

MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

	1		
rospect: Lonetree 14	Well Name & No:	Lonetree 14 State Com. #1	
Field:	Location:	660' FSL & 1980' FEL	_
Section: 14 Block: Survey:	Township	21S Range: 27E	_
County: Eddy State:	NM Proposed Depth:	11900'	_

STANGIBLE COST 180	\$3,000 \$26,000 \$255,000 \$30,000 \$30,000 \$25,000 \$4,500 \$20,000 \$45,000 \$20,000	\$1,000 \$1,500 \$16,000 \$15,000 \$1,000 \$17,000 \$12,000 \$6,000 \$1,000 \$100,000
Solution, Roads and Site Preparation 302 Footage or Tumkey Drilling 303 Day Work (28 Days @ \$8500/Day + 2 Days @ TD) 304 Fuel 305 Completion / Workover Rig 306 Mud and Chemicals 307 Cementing 308 Logging, Wireline and Coring Services 309 Casing, Tubing & Snubbing Services 310 Mud Logging 311 Testing 312 Treating 313 Water & Other 314 Bits (1 - 17 ¼", 1 - 12 1/4", 4 - 7 7/8") 315 Inspection & Repair Services 316 Milsc, Air and Pumping Services 317 Welding and Construction 321 Welding and Construction 321 Welding and Construction 322 Engineering & Contract Supervision 333 Equipment Rental 334 Well / Lease Legal 335 Unit anglible Supplies 360 Pipeline and Electrical ROW and Easements 367 Pipeline Interconnect 375 Company Supervision 380 Overhead Fixed Rate 380 Well Abandonment 380 Contingencies 10% / 5% Total Intangibles	\$25,000 \$255,000 \$30,000 \$30,000 \$25,000 \$35,000 \$4,500 \$20,000 \$45,000 \$3,500 \$3,500	\$1,500 \$16,000 \$15,000 \$1,000 \$17,000 \$12,000 \$8,000 \$1,000
302 Footage or Turnkey Drilling 303 Day Work (28 Days @ \$8500/Day + 2 Days @ TD) 304 Fuel 305 Completion / Workover Rig 306 Mud and Chemicals 307 Cementing 308 Logging, Wireline and Coring Services 309 Casing, Tubing & Snubbing Services 310 Mud Logging 311 Testing 312 Treating 313 Water & Other 314 Bits (1-17 ½", 1-12 1/4", 4-7 7/8") 316 Inspection & Repair Services 320 Rig Mobilization & Trensportation 321 Weiding and Construction 322 Engineering & Contract Supervision 330 Equipment Rental 334 Well / Lease Legal 335 Damages 360 Pipeline and Electrical ROW and Easements 367 Pipeline Interconnect 375 Company Supervision 380 Weil Abandonment 390 Contingencies 10% / 5% Total Intangibles	\$255,000 \$30,000 \$30,000 \$25,000 \$35,000 \$4,500 \$20,000 \$10,000 \$3,500 \$20,000	\$16,000 \$15,000 \$1,000 \$17,000 \$12,000 \$6,000 \$1,000
303 Day Work (28 Days @ \$8500/Day + 2 Days @ TD)	\$30,000 \$30,000 \$25,000 \$35,000 \$4,600 \$20,000 \$10,000 \$45,000 \$3,500 \$20,000	\$15,000 \$1,000 \$17,000 \$12,000 \$6,000 \$1,000 \$100,000
304 Fuel 305 Completion / Workover Rig 306 Mud and Chemicals 307 Cementing 308 Logging, Wireline and Coring Services 309 Casing, Tubing & Snubbing Services 310 Mud Logging 311 Testing 312 Treating 312 Treating 313 Water & Other 314 Bits (1 - 17 ½", 1 - 12 1/4", 4 - 7 7/8") 316 Inspection & Repair Services 316 Misc, Air and Pumping Services 320 Rig Mobilization & Transportation 321 Welding and Construction 322 Engineering & Contract Supervision 323 Well / Lease Legal 334 Well / Lease Insurance 350 Intangible Supplies 355 Damages 350 Pipeline and Electrical ROW and Easements 375 Company Supervision 375 Company Supervision 375 Company Supervision 375 Company Supervision 376 Overhead Fixed Rate 398 Well Abandonment 399 Contingencies 10% / 5% Total Intangibles	\$30,000 \$30,000 \$25,000 \$35,000 \$4,600 \$20,000 \$10,000 \$45,000 \$3,500 \$20,000	\$15,000 \$1,000 \$17,000 \$12,000 \$6,000 \$1,000 \$100,000
