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CD 201605078

**AUTHORITY FOR EXPENDITURE  
WELL COST ESTIMATE**

**PALOMA PARTNERS IV, LLC**

WELL NAME & NUMBER <b>Porkchop 34-15N-11W 1H</b>		PROPOSED DEPTH (ft) <b>17,600</b>	AFE NUMBER <b>2017-1</b>	DATE <b>11/1/2016</b>
OPERATOR <b>Paloma Partners IV, LLC</b>		COUNTY OR PARISH <b>BLAINE</b>	STATE <b>OK</b>	PROSPECT <b>STACK</b>
LEGAL LOCATION (SEC / TOWNSHIP / RANGE) <b>34/15N/11W</b>				
PROJECT <b>Meramec Horizontal Test ~17,000' MD and ~12,000' TVD</b>				
REMARKS: Directional control in production hole interval. Casing: 13 3/8" 54.5 ppf J-55 @ 1,500' 9 5/8" 40 ppf, P-110 LT&C @ +9,500' Long String: 5-1/2" 23# P110 @ 17,600' Tubing: 2 3/8" - 12,000'				

ACCT CODE	INTANGIBLES	DRILLING	COMPLETION	TOTAL
310/1	DRILLING RIG - TURNKEY			-
310/2	DRILLING RIG - FOOTAGE ft @ per ft			-
310/3	DRILLING RIG - DAY WORK 33 days @ \$ 26,000 per day	780,000	78,000	858,000
410/1	COMPLETION RIG / CT Unit 3 days @ \$ 29,000 per day		87,000	87,000
310/4	RIG MOBILIZATION & DEMOBILIZATION	180,000	5,000	185,000
310/5	LAND & LEGAL (Land Brokerage, Title, Etc.)	20,000		20,000
310/7	SITE COSTS (Location, Roads, Pits, Survey, Permits, Dredging, Damages & Restoration)	242,000	45,000	287,000
310/11	DRILLING FLUID (Mud, Water, Completion Fluid & Equipment Rentals)	297,000	11,500	308,500
310/15	FUEL & POWER	80,000	17,000	97,000
310/17	CEMENTING (Cement, Cementing Services & Cementing Equipment)	86,000		86,000
310/20	DRILL BITS	205,000	3,000	208,000
310/22	TOOL & EQUIPMENT RENTAL (Drill Pipe, Stabilizers, Reamers, Etc.)	130,000	448,000	576,000
310/26	MUD LOGGING 24 days @ \$ 1,000 per day	24,000		24,000
310/28	OPEN HOLE LOGGING & CORING			-
310/29	CASED HOLE LOGGING & PERFORATING		110,000	110,000
411/1	FORMATION STIMULATION		2,149,000	2,149,000
310/31	TRANSPORTATION & HAULING / MUD DISPOSAL	26,000	22,000	48,000
310/33	COMMUNICATIONS			-
310/35	DIRECTIONAL DRILLING SERVICES	230,000		230,000
310/38	CASING CREWS & EQUIPMENT	14,000	13,000	27,000
310/39	TUBULAR SERVICES (Cleaning, Inspection & Testing)	16,000	2,500	18,500
310/40	LABOR & MISCELLANEOUS SERVICES	44,000	38,500	82,500
310/41	INSURANCE	17,000		17,000
310/43	SUPERVISION (Engineering, Geological & Wellsite Supervision)	139,000	66,000	205,000
310/45	ADMINISTRATIVE OVERHEAD - days @ per day	12,000	4,000	16,000
310/46	ABANDONMENT EXPENSE			-
310/32	FLUID DISPOSAL	95,000	190,000	285,000
310/47	MISCELLANEOUS COSTS & CONTINGENCIES (7.5%)	131,850	164,375	296,225
	<b>TOTAL INTANGIBLES</b>	<b>\$ 2,768,850</b>	<b>\$ 3,451,875</b>	<b>\$ 6,220,725</b>

ACCT CODE	CASING	FOOTAGE	SIZE	WEIGHT	GRADE	THREAD	COST/FT	DRILLING	COMPLETION	TOTAL
312/1	DRIVE PIPE									-
312/2	CONDUCTOR	60	20.000	(pre-set)	-	-	\$ 50.00	3,000		3,000
312/3	SURFACE	1,500	13-3/8	54.50	J-55	BTC	\$ 38.00	57,000		57,000
312/4	PROTECTION	9,500	9 5/8"	40.00	P110	LT&C	\$ 29.50	280,250		280,250
312/5	DRILLING LINER	-	-	-	-	-	\$ -			-
412/39	PRODUCTION	17,600	5 1/2"	23.00	P-110		\$ 15.75		277,200	277,200
412/40	PRODUCTION LINER	-	-	-	-	-	\$ -			-
412/41	TIEBACK STRING	-	-	-	-	-	\$ -			-
312/11	TUBING	12,000	2 3/8"	-	-	-	\$ 4.50		54,000	54,000
		-	-	-	-	-	\$ -			-
312/6	WELLHEAD EQUIPMENT							76,000	40,000	116,000
412/45	SUBSURFACE EQUIPMENT (Packers, Tubing Anchors, Etc.)								7,000	7,000
312/8	PRODUCTION EQUIPMENT (Tanks, Separators, Heaters, Dehydrators, Meters, Etc.)								275,000	275,000
412/52	ARTIFICIAL LIFT EQUIPMENT (Pumping Unit, Rods, Rod Pump, Etc.)									-
312/13	FLOWLINES & PIPELINES (Including Rights-Of-Way & Installation)								70,000	70,000
412/56	EQUIPMENT INSTALLATION									-
412/57	MISCELLANEOUS WELL EQUIPMENT									-
	<b>TOTAL TANGIBLES</b>							<b>\$ 416,250</b>	<b>\$ 723,200</b>	<b>\$ 1,139,450</b>
	<b>TOTAL WELL COSTS</b>							<b>\$ 3,185,100</b>	<b>\$ 4,175,075</b>	<b>\$ 7,360,175</b>

**Approval:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



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