

MEWBORNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: Yardbirds 3 W2DM Fee #1H Prospect:
 Location: SL: 175' FNL & 1070' FWL, BHL: 330' FSL & 660' FWL County: Eddy State: NM
 Sec: 3 Bld: Survey: TWP: 24S Rng: 28E Prop. TVD: 10460' TMD: 18000'

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Permits and Surveys		0180-0100	\$5,000	0180-0200	
Location: Roads, Pits & Site Preparation	Frac Pond	0180-0106	\$100,000	0180-0205	\$75,000
Location: Site Restoration, Excavation & Other		0180-0108	\$225,000	0180-0206	
Day Work, Footage, Turnkey Drilling	35 days drtg & 2 comp @ \$15,600/day	0180-0110	\$583,200	0180-0210	\$33,400
Fuel	900 gal/day @ \$3.00/gal	0180-0114	\$99,900		
Mud		0180-0120	\$200,000		
Chemicals and Additives		0180-0121		0180-0221	
Cementing		0180-0125	\$100,000	0180-0225	\$50,000
Logging, Wireline & Coring Services	Gyro/Wireline for 20 Stage Plug and Perf	0180-0130	\$6,500	0180-0230	\$205,000
Casing, Tubing & Snubbing Services		0180-0134	\$30,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$35,000		
Stimulation (7MM gals/7MM sand)				0180-0241	\$2,150,000
Stimulation Rentals & Other				0180-0242	\$800,000
Water & Other		0180-0145	\$65,000		
Bits		0180-0148	\$70,000	0180-0248	\$2,500
Inspection & Repair Services		0180-0160	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services	Coil Tbg drill out	0180-0154		0180-0254	\$180,000
Testing		0180-0158	\$30,000	0180-0258	\$30,000
Completion / Workover Rig	4 days @ \$4500/day			0180-0260	\$18,000
Rig Mobilization		0180-0164	\$165,000		
Transportation		0180-0165	\$30,000	0180-0265	
Welding and Construction		0180-0168	\$5,000	0180-0268	
Engineering & Contract Supervision		0180-0170	\$70,000	0180-0270	\$4,000
Directional Services		0180-0175	\$200,000		
Equipment Rental	Includes 4" DP rental	0180-0180	\$240,500	0180-0280	\$20,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,700	0180-0285	
Intangible Supplies		0180-0188	\$8,500	0180-0288	
Damages		0180-0190	\$5,000	0180-0290	
Pipeline, Road, Electrical ROW & Easements		0180-0192		0180-0292	
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$66,000	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	\$239,900	0180-0299	\$171,900
TOTAL			\$2,839,200		\$3,609,800
TANGIBLE COSTS 0181					
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	300' 13 3/8" 48# H40 STC @ \$32.52/ft + GRT	0181-0794	\$10,500		
Casing (8.1" - 10.0")	2500' 9 5/8" 36# J85 LTC @ \$25/ft + GRT	0181-0795	\$66,800		
Casing (6.1" - 8.0")	10600' 7" 26# P110 LTC/BTC @ \$27/ft + GRT	0181-0796	\$311,500		
Casing (4.1" - 6.0")	4400' 4 1/2" 13.5# P110 LTC @ \$14.8/ft + GRT			0181-0797	\$69,600
Tubing (2" - 4")	9900' 2 7/8" 6.5# L80 EUE 8rd @ \$5.80/ft + GRT			0181-0798	\$81,400
Drilling Head		0181-0860	\$14,000		
Tubing Head & Upper Section				0181-0870	\$14,000
Downhole Directional Equipment	Halliburton VersaStem liner hanger			0181-0871	\$80,000
Sucker Rods				0181-0875	
Packer Pump & Subsurface Equipment				0181-0880	
Artificial Lift Systems	Gas Lift			0181-0884	\$12,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers	SWD transfer pump			0181-0886	\$12,500
Tanks - Steel	8 steel 500 bbl tanks (3 coated for water)			0181-0890	\$78,900
Tanks - Others				0181-0891	
Separation & Gas Treating Equipment	2-30"x10"x1000# 3 phase & 6"x20"x250# FWKO			0181-0895	\$50,000
Heater Treaters, Line Heaters	6' x 20' x 75# heater treater			0181-0897	\$17,500
Metering Equipment				0181-0898	\$10,000
Line Pipe - Gas Gathering and Transportation				0181-0900	
Misc. Fittings, Valves, Line Pipe and Accessories				0181-0906	\$65,000
Cathodic Protection				0181-0908	\$5,000
Electrical Installations				0181-0909	\$60,000
Production Equipment Installation				0181-0910	\$45,000
Pipeline Construction	1 1/2 mile 4" buried steel			0181-0920	\$150,000
TOTAL			\$402,800		\$730,900
SUBTOTAL			\$3,042,000		\$4,340,700
TOTAL WELL COST			\$7,382,700		

Prepared by: J. Nave Date: 1/14/2015

Co. Approval: *M. White* Date: 1/14/2015

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

EXHIBIT 4