

**MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE**

Prospect: Bradley 29 Well Name & No: Bradley 29 Federal Com #1
 Field: _____ Location: SE/4
 Section: 29 Block: _____ Survey: _____ Township 18S Range: 29E
 County: Eddy ST: NM Proposed Depth: 11,800'

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 Includes restoration	\$150,000	\$4,500			
302	Footage or Turnkey Drilling					
303	Day Work 35 days @ \$11,000/day + 2 day comp + GRT	\$408,100	\$23,400			
304	Fuel	\$55,000	\$4,500			
305	Completion / Workover Rig		\$15,000			
306	Mud and Chemicals	\$55,000	\$1,000			
307	Cementing	\$28,000	\$40,000			
308	Logging, Wireline and Coring Services	\$28,000	\$12,000			
309	Casing, Tubing & Snubbing Services	\$7,000	\$10,000			
310	Mud Logging	\$18,000				
311	Testing		\$1,000			
312	Treating 1-70Q Binary Frac		\$150,000			
313	Water & Other	\$30,000	\$1,000			
314	Bits (1 - 17 1/2", 1 - 12 1/4", 4 - 8 3/4")	\$60,000				
315	Inspection & Repair Services	\$3,500	\$10,000			
316	Misc. Air and Pumping Services	\$2,500	\$25,000			
320	Rig Mobilization & Transportation	\$85,000	\$5,000			
321	Welding and Construction	\$4,000	\$2,000			
322	Engineering & Contract Supervision		\$2,000			
330	Equipment Rental	\$30,000	\$10,000			
334	Well / Lease Legal	\$5,000	\$1,000			
335	Well / Lease Insurance	\$10,500				
350	Intangible Supplies	\$500	\$500			
355	Damages					
360	Pipeline and Electrical ROW and Easements		\$6,000			
367	Pipeline Interconnect					
375	Company Supervision	\$45,000	\$10,000			
380	Overhead Fixed Rate	\$9,000	\$4,000			
398	Well Abandonment	\$12,000	(\$12,000)			
399	Contingencies 10% / 10%	\$104,900	\$32,700			
Total Intangibles		\$1,154,000	\$359,600			
TANGIBLE COST 181						
797	Conductor Casing 40' 20" (included in location)					
797	Surface Casing 300' 13 3/8" 48# H-40 STC @ \$29.03/ft	\$8,700				
797	Intermediate Casing 3300' 9 5/8" 40# J-55 STC @ \$19.93/ft	\$65,800				
797	Intermediate Casing					
797	Production Casing 11,800' 4 1/2" 11.6# P110 LTC @ \$14.00/ft		\$165,200			
798	Tubing 11,600' 2 3/8" 4.7# N80 EUE 8rd @ \$3.89/ft		\$45,200			
860	Drilling Head	\$7,000				
870	Tubing Head & Upper Section		\$18,000			
875	Sucker Rods					
880	Packer Pump & Subsurface Equipment					
884	Artificial Lift Systems					
885	Pumping Unit					
886	Surface Pumps & Prime Movers					
890	Tanks - Steel		\$13,000			
891	Tanks - Other		\$7,500			
895	Separation Equipment		\$22,000			
896	Gas Treating Equipment					
898	Metering Equipment		\$7,000			
900	Line Pipe - Gas Gathering and Transportation 3000', 4" 1.88 wall, X-42 w/coating		\$23,000			
901	Line Pipe - Production		\$2,000			
906	Miscellaneous Fittings, Valves & Accessories		\$15,000			
909	Electrical Installations					
910	Production Equipment Installation		\$15,000			
920	Pipeline Construction		\$30,000			
Prepared by:	<u>F. Lathan</u>	Date Prepared:	<u>6/5/2009</u>	Total Tangibles	\$81,500	\$362,900
Company Approval:	<u>M. Whitte</u>	Date Approved:	<u>6/5/2009</u>	SUBTOTAL	\$1,235,500	\$722,500
Joint Owner Interest:	_____	Joint Owner Amount:	_____	TOTAL WELL COST	\$1,958,000	

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: _____