

CD. 2014/7808

KWN
12-16-14MARATHON OIL COMPANY
AUTHORITY FOR EXPENDITURE
DETAIL OF ESTIMATED WELL COSTS

AFE/WBS NO.

AFE/WBS NO.

DATE

DATE

PREPARED BY

PREPARED BY

28-Oct-2014

D. Rohrs/S.Thomas

Asset Team Northern
Field/Prospect Sage 1-15H
Lease/Facility _____
Location Kingfisher County
15N - 9W - 15WILDCAT
DEVELOPMENT
EXPLOITATIONEXPLORATION
RECOMPLETION
WORKOVEREst Total Depth Lateral +/-14,500' MD ESTEst Drilling Days 25Est Completion Days 40

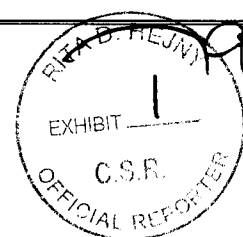
GL Code	QUANTITY	DESCRIPTION	M&S Code	Cond	COND	ESTIMATED COST
DRILLING COSTS - TANGIBLE						
7012050	Drive Pipe		MD0020050			
7012050	Conductor Pipe		MD0020050			
7012050	Surface Pipe		MD0020050			52,500
7012050	Intermediate Casing		MD0020050			307,110
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories		MD0020050			60,000
7012550	Drilling Wellhead Equipment - Surface		MD0020059			40,000
7012270	Miscellaneous MRO Materials		MP0020329			5,000
TOTAL DRILLING COSTS - TANGIBLE						\$464,610

DRILLING COSTS - INTANGIBLE						
7001270	Location and Access		SBP071267			360,000
7019220	Drilling Rig - daywork/footage (\$27,000/Day)		SD0071082			687,500
7019060	Air Drilling Services		SD0071075			
7019200	Drilling Rig Mob/Demob		SCD071155			165,000
7012310	Mud/Fluids Solids Control		MD0020056			45,000
7019140	Mud Fluids & Services		SD0020054			250,000
7012020	Bits		MD0020052			180,000
7019250	Stabilizers, Hole Openers, Underreamers		SD0071091			20,000
7016350	Fuel		MDP015060			200,000
7001460	Water (non potable)		SP0071393			50,000
7019010	Casing and Tubing Services		SD0071077			20,000
7019020	Cement and Cementing Service		SD0071092			80,000
7019000	Well Logging Services		SC0071150			150,000
7019150	Mud Logging		SD0071089			37,500
7019110	Casing inspection/cleaning		SDB071093			15,000
7019110	Drill pipe/collar inspection services		SD0071079			5,000
7019040	Directional Drilling Services		SD0071078			312,500
7019310	Coring (sidewalls & analysis)		SC0071158			
7012270	Miscellaneous Materials		MP0020329			5,000
7000030	Contract Labor - general		SBP072259			30,000
7016180	Freight - truck		ST0078478			50,000
7001460	Water hauling and disposal (includes soil farming)		SP0071393			125,000
7018150	Rental Tools and Equipment		SD0071088			175,000
7018150	Rig Equipment and Misc.		SD0071088			
7001110	Telecommunications Services		SI0083578			7,500
7001120	Consulting Services		SA0080680			110,000
7006780						
7001400						
TOTAL DRILLING COSTS - INTANGIBLE						\$3,080,000

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TOTAL DRILLING COSTS

\$3,544,610



MARATHON OIL COMPANY
AUTHORITY FOR EXPENDITURE
DETAIL OF ESTIMATED WELL COSTS

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AFE/WBS NO.

