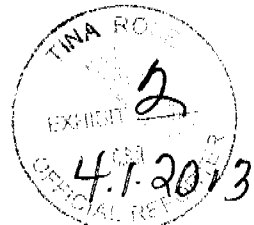


WELL: Merveldt 1H-24X		NEWFIELD			
PLAY TYPE: AFE Drill Days = 45					
PROJECT DESCRIPTION & OBJECTIVE:					
10230' LOL					
5 Day Move, 41 Days Spud to RR					
		AFE #:			
		PROPOSED TD:		8,713 TVD / 19,370 MD	
		DATE:		4/1/2013	
		AFE TYPE:		Drill and Complete Original	
DETAIL OF ESTIMATED EXPENDITURES	COST CODE	DRILLING	COMPLETION	FACILITIES	TOTAL
INTANGIBLES					
Base / Field Office Operations (housing, utilities, travel)	101	\$75,000			\$75,000
Cased Hole Electric Wireline	102	\$0	\$100,000		\$100,000
Services - Casing Crews and Running Tools	103	\$88,000	\$0		\$88,000
Services - Cementing	105	\$147,000	\$0		\$147,000
Coil Tubing Unit	108	\$0			\$0
Communications	109	\$12,199			\$12,199
Consultants	110	\$0	\$40,000		\$40,000
Core / Fluid Analysis	111	\$0			\$0
Engineering - General	115	\$0			\$0
Engineering - Structural	116	\$0			\$0
Directional Drilling - Operations	113	\$407,777			\$407,777
Location Rental & Safety Services	117	\$37,996			\$37,996
Lifting Services	119	\$0			\$0
Flows Unusual (includes transportation)	120	\$26,997			\$26,997
Services - Formation Evaluation	121	\$0			\$0
Formation Stimulation - Fracturing	122				\$3,665,000
Formation Stimulation - Other	123				\$145,000
Inspection - Bottom Hole Assembly	129	\$20,000			\$20,000
Inspection - Casing	130	\$17,000			\$17,000
Inspection - Drill Pipe	131	\$19,500			\$19,500
Inspection - Tubing	133	\$0			\$0
Installation / Removal - Pipeline	135	\$0			\$0
Labor - Company Supervision	139	\$170,982	\$101,500		\$272,482
Company Labor	140	\$0			\$0
Labor - Contract Employees	141	\$0		\$55,000	\$55,000
Location Preparation	143	\$145,000	\$30,000		\$175,000
Location Remediation & Maintenance	144	\$152,950	\$50,000		\$202,950
Services - Miscellaneous	146	\$109,690	\$54,750		\$164,440
Mud Logging Services	147	\$34,496			\$34,496
Project Management	149	\$0			\$0
Drilling & Completion Rig (\$25,496 / day)	150	\$1,147,152			\$1,147,152
Drilling Well Turnkey Costs	152	\$0			\$0
Rig Mobilization & De-Mobilization	153	\$227,475			\$227,475
Security Services	154	\$0			\$0
Stickline Services	155	\$0			\$0
Survey - Location	156	\$3,000			\$3,000
Survey - Well (not associated with directional drilling)	157	\$4,500			\$4,500
Testing - Well Control Equipment	160	\$27,000			\$27,000
Transportation - Land	162	\$46,998	\$17,100		\$64,097
Tubular Conveyed Perforating & Drill Stem Testing	165	\$0			\$0
Services - Welding	166	\$10,700	\$3,700		\$13,700
Drill Bits	301	\$205	\$150,000		\$150,205
Blow-Out Preventer	302	\$35,996			\$35,996
Completion Fluids	304	\$2,000			\$2,000
Compressors	305	\$0			\$0
Cranes	307	\$0			\$0
Dehydration Unit	309	\$0			\$0
Drill String	310	\$81,785			\$81,785
Electrical Repairs	311	\$0			\$0
Fuel	313	\$277,999			\$277,999
Gas Measurement	317	\$0			\$0
Generators	318	\$0			\$0
Rent Lost in Hole	325	\$0			\$0
Rent Miscellaneous Surface Equipment	328	\$47,195			\$47,195
Mud - Drilling	329	\$559,396			\$559,396
Mud Monitoring & Processing Equipment	330	\$76,493			\$76,493
Stabilizer, Under-Reamer, Hole-Opener	341	\$33,998			\$33,998
Tools & Supplies	346	\$0			\$0
Vapor Recovery System	349	\$0			\$0
Drilling Water	350	\$32,374			\$32,374
Water Handling Equipment	351	\$0			\$0
Drilling Insurance	501	\$10,000			\$10,000
Legal Fees	503	\$13,000			\$13,000
Regulatory Compliance	511	\$1,500			\$1,500
Overhead	965	\$32	\$3,000		\$3,032
Subtotal - Intangibles		\$5,284,050	\$55,000		\$5,339,050
TANGIBLES					
Oil Measurement Equipment	332		\$18,200		\$18,200
Line Pipe & Battery Fittings	335		\$60,000		\$60,000
Pumps	336		\$0		\$0
Separators	340		\$14,000		\$14,000
Stock Tanks	345		\$40,000		\$40,000
Trailers	347		\$33,000		\$33,000
Artificial Lift	601		\$25,000		\$25,000
Casing Accessories	602		\$0		\$0
Miscellaneous Tangible Equipment	603		\$0		\$0
Packers / Anchors / Liner Hangers	604		\$0		\$0
Water Casing (Conductor Casing)	607		\$72,000		\$72,000
Pipe Surface Casing	608		\$0		\$0
Pipe Intermediate Casing (\$46 / ft)	609	\$322,000			\$322,000
Production Casing/Liner (\$30 / ft)	610	\$527,760			\$527,760
Pipe Casing Liner	611	\$0			\$0
Tubing	613		\$54,700		\$54,700
Rods	614		\$0		\$0
Tubing Accessories	616		\$7,500		\$7,500
Wellhead	617	\$30,040			\$30,040
Subtotal - Tangibles		\$985,303	\$0	\$252,400	\$1,237,703
AFE TOTAL		\$6,300,000.00	\$5,284,050	\$307,400	\$10,891,450
Scope By	Prepared By	Prepared By	Prepared By		
Andy Howell	Brett Crump	Kirk Fields	Zach Hadden		
Date Modified	Date Modified	Date Modified	Date Modified		
11/17/2012	11/21/2012	11/26/2012	11/26/2012		

This AFE is only an estimate. By returning one signed copy the undersigned hereby agrees to pay its share of all the actual costs incurred in this operation.

NAME: _____ COMPANY: _____
 PRINTED NAME: _____ DATE: _____
 TITLE: _____



0020131836-J