

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

| | | | |
|----------------------------------------------------------------------------|--------------|-----------------------------|------------------------------------------------------------|
| Well Name: Bradley 30 Federal No. 2H | | Prospect: Bradley 30 | |
| Location: SL: 400' FSL & 240' FEL, BHL: 400' FSL & 330' FWL | | County: Eddy | ST: NM |
| Section: 30 | Blk: | Survey: | TNP: 18S RNG: 30E Prop. Dpth: 12,730' |

| INTANGIBLE COSTS 180 | CODE | TCP | CODE | CC |
|-------------------------------------------------------------------------------|------|--------------------|------|--------------------|
| Permits and Surveys | 100 | \$10,000 | 200 | \$2,000 |
| Location: Roads, Pits & Site Preparation | 105 | \$75,000 | 205 | \$30,000 |
| Location: Excavation & Other | 108 | \$135,000 | | |
| Day Work, Footage, Turnkey Drilling 30 days drilling/3 day comp @\$17,000/day | 110 | \$540,600 | 210 | \$54,100 |
| Fuel | 114 | \$100,000 | | |
| Mud | 120 | \$68,000 | | |
| Chemicals and Additives | 121 | | 221 | \$5,000 |
| Cementing | 125 | \$65,000 | 225 | |
| Logging, Wireline & Coring Services Gyro & Cased hole GR/Neutron | 130 | \$17,000 | 230 | |
| Casing, Tubing & Snubbing Services | 134 | \$23,000 | 234 | \$13,000 |
| Mud Logging | 137 | \$35,000 | | |
| Stimulation | | | 241 | \$950,000 |
| Stimulation Rentals & Other | | | 242 | \$250,000 |
| Water & Other | 145 | \$45,000 | | |
| Bits | 148 | \$60,000 | 248 | |
| Inspection & Repair Services | 150 | \$11,000 | 250 | \$1,500 |
| Misc. Air & Pumping Services | 154 | \$20,000 | 254 | \$8,000 |
| Testing | 158 | \$4,000 | 258 | \$10,000 |
| Completion / Workover Rig | | | 260 | \$20,000 |
| Rig Mobilization | 164 | \$200,000 | | |
| Transportation | 165 | \$25,000 | 265 | \$6,000 |
| Welding and Construction | 168 | \$7,000 | 268 | \$10,000 |
| Engineering & Contract Supervision | 170 | \$35,000 | 270 | |
| Directional Services | 175 | \$200,000 | | |
| Equipment Rental | 180 | \$140,000 | 280 | \$5,000 |
| Well / Lease Legal | 184 | \$8,500 | 284 | \$1,000 |
| Well / Lease Insurance | 185 | \$5,000 | 285 | |
| Intangible Supplies | 188 | \$10,000 | 288 | |
| Damages | 190 | \$5,000 | 290 | |
| Pipeline, Road, Electrical ROW & Easements | 192 | | 292 | \$10,000 |
| Pipeline Interconnect | | | 293 | |
| Company Supervision | 195 | \$100,000 | 295 | \$35,000 |
| Overhead Fixed Rate | 196 | \$9,000 | 296 | \$4,000 |
| Well Abandonment | 198 | | 298 | |
| Contingencies 10% (TCP) 5% (CC) | 199 | \$195,300 | 299 | \$70,700 |
| TOTAL | | \$2,148,400 | | \$1,485,300 |

| TANGIBLE COSTS 181 | CODE | TCP | CODE | CC |
|---------------------------------------------------------------------|------|--------------------|------|--------------------|
| Casing (19.1" - 30") | 793 | | | |
| Casing (10.1" - 19.0") 300' 13 3/8" 48# STC @ \$38.50/ft | 794 | \$11,600 | | |
| Casing (8.1" - 10.0") 1400' 9 5/8" 36# J55 LTC @ \$27.50/ft w/GRT | 795 | \$38,500 | | |
| Casing (6.1" - 8.0") 8300' 7" 26# P110 BTC @ \$32.5/ft w/GRT | 796 | \$269,500 | | |
| Casing (4.1" - 6.0") 4100' 4 1/2" 11.6# P110 LTC @ \$16.50/ft w GRT | | | 797 | \$67,700 |
| Tubing (2" - 4") 7500' 2 7/8" 6.5# L80 EUE 8rd @ \$6.50/ft | | | 798 | \$49,000 |
| Drilling Head | 860 | \$8,500 | | |
| Tubing Head & Upper Section | | | 870 | \$10,000 |
| Sucker Rods | | | 875 | \$25,000 |
| Packer Pump & Subsurface Equipment (20 ports) | | | 880 | \$250,000 |
| Artificial Lift Systems | | | 884 | \$10,000 |
| Pumping Unit | | | 885 | \$75,000 |
| Surface Pumps & Prime Movers | | | 886 | \$5,000 |
| Tanks - Steel | | | 890 | \$45,000 |
| Tanks - Others | | | 891 | \$26,000 |
| Separation Equipment 24"x10"x1000# 3 phase separator | | | 895 | \$12,000 |
| Gas Treating Equipment | | | 896 | |
| Heater Treaters, Line Heaters 6"x20"x75# heater treater | | | 897 | \$20,000 |
| Metering Equipment | | | 898 | \$6,500 |
| Line Pipe - Gas Gathering and Transportation | | | 900 | \$7,500 |
| Misc. Fittings, Valves, Line Pipe and Accessories | | | 906 | \$40,000 |
| Cathodic Protection | | | 908 | |
| Electrical Installations | | | 909 | |
| Production Equipment installation | | | 910 | \$35,000 |
| Pipeline Construction | | | 920 | |
| TOTAL | | \$328,100 | | \$683,700 |
| SUBTOTAL | | \$2,476,500 | | \$2,169,000 |
| TOTAL WELL COST | | \$4,645,500 | | |

Prepared by: S. Puryear Date: 1/26/2012
 Co. Approval: M. Whitte Date: 1/26/2012
 Joint Owner Interest: _____ Amount: _____
 Joint Owner: _____ Joint Owner Approval: _____

Operator has secured Operator's Extra Expense Insurance covering costs of well control, clean up and redrill elect NOT to be covered by this Operator's Extra Expense Insurance only by signing below. The undersigned Expense Insurance for their well.

By: _____ Name: _____ Form Rev: 8/1/2008

Oil Conservation Division
Case No.
Exhibit No.