

PAYROCK ENERGY, LLC AUTHORIZATION FOR EXPENDITURE EXPLORATION DRILLING / COMPLETION AFE

WELLNAME: NO NAME MERAMEC 14 06 #1-2H PROSPECT: DIAN
 AFE TITLE: Drilling/Completion
 PROJECT AFE NC 2014-00XX DEPTH: 14,000' 7700'
 FIELD: Sooner Trend COUNTY: Canadian OK
 SURFACE LOC: 165' FNL and 1,980' FEL
 BTM HOLE LOC: 165' FSL and 1,980' FEL
 OTHER LOC DESCRIPTION: Canadian Co, OK
 GEOLOGIC OBJECTIVE: Meramec



DATE: 4/3/2014

PROJECT SCOPE: Drill and Complete +/-5000' Meramec Lateral

ACCOUNT CODE	ITEM	DRY HOLE	PRODUCER	DESCRIPTION
INTANGIBLE DRILLING COSTS				
100-001	Survey, Archaeology & Permits	\$56,000		
100-011	Surface Damages & ROW	25,000		
100-021	Location & Roads	150,000		
100-031	Rig Move	150,000		
100-041	Drilling - Footage	---		
100-051	Drilling - Daywork \$19,500 / Day	585,000		
100-061	Drilling Supervision	51,000		
100-071	Disposal, Restoration & Backfill	55,900		
100-081	Turnkey Bid	---		
100-091	Drilling Fluids	174,000		
100-101	Drill Bits & Reamers	83,600		
100-111	Water	30,000		
100-121	Open Hole Logs	---		
100-131	Coring & Analysis	---		
100-141	Mud Logging & Geologist	41,500		
100-151	Fuel and Power	157,500		
100-161	Cement and Services	36,000		
100-171	Communications - Drilling	2,300		
100-181	Casing Crew	45,650		
100-191	BOP Testing	15,000		
100-201	Drill Stem Test	---		
100-211	Fishing Tools & Services	---		
100-221	Tool & Equipment Rentals	197,900		
100-231	Inspections	---		
100-241	Wireline Services	---		
100-251	Engineering & Geology-Field	---		
100-261	Engineering & Geology-Office	---		
100-271	Other Labor	45,000		
100-281	Other Drilling Costs	5,000		
100-291	Multishot & Gyro	7,000		
100-301	Directional Services	200,000		
100-311	Re-Entry Services	---		
100-321	Camps & Trailers - Drilling	47,100		
100-331	Safety Equipment and H2S	---		
100-341	Trucking - Intangible Drilling	63,000		
100-351	Drilling Insurance & Overhead	21,900		
100-361	Drilling Contingency	---		
TOTAL INTANGIBLE DRILLING COSTS		\$2,245,350	\$---	
TANGIBLE DRILLING COSTS				
200-001	Casing - Surface	\$23,125		
200-011	Casing - Conductor	---		
200-021	Casing - Intermediate	266,000		
200-031	Drilling Liner	---		
200-041	Liner Hanger & Associated Equipment	---		
200-051	Trucking - Tangible Drilling	63,000		
200-061	Wellhead Equipment	12,400		
200-071	Re-Entry Equipment	---		
TOTAL TANGIBLE DRILLING COSTS		\$364,525	\$---	
TOTAL DRILLING COSTS		\$2,609,875	\$---	
INTANGIBLE COMPLETION COSTS				
300-001	Completion/Workover Rig	\$56,000		
300-011	Roads & Location	50,000		
300-021	Completion Rental Equipment	---		
300-031	Drilling Rig for Completion	---		
300-041	Completion Fluids	25,000		
300-051	Water	150,000		
300-061	Cased Hole Logs	---		
300-071	Safety Equipment	---		
300-081	Cement & Cementing Services	27,000		
300-091	Casing Crews	9,000		
300-101	Perforating	30,000		
300-111	Acidizing	---		
300-121	Fishing tools & Services	---		
300-131	Frac Treatment	2,200,000		
300-141	Other Stimulation	---		
300-151	Wellsite Supervision	23,800		
300-161	Engineering	---		
300-171	Inspections	---		
300-181	Well Testing	---		
300-191	Trucking - Intangible Completion	183,500		
300-201	Other Completion Costs	5,000		
300-211	Completion Contingency	---		
300-251	Communications - Completion	1,100		
300-231	Camps & Trailers - Completion	25,300		
300-241	BOP Testing - Completion	5,000		
300-051	Completion Overhead	6,000		
300-271	Other Labor	71,000		
TOTAL INTANGIBLE COMPLETION COSTS		\$---	\$2,867,700	
TANGIBLE COMPLETION COSTS				
400-001	Production Casing or Production Liner	\$60,000		
400-011	Liner Hanger & Associated Equipment	61,000		
400-021	Production Tubing	62,700		
400-031	Rods	---		
400-041	Subsurface Pumping Equipment	---		
400-051	Surface Pumping Equipment	---		
400-061	Downhole Equipment	9,000		
400-071	Wellhead Equipment	27,100		
400-081	Trucking - Tangible Completion	5,000		
400-091	Lease Surface Equipment	134,500		
400-101	Flowlines	5,000		
TOTAL TANGIBLE COMPLETION COSTS		\$---	\$364,300	
TOTAL COMPLETION COSTS		\$---	\$3,232,000	
TOTAL ESTIMATED WELL COST		\$2,609,875	\$5,841,875	

Prepared by: Steve Henley



MAY 14 2014

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