CHESAPEAKE OPERATING, INC.

AUTHORIZATION FOR EXPENDITURE

	AUTHORIZAT	TON FOR EXPENDITURE	•			
Field:	Kingfisher			Date:		11/9/2015
Well Name	•			Vertical Depth:		6,340
Operator:	Chesapeake Operating, INC.		V	ertical Section:		4,800
AFE#:	Section 3-18N-6W			Total Depth:		11,140
Legal Desc County, Sta				Formation: Property:		Oswego 656860
Code	Work Description	PreDrill	Driffing	Completion	TIL	TOTAL
233400	INT-Lse Roads, Location, Pits	135,000.00	0.00	20,000.00	3,000.00	158,000.00
233401	INT-Damages/Row	25,000.00	0.00	0.00	0.00	25,000.00
233402	INT-Governmental Filings	4,000.00	0.00	0.00	0.00	4,000.00
233403 233405	INT-Title Opinions INT-Reclamation	5,000.00 0.00	0.00 60.000.00	0.00	0.00	5,000.00 60,000.00
233409	INT-Fuel	0.00	24,000.00	0.00	0.00	24,000.00
233410	INT-Drilling Contractor 15 days @ \$27,500 per day	00.0	413,000.00	00.0	0.00	413,000.0€
233411	INT-Directional Services	0.00	145,000.00	0.00	0.00	145,000.00
233413	INT-Rig Mob/Demobilization	0.00	150,000.00	0.00	0.00	150,000.00
233415 233416	INT-Bits INT-Supplies & Utilities	0.00 0.00	57,500.00 5,500.00	0.00	0.00 1,000.00	57,500.00 7,500.00
233418	INT-Mud Logging	0.00	8,000.00	1,000.00 0.00	0.00	8,000.00
233419	(NT-Drilling/Completion Fluids, Mud, Chem	0.00	70,000.00	5,000.00	0.00	75,000.00
233428	INT-Downhole Rental Equipment	0.00	45,000.00	0.00	0.00	45,000.00
233430	INT-Workover/Completion Unit	0.00	0.00	12,000.00	0.00	12,000.00
233434 233435	INT-Formation Treatment INT-Direct Labor	0.00 00.0	0.00 5,000.00	330,000.00 5,000.00	0.00 0.00	330,000.00 10,000.00
233438	INT-Tubular Hauling/Inspection	0.00	6,500.00	10,000.00	0.00	16,500.00
233439	NT-Technical Labor	0.00	8,000.00	5,000.00	0.00	13,000.00
233440	INT-Flowback Hauloff	0.00	0.00	0.00	8,000.00	8,000.00
233441	INT-Flow Crew & Equipment	0.00	0.00	0.00	6,000.00	6,000.00
233443 233444	INT-Supervision INT-Consultants	0.00	0.00 48.000.00	3,000.00	0.00	3,000.00
233444	INT-Overhead	0.00	9,000.00	15,000.00 15,000.00	0.00	63,000.00 24,000.00
233447	INT-Insurance	0.00	9,000.00	0.00	0.00	9,000.00
233448	Contingencies – 5%	5,975.00	63,766.00	26,800.00	0.00	96,541.00
233454	INT-Operations Support Center	0.00	1,700.00	0.00	0.00	1,700.00
233461 233462	INT-Contract Labor-EHS INT-Contract Labor-Camp Services	0.00 0.00	0.00 5,500.00	1,500.00 0.00	0.00 0.00	1,500.00
233464	INT-Contract Labor-BOP/Wellhead Services	0.00	17,000.00	5,000.00	0.00	5,500.00 22,000.00
233465	INT-Contract Labor-Operational Services	0.00	23,000.00	20,000.00	0.00	43,000.00
233467	INT-Contract Labor-Pipe Handling Services	0.00	41,000.00	6,000.00	0.00	47,000.00
233468	INT-Contract Labor-Transportation	0.00	10,000.00	3,000.00	10,000.00	23,000.00
233470 233474	INT-Install Cond/Ms/Rat INT-8-9 5/8" Cement	18,000.00	0.00	0.00	0.00	18,000.00
233474	INT-7-7 3/4" Cement	0.00	15,000.00 12,000.00	0.00 0.00	0.00 0.00	15,000.00 12,000.00
233481	INT-Surface Rental-EHS	0.00	5.250.00	20.000.00	0.00	25,250.00
233482	INT-Surface Rental-Camp Equipment	0.00	15,000.00	10,000.00	0.00	25,000.00
233484	INT-Surface Rental-BOP/Wellhead/Well Control	0.00	12,000.00	15,000.00	0.00	27,000.00
233485	INT-Surface Rental-Operational Equipment	0.00	12,000.00	3,000.00	0.00	15,000.00
233486 233487	INT-Surface Rental-Electronics & Communication INT-Surface Rental-Fluid Management Equipment	0.00 0.00	16,125.00 26,250.00	1,000.00 30,000.00	0.00 0.00	17,125.00 56,250.00
Total Intangibles:		192,975.00	1,339,091.00	562,300.00	28,000.00	2,122,366.00
230104	TAN-Float Equipment	0.00	8,000.00	0.00	0.00	8,000.00
230105	TAN-Tubing 2-7/8" 5,000'	0.00	0.00	35,000.00	0.00	35,000.00
230106	TAN-Wellhead Equipment	0.00	22,300.00	10,000.00	0.00	32,300.00
230107	TAN-Downhole Equipment	0.00	140,000.00	2,000.00	0.00	142,000.00
230113	TAN-Production Equipment TAN-ESP	0.00	0.00	0.00	160,000.00	160,000.00
230117 230140	TAN-Production Equipment-Tanks	0.00 0.00	0.00 0.00	00,0 00,0	250,000.00 82,000.00	250,000.00 82,000.00
230141	TAN-Production Equipment-Vessels	0.00	0.00	0.00	70,000.00	70.000.00
230143	TAN-Production Equipment-Electrical Infrastructure	0.00	0.00	0.00	90,000.00	90,000.00
230174	TAN-8-9 5/8" Casing — 9-5/8" 1,300"	0.00	38,000.00	0.00	0.00	38,000.00
230175	TAN-7-7 3/4" Casing/Liner ~ 7" 6,640'	0.00	163,000.00	0.00	0.00	163,000.00
	TAN-3 1/2-5 1/2" Casing/Liner – 4-1/2" 4,675' TAN-Telemetry Equipment	0.00 0.00	51,000.00 0.00	0.00 0.00	0.00 00.000,08	51,000.00 80,000.00
	Contingencies 5%	0.00	21,115.00	0.00	00.000,08	21,115.00
Total Tangibles:		0.00	443,415.00	47,000.00	732,000.00	1,222,415.00
	TOTAL COSTS	192,975.00	1,782,506.00	609,300.00	760,000.00	3,344,781.00
		_				

Prepared By: James Bland Prepared By: Keeley Bergman Approved By: Jason Stidham

Non-Operator's Approval:

APR 27 2016

C.S.R.