

## PAYROCK ENERGY, LLC

## AUTHORIZATION FOR EXPENDITURE

## EXPLORATION DRILLING / COMPLETION AFE

WELLNAME: 1406 1-30MH

PROSPECT: DIAN

DATE: 10/13/2015

AFE TITLE: Drilling/Completion

PROJECT AFE NC 1500XX

DEPTH: 14,000'

8634'

FIELD: Sooner Trend

COUNTY: Kingfisher OK

SURFACE LOC: 165' FSL 1320' FEL Sec30 T14N R6W

BTM HOLE LOC: 165' FNL 1320' FEL Sec30 T14N R6W

OTHER LOC DESCRIPTION: Kingfisher Co, OK

GEOLOGIC OBJECTIVE: Meramec

PROJECT SCOPE: Drill and Complete +/-5000' Meramec Lateral



ACCOUNT CODE	ITEM	DRY HOLE	PRODUCER	DESCRIPTION
<b>INTANGIBLE DRILLING COSTS</b>				
100-001	Survey, Archaeology & Permits	\$50,000		
100-011	Surface Damages & ROW	25,000		
100-021	Location & Roads	90,000		
100-031	Rig Move	120,000		
100-041	Drilling - Footage	—		
100-051	Drilling - Daywork \$17,500 / Day	490,000		
100-061	Drilling Supervision	51,800		
100-071	Disposal, Restoration & Backfill	42,000		
100-081	Turnkey Bid	—		
100-091	Drilling Fluids	172,400		
100-101	Drill Bits & Reamers	83,600		
100-111	Water	28,000		
100-121	Open Hole Logs	—		
100-131	Coring & Analysis	—		
100-141	Mud Logging & Geologist	41,500		
100-151	Fuel and Power	147,000		
100-161	Cement and Services	33,000		
100-171	Communications - Drilling	2,100		
100-181	Casing Crew	45,650		
100-191	BOP Testing	25,000		
100-201	Drill Stem Test	—		
100-211	Fishing Tools & Services	—		
100-221	Tool & Equipment Rentals	137,400		
100-231	Inspections	—		
100-241	Wireline Services	—		
100-251	Engineering & Geology-Field	—		
100-261	Engineering & Geology-Office	—		
100-271	Other Labor	47,000		
100-281	Other Drilling Costs	5,000		
100-291	Multishot & Gyro	7,000		
100-301	Directional Services	180,000		
100-311	Re-Entry Services	—		
100-321	Camps & Trailers - Drilling	44,000		
100-331	Safety Equipment and H2S	—		
100-341	Trucking - Intangible Drilling	63,000		
100-351	Drilling Insurance & Overhead	21,000		
100-361	Drilling Contingency	—		
<b>TOTAL INTANGIBLE DRILLING COSTS</b>		<b>\$1,951,450</b>	<b>\$—</b>	
<b>TANGIBLE DRILLING COSTS</b>				
200-001	Casing - Surface	\$23,125		
200-011	Casing - Conductor	—		
200-021	Casing - Intermediate	192,000		
200-031	Drilling Liner	—		
200-041	Liner Hanger & Associated Equipment	—		
200-051	Trucking - Tangible Drilling	63,000		
200-061	Wellhead Equipment	12,400		
200-071	Re-Entry Equipment	—		
<b>TOTAL TANGIBLE DRILLING COSTS</b>		<b>\$290,525</b>	<b>\$—</b>	
<b>TOTAL DRILLING COSTS</b>		<b>\$2,241,975</b>	<b>\$—</b>	
<b>INTANGIBLE COMPLETION COSTS</b>				
300-001	Completion/Workover Rig	\$7,000		
300-011	Roads & Location	25,000		
300-021	Completion Rental Equipment	—		
300-031	Drilling Rig for Completion	—		
300-041	Completion Fluids	25,000		
300-051	Water	160,000		
300-061	Cased Hole Logs	—		
300-071	Safety Equipment	—		
300-081	Cement & Cementing Services	25,000		
300-091	Casing Crews	9,000		
300-101	Perforating	245,000		
300-111	Acidizing	—		
300-121	Fishing tools & Services	—		
300-131	Frac Treatment	2,000,000		
300-141	Other Stimulation	—		
300-151	Wellsite Supervision	25,900		
300-161	Engineering	—		
300-171	Inspections	—		
300-181	Well Testing	—		
300-191	Trucking - Intangible Completion	183,500		
300-201	Other Completion Costs	5,000		
300-211	Completion Contingency	—		
300-251	Communications - Completion	1,100		
300-231	Camps & Trailers - Completion	25,300		
300-241	BOP Testing - Completion	10,000		
300-051	Completion Overhead	6,000		
300-271	Other Labor	71,000		
<b>TOTAL INTANGIBLE COMPLETION COSTS</b>		<b>\$—</b>	<b>\$2,823,800</b>	
<b>TANGIBLE COMPLETION COSTS</b>				
400-001	Production Casing or Production Liner	\$75,000		
400-011	Liner Hanger & Associated Equipment	65,000		
400-021	Production Tubing	40,800		
400-031	Rods	—		
400-041	Subsurface Pumping Equipment	—		
400-051	Surface Pumping Equipment	—		
400-061	Downhole Equipment	12,000		
400-071	Wellhead Equipment	27,100		
400-081	Trucking - Tangible Completion	5,000		
400-091	Lease Surface Equipment	175,000		
400-101	Flowlines	15,000		
<b>TOTAL TANGIBLE COMPLETION COSTS</b>		<b>\$—</b>	<b>\$414,900</b>	
<b>TOTAL COMPLETION COSTS</b>		<b>\$—</b>	<b>\$3,238,700</b>	
<b>TOTAL ESTIMATED WELL COST</b>		<b>\$2,241,975</b>	<b>\$5,480,675</b>	

Prepared by: Steve Henley

JAN 05 2015



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