

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Prospect: Quick Draw 15 Well Name & No: Quick Draw 15 "J" #1
 Field: _____ Location: 2310' FSL & 2310' FEL
 Section: 15 Block: _____ Survey: _____ Township 20S Range: 25E
 County: Eddy ST: NM Proposed Depth: 3500'

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
INTANGIBLE COST 180			
300	Permits and Surveys	\$2,000	\$1,000
301	Location, Roads and Site Preparation (includes 80' of conductor & cement)	\$40,000	\$1,500
302	Footage or Turnkey Drilling		
303	Day Work 5 Days @ \$13,500/Day + 1 Days @ TD + GRT	\$71,600	\$13,500
304	Fuel 6 Days @ 500 gal/day	\$9,000	
305	Completion / Workover Rig		\$20,000
306	Mud and Chemicals	\$13,000	
307	Cementing	\$30,000	\$15,000
308	Logging, Wireline and Coring Services	\$15,000	\$28,200
309	Casing, Tubing & Snubbing Services	\$3,500	\$4,000
310	Mud Logging	\$5,000	
311	Testing		
312	Treating 2 frac's		\$220,000
313	Water & Other	\$8,000	\$1,000
314	Bits	\$10,000	
315	Inspection & Repair Services		\$2,000
316	Misc. Air and Pumping Services		
320	Rig Mobilization & Transportation	\$20,000	
321	Welding and Construction	\$5,000	
322	Engineering & Contract Supervision	\$5,000	
330	Equipment Rental	\$12,000	\$3,000
334	Well / Lease Legal	\$3,000	\$1,000
335	Well / Lease Insurance	\$1,200	
350	Intangible Supplies	\$500	\$500
355	Damages	\$8,000	
360	Pipeline and Electrical ROW and Easements		\$5,000
367	Pipeline Interconnect		
375	Company Supervision	\$10,000	\$7,500
380	Overhead Fixed Rate	\$2,500	\$2,500
398	Well Abandonment	\$12,000	(\$12,000)
399	Contingencies 10% / 10%	\$28,600	\$31,400
Total Intangibles		\$314,900	\$345,100
TANGIBLE COST 181			
797	Conductor Casing 80' 20" (included in location)		
797	Surface Casing 1200' 8 5/8" 24# J-55 @ \$31.80/ft	\$38,200	
797	Intermediate Casing		
797	Intermediate Casing		
797	Production Casing 3,500' 4 1/2" 10.5# J55 LTC @ \$15.63/ft		\$54,700
798	Tubing 3200' 2 3/8" 4.7# J-55 EUE 8rd @ \$6.89/ft		\$22,100
860	Drilling Head 8 5/8" x 4 1/2" Larkin	\$3,500	
870	Tubing Head & Upper Section 4-1/2" x 2 3/8" Larkin		\$3,500
875	Sucker Rods		\$14,600
880	Packer Pump & Subsurface Equipment		\$12,000
884	Artificial Lift Systems		
885	Pumping Unit		\$38,000
886	Surface Pumps & Prime Movers		\$5,000
890	Tanks - Steel Consolidated		\$8,000
891	Tanks - Other Consolidated		\$2,800
895	Separation Equipment Consolidated		\$7,500
896	Gas Treating Equipment		
898	Metering Equipment		\$3,300
900	Line Pipe - Gas Gathering and Transportation		\$3,000
901	Line Pipe - Production		\$1,500
906	Miscellaneous Fittings, Valves & Accessories		\$6,000
909	Electrical Installations		\$20,000
910	Production Equipment Installation		\$7,500
920	Pipeline Construction		\$3,000
Prepared by: <u>M. Young</u>	Date Prepared: <u>11/1/2008</u>	Total Tangibles	\$41,700
Company Approval: <u>M. Whittier</u>	Date Approved: <u>11/1/2008</u>	SUBTOTAL	\$356,600
Joint Owner Interest: _____	Joint Owner Amount: _____	TOTAL WELL COST	\$914,200

Joint Owner: _____ Joint Owner Approval: _____

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: _____