

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: <u>Pavo Macho 31/32 B2EH Fed Com #1H</u>		Prospect: <u></u>	
Location: <u>SL: 1980' FNL & 185' FWL (31), BHL: 2310' FNL & 330' FEL (32)</u>		County: <u>Eddy</u> ST: <u>NM</u>	
Sec. <u>31/32</u>	Bik: <u></u>	Survey: <u></u>	TWP: <u>18S</u> RNG: <u>29E</u> Prop. TVD: <u>7700</u> TMD: <u>17900</u>

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Permits and Surveys	0180-0100	\$10,000	0180-0200	
Location: Roads, Pits & Site Preparation	0180-0105	\$60,000	0180-0205	\$15,000
Location: Site Restoration, Excavation & Other	0180-0106	\$200,000	0180-0206	\$20,000
Day Work, Footage, Turnkey Drilling 33 days drlg & 4 comp @ \$18,000/day	0180-0110	\$635,000	0180-0210	\$77,000
Fuel 1000 gal/day @ \$2.15/gal	0180-0114	\$84,000		
Mud	0180-0120	\$65,000		
Chemicals and Additives	0180-0121		0180-0221	
Cementing	0180-0125	\$35,000	0180-0225	\$55,000
Logging, Wireline & Coring Services Gyro/WL & plugs f/ frac	0180-0130	\$5,000	0180-0230	\$200,000
Casing, Tubing & Snubbing Services	0180-0134	\$25,000	0180-0234	\$35,000
Mud Logging	0180-0137	\$25,000		
Stimulation 30 stg 11.5MM gal/14MM sand SW			0180-0241	\$1,800,000
Stimulation Rentals & Other			0180-0242	\$750,000
Water & Other	0180-0145	\$40,000		
Bits	0180-0148	\$80,000	0180-0248	\$2,500
Inspection & Repair Services	0180-0150	\$30,000	0180-0250	\$4,000
Misc. Air & Pumping Services Toe prep & drill out	0180-0154		0180-0254	\$140,000
Testing	0180-0158	\$20,000	0180-0258	\$20,000
Completion / Workover Rig 11 days @ \$3500/day			0180-0260	\$41,200
Rig Mobilization	0180-0164	\$160,000		
Transportation	0180-0165	\$25,000	0180-0265	\$12,000
Welding and Construction	0180-0168	\$3,000	0180-0268	
Engineering & Contract Supervision	0180-0170		0180-0270	
Directional Services	0180-0175	\$200,000		
Equipment Rental	0180-0180	\$170,000	0180-0280	\$30,000
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$4,600	0180-0285	
Intangible Supplies	0180-0188	\$8,000	0180-0288	
Damages	0180-0190	\$5,000	0180-0290	
Pipeline, Road, Electrical ROW & Easements	0180-0192	\$10,000	0180-0292	
Pipeline Interconnect			0180-0293	
Company Supervision	0180-0195	\$200,000	0180-0295	\$40,000
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment	0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)	0180-0199	\$211,500	0180-0299	\$163,100
TOTAL		\$2,326,100		\$3,424,800

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
Casing (19.1" - 30") 20" 94# J55 BTC @ \$67.26/ft + GRT	0181-0793			
Casing (10.1" - 19.0") 415' - 13 3/8" 54.5# J55 STC @ \$28.24/ft + GRT	0181-0794	\$12,400		
Casing (8.1" - 10.0") 1110' - 9 5/8" 36# J55 LTC @ \$18.30/ft + GRT	0181-0795	\$21,700		
Casing (6.1" - 8.0") 8100' - 7" 26# HCP110 LTC/BTC @ \$20.90/ft + GRT	0181-0796	\$181,000		
Casing (4.1" - 6.0") 10000' - 4 1/2" 13.5# P110 LTC @ \$11.70/ft + GRT			0181-0797	\$125,000
Tubing (2" - 4") 7350' - 2 7/8" 6.5# L80 EUE 8rd @ \$4.62/ft + GRT			0181-0798	\$37,000
Drilling Head	0181-0880	\$12,000		
Tubing Head & Upper Section			0181-0870	\$12,000
Downhole Directional Equipment			0181-0871	\$21,000
Sucker Rods			0181-0875	\$28,000
Packer Pump & Subsurface Equipment rod pump			0181-0880	\$15,000
Artificial Lift Systems Gas Lift			0181-0884	\$10,000
Pumping Unit 912 Pumping Unit			0181-0885	\$83,000
Surface Pumps & Prime Movers 75HP PU motor & SWD pump			0181-0886	\$20,000
Tanks - Steel 6-500bbl (2 coated)			0181-0890	\$70,000
Tanks - Others			0181-0891	
Separation & Gas Treating Equipment 30"x10"x1000# 3ph & 24"x10"x1000# 2ph			0181-0895	\$30,000
Heater Treaters, Line Heaters 6"x20"x75# HT			0181-0897	\$17,500
Metering Equipment			0181-0898	\$14,000
Line Pipe - Gas Gathering and Transportation			0181-0900	\$15,000
Misc. Fittings, Valves, Line Pipe and Accessories			0181-0906	\$55,000
Cathodic Protection			0181-0908	\$5,000
Electrical Installations			0181-0909	\$100,000
Production Equipment Installation			0181-0910	\$45,000
Pipeline Construction 1/2 mile 4" buried steel			0181-0920	\$55,000
TOTAL		\$227,100		\$757,500
SUBTOTAL		\$2,553,200		\$4,182,300
TOTAL WELL COST		\$6,735,500		

Prepared by: D. Robison Date: 10/30/2015Co. Approval: *m. whitai* Date: 10/30/2015

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

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: 9/2014

 Oil Conservation Division
 Case No. 4 15420
 Exhibit No. 1