

MEWBORNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name Yardbirds 3 W0AP Fee #2H		Prospect 	
Location SL 185 FNL & 450 FEL BHL 330 FSL & 450 FEL		County Eddy ST NM	
Sec 3	Blk 	Survey 	TWP 24S RNG 28E Prop TVD 9598' TMD 14175

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$5 000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$30 000	0180-0205	\$30 000
Location / Restoration		0180-0106	\$175 000	0180-0206	\$20 000
Daywork / Turnkey / Footage Drilling 18 days drlg & 3 days comp @ \$16250/day		0180-0110	\$313 000	0180-0210	\$53 000
Fuel 1500 gal/day @ \$1 70/gal		0180 0114	\$57 300		
Mud Chemical & Additives		0180-0120	\$110 000	0180-0220	
Horizontal Drilling Services Coil Tbg Drilling				0180-0222	\$75 000
Cementing 2 Stg 7 w/ ECP		0180-0125	\$75 000	0180-0225	\$20 000
Logging & Wireline Services		0180-0130	\$3 000	0180-0230	\$130 000
Casing / Tubing / Snubbing Service		0180-0134	\$25 000	0180-0234	\$15 000
Mud Logging		0180 0137	\$15 000		
Stimulation 27 Stg 8 9MM gal/7 1MM lb				0180-0241	\$1 270 000
Stimulation Rentals & Other				0180-0242	\$100 000
Water & Other		0180-0145	\$40 000	0180-0245	\$340 000
Bits		0180 0148	\$54 000	0180-0248	\$4 000
Inspection & Repair Services		0180 0150	\$40 000	0180-0250	\$5 000
Misc Air & Pumping Services		0180-0154		0180-0254	\$10 000
Testing & Flowback Services		0180-0158	\$15 000	0180-0258	\$25 000
Completion / Workover Rig 4 days @ \$3500/day Toe Prep				0180-0260	\$15 000
Rig Mobilization		0180-0164	\$160 000		
Transportation		0180 0165	\$20 000	0180-0265	\$12 000
Welding Services		0180-0168	\$5 000	0180-0268	\$5 000
Contract Services & Supervision		0180-0170		0180-0270	
Directional Services		0180-0175	\$125 000		
Equipment Rental		0180-0180	\$125 000	0180-0280	\$30 000
Well / Lease Legal		0180-0184	\$5 000	0180-0284	
Well / Lease Insurance		0180-0185	\$4 500	0180 0285	
Intangible Supplies		0180-0188	\$8 000	0180-0288	\$1 000
Damages		0180-0190	\$20 000	0180-0290	
ROW & Easements		0180-0192		0180-0292	\$20 000
Pipeline Interconnect				0180 0293	
Company Supervision		0180-0195	\$90 000	0180-0295	\$70 000
Overhead Fixed Rate		0180-0196	\$10 000	0180-0296	\$20 000
Well Abandonment		0180 0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)		0180-0199	\$153 000	0180-0299	\$113 500
TOTAL			\$1 682 800		\$2,383 500

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19 1 30')		0181 0793			
Casing (10 1 19 0) 165 13 3/8 54 5# J55 STC @ \$25 87/ft GRT		0181-0794	\$4 600		
Casing (8 1 10 0) 2500' 9 5/8 40# N80 LTC @ \$22 20/ft GRT		0181 0795	\$59 300		
Casing (6 1 8 0) 9825 7 26# P110 LTC @ \$16 49/ft GRT		0181 0796	\$173 100		
Casing (4 1 6 0) 5075 4 1/2 13 5# P110 LTC @ \$9 28/ft GRT				0181 0797	\$50 300
Tubing (2' 4')				0181-0798	
Drilling Head		0181-0860	\$20 000		
Tubing Head & Upper Section Includes 10K Frac Valve & Tree				0181-0870	\$48 000
Horizontal Completion Tools Liner Hanger				0181-0871	\$27 000
Sucker Rods				0181-0875	
Subsurface Equipment				0181-0880	
Artificial Lift Systems				0181-0884	
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers (1/2) VRU/SWD transfer pump				0181-0886	\$25 000
Tanks Oil 4 500 bbl steel				0181-0890	\$38 000
Tanks Water 4 500 bbl steel coated				0181-0891	\$44 000
Separation / Treating Equipment 36"x15x1k# Hor 3ph/30"x10"x1k# 3ph/G n 8bl				0181-0895	\$55 000
Heater Treaters Line Heaters 6 x20"x75# HT				0181-0897	\$13 000
Metering Equipment				0181-0898	\$7 000
Line Pipe & Valves Gathering SWD Trunk Line Upgrade				0181-0900	\$30 000
Fittings / Valves & Accessories				0181-0906	\$50 000
Cathodic Protection				0181-0908	\$5 000
Electrical Installation				0181-0909	
Equipment Installation				0181-0910	\$40 000
Pipeline Construction SWD Trunk Line Upgrade				0181-0920	\$60 000
TOTAL			\$257 000		\$492 300
SUBTOTAL			\$1 939 800		\$2 875 800
TOTAL WELL COST			\$4 815 600		

Prepared by A. T. Yi Date 12/1/2016
 C. Approval m. white D. 12/5/2016

Joint Owner Name _____ Amount _____
 Joint Owner Name _____ Signature _____
 Operator hereby certifies that the cost of well completion is estimated at \$4,815,600. No
 Operator shall be held responsible for the cost of well completion if the well is not completed.
 Operator shall be held responsible for the cost of well completion if the well is not completed.
 Joint Owner Name _____ Signature _____ Form R v 8/01/2015

EXHIBIT 4