

**OIL
CONSERVATION
DIVISION**

CASE NO.
14297

EXHIBIT
4

**MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE**

Prospect: Orca Well Name & No: Orca 11 Federal Com #1
 Field: _____ Location: 990' FNL & 1,980' FWL
 Section: 11 Block: _____ Survey: _____ Township: 17S Range: 29E
 County: Eddy ST: NM Proposed Depth: 11,000'

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.			
INTANGIBLE COST 180						
300	Permits and Surveys	\$7,000				
301	Location, Roads and Site Preparation	\$175,000	\$1,500			
302	Footage or Turnkey Drilling					
303	Day Work 29 days @ \$15,000/day and 2 days Completion	\$461,100	\$31,800			
304	Fuel	\$61,000	\$7,500			
305	Completion / Workover Rig		\$20,000			
306	Mud and Chemicals	\$45,000				
307	Cementing	\$50,000	\$60,000			
308	Logging, Wireline and Coring Services	\$40,000	\$20,000			
309	Casing, Tubing & Snubbing Services	\$10,000	\$6,000			
310	Mud Logging 16 days @ \$1000/day + RU	\$18,000				
311	Testing					
312	Treating		\$175,000			
313	Water & Other	\$25,000				
314	Bits 1-17-1/2", 1-12-1/4", 4-8 3/4"	\$60,000	\$1,000			
315	Inspection & Repair Services	\$3,500	\$2,500			
316	Misc. Air and Pumping Services		\$2,000			
320	Rig Mobilization & Transportation	\$90,000				
321	Welding and Construction	\$4,000				
322	Engineering & Contract Supervision	\$30,000	\$2,000			
330	Equipment Rental	\$55,000	\$4,000			
334	Well / Lease Legal	\$3,000	\$1,000			
335	Well / Lease Insurance	\$7,200				
350	Intangible Supplies	\$500	\$500			
355	Damages	\$2,000				
360	Pipeline and Electrical ROW and Easements		\$3,500			
367	Pipeline Interconnect					
375	Company Supervision	\$25,000	\$15,000			
380	Overhead Fixed Rate	\$8,500	\$2,000			
398	Well Abandonment	\$15,000	(\$15,000)			
399	Contingencies 10% / 10%	\$119,600	\$34,000			
Total Intangibles		\$1,315,400	\$374,300			
TANGIBLE COST 181						
797	Conductor Casing (40' of 20" included in 301)					
797	Surface Casing 350' of 13 3/8" 48# H40 STC @ \$52.54/ft	\$18,500				
797	Intermediate Casing 3000' of 9 5/8" 40# J55/N80 LTC @ \$42.00/ft	\$126,000				
797	Intermediate Casing					
797	Production Casing 11,000' of 5 1/2" 17# N80/P110 LTC @ \$18.00/ft		\$198,000			
798	Tubing 10,900' of 2 7/8" 6.5# P110 EUE @ \$7.90/ft		\$91,300			
860	Drilling Head	\$9,500				
870	Tubing Head & Upper Section		\$12,000			
875	Sucker Rods					
880	Packer Pump & Subsurface Equipment		\$10,000			
884	Artificial Lift Systems					
885	Pumping Unit					
886	Surface Pumps & Prime Movers					
890	Tanks - Steel		\$12,000			
891	Tanks - Other		\$8,000			
895	Separation Equipment		\$20,000			
896	Gas Treating Equipment					
898	Metering Equipment		\$6,500			
900	Line Pipe - Gas Gathering and Transportation		\$15,000			
901	Line Pipe - Production					
906	Miscellaneous Fittings, Valves & Accessories		\$15,000			
909	Electrical Installations					
910	Production Equipment Installation		\$10,000			
920	Pipeline Construction		\$25,000			
Prepared by:	Charles Martin	Date Prepared:	2/2/2009	Total Tangibles	\$154,000	\$422,800
Company Approval:	<i>M. White</i>	Date Approved:	2/2/2009	SUBTOTAL	\$1,469,400	\$797,100
Joint Owner Interest:	25.00000%	Joint Owner Amount:	\$566,625.00	TOTAL WELL COST	\$2,266,500	

Oil Conservation Division
Case No. 4
Exhibit No. 1

Joint Owner: ConocoPhillips Company 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: _____