

# CONTINENTAL RESOURCES, INC.

P.O. Box 268870 Oklahoma City, OK 73102  
(405) 234-9000

CD-201408248 (sec 6)

## AUTHORITY FOR EXPENDITURE

AFE No.: DL03618 Date: 11/25/14 Lease Name & No.: Jones Bay 1-7-6XH  
Legal Description: SHL:225 FSL & 275 FWL of Sec 07-13N-13W County: Blaine State: Oklahoma  
BHL: 30 FNL & 330 FWL of Sec 06-13N-13W  
Work Description: Drill and complete Woodford, 9828 ft lateral at 13930 ft TVD 5.5 in. cemented long string to 24030 ft; 32 stage frac

Oil Based Mud system

Exploration XXX	Development	Recompletion:	Supplemental:	T.D.: 24,030'		
		Estimated Days	60	5		
<b>INTANGIBLES</b>						
Legal expenses		010	\$42,000	010	\$1,000	\$43,000
Damages		020	\$32,000	020	\$1,000	\$33,000
Road & location construction		030	\$199,000	030	\$50,000	\$249,000
Rig Costs		060	\$1,401,000	060	\$210,000	\$1,611,000
Water		070	\$37,000	070	\$96,000	\$133,000
Drilling mud & chemicals		090	\$581,000	090	\$202,100	\$783,100
Bits & BHA		100	\$359,000	100	\$82,000	\$441,000
Surface rental tools & equipment		110	\$210,000	110	\$124,000	\$334,000
Drill pipe & work string rental		120	\$44,000	120	\$23,000	\$67,000
Cementing		130	\$75,000	130	\$125,000	\$200,000
Technical Services		140	\$0	140	\$56,000	\$56,000
Roustabout Labor		151	\$60,000	151	\$0	\$60,000
Roustabout Transportation		152	\$20,000	152	\$0	\$20,000
Downhole testing and analysis		160	\$79,000	160	\$0	\$79,000
Wireline services		170	\$50,000	170	\$273,000	\$323,000
Rental tanks		210	\$45,000	210	\$34,000	\$79,000
Stimulation services		230	\$0	230	\$4,000,000	\$4,000,000
Miscellaneous services & contingencies		240	\$267,000	240	\$292,000	\$559,000
Fuel		250	\$469,000	250	\$0	\$469,000
Directional tools and services		280	\$581,000	280	\$15,000	\$596,000
Inspections		290	\$8,000	290	\$0	\$6,000
Casing Crews		300	\$67,000	300	\$80,000	\$147,000
Fishing tools and services		330	\$0	330	\$0	\$0
Pumping services		340	\$0	340	\$232,000	\$232,000
Insurance		350	\$0	350	\$0	\$0
Mud disposal		360	\$215,000	360	\$230,400	\$445,400
Field office expense - housing		470	\$72,000	470	\$0	\$72,000
Contract supervision		500	\$210,000	500	\$38,000	\$248,000
Overhead		800	\$7,000	800	\$4,000	\$11,000
Drilling Hazard Mitigation		900	\$0	900	\$0	\$0
<b>TOTAL INTANGIBLES</b>			<b>\$5,128,000</b>	<b>\$6,178,500</b>	<b>\$11,306,500</b>	
<b>TANGIBLES</b>						
Surface Casing	1,500 ft @ \$ 38.47 /ft. 13 3/8", 54.5#, J-55, ST	510	\$58,000		\$58,000	
Intermediate Casing	11556 ft @ \$ 40.28 /ft. 9 5/8", 47#, N-80, LT&C	520	\$465,000		\$465,000	
Production Casing	24,030 ft @ \$ 25.00 /ft. 5-1/2", 23#, P-110 BTC-XP			530	\$601,000	
Production Liner & Hanger	0 ft @ \$ - /ft.	0			\$0	
Surf Equ Trkg/Inst/Lbr				540	\$25,000	
Tubing	14,200 ft @ \$ 7.00 /ft. 2-7/8", 6.5#, J-55, EUE			550	\$107,000	
Wellhead Equipment	13-5/8" SOW x 13 3/8" 3K x 11" 5K x 7-1/16" 10K x 2-9/16" 10K	560	\$12,000	560	\$32,000	
Packers & Subsurface Equipment				570	\$10,000	
Pumping Unit & Prime Mover				580	\$0	
Sucker Rods & Pump				590	\$0	
Production Facility				600	\$104,000	
Flowline, Valves & Connections				610	\$25,000	
<b>TOTAL TANGIBLES</b>			<b>\$535,000</b>	<b>\$904,000</b>	<b>\$1,439,000</b>	
<b>TOTAL AFE</b>			<b>\$5,663,000</b>	<b>\$7,082,500</b>	<b>\$12,745,500</b>	

### APPROVAL:

Operator:

CONTINENTAL RESOURCES, INC.

Operations: \_\_\_\_\_ Geology: \_\_\_\_\_ Land: \_\_\_\_\_

Date: \_\_\_\_\_

Non-Operator:

Company: \_\_\_\_\_

By: \_\_\_\_\_

Wt: \_\_\_\_\_ % Date: \_\_\_\_\_

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.

DEC 30 2014

