

**MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE**

Prospect: Cal Claw Draw
Well Name and No. Cal Claw Draw "1" Federal #1
Section: 1
County: Eddy

Block:
State: New Mexico

Field:
Location: 2310' FEL & 660' FSL
Township: 21S Range: 26E
Proposed Depth: 10,700

DESCRIPTION		Cost To	Completion
		Casing Point AFE NO.	Cost AFE NO.
INTANGIBLE COST 100			
300	Permits and Surveys	\$1,800	\$000
301	Location, Roads and Surveys	\$20,000	\$5,000
302	Footage or Turnkey Drilling	\$228,000	
303	Day Work	\$14,000	
304	Fuel, Water and Other	\$17,500	\$500
305	Completion / Workover Rig		\$10,000
306	Mud and Chemicals	\$18,000	
307	Cementing	\$15,000	\$22,000
308	Logging and Wireline	\$18,000	\$8,000
309	Casing-Tubing Services	\$2,100	\$8,000
310	Mud Logging	\$5,000	
311	Testing	\$4,300	
312	Treating		\$80,000
313	Coring		
320	Transportation	\$2,000	\$5,100
321	Welding and Construction Labor	\$2,000	\$400
322	Contract Supervision		
330	Equipment Rental	\$5,000	\$5,000
334	Well / Lease Legal / Tax	\$8,500	\$2,000
338	Well / Lease Insurance	\$8,000	
350	Intangible Supplies	\$280	\$280
360	Pipeline ROW and Easements		\$2,000
367	Pipeline Interconnect		\$5,000
375	Company Supervision	\$10,000	\$6,000
380	Overhead Fixed Rate	\$5,000	\$5,000
399	Contingencies 2%	\$7,500	\$2,800
Total Intangibles TANGIBLE COST 101		\$388,750	\$148,950
Conductor Casing			
	Surface Casing 13 3/8" @ 400'	\$6,400	
	Intermediate Casing 9 5/8" @ 2,200'	\$26,000	
	Production Casing 5 1/2" @ 10,700'		\$98,000
	Production Casing		
	Tubing 2 7/8" @ 10,700'		\$35,000
660	Drilling Head	\$3,700	
668	Tubing Head		\$2,500
670	Upper Section		\$4,000
675	Sucker Rods		
680	Packer, Pump & Other Subsurface		\$7,000
685	Pumping Unit & Prime Mover + Electricity		
690-1	Tanks (Steel & Fiberglass)		\$8,000
690-5	Separation Equipment (fired, Non-fired)		\$8,500
698	Metering Equipment		\$4,200
900	Line Pipe		\$7,800
905	Valves		\$2,000
908	Miscellaneous Fittings & Accessories		\$8,000
910	Production Equipment Installation		\$4,000
920	Pipeline Construction		\$13,000
Total Tangibles		\$36,100	\$170,000
SUBTOTAL		\$424,850	\$318,950
TOTAL WELL COST		\$743,800	

Date prepared: December 28, 1998
Prepared by: Erik Hoover

Company Approval: *M. Whitstone*
Date Approved: December 30, 1998
Joint Owner Approval

NEW MEXICO
OIL CONSERVATION DIVISION

MOC EXHIBIT 12
CASE NO. 11723