

# CONTINENTAL RESOURCES, INC.

P.O. Box 268870 Oklahoma City, OK 73102  
(405) 234-9000

CD-201406249 (sec 7)

## AUTHORITY FOR EXPENDITURE

AFE No.: DL03618 Date: 11/25/14 Lease Name & No.: Jones Bay 1-7-6XH

Legal Description: SHL 225 FSL & 275 FWL of Sec 07-13N-13W County: Blaine State: Oklahoma

BHL: 30 FNL & 330 FWL of Sec 06-13N-13W  
Work Description: Drill and complete Woodford, 9828 ft lateral at 13930 ft TVD 5.5 in. cemented long string to 24030 ft; 32 stage frac

Oil Based Mud system

Exploration XXX Developer Recompletion: Supplemental: T.D.: 24,030'

	Estimated Days	60	5	
<b>INTANGIBLES</b>	Code	Dry Hole	Code	Completion
Legal expenses	010	\$42,000	010	\$1,000
Damages	020	\$32,000	020	\$1,000
Road & location construction	030	\$199,000	030	\$50,000
Rig Costs	060	\$1,401,000	060	\$210,000
Water	070	\$37,000	070	\$96,000
Drilling mud & chemicals	090	\$581,000	090	\$202,100
Bits & BHA	100	\$359,000	100	\$92,000
Surface rental tools & equipment	110	\$210,000	110	\$124,000
Drill pipe & work string rental	120	\$44,000	120	\$23,000
Cementing	130	\$75,000	130	\$125,000
Technical Services	140	\$0	140	\$56,000
Roustabout Labor	151	\$60,000	151	\$0
Roustabout Transportation	152	\$20,000	152	\$0
Downhole testing and analysis	180	\$79,000	180	\$0
Wireline services	170	\$50,000	170	\$273,000
Rental tanks	210	\$45,000	210	\$34,000
Stimulation services	230	\$0	230	\$4,000,000
Miscellaneous services & contingencies	240	\$267,000	240	\$292,000
Fuel	250	\$489,000	250	\$0
Directional tools and services	280	\$581,000	280	\$15,000
Inspections	290	\$6,000	290	\$0
Casing Crews	300	\$87,000	300	\$90,000
Fishing tools and services	330	\$0	330	\$0
Pumping services	340	\$0	340	\$232,000
Insurance	350	\$0	350	\$0
Mud disposal	380	\$215,000	380	\$230,400
Field office expense - housing	470	\$72,000	470	\$0
Contract supervision	500	\$210,000	500	\$38,000
Overhead	800	\$7,000	800	\$4,000
Drilling Hazard Mitigation	900	\$0	900	\$0
<b>TOTAL INTANGIBLES</b>		<b>\$5,128,000</b>		<b>\$6,178,500</b>
<b>TANGIBLES</b>				
Surface Casing 1,500 ft @ \$ 38.47 /ft. 13 3/8", 54.66, J-55, ST	510	\$58,000		\$58,000
Intermediate Casing 11556 ft @ \$ 40.26 /ft. 9 5/8", 47#, N-80, LT&C	520	\$465,000		\$465,000
Production Casing 24,030 ft @ \$ 25.00 /ft. 5-1/2", 23#, P-110 BTC-XP	530	\$601,000		\$601,000
Production Liner & Hanger 0 ft @ \$ - /ft. 0	530	\$0		\$0
Surf Equ Trkg/Inst/Lbr	540	\$25,000		\$25,000
Tubing 14,200 ft @ \$ 7.00 /ft. 2-7/8", 8.5#, J-55, EUE	550	\$107,000		\$107,000
Wellhead Equipment 13-5/8" SOW x 13 3/8" 3K x 11" 5K x 7-1/16" 10K x 2-9/16" 10K	560	\$12,000		\$12,000
Packers & Subsurface Equipment	570	\$10,000		\$10,000
Pumping Unit & Prime Mover	580	\$0		\$0
Sucker Rods & Pump	590	\$0		\$0
Production Facility	600	\$104,000		\$104,000
Flowline, Valves & Connections	610	\$25,000		\$25,000
<b>TOTAL TANGIBLES</b>		<b>\$535,000</b>		<b>\$904,000</b>
<b>TOTAL AFE</b>		<b>\$5,663,000</b>		<b>\$7,082,500</b>

### APPROVAL:

Operator:

CONTINENTAL RESOURCES, INC.

Operations: \_\_\_\_\_ Geology: \_\_\_\_\_ Land: \_\_\_\_\_

Date: \_\_\_\_\_

Non-Operator:

Company: \_\_\_\_\_

By: \_\_\_\_\_

Wt: \_\_\_\_\_ % Date: \_\_\_\_\_

This AFE is only an estimate of the costs to be incurred in conducting the referenced operation. In no event shall this AFE be construed as a representation or warrant as to the accuracy of such estimate, or construed in anyway to limit a participant's responsibility to pay its proportionate share of all costs and expenses incurred in connection with the referenced operations.

DEC 30 2014