305 Completion / Workover Rig 306 Mud and Chemicals 307 Cementing 308 Logging, Wireline and Coring Services 309 Casing, Tubing & Snubbing Services 309 Casing, Tubing & Snubbing Services 310 Mud Logging 311 Testing 312 Treating 312 Treating 313 Water & Other 314 Bits (1 - 17 ½", 1 - 12 1/4", 4 - 7 7/8") 315 Inspection & Repair Services 316 Misc. Air and Pumping Services 320 Rig Mobilization & Transportation 321 Welding and Construction 322 Engineering & Contract Supervision 330 Equipment Rental 334 Well / Lease Insurance 350 Intangible Supplies 355 Damages 360 Pipeline and Electrical ROW and Easements 367 Pipeline Interconnect 375 Company Supervision 360 Overhead Fixed Rate 398 Well Abandonment 399 Contingencies 10% 7 5% Total Intangibles	\$30,000 \$25,000 \$35,000 \$4,600 \$20,000 \$10,000 \$45,000 \$3,500 \$20,000	\$1,000 \$17,000 \$12,000 \$6,000 \$1,000 \$100,000
308	\$25,000 \$35,000 \$4,500 \$20,000 \$10,000 \$45,000 \$3,500 \$20,000	\$1,000 \$17,000 \$12,000 \$6,000 \$1,000 \$100,000
307 Cementing 308 Logging, Wireline and Coring Services 309 Casing, Tubing & Snubbing Services 310 Mud Logging 311 Testing 312 Treating 313 Water & Other 314 Bits (1 - 17 ½", 1 - 12 1/4", 4 - 7 7/8") 316 Inspection & Repair Services 316 Misc, Air and Pumping Services 320 Rig Mobilization & Transportation 321 Welding and Construction 321 Welding and Construction 322 Engineering & Contract Supervision 330 Equipment Rental 334 Weli / Lease Legal 335 Weli / Lease Insurance 350 Intangible Supplies 355 Damages 360 Pipeline and Electrical ROW and Easements 367 Pipeline Interconnect 375 Company Supervision 330 Overhead Fixed Rate 398 Weli Abandonment 399 Contingencies 10% 7 5% Total Intangibles	\$25,000 \$35,000 \$4,500 \$20,000 \$10,000 \$45,000 \$3,500 \$20,000	\$17,000 \$12,000 \$6,000 \$1,000 \$100,000
308	\$35,000 \$4,500 \$20,000 \$10,000 \$45,000 \$3,500 \$20,000	\$12,000 \$6,000 \$1,000 \$100,000
309 Casing, Tubing & Snubbing Services 310 Mud Logging 311 Testing 312 Treating 312 Treating 313 Water & Other 314 Bits (1 - 17 ½", 1 - 12 1/4", 4 - 7 7/8") 315 Inspection & Repair Services 316 Misc, Air and Pumping Services 320 Rig Mobilization & Trensportation 321 Welding and Construction 322 Engineering & Contract Supervision 322 Engineering & Contract Supervision 330 Equipment Rental 334 Well / Lease Legal 335 Well / Lease Legal 336 Well / Lease Insurance 350 Intangible Supplies 355 Damages 360 Pipeline and Electrical ROW and Easements 367 Pipeline and Electrical ROW and Easements 375 Company Supervision 375 Company Supervision 375 Company Supervision 375 Overfreed Fixed Rate 398 Well Abandonment 399 Contingencies 10% / 5% Total Intangibles	\$4,500 \$20,000 \$10,000 \$45,000 \$3,500 \$20,000	\$6,000 \$1,000 \$100,000
