CD 201605080

AUTHORITY FOR EXPENDITURE WELL COST ESTIMATE

PALOMA PARTNERS IV, LLC

Southern Star 28-13N-07W 8-1H Store Project STACK ST									AFE NUMBER				DATE /2/			
Southern Star 28-13N-07W #1H 15,000	WELL NAME &	& NUMBER				PROPOSED DEPTH (ff)			PROJECT		2017-18				2016	1/4/
Palcona Partners N, LLC						1 ''							STACK			
### Microminal Test -15,000 MID and -9,500 TVD ### REMARKS: Mist diog Covergo to 10, sepected 2 string low pressure area Casing: 9 56° 36 ppf J-55 @ 2,500 Long String: 9 56° 36 ppf J-55 @ 2,500 Tubing: 2 38° 5,000 ACCT	OPERATOR	Paloma Partners IV. L	LC	•									WNSHIP	/ RANGE)	•	
REMARKS: Nurl log Gowego to TD, expected 2 string low pressure area Casing: 9 587 36 ppt -156 g 2,500	PROJECT			_					,		1		_			
Long Shring:		Meramec Horizontal	Test ~15,000	MD and ~	9,500' TVD											
Long String:	REMARKS:					irea										
Tubing: 2 3/85" - 9,000 INTANGIBLES DRILLING COMPLETION TOTAL		Casing:	9 5/8" 36 pp	of J-55 @ 2,	,500'											
Tubing: 2 3/85" - 9,000 INTANGIBLES DRILLING COMPLETION TOTAL																
Tubing: 2 3/85" - 9,000 INTANGIBLES DRILLING COMPLETION TOTAL		Long String:	5-1/2" 23# F	HCP110 @	15,000'											
SOUTH STATE SOUTH SOU		Tubing:			·								_			
SOUTH STATE SOUTH SOU	ACCT			INTA	NGIBLES	·							ī		ι —	
31010 DRILLING RIG - FORTAGE 16	l										i	DRILLING	C	OMPLETION		TOTAL.
31003 DRILLING RIG - DAY WORK	310/1															
44001 COMPLETION RIG / CT Unit 3 days																
3109				,							<u> </u>	240,000	ļ			
331072 STOCOTST Location, Roads, Pils, Survey, Permits, Dredging, Damages & Restoration) 180,000 45,000 222,500				ΑΤΙΟΝ	3	days @	\$	29,000	per	day	├	200 000	├──		 	
331071 STECOSTS (Location, Roads, Pits, Survey, Permits, Dredging, Damagee & Restoration) 180,000 45,000 228,000 310/11 DRLLING FLUID (Md, Water, Completion Fluid & Equipment Rentals) 280,000 17,000 47,500 310/11 DRLLING FLUID (Md, Water, Completion Fluid & Equipment) 150,000 17,000 47,500 310/17 CREMENTING (Coment, Cementing Services & Cementing Equipment) 150,000 30,000 72,000 310/17 DRLL BITS 75,000 3,000 72,000 310/12 DRLL BITS 75,000 3,000 72,000 310/12 DRLL BITS 75,000 3,000 446,000					.)						 - -		├──	5,000		
191011 DRILLING FILLID (Mud, Water, Completion Fluid & Equipment Rentals) 280,000 11,500 291,500 31015 FILE, & POWER 30,000 17,000 47,000 150,000 31017 CEMENTING (Cement, Cementing Services & Cementing Equipment) 150,000 3,000 77,000 310120 DRILL BTS 75,000 3,000 3,000 78,000 310120 DRILL BTS 75,000 3,000 446,000 466,000 466,000 310120 DRILL BTS 75,000 3,000 466,000 466,000 310120 DRILL BTS 75,000 3,000 466,000 466,000 310120 DRILL BTS 75,000 75,000 75,000 310120 DRILL BTS 75,000 75,						redging, Da	amage	s & Res	torati	ion)	-		├──	45,000		
