

**MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE**

Prospect: La Huerta Well Name & No. La Huerta "30" Fee #1
 Field: _____ Location: (Bottom Hole) 750' FSL & 700' FEL
 Section: 30 Block: _____ Township: 21S Range: 27E
 County: Eddy State: NM Proposed Depth: 11,725' TVD (12,876' MD)

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
INTANGIBLE COST 180			
300	Permits and Surveys	\$1,500	\$1,000
301	Location, Roads and Damages	\$20,000	\$2,000
302	Footage or Turnkey Drilling		
303	Day Work (38 days @ \$8500 + 2 days after TD)	\$323,000	\$18,800
304	Fuel, Water and Other	\$45,000	\$5,000
305	Completion / Workover Rig		\$25,000
306	Mud and Chemicals	\$35,000	\$1,000
307	Cementing	\$22,000	\$20,000
308	Logging and Wireline (Includes RFT)	\$30,000	\$20,000
309	Casing-Tubing Services	\$5,000	\$8,500
310	Mud Logging 25 Days	\$17,500	
311	Testing		\$1,000
312	Treating		\$75,000
313	Coring		
314	Fishing Services		
320	Transportation (Includes Rig Mobilization)	\$25,000	\$2,000
321	Welding and Construction Labor	\$2,500	\$10,000
322	Contract Supervision	\$5,000	
330	Equipment Rental (H2S, Sep, PVT, Rot Head, Reamers)	\$20,000	\$5,000
334	Well / Lease Legal / Tax	\$10,000	\$1,000
335	Well / Lease Insurance	\$18,000	
350	Intangible Supplies (8-7 7/8" bits 1-17 1/2", 1- 12 1/4", 7- 7 7/8")	\$45,000	\$1,000
360	Pipeline ROW and Easements	\$1,000	
367	Directional	\$157,000	
375	Company Supervision	\$40,000	\$10,000
380	Overhead Fixed Rate	\$8,000	\$5,000
398	Well Abandonment	\$12,000	-\$12,000
399	Contingencies 10% / 10%	\$84,300	\$19,700
Total Intangibles		\$928,800	\$217,000
TANGIBLE COST 181			
797	Conductor Casing		
797	Surface Casing 400' 13 3/8" H40 STC	\$6,600	
797	Intermediate Casing 2700' 8 5/8" 32# K55 STC	\$28,000	
797	Intermediate Casing		
797	Production Casing 12,700' 5 1/2" 17# S95/N80 LTC		\$95,000
798	Tubing 12,000' 2 7/8" 6.5# P110 EUE		\$50,000
860	Drilling Head	\$5,000	
865	Tubing Head		\$8,500
870	Upper Section		\$10,000
875	Sucker Rods		
880	Packer, Pump & Other Subsurface		\$10,000
883	Gas Lift Valve & System		
884	Plunger Lift System		
885	Pumping Unit & Prime Mover + Electricity		
886	Pumps		
890	Tanks - Steel		\$4,500
891	Tanks - Other		\$4,200
894	Separation Equipment - Fired		\$10,000
895	Separation Equipment - Non-Fired		
896	Gas Treating Equipment		
898	Metering Equipment		\$4,000
900	Line Pipe - Gas Gathering and Transportation		\$10,400
901	Line Pipe - Production		
905	Valves		
906	Miscellaneous Fittings & Accessories		\$10,000
910	Production Equipment Installation		\$15,000
920	Pipeline Construction		\$20,000
		Total Tangibles	\$39,600
		SUBTOTAL	\$968,400
		TOTAL WELL COST	\$1,433,000

Date prepared: 06/18/03

Prepared by: F. Lathan

Company Approval: *M. White*

Date Approved: 06/18/03

Joint Owner Approval:

Joint Owner Interest:

Joint Owner Amount:

Note: Surface Location: 2114' FSL & 2487' FEL

Sec 29-21S-27E

Eddy Co., NM

Slant