310 Mud Logging 311 Testing 312 Treating 313 Water & Other 314 Bits (1 - 17 1/4", 1 - 12 1/4", 4 - 7 7/8") 315 Inspection & Repair Services 316 Misc, Air and Pumping Services 320 Rig Mobilization & Transportation 321 Welding and Construction 322 Engineering & Contract Supervision 322 Engineering & Contract Supervision 330 Equipment Rental 334 Well / Lease Legal 335 Well / Lease Insurance 350 Intangible Supplies 355 Damages 360 Pipeline and Electrical ROW and Easements 367 Pipeline Interconnect 375 Company Supervision 375 Company Supervision 375 Company Supervision 376 Overhead Fixed Rate 398 Well Abandonment 399 Contingencies 10% / 5% Total Intangibles 399 Total Intangibles 300 T	\$20,000 \$10,000 \$45,000 \$3,500 \$20,000	\$1,000 \$100,000
311 Testing 312 Treating 313 Water & Other 314 Bits (1 - 17 ½", 1 - 12 1/4", 4 - 7 7/8") 315 Inspection & Repair Services 316 Misc, Air and Pumpling Services 320 Rig Mobilization & Transportation 321 Welding and Construction 322 Engineering & Contract Supervision 333 Equipment Rental 334 Well / Lease Insurance 335 Well / Lease Insurance 350 Intangible Supplies 355 Damages 360 Pipeline and Electrical ROW and Easements 375 Company Supervision 375 Company Supervision 375 Company Supervision 375 Overhead Fixed Rate 398 Well Abandonment 399 Contingencies 10% / 5% Total Intangibles	\$10,000 \$45,000 \$3,500 \$20,000	\$100,000
312 Treating 313 Water & Other 314 Bits (1 - 17 ½", 1 - 12 1/4", 4 - 7 7/8") 315 Inspection & Repair Services 316 Misc, Air and Pumping Services 320 Rig Mobilization & Transportation 321 Welding and Construction 322 Engineering & Contract Supervision 330 Equipment Rental 334 Weli / Lease Legal 335 Weli / Lease Insurance 350 intangible Supplies 355 Damages 360 Pipeline and Electrical ROW and Easements 367 Pipeline Interconnect 375 Company Supervision 360 Overhead Fixed Rate 398 Weli Abandonment 399 Contingencies 10% 7 5% Total Intangibles	\$45,000 \$3,500 \$20,000	\$100,000
313 Water & Other	\$45,000 \$3,500 \$20,000	
314 Bits	\$45,000 \$3,500 \$20,000	1 201.110.00
316	\$3,500 \$20,000	7.,300
316 Misc, Air and Pumping Services 320 Rig Mobilization & Trensportation 321 Welding and Construction 322 Engineering & Contract Supervision 330 Equipment Rental 331 Well / Lease Legal 335 Well / Lease Legal 336 Well / Lease Insurance 350 Intangible Supplies 355 Damages 360 Pipeline and Electrical ROW and Easements 367 Pipeline Interconnect 375 Company Supervision 375 Company Supervision 375 Company Supervision 376 Overhead Fixed Rate 398 Well Abandonment 399 Contingencies 10% / 5% Total Intangibles 300 Total Intangibles 300 Total Intangibles 300 301 301 302 303 303 304 305 3	\$20,000	\$8,500
320 Rig Mobilization & Transportation 321 Welding and Construction 322 Engineering & Contract Supervision 330 Equipment Rental 334 Weli / Lease Legal 335 Weli / Lease Insurance 350 Intangible Supplies 355 Damages 360 Pipeline and Electrical ROW and Easements 367 Pipeline Interconnect 375 Company Supervision 375 Company Supervision 380 Overhead Fixed Rate 398 Weli Abandonment 399 Contingencies 10% / 5% Total Intangibles 321 Intangibles 322 Intangibles 323 Intangibles 324 Intangibles 325 Intangibles 325 Intangibles 326 Intangibles 326 Intangibles 327 Intangibles 328 Intangibles		\$2,000
321 Welding and Construction 322 Engineering & Contract Supervision 330 Equipment Rental 334 Weli / Lease Legal 335 Weli / Lease Insurance 350 Intangible Supplies 355 Damages 380 Pipeline and Electrical ROW and Easements 387 Pipeline Interconnect 2375 Company Supervision 380 Overhead Fixed Rate 398 Weli Abandonment 399 Contingencies 10% 5% Total Intangibles 399 Total Intangibles 399 Total Intangibles 320 Total Intangibles 320		\$1,000
322	\$2,500	\$2,000
330 Equipment Rental 334 Well / Lease Legal 335 Well / Lease Insurance 350 Intangible Supplies 355 Damages 360 Pipeline and Electrical ROW and Easements 367 Company Supervision 375 Company Supervision 380 Overhead Fixed Rate 398 Well Abandonment 399 Contingencies 10% / 5% Total Intangibles 334 Total Intangibles 334 Total Intangibles 335 Total Intangibles 335 Total Intangibles 335 Total Intangibles 336 336 Total Intangibles 337 Total Intangibles 338 Tot	\$2,500	42,000
334 Well / Lease Legal 335 Well / Lease Insurance 350 Intanglole Supplies 355 Damages 365 Damages 360 Pipelline and Electrical ROW and Easements 367 Pipelline Interconnect 7375 Company Supervision 5380 Overhead Fixed Rate 398 Well Abandonment 399 Contingencies 10% / 5% Total Intangloles 756	\$20,000	\$1,000
335 Well / Lease Insurance 350 Intangible Supplies 355 Damages 360 Pipeline and Electrical ROW and Easements 367 Pipeline Interconnect 375 Company Supervision 375 Company Supervision 380 Overhead Fixed Rate 398 Well Abandonment 399 Contingencies 10% / 5% Total Intangibles 360 Total	\$3,000	\$1,000
350 Intangible Supplies 355 Damages 360 Pipeline and Electrical ROW and Easements 367 Pipeline Interconnect 275 Company Supervision 375 Company Supervision 380 Overhead Fixed Rate 398 Well Abandonment 399 Contingencies 10% / 5% Total Intangibles 399 Total Intangibles 390 Total Inta	\$18,900	\$1,000
355 Damages	\$1,000	\$500
360 Pipeline and Electrical ROW and Easements 367 Pipeline Interconnect 375 Company Supervision 380 Overhead Fixed Rate 388 Well Abandonment 399 Contingencies 10%	\$1,500	
387	¥.,,533	\$3,000
375 Company Supervision		
380 Overhead Fixed Rate	\$20,000	\$3,500
398 Well Abandonment 399 Contingencies 10% / 5%	\$6,000	\$4,000
Total Intangibles	\$12,000	-\$12,000
	\$61,700	\$8,200
	\$679,100	\$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 2600' 8 5/8" 32# J-55 STC	\$27,000	
797 Intermediate Casing 2000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	427,000	
797 Production Casing 11,900' 6 1/4" 17# \$95/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 Packer Pump & Subsurface Equipment		\$10,000
864 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
896 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 \$8,000
906 Miscellaneous Fittings, Valves & Accessories 909 Electrical Installations		\$0,000
		\$15,000
910 Production Equipment Installation 920 Pipeline Construction		\$20,000
920 Piperitie Constitucation		\$232,300
	\$40.700	
	\$40,700 \$719,800	34/0.01111
Company Approval: 72. WALTE TOTAL WELL COST. Date Approved: 06/17/03 (REVISED)	\$40,700 \$719,800 \$1,145	\$425,500 .300

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