

# MEWBORNE OIL COMPANY

## AUTHORIZATION FOR EXPENDITURE

Prospect: **Crow Flats**

Well Name & No: **Crow Flats 33 # 1**

Field: \_\_\_\_\_

Location: \_\_\_\_\_

Section: **33** Block: \_\_\_\_\_ Survey: \_\_\_\_\_

Township **16S**

Range **28E**

County: **Eddy**

State: **NM**

Proposed Depth: **10,030'**

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
<b>INTANGIBLE COST 180</b>			
300	Permits and Surveys	\$1,800	\$1,200
301	Location, Roads and Site Preparation	\$25,000	\$4,500
302	Footage or Turnkey Drilling		
303	Day Work 29 days @ \$8500 + 2 days Compl.	\$246,500	\$17,000
304	Fuel	\$30,000	\$2,000
305	Completion / Workover Rig		\$9,500
306	Mud and Chemicals	\$30,000	\$1,000
307	Cementing	\$20,000	\$13,000
308	Logging, Wireline and Coring Services	\$25,000	\$10,000
309	Casing, Tubing & Snubbing Services	\$4,700	\$10,000
310	Mud Logging	\$7,000	
311	Testing		\$2,500
312	Treating 70Q Binary + 50K IP		\$95,000
313	Water & Other	\$17,000	\$1,000
314	Bits 1-17 1/2", 1-12 1/4", 4- 8 3/4"	\$40,000	
315	Inspection & Repair Services		
316	Misc. Air and Pumping Services		\$2,000
320	Rig Mobilization & Transportation	\$25,000	\$1,000
321	Welding and Construction	\$2,500	\$2,000
322	Engineering & Contract Supervision	\$2,500	
330	Equipment Rental	\$9,500	\$2,000
334	Well / Lease Legal	\$5,000	\$2,400
335	Well / Lease Insurance	\$15,500	
350	Intangible Supplies	\$500	\$2,500
355	Damages	\$10,000	
360	Pipeline and Electrical ROW and Easements		\$3,000
367	Pipeline Interconnect		
375	Company Supervision	\$22,000	\$2,800
380	Overhead Fixed Rate	\$6,000	\$1,000
398	Well Abandonment	\$12,000	(\$12,000)
399	Contingencies 10% / 10%	\$55,800	\$17,300
	<b>Total Intangibles</b>	<b>\$613,300</b>	<b>\$190,700</b>
<b>TANGIBLE COST 181</b>			
797	Conductor Casing 40' of 20" (Included in location cost)		
797	Surface Casing 565' 13-3/8" 48# H-40 ST&C	\$16,500	
797	Intermediate Casing 2090' 9-5/8" 40# J-55 ST&C	\$39,800	
797	Intermediate Casing		
797	Production Casing 10,030' 5-1/2" 17# S95/N80 LT&C		\$90,500
798	Tubing 9,900' 2-7/8" 8.5# P-105 EUE 8rd		\$39,500
798	Tubing		
860	Drilling Head	\$8,000	
870	Tubing Head & Upper Section		\$12,000
875	Sucker Rods		
880	Packer Pump & Subsurface Equipment		\$7,300
884	Artificial Lift Systems		
885	Pumping Unit		
886	Surface Pumps & Prime Movers		
890	Tanks - Steel		\$5,000
891	Tanks - Other		\$4,000
895	Separation Equipment		\$12,000
896	Gas Treating Equipment		
898	Metering Equipment		\$2,500
900	Line Pipe - Gas Gathering and Transportation		
901	Line Pipe - Production		\$1,500
906	Miscellaneous Fittings, Valves & Accessories		\$10,000
909	Electrical Installations		
910	Production Equipment Installation		\$10,000
920	Pipeline Construction		\$20,000
	<b>Total Tangibles</b>	<b>\$64,300</b>	<b>\$214,300</b>
	<b>SUBTOTAL</b>	<b>\$677,600</b>	<b>\$405,000</b>
	<b>TOTAL WELL COST</b>	<b>\$1,082,600</b>	

Date Prepared 03/09/04

Prepared by: R. Terrell

Company Approval: *m. white*

Date Approved: 03/10/04

Joint Owner Approval:

Joint Owner Interest:

Joint Owner Amount: