

MEWBOURNE OIL COMPANY  
Authorization for Expenditure

Prospect Kennedy Farms Well Name and No. Haldeman #1  
Field Kennedy Farms Morrow Location 1980' FNL & 660' FWL  
Section 14 Block \_\_\_\_\_ Township 17S Range 26E Survey \_\_\_\_\_  
County Eddy State N.M. Proposed Depth 9,000'

| DESCRIPTION                |                                         |        |       | COST TO<br>CASING POINT<br>AFE NO. 90-D-10 | COMPLETION<br>COST<br>AFE NO. 90-C-10 |
|----------------------------|-----------------------------------------|--------|-------|--------------------------------------------|---------------------------------------|
| <u>INTANGIBLE COST 180</u> |                                         |        |       |                                            |                                       |
| 300                        | Permits & Surveys                       |        |       | \$ 1,500.00                                | \$ 500.00                             |
| 301                        | Location, Roads & Damages               |        |       | 35,000.00                                  | 20,000.00                             |
| 302                        | Footage or Turnkey Drilling             |        |       | 162,000.00                                 | - 0 -                                 |
| 303                        | Day Work                                |        |       | 19,500.00                                  | - 0 -                                 |
| 304                        | Fuel, Water & Other                     |        |       | 11,000.00                                  | 2,000.00                              |
| 305                        | Completion/Workover Rig                 |        |       | - 0 -                                      | 11,000.00                             |
| 306                        | Mud & Chemicals                         |        |       | 9,000.00                                   | - 0 -                                 |
| 307                        | Cementing                               |        |       | 14,000.00                                  | 18,000.00                             |
| 308                        | Logging & Wireline                      |        |       | 16,000.00                                  | 10,000.00                             |
| 309                        | Casing - Tubing Services & Tools        |        |       |                                            |                                       |
| 310                        | Mud Logging                             |        |       | 3,000.00                                   | - 0 -                                 |
| 311                        | Testing                                 |        |       | 4,000.00                                   | - 0 -                                 |
| 312                        | Treating                                |        |       | - 0 -                                      | 47,000.00                             |
| 313                        | Coring                                  |        |       |                                            |                                       |
| 320                        | Transportation                          |        |       | 2,000.00                                   | 5,000.00                              |
| 321                        | Welding & Construction Labor            |        |       | 1,000.00                                   | 5,000.00                              |
| 322                        | Contract Supervision                    |        |       |                                            |                                       |
| 330                        | Equipment Rental                        |        |       | 7,000.00                                   | 2,000.00                              |
| 334                        | Well/Lease Legal/Tax                    |        |       |                                            |                                       |
| 335                        | Well/Lease Insurance                    |        |       | 18,000.00                                  | - 0 -                                 |
| 350                        | Intangible Supplies                     |        |       | 500.00                                     | 500.00                                |
| 360                        | Pipeline ROW & Easements                |        |       | - 0 -                                      | 5,000.00                              |
| 367                        | Pipeline Interconnect                   |        |       |                                            |                                       |
| 375                        | Company Supervision                     |        |       | 20,000.00                                  | 8,000.00                              |
| 380                        | Overhead Fixed Rate                     |        |       | 5,000.00                                   | 5,000.00                              |
| 399                        | Contingencies                           |        |       | 15,300.00                                  | 4,050.00                              |
| Total Intangibles          |                                         |        |       | \$ 343,800.00                              | \$ 143,050.00                         |
| <u>TANGIBLE COST 181</u>   |                                         |        |       |                                            |                                       |
|                            | Conductor Casing                        |        |       | \$                                         | \$                                    |
|                            | Surface Casing                          | 8 5/8" | 24#   | 1400'                                      | 16,100.00                             |
|                            | Surface Casing                          |        |       |                                            |                                       |
|                            | Production Casing                       | 4 1/2" | 11.6# | 9000'                                      | 51,200.00                             |
|                            | Production Casing                       |        |       |                                            |                                       |
|                            | Tubing                                  | 2 3/8" | 4.7#  | 9000'                                      | 18,800.00                             |
| 860                        | Drilling Head                           |        |       | 4,000.00                                   |                                       |
| 865                        | Tubing Head                             |        |       |                                            | 2,000.00                              |
| 870                        | Upper Section                           |        |       |                                            | 4,000.00                              |
| 875                        | Sucker Rods                             |        |       |                                            |                                       |
| 880                        | Packer, Pump & Other Subsurface         |        |       |                                            | 3,000.00                              |
| 885                        | Pumping Unit                            |        |       |                                            |                                       |
| 890-1                      | Tanks (Steel, Fiberglass)               |        |       |                                            | 5,000.00                              |
| 894-5                      | Separation Equipment (Fired, Non-fired) |        |       |                                            | 10,000.00                             |
| 898                        | Metering Equipment                      |        |       |                                            | 9,500.00                              |
| 900                        | Line Pipe                               |        |       |                                            | 5,000.00                              |
| 905                        | Valves                                  |        |       | 500.00                                     | 1,000.00                              |
| 906                        | Miscellaneous Fittings & Accessories    |        |       |                                            | 10,000.00                             |
| 910                        | Production Equipment Installation       |        |       |                                            | 12,000.00                             |
| 920                        | Pipeline Construction                   |        |       |                                            | 20,000.00                             |

Date Prepared: September 24, 1990

Prepared By: Greg Milner

Company Approval: WH Crany

Date Approved: \_\_\_\_\_

Joint Owner Approval: \_\_\_\_\_

Joint Owner Interest: \_\_\_\_\_

Joint Owner Amount: \_\_\_\_\_

Total Tangibles

Subtotal

TOTAL WELL COST

\$ 20,600.00 \$ 151,500.00

\$ 364,400.00 \$ 294,550.00

\$ 658,950.00

BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

EXHIBIT NO. 3

CASE NO. 10,244