

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: West Draw 5 NC #1H		Prospect: West Draw	
Location: SL:100' FNL & 1670' FWL (Sec 8), BHL:330' FNL & 1670' FWL (Sec 5)		County: Eddy	ST: NM
Sec: 5	Blk: 	Survey: 	TWP: 20S RNG: 25E Prop. TVD: 2656' TMD: 7500'

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Permits and Surveys	0180-0100	\$10,000	0180-0200	\$1,000
Location: Roads, Pits & Site Preparation	0180-0105	\$79,000	0180-0205	\$25,000
Location: Site Restoration, Excavation & Other	0180-0106	\$50,000	0180-0206	
Day Work, Footage, Turnkey Drilling 14 Drig @ \$15,500 - 2.5 Comp @ \$15,500	0180-0110	\$217,000	0180-0210	\$38,800
Fuel	0180-0114	\$45,000		
Mud	0180-0120	\$40,000		
Chemicals and Additives	0180-0121		0180-0221	
Cementing	0180-0125	\$45,000	0180-0225	\$1,500
Logging, Wireline & Coring Services	0180-0130	\$6,500	0180-0230	
Casing, Tubing & Snubbing Services	0180-0134	\$16,000	0180-0234	\$12,000
Mud Logging	0180-0137	\$13,000		
Stimulation			0180-0241	\$450,000
Stimulation Rentals & Other			0180-0242	\$210,000
Water & Other	0180-0145	\$40,000		
Bits	0180-0148	\$21,500	0180-0248	
Inspection & Repair Services	0180-0150	\$13,000	0180-0250	\$1,000
Misc. Air & Pumping Services	0180-0154		0180-0254	\$3,000
Testing	0180-0158		0180-0258	\$16,000
Completion / Workover Rig			0180-0260	\$15,000
Rig Mobilization	0180-0164	\$90,000		
Transportation	0180-0165	\$25,000	0180-0265	\$2,000
Welding and Construction	0180-0168	\$2,000	0180-0268	\$1,000
Engineering & Contract Supervision	0180-0170	\$38,000	0180-0270	
Directional Services	0180-0175	\$85,000		
Equipment Rental	0180-0180	\$84,000	0180-0280	\$5,000
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$5,000	0180-0285	
Intangible Supplies	0180-0188	\$10,500	0180-0288	\$1,000
Damages	0180-0190		0180-0290	\$10,000
Pipeline, Road, Electrical ROW & Easements	0180-0192		0180-0292	\$5,000
Pipeline Interconnect			0180-0293	
Company Supervision	0180-0195		0180-0295	\$10,000
Overhead Fixed Rate	0180-0196		0180-0296	\$3,000
Well Abandonment	0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)	0180-0199	\$94,100	0180-0299	\$40,500
TOTAL		\$1,034,600		\$850,800

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
Casing (19.1" - 30")	0181-0793			
Casing (10.1" - 19.0")	0181-0794			
Casing (8.1" - 10.0") 1000' 9 5/8", 36#, J55 - STC @ 26.25/ft	0181-0795	\$26,300		
Casing (6.1" - 8.0") 3200' 7" 26# J55 BTC / LTC @ \$19.25/ft	0181-0796	\$61,600		
Casing (4.1" - 6.0") 4600' 4 1/2" 11.6# J55 / LTC @ \$7.95/ft			0181-0797	\$36,600
Tubing (2" - 4") 2400' 2 7/8" 6.5# J55 Coated @ \$13.55/ft			0181-0798	\$32,000
Drilling Head	0181-0860			
Tubing Head & Upper Section			0181-0870	\$7,000
Downhole Directional Equipment			0181-0871	\$205,000
Sucker Rods			0181-0875	\$10,000
Packer Pump & Subsurface Equipment			0181-0880	\$40,000
Artificial Lift Systems			0181-0884	\$40,000
Pumping Unit			0181-0885	
Surface Pumps & Prime Movers			0181-0886	
Tanks - Steel			0181-0890	
Tanks - Others			0181-0891	
Separation & Gas Treating Equipment			0181-0895	
Heater Treaters, Line Heaters			0181-0897	
Metering Equipment			0181-0898	
Line Pipe - Gas Gathering and Transportation			0181-0900	\$20,000
Misc. Fittings, Valves, Line Pipe and Accessories			0181-0906	\$31,000
Cathodic Protection			0181-0908	
Electrical Installations			0181-0909	\$45,000
Production Equipment Installation			0181-0910	\$15,000
Pipeline Construction			0181-0920	
TOTAL		\$87,900		\$481,600
SUBTOTAL		\$1,122,500		\$1,332,400
TOTAL WELL COST		\$2,454,900		

Prepared by: Johnny Burnett Date: 6/1/2012
Co. Approval: M. Whitton Date: 6/2/2012

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____

Joint Owner Approval: _____

Operator has secured Operator's Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185. Non-Operator may elect NOT to be covered by this Operator's Extra Expense Insurance only by signing below. **The undersigned elects NOT to be covered by Operator's Extra Expense Insurance for their well.**

Joint Owner Name: _____

Signature: _____

Form Rev: 4/2012