

Marathon Oil Company CD# 201603003

MRO AUTHORIZATION FOR EXPENDITURE

DETAIL OF ESTIMATED WELL CONSTRUCTION COSTS

Well Name: Calf Rope 1-1-12XH

County: BLAINE

Formation: MISS LIME

Date: 8/1/2016

AFE #: DX.15.39160

MD: 15,465

Costs

DRILLING COSTS - TANGIBLE

| | |
|-----------------------------|-----------|
| Surface Casing | \$39,165 |
| Intermediate Casing | \$200,380 |
| Production Casing | \$235,841 |
| Wellhead Equip & Csg Access | \$85,000 |

TOTAL DRILLING COSTS - TANGIBLE \$560,386

DRILLING COSTS - INTANGIBLE

| | |
|----------------------------|-----------|
| Location and Access | \$342,000 |
| Rig Move | \$140,000 |
| Drilling Rig | \$805,600 |
| Directional Services | \$212,900 |
| Mud Fluids & Services | \$150,000 |
| Solids Control | \$28,600 |
| Bits | \$85,000 |
| Casing Crew and Services | \$47,500 |
| Cementing Service | \$108,250 |
| Rental Equipment | \$155,800 |
| Fuel | \$160,000 |
| Water & Water Services | \$61,500 |
| Logging Services | \$34,000 |
| Inspection Services | \$14,250 |
| Contract Labor | \$38,000 |
| Freight | \$19,000 |
| Misc Materials & Equipment | \$160,000 |
| Telecom Services | \$14,400 |
| Supervision & Overhead | \$115,200 |
| HES Equip & Service | \$33,600 |
| Air Drilling Services | \$0 |
| Coring & Analysis | \$0 |
| Contingency | \$119,680 |

TOTAL DRILLING COSTS - INTANGIBLE \$2,845,280

TOTAL DRY HOLE COSTS \$2,922,025

TOTAL DRILLING COSTS \$3,405,666

COMPLETION COSTS - TANGIBLE

| | |
|----------------------|----------|
| Tubing & Accessories | \$65,240 |
| Artificial Lift | \$15,000 |
| Wellhead Equipment | \$27,450 |

TOTAL COMPLETION COSTS - TANGIBLE \$107,690

COMPLETION COSTS - INTANGIBLE

| | |
|-----------------------------------|-------------|
| Location and Access | \$7,500 |
| Completion Rig | \$22,800 |
| Coiled Tubing | \$150,000 |
| Rental Equipment | \$342,564 |
| Snubbing | \$0 |
| Pulling/Swab Units | \$6,000 |
| Fuel | \$0 |
| Casing Crews | \$0 |
| Cement | \$0 |
| Well Testing /Flowback | \$79,725 |
| Fracturing Services | \$2,805,000 |
| Acidizing and N2 Services | \$0 |
| Perforating and Wireline Services | \$150,400 |
| Cased Hole Logging | \$7,500 |
| Comp Fluids & Services | \$243,800 |
| Water & Water Services | \$429,230 |
| Freight | \$13,950 |
| Inspection Services | \$4,500 |
| Misc Materials & Equip | \$10,000 |
| Frac Plugs | \$75,400 |
| Contract Labor | \$52,250 |
| Telecom Services | \$19,000 |
| HES Equip & Service | \$211,500 |
| Supervision & Overhead | \$174,400 |
| Tracers | \$20,000 |
| Surface Facilities | \$411,200 |
| Contingency | \$0 |

TOTAL COMPLETION COSTS - INTANGIBLE \$5,236,719

TOTAL COMPLETION COSTS \$5,344,409

TOTAL WELL COSTS \$8,750,075



AUG 16 2016

SIGNATURE: _____

PRINTED NAME: _____

TITLE: _____

This AFE is only an estimate of the costs to be incurred in conducting the referenced operation. In no event shall this AFE be construed as a representation or warrant as to the accuracy of such estimate, or construed in any way to limit a participant's responsibility to pay its proportionate share of all costs and expenses incurred in connection with the referenced operations.