DATE

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28-Oct-2014

Region Northern
Field/Prospect Sage I-15H
Lease/Facility 0

GL Code	QUANTITY	DESCRIPTION	M&S Code	Cond	COND	ESTIMATED COST CMP.01	ESTIMATED COST CMP.02	ESTIMATED COST CMP Total
COMPLETION COSTS - TANGIBLE						CMP.001	CMP.002	CMP Total
7012050	Production Casing		MD0020050			450,000		450,000
7012050	Production Liner/Hanger & accessories		MD0020050			30,000		30,000
7012580	Tubing		MC0020129				76,500	76,500
7012580	Tubing Accessories		MC0020129				5,000	5,000
7012180	Gas Lift Equipment		MCP020132				23,500	23,500
7012480	Artificial Lift/Pumping Equipment		MCP020135					
7012480	Sucker Rods		MCP020135					
7012070	Christmas Tree		MD0020058				28,000	28,000
7012560	Packers - Completion Equipment		M00000005				10,000	10,000
TOTAL COMPLETION COSTS - TANGIBLE						\$480,000	\$143,000	623,000
COMPLETION COSTS - INTANGIBLE								
7001270	Location and Access		SBP071267				5,000	5,000
7019220	Drilling Rig During Completion		SD0071082			110,000		110,000
7019190	Completion Rig		SCP071163				52,500	52,500
7019030	Coiled Tubing Services		SC0071151				210,000	210,000
7019240	Snubbing Services		SC0071156				18,000	18,000
7019180	Abandoning Tools and Services		SP0071387					
7019270	Pulling/Swab Units		S00000037					
7016350	Fuel (from drlg)		MDP015060			32,000		32,000
7019010	Casing Crew and Services		SD0071077			20,000		20,000
7019020	Cement and Cementing Services		SD0071092			120,000		120,000
7019000	Cased Hole Logging Services		SC0071150				28,500	28,500
7019110	Tubular Inspection, Testing & Cleaning		SDB071093				4,500	4,500
7019080	Well Testing Services		S00000036				52,500	52,500
7019320	Fracturing Services		SC0071159				2,400,000	2,400,000
7019320	Radioactive Tracers		SC0071159				115,000	115,000
7019290	Acidizing Services		SC0071157					
7012080	Completion and Packer Fluids		MC0020125				59,500	59,500
7019330	Perforating		SC0071160				201,500	201,500
7019360	Wireline Services		SCP071162					
7019130	Kill truck Services		SP0071385				12,500	12,500
7019100	Water Transfer		SP0071383				117,000	117,000
7001460	Water Hauling & Disposal		SP0071393			30,000	243,750	273,750
7016180	Freight - Truck		ST0078478			30,000	8,000	38,000
7012270	Misc Materials		MP0020329				50,000	50,000
7018150	BOP Rental & Testing		SD0071088				9,500	9,500
7018150	Rental Tools and Equipment		SD0071088			25,000	402,000	427,000
7000030	Contract Labor - general		SBP072259			15,000	41,000	56,000
7001110	Telecommunications Services		SI0083578			1,200	19,000	20,200
7001400	Safety and Environmental		SE0092531				63,500	63,500
7001120	Consulting Services		SA0080680			17,600	87,500	105,100
7006780	Company Labor		N/A				45,000	45,000
TOTAL COMPLETION COSTS - INTANGIBLE						\$400,800	\$4,245,750	4,646,550
TOTAL COMPLETION COSTS						\$880,800	\$4,388,750	5,269,550
SURFACE EQUIPMENT - TANGIBLE								
7012410	Line Pipe & Accessories		MBP040205			34,000		
7012410	Tanks		MBP020218			80,000		
7001110	Instrumentation/Telecommunication equip		SI0083578			20,000		
7012440	Separator & other pressure vessels		MBP020214			71,000		
7012270	Miscellaneous Materials		MP0071329			40,000		
7012640	Flare & Accessories		MBP020193			15,000		
7000030	Contract Labor - General		SBP072259			64,000		
7000030	Environmental Services		SBP072259			5,000		
5050000	Company Labor & Burden		N/A			13,000		
TOTAL SURFACE EQUIPMENT - TANGIBLE						342,000		

SUMMARY OF ESTIMATED DRILLING WELL COSTS
TOTAL DRILLING COST
TOTAL COMPLETION COST (CMP.001 + CMP.002)
TOTAL SURFACE EQUIPMENT
GRAND TOTAL COST

TOTAL COST

\$3,544,610
\$5,269,550
\$342,000
\$9,156,160

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 anyway to limit a participant's responsibility to pay its proportionate share of all costs and expenses incurred in connection with the referenced operations.