

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name:	Tamano 15 AD Federal Com #1H	Prospect:	Tamano										
Location:	SL: 680' FNL & 180' FEL BHL: 850' FNL & 330' FWL	County:	Lea	ST:	NM								
Sec:	15	Blk:		Survey:		TWP:	18S	RNG:	31E	Prop. TVD:	8527'	TMD:	13100'

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Permits and Surveys		0180-0100	\$10,000	0180-0200	
Location: Roads, Pits & Site Preparation		0180-0105	\$50,000	0180-0205	\$5,000
Location: Site Restoration, Excavation & Other		0180-0106	\$125,000	0180-0206	
Day Work, Footage, Turnkey Drilling 27 days drlg/3 day comp @ \$16,500/day + GRT		0180-0110	\$472,300	0180-0210	\$52,500
Fuel		0180-0114	\$130,000		
Mud		0180-0120	\$70,000		
Chemicals and Additives		0180-0121	\$3,000	0180-0221	
Cementing		0180-0125	\$85,000	0180-0225	
Logging, Wireline & Coring Services		0180-0130	\$23,000	0180-0230	
Casing, Tubing & Snubbing Services		0180-0134	\$25,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$18,000		
Stimulation				0180-0241	\$900,000
Stimulation Rentals & Other				0180-0242	\$150,000
Water & Other		0180-0145	\$49,000		
Bits		0180-0148	\$60,000	0180-0248	
Inspection & Repair Services		0180-0150	\$9,000	0180-0250	\$2,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$2,500
Testing		0180-0158	\$5,000	0180-0258	\$5,000
Completion / Workover Rig				0180-0260	\$20,000
Rig Mobilization		0180-0164	\$120,000		
Transportation		0180-0165	\$30,000	0180-0265	\$10,000
Welding and Construction		0180-0168	\$1,500	0180-0268	\$7,500
Engineering & Contract Supervision		0180-0170	\$50,000	0180-0270	
Directional Services		0180-0175	\$160,000		
Equipment Rental		0180-0180	\$250,000	0180-0280	\$5,000
Well / Lease Legal		0180-0184	\$8,000	0180-0284	\$1,000
Well / Lease Insurance		0180-0185	\$4,300	0180-0285	\$1,000
Intangible Supplies		0180-0188	\$10,000	0180-0288	\$1,000
Damages		0180-0190		0180-0290	
Pipeline, Road, Electrical ROW & Easements		0180-0192		0180-0292	
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$75,000	0180-0295	\$30,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$7,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)		0180-0199	\$185,300	0180-0299	\$60,700
TOTAL			\$2,038,400		\$1,275,200
TANGIBLE COSTS 0181					
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 750' 13 3/8" 48# K55 STC @ \$35.99/ft		0181-0794	\$27,000		
Casing (8.1" - 10.0") 2200' 9 5/8" 36# K55 LTC @ \$22.00/ft		0181-0795	\$48,400		
Casing (6.1" - 8.0") 8900' 7" 26# P110 BTC/LTC @ \$29.00/ft		0181-0796	\$258,100		
Casing (4.1" - 6.0") 3900' 4 1/2" 13.5# P110 LTC @ \$13.00/ft				0181-0797	\$50,700
Tubing (2" - 4") 8500' 2 7/8" 6.5# L80 EUE 8rd \$ 6.60/ft				0181-0798	\$56,100
Drilling Head		0181-0860	\$12,000		
Tubing Head & Upper Section				0181-0870	\$13,000
Downhole Directional Equipment				0181-0871	\$230,000
Sucker Rods				0181-0875	\$25,000
Packer Pump & Subsurface Equipment				0181-0880	\$15,000
Artificial Lift Systems				0181-0884	\$7,500
Pumping Unit				0181-0885	\$100,000
Surface Pumps & Prime Movers				0181-0886	
Tanks - Steel 3 500 bbl ST				0181-0890	\$45,000
Tanks - Others 2 500 bbl WT				0181-0891	\$26,000
Separation & Gas Treating Equipment				0181-0895	\$23,000
Heater Treaters, Line Heaters				0181-0897	\$22,000
Metering Equipment				0181-0898	\$7,500
Line Pipe - Gas Gathering and Transportation				0181-0900	
Misc. Fittings, Valves, Line Pipe and Accessories				0181-0906	\$45,000
Cathodic Protection				0181-0908	
Electrical Installations				0181-0909	\$25,000
Production Equipment Installation				0181-0910	\$40,000
Pipeline Construction				0181-0920	
TOTAL			\$345,500		\$730,800
SUBTOTAL			\$2,383,900		\$2,006,000
TOTAL WELL COST			\$4,389,900		

Prepared by: L Jackson Date: 10/10/2012
Co. Approval: m. whitton Date: 10/11/2012

Joint Owner Interest: 4.51562000% Amount: \$198,231.20

Joint Owner Name: Ard Oil, Ltd.

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