310172 CEMENTING Cement, Cementing Services & Cementing Equipment) 150,000 3000 78,000 31002 78,000 31002 78,000 31002 78,000 31002 78,000 31002	310/11															
310/22 DOLD & EQUIPMENT RENTAL (Drill Pipe, Stabilizers, Reamers, Etc.) 20,000 346,000 466,000 310/25 30												30,000		17,000		47,000
310122 TOOL & EQUIPMENT RENTAL (Drill Pipe, Stabilizers, Reamers, Etc.) 20,000 446,000 466,000 30,0	_		nt, Cementir	ng Services	& Cementin	g Equipme	ent)				<u> </u>		<u> </u>			
310/28 DEP D			DENTAL (Drill Bino 6	Mobiliana De	Somera Et	- 1				⊢ –				ļ	
310/28 OPEN HOLE LOGGING & CORING 110,000 110,0			KENTAL (опи гире, а				1 000	ner	day	├ -		├—	446,000		
310/20 CASED HOLE LOGGING & PERFORATING 110,000			G & CORING	3		uuya (g		1,000	per	uay	├-	0,000	_			
411/1 FORMATION STIMULATION									_					110.000		
31033 COMMUNICATIONS	411/1	FORMATION STIMUL	ATION								<u> </u>		<u> </u>			
331035 DIRECTIONAL DRILLING SERVICES 150,000 13,000 73,0			HAULING /	MUD DISP	OSAL							80,000		22,000		102,000
310/38 CASING CREWS & EQUIPMENT 69,000 13,000 73,000 310/39 TUBULAR SERVICES (Jeaning, Inspection & Testing) 10,000 2,500 12,500 38,500 63,500 63,500 33,500 63,500 33,500 63,500 33,500 63,500 33,500 63,500 30,401 INSURANCE 6,000 66,000 11,000 310/43 INSURANCE 6,000 66,000 11,000 310/44 ADMINISTRATIVE OVERHEAD days @ per day 8,000 4,000 12,000 310/43 ADMINISTRATIVE OVERHEAD days @ per day 8,000 4,000 12,000 310/47 INSCELLANEOUS COSTS & CONTINGENCIES (5%) 62,850 178,025 260,876 TOTAL INTANGIBLES 1,739,850 \$3,738,525 \$5,478,375 \$0.00 \$0.0											<u> </u>		L			-
310/39 TUBULAR SERVICES Cleaning, Inspection & Testing) 10,000 2,500 12,500 310/40 LABOR & MISCELLANEOUS SERVICES 25,000 38,500 63,500 63,500 310/41 INSURANCE 6,000 66,000 66,000 111,000 310/43 SUPERVISION (Engineering, Geological & Wellsite Supervision) 45,000 66,000 111,000 310/44 ADMINISTRATIVE OVERHEAD days				ES							ļ <u>.</u>			- 10 000		
310/40 LABOR & MISCELLANEOUS SERVICES 25,000 38,500 63,500				Inspection	. & Testing)						├					
310/41 INSURANCE 6,000 6,000 111,000 310/43 SUPERVISION (Engineering, Geological & Wellsite Supervision) 45,000 66,000 111,000 310/44 ADMINISTRATIVE OVERHEAD days					ru resurgi				_				 			
3310/45 ADMINISTRATIVE OVERHEAD days @ per day 8,000 4,000 11,000	310/41	INSURANCE									_					
310/46 ABANDONMENT EXPENSE 310/32 FLUID DISPOSAL 40,000 190,000 230,000 310/47 MISCELLANEOUS COSTS & CONTINGENCIES (5%) 52,250 178,025 268,875 70 70 70 70 70 70 70				ological &	Wellsite Supe	ervision)						45,000		66,000		
310/32 FLUID DISPOSAL 40,000 190,000 230,000 30,000 328,850 178,025 260,875 TOTAL INTANGIBLES 1,739,850 \$ 3,738,525 \$ 5,478,375 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$						days@			per	day		8,000		4,000		12,000
