

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: Ruger 6 Federal Com #4H Prospect: Ruger 6
 Location: SL:150' FNL & 1755' FEL, BHL:330' FSL & 2130' FEL County: Eddy ST: NM
 Section: 6 Blk: Survey: TNP: 20S RNG: 29E Prop. Dpth: 12,500'

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	\$125,000		
Day Work, Footage, Turnkey Drilling 31 drlg, 2 comp @ \$14,500/day + GRT		110	\$476,500	210	\$30,800
Fuel		114	\$87,000		
Mud		120	\$60,000		
Chemicals and Additives		121	\$5,000	221	\$5,000
Cementing		125	\$90,000	225	
Logging, Wireline & Coring Services		130	\$25,000	230	
Casing, Tubing & Snubbing Services		134	\$25,000	234	\$12,000
Mud Logging		137	\$25,000		
Stimulation				241	\$540,000
Stimulation Rentals & Other				242	\$150,000
Water & Other		145	\$40,000		
Bits		148	\$50,000	248	\$2,500
Inspection & Repair Services		150	\$5,000	250	
Misc. Air & Pumping Services (Gas Lift installation)		154		254	\$30,000
Testing		158	\$4,000	258	\$5,000
Completion / Workover Rig				260	\$20,000
Rig Mobilization		164	\$90,000		
Transportation		165	\$25,000	265	\$5,000
Welding and Construction		168	\$5,000	268	\$2,000
Engineering & Contract Supervision		170	\$70,000	270	
Directional Services		175	\$210,000		
Equipment Rental		180	\$62,000	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	\$70,000	295	\$30,000
Overhead Fixed Rate		196	\$9,000	296	\$4,000
Well Abandonment		198		298	
Contingencies 10% (TCP) 5% (CC)		199	\$164,600	299	\$42,500
TOTAL			\$1,810,100		\$891,800
TANGIBLE COSTS 181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		793			
Casing (10.1" - 19.0") 1200' 13 3/8" 48# H40 @ \$33.05/ft w/ GRT		794	\$40,200		
Casing (8.1" - 10.0") 3100' 9 5/8" 36# N80/K55 LTC \$25.20/ft w/GRT		795	\$78,200		
Casing (6.1" - 8.0") 8200' 7" 26# P110 LTC @ \$28.00/ft w/GRT		796	\$229,600		
Casing (4.1" - 6.0") 4600' 4 1/2" 11.6# P110 LTC @ \$12.88/ft w GRT				797	\$59,300
Tubing (2" - 4") 8200' 2 7/8" 6.5# L80 EUE 8rd @ \$6.25/ft				798	\$51,300
Drilling Head		860	\$10,000		
Tubing Head & Upper Section				870	\$15,000
Sucker Rods				875	\$25,000
Packer Pump & Subsurface Equipment (17-20 ports + pkr)				880	\$250,000
Artificial Lift Systems				884	\$6,000
Pumping Unit				885	\$100,000
Surface Pumps & Prime Movers				886	\$22,000
Tanks - Steel				890	\$30,000
Tanks - Others				891	\$7,500
Separation Equipment				895	\$40,000
Gas Treating Equipment				896	
Heater Treaters, Line Heaters				897	\$30,000
Metering Equipment				898	\$10,000
Line Pipe - Gas Gathering and Transportation				900	\$3,000
Misc. Fittings, Valves, Line Pipe and Accessories				906	\$40,000
Cathodic Protection				908	
Electrical Installations				909	
Production Equipment Installation				910	\$25,000
Pipeline Construction				920	
TOTAL			\$358,000		\$714,100
SUBTOTAL			\$2,168,100		\$1,605,900
TOTAL WELL COST			\$3,774,000		

Prepared by: F. Lathan Date: 12/17/2010
 Co. Approval: *M. Whitton* Date: 12/17/2010
 Joint Owner Interest: _____ Amount: _____
 Joint Owner: _____ Joint Owner Approval: _____

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Consolidated Case No's 14603 & 14604
 Exhibit No. 4
 Submitted by:
MEWBOURNE OIL COMPANY
 Hearing Date: March 3, 2011

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.

MEWBOURNE OIL COMPANY

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Prepared by: <u>F. Lathan</u>	Date: <u>12/17/2010</u>
Co. Approval: <u><i>m. whitte</i></u>	Date: <u>12/17/2010</u>
Joint Owner Interest: _____ Amount: _____	
Joint Owner: _____	Joint Owner Approval: _____

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