

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

WELLNAME: SCHROEDER 14 07 #1-20WH PROSPECT: DIAN DATE: 8/21/2014

AFE TITLE: Drilling/Completion

PROJECT AFE NC 2015-00XX DEPTH: 14,000' 7,986'

FIELD: Sooner Trend COUNTY: Canadian OK

SURFACE LOC: 990' FWL 165' FSL Sec 17 14N 7W

BTM HOLE LOC: 990' FWL 65' FNL Sec 20 14N 7W

OTHER LOC DESCRIPTION: Canadian Co, OK

GEOLOGIC OBJECTIVE: Woodford

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



ACCOUNT CODE	ITEM	DRY HOLE	PRODUCER	DESCRIPTION
<b>INTANGIBLE DRILLING COSTS</b>				
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			
<b>TOTAL INTANGIBLE DRILLING COSTS</b>		<b>\$2,245,350</b>	<b>\$---</b>	
<b>TANGIBLE DRILLING COSTS</b>				
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			
<b>TOTAL TANGIBLE DRILLING COSTS</b>		<b>\$364,525</b>	<b>\$---</b>	
<b>TOTAL DRILLING COSTS</b>		<b>\$2,609,875</b>	<b>\$---</b>	
<b>INTANGIBLE COMPLETION COSTS</b>				
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	1,800,000		
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		
<b>TOTAL INTANGIBLE COMPLETION COSTS</b>		<b>\$---</b>	<b>\$2,467,700</b>	
<b>TANGIBLE COMPLETION COSTS</b>				
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		
<b>TOTAL TANGIBLE COMPLETION COSTS</b>		<b>\$---</b>	<b>\$364,300</b>	
<b>TOTAL COMPLETION COSTS</b>		<b>\$---</b>	<b>\$2,832,000</b>	
<b>TOTAL ESTIMATED WELL COST</b>		<b>\$2,609,875</b>	<b>\$5,441,875</b>	

Prepared by: Steve Henley

JAN 12 2015



CD 201408307