

MEWBOURNE OIL COMPANY  
AUTHORIZATION FOR EXPENDITURE

Well Name: Dorado "34" Federal Com #1H Prospect: Dorado 34  
Location: SL: 1850' FSL & 620' FEL, BHL: 1850' FSL & 330' FWL County: Eddy ST: NM  
Sec. 34 Blk:      Survey:      TWP: 18S RNG: 30E Prop. TVD: 8403' TMD: 12600'

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Permits and Surveys		0180-0100	\$10,000	0180-0200	\$4,000
Location: Roads, Pits & Site Preparation		0180-0105	\$80,000	0180-0205	\$10,000
Location: Site Restoration, Excavation & Other		0180-0106	\$150,000	0180-0206	
Day Work, Footage, Turnkey Drilling 30 days drlg, 3 days comp @ \$16,500/day		0180-0110	\$495,000	0180-0210	\$49,500
Fuel		0180-0114	\$125,000		
Mud		0180-0120	\$75,000		
Chemicals and Additives		0180-0121		0180-0221	\$5,000
Cementing		0180-0125	\$115,000	0180-0225	
Logging, Wireline & Coring Services		0180-0130	\$30,000	0180-0230	
Casing, Tubing & Snubbing Services		0180-0134	\$45,000	0180-0234	\$20,000
Mud Logging		0180-0137	\$25,000		
Stimulation				0180-0241	\$1,000,000
Stimulation Rentals & Other				0180-0242	\$300,000
Water & Other		0180-0145	\$50,000		
Bits		0180-0148	\$70,000	0180-0248	
Inspection & Repair Services		0180-0150	\$20,000	0180-0250	\$1,500
Misc. Air & Pumping Services		0180-0154		0180-0254	\$5,000
Testing		0180-0158	\$15,000	0180-0258	\$15,000
Completion / Workover Rig				0180-0260	\$16,000
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$35,000	0180-0265	\$7,000
Welding and Construction		0180-0168	\$10,000	0180-0268	\$5,000
Engineering & Contract Supervision		0180-0170	\$55,000	0180-0270	
Directional Services		0180-0175	\$150,000		
Equipment Rental		0180-0180	\$125,000	0180-0280	\$10,000
Well / Lease Legal		0180-0184	\$8,000	0180-0284	\$1,000
Well / Lease Insurance		0180-0185	\$4,000	0180-0285	
Intangible Supplies		0180-0188	\$5,000	0180-0288	\$1,000
Damages		0180-0190	\$5,000	0180-0290	
Pipeline, Road, Electrical ROW & Easements		0180-0192		0180-0292	\$3,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$100,000	0180-0295	\$35,000
Overhead Fixed Rate		0180-0196	\$9,000	0180-0296	\$7,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)		0180-0199	\$196,100	0180-0299	\$74,800
TOTAL			\$2,157,100		\$1,569,800
TANGIBLE COSTS 0181					
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 500' - 13 3/4" 48# H40 @ \$37/ft		0181-0794	\$18,500		
Casing (8.1" - 10.0") 1800' - 9 5/8" 36# J55 @ \$25/ft		0181-0795	\$45,000		
Casing (6.1" - 8.0") 8800' - 7" 26# P110 @ \$29/ft		0181-0796	\$255,200		
Casing (4.1" - 6.0") 4000' - 4 1/2" 13.5# P110 @ \$15/ft				0181-0797	\$60,000
Tubing (2" - 4") 7500' - 2 7/8" 6.5# N80 EUE 8rd @ \$7.10/ft				0181-0798	\$53,500
Drilling Head		0181-0860	\$18,000		
Tubing Head & Upper Section				0181-0870	\$15,000
Downhole Directional Equipment				0181-0871	\$300,000
Sucker Rods				0181-0875	\$25,000
Packer Pump & Subsurface Equipment				0181-0880	\$13,000
Artificial Lift Systems				0181-0884	\$15,000
Pumping Unit				0181-0885	\$6,000
Surface Pumps & Prime Movers				0181-0886	\$36,000
Tanks - Steel				0181-0890	\$45,000
Tanks - Others				0181-0891	\$24,000
Separation & Gas Treating Equipment				0181-0895	\$46,000
Heater Treaters, Line Heaters				0181-0897	\$25,000
Metering Equipment				0181-0898	\$6,000
Line Pipe - Gas Gathering and Transportation				0181-0900	\$10,000
Misc. Fittings, Valves, Line Pipe and Accessories				0181-0906	\$50,000
Cathodic Protection				0181-0908	
Electrical Installations				0181-0909	\$50,000
Production Equipment Installation				0181-0910	\$50,000
Pipeline Construction				0181-0920	
TOTAL			\$336,700		\$829,500
SUBTOTAL			\$2,493,800		\$2,399,300
TOTAL WELL COST			\$4,893,100		

Prepared by: J. Burnett Date: 8/8/2012  
Co. Approval: *m. whitton* Date: 8/8/2012

Joint Owner Interest: 0.54925% Amount: \$26,875.35  
Joint Owner Name: Exxon Mobil Corporation

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

Operator has secured Operator's Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185. Non-Operator may elect NOT to be covered by this Operator's Extra Expense Insurance only by signing below. **The undersigned elects NOT to be covered by Operator's Extra Expense Insurance for their well.**

Joint Owner Name: Exxon Mobil Corporation Signature: \_\_\_\_\_ Form Rev: 4/2012