

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name	Burton "4" IL Federal Com #1H	Prospect	Burton 4
Location	SL: 1855' FSL & 150' FEL, BHL: 1855' FSL & 330' FWL	County	Eddy
State	NM	Sec	4
Blk		Survey	
TWP	20S	RNG	29E
Prop	TVD: 7949'	TMD	12570'

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Permits and Surveys		0180-0100	\$10,000	0180-0200	\$2,000
Location: Roads, Pits & Site Preparation		0180-0105	\$75,000	0180-0205	
Location: Site Restoration, Excavation & Other		0180-0106	\$175,000	0180-0206	
Day Work, Footage, Turnkey Drilling 32 days drlg, 3 days comp @ \$16500/day +GRT		0180-0110	\$564,000	0180-0210	\$53,000
Fuel 900 gal/day @ \$3.50/gal		0180-0114	\$111,000		
Mud		0180-0120	\$75,000		
Chemicals and Additives		0180-0121		0180-0221	\$5,000
Cementing		0180-0125	\$125,000	0180-0225	
Logging, Wireline & Coring Services gyro & cased hole logs		0180-0130	\$25,000	0180-0230	
Casing, Tubing & Snubbing Services		0180-0134	\$40,000	0180-0234	\$13,000
Mud Logging		0180-0137	\$20,000		
Stimulation				0180-0241	\$865,000
Stimulation Rentals & Other				0180-0242	\$240,000
Water & Other		0180-0145	\$75,000		
Bits		0180-0148	\$75,000	0180-0248	
Inspection & Repair Services		0180-0150	\$25,000	0180-0250	\$1,500
Misc. Air & Pumping Services		0180-0154	\$30,000	0180-0254	\$8,000
Testing		0180-0158	\$15,000	0180-0258	\$20,000
Completion / Workover Rig				0180-0260	\$20,000
Rig Mobilization		0180-0164	\$135,000		
Transportation		0180-0165	\$35,000	0180-0265	\$6,000
Welding and Construction		0180-0168	\$5,000	0180-0268	\$10,000
Engineering & Contract Supervision		0180-0170	\$50,000	0180-0270	
Directional Services		0180-0175	\$150,000		
Equipment Rental		0180-0180	\$225,000	0180-0280	\$10,000
Well / Lease Legal		0180-0184	\$1,000	0180-0284	\$1,000
Well / Lease Insurance		0180-0185	\$5,000	0180-0285	
Intangible Supplies		0180-0188	\$10,000	0180-0288	
Damages		0180-0190		0180-0290	
Pipeline, Road, Electrical ROW & Easements		0180-0192		0180-0292	\$10,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$80,000	0180-0295	\$35,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$7,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)		0180-0199	\$214,600	0180-0299	\$65,300
TOTAL			\$2,360,600		\$1,371,800
TANGIBLE COSTS 0181					
Casing (19.1" - 30") 350' 20" 94# J55 BT&C @ \$75/ft w/GRT		0181-0793	\$28,500		
Casing (10.1" - 19.0") 1350' 13 3/8" 48# H40 ST&C @ \$37.25/ft w/GRT		0181-0794	\$54,000		
Casing (8.1" - 10.0") 3200' 9 5/8" 36# J55 LT&C @ \$25/ft w/GRT		0181-0795	\$85,500		
Casing (6.1" - 8.0") 8300' 7" 26# P110 BT&C & LT&C @ \$28/ft w/GRT		0181-0796	\$248,500		
Casing (4.1" - 6.0") 4500' 4 1/2" 13.5# P110 LT&C @ \$14/ft w/GRT				0181-0797	\$67,500
Tubing (2" - 4") 7600' 2 7/8" 6.5# L80 EUE 8rd @ \$6.35/ft w/GRT				0181-0798	\$52,000
Drilling Head		0181-0860	\$15,000		
Tubing Head & Upper Section				0181-0870	\$15,000
Downhole Directional Equipment 20 Stage Baker System w/Intallic Balls + GRT				0181-0871	\$270,000
Sucker Rods				0181-0875	\$35,000
Packer Pump & Subsurface Equipment 7" packer				0181-0880	\$10,000
Artificial Lift Systems gas lift valves				0181-0884	\$14,000
Pumping Unit 912 unit + GRT				0181-0885	\$120,000
Surface Pumps & Prime Movers				0181-0886	
Tanks - Steel				0181-0890	
Tanks - Others				0181-0891	
Separation & Gas Treating Equipment 2 - 36"x10"x500# 3-phase separators				0181-0895	\$30,000
Heater Treaters, Line Heaters				0181-0897	
Metering Equipment				0181-0898	\$15,000
Line Pipe - Gas Gathering and Transportation				0181-0900	\$20,000
Misc. Fittings, Valves, Line Pipe and Accessories				0181-0906	\$15,000
Cathodic Protection				0181-0908	
Electrical Installations				0181-0909	\$60,000
Production Equipment Installation				0181-0910	\$15,000
Pipeline Construction				0181-0920	\$5,000
TOTAL			\$431,500		\$743,500
SUBTOTAL			\$2,792,100		\$2,115,300
TOTAL WELL COST			\$4,907,400		

Prepared by: L. Jackson Date: 2/20/2013

Co. Approval: *m. whitte* Date: 2/20/2013

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