

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: Yardbirds 34 W2NC Fee #1H Prospect: _____

Location: SL: 150' FSL & 2240' FWL; BHL: 330' FNL & 2240' FWL County: Eddy ST: NM

Sec. 34 Blk: _____ Survey: _____ TWP: 23S RNG: 28E Prop. TVD: 10505' TMD: 15050'

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$2,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$65,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$20,000
Daywork / Turnkey / Footage Drilling 22 days drlg & 3 days comp @ \$16500/d		0180-0110	\$391,000	0180-0210	\$51,900
Fuel 1500 gal/day @ \$1.50/gal		0180-0114	\$60,100		
Mud, Chemical & Additives		0180-0120	\$200,000	0180-0220	
Horizontal Drilling Services Coil Tbg				0180-0222	\$80,000
Cementing		0180-0125	\$75,000	0180-0225	\$25,000
Logging & Wireline Services Gyro/Completion Wireline		0180-0130	\$3,000	0180-0230	\$125,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$25,000
Mud Logging		0180-0137	\$16,000		
Stimulation 20 Stg 7MM gal/7MM lb				0180-0241	\$940,000
Stimulation Rentals & Other				0180-0242	\$100,000
Water & Other		0180-0145	\$40,000	0180-0245	\$400,000
Bits		0180-0148	\$72,000	0180-0248	\$4,000
Inspection & Repair Services		0180-0150	\$35,000	0180-0250	\$5,000
Misc. Air & Pumping Services Toe Prep		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig 5 Days @ \$3500/d Toe Prep/Run Gas Lift				0180-0260	\$30,000
Rig Mobilization		0180-0164	\$160,000		
Transportation		0180-0165	\$20,000	0180-0265	\$12,000
Welding Services		0180-0168	\$5,000	0180-0268	\$5,000
Contract Services & Supervision		0180-0170		0180-0270	
Directional Services Inc Vertical Control		0180-0175	\$170,000		
Equipment Rental		0180-0180	\$175,000	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,800	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$20,000	0180-0290	
ROW & Easements		0180-0192	\$10,000	0180-0292	\$15,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$165,000	0180-0295	\$60,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)		0180-0199	\$194,700	0180-0299	\$101,200
TOTAL			\$2,141,600		\$2,125,100
TANGIBLE COSTS 0181					
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 350' - 13 3/8" 54.5# J55 STC @ \$27.95/ft + GRT		0181-0794	\$10,500		
Casing (8.1" - 10.0") 2500' - 9 5/8" 36# J55 LTC @ \$18.39/ft + GRT		0181-0795	\$49,200		
Casing (6.1" - 8.0") 10805' - 7" 26# HCP110 LTC/BTC @ \$26.50/ft + GRT		0181-0796	\$305,900		
Casing (4.1" - 6.0") 5150' - 4 1/2" 13.5# P110 LTC @ \$15.05/ft + GRT				0181-0797	\$82,800
Tubing (2" - 4") 9905' - 2 7/8" 6.5# L80 EUE @ \$3.57/ft + GRT				0181-0798	\$37,800
Drilling Head		0181-0860	\$12,000		
Tubing Head & Upper Section				0181-0870	\$15,000
Horizontal Completion Tools Resource Completion Liner Hanger				0181-0871	\$25,000
Sucker Rods				0181-0875	
Subsurface Equipment				0181-0880	
Artificial Lift Systems				0181-0884	\$13,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers SWD Transfer Pump & VRU				0181-0886	\$34,000
Tanks - Oil 4 - 500 bbl steel				0181-0890	\$36,000
Tanks - Water 4 - 500 bbl steel coated				0181-0891	\$44,000
Separation / Treating Equipment 30"x10"x1000# 3ph & 24"x10"x1000# 2ph				0181-0895	\$21,000
Heater Treaters, Line Heaters 6"x20"x75# HT				0181-0897	\$14,000
Metering Equipment				0181-0898	\$14,000
Line Pipe & Valves - Gathering 4" steel				0181-0900	\$6,000
Fittings / Valves & Accessories				0181-0906	\$45,000
Cathodic Protection				0181-0908	\$5,000
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$35,000
Pipeline Construction 1100' buried steel				0181-0920	\$30,000
TOTAL			\$377,600		\$507,600
SUBTOTAL			\$2,519,200		\$2,632,700
TOTAL WELL COST			\$5,151,900		

Prepared by: Andrew Taylor Date: 2/3/2016

Co. Approval: m. white Date: 2/10/2016

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: 9/01/2015

EXHIBIT 2