



**CITIZEN ENERGY
DRILLING & COMPLETION AFE
AUTHORIZATION FOR EXPENDITURE**

Well Name:	TBD S17/20-11N-7W	Date:	6/7/2016
AFE #:	OK2016-009	API #:	-
Operator:	Citizen Energy II, LLC	Property #:	-
Surface Location:	0	Prospect Name:	-
Bottom Hole Location:	S20-11N-7W	Field:	-
County/State:	Canadian / Oklahoma	Citizen WI:	-

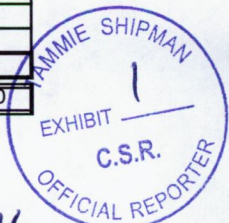
Description: Drill and complete a 2 mile Woodford horizontal well at a TVD of 10,850 and a MD of 21,750

Code	Intangible Description	Drilling	Completion	Total
1	Surface Damages	\$30,000	\$0	\$30,000
2	Roads & Site Preparation, Restoration, Staking, Surveying	\$120,000	\$5,000	\$125,000
3	Rat Hole, Mouse Hole, Conductor & Other Misc. Preparation	\$18,000	\$2,000	\$20,000
4	Mobilization & Demobilization	\$120,000	\$0	\$120,000
5	Drilling - Day Rate	\$725,000	\$0	\$725,000
6	Drilling - Turnkey or Footage	\$40,000	\$0	\$40,000
7	Water (Not Frac Water)	\$7,500	\$5,000	\$12,500
8	Fuel & Power	\$140,000	\$0	\$140,000
9	Mud & Additives	\$150,000	\$15,000	\$165,000
10	Bits, Reamers, Stabilizers	\$100,000	\$0	\$100,000
11	Directional Drilling	\$350,000	\$0	\$350,000
12	Downhole Rental Equipment	\$40,000	\$40,000	\$80,000
13	Open Hole Logging	\$10,000	\$0	\$10,000
14	Cementing Services and Float Equipment	\$70,000	\$0	\$70,000
15	Inspection Services	\$20,000	\$3,000	\$23,000
16	Transportation, Trucking	\$40,000	\$10,000	\$50,000
17	Company Supervision & Expenses	\$7,500	\$0	\$7,500
18	Casing Crews and Equipment	\$35,000	\$0	\$35,000
19	Supplies and Misc Expenses	\$5,000	\$5,000	\$10,000
20	Well Control Insurance	\$5,000	\$0	\$5,000
21	Overhead	\$0	\$0	\$0
22	P&A or TA Cost	\$0	\$0	\$0
23	Completion Rig	\$0	\$15,000	\$15,000
24	Surface Rental Equipment	\$70,000	\$100,000	\$170,000
25	Completion Logging, Perforating and Wireline	\$0	\$200,000	\$200,000
26	Fracturing, Acidizing & Associated Additives	\$0	\$2,500,000	\$2,500,000
27	Stimulation Water, Water Transfer & Water Storage	\$0	\$150,000	\$150,000
28	Contingency	\$300,000	\$400,000	\$700,000
29	Legal, Regulatory, Curative	\$30,000	\$0	\$30,000
31	Contract Labor	\$80,000	\$10,000	\$90,000
32	Contract Supervision	\$140,000	\$60,000	\$200,000
33	Trailer House, Camp, Pason, Internet	\$40,000	\$25,000	\$65,000
34	Composite Plugs	\$0	\$120,000	\$120,000
35	Mud / Fluid Disposal & Soil Farming	\$120,000	\$200,000	\$320,000
36	Fishing & Sidetrack Operations	\$0	\$0	\$0
37	Formation Evaluation (DST, Coring and Evaluation)	\$0	\$0	\$0
38	Welding	\$10,000	\$0	\$10,000
39	Cased Hole Logs	\$5,000	\$0	\$5,000
40	Coil Tubing & Snubbing Equipment	\$0	\$200,000	\$200,000
41	Mud Logging	\$20,000	\$0	\$20,000
Total Intangibles		\$2,848,000	\$4,065,000	\$6,913,000

Code	Tangible Description	Drilling	Completion	Total
1	Surface Casing	\$18,000	\$0	\$18,000
2	Intermediate Casing	\$160,000	\$0	\$160,000
3	Liner	\$160,000	\$0	\$160,000
4	Production Casing	\$0	\$0	\$0
5	Tubing	\$0	\$60,000	\$60,000
6	Line Pipe, Valves, Fittings, Flowlines, Etc	\$0	\$55,000	\$55,000
7	Equipment Installation Cost	\$0	\$40,000	\$40,000
8	Wellhead Equipment	\$15,000	\$15,000	\$30,000
9	Conductor Casing	\$2,000	\$0	\$2,000
10	Liner Hanger, Packer, Anchor, Nipples, Downhole Tools	\$40,000	\$10,000	\$50,000
11	Downhole Artificial Lift Equip. (Rods, ESP, GLVs, PC Pump, Plunger L	\$0	\$20,000	\$20,000
12	Surface Artificial Lift Equip (Pumping Unit, Compressor)	\$0	\$10,000	\$10,000
13	Miscellaneous & Contingency	\$0	\$0	\$0
14	Containment & Electrical	\$0	\$0	\$0
15	Pipeline and Metering	\$0	\$0	\$0
16	Tanks & Accessories	\$0	\$40,000	\$40,000
17	Battery (Separator, Heater Treater, Gas Treating Equipment)	\$0	\$48,000	\$48,000
18	Automation	\$0	\$25,000	\$25,000
Total Tangibles		\$395,000	\$323,000	\$718,000

Total Estimated Cost	\$3,243,000	\$4,388,000	\$7,631,000
-----------------------------	--------------------	--------------------	--------------------

CD16-986T



6/10/16



CITIZENENERGY

CITIZEN ENERGY
DRILLING & COMPLETION AFE
AUTHORIZATION FOR EXPENDITURE

Well Name:	TBD S17/20-11N-7W	Date:	1/27/2016
AFE #:	OK2016-009	API #:	-
Operator:	Citizen Energy II, LLC	Property #:	-
Surface Location:	0	Prospect Name:	-
Bottom Hole Location:	S20-11N-7W	Field:	-
County/State:	Canadian / Oklahoma	Citizen WI:	

Cost Summary	Drilling	Completions	Total
Total Intangibles	\$2,848,000	\$4,065,000	\$6,913,000
Total Tangibles	\$395,000	\$323,000	\$718,000
Grand Total	\$3,243,000	\$4,388,000	\$7,631,000
Less Outside Interest	\$3,243,000	\$4,388,000	\$7,631,000
Total Net Costs	\$0	\$0	\$0

Prepared by: _____ Date: _____

Approved by: _____ Date: _____

Land Manager

Approved by: _____ Date: _____

Geology Manager

Approved by: _____ Date: _____

Operations Manager