



**AUTHORITY FOR EXPENDITURE
STAGHORN PETROLEUM, LLC**

One West Third Street, Suite 1000
Tulsa, Oklahoma 74103
(918) 584-2558

AFE #:

201633

Well Name and Number: Tule 18-06-10 #2H		Operator: Staghorn Petroleum, LLC		
Legal Description: Section 10-18N-6W		TD & Formation: 6300' TVD Oswego		
County, State: Kingfisher County, OK		Date Prepared By: 10-26-16 Northcutt		
Scope of Work: Drill, Complete and Equip an 11,400' MD Oswego Well				
ACCT. CODE	DESCRIPTION OF EXPENDITURE	GROSS COST ESTIMATE		
	INTANGIBLES	DRILL (1562)	COMP (1563)	TOTAL
01	Damages, Permits, Surveys, Right of Way, etc.	\$ 35,000		\$ 35,000
02	Location and Roads	70,000		\$ 70,000
03	Drilling Rig:	195,000		\$ 195,000
03	Completion Rig:		35,000	\$ 35,000
04	Mobilize, RU, RD, Demobilize	75,000		\$ 75,000
05	Fuel & Power	36,000	7,500	\$ 43,500
06	Drilling Water and Completion Fluids	6,000	50,000	\$ 56,000
07	Contract Labor, Welding, Casing Crews	60,000	25,000	\$ 85,000
08	Bits	45,000	5,000	\$ 50,000
09	Drilling Fluids - Oil Based			
10	Drilling Fluids - Water-Based	55,000		\$ 55,000
11	Formation Testing		20,000	\$ 20,000
12	Openhole Logging and Surveys			
13	Cementing and Cement Services	35,000		\$ 35,000
14	Downhole Rentals and Services	15,000	10,000	\$ 25,000
15	Casedhole Logging, Perforating and Other Wireline Services		170,000	\$ 170,000
16	Stimulation and Services		650,000	\$ 650,000
17	Supplies, Materials, Misc.	1,000	1,000	\$ 2,000
18	Geological Services, Mudlogging, Other Professional Services	12,000		\$ 12,000
19	Wellsite Supervision	45,000	30,000	\$ 75,000
20	Abandonment Expenses and Location Reclamation	15,000		\$ 15,000
21	Installation Services (through wellhead)	12,000	8,000	\$ 20,000
22	Trucking, Hauling, Other Transportation Services	10,000	6,000	\$ 16,000
23	Surface Rentals	42,000	20,000	\$ 62,000
24	Directional Drilling Tools and Services	80,000		\$ 80,000
25	Closed Mud System Rentals and Services	16,000		\$ 16,000
26	Fishing Tools and Services			
27	Lost or Damaged Tools and Equipment			
80	Title Opinion and DOTO	20,000		\$ 20,000
90	Overhead	5,000	5,000	\$ 10,000
92	Insurance	20,000	20,000	\$ 40,000
95	Contingency 5%	45,300	53,100	\$ 98,400
	TOTAL INTANGIBLE COSTS	\$ 950,300	\$ 1,115,600	\$ 2,065,900
	TANGIBLES	DRILL (1572)	COMP (1573)	TOTAL
01	Conductor Casing: 20" Pre-Set with Deep Mousehole	10,000		\$ 10,000
02	Surface Casing: 9.625", 40#, J55, LTC @ 450'	10,200		\$ 10,200
03	Intermediate Casing: 7", 29#, P110, Mod BTC @ 6800'	126,400		\$ 126,400
04	Production Csg/Liner: 4.5", 13.5#, P110, Mod BTC Lnr @ 11,400'	48,200		\$ 48,200
05	Tubing: 2.875", 6.5#, N80, EUE @ 6350'		29,500	\$ 29,500
06	Sucker Rods			
07	Downhole Pump, Gas Lift, Tubing Anchor, etc.			
08	Wellhead Equipment, Pup Joint for Mandrel Hanger	10,000	7,500	\$ 17,500
09	Artificial Lift Equipment		15,000	\$ 15,000
10	Packers and Subsurface Tools	36,000	10,000	\$ 46,000
11	Installation Costs		25,000	\$ 25,000
12	Tanks and Accessories 2 x 300 bbls ST, 2 x 300 bbl FG		40,000	\$ 40,000
13	Production Unit, Dehydrator, Compressor		20,000	\$ 20,000
14	Heater Treater. FWKO		35,000	\$ 35,000
15	Electrical Systems and Lines			
16	Lease Lines			
17	Controllable Valves and Fittings		20,000	\$ 20,000
18	Float Equipment & Centralizers	40,000		\$ 40,000
19	Non-Controllable Lease Materials			
20	Installation Costs		20,000	\$ 20,000
21	Line Pipe		17,000	\$ 17,000
22	Metering Equipment		10,000	\$ 10,000
95	Contingency 5%	14,000	12,500	\$ 26,500
	TOTAL TANGIBLE COSTS	\$ 294,800	\$ 261,500	\$ 556,300
	TOTAL WELL COSTS	\$ 1,245,100	\$ 1,377,100	\$ 2,622,200

This AFE is only an estimate. By returning a signed copy, you agree to pay your proportionate share of actual costs incurred.

W.I. OWNER APPROVAL: Company: _____ Title: _____
By: _____ Date: _____
Name (Print): _____

CD 16-53071



12/5/16