

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Prospect: Angel Draw
Field: _____
Section: 2 Block: _____ Survey: _____
County: Eddy State: NM

Well Name & No: Angel Draw 2 State Com #1
Location: 990' FSL & 660' FEL
Township 20S Range: 27E
Proposed Depth: 11,300'

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
INTANGIBLE COST 180			
300	Permits and Surveys	\$3,000	\$1,000
301	Location, Roads and Site Preparation	\$26,000	\$1,500
302	Footage or Turnkey Drilling		
303	Day Work (30 Days @ 8500/Day + 2 Days @ TD)	\$255,000	\$17,000
304	Fuel	\$30,000	
305	Completion / Workover Rig		\$15,000
306	Mud and Chemicals	\$30,000	\$1,000
307	Cementing	\$30,000	\$20,000
308	Logging, Wireline and Coring Services	\$35,000	\$12,000
309	Casing, Tubing & Snubbing Services	\$4,500	\$6,000
310	Mud Logging	\$17,000	
311	Testing	\$1,000	\$1,000
312	Treating		\$100,000
313	Water & Other	\$10,000	\$1,000
314	Bits (1 - 17 1/2", 1 - 12 1/4", 4 - 8 3/4")	\$50,000	
315	Inspection & Repair Services	\$3,500	\$6,500
316	Misc. Air and Pumping Services	\$5,000	\$2,000
320	Rig Mobilization & Transportation	\$25,000	\$1,000
321	Welding and Construction	\$2,500	\$2,000
322	Engineering & Contract Supervision	\$5,000	
330	Equipment Rental	\$15,000	\$1,000
334	Well / Lease Legal	\$3,000	\$1,000
335	Well / Lease Insurance	\$15,500	
350	Intangible Supplies	\$1,000	\$500
355	Damages	\$1,500	
360	Pipeline and Electrical ROW and Easements		\$3,000
367	Pipeline Interconnect		
375	Company Supervision	\$20,000	\$3,500
380	Overhead Fixed Rate	\$6,000	\$4,000
398	Well Abandonment	\$12,000	(\$12,000)
399	Contingencies 10% / 10%	\$60,700	\$18,800
Total Intangibles		\$667,200	\$206,800
TANGIBLE COST 181			
797	Conductor Casing 40' 20" (Included in location)		
797	Surface Casing 460' 13 3/8" 48# H-40 STC @ \$26.00/ft	\$11,700	
797	Intermediate Casing 3000' 9 5/8" 40# J-55 STC @ 22.33/ft	\$67,000	
797	Intermediate Casing		
797	Production Casing 11,300' 5 1/2" 17# S95/N80 LTC @ \$12.03/ft		\$136,600
798	Tubing 11,000' 2 7/8" 6.5# P-110 EUE 8rd @ 5.55/ft		\$61,100
860	Drilling Head	\$7,000	
870	Tubing Head & Upper Section		\$15,000
875	Sucker Rods		
880	Packer Pump & Subsurface Equipment		\$10,000
884	Artificial Lift Systems		
885	Pumping Unit		
886	Surface Pumps & Prime Movers		
890	Tanks - Steel		\$5,000
891	Tanks - Other		\$3,000
895	Separation Equipment		\$12,000
896	Gas Treating Equipment		
898	Metering Equipment		\$4,000
900	Line Pipe - Gas Gathering & Transportation +2000', 4" 1.88 wall, X-42 w/coating		\$10,000
901	Line Pipe - Production		\$1,000
906	Miscellaneous Fittings, Valves & Accessories		\$10,000
909	Electrical Installations		
910	Production Equipment Installation		\$15,000
920	Pipeline Construction		\$10,000
Total Tangibles		\$85,700	\$292,700
SUBTOTAL		\$752,900	\$499,500
TOTAL WELL COST		\$1,252,400	

Date Prepared 05/20/04 Total Tangibles

Prepared by: M. Young SUBTOTAL

Company Approval: M. Whittall TOTAL WELL COST

Date Approved: 06/01/04 (REVISED)

Joint Owner Approval: * T. Verne Dwyer

Joint Owner Interest: 3.125%

Joint Owner Amount: Cost to Casing Point = \$23,528.13; Completion Cost = \$15,609.38; Total Well Cost = \$39,137.51

