

# MEWBOURNE OIL COMPANY

## AUTHORIZATION FOR EXPENDITURE

Well Name: <b>West Draw 5/8 PH Federal Com #1H</b>		Prospect: <b>West Draw 5/8</b>	
Location: <b>SL: 1500' FSL &amp; 350' FEL (Sec.5), BHL: 2310' FNL &amp; 350' FEL (Sec.8)</b>		County: <b>Eddy</b>	ST: <b>NM</b>
Section: <b>5/8</b>	Blk: <b></b>	Survey: <b></b>	TNP: <b>20S</b> RNG: <b>25E</b> Prop. Dpth: <b>6,067'</b>

INTANGIBLE COSTS 180	CODE	TCP	CODE	CC
Permits and Surveys	100	\$8,000	200	\$1,000
Location: Roads, Pits & Site Preparation	105	\$30,000	205	\$2,500
Location: Site Restoration, Excavation & Other	106	\$30,000		
Day Work, Footage, Turnkey Drilling 13 days drlg/1.5 compl @ \$13,000/day + GRT	110	\$179,200	210	\$19,500
Fuel	114	\$21,000		
Mud	120	\$40,000		
Chemicals and Additives	121		221	
Cementing	125	\$12,000	225	\$35,000
Logging, Wireline & Coring Services	130	\$6,000	230	
Casing, Tubing & Snubbing Services	134	\$3,200	234	\$10,000
Mud Logging	137	\$10,000		
Stimulation			241	\$400,000
Stimulation Rentals & Other			242	\$100,000
Water & Other	145	\$45,000		\$2,000
Bits	148	\$15,000	248	\$1,500
Inspection & Repair Services	150	\$15,000	250	
Misc. Air & Pumping Services	154		254	\$1,000
Testing	158	\$1,000	258	\$1,000
Completion / Workover Rig			260	\$30,000
Rig Mobilization	164	\$30,000		
Transportation	165	\$2,000	265	\$2,000
Welding and Construction	168	\$1,000	268	\$1,000
Engineering & Contract Supervision	170		270	
Directional Services	175	\$90,000		
Equipment Rental	180	\$15,000	280	\$5,000
Well / Lease Legal	184	\$2,500	284	
Well / Lease Insurance	185	\$1,200	285	
Intangible Supplies	188	\$1,000	288	\$1,000
Damages	190		290	\$10,000
Pipeline, Road, Electrical ROW & Easements	192		292	\$10,000
Pipeline Interconnect			293	
Company Supervision	195	\$55,000	295	\$15,000
Overhead Fixed Rate	196	\$4,000	296	\$3,000
Well Abandonment	198		298	
Contingencies 10% (TCP) 5% (CC)	199	\$61,700	299	\$32,500
<b>TOTAL</b>		<b>\$678,800</b>		<b>\$683,000</b>

TANGIBLE COSTS 181				
Casing (19.1" - 30")	793			
Casing (10.1" - 19.0")	794			
Casing (8.1" - 10.0") 725' 9 5/8" 36# K55 LTC @ \$24.00/ft	795	\$17,400		
Casing (6.1" - 8.0") 2000' 7" 26# LTC @ \$18.16/ft & 1000' 7" 26# BTC @ \$18.50	796	\$55,000		
Casing (4.1" - 6.0") 3200' 4 1/2" 11.6# J55 @ \$7.37/ft			797	\$23,600
Tubing (2" - 4") 2200' 2 7/8" 6.5# J55 EUE 8rd @ \$5.00/ft			798	\$11,000
Drilling Head	860	\$1,500		
Tubing Head & Upper Section			870	\$1,500
Sucker Rods			875	\$8,500
Packer Pump & Subsurface Equipment (14 Stage Ports)			880	\$180,000
Artificial Lift Systems			884	
Pumping Unit			885	\$35,000
Surface Pumps & Prime Movers			886	
Tanks - Steel			890	\$22,000
Tanks - Others			891	\$12,000
Separation Equipment			895	\$8,000
Gas Treating Equipment			896	
Heater Treaters, Line Heaters			897	\$15,000
Metering Equipment			898	\$6,000
Line Pipe - Gas Gathering and Transportation			900	\$3,000
Misc. Fittings, Valves, Line Pipe and Accessories			906	\$6,000
Cathodic Protection			908	
Electrical Installations			909	\$12,000
Production Equipment Installation			910	\$11,000
Pipeline Construction			920	\$2,000
<b>TOTAL</b>		<b>\$73,900</b>		<b>\$356,600</b>
<b>SUBTOTAL</b>		<b>\$752,700</b>		<b>\$1,039,600</b>
<b>TOTAL WELL COST</b>		<b>\$1,792,300</b>		

Prepared by: L. Jackson Date: 12/20/2010

Co. Approval: *m. white* Date: 12/20/2010

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-Opera 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 Exp Insurance for thier well.

By: \_\_\_\_\_ Name: \_\_\_\_\_ Form: Rev

File: West Draw 5-8 PH Fed Com #1H AFE.xls

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 14595 Exhibit No. 4

Submitted by:

MEWBOURNE OIL COMPANY

Hearing Date: March 3, 2011