


MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Prospect: La Rica Bone Spring
Well Name and No. La Rica "32" State #1
Sector: 32
County: Lea

Block
State: New Mexico

Field:
Location: 1980' FSL & 1980' FEL
Township: 18S Range: 34E
Proposed Depth: 10,700'

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
INTANGIBLE COST 180			
300	Permits and Surveys	2700	600
301	Location, Roads and Surveys	20000	1500
302	Footage or Turnkey Drilling	189000	0
303	Day Work	8800	0
304	Fuel, Water and Other	16700	0
305	Completion/Workover Rig	0	20000
306	Mud and Chemicals	12000	0
307	Cementing	16000	27900
308	Logging and Wireline	18000	6500
309	Casing-Tubing Services	1200	2700
310	Mud Logging	4000	0
311	Testing	0	0
312	Treating	0	55000
313	Coring	0	0
320	Transportation	2500	3500
321	Welding and Construction Labor	1500	1000
322	Contract Supervision	0	0
330	Equipment Rental	5000	6000
334	Well/Lease Legal/Tax	3500	0
335	Well/Lease Insurance	6400	0
350	Intangible Supplies	300	300
360	Pipeline ROW and Easements	0	0
367	Pipeline Interconnect	0	0
375	Company Supervision	31500	10000
380	Overhead Fixed Rate	7850	4000
399	Contingencies	6939	2780
Total Intangibles		\$353,889	\$141,780
TANGIBLE COST 181			
	Conductor Casing	0	0
	Surface Casing 13 3/8" @ 350'	5800	0
	Intermediate Casing 9 5/8" @ 3,200'	37000	0
	Production Casing 5 1/2" @ 10,700'	0	65000
	Production Casing	0	0
	Tubing 2 7/8" @ 10,700'	0	26000
860	Drilling Head	3400	0
865	Tubing Head	0	3100
870	Upper Section	0	6500
875	Sucker Rods	0	10000
880	Packer, Pump & Other Subsurface	0	8000
885	Pumping Unit & Prime Mover + Electricity	0	47000
890-1	Tanks (Steel & Fiberglass)	0	8000
894-5	Separation Equipment (fired, Non-fired)	0	6000
898	Metering Equipment	0	0
900	Line Pipe	0	4000
905	Valves	0	2000
906	Miscellaneous Fittings & Accessories	0	8000
910	Production Equipment Installation	0	15000
920	Pipeline Construction	0	0
Total Tangibles		\$46,200	\$208,600
Date Prepared: February 8, 1994		SUBTOTAL	\$400,089
Prepared By: Hobbs Drilling Group		TOTAL WELL COST	\$750,469

Company Approval: 
Date Approved: 2/10/94
Joint Owner Approval:

Joint Owner Interest:
Joint Owner Amount:

**BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico**

Case No. 10974 Exhibit No. 2

Submitted by: Mewbourne Oil Company

Hearing Date: June 9, 1994