

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Prospect: Quick Draw 15 Well Name & No: Quick Draw 15 "J" #1
 Field: _____ Location: 2310' FSL & 2310' FEL
 Section: 15 Block: _____ Survey: _____ Township 20S Range: 25E
 County: Eddy ST: NM Proposed Depth: 3500'

DESCRIPTION			Cost To Casing Point AFE NO.	Completion Cost AFE NO.		
INTANGIBLE COST 180						
300	Permits and Surveys		\$2,000	\$1,000		
301	Location, Roads and Site Preparation	(includes 80' of conductor & cement)	\$40,000	\$1,500		
302	Footage or Turnkey Drilling					
303	Day Work	5 Days @ \$13,500/Day + 1 Days @ TD + GRT	\$71,600	\$13,500		
304	Fuel	6 Days @ 500 gal/day	\$9,000			
305	Completion / Workover Rig			\$20,000		
306	Mud and Chemicals		\$13,000			
307	Cementing		\$30,000	\$15,000		
308	Logging, Wireline and Coring Services		\$15,000	\$28,200		
309	Casing, Tubing & Snubbing Services		\$3,500	\$4,000		
310	Mud Logging		\$5,000			
311	Testing					
312	Treating	2 frac's		\$220,000		
313	Water & Other		\$8,000	\$1,000		
314	Bits		\$10,000			
315	Inspection & Repair Services			\$2,000		
316	Misc. Air and Pumping Services					
320	Rig Mobilization & Transportation		\$20,000			
321	Welding and Construction		\$5,000			
322	Engineering & Contract Supervision		\$5,000			
330	Equipment Rental		\$12,000	\$3,000		
334	Well / Lease Legal		\$3,000	\$1,000		
335	Well / Lease Insurance		\$1,200			
350	Intangible Supplies		\$500	\$500		
355	Damages		\$8,000			
360	Pipeline and Electrical ROW and Easements			\$5,000		
367	Pipeline Interconnect					
375	Company Supervision		\$10,000	\$7,500		
380	Overhead Fixed Rate		\$2,500	\$2,500		
398	Well Abandonment		\$12,000	(\$12,000)		
399	Contingencies	10% / 10%	\$28,600	\$31,400		
	Total Intangibles		\$314,900	\$345,100		
TANGIBLE COST 181						
797	Conductor Casing	80' 20" (included in location)				
797	Surface Casing	1200' 8 5/8" 24# J-55 @ \$31.80/ft	\$38,200			
797	Intermediate Casing					
797	Intermediate Casing					
797	Production Casing	3,500' 4 1/2" 10.5# J55 LTC @ \$15.63/ft		\$54,700		
798	Tubing	3200' 2 3/8" 4.7# J-55 EUE 8rd @ \$6.89/ft		\$22,100		
860	Drilling Head	8 5/8" x 4 1/2" Larkin	\$3,500			
870	Tubing Head & Upper Section	4-1/2" x 2 3/8" Larkin		\$3,500		
875	Sucker Rods			\$14,600		
880	Packer Pump & Subsurface Equipment			\$12,000		
884	Artificial Lift Systems					
885	Pumping Unit			\$38,000		
886	Surface Pumps & Prime Movers			\$5,000		
890	Tanks - Steel	Consolidated		\$8,000		
891	Tanks - Other	Consolidated		\$2,800		
895	Separation Equipment	Consolidated		\$7,500		
896	Gas Treating Equipment					
898	Metering Equipment			\$3,300		
900	Line Pipe - Gas Gathering and Transportation			\$3,000		
901	Line Pipe - Production			\$1,500		
906	Miscellaneous Fittings, Valves & Accessories			\$6,000		
909	Electrical Installations			\$20,000		
910	Production Equipment Installation			\$7,500		
920	Pipeline Construction			\$3,000		
Prepared by: M. Young			Date Prepared: 11/1/2008	Total Tangibles	\$41,700	\$212,500
Company Approval: <i>m. whitaker</i>			Date Approved: 11/1/2008	SUBTOTAL	\$356,600	\$557,600
Joint Owner Interest:			Joint Owner Amount:	TOTAL WELL COST	\$914,200	

Joint Owner: _____ Joint Owner Approval: _____

Operator has secured Operator's Extra Expense Insurance covering costs of well control, clean up and redrilling, as estimated in Line Item 335. 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.

By: _____ Name: _____