

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: Pavo Macho 31 B2MP Fed #1H Prospect:

Location: SL: 450' FSL & 215' FWL, BHL: 450' FSL & 330' FEL County: Eddy ST: NM

Sec. 31 Blk: Survey: TWP: 18S RNG: 29E Prop. TVD: 7650 TMD: 12100

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	\$20,000
Location: Site Restoration, Excavation & Other		0180-0106	\$150,000	0180-0206	\$20,000
Day Work, Footage, Turnkey Drilling 21 days drlg & 3 comp @ \$18000/day		0180-0110	\$403,800	0180-0210	\$57,700
Fuel 1000 gal/day @ \$2.15/gal		0180-0114	\$55,200		
Mud		0180-0120	\$45,000		
Chemicals and Additives		0180-0121		0180-0221	
Cementing		0180-0125	\$65,000	0180-0225	\$25,000
Logging, Wireline & Coring Services Gyro/Wireline for Plug & Perf		0180-0130	\$5,000	0180-0230	\$100,000
Casing, Tubing & Snubbing Services		0180-0134	\$25,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$20,000		
Stimulation 15 Stg 5.5MM Gal SW X 6.5MM# Sand				0180-0241	\$850,000
Stimulation Rentals & Other				0180-0242	\$500,000
Water & Other		0180-0145	\$40,000		
Bits		0180-0148	\$80,000	0180-0248	\$3,000
Inspection & Repair Services		0180-0150	\$35,000	0180-0250	\$4,000
Misc. Air & Pumping Services Drill out & Toe prep		0180-0154		0180-0254	\$80,000
Testing		0180-0158	\$15,000	0180-0258	\$20,000
Completion / Workover Rig 9 days @ \$3500/day				0180-0260	\$31,500
Rig Mobilization		0180-0164	\$160,000		
Transportation		0180-0165	\$30,000	0180-0265	\$12,000
Welding and Construction		0180-0168	\$5,000	0180-0268	
Engineering & Contract Supervision		0180-0170		0180-0270	
Directional Services incl vert directional control		0180-0175	\$140,000		
Equipment Rental		0180-0180	\$132,000	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$5,000	0180-0290	
Pipeline, Road, Electrical ROW & Easements		0180-0192		0180-0292	
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$79,200	0180-0295	\$30,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)		0180-0199	\$160,200	0180-0299	\$91,000
TOTAL			\$1,762,400		\$1,910,200
TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 415' 13 3/8" 54.5# J55 STC @ \$27.95/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") 8105' 7" 26# P110 LTC/BTC @ \$20.89/ft + GRT		0181-0796	\$180,900		
Casing (4.1" - 6.0") 5000' 4 1/2" 13.5# P110 LTC @ \$11.70/ft + GRT				0181-0797	\$62,500
Tubing (2" - 4") 7350' 2 7/8" 6.5# L80 EUE 8rd @ \$4.62/ft + GRT				0181-0798	\$37,000
Drilling Head		0181-0860	\$12,000		
Tubing Head & Upper Section				0181-0870	\$12,000
Downhole Directional Equipment Halliburton VersaStim Liner Hanger				0181-0871	\$70,000
Sucker Rods				0181-0875	\$35,000
Packer Pump & Subsurface Equipment rod pump				0181-0880	\$10,000
Artificial Lift Systems Gas Lift Valves				0181-0884	\$11,000
Pumping Unit 912 Pumping Unit				0181-0885	\$100,000
Surface Pumps & Prime Movers 75HP PU motor				0181-0886	\$43,000
Tanks - Steel 6-500bbl steel (3 coated)				0181-0890	\$78,000
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	\$20,000
Misc. Fittings, Valves, Line Pipe and Accessories				0181-0906	\$60,000
Cathodic Protection				0181-0908	\$5,000
Electrical Installations				0181-0909	\$50,000
Production Equipment Installation				0181-0910	\$35,000
Pipeline Construction				0181-0920	\$25,000
TOTAL			\$227,000		\$715,000
SUBTOTAL			\$1,989,400		\$2,625,200
TOTAL WELL COST			\$4,614,600		

Prepared by: A. Taylor Date: 7/20/2015Co. Approval: *m. whitte* Date: 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
Exhibit No.