

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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June 24, 1997

Certified Mail-Return Receipt Requested P 268 434 157

Devon Energy Corporation
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260

Attn: Mr. Ken Gray

Re: Carlsbad "15" Prospect
Carlsbad "15" Federal Com. #1 Well
1980' FSL & 1850' FWL
Section 15-21S-26E
Eddy County, New Mexico

Gentlemen:

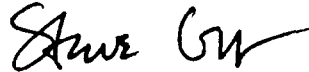
We have been advised by the Bureau of Land Management that in order for a permit to be issued, the location of the captioned well needs to be moved 200' to the East from the approximate location stated in our well proposal of June 12, 1997.

The permitted location will be 1980' FSL & 1850' FWL (previously 1650' FWL) of Section 15-21S-26E, Eddy County, New Mexico. We have changed the location named on the enclosed AFE to conform with the Bureau of Land Management's directions.

Should you have any questions, please do not hesitate to call.

Sincerely yours,

MEWBOURNE OIL COMPANY



Steve Cobb
District Landman

SC/gb

MEWBORNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Prospect: Carlsbad '15'
Well Name and No.: Carlsbad '15' Federal Com. #1
Section: 15 Block:
County: Eddy

Field: Avalon Morrow
Location: 1980' FSL & 1850' FWL
Township: 21S Range: 26E
Proposed Depth, ft: 11,200

DESCRIPTION		Cost To Casing Point APE NO.	Completion Cost APE NO.
INTANGIBLE COST 180			
300	Permits and Surveys	\$1,500	\$1,000
301	Location, Roads and Surveys	\$12,000	\$2,000
302	Footage or Turnkey Drilling	\$280,000	
303	Day Work	\$12,000	\$8,000
304	Fuel, Water and Other	\$17,500	
305	Completion/Workover Rig 4 days		\$8,000
306	Mud and Chemicals	\$22,000	
307	Cementing	\$20,000	\$10,000
308	Logging and Wireline	\$14,000	\$5,000
309	Casing-Tubing Services Vann gun	\$2,000	\$15,000
310	Mud Logging	\$5,000	
311	Testing		
312	Treating 1 breakdown		\$7,500
313	Coring		
320	Transportation	\$2,000	\$4,000
321	Welding and Construction Labor	\$2,000	
322	Contract Supervision		
330	Equipment Rental	\$8,000	\$1,500
334	Well/Lease Legal/Tax	\$4,500	\$2,000
335	Well/Lease Insurance	\$8,000	
350	Intangible Supplies		
360	Pipeline ROW and Easements		
367	Pipeline Interconnect		
375	Company Supervision	\$10,500	\$3,500
380	Overhead Fixed Rate	\$8,000	\$5,000
399	Contingencies 2%	\$8,700	\$1,500
	Total Intangibles	\$431,700	\$70,000
TANGIBLE COST 181			
	Conductor Casing		
	Surface Casing 13 3/8" @ 250'	\$3,700	
	Intermediate Casing 9 5/8" @ 2,600'	\$38,400	
	Production Casing 5 1/2" @ 11,200'		\$73,400
	Production Casing		
	Tubing 2 3/8" @ 11,000		\$24,100
880	Drilling Head	\$3,700	
885	Tubing Head		\$4,000
870	Upper Section		\$6,000
875	Sucker Rods		
880	Packer, Pump & Other Subsurface		\$7,500
885	Pumping Unit & Prime Mover		
890-1	Tanks (Steel & Fiberglass)		\$4,000
894-5	Separation Equipment (fired, Non-fired)		\$7,500
898	Metering Equipment		
900	Line Pipe		
905	Valves		
906	Miscellaneous Fittings & Accessories		\$10,000
910	Production Equipment Installation		\$8,000
920	Pipeline Construction		
	Total Tangibles	\$43,800	\$144,500
	SUBTOTAL	\$475,500	\$214,500
	TOTAL WELL COST	\$690,000	

Date Prepared: June 10, 1987
Prepared By: Erik L. Hoover

Company Approval: *Erik L. Hoover*
Date Approved: 6-24-87
Joint Owner Approval:

Joint Owner Interest:
Joint Owner Amount:

Drilling Cost, \$/ft	\$42.48
Completion Cost, \$/ft	\$18.15
Total Well Cost, \$/ft	\$60.63