

**MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE**

Prospect: Paloma Well Name & No: Paloma 28 Federal Com #1
 Field: _____ Location: 1980' FNL & 660' FWL
 Section: 28 Block: _____ Survey: _____ Township: 20S Range: 36E
 County: Lea ST: NM Proposed Depth: 11,600'

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.			
INTANGIBLE COST 180						
300	Permits and Surveys	\$1,500	\$1,500			
301	Location, Roads and Site Preparation	\$50,000	\$2,000			
302	Footage or Turnkey Drilling					
303	Day Work	\$604,200	\$31,800			
304	Fuel	\$75,000	\$1,000			
305	Completion / Workover Rig		\$20,000			
306	Mud and Chemicals	\$100,000	\$2,000			
307	Cementing	\$100,000	\$60,000			
308	Logging, Wireline and Coring Services	\$50,000	\$22,000			
309	Casing, Tubing & Snubbing Services	\$15,000	\$12,000			
310	Mud Logging	\$25,000				
311	Testing	\$1,500	\$5,000			
312	Treating 70Q Binary + 70K IP		\$225,000			
313	Water & Other	\$60,000	\$1,000			
314	Bits 1-17 1/2", 1-12 1/4", 4- 8 3/4"	\$65,000				
315	Inspection & Repair Services	\$12,000	\$1,000			
316	Misc. Air and Pumping Services	\$10,000	\$1,500			
320	Rig Mobilization & Transportation	\$100,000	\$2,500			
321	Welding and Construction	\$4,000	\$5,500			
322	Engineering & Contract Supervision	\$30,000	\$2,000			
330	Equipment Rental	\$40,000	\$3,500			
334	Well / Lease Legal	\$10,000	\$2,500			
335	Well / Lease Insurance	\$8,100				
350	Intangible Supplies	\$500	\$500			
355	Damages	\$10,000				
360	Pipeline and Electrical ROW and Easements		\$6,000			
367	Pipeline Interconnect					
375	Company Supervision	\$28,000	\$10,000			
380	Overhead Fixed Rate	\$9,000	\$6,000			
398	Well Abandonment	\$15,000	(\$15,000)			
399	Contingencies 10% / 10%	\$142,400	\$40,900			
Total Intangibles		\$1,566,200	\$450,200			
TANGIBLE COST 181						
797	Conductor Casing 40' of 20" (included in location cost)					
797	Surface Casing 600' 13-3/8" 54.5# K55 ST&C @ \$37.36/ft	\$22,800				
797	Intermediate Casing 5300' 9-5/8" 40# HCK55/N80 LT&C @ \$30.85/ft	\$163,500				
797	Intermediate Casing					
797	Production Casing 11,600' 5-1/2" 17# HCP110/N80 LT&C @ \$15.75/ft		\$181,200			
798	Tubing 11,200' 2-7/8" 6.5# P110 EUE 8rd @ \$6.42/ft		\$71,900			
860	Drilling Head	\$10,000				
870	Tubing Head & Upper Section		\$15,000			
875	Sucker Rods					
880	Packer Pump & Subsurface Equipment		\$10,000			
884	Artificial Lift Systems					
885	Pumping Unit					
886	Surface Pumps & Prime Movers					
890	Tanks - Steel		\$16,000			
891	Tanks - Other		\$6,500			
895	Separation Equipment		\$25,000			
896	Gas Treating Equipment					
898	Metering Equipment		\$6,000			
900	Line Pipe - Gas Gathering and Transportation		\$25,000			
901	Line Pipe - Production		\$1,500			
906	Miscellaneous Fittings, Valves & Accessories		\$15,000			
909	Electrical Installations					
910	Production Equipment Installation		\$20,000			
920	Pipeline Construction		\$25,000			
Prepared by:	F. Lathan	Date Prepared:	10/3/2007	Total Tangibles	\$196,300	\$418,100
Company Approval:	<i>m. white</i>	Date Approved:	10/4/2007	SUBTOTAL	\$1,762,500	\$868,300
Joint Owner Interest:	50.00000%	Joint Owner Amount:	\$1,315,400.00	TOTAL WELL COST	\$2,630,800	

Oil Conservation Division
Case No. _____
Exhibit No. 4

Joint Owner: EOG Resources, Inc. 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 335. 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.

By: _____ Name: _____