0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services	Coil Tbg drill out & toe prep	0180-0154		0180-0254	\$180,000
Testing		0180-0158	\$20,000	0180-0258	\$30,000
Completion / Workover Rig	4 days @ \$3500/day - Toe prep & run gas lift			0180-0260	\$14,000
Rig Mobilization		0180-0184	\$180,000		
Transportation		0180-0165	\$30,000	0180-0265	\$12,000
Welding and Construction		0180-0168	\$5,000	0180-0268	
Engineering & Contract Supervision		0180-0170		0180-0270	
Directional Services	Includes Vertical Control	0180-0175	\$225,000		
Equipment Rental	Includes 4" DP rental	0180-0180	\$227,500	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,200	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	
Damages		0180-0190	\$5,000	0180-0290	
Pipeline, Road, Electrical ROW & Easements		0180-0192		0180-0292	
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$105,600	0180-0295	\$30,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies	10% (TCP) 5% (CC)	0180-0199	\$230,700	0180-0299	\$117,600
TOTAL			\$2,538,000		\$2,468,800
TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	1000' - 13 3/8" 54.5# J55 STC @ \$29.88/ft + GRT	0181-0794	\$32,000		
Casing (8.1" - 10.0")	4900' - 9 5/8" 36/40# J55/N80 LTC @ \$20.59/ft + GRT	0181-0795	\$107,800		
Casing (6.1" - 8.0")	12850' - 7" 26# P110 LTC/BTC @ \$26.20/ft + GRT	0181-0796	\$303,600		
Casing (4.1" - 6.0")	5000' - 4 1/2" 13.5# P110 LTC @ \$14.50/ft + GRT			0181-0797	\$77,500
Tubing (2" - 4")	11900' - 2 7/8" 6.5# L80 EUE 8rd @ \$5.23/ft + GRT			0181-0798	\$66,500
Drilling Head		0181-0860	\$14,000		
Tubing Head & Upper Section				0181-0870	\$14,000
Downhole Directional Equipment	Halliburton VersaStem liner hanger			0181-0871	\$80,000
Sucker Rods				0181-0875	
Packer Pump & Subsurface Equipment				0181-0880	
Artificial Lift Systems	Gas Lift			0181-0884	\$12,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers	SWD transfer pump			0181-0886	\$12,500
Tanks - Steel	7 steel 500 bbl tanks (4 coated)			0181-0890	\$87,000
Tanks - Others				0181-0891	
Separation & Gas Treating Equipment	2-30"x10"x1000# 3 phase & 6"x20"x250# FWKO			0181-0895	\$70,000
Heater Treaters, Line Heaters	6' x 20' x 75# heater treater			0181-0897	\$17,500
Metering Equipment				0181-0898	\$14,000
Line Pipe - Gas Gathering and Transportation				0181-0900	
Misc. Fittings, Valves, Line Pipe and Accessories				0181-0908	\$65,000
Cathodic Protection				0181-0908	\$5,000
Electrical Installations				0181-0909	\$80,000
Production Equipment Installation				0181-0910	\$45,000
Pipeline Construction	1/2 mile 4" buried steel			0181-0920	\$50,000
TOTAL			\$457,400		\$656,000
SUBTOTAL			\$2,995,400		\$3,124,800
TOTAL WELL COST			\$6,120,200		

Prepared by: J. Nave Date: 6/24/2015
 Co. Approval: M. White Date: 6/29/2015
 Joint Owner Interest: 25.00000000% Amount: \$1,530,050.00
 Joint Owner Name: EOG Resources, Inc.

Signature: _____

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: EOG Resources, Inc.

Signature: _____

Oil Conservation Division
 Case No. 4
 Exhibit No. 1