


**Well Name** Vernes 1H-23

**STACK** AFE Drill Days = 12

**PROJECT DESCRIPTION & OBJECTIVE:**



AFE #: \_\_\_\_\_ DATE: 2-17-15

PROPOSED TI 7,780' TVD / 12,837' MD

AFE TYPE: Drill and Complete

Original

DETAIL OF ESTIMATED EXPENDITURES		COST CODE	DRILLING	COMPLETION	COMPLETION	TOTAL
<b>INTANGIBLES</b>			880	881	883	
Base / Field Office Operations (housing, utilities, trash etc.)		101	\$30,996	\$27,500	\$0	\$58,496
Cased Hole Electric Wireline		102	\$0	\$237,500	\$0	\$237,500
Services - Casing Crews and Running Tools		103	\$35,000	\$25,000	\$0	\$60,000
Services Cementing/Coil Tubing Unit		105	\$125,000		\$0	\$125,000
Communications		109	\$4,982		\$0	\$4,982
Consultants		110	\$66,421	\$67,500	\$3,000	\$136,921
Core / Fluid Analysis		111	\$0		\$0	\$0
Directional Drilling Operations		113	\$221,403		\$0	\$221,403
Environmental & Safety Services		117	\$1,483	\$20,000	\$0	\$21,483
Fishing Services		119	\$0		\$0	\$0
Fluids Disposal (includes transportation)		120	\$81,189	\$12,500	\$0	\$93,689
Services Formation Evaluation		121	\$0		\$0	\$0
Formation Stimulation - Fracturing		122		\$1,354,250	\$0	\$1,354,250
Formation Stimulation - Other		123		\$15,000	\$0	\$15,000
Inspection - Bottom Hole Assembly		129	\$5,000		\$0	\$5,000
Inspection - Casing		130	\$0		\$0	\$0
Inspection - Drill Pipe		131	\$25,000		\$0	\$25,000
Inspection - Tubing		133	\$0	\$1,000	\$0	\$1,000
Installation / Removal - Pipeline		135			\$50,000	\$50,000
Labor - Company Supervision		139	\$0		\$0	\$0
Company Labor		140	\$-		\$2,000	\$2,000
Labor - Contract Employees		141	\$0		\$0	\$0
Location Preparation		143	\$190,000	\$4,500	\$0	\$194,500
Location Remediation & Maintenance		144	\$160,000	\$6,500	\$0	\$166,500
Services Miscellaneous		146	\$0	\$3,000	\$0	\$3,000
Mud Logging Services		147	\$15,426		\$0	\$15,426
Drilling & Completion Rig Costs (\$23,325 / day)		150	\$399,798	\$100,000	\$14,000	\$513,798
Drilling Well Turnkey Costs		152	\$0		\$0	\$0
Rig Mobilization & De-Mobilization		153	\$165,000		\$0	\$165,000
Security Services		154	\$0	\$7,500	\$0	\$7,500
Slickline Services		155	\$0		\$0	\$0
Survey - Location		156	\$1,500		\$0	\$1,500
Survey - Well (not associated with directional drilling)		157	\$0		\$0	\$0
Testing - Well Control Equipment		160	\$20,000	\$4,000	\$0	\$24,000
Transportation - Land		162	\$7,306	\$12,500	\$13,000	\$32,806
Tubular Conveyed Perforating & Drill Stem Testing Services		165	\$0		\$0	\$0
Services Welding		166	\$3,500		\$0	\$3,500
Drill Bits		301	\$120,000	\$5,000	\$0	\$125,000
Blow-Out Preventor		302	\$22,140	\$30,000	\$0	\$52,140
Completion Fluids		304		\$62,500	\$0	\$62,500
Cranes		307	\$-	\$4,250	\$10,000	\$14,250
Drill String		310	\$0		\$0	\$0
Fuel		313	\$75,514	\$107,500	\$0	\$183,014
Gas Measurement		317	\$-		\$13,200	\$13,200
Rent Lost in Hole		325	\$0		\$0	\$0
Rent Miscellaneous Surface Equipment		328	\$7,999	\$87,500	\$72,000	\$167,499
Mud - Drilling		329	\$177,851		\$0	\$177,851
Mud Monitoring & Processing Equipment		330	\$42,067		\$0	\$42,067
Stabilizer, Under-Reamer, Hole-Opener		341	\$8,856		\$0	\$8,856
Vapor Recovery System		349	\$-		\$20,000	\$20,000
Drilling Water		350	\$13,284		\$0	\$13,284
Water Handling Equipment		351	\$-	\$30,000	\$16,000	\$46,000
Drilling Insurance		501	\$0		\$0	\$0
Legal Fees		503	\$0		\$0	\$0
Regulatory Compliance		511	\$0		\$0	\$0
Overhead		965	\$7,749		\$0	\$7,749
<b>Subtotal - Intangibles</b>			<b>\$2,034,466</b>	<b>\$2,225,000</b>	<b>\$213,200</b>	<b>\$4,472,666</b>
<b>TANGIBLES</b>			880	881	883	
Oil Measurement Equipment		332			\$0	\$0
Line Pipe & Battery Fittings		335			\$0	\$0
Separators		340			\$34,000	\$34,000
Stock Tanks		345			\$58,000	\$58,000
Treaters		347			\$0	\$0
Artificial Lift		601			\$25,000	\$25,000
Casing Accessories		602	\$26,000			\$26,000
Packers / Anchors / Liner Hangers		604	\$0		\$0	\$0
Water Casing (Conductor Casing)		607	\$10,000			\$10,000
Pipe Surface Casing (\$28 / ft)		608	\$42,000			\$42,000
Pipe Intermediate Casing		609	\$0			\$0
Production Casing/Liner (\$26 / ft)		610	\$365,534		\$0	\$365,534
Pipe Casing Liner		611	\$0			\$0
Tubing		613			\$68,000	\$68,000
Rods		614			\$0	\$0
Tubing Accessories		616			\$7,500	\$7,500
Wellhead		617	\$22,000	\$15,000		\$37,000
<b>Subtotal - Tangibles</b>			<b>\$465,534</b>	<b>\$15,000</b>	<b>\$192,500</b>	<b>\$673,034</b>
<b>AFE TOTAL</b>			<b>\$2,500,000</b>	<b>\$2,240,000</b>	<b>\$405,700</b>	<b>\$5,145,700</b>

This AFE is only an estimate. By returning one signed copy the undersigned hereby agrees to pay it share of the all actual

PREPARED BY: M Patten/ T Frank

NAME: \_\_\_\_\_  
 PRINTED NAME: \_\_\_\_\_  
 TITLE: \_\_\_\_\_

COMPANY: \_\_\_\_\_  
 DATE: \_\_\_\_\_