

MEWBORNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

NOV 22 1996

Prospect: Scanlon Draw
Well Name and No.: Scanlon Draw '34' State #1
 Section: 34 Block:
 County: Eddy

Field: Scanlon Draw Morrow
 Location: 660' FSL & 1650' FEL
 Township: 18S Range: 28E
 Proposed Depth: 11,200

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
INTANGIBLE COST 180			
300	Permits and Surveys	\$1,500	\$800
301	Location, Roads and Surveys	\$20,000	\$5,000
302	Footage or Turnkey Drilling	\$200,000	
303	Day Work	\$14,000	\$5,000
304	Fuel, Water and Other	\$17,500	\$500
305	Completion/Workover Rig 12 days		\$16,800
306	Mud and Chemicals	\$19,000	
307	Cementing 2 stage long string	\$15,000	\$22,000
308	Logging and Wireline CBL, perforate	\$18,000	\$4,500
309	Casing-Tubing Services Csg inspection, tubing testing	\$2,100	\$8,000
310	Mud Logging	\$5,000	
311	Testing 1 DST, 1 '72' hr buildup	\$4,300	\$1,600
312	Treating 1 breakdown		\$7,500
313	Coring		
320	Transportation	\$2,000	\$6,100
321	Welding and Construction Labor	\$2,000	\$400
322	Contract Supervision		
330	Equipment Rental Drill out	\$6,000	\$5,500
334	Well/Lease Legal/Tax	\$6,500	\$2,000
335	Well/Lease Insurance	\$8,000	
350	Intangible Supplies	\$250	\$250
360	Pipeline ROW and Easements		\$2,000
367	Pipeline Interconnect		
375	Company Supervision	\$12,000	\$8,000
380	Overhead Fixed Rate	\$5,000	\$5,000
399	Contingencies	\$7,500	\$3,500
Total Intangibles		\$365,650	\$104,450
TANGIBLE COST 181			
	Conductor Casing		
	Surface Casing 13 3/8" @ 450'	\$7,400	
	Intermediate Casing 8 5/8" @ 3,000'	\$26,500	
	Production Casing 5 1/2" @ 11,200'		\$64,200
	Production Casing		
	Tubing 2 3/8" @ 11,000'		\$24,100
860	Drilling Head	\$3,700	
865	Tubing Head		\$2,500
870	Upper Section		\$4,000
875	Sucker Rods		
880	Packer, Pump & Other Subsurface 5 1/2" PLS with profiles		\$7,500
885	Pumping Unit & Prime Mover		
890-1	Tanks (Steel & Fiberglass) 2 stock, 1 FG water		\$6,000
894-5	Separation Equipment (fired, Non-fired) 750k gas unit		\$8,500
898	Metering Equipment 1 4" meter run		\$4,200
900	Line Pipe ~5,300' 4" 0.188 wall		\$15,900
905	Valves		\$5,000
906	Miscellaneous Fittings & Accessories		\$8,000
910	Production Equipment Installation		\$4,000
920	Pipeline Construction ~5,300' 4" to El Paso (Sec. 35)		\$16,000
Total Tangibles		\$37,600	\$169,900
SUBTOTAL		\$403,250	\$274,350
TOTAL WELL COST		\$677,600	

Date Prepared: November 20, 1996
 Prepared By: Erik L. Hoover

Company Approval:
 Date Approved:
 Joint Owner Approval:

NEW MEXICO
 OIL CONSERVATION DIVISION

Joint Owner Interest:
 Joint Owner Amount:

EXHIBIT 4
 CASE NO. _____

Drilling Cost, \$/ft	\$36.00
Completion Cost, \$/ft	\$24.50
Total Well Cost, \$/ft	\$60.50