310/47 MISCELLANEOUS COSTS & CONTINGENCIES (5%) 82,850 178,025 260,875			PENSE								<u> </u>					
TOTAL INTANGIBLES \$ 1,739,850 \$ 3,738,525 \$ 5,478,375										├						
ACCT CODE CASING FOOTAGE SIZE WEIGHT GRADE THREAD COST/FT DRILLING COMPLETION TOTAL 312/1 DRIVE PIPE	0.10711		2010 0 00	- INTOLITOR	LO (076)	TOTAL	ΙΝΤΔ	NGIBI	FS		\$		<u> </u>		4	
CODE CASING FOOTAGE SIZE WEIGHT GRADE THREAD COST/FT DRILLING COMPLETION TOTAL						·OIAL					Ψ_	1,700,000	_ "	3,730,023	Ψ	3,476,375
312/1 DRIVE PIPE			F0.0=				T		-							
312/2 CONDUCTOR 60 20.000 (pre-set) - - 5 50.00 3,000 3,000 3,000 312/3 SURFACE 2,500 9.625 36.00 J-55 BTC \$ 28.00 70,000 70,000 70,000 312/4 INTERMEDIATE - - -			FUOTAGE	SIZE	WEIGHT		T	HREAD	C(OST/FT	<u> </u>	DRILLING	C0	OMPLETION		
312/3 SURFACE 2,500 9,625 36,00 J-55 BTC \$ 28,00 70,000 70,000			ຂກ	20,000	(nre-cet)	-	+		0	50.00		2 000		_	<u> </u>	
312/4 INTERMEDIATE						J 55	+	BTC	_							
412/39 PRODUCTION 15,000 5 1/2" 23.00 P-110 H563 \$ 20.00 300,000 300,000 412/40 PRODUCTION LINER \$ \$ - -	312/4						+				_					70,000
412/40 PRODUCTION LINER \$ - -									\$							
12/41 TIEBACK STRING \$ -												-		300,000		300,000
312/11 TUBING 9,000 2 3/8" -				<u> </u>			-				┝		<u> </u>			
312/6 WELLHEAD EQUIPMENT			9.000	2 3/8"			+-	_ <u>-</u> -					<u> </u>	40 500		
312/6 WELLHEAD EQUIPMENT 60,000 40,000 100,000	-	Abberg a	-				1	-			-		 -	40,000		40,500
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.) 30,000 30,000 30,000 312/13 FLOWLINES & PIPELINES (Including Rights-Of-Way & Installation) 70,000 70,000 412/56 EQUIPMENT INSTALLATION												60,000		40,000		100,000
412/52 ARTIFICIAL LIFT EQUIPMENT (Pumping Unit, Rods, Rod Pump, Etc.) 30,000 30,000 312/13 FLOWLINES & PIPELINES (Including Rights-Of-Way & Installation) 70,000 70,000 412/56 EQUIPMENT INSTALLATION	412/45	SUBSURFACE EQUIP	MENT (Par	ckers, Tubi	ng Anchors,	Etc.)					Ļ.					
312/13 FLOWLINES & PIPELINES (Including Rights-Of-Way & Installation) 70,000 70,000		ARTIFICIAL LIFT FOR	MENT (Tan	ıks, Separa	tors, Heaters	, Dehydrate	ors, M	leters, Et	c.)		<u> </u>					
412/56 EQUIPMENT INSTALLATION 1-2/57 MISCELLANEOUS WELL EQUIPMENT TOTAL TANGIBLES 133,000 762,500 895,500										 -						
412/57 MISCELLANEOUS WELL EQUIPMENT TOTAL TANGIBLES \$ 133,000 \$ 762,500 \$ 895,500				rugili	- OF TYRE	auauon)				-	 -	-		70,000		
		MISCELLANEOUS WELL EQUIPMENT							$\neg \neg$			-				
		TOTAL TANGIBLES								\$	133,000	\$	762,500	\$	895.500	
				-	· ·						[



By:	 		 	
Name:	 	 	 	
Title	 		 	
Date:				

TOTAL WELL COSTS

JAN 3 1 2017

\$ 1,872,850 | \$ 4,501,025 | \$ 6,373,875