

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name Hoss 2/11 W2BO Fed Com #1H		Prospect. _____	
Location SL 185 FNL & 1700 FEL (2), BHL 330 FSL & 1650 FEL (11)		County Eddy	ST NM
Sec. _____	Blk _____	Survey _____	TWP 25S RNG 28E Prop TVD 10725 TMD 20547

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$12,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$45,000	0180-0205	\$136,500
Location / Restoration		0180-0106	\$200,000	0180-0206	\$30,000
Daywork / Turnkey / Footage Drilling 38 days drlg & 4 days comp @ \$16250/day		0180-0110	\$625,000	0180-0210	\$70,000
Fuel 1500 gal/day @ \$170/gal		0180-0114	\$102,000		
Mud, Chemical & Additives		0180-0120	\$225,000	0180-0220	
Horizontal Drilling Services Coll Tbg Drilling				0180-0222	\$170,000
Cementing 2 Stg 7 w/ ECP		0180-0125	\$90,000	0180-0225	\$25,000
Logging & Wireline Services		0180-0130	\$2,000	0180-0230	\$289,800
Casing / Tubing / Snubbing Service		0180-0134	\$35,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$30,000		
Stimulation 59 Stg 17 8 MM gal/14 1 MM lb				0180-0241	\$3,057,500
Stimulation Rentals & Other				0180-0242	\$212,500
Water & Other		0180-0145	\$35,000	0180-0245	\$478,200
Bits		0180-0148	\$110,000	0180-0248	\$4,000
Inspection & Repair Services		0180-0150	\$45,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$26,500
Completion / Workover Rig 4 days @ \$3500/day Toe Prep				0180-0260	\$15,000
Rig Mobilization		0180-0164	\$160,000		
Transportation		0180-0165	\$25,000	0180-0265	\$15,000
Welding Services		0180-0168	\$5,000	0180-0268	\$5,000
Contract Services & Supervision		0180-0170		0180-0270	
Directional Services Inc. Vert. Control		0180-0175	\$205,000		
Equipment Rental		0180-0180	\$250,000	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$8,200	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$20,000	0180-0290	
ROW & Easements		0180-0192		0180-0292	\$5,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$180,000	0180-0295	\$95,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)		0180-0199	\$244,500	0180-0299	\$235,800
TOTAL			\$2,689,700		\$4,951,800

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19 1 30')		0181-0793			
Casing (10 1 19 0') 450 13 3/8 54 5# J55 STC @ \$25 87/ft + GRT		0181-0794	\$12,500		
Casing (8 1 10 0") 2500 9 5/8 40# N80 LTC @ \$22 20/ft + GRT		0181-0795	\$60,000		
Casing (6 1 8 0") 10650' 7" 29# P110 LTC @ \$18 60/ft + GRT		0181-0796	\$211,600		
Casing (4 1 6 0") 10370 4 1/2 13 5# P110 LTC @ \$9 28/ft + GRT				0181-0797	\$103,000
Tubing (2 4")				0181-0798	
Drilling Head		0181-0860	\$30,000		
Tubing Head & Upper Section Includes 10K Frac Valve & Tree				0181-0870	\$40,000
Horizontal Completion Tools Resource Completion Liner Hanger				0181-0871	\$27,000
Sucker Rods				0181-0875	
Subsurface Equipment				0181-0880	
Artificial Lift Systems				0181-0884	
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers VRU/SWD transfer pump				0181-0886	\$50,000
Tanks Oil 4 500 bbl steel				0181-0890	\$38,000
Tanks Water 4 500 bbl steel coated				0181-0891	\$44,000
Separation / Treating Equipment 36"x15 x1k# Hor 3ph/30"x10"x1k# 3ph/GB				0181-0895	\$55,000
Heater Treaters Line Heaters 6"x20"x75# HT				0181-0897	\$13,000
Metering Equipment				0181-0898	\$7,000
Line Pipe & Valves Gathering (1/2) 2 miles 6" SWD and 4 gas line				0181-0900	\$50,000
Fittings / Valves & Accessories				0181-0906	\$65,000
Cathodic Protection				0181-0908	\$5,000
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$55,000
Pipeline Construction (1/2) 2 miles 6 SWD and 4 gas line				0181-0920	\$100,000
TOTAL			\$314,100		\$702,000

SUBTOTAL	\$3,003,800	\$5,653,800
TOTAL WELL COST	\$8,657,600	

Prepared by J Nave Date 11/8/2016

Co Approval *m whitel* Date 11/9/2016

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 3/01/2016

