

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: Owl Draw 23 DM Fed Com #2H Prospect: Owl Draw 23

Location: SL: 370' FSL & 1055' FWL (14) BHL: 330' FSL & 500' FWL (23) County: Eddy ST: NM

Sec: 23 Blk: Survey: TWP: 26S RNG: 27E Prop. TVD: 7642' TMD: 12700'

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Permits and Surveys		0180-0100	\$10,000	0180-0200	
Location: Roads, Pits & Site Preparation		0180-0105	\$70,000	0180-0205	\$25,000
Location: Site Restoration, Excavation & Other		0180-0106	\$150,000	0180-0206	
Day Work, Footage, Turnkey Drilling 18 days drlg, 2 comp @ \$16,500/Day + GRT		0180-0110	\$314,800	0180-0210	\$35,300
Fuel 900 gal/day @ \$3.50/gal		0180-0114	\$18,000		
Mud		0180-0120	\$55,000		
Chemicals and Additives		0180-0121		0180-0221	\$2,000
Cementing		0180-0125	\$100,000	0180-0225	\$93,000
Logging, Wireline & Coring Services Gyro & Cased hole logs		0180-0130	\$25,000	0180-0230	\$100,000
Casing, Tubing & Snubbing Services		0180-0134	\$35,000	0180-0234	\$20,000
Mud Logging		0180-0137	\$20,000		
Stimulation				0180-0241	\$1,000,000
Stimulation Rentals & Other				0180-0242	\$300,000
Water & Other		0180-0145	\$45,000		
Bits		0180-0148	\$55,000	0180-0248	
Inspection & Repair Services		0180-0150	\$30,000	0180-0250	\$4,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$75,000
Testing		0180-0158	\$12,000	0180-0258	\$35,000
Completion / Workover Rig				0180-0260	\$25,000
Rig Mobilization		0180-0164	\$140,000		
Transportation		0180-0165	\$35,000	0180-0265	\$10,000
Welding and Construction		0180-0168	\$10,000	0180-0268	\$8,500
Engineering & Contract Supervision		0180-0170	\$40,000	0180-0270	\$5,000
Directional Services		0180-0175	\$140,000		
Equipment Rental		0180-0180	\$160,000	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,000	0180-0285	\$1,000
Intangible Supplies		0180-0188	\$9,000	0180-0288	\$1,000
Damages		0180-0190	\$20,000	0180-0290	
Pipeline, Road, Electrical ROW & Easements		0180-0192		0180-0292	\$3,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$55,000	0180-0295	\$60,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$7,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)		0180-0199	\$156,800	0180-0299	\$92,000
TOTAL			\$1,724,600		\$1,931,800
TANGIBLE COSTS 0181					
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 550' 13 3/8" 48# H40 ST&C @ \$34.50/ft w/GRT		0181-0794	\$20,500		
Casing (8.1" - 10.0") 2200' 9 5/8" 36# J55 @ \$25.00/ft w/GRT		0181-0795	\$55,000		
Casing (6.1" - 8.0")		0181-0796			
Casing (4.1" - 6.0") 12900' 5 1/2" 17# HCP110 LTC & BTC @ \$15.30/ft w/GRT				0181-0797	\$198,000
Tubing (2" - 4") 7150' 2 7/8" 6.5# L80 EUE 8rd @ \$6.35/ft w/GRT				0181-0798	\$45,500
Drilling Head		0181-0860	\$18,000		
Tubing Head & Upper Section				0181-0870	\$15,000
Downhole Directional Equipment				0181-0871	
Sucker Rods				0181-0875	\$35,000
Packer Pump & Subsurface Equipment				0181-0880	\$13,000
Artificial Lift Systems				0181-0884	\$15,000
Pumping Unit 912 unit + GRT				0181-0885	\$120,000
Surface Pumps & Prime Movers				0181-0886	\$30,000
Tanks - Steel 3- 500 bbl steel				0181-0890	\$45,000
Tanks - Others 2 - 500 bbl fiberglass				0181-0891	\$30,000
Separation & Gas Treating Equipment 2 - 36"x10"x500# 3-phase separators/flare stack				0181-0895	\$35,000
Heater Treaters, Line Heaters 6"x20"x75# heater treater				0181-0897	\$25,000
Metering Equipment				0181-0898	\$15,000
Line Pipe - Gas Gathering and Transportation				0181-0900	\$50,000
Misc. Fittings, Valves, Line Pipe and Accessories				0181-0906	\$40,000
Cathodic Protection				0181-0908	
Electrical Installations				0181-0909	
Production Equipment Installation				0181-0910	\$30,000
Pipeline Construction				0181-0920	\$50,000
TOTAL			\$93,500		\$791,500
SUBTOTAL			\$1,818,100		\$2,723,300
TOTAL WELL COST			\$4,541,400		

Prepared by: S. Puryear Date: 6/11/2013Co. Approval: m. whitte Date: 6/11/2013

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