

**MEWBOURNE OIL COMPANY**  
AUTHORIZATION FOR EXPENDITURE

Well Name: **Wyatt Draw North 18F #1** Prospect: **Wyatt Draw North 18**  
 Location: **1650' FNL & 1650' FWL** County: **Eddy** ST: **NM**  
 Section: **18** Blk:  Survey:  TNP: **19S** RNG: **26E** Prop. Dpth: **3500'**

INTANGIBLE COSTS 180				CODE	TCP	CODE	CC
Permits and Surveys				100	\$2,000	200	\$1,000
Location: Roads, Pits & Site Preparation (Includes conductor)				105	\$25,000	205	\$2,000
Location: Excavation & Other				106	\$50,000		
Day Work, Footage, Turnkey Drilling 5 days D & 1 day C @ \$10,000/day + GRT				110	\$53,000	210	\$10,600
Fuel				114	\$6,500		
Mud				120	\$10,000		
Chemicals and Additives				121		221	
Cementing				125	\$7,500	225	\$10,000
Logging, Wireline & Coring Services				130		230	\$12,000
Casing, Tubing & Snubbing Services				134	\$3,500	234	\$4,000
Mud Logging				137			
Stimulation						241	\$70,000
Stimulation Rentals & Other						242	\$15,000
Water & Other				145	\$5,000		\$10,000
Bits				148	\$7,000	248	\$1,000
Inspection & Repair Services				150	\$1,000	250	
Misc. Air & Pumping Services				154		254	
Testing				158		258	\$2,000
Completion / Workover Rig						260	\$10,000
Rig Mobilization				164	\$24,000		
Transportation				165	\$2,500	265	\$1,000
Welding and Construction				168	\$1,500	268	
Engineering & Contract Supervision				170		270	
Directional Services				175			
Equipment Rental				180	\$15,000	280	
Well / Lease Legal				184	\$3,000	284	
Well / Lease Insurance				185	\$1,200	285	
Intangible Supplies				188	\$500	288	\$500
Damages				190	\$8,000	290	
Pipeline, Road, Electrical ROW & Easements				192		292	
Pipeline Interconnect						293	
Company Supervision				195	\$10,000	295	\$6,000
Overhead Fixed Rate				196		296	
Well Abandonment				198	\$10,000	298	-\$10,000
Contingencies 10% (TCP) 5% (CC)				199	\$24,600	299	\$7,300
<b>TOTAL</b>					<b>\$270,800</b>		<b>\$152,400</b>

TANGIBLE COSTS 181				CODE	TCP	CODE	CC
Casing (19.1" - 30")				793			
Casing (10.1" - 19.0")				794			
Casing (8.1" - 10.0") 850' 8 5/8" 24# J55 STC @ \$13.50/ft				795	\$11,500		
Casing (6.1" - 8.0")				796			
Casing (4.1" - 6.0") 3500' 4 1/2" 11.6# J55 LTC @ \$7.00/ft						797	\$24,500
Tubing (2" - 4") 2900' 2 3/8" 4.7# J55 EUE 8rd @ \$3.25/ft						798	\$9,500
Drilling Head				860	\$1,300		
Tubing Head & Upper Section						865	\$1,500
Sucker Rods						875	\$14,000
Packer Pump & Subsurface Equipment						880	\$10,000
Artificial Lift Systems						884	
Pumping Unit						885	\$32,000
Surface Pumps & Prime Movers						886	\$3,000
Tanks - Steel						890	\$22,000
Tanks - Others						891	\$7,500
Separation Equipment						895	
Gas Treating Equipment						896	\$5,000
Heater Treaters, Line Heaters						897	\$12,000
Metering Equipment						898	\$7,500
Line Pipe - Gas Gathering and Transportation						900	\$4,000
Misc. Fittings, Valves, Line Pipe and Accessories						906	\$10,000
Cathodic Protection						908	
Electrical Installations						909	\$12,000
Production Equipment Installation						910	\$12,000
Pipeline Construction						920	
<b>TOTAL</b>					<b>\$12,800</b>		<b>\$186,500</b>
<b>SUBTOTAL</b>					<b>\$283,600</b>		<b>\$338,900</b>

**TOTAL WELL COST \$622,500**

Prepared by: M. Young Date: 1/26/2010  
 Co. Approval: *M. Whitlow* Date: 1/26/2010  
 Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_  
 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 185. 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: \_\_\_\_\_ **ATTACHEMENT D**  
 File: Wyatt Draw 18 F #1 AFE.xls