*T. Verne Dwyer, Sole and Separate Property Under the Will of Agnes W. Dwyer, Deceased

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Prospect: Angel Draw

Field: _____

Section: 2 Block: _____ Survey: _____

County: Eddy State: NM

Well Name & No.: Angel Draw 2 State Com #1

Location: 886' PBL & 889' PBL

Township: 20S Range: 27E

Proposed Depth: 11,300'

DESCRIPTION		Cost To Casing Point AFS NO.	Completion Cost AFS NO.
INTANGIBLE COST 100			
300	Permits and Surveys	\$3,000	\$1,000
301	Location, Roads and Site Preparation	\$25,000	\$1,500
302	Photograph or Tanking Drilling		
303	Day Work (30 Days @ \$600/Day + 5 Days @ TD)	\$205,000	\$17,000
304	Fuel	\$30,000	
305	Corrosion / Workover Rig		\$15,000
306	Mud and Chemicals	\$80,000	\$1,000
307	Cementing	\$30,000	\$28,000
308	Logging, Wireline and Casing Services	\$35,000	\$12,000
309	Casing, Tubing & Shallow Services	\$4,900	\$6,000
310	Mud Logging	\$17,000	
311	Tracing	\$1,000	\$1,000
312	Tracing		\$100,000
313	Water & Other	\$10,000	\$1,000
314	Rig (1 - 17 1/2", 1 - 18 1/4", & - 8 3/4")	\$82,000	
315	Inspection & Repair Services	\$3,500	\$9,900
316	Misc. Air and Pumping Services	\$5,000	\$2,000
320	Rig Mobilization & Transportation	\$25,000	\$1,000
321	Weighting and Construction	\$2,500	\$2,000
322	Engineering & Control Supervision	\$5,000	
330	Equipment Rental	\$15,000	\$1,000
334	Well / Lease Legal	\$3,000	\$1,000
335	Well / Lease Insurance	\$15,000	
340	Intangible Supplies	\$1,000	\$500
345	Damages	\$1,000	
350	Pipeline and Electrical ROW and Easements		\$3,000
357	Pipeline Inspection		
375	Company Supervision	\$20,000	\$9,500
380	Overhead Fixed Rate	\$5,000	\$4,000
390	Well Abandonment	\$12,000	\$12,000
399	Contingencies 10% / 10%	\$20,700	\$19,500
Total Intangibles		\$607,200	\$205,500
TANGIBLE COST 101			
707	Casings Casing 40' 20' (included in location)		
707	Surface Casing 480' 13 3/8" 400 H-40 BTC @ \$28.00/H	\$11,700	
707	Intermediate Casing 3400' 8 5/8" 400 J-55 BTC @ \$2.33/H	\$77,800	
707	Intermediate Casing		
707	Production Casing 11,300' 5 1/2" 170 805 H-80 LTC @ \$12.53/H		\$141,600
709	Tubing 11,000' 2 7/8" 8.80 P-110 QJF 8th @ \$2.58/H		\$281,100
800	Drilling Head	\$7,000	
870	Tubing Head & Upper Benders		\$15,000
879	Bucker Road		
880	Factor Pump & Subsurface Equipment		\$10,000
894	Artificial Lift Systems		
895	Pumping Unit		
896	Surfing Pumps & Prime Movers		
898	Tanks - 5000		\$8,000
899	Tanks - 9000		\$2,000
899	Separation Equipment		\$12,000
899	Gas Treating Equipment		
899	Mixing Equipment		\$4,000
899	Line Pipe - Gas Gathering & Transportation - 8000', 6" 1.58 wall, X-42 shipping		\$10,000
899	Line Pipe - Production		\$1,000
899	Miscellaneous Piping, Valves & Accessories		\$10,000
899	Electrical Installations		\$18,000
899	Production Equipment Installation		\$10,000
899	Pipeline Construction		\$10,000
Data Prepared 05/28/04 Total Tangibles		\$25,700	\$232,700
Prepared by: M. Young SUBTOTAL		\$751,900	\$438,200
Company Approval: <u>M. Young</u> TOTAL WELL COST		\$1,203,400	
Date Approved: 06/01/04 (REVISED)			
Joint Owner Approval: <u>[Signature]</u>			
Joint Owner Interest: 1.125%			
Joint Owner Amount: Cost to Casing Point = \$33,525.13; Completion Cost = \$15,409.38; Total Well Cost = \$39,137.51			
*BGT Investments, LLC - By: Brad G. Taylor, (to PERSIDENT			

MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

Prospect: Snow
Field: _____
Section: 2 Block: _____ Survey: _____
County: Eddy State: NM

Well Name & No: Snowman "2" State Com #1
Location: SE/4SE/4
Township 20S Range: 27E
Proposed Depth: 11,300'

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
INTANGIBLE COST 180			
300	Permits and Surveys	\$3,000	\$1,000
301	Location, Roads and Site Preparation	\$26,000	\$1,500
302	Footage or Turnkey Drilling		
303	Day Work (30 Days @ 8500/Day + 2 Days @ TD)	\$255,000	\$17,000
304	Fuel	\$30,000	
305	Completion / Workover Rig		\$15,000
306	Mud and Chemicals	\$30,000	\$1,000
307	Cementing	\$30,000	\$20,000
308	Logging, Wireline and Coring Services	\$35,000	\$12,000
309	Casing, Tubing & Snubbing Services	\$4,500	\$6,000
310	Mud Logging	\$17,000	
311	Testing	\$1,000	\$1,000
312	Treating		\$100,000
313	Water & Other	\$10,000	\$1,000
314	Bits (1 - 17 1/2", 1 - 12 1/4", 4 - 8 3/4")	\$50,000	
315	Inspection & Repair Services	\$3,500	\$6,500
316	Misc. Air and Pumping Services	\$5,000	\$2,000
320	Rig Mobilization & Transportation	\$25,000	\$1,000
321	Welding and Construction	\$2,500	\$2,000
322	Engineering & Contract Supervision	\$5,000	
330	Equipment Rental	\$15,000	\$1,000
334	Well / Lease Legal	\$3,000	\$1,000
335	Well / Lease Insurance	\$15,500	
350	Intangible Supplies	\$1,000	\$500
355	Damages	\$1,500	
360	Pipeline and Electrical ROW and Easements		\$3,000
367	Pipeline Interconnect		
375	Company Supervision	\$20,000	\$3,500
380	Overhead Fixed Rate	\$6,000	\$4,000
398	Well Abandonment	\$12,000	(\$12,000)
399	Contingencies 10% / 10%	\$60,700	\$18,800
Total Intangibles		\$667,200	\$206,800
TANGIBLE COST 181			
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797	Intermediate Casing 3000' 9 5/8" 40# J-55 STC @ 22.33/ft	\$67,000	
797	Intermediate Casing		
797	Production Casing 11,300' 5 1/2" 17# S95/N80 LTC @ \$12.03/ft		\$136,600
798	Tubing 11,000' 2 7/8" 6.5# P-110 EUE 8rd @ 5.55/ft		\$61,100
860	Drilling Head	\$7,000	
870	Tubing Head & Upper Section		\$15,000
875	Sucker Rods		
880	Packer Pump & Subsurface Equipment		\$10,000
884	Artificial Lift Systems		
885	Pumping Unit		
886	Surface Pumps & Prime Movers		
890	Tanks - Steel		\$5,000
891	Tanks - Other		\$3,000
895	Separation Equipment		\$12,000
896	Gas Treating Equipment		
898	Metering Equipment		\$4,000
900	Line Pipe - Gas Gathering & Transportation +2000', 4" 1.88 wall, X-42 w/coating		\$10,000
901	Line Pipe - Production		\$1,000
906	Miscellaneous Fittings, Valves & Accessories		\$10,000
909	Electrical Installations		
910	Production Equipment Installation		\$15,000
920	Pipeline Construction		\$10,000
Total Tangibles		\$85,700	\$292,700
SUBTOTAL		\$752,900	\$499,500
TOTAL WELL COST		\$1,252,400	

Date Prepared 05/20/04

Prepared by: M. Young

Company Approval: *M. White*

Date Approved: 05/20/04

Joint Owner Approval:

Joint Owner Interest:

Joint Owner Amount:

Total Tangibles

SUBTOTAL

TOTAL WELL COST

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 13306 Exhibit No. 3

Submitted by:

MEWBOURNE OIL COMPANY

Hearing Date: August 5, 2004