

Cost Estimate & Authority for Expenditure

Well Name: States 18-6-13 1H
Prospect Name: Updip Stack Kfh
Operator: Dorado E&P Partners, LLC

Well Information
Location (SHL / BHL): 175 FSL 1980 FEL/195 FNL 1980 FEL
County/State: Kingfisher Oklahoma
Field:

Project Information

AFE Type: New Horizontal Well
Target Formation: Woodford
Description: This AFE is for the construction of a new Woodford horizontal well with a +/- 5000' lateral in Kingfisher County, OK. It includes drilling, completion and casing the well with a pilot hole, side wall cores and additional wireline logs.
Est. Depth (MD/TVD): 12,010' / 7400'

AFE Number: 14-015-DC
AFE Date: 10/29/14
AFE Prepared By: Mike Crader

Estimated Start Date: 6/12/2014
Estimated End Date: 7/24/2014
Estimated Days: 30 9

Intangibles	Code	Item	Description	Drilling	Completion	Total
.010		Legal, Land, & Regulatory		\$ 12,000		\$ 12,000
.020		Staking and Surveying		\$ 2,000		\$ 2,000
.025		Location, Roads, Pits		\$ 40,000	\$ 13,500	\$ 53,500
.030		Damages		\$ 5,000		\$ 5,000
.035		Mobilization/Demobilization		\$ 50,000		\$ 50,000
.040		Daywork Contract	Dayrate \$17,500	\$ 525,000		\$ 525,000
.045		Footage Contract				
.050		Mouse, Rathole, Conductor pipe				
.053		Geosteering				
.055		Directional Service/MWD	Dayrate \$11,000	\$ 275,000		\$ 275,000
.058		Camp, Office, Trash		\$ 64,000	\$ 9,750	\$ 73,750
.060		Drill Bits & Motors		\$ 47,000		\$ 47,000
.062		Equipment/Pipe Testing & Inspection		\$ 12,000	\$ 2,000	\$ 14,000
.065		Fuel		\$ 75,000		\$ 75,000
.070		Water and transfer thereof		\$ 30,000	\$ 175,000	\$ 205,000
.073		Oil and lubricants		\$ 1,000		\$ 1,000
.075		Drill Mud/Chemical/Salt		\$ 75,000	\$ 1,200	\$ 76,200
.080		Mud Logging/Geological Services		\$ 39,100		\$ 39,100
.085		Well Testing - DST/Well Inspection				
.090		Coring				
.095		Open Hole Logging		\$ 70,000		\$ 70,000
.100		Cement Service and Float Equipment		\$ 75,000	\$ 24,000	\$ 99,000
.105		Trucking/Transportation		\$ 25,000	\$ 18,000	\$ 43,000
.110		Casing Crew and Equipment		\$ 13,000	\$ 6,500	\$ 19,500
.115		Welding		\$ 4,000	\$ 6,000	\$ 10,000
.117		Pipeline Labor/Install			\$ 9,000	\$ 9,000
.118		Pit Fluid/Mud Disposal/Site Reclaim		\$ 56,000	\$ 18,000	\$ 74,000
.120		Contract Labor/Roustabouts		\$ 1,500	\$ 56,000	\$ 57,500
.125		Other Rental Equipment		\$ 5,000	\$ 10,000	\$ 15,000
.127		Pason Rental		\$ 18,000		\$ 18,000
.129		Rental Drill Pipe		\$ 10,000		\$ 10,000
.130		Completion Rig			\$ 25,000	\$ 25,000
.135		Coiled Tubing / Air Foam			\$ 175,000	\$ 175,000
.140		Cased Hole Logs				
.145		Perforating, Wireline Services			\$ 178,500	\$ 178,500
.150		Sand Control				
.155		Acidizing, Fracturing	15 Stages		\$ 1,175,000	\$ 1,175,000
.157		Frac tanks/manifold			\$ 40,000	\$ 40,000
.165		Completion Fluids			\$ 2,000	\$ 2,000
.170		Other Services	Sidewall Cores	\$ 90,000		\$ 90,000
.172		Flowback crews/services			\$ 35,000	\$ 35,000
.175		1st Level Supervision		\$ 57,440	\$ 14,350	\$ 71,790
.180		Drilling/Completion Overhead		\$ 19,637	\$ 3,750	\$ 23,387
.185		Insurance		\$ 6,000		\$ 6,000
.195		P&A Costs				
.205		Miscellaneous Intangibles				
.199		Taxes	1.07%	\$ 18,219	\$ 21,374	\$ 39,592
.200		Contingency				
Intangibles Subtotal:				\$ 1,720,896	\$ 2,018,924	\$ 3,739,819

Tangibles	Code	Item	Description	Drilling	Completion	Total
.010		Conductor				
.015		Surface Casing		\$ 7,500		\$ 7,500
.020		Intermediate Casing				
.025		Drilling Liner				
.030		Wellhead Equipment		\$ 12,000	\$ 7,000	\$ 19,000
.040		Liner Materials/Hanger/PBR/PKRS			\$ 66,400	\$ 66,400
.130		Production Casing	7750' of 7" P-110	\$ 169,338		\$ 169,338
.135		Production Liner	4500' 4-1/2" P-110		\$ 43,875	\$ 43,875
.140		Tubing	7700' of 2-7/8"		\$ 48,125	\$ 48,125
.155		Nipple/Valves/Fittings/Flowline		\$ 5,000	\$ 30,000	\$ 35,000
.160		Subsurface Equipment	Gas lift and ESP		\$ 185,000	\$ 185,000
.165		Surface Equipment			\$ 12,000	\$ 12,000
.180		Compressor				
.185		Pumping Unit/Base/Motor/Controls				
.186		Rods				
.190		Power - Electrical				
.195		Flowlines			\$ 21,000	\$ 21,000
.210		Treater			\$ 21,000	\$ 21,000
.220		Oil/Gas Separator			\$ 5,000	\$ 5,000
.235		Scada & Safety equipment			\$ 20,000	\$ 20,000
.250		Pipeline and Metering			\$ 21,000	\$ 21,000
.300		Tank Battery and FWKO			\$ 56,500	\$ 56,500
.205		Miscellaneous Tangibles				
.199		Taxes	6.0%	\$ 11,630	\$ 32,214	\$ 43,844
.200		Contingency				
Tangibles Subtotal:				\$ 205,468	\$ 569,114	\$ 774,582

Grand Total: \$ 1,926,363 \$ 2,588,038 \$ 4,514,401

EXECUTED THIS 29 DAY OF OCT 2014

OPERATED BY: Dorado E&P Partners, LLC

TITLE: Ops Eng

SIGNED: *Michael Crader*

NAME: Michael Crader

THE AMOUNTS SET FORTH ARE THE OPERATORS BEST ESTIMATES BASED ON CURRENT MARKET CONDITIONS. BILLING & PAYMENT SHALL BE FOR COSTS ACTUALLY INCURRED.

AGREED TO AND ACCEPTED THIS DAY OF

COMPANY:

TITLE:

SIGNED:

NAME:



NOV 17 2014

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