



**MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE**

Prospect: Lonetree 14
 Field: _____
 Section: 14 Block: _____ Survey: _____
 County: Eddy State: NM

Well Name & No: Lonetree 14 State Com. #1
 Location: 860' FSL & 1980' FEL
 Township: 21S Range: 27E
 Proposed Depth: 11900'

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
INTANGIBLE COST 180			
300	Permits and Surveys	\$3,000	\$1,000
301	Location, Roads and Site Preparation	\$26,000	\$1,500
302	Footage or Turnkey Drilling		
303	Day Work (28 Days @ \$8500/Day + 2 Days @ TD)	\$255,000	\$18,000
304	Fuel	\$30,000	
306	Completion / Workover Rig		\$15,000
306	Mud and Chemicals	\$30,000	\$1,000
307	Cementing	\$25,000	\$17,000
308	Logging, Wireline and Coring Services	\$35,000	\$12,000
309	Casing, Tubing & Snubbing Services	\$4,500	\$8,000
310	Mud Logging	\$20,000	
311	Testing		\$1,000
312	Treating		\$100,000
313	Water & Other	\$10,000	\$1,000
314	Bits (1 - 17 3/4", 1 - 12 1/4", 4 - 7 7/8")	\$45,000	
316	Inspection & Repair Services	\$3,500	\$8,500
316	Misc. Air and Pumping Services	\$20,000	\$2,000
320	Rig Mobilization & Transportation	\$25,000	\$1,000
321	Welding and Construction	\$2,500	\$2,000
322	Engineering & Contract Supervision	\$2,500	
330	Equipment Rental	\$20,000	\$1,000
334	Well / Lease Legal	\$3,000	\$1,000
335	Well / Lease Insurance	\$18,000	
350	Intangible Supplies	\$1,000	\$500
355	Damages	\$1,500	
360	Pipeline and Electrical ROW and Easements		\$3,000
367	Pipeline Interconnect		
375	Company Supervision	\$20,000	\$3,500
380	Overhead Fixed Rate	\$6,000	\$4,000
398	Well Abandonment	\$12,000	-\$12,000
399	Contingencies 10% / 5%	\$61,700	\$8,200
Total Intangibles		\$678,100	\$193,200
TANGIBLE COST 181			
797	Conductor Casing 40' 20" (included in location)		
797	Surface Casing 400' 13 3/8" 48# H-40 STC	\$6,700	
797	Intermediate Casing 2800' 8 5/8" 32# J-65 STC	\$27,000	
797	Intermediate Casing		
797	Production Casing 11,900' 6 1/2" 17# S95/N80 LTC		\$88,800
798	Tubing 11,500' 2 7/8" 6.5# P-110 EUE 8rd		\$43,000
860	Drilling Head	\$7,000	
870	Tubing Head & Upper Section		\$12,000
875	Sucker Rods		
880	Pecker Pump & Subsurface Equipment		\$10,000
884	Artificial Lift Systems		
885	Pumping Unit		
888	Surface Pumps & Prime Movers		
890	Tanks - Steel		\$5,000
891	Tanks - Other		\$3,000
895	Separation Equipment		\$12,000
898	Gas Treating Equipment		
898	Metering Equipment		\$2,500
900	Line Pipe - Gas Gathering and Transportation + 3000', 4" 1.88 wall, X-42 w/coating		\$12,000
901	Line Pipe - Production		\$1,000
906	Miscellaneous Fittings, Valves & Accessories		\$8,000
909	Electrical Installations		
910	Production Equipment Installation		\$15,000
920	Pipeline Construction		\$20,000
Total Tangibles		\$40,700	\$232,300
SUBTOTAL		\$719,800	\$425,500
TOTAL WELL COST		\$1,145,300	

Date prepared: 06/08/03
 Prepared by: M. Young
 Company Approval: *m. young*
 Date Approved: 06/17/03 (REVISED)

Joint Owner Approval:
 Joint Owner Interest:
 Joint Owner Amount: