MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

Prospect:	Esperanza		Well Name & No.	Esperanza "1	5" State Com #1	
Field:	Burton Flats Morrow		Location:	2232' FSL & 1	1980' FEL	
Section:	15	Block:	Township:	21S	Range: 27E	<u>:</u>
County:	Eddy	State: NM	Proposed Depth:	11,800'		

INTANGIBLE COST 180 300 Permits and Surveys 301 Location, Roads and Damages 302 Footage or Turnkey Drilling 303 Day Work (37 days @ \$13,000/day + 3 days after logs) Includes NMGRT 304 Fuel, Water and Other (Fuel=40K, Wtr=30K) 305 Completion / Workover Rig 306 Mud and Chemicals 307 Cementing 308 Logging and Wireline 309 Casing-Tubing Services 310 Mud Logging 311 Testing 312 Treating 313 Coring 314 Fishing Services 320 Transportation (includes 22.5K Rig Move) 321 Welding and Construction Labor 322 Contract Supervision 333 Well / Lease Legal / Tax 335 Well / Lease Legal / Tax 335 Well / Lease Insurance 367 Pipeline ROW and Easements 368 Overhead Fixed Rate 389 Well Abandonment 389 Well Abandonment 389 Well Abandonment 389 Well Abandonment 389 Contingencies 5% 5%	Casing Point FE NO. \$1,800 \$40,000 \$481,000 \$67,000 \$40,000 \$28,000 \$40,000 \$44,700 \$18,000 \$11,000 \$3,000 \$4,800 \$11,000 \$3,000 \$4,800 \$48,800 \$48,800	Cost AFE NO. \$1,200 \$4,500 \$39,000 \$5,000 \$20,000 \$9,600 \$6,300 \$75,000 \$75,000 \$1,200 \$1,200 \$1,200 \$1,200
INTANGIBLE COST 180	\$1,800 \$40,000 \$481,000 \$67,000 \$40,000 \$28,000 \$40,000 \$4,700 \$18,000 \$24,300 \$2,500 \$4,800 \$11,000 \$3,000 \$4,800 \$48,800	\$1,200 \$4,500 \$39,000 \$5,000 \$20,000 \$45,000 \$9,600 \$6,300 \$75,000 \$75,000 \$1,200 \$1,200 \$1,200 \$1,200
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335 Well / Lease Insurance 350 Intangible Supplies Bits=(1-17 ½", 2-12 1/4", 6-7 7/8") 360 Pipeline ROW and Easements 367 Pipeline Interconnect 375 Company Supervision 380 Overhead Fixed Rate 398 Well Abandonment 399 Contingencies 5% 5%	\$4,800 \$48,800 \$21,000	\$1,200 \$3,000
350 Intangible Supplies Bits=(1-17 1/2", 2-12 1/4", 6-7 7/8") 360 Pipeline ROW and Easements 367 Pipeline Interconnect 375 Company Supervision 380 Overhead Fixed Rate 398 Well Abandonment 399 Contingencies 5% 5%	\$48,800 \$21,000	\$3,000
360 Pipeline ROW and Easements 367 Pipeline Interconnect 375 Company Supervision 380 Overhead Fixed Rate 398 Well Abandonment 399 Contingencies 5% 5%	\$21,000	\$3,000
360 Pipeline ROW and Easements 367 Pipeline Interconnect 375 Company Supervision 380 Overhead Fixed Rate 398 Well Abandonment 399 Contingencies 5% 5%		
375 Company Supervision 380 Overhead Fixed Rate 398 Well Abandonment 399 Contingencies 5% 5%		\$11 nnn
380 Overhead Fixed Rate 398 Well Abandonment 399 Contingencies 5% 5%		\$11 DOO
398 Well Abandonment 399 Contingencies 5% 5%	\$8,400	₽ 11,000
399 Contingencies 5% 5%		\$3,600
	\$12,000	(\$12,000)
Total Intangibles	\$43,100	\$11,500
	\$904,200	\$241,600
TANGIBLE COST 181 797 Conductor Casing		
797 Surface Casing 450' 13 3/8" 48# H-40 STC	\$8,500	
797 Intermediate Casing 3000' 8 5/8" 32# K-55 STC	\$36,500	
797 Production Casing 11,800' 5 1/2" 17# S95/N80 LTC		\$100,000
797 Production Casing		, , , , , , , , , , , , , , , , , , ,
798 Tubing 11,800' 2 7/8 6.5# P-105 EUE 8rd	·····	\$42,000
860 Drilling Head	\$3,000	
865 Tubing Head		\$4,200
870 Upper Section		\$12,000
875 Sucker Rods		V 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
880 Packer Pump & Other Subsurface		\$9,000
000	IVISION	Ψο,υου
883 Gas Lift Valve & System 884 Plunger Lift System 885 Pumping Unit & Prime Mover + Electricity OTL CONSERVATION	TANGET	
885 Pumping Unit & Prime Mover + Electricity OIL CONSERVAL		
Tarribung of the difference of Liberatory Car		
886 Pumps 890 Tanks - Steel CASE NUMBER	5	\$9,000
891 Tanks - Other CASE		\$9,000 \$4,200
891 Tanks - Other 894 Separation Equipment - Fired		\$4,200 \$12,000
895 Separation Equipment - Non-Fired		Ψ12,000
		
		\$7,800
898 Metering Equipment 900 Line Pipe - Gas Gathering and Transportation 3000' to El Paso tie-in		\$10,000
		\$10,000
		ψ1 ₁ 000
905 Valves		640.000
906 Miscellaneous Fittings & Accessories		\$10,000 \$15,000
910 Production Equipment Installation		\$15,000 \$20,000
920 Pipeline Construction 3000' to El Paso tie-in	A10.000	\$20,000
Date prepared: 05/31/01 Total Tangibles	\$48,000	\$256,700
Prepared by: T. Burke/N.M. Young / SUBTOTAL	\$952,200	\$498,300
	\$1,450	,500
Company Approval: M. Well COST Date Approved: 05/31/01 (Revised)		

Joint Owner Approval: Joint Owner Interest: Joint Owner Amount: