

**MEWBOURNE 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 & 1860' FWL  
Township: 21S Range: 26E  
Proposed Depth, ft: 11,200

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
<b>INTANGIBLE COST 180</b>			
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	\$6,000	\$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
	<b>Total Intangibles</b>	<b>\$431,700</b>	<b>\$70,000</b>
<b>TANGIBLE COST 181</b>			
	Conductor Casing		
	Surface Casing 13 3/8" @ 250'	\$3,700	
	Intermediate Casing 9 5/8" @ 2,600'	\$38,400	
	Production Casing 8 1/2" @ 11,200'		\$73,400
	Production Casing		
	Tubing 2 3/8" @ 11,000		\$24,100
860	Drilling Head	\$3,700	
865	Tubing Head		\$4,000
870	Upper Section		\$8,000
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		
	<b>Total Tangibles</b>	<b>\$43,800</b>	<b>\$144,500</b>
	<b>SUBTOTAL</b>	<b>\$475,500</b>	<b>\$214,500</b>
	<b>TOTAL WELL COST</b>	<b>\$690,000</b>	

Date Prepared: June 10, 1997  
Prepared By: Erik L. Hoover

Company Approval: *Erik L. Hoover*  
Date Approved: 6-24-97  
Joint Owner Approval:

Joint Owner Interest:  
Joint Owner Amount:

Drilling Cost, \$/ft	\$42.48
Completion Cost, \$/ft	\$19.15
Total Well Cost, \$/ft	\$61.61