

## MEWBORNE OIL COMPANY

## AUTHORIZATION FOR EXPENDITURE

Well Name:	Wyatt Draw 13 PA #1H		Prospect:	Wyatt Draw 13	
Location:	SL: 190' FNL & 970' FEL (24), BHL: 330' FNL & 970' FEL (13)		County:	Eddy	ST: NM
Section:	24/13	Blk:	Survey:	TNP: 19S RNg: 25E	Prop. Dpth: 7837'

INTANGIBLE COSTS 180		CODE	TCP	CODE	CC
Permits and Surveys		100	\$10,000	200	\$1,000
Location: Roads, Pits & Site Preparation		105	\$60,000	205	\$2,500
Location: Site Restoration, Excavation & Other		106	\$40,000		
Day Work, Footage, Turnkey Drilling 14 days drlg/1.5 compl @ \$15,500/day + GRT		110	\$230,100	210	\$24,700
Fuel		114	\$37,500		
Mud		120	\$35,000		
Chemicals and Additives		121		221	
Cementing		125	\$35,000	225	
Logging, Wireline & Coring Services		130	\$20,000	230	
Casing, Tubing & Snubbing Services		134	\$15,000	234	\$10,000
Mud Logging		137	\$10,000		
Stimulation				241	\$450,000
Stimulation Rentals & Other				242	\$210,000
Water & Other		145	\$25,000		
Bits		148	\$20,000	248	
Inspection & Repair Services		150	\$15,000	250	
Misc. Air & Pumping Services		154		254	\$1,000
Testing		158	\$5,000	258	\$16,000
Completion / Workover Rig				260	\$30,000
Rig Mobilization		164	\$75,000		
Transportation		165	\$20,000	265	\$2,000
Welding and Construction		168	\$2,000	268	\$1,000
Engineering & Contract Supervision		170	\$20,000	270	
Directional Services		175	\$100,000		
Equipment Rental		180	\$70,000	280	\$5,000
Well / Lease Legal		184	\$2,500	284	
Well / Lease Insurance		185	\$1,200	285	
Intangible Supplies		188	\$5,000	288	\$1,000
Damages		190		290	\$10,000
Pipeline, Road, Electrical ROW & Easements		192		292	\$5,000
Pipeline Interconnect				293	
Company Supervision		195	\$55,000	295	\$10,000
Overhead Fixed Rate		196	\$4,000	296	\$3,000
Well Abandonment		198		298	
Contingencies 10% (TCP) 5% (CC)		199	\$91,200	299	\$39,100
TOTAL			\$1,003,500		\$821,300

TANGIBLE COSTS 181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		793			
Casing (10.1" - 19.0")		794			
Casing (8.1" - 10.0") 700' 9 5/8" 36# K55 LTC @ \$29.50/ft		795	\$21,000		
Casing (6.1" - 8.0") 3000' 7" 26# LTC @ \$29.00/ft & 1000' 7" 26# BTC @ \$30.00		796	\$92,300		
Casing (4.1" - 6.0") 4750' 4 1/2" 11.6# J55 @ \$12.75/ft				797	\$60,600
Tubing (2" - 4") 2900' 2 7/8" 6.5# J55 EUE 8rd @ \$7.75/ft				798	\$22,500
Drilling Head		860	\$10,000		
Tubing Head & Upper Section				870	\$15,000
Sucker Rods				875	\$8,500
Packer Pump & Subsurface Equipment (20 Port System plus packer)				880	\$275,000
Artificial Lift Systems				884	
Pumping Unit (includes set up)				885	\$40,000
Surface Pumps & Prime Movers				886	
Tanks - Steel				890	\$45,000
Tanks - Others				891	\$13,000
Separation Equipment				895	
Gas Treating Equipment				896	
Heater Treaters, Line Heaters				897	\$15,000
Metering Equipment				898	\$16,000
Line Pipe - Gas Gathering and Transportation				900	\$3,000
Misc. Fittings, Valves, Line Pipe and Accessories				906	\$6,000
Cathodic Protection				908	
Electrical Installations				909	\$20,000
Production Equipment Installation				910	\$11,000
Pipeline Construction				920	\$2,000
TOTAL			\$123,300		\$552,600
SUBTOTAL			\$1,126,800		\$1,373,900
TOTAL WELL COST			\$2,500,700		

Prepared by: S. Puryear Date: 1/3/2012

Co. Approval: M. White Date: 1/4/2012

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 redrilling 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: 8/11/09

File: Wyatt Draw 13 PA #1H vlc

Oil Conservation Division  
Case No. 4  
Exhibit No. 4