

Marathon Oil Company CD: 201506078

**MRO AUTHORIZATION FOR EXPENDITURE**

DETAIL OF ESTIMATED WELL CONSTRUCTION COSTS

Well Name: Chapman 1-26XH  
County: BLAINE  
Formation: MISS LIME

Date: 4/11/2016  
AFE #: 0  
MD: 21,173

Costs

<b>DRILLING COSTS - TANGIBLE</b>	
Surface Casing	\$39,165
Intermediate Casing	\$209,700
Production Casing	\$289,647
Wellhead Equip & Csg Access	\$72,000
<b>TOTAL DRILLING COSTS - TANGIBLE</b>	<b>\$610,512</b>
<b>DRILLING COSTS - INTANGIBLE</b>	
Location and Access	\$342,000
Rig Move	\$139,500
Drilling Rig	\$818,250
Directional Services	\$168,400
Mud Fluids & Services	\$190,000
Solids Control	\$24,100
Bits	\$99,000
Casing Crew and Services	\$47,000
Cementing Service	\$108,250
Rental Equipment	\$81,000
Fuel	\$135,000
Water & Water Services	\$61,500
Logging Services	\$29,000
Inspection Services	\$14,250
Contract Labor	\$38,000
Freight	\$19,000
Misc Materials & Equipment	\$114,000
Telecom Services	\$11,543
Supervision & Overhead	\$172,200
HES Equip & Service	\$28,350
Air Drilling Services	\$0
Coring & Analysis	\$0
Contingency	\$115,417
<b>TOTAL DRILLING COSTS - INTANGIBLE</b>	<b>\$2,755,760</b>
<b>TOTAL DRY HOLE COSTS</b>	<b>\$2,827,225</b>
<b>TOTAL DRILLING COSTS</b>	<b>\$3,366,271</b>
<b>COMPLETION COSTS - TANGIBLE</b>	
Tubing & Accessories	\$74,690
Artificial Lift	\$15,000
Wellhead Equipment	\$27,450
<b>TOTAL COMPLETION COSTS - TANGIBLE</b>	<b>\$117,140</b>
<b>COMPLETION COSTS - INTANGIBLE</b>	
Location and Access	\$7,500
Completion Rig	\$22,800
Coiled Tubing	\$150,000
Rental Equipment	\$342,564
Snubbing	\$0
Pulling/Swab Units	\$6,000
Fuel	\$0
Casing Crews	\$0
Cement	\$0
Well Testing /Flowback	\$79,725
Fracturing Services	\$3,206,200
Acidizing and N2 Services	\$0
Perforating and Wireline Services	\$188,000
Cased Hole Logging	\$8,000
Comp Fluids & Services	\$200,595
Water & Water Services	\$376,795
Freight	\$13,950
Inspection Services	\$14,500
Misc Materials & Equip	\$0
Frac Plugs	\$107,000
Contract Labor	\$52,250
Telecom Services	\$19,000
HES Equip & Service	\$211,500
Supervision & Overhead	\$169,400
Tracers	\$0
Surface Facilities	\$411,200
Contingency	\$0
<b>TOTAL COMPLETION COSTS - INTANGIBLE</b>	<b>\$5,586,979</b>
<b>TOTAL COMPLETION COSTS</b>	<b>\$5,704,119</b>
<b>TOTAL WELL COSTS</b>	<b>\$9,070,390</b>

APR 13 2016

SIGNATURE: \_\_\_\_\_

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

TITLE: \_\_\_\_\_



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