

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: Tamano 11 NC Federal #1H		Project: Tamano	
Location: SL: 150' FSL & 2310' FWL BHL: 330' FNL & 2310' FWL		County: Lea ST: NM	
Sec: 11	BL: 	TWP: 18S	RNG: 31E Prop. TVD: 8589' TMD: 13165'

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Permits and Surveys		0180-0100	\$10,000	0180-0200	
Location: Roads, Pits & Site Preparation		0180-0105	\$75,000	0180-0205	\$5,000
Location: Site Restoration, Excavation & Other		0180-0106	\$155,000	0180-0206	
Day Work, Footage, Turnkey Drilling 21 days drilg/3 day comp @ \$16,500/day + GRT		0180-0110	\$370,000	0180-0210	\$50,000
Fuel		0180-0114	\$80,000		
Mud		0180-0120	\$60,000		
Chemicals and Additives		0180-0121		0180-0221	
Cementing		0180-0125	\$95,000	0180-0225	
Logging, Wireline & Coring Services		0180-0130	\$20,000	0180-0230	
Casing, Tubing & Snubbing Services		0180-0134	\$37,000	0180-0234	\$14,000
Mud Logging		0180-0137	\$16,000		
Stimulation				0180-0241	\$900,000
Stimulation Rentals & Other				0180-0242	\$250,000
Water & Other		0180-0145	\$54,000		
Bits		0180-0148	\$60,000	0180-0248	
Inspection & Repair Services		0180-0150	\$10,000	0180-0250	\$2,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$6,000
Testing		0180-0158	\$15,000	0180-0258	\$21,500
Completion / Workover Rig				0180-0260	\$20,000
Rig Mobilization		0180-0164	\$167,000		
Transportation		0180-0165	\$20,000	0180-0265	\$10,000
Welding and Construction		0180-0168	\$2,200	0180-0268	\$7,500
Engineering & Contract Supervision		0180-0170	\$22,000	0180-0270	\$4,500
Directional Services		0180-0175	\$140,000		
Equipment Rental		0180-0180	\$150,000	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	\$65,000	0180-0295	\$30,000
Overhead Fixed Rate		0180-0196	\$8,000	0180-0296	\$7,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)		0180-0199	\$165,400	0180-0299	\$66,800
TOTAL			\$1,818,900		\$1,402,300

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 750' 13 3/8" 48# K55 STC @ \$36.00/ft w/GRT		0181-0794	\$27,000		
Casing (8.1" - 10.0") 2200' 9 5/8" 36# K55 LTC @ \$25.50/ft w/GRT		0181-0795	\$56,100		
Casing (6.1" - 8.0") 8900' 7" 26# P110 BTC/LTC @ \$26.70/ft w/GRT		0181-0796	\$237,700		
Casing (4.1" - 6.0") 4400' 4 1/2" 13.5# P110 LTC @ \$14.20/ft w/GRT				0181-0797	\$62,500
Tubing (2" - 4") 8500' 2 7/8" 6.5# L80 EUE 8rd @ \$7.05/ft w/GRT				0181-0798	\$60,000
Drilling Head		0181-0860	\$16,000		
Tubing Head & Upper Section				0181-0870	\$13,000
Downhole Directional Equipment				0181-0871	\$230,000
Sucker Rods				0181-0875	\$50,000
Packer Pump & Subsurface Equipment				0181-0880	\$25,000
Artificial Lift Systems				0181-0884	\$14,000
Pumping Unit				0181-0885	\$115,000
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	\$25,000
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			\$336,800		\$805,000
SUBTOTAL			\$2,156,700		\$2,207,300
TOTAL WELL COST			\$4,363,000		

Prepared by: S. Puryear Date: 4/22/2013
Co. Approval: M. White Date: 4/22/2013

Joint Owner Interest: _____ Amount: _____
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: Ard Oil, Ltd.

Signature: _____

Form Rev. 4/2011

Oil Conservation Division
Case No. 4 15052
Exhibit No. 1