

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: Bradley 29 Federal Com #1H Prospect: Bone Springs Horizontal
 Location: SL:1050' FSL & 1905' FEL, BHL: 990' FSL & 330' FWL County: Eddy ST: NM
 Section: 29 BIK: Survey: TNP: 18S RNG: 30E Prop. Dpth: 11,050'

INTANGIBLE COSTS 180		CODE	TCP	CODE	CC
Permits and Surveys		100		200	\$1,000
Location: Roads, Pits & Site Preparation		105		205	
Location: Excavation & Other		106	\$20,000		
Day Work, Footage, Turnkey Drilling (14 days + 2 @ \$11,000/day + GRT)		110	\$154,000	210	\$24,000
Fuel		114	\$32,000		
Mud		120	\$20,000		
Chemicals and Additives		121		221	\$1,000
Cementing		125		225	\$40,000
Logging, Wireline & Coring Services		130		230	
Casing, Tubing & Snubbing Services		134	\$7,000	234	\$10,000
Mud Logging		137	\$18,000		
Stimulation				241	\$200,000
Stimulation Rentals & Other				242	\$25,000
Water & Other		145	\$10,000		
Bits (1 - 17 1/2", 1 - 12 1/4", 4 - 8 3/4")		148	\$20,000	248	
Inspection & Repair Services		150		250	\$10,000
Misc. Air & Pumping Services		154		254	
Testing		158		258	\$1,000
Completion / Workover Rig				260	\$15,000
Rig Mobilization		164			
Transportation		165	\$5,000	265	\$5,000
Welding and Construction		168	\$1,000	268	\$2,000
Engineering & Contract Supervision		170		270	\$2,000
Directional Services		175	\$100,000		
Equipment Rental		180	\$15,000	280	\$10,000
Well / Lease Legal		184		284	\$1,000
Well / Lease Insurance		185		285	
Intangible Supplies		188	\$500	288	\$500
Damages		190		290	
Pipeline, Road, Electrical ROW & Easements		192		292	\$6,000
Pipeline Interconnect				293	
Company Supervision		195	\$35,000	295	\$10,000
Overhead Fixed Rate		196	\$4,500	296	\$4,000
Well Abandonment		198		298	
Contingencies ## (TCP) 5% (CC)		199	\$44,200	299	\$18,400
TOTAL			\$486,200		\$385,900
TANGIBLE COSTS 181					
Casing (19.1" - 30") 40' - 20" Conductor included in location cost		793			
Casing (10.1" - 19.0") 300' - 13 3/8", 48#, H40 ST&C @ \$24.90/ft + GRT		794			
Casing (8.1" - 10.0") 3300' - 9 5/8", 40#, J55/N80 LT&C @ \$20.75/ft + GRT		795			
Casing (6.1" - 8.0")		796			
Casing (4.1" - 6.0") 11,050' 5 1/2" 17# P110 LTC @ \$16.00/ft				797	\$176,800
Tubing (2" - 4") 7,700' 2 7/8" 6.5# N80 EUE 8rd @ \$5.00/ft				798	\$38,500
Drilling Head		860			
Tubing Head & Upper Section				865	\$18,000
Sucker Rods				875	\$22,000
Packer Pump & Subsurface Equipment				880	
Artificial Lift Systems				884	
Pumping Unit				885	\$65,000
Surface Pumps & Prime Movers				886	
Tanks - Steel				890	\$30,000
Tanks - Others				891	\$7,500
Separation Equipment				895	\$12,000
Gas Treating Equipment				896	
Heater Treaters, Line Heaters				897	\$12,000
Metering Equipment				898	\$7,000
Line Pipe - Gas Gathering and Transportator				900	\$25,000
Misc. Fittings, Valves, Line Pipe and Accessories				906	\$15,000
Cathodic Protection				908	
Electrical Installations				909	
Production Equipment Installation				910	\$15,000
Pipeline Construction				920	\$30,000
TOTAL					\$473,800
SUBTOTAL			\$486,200		\$859,700
TOTAL WELL COST					\$1,345,900

Prepared by: F. Lathan Date: 3/1/2010
 Co. Approval: *m. white* Date: 3/1/2010
 Joint Owner Interest: _____ Amount: _____
 Joint Owner: _____ 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 185. 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 thier well.

By: _____ Name: _____

Form Rev. 8/12/09