

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: Ruger 6 Federal Com #4H Prospect: Ruger 6
 Location: SL:150' FNL & 1755' FEL, BHL:330' FSL & 2130' FEL County: Eddy ST: NM
 Section: 6 Blk: Survey: TNP: 20S RNG: 29E Prop. Dpth: 12,500'

INTANGIBLE COSTS 180			CODE	TCP	CODE	CC
Permits and Surveys			100	\$5,000	200	\$2,000
Location: Roads, Pits & Site Preparation			105	\$60,000	205	\$5,000
Location: Excavation & Other			106	\$125,000		
Day Work, Footage, Turnkey Drilling 31 drlg, 2 comp @ \$14,500/day + GRT			110	\$476,500	210	\$30,800
Fuel			114	\$87,000		
Mud			120	\$60,000		
Chemicals and Additives			121	\$5,000	221	\$5,000
Cementing			125	\$90,000	225	
Logging, Wireline & Coring Services			130	\$25,000	230	
Casing, Tubing & Snubbing Services			134	\$25,000	234	\$12,000
Mud Logging			137	\$25,000		
Stimulation					241	\$540,000
Stimulation Rentals & Other					242	\$150,000
Water & Other			145	\$40,000		
Bits			148	\$50,000	248	\$2,500
Inspection & Repair Services			150	\$5,000	250	
Misc. Air & Pumping Services (Gas Lift installation)			154		254	\$30,000
Testing			158	\$4,000	258	\$5,000
Completion / Workover Rig					260	\$20,000
Rig Mobilization			164	\$90,000		
Transportation			165	\$25,000	265	\$5,000
Welding and Construction			168	\$5,000	268	\$2,000
Engineering & Contract Supervision			170	\$70,000	270	
Directional Services			175	\$210,000		
Equipment Rental			180	\$62,000	280	\$5,000
Well / Lease Legal			184	\$8,000	284	\$1,000
Well / Lease Insurance			185	\$4,000	285	
Intangible Supplies			188	\$5,000	288	
Damages			190	\$5,000	290	
Pipeline, Road, Electrical ROW & Easements			192		292	
Pipeline Interconnect					293	
Company Supervision			195	\$70,000	295	\$30,000
Overhead Fixed Rate			196	\$9,000	296	\$4,000
Well Abandonment			198		298	
Contingencies 10% (TCP) 5% (CC)			199	\$164,600	299	\$42,500
TOTAL				\$1,810,100		\$891,800
TANGIBLE COSTS 181						
Casing (19.1" - 30")			793			
Casing (10.1" - 19.0") 1200' 13 3/8" 48# H40 @ \$33.05/ft w/ GRT			794	\$40,200		
Casing (8.1" - 10.0") 3100' 9 5/8" 36# N80/K55 LTC \$25.20/ft w/GRT			795	\$78,200		
Casing (6.1" - 8.0") 8200' 7" 26# P110 LTC @ \$28.00/ft w/GRT			796	\$229,600		
Casing (4.1" - 6.0") 4600' 4 1/2" 11.6# P110 LTC @ \$12.88/ft w GRT					797	\$59,300
Tubing (2" - 4") 8200' 2 7/8" 6.5# L80 EUE 8rd @ \$6.25/ft					798	\$51,300
Drilling Head			860	\$10,000		
Tubing Head & Upper Section					870	\$15,000
Sucker Rods					875	\$25,000
Packer Pump & Subsurface Equipment (17-20 ports + pkr)					880	\$250,000
Artificial Lift Systems					884	\$6,000
Pumping Unit					885	\$100,000
Surface Pumps & Prime Movers					886	\$22,000
Tanks - Steel					890	\$30,000
Tanks - Others					891	\$7,500
Separation Equipment					895	\$40,000
Gas Treating Equipment					896	
Heater Treaters, Line Heaters					897	\$30,000
Metering Equipment					898	\$10,000
Line Pipe - Gas Gathering and Transportation					900	\$3,000
Misc. Fittings, Valves, Line Pipe and Accessories					906	\$40,000
Cathodic Protection					908	
Electrical Installations					909	
Production Equipment Installation					910	\$25,000
Pipeline Construction					920	
TOTAL				\$358,000		\$714,100
SUBTOTAL				\$2,168,100		\$1,605,900
TOTAL WELL COST						\$3,774,000

Prepared by: F. Lathan Date: 12/17/2010
 Co. Approval: *M. White* Date: 12/17/2010
 Joint Owner Interest: _____ Amount: _____
 Joint Owner: _____ Joint Owner Approval: _____

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Consolidated Case No's 14603 & 14604
 Exhibit No. 4
 Submitted by:
MEWBOURNE OIL COMPANY
 Hearing Date: March 3, 2011

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 their well.

By: _____ Name: _____ Form Rev: 8/12/09

MEWBOURNE OIL COMPANY

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Section: 6 BIK: Survey: 	TNP: 20S RNG: 29E Prop. Dpth: 12,500'

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Prepared by: F. Lathan Date: 12/17/2010

Co. Approval: *m. whitton* Date: 12/17/2010

Joint Owner Interest: _____ Amount: _____

Joint Owner: _____ Joint Owner Approval: _____

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