

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: Yardbirds 34 W2OB Fee #1H Prospect: _____

Location: SL: 150' FNL & 2310' FEL, BHL: 330' FSL & 2160' FEL County: Eddy ST: NM

Sec. 34 Blk: Survey: TWP: 23S RNG: 28E Prop. TVD: 10616' TMD: 15060'

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$2,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$65,000	0180-0205	\$15,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$20,000
Daywork / Turney / Footage Drilling 22 days drlg & 3 days comp @ \$18000/day		0180-0110	\$423,000	0180-0210	\$58,000
Fuel 1000 gal/day @ \$1.50/gal		0180-0114	\$40,100		
Mud, Chemical & Additives		0180-0120	\$200,000	0180-0220	
Horizontal Drillout Services Coil Drillout				0180-0222	\$90,000
Cementing		0180-0125	\$75,000	0180-0225	\$25,000
Logging & Wireline Services Gyro & Cased Hole Log/Completion Wireline		0180-0130	\$8,000	0180-0230	\$150,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$25,000
Mud Logging		0180-0137	\$15,000		
Stimulation 20 stg 7MM gal/7MM lb				0180-0241	\$1,000,000
Stimulation Rentals & Other				0180-0242	\$125,000
Water & Other		0180-0145	\$40,000	0180-0245	\$375,000
Bits		0180-0148	\$72,000	0180-0248	\$4,000
Inspection & Repair Services		0180-0150	\$35,000	0180-0250	\$5,000
Misc. Air & Pumping Services Toe prep		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$20,000
Completion / Workover Rig 5 days @ \$3500/day Toe Prep/Run Gas Lift				0180-0260	\$19,000
Rig Mobilization		0180-0164	\$160,000		
Transportation		0180-0165	\$20,000	0180-0265	\$12,000
Welding Services		0180-0168	\$5,000	0180-0268	\$5,000
Contract Services & Supervision		0180-0170		0180-0270	
Directional Services Inc Vertical Control		0180-0175	\$200,000		
Equipment Rental		0180-0180	\$165,000	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,800	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$20,000	0180-0290	
ROW & Easements		0180-0192	\$10,000	0180-0292	
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$165,000	0180-0295	\$80,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)		0180-0199	\$198,300	0180-0299	\$104,500
TOTAL			\$2,181,200		\$2,193,500
TANGIBLE COSTS 0181					
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 350' - 13 3/8" 54.5# J55 STC @ \$27.95/ft + GRT		0181-0794	\$10,500		
Casing (8.1" - 10.0") 2500' - 9 5/8" 36# J55 LTC @ \$18.39/ft + GRT		0181-0795	\$49,200		
Casing (6.1" - 8.0") 10820' - 7" 26# HCP110 LTC/BTC @ \$31.35/ft + GRT		0181-0796	\$362,300		
Casing (4.1" - 6.0") 5150' - 4 1/2" 13.5# P110 LTC @ \$16.26/ft + GRT				0181-0797	\$89,500
Tubing (2" - 4") 9910' - 2 7/8" 6.5# L80 EUE @ \$4.06/ft + GRT				0181-0798	\$43,000
Drilling Head		0181-0860	\$12,000		
Tubing Head & Upper Section				0181-0870	\$12,000
Horizontal Completion Tools Resource Completion Liner Hanger				0181-0871	\$25,000
Sucker Rods				0181-0875	
Subsurface Equipment				0181-0880	
Artificial Lift Systems Gas Lift Valves				0181-0884	\$13,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers				0181-0886	
Tanks - Oil 2 - 500 bbl steel				0181-0890	\$18,000
Tanks - Water 2 - 500 bbl steel coated				0181-0891	\$23,000
Separation / Treating Equipment 2-30"x10"x1000# 3ph				0181-0895	\$24,000
Heater Treaters, Line Heaters 6"x20"x75# HT				0181-0897	\$14,000
Metering Equipment				0181-0898	\$14,000
Line Pipe & Valves - Gathering				0181-0900	\$10,000
Fittings / Valves & Accessories				0181-0906	\$30,000
Cathodic Protection				0181-0908	\$5,000
Electrical Installation				0181-0909	\$10,000
Equipment Installation				0181-0910	\$25,000
Pipeline Construction				0181-0920	
TOTAL			\$434,000		\$355,500
SUBTOTAL			\$2,615,200		\$2,549,000
TOTAL WELL COST			\$5,164,200		

Prepared by: A. Taylor Date: 1/11/2016

Co. Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

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: 9/01/2015

EXHIBIT 7