

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: **Burton 4 Federal #3H** Prospect: **Burton 4**
 Location: **SL: 810' FNL & 200' FEL, BHL: 660' FNL & 330' FWL** County: **Eddy** ST: **NM**
 Section: **4** Blk: Survey: TNP: **20S** RNG: **29E** Prop. Dpth: **12,430'**

INTANGIBLE COSTS 180		CODE	TCP	CODE	CC
Permits and Surveys		100	\$5,000	200	\$2,000
Location: Roads, Pits & Site Preparation		105	\$60,000	205	\$5,000
Location: Excavation & Other		106	\$150,000		
Day Work, Footage, Turnkey Drilling 37 drlg, 2 comp @ \$12,000/day + GRT		110	\$470,000	210	\$25,500
Fuel		114	\$85,000		
Mud		120	\$75,000		
Chemicals and Additives		121	\$5,000	221	\$5,000
Cementing		125	\$50,000	225	
Logging, Wireline & Coring Services		130	\$5,000	230	
Casing, Tubing & Snubbing Services		134	\$20,000	234	\$12,000
Mud Logging		137	\$25,000		
Stimulation				241	\$250,000
Stimulation Rentals & Other				242	\$50,000
Water & Other		145	\$60,000		
Bits		148	\$50,000	248	
Inspection & Repair Services		150	\$15,000	250	
Misc. Air & Pumping Services		154		254	\$2,500
Testing		158	\$4,000	258	\$5,000
Completion / Workover Rig				260	\$20,000
Rig Mobilization		164	\$75,000		
Transportation		165	\$15,000	265	\$5,000
Welding and Construction		168	\$5,000	268	\$2,000
Engineering & Contract Supervision		170	\$15,000	270	
Directional Services		175	\$200,000		
Equipment Rental		180	\$60,000	280	\$5,000
Well / Lease Legal		184	\$8,000	284	\$1,000
Well / Lease Insurance		185	\$4,000	285	
Intangible Supplies		188	\$5,000	288	
Damages		190	\$5,000	290	
Pipeline, Road, Electrical ROW & Easements		192		292	
Pipeline Interconnect				293	
Company Supervision		195	\$110,000	295	\$30,000
Overhead Fixed Rate		196	\$9,000	296	\$4,000
Well Abandonment		198		298	
Contingencies 10% (TCP) 5% (CC)		199	\$159,000	299	\$21,200
TOTAL			\$1,749,000		\$445,200
TANGIBLE COSTS 181					
Casing (19.1" - 30")		793			
Casing (10.1" - 19.0") 400' 13 3/8" 48# H40 @ \$27.50/ft w/ GRT		794	\$11,000		
Casing (8.1" - 10.0") 3300' 9 5/8" 36# N80/K55 LTC \$25.75/ft w/GRT		795	\$85,000		
Casing (6.1" - 8.0") 8500' 7" 26# P110 LTC @ \$26.47/ft w/GRT		796	\$225,000		
Casing (4.1" - 6.0") 4400' 4 1/2" 11.6# P110 LTC @ \$14.00/ft w GRT				797	\$61,600
Tubing (2" - 4")				798	\$32,000
Drilling Head		860	\$10,000		
Tubing Head & Upper Section				865	\$15,000
Sucker Rods				875	\$25,000
Packer Pump & Subsurface Equipment				880	\$175,000
Artificial Lift Systems				884	
Pumping Unit				885	\$65,000
Surface Pumps & Prime Movers				886	\$22,000
Tanks - Steel				890	\$30,000
Tanks - Others				891	\$7,500
Separation Equipment				895	\$10,000
Gas Treating Equipment				896	
Heater Treaters, Line Heaters				897	\$12,000
Metering Equipment				898	\$6,500
Line Pipe - Gas Gathering and Transportation				900	\$3,000
Misc. Fittings, Valves, Line Pipe and Accessories				906	\$20,000
Cathodic Protection				908	
Electrical Installations				909	
Production Equipment Installation				910	\$25,000
Pipeline Construction				920	\$1,000
TOTAL			\$331,000		\$510,600
SUBTOTAL			\$2,080,000		\$955,800
TOTAL WELL COST			\$3,035,800		

Prepared by: F. Lathan Date: 2/8/2010

Co. Approval: *M. White* Date: 2/5/2010

Joint Owner Interest: _____ Amount: _____

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 185. 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 thier well.

By: _____ Name: _____ Form Rev: 8/12/09