

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: <u>Owl Draw 22 W1AP Fed Com #1H</u>		Prospect: <u></u>	
Location: <u>SL: 230' FSL & 660' FEL (15) BHL: 330' FSL & 660' FEL (22)</u>		County: <u>Eddy</u>	ST: <u>NM</u>
Sec: <u>22</u>	Blk: <u></u>	Survey: <u></u>	TWP: <u>26S</u> RNG: <u>27E</u> Prop. TVD: <u>9134'</u> TMD: <u>14054'</u>

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Permits and Surveys	0180-0100	\$15,000	0180-0200	\$2,000
Location: Roads, Pits & Site Preparation	0180-0105	\$90,000	0180-0205	\$50,000
Location: Site Restoration, Excavation & Other	0180-0106	\$200,000	0180-0206	
Day Work, Footage, Turnkey Drilling 36 days drlg, 3 comp @ \$21,000/Day + GRT	0180-0110	\$756,000	0180-0210	\$66,900
Fuel 1000 gal/day @ \$3.50/gal	0180-0114	\$126,000		
Mud	0180-0120	\$200,000		
Chemicals and Additives	0180-0121		0180-0221	\$5,000
Cementing	0180-0125	\$110,000	0180-0225	
Logging, Wireline & Coring Services Gyro & Logs	0180-0130	\$42,000	0180-0230	
Casing, Tubing & Snubbing Services	0180-0134	\$35,000	0180-0234	\$40,000
Mud Logging	0180-0137	\$45,000		
Stimulation			0180-0241	\$1,500,000
Stimulation Rentals & Other			0180-0242	\$300,000
Water & Other	0180-0145	\$50,000		
Bits	0180-0148	\$90,000	0180-0248	\$2,200
Inspection & Repair Services	0180-0150	\$56,000	0180-0250	\$4,500
Misc. Air & Pumping Services N2, reverse unit & fluids for drillout	0180-0154		0180-0254	\$70,000
Testing	0180-0158	\$25,000	0180-0258	\$20,000
Completion / Workover Rig 8 days @ \$4500/day			0180-0260	\$36,000
Rig Mobilization	0180-0164	\$100,000		
Transportation	0180-0165	\$35,000	0180-0265	\$12,000
Welding and Construction	0180-0168	\$5,000	0180-0268	\$6,000
Engineering & Contract Supervision	0180-0170	\$95,000	0180-0270	\$6,000
Directional Services	0180-0175	\$180,000		
Equipment Rental	0180-0180	\$125,000	0180-0280	\$60,000
Well / Lease Legal	0180-0184	\$8,000	0180-0284	
Well / Lease Insurance	0180-0185	\$4,000	0180-0285	\$1,000
Intangible Supplies	0180-0188	\$15,000	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	\$40,000
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$5,000
Well Abandonment	0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)	0180-0199	\$252,200	0180-0299	\$111,500
TOTAL		\$2,774,200		\$2,342,100

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
Casing (19.1" - 30")	0181-0793			
Casing (10.1" - 19.0") 420' 13 3/8" 48# H40 STC @ \$30.98/ft w/GRT	0181-0794	\$13,800		
Casing (8.1" - 10.0") 2130' 9 5/8" 36# J55 LTC @ \$22.91/ft w/GRT	0181-0795	\$51,700		
Casing (6.1" - 8.0") 9100' 7" 26# P110 LTC & BTC @ \$24.50	0181-0796	\$236,700		
Casing (4.1" - 6.0") 4500' 4 1/2" 13.50# P110 LTC @ \$13.45/ft w/GRT			0181-0797	\$228,000
Tubing (2" - 4") 8600' 2 7/8" 6.5# L80 EUE 8rd @ \$5.05/ft w/GRT			0181-0798	\$46,000
Drilling Head	0181-0860	\$15,000		
Tubing Head & Upper Section			0181-0870	\$15,000
Downhole Directional Equipment 30 stage pkr/ports			0181-0871	\$331,000
Sucker Rods			0181-0875	\$38,000
Packer Pump & Subsurface Equipment 7" packer & insert pump			0181-0880	\$17,000
Artificial Lift Systems Gas Lift Valves			0181-0884	\$16,500
Pumping Unit Pumping Unit			0181-0885	
Surface Pumps & Prime Movers 75 HP PU motor			0181-0886	\$7,500
Tanks - Steel 3-500 bbl			0181-0890	\$39,000
Tanks - Others 2-500 bbl			0181-0891	\$30,000
Separation & Gas Treating Equipment 2-30"x10"x1000# Vert Sep, 1-6"x20"x125# Hz Sep			0181-0895	\$80,000
Heater Treaters, Line Heaters 1-6"x20"x75# HT			0181-0897	\$20,000
Metering Equipment			0181-0898	\$14,000
Line Pipe - Gas Gathering and Transportation			0181-0900	\$20,000
Misc. Fittings, Valves, Line Pipe and Accessories			0181-0906	\$50,000
Cathodic Protection			0181-0908	
Electrical Installations			0181-0909	\$55,000
Production Equipment Installation			0181-0910	\$30,000
Pipeline Construction			0181-0920	
TOTAL		\$317,200		\$1,037,000
SUBTOTAL		\$3,091,400		\$3,379,100

TOTAL WELL COST	\$6,470,500
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Prepared by: S. Heinze Date: 3/26/2014Co. Approval: *m. white* Date: 4/9/2014

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ 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: _____

Signature: _____

Form Rev: 4/2012

 Oil Conservation Division
 Case No. 4
 Exhibit No. 1