

**MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE**

Prospect: Mossberg 18 Well Name & No: Mossberg 18 State Com #1
 Field: _____ Location: 660' FSL &1800' FWL
 Section: 18 Block: _____ Survey: _____ Township 19S Range: 28E
 County: Eddy ST: NM Proposed Depth: 11,250'

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
INTANGIBLE COST 180			
300	Permits and Surveys	\$3,000	\$1,000
301	Location, Roads and Site Preparation Includes restoration	\$75,000	\$1,500
302	Footage or Turnkey Drilling		
303	Day Work 29 days @ \$15000/Day + 2 Days @ TD + GRT	\$461,100	\$31,800
304	Fuel	\$62,000	
305	Completion / Workover Rig		\$10,000
306	Mud and Chemicals	\$50,000	\$1,000
307	Cementing	\$40,000	\$35,000
308	Logging, Wireline and Coring Services	\$45,000	\$20,000
309	Casing, Tubing & Snubbing Services	\$10,000	\$10,000
310	Mud Logging	\$17,000	
311	Testing		\$3,000
312	Treating		\$200,000
313	Water & Other	\$15,000	\$1,000
314	Bits (1 - 17 1/2", 1 - 12 1/4", 4 - 8 3/4")	\$65,000	
315	Inspection & Repair Services	\$5,000	\$6,500
316	Misc. Air and Pumping Services	\$2,500	\$14,000
320	Rig Mobilization & Transportation	\$90,000	\$1,000
321	Welding and Construction	\$2,500	\$2,000
322	Engineering & Contract Supervision	\$25,000	
330	Equipment Rental	\$35,000	\$1,000
334	Well / Lease Legal	\$3,000	\$1,000
335	Well / Lease Insurance	\$7,300	
350	Intangible Supplies	\$500	\$500
355	Damages	\$1,500	
360	Pipeline and Electrical ROW and Easements		\$12,000
367	Pipeline Interconnect		
375	Company Supervision	\$25,000	\$5,000
380	Overhead Fixed Rate	\$6,500	\$4,000
398	Well Abandonment	\$15,000	(\$15,000)
399	Contingencies 10% / 10%	\$106,200	\$34,600
Total Intangibles		\$1,168,100	\$380,900
TANGIBLE COST 181			
797	Conductor Casing 40' 20" (included in location)		
797	Surface Casing 450' 13 3/8" 48# H-40 STC @ \$30.44/ft	\$13,700	
797	Intermediate Casing 3000' 9 5/8" 36# N80/J55 STC @ \$27.00/ft	\$83,700	
797	Intermediate Casing		
797	Production Casing 11,200' 4 1/2" 11.6# P110 LTC @ \$11.92/ft		\$133,500
798	Tubing 11,000' 2 3/8" 4.7# N80 EUE 8rd @ \$4.49/ft		\$49,400
860	Drilling Head	\$10,000	
870	Tubing Head & Upper Section		\$15,000
875	Sucker Rods		
880	Packer Pump & Subsurface Equipment		
884	Artificial Lift Systems		
885	Pumping Unit		
886	Surface Pumps & Prime Movers		
890	Tanks - Steel		\$8,000
891	Tanks - Other		\$5,000
895	Separation Equipment		\$22,000
896	Gas Treating Equipment		
898	Metering Equipment		\$6,000
900	Line Pipe - Gas Gathering and Transportation		\$20,000
901	Line Pipe - Production		\$2,000
906	Miscellaneous Fittings, Valves & Accessories		\$15,000
909	Electrical Installations		
910	Production Equipment Installation		\$20,000
920	Pipeline Construction		\$30,000
Prepared by: <u>M. Young</u> Date Prepared: <u>9/19/2007</u> Total Tangibles		\$107,400	\$325,900
Company Approval: <u>M. White</u> Date Approved: <u>9/20/2007</u> SUBTOTAL		\$1,275,500	\$706,800
Joint Owner Interest: _____ Joint Owner Amount: _____ TOTAL WELL COST		\$1,982,300	

Oil Conservation Division
Case No. 4
Exhibit No. _____

Operator has secured Operator's Extra Expense Insurance covering costs of well control, clean up and redrilling, as estimated in Line Item 335. 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.

By: _____ Name: _____