MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Prospect: CHALK BLUFF DRAW
Field: ILLINOIS CAMP MORROW
Section: 36 Block
County: EDDY State: NM
Well Name and No: CHALK BLUFF "36" STATE #1
Location: S/2
Township: 17S Range: 27E
Proposed Depth: 10,050'

	DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
	INTANGIBLE COST 180			
300	Permits and Surveys		500	500
301	Location, Roads and surveys		15000	2000
302	Footoage or Turnkey Drilling		155000	0
303	Day Work		70000	0
304	Fuel, Water and Other		15000	1000
305	Completion/Workover	15 DAYS	0	15000
306	Mud and Chemicals		23000	0
307	Cementing		15000	23000
308	Logging and Wireline		21000	7000
309	Casing-Tubing Services		4000	2000
310	Mud Logging		4100	0
311	Testing		0	2000
312	Treating		0	45000
313	Coring		0	0
320	Transportation		2500	5000
321	Welding and Construction Labor		2500	1000
322	Contract Supervision		0	0
330	Equipment Rental		7500	4000
334	Well/Lease Legal/Tax		2500	0
335	Well/Lease Insurance		3800	0
350	Intangible Supplies		500	500
360	Pipeline ROW and Easements		0	500
367	Pipeline Interconnect		0	12000
375	Company Supervision		35000	7000
360	Pipeline ROW and Easements		0	500
367	Pipeline Interconnect		0	12000
375	Company Supervision		35000	7000
380	Overhead Fixed Rate		9000	3400
399	Contingencies		19300	6545
	Total Intangibles		$405,300	$137,445
	TANGIBLE COST 181			
	Conductor Casing		0	0
	Surface Casing	13 3/8" @ 400'	8300	0
	Intermediate Casing	9 5/8" @ 2600'	30000	0
	Production Casing	5 1/2" @ 10050'	0	74370
	Production Casing		0	0
	Tubing	2 7/8" @ 10050'	0	26390
860	Drilling Head		4500	0
865	Tubing Head		0	2500
870	Upper Section		0	4500
875	Sucker Rods		0	0
880	Packer, Pump & Other Subsurface		0	6000
885	Pumping Unit & Prime Mover + Electricity		0	0
890-1	Tanks (Steel & Fiberglass)		0	8000
894-5	Separation Equipment (fired,Non-fired)		0	10000
898	Metering Equipment		0	4000
900	Line Pipe		0	10000
905	Valves		0	5000
906	Miscellaneous Fittings & Accessories		0	3000
910	Production Equipment Installation		0	10000
920	Pipeline Construction		0	15000
	Total Tangibles		$42,800	$176,760
	SUBTOTAL		$448,100	$314,205
	TOTAL WELL COST		$762,305	

Date Prepared: 9-4-92
Prepared By: Gregory Milner

Company Approval: Kelly [signature]
Date Approved: 9-8-92
Joint Owner Approval:
Joint Owner Interest:
Joint Owner Amount:

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION
Mewbourne EXHIBIT NO. 4
CASE NO. 10599