

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name:	Pavo Macho 31 B2LI Fed #1H			Prospect:			
Location:	SL: 1980' FSL & 185' FWL, BHL: 1650' FSL & 330' FEL			County:	Eddy		ST: NM
Sec.	31	Blk:		Survey:		TWP:	18S
				RNG:	29E	Prop. TVD:	7650
				TMD:	12100		

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Permits and Surveys		0180-0100	\$10,000	0180-0200	
Location: Roads, Pits & Site Preparation		0180-0105	\$75,000	0180-0205	\$20,000
Location: Site Restoration, Excavation & Other		0180-0106	\$150,000	0180-0206	\$20,000
Day Work, Footage, Turnkey Drilling 21 days drlg & 3 comp @ \$18000/day		0180-0110	\$403,800	0180-0210	\$57,700
Fuel 1000 gal/day @ \$2.15/gal		0180-0114	\$55,200		
Mud		0180-0120	\$45,000		
Chemicals and Additives		0180-0121		0180-0221	
Cementing		0180-0125	\$65,000	0180-0225	\$25,000
Logging, Wireline & Coring Services Gyro/Wireline for Plug & Perf		0180-0130	\$5,000	0180-0230	\$100,000
Casing, Tubing & Snubbing Services		0180-0134	\$25,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$20,000		
Stimulation 15 Stg 5.5MM Gal SW X 6.5MM# Sand				0180-0241	\$850,000
Stimulation Rentals & Other				0180-0242	\$500,000
Water & Other		0180-0145	\$40,000		
Bits		0180-0148	\$80,000	0180-0248	\$3,000
Inspection & Repair Services		0180-0150	\$35,000	0180-0250	\$4,000
Misc. Air & Pumping Services Drill out & Toe prep		0180-0154		0180-0254	\$80,000
Testing		0180-0158	\$15,000	0180-0258	\$20,000
Completion / Workover Rig 9 days @ \$3500/day				0180-0260	\$31,500
Rig Mobilization		0180-0164	\$160,000		
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 incl vert directional control		0180-0175	\$140,000		
Equipment Rental		0180-0180	\$132,000	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$5,000	0180-0290	
Pipeline, Road, Electrical ROW & Easements		0180-0192		0180-0292	
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$79,200	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	\$160,200	0180-0299	\$91,000
TOTAL			\$1,762,400		\$1,910,200
TANGIBLE COSTS 0181					
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 415' 13 3/8" 54.5# J55 STC @ \$27.95/ft + GRT		0181-0794	\$12,400		
Casing (8.1" - 10.0") 1110' 9 5/8" 36# J55 LTC @ \$18.30/ft + GRT		0181-0795	\$21,700		
Casing (6.1" - 8.0") 8105' 7" 26# P110 LTC/BTC @ \$20.89/ft + GRT		0181-0796	\$180,900		
Casing (4.1" - 6.0") 5000' 4 1/2" 13.5# P110 LTC @ \$11.70/ft + GRT				0181-0797	\$62,500
Tubing (2" - 4") 7350' 2 7/8" 6.5# L80 EUE 8rd @ \$4.62/ft + GRT				0181-0798	\$37,000
Drilling Head		0181-0860	\$12,000		
Tubing Head & Upper Section				0181-0870	\$12,000
Downhole Directional Equipment Halliburton VersaStim Liner Hanger				0181-0871	\$70,000
Sucker Rods				0181-0875	\$35,000
Packer Pump & Subsurface Equipment rod pump				0181-0880	\$10,000
Artificial Lift Systems Gas Lift Valves				0181-0884	\$11,000
Pumping Unit 912 Pumping Unit				0181-0885	\$100,000
Surface Pumps & Prime Movers 75HP PU motor				0181-0886	\$43,000
Tanks - Steel 6-500bbl steel (3 coated)				0181-0890	\$78,000
Tanks - Others				0181-0891	
Separation & Gas Treating Equipment 30"x10"x1000# 3ph & 24"x10"x1000# 2ph				0181-0895	\$30,000
Heater Treaters, Line Heaters 6"x20"x75# HT				0181-0897	\$17,500
Metering Equipment				0181-0898	\$14,000
Line Pipe - Gas Gathering and Transportation				0181-0900	\$20,000
Misc. Fittings, Valves, Line Pipe and Accessories				0181-0906	\$60,000
Cathodic Protection				0181-0908	\$5,000
Electrical Installations				0181-0909	\$50,000
Production Equipment Installation				0181-0910	\$35,000
Pipeline Construction				0181-0920	\$25,000
TOTAL			\$227,000		\$715,000
SUBTOTAL			\$1,989,400		\$2,625,200
TOTAL WELL COST			\$4,614,600		

Prepared by: A. Taylor Date: 7/20/2015

Co. Approval: *m. whitte* Date:

Joint Owner Interest: Amount:

Joint Owner Name: 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: Signature: Form Rev: 9/2014

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