

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name Lo 1 g Townsite 21 W2PA Fee #1H Prospect

Location SL 220 FNL & 450 FEL BHL 330 FNL & 450 FEL County Eddy ST NM

Sec 28 Blk Survey TWP 23S Rng 28E Prop TVD 10477 TMD 15400

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Reg latory Pa m ts & Surveys		0180-0100	\$5 000	0180 0200	
Locat on / Road / Site / Preparation		0180-0105	\$65 000	0180 0205	\$75 000
Location / Restorat on		0180-0106	\$175 000	0180-0206	\$20 000
Daywo k / Turnkey / Footage Dr ll ng 24 days drlg & 3 days comp @ \$16500/day		0180-0110	\$423 000	0180-0210	\$53 000
Fuel 1500 gal/day @ \$1 50/gal		0180 0114	\$64 900		
Mud Chemical & Add t es		0180-0120	\$45 000	0180-0220	
Horizontal Drillout Serv ces Coil Tbg Dr llout				0180-0222	\$65 000
Cement ng		0180-0125	\$75 000	0180-0225	\$25 000
Logging & Wireline Services		0180-0130	\$3 000	0180-0230	\$110 000
Casing / Tub ng / Sn bbing Serv ce		0180-0134	\$25 000	0180-0234	\$15 000
Mud Logging		0180-0137	\$15 000		
St mulat on 20 Stg 7MM gal/7MM lb				0180-0241	\$940 000
Stim lat on Rentals & Other				0180 0242	\$100 000
Water & Other		0180-0145	\$40 000	0180-0245	\$325 000
Bits		0180-0148	\$81 000	0180-0248	\$4 000
Inspection & Repair Serv ces		0180-0150	\$35 000	0180 0250	\$5 000
Misc A r & Pumping Serv ces		0180-0154		0180-0254	\$10 000
Testing & Flowback Services		0180-0158	\$15 000	0180-0258	\$30 000
Completion / Worko er Rig 6 days @ \$3500/day				0180-0260	\$22 500
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 & Supervis on		0180-0170		0180-0270	
Directional Services Includes Vert Control		0180 0175	\$160 000		
Equpment Rental		0180-0180	\$150 000	0180-0280	\$30 000
Well / Lease Legal		0180-0184	\$5 000	0180-0284	
Well / Lease Insurance		0180-0185	\$3 900	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 Superv s on		0180-0195	\$180 000	0180-0295	\$90 000
Overhead F ed Rate		0180-0196	\$10 000	0180-0296	\$20 000
Well Abandonment		0180 0198		0180 0298	
Cont ngencies 10% (TCP) 5% (CC)		0180-0199	\$180 900	0180 0299	\$97 900
TOTAL			\$1 989 700		\$2 055 400
TANGIBLE COSTS 0181					
Cas ng (19 1 30)		0181 0793			
Cas ng (10 1 19 0) 300' 13 3/8 54 5# J55 STC @ \$22 66/ft GRT		0181 0794	\$7 300		
Cas ng (8 1 10 0) 2520 9 5/8 40# J55 LTC @ \$15 57/ft GRT		0181 0795	\$42 000		
Casing (6 1 8 0) 10775 7 26# P110 LTC/BTC @ \$26 36/ft GRT		0181 0796	\$303 000		
Cas g (4 1 6 0) 5520 4 1/2 13 5# P110 LTC @ \$15 05/ft GRT				0181 0797	\$88 800
Tub ng (2 4) 9875 2 7/8 6 5# L80 EUE 8rd @ \$3 57/ft GRT				0181 0798	\$37 700
Drilling Head		0181-0860	\$12 000		
Tubing Head & Upper Section				0181 0870	\$15 000
Hor zontal Completion Tools Resource Complet on L ner Hanger				0181 0871	\$25 000
Sucker Rods				0181 0875	
Subsurface Equipment				0181-0880	
Artific al Lift Systems Gas Lift Valves				0181 0884	\$10 000
Pump g U t				0181-0885	
S rf ace P mps & Prime Movers VRU/SWD Transfer Pump				0181-0886	\$40 000
Tanks Oil 4 500 bbl steel				0181-0890	\$38 000
Tanks Water 4 500 bbl steel coated				0181-0891	\$44 000
Separation / Treat ng Equpment 30' x10 x1k# 3ph/24 x10'x1k# 2ph/Gun-Bbl/FWKO				0181-0895	\$65 000
Heater Treaters L ne Heate s 6 x20 x75# HT				0181-0897	\$13 000
Metering Equipment				0181-0898	\$14 000
Line Pipe & Valves Gathering 1 m le 4 steel gas & 6 poly water				0181-0900	\$50 000
Fittings / Valves & Accessories				0181-0906	\$40 000
Cathodic Protect on				0181-0908	\$5,000
Electrical Installation				0181-0909	\$40 000
Equipment Installation				0181-0910	\$40 000
Pipeline Construction 1 mile bur ed 4 steel & 6 poly				0181-0920	\$100 000
TOTAL			\$364 700		\$665 500
SUBTOTAL			\$2 354 400		\$2 720 900
TOTAL WELL COST			\$5 075 300		

Prepared by A Taylo Date 4/4/2016

Co Appr al m white Dat 4/7/2016

Joint Own l l re t Amo nt

Joint Owner Name

Signature

Operato has sec d Ope ator's E tra p el ra ce co e g osts of well co tr l clea p a d ed ll gas est mated L e ltem 0180-0185 No Ope to m y lect NOT to be o red by th s Operator' E tra p sel ce ly by g g below Th d rsng d l s NOT to be covered by Operator' E tra p sel sura f th l well

Joint Owner Name

Signature

Form Rev 9/01/2016

EXHIBIT