

# MEWBOURNE OIL COMPANY

## AUTHORIZATION FOR EXPENDITURE

Well Name: <b>Wyatt Draw North 17K #1</b>		Prospect: <b>Wyatt Draw North 17</b>	
Location: <b>1650' FSL &amp; 1650' FWL</b>		County: <b>Eddy</b>	ST: <b>NM</b>
Section: <b>17</b>	Blk: <b></b>	Survey: <b></b>	TNP: <b>19S</b> RNG: <b>26E</b> Prop. Dpth: <b>3500'</b>

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>

<b>TOTAL WELL COST</b>	<b>\$622,500</b>
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Prepared by: **M. Young** Date: **1/26/2010**

Co. Approval: *M. Whitte* 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 thier well.

By: \_\_\_\_\_ Name: \_\_\_\_\_ **ATTACHEMENT D**