

**MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE**

Prospect: LaHuerta Well Name & No: LaHuerta "30" Fee Com #1Y
 Field: _____ Location: (Bottom hole) 660' FSL & 660' FEL
 Section: 30 Block: _____ Survey: _____ Township 21S Range 27E
 County: Eddy State: NM Proposed Depth: 11,725 TVD (13,467' MD)

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
INTANGIBLE COST 180			
300	Permits and Surveys	\$1,500	\$1,000
301	Location, Roads and Site Preparation	\$15,000	\$2,000
302	Footage or Turnkey Drilling		
303	Day Work	\$357,000	\$24,600
304	Fuel	\$35,000	
305	Completion / Workover Rig		\$25,000
306	Mud and Chemicals	\$45,000	\$1,000
307	Cementing	\$25,000	\$20,000
308	Logging, Wireline and Coring Services	\$30,000	\$20,000
309	Casing, Tubing & Snubbing Services	\$4,500	\$6,000
310	Mud Logging	\$22,000	
311	Testing		\$1,000
312	Treating		\$85,000
313	Water & Other	\$15,000	\$5,000
314	Bits	\$55,000	
315	Inspection & Repair Services	\$3,500	\$6,500
316	Misc. Air and Pumping Services	\$10,000	\$1,000
320	Rig Mobilization & Transportation	\$25,000	
321	Welding and Construction	\$2,500	\$10,000
322	Engineering & Contract Supervision	\$5,000	
330	Equipment Rental (Directional Tools)	\$230,000	\$5,000
334	Well / Lease Legal	\$10,000	\$1,000
335	Well / Lease Insurance	\$18,000	
350	Intangible Supplies	\$2,000	\$1,000
355	Damages	\$5,000	\$2,000
360	Pipeline and Electrical ROW and Easements		
367	Pipeline Interconnect		
375	Company Supervision	\$40,000	\$10,000
380	Overhead Fixed Rate	\$10,000	\$5,000
398	Well Abandonment	\$12,000	(\$12,000)
399	Contingencies 10% / 10%	\$97,800	\$22,000
Total Intangibles		\$1,076,800	\$242,100
TANGIBLE COST 181			
797	Conductor Casing		
797	Surface Casing 400' 13 3/8" H40 STC	\$6,600	
797	Intermediate Casing 2700' 9 5/8" 40# K55 STC	\$34,200	
797	Intermediate Casing		
797	Production Casing 13,500 5 1/2" 17# S95/N80 LTC		\$100,800
798	Tubing 13,000' 2 7/8" 6.5# P110 EUE		\$54,200
860	Drilling Head	\$5,000	
870	Tubing Head & Upper Section		\$16,500
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		\$4,500
891	Tanks - Other		\$4,200
895	Separation Equipment		\$10,000
896	Gas Treating Equipment		
898	Metering Equipment		\$4,000
900	Line Pipe - Gas Gathering and Transportation		\$10,400
901	Line Pipe - Production		
906	Miscellaneous Fittings, Valves & Accessories		\$10,000
909	Electrical Installations		
910	Production Equipment Installation		\$15,000
920	Pipeline Construction		\$20,000
Date Prepared 01/13/04		Total Tangibles	\$46,800
Prepared by: M. Young / R. Taylor		SUBTOTAL	\$1,121,800
Company Approval: <i>M. White</i>		TOTAL WELL COST	\$1,623,300
Date Approved: 01/13/04			
Joint Owner Approval:			
Joint Owner Interest:			
Joint Owner Amount:			