

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name Yardbirds 3 W2AP Fee #1H Prospect

Location SL 185 FNL & 400 FEL, BHL 330 FSL & 400 FEL County Eddy ST NM

Sec 3 Blk Survey TWP 24S RNG 28E Prop TVD 10583 TMD 15100

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$5 000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$30 000	0180-0205	\$30 000
Location / Restoration		0180-0106	\$175 000	0180-0206	\$20 000
Daywork / Turnkey / Footage Drilling 22 days drlg & 3 days comp @ \$16250/day		0180-0110	\$382 000	0180-0210	\$53 000
Fuel 1500 gal/day @ \$1 70/gal		0180-0114	\$68 100		
Mud Chemical & Additives		0180-0120	\$120 000	0180-0220	
Horizontal Drillout Services Coil Tbg Drillout				0180-0222	\$75 000
Cementing 2 Stg 7 w/ ECP		0180-0125	\$80 000	0180-0225	\$20 000
Logging & Wireline Services		0180-0130	\$3 000	0180-0230	\$130 000
Casing / Tubing / Snubbing Service		0180-0134	\$25 000	0180-0234	\$15 000
Mud Logging		0180-0137	\$20 000		
Stimulation 27 Stg 8 9MM gal/7 1MM lb				0180-0241	\$1 270 000
Stimulation Rentals & Other				0180-0242	\$100 000
Water & Other		0180-0145	\$40 000	0180-0245	\$340 000
Bits		0180-0148	\$63 000	0180-0248	\$4 000
Inspection & Repair Services		0180-0150	\$40 000	0180-0250	\$5 000
Misc Air & Pumping Services		0180-0154		0180-0254	\$10 000
Testing & Flowback Services		0180-0158	\$15 000	0180-0258	\$25 000
Completion / Workover Rig 4 days @ \$3500/day Toe Prep				0180-0260	\$15 000
Rig Mobilization		0180-0164	\$40 000		
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		0180-0175	\$140 000		
Equipment Rental		0180-0180	\$150 000	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		0180-0292	\$20 000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$110 000	0180-0295	\$70 000
Overhead Fixed Rate		0180-0196	\$10 000	0180-0296	\$20 000
Well Abandonment		0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)		0180-0199	\$157 900	0180-0299	\$113 500
TOTAL			\$1,736,800		\$2,383,500
TANGIBLE COSTS 0181					
Casing (19 1 30)		0181 0793			
Casing (10 1 19 0) 165 13 3/8 54 5# J55 STC @ \$25 87/ft GRT		0181 0794	\$4 600		
Casing (8 1 10 0) 2500 9 5/8 40# N80 LTC @ \$22 20/ft GRT		0181 0795	\$59 300		
Casing (6 1 8 0) 10700 7 26# P110 LTC @ \$16 49/ft GRT		0181 0796	\$188 500		
Casing (4 1 6 0) 5125 4 1/2 13 5# P110 LTC @ \$9 28/ft GRT				0181 0797	\$50 800
Tubing (2 4)				0181 0798	
Drilling Head		0181 0860	\$20 000		
Tubing Head & Upper Section Includes 10K Frac Valve & Tree				0181 0870	\$48 000
Horizontal Completion Tools 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 (1/2) VRU/SWD transfer pump				0181 0886	\$25 000
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/Gun Bbl				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 SWD Trunk Line Upgrade				0181-0900	\$30 000
Fittings / Valves & Accessories				0181 0906	\$50 000
Cathodic Protection				0181-0908	\$5 000
Electrical Installation				0181-0909	
Equipment Installation				0181 0910	\$40 000
Pipeline Construction SWD Trunk Line Upgrade				0181-0920	\$60 000
TOTAL			\$272,400		\$482,800
SUBTOTAL			\$2,009,200		\$2,876,300
TOTAL WELL COST			\$4,885,500		

Prepared by A Taylor Date 12/1/2016

Co Appro al Date 12/5/2016

Joint Owner Info t Amount

Joint Owner Name Signature

Operator has selected Operator E t a E p e l s u a n c e c o e g c o s t s o f w e l l t o l e a n p a n d e d r l l g a s e s t m a t d L n e I t e m 0180-0185 N
Operator may elect NOT to be covered by this Operator's E t E p e n s e I n s a n c e o n l y b y s g n g b e l o w T h e u n d e r s i g n e d e l e c t s N O T t o b e c o v e r e d b y
Operator's Extra Expense for the well

Joint Owner Name Signature Form Rev 9/01/2015

