

Cost Estimate & Authority for Expenditure

Well Name: <b>Hill 18-6-1 1H</b>	Well Information	Location (SHA / BHL): <b>175 PSL 1875 PWS/185 PWS</b>	Sec 1 T3M-RW
Prospect Name: <b>Uplift Stack</b>		County/State: <b>Kingfisher</b>	<b>Oklahoma</b>
Operator: <b>Dorado E&amp;P Partners, LLC</b>		Field: _____	

Project Information

AFE Type: <b>New Horizontal Well</b>	AFE Number: <b>14-012-DC</b>
Target Formation: <b>Woodford</b>	AFE Prepared By: <b>Mike Crader</b>
Description: <b>This AFE is for the construction of a new Woodford horizontal well with a +/- 5000' lateral in Kingfisher County, OK. It includes drilling, completion and equipping the well.</b>	AFE Date: <b>10/22/2014</b>
Est. Depth (MD/TVD): <b>13,000' / 7400'</b>	Estimated Start Date: <b>1/30/2015</b>
	Estimated End Date: <b>3/6/2015</b>
	Estimated Days: <b>29</b>

Intangibles		830		840		Total
Code	Item	Description	Drilling	Completion		
.010	Legal, Land, & Regulatory		\$ 12,000		\$ 12,000	
.020	Staking and Surveying		\$ 2,000		\$ 2,000	
.025	Location, Roads, Pits		\$ 40,000	\$ 13,500	\$ 53,500	
.030	Damages		\$ 5,000		\$ 5,000	
.035	Mobilization/Demobilization		\$ 50,000		\$ 50,000	
.040	Daywork Contract	Dayrate \$37,500	\$ 402,500		\$ 402,500	
.045	Footage Contract				\$ -	
.050	Mouse, Rathole, Conductor pipe				\$ -	
.053	Geosteering				\$ -	
.055	Directional Service/MWD	Dayrate \$11,000	\$ 220,000		\$ 220,000	
.058	Camp, Office, Trash		\$ 51,750	\$ 9,750	\$ 61,500	
.060	Drill Bits & Motors		\$ 47,000		\$ 47,000	
.062	Equipment/Pipe Testing & Inspection		\$ 12,000	\$ 2,000	\$ 14,000	
.065	Fuel		\$ 57,500		\$ 57,500	
.070	Water and transfer thereof		\$ 30,000	\$ 175,000	\$ 205,000	
.073	Oil and lubricants		\$ 1,000		\$ 1,000	
.075	Drill Mud/Chemical/Salt		\$ 75,000	\$ 1,200	\$ 76,200	
.080	Mud Logging/Geological Services		\$ 27,200		\$ 27,200	
.085	Well Testing - DST/Well Inspection				\$ -	
.090	Coring				\$ -	
.095	Open Hole Logging				\$ -	
.100	Cement Service and Float Equipment		\$ 21,000	\$ 24,000	\$ 45,000	
.105	Trucking/Transportation		\$ 25,000	\$ 18,000	\$ 43,000	
.110	Casing Crew and Equipment		\$ 13,000	\$ 6,500	\$ 19,500	
.115	Welding		\$ 4,000	\$ 6,000	\$ 10,000	
.117	Pipeline Labor/Install			\$ 9,000	\$ 9,000	
.118	PitFluid/MudDisposal/Site Reclaim		\$ 56,000	\$ 18,000	\$ 74,000	
.120	Contract Labor/Roustabouts		\$ 1,500	\$ 56,000	\$ 57,500	
.125	Other Rental Equipment		\$ 5,000	\$ 10,000	\$ 15,000	
.127	Pason Rental		\$ 13,800		\$ 13,800	
.129	Rental Drill Pipe		\$ 10,000		\$ 10,000	
.130	Completion Rig			\$ 25,000	\$ 25,000	
.135	Coiled Tubing / Air Foam			\$ 175,000	\$ 175,000	
.140	Cased Hole Logs				\$ -	
.145	Perforating, Wireline Services			\$ 178,500	\$ 178,500	
.150	Sand Control				\$ -	
.155	Acidizing, Fracturing			\$ 1,175,000	\$ 1,175,000	
.157	Frac tanks/manifold			\$ 40,000	\$ 40,000	
.165	Completion Fluids			\$ 2,000	\$ 2,000	
.170	Other Services				\$ -	
.172	Flowback crews/services			\$ 35,000	\$ 35,000	
.175	1st Level Supervision		\$ 44,875	\$ 14,350	\$ 59,225	
.180	Drilling/Completion Overhead		\$ 19,637	\$ 3,750	\$ 23,387	
.185	Insurance		\$ 6,000		\$ 6,000	
.195	P&A Costs				\$ -	
.205	Miscellaneous Intangibles				\$ -	
.199	Taxes	1.07%	\$ 13,405	\$ 21,374	\$ 34,778	
.200	Contingency				\$ -	
Intangibles Subtotal:			\$ 1,266,167	\$ 2,018,924	\$ 3,285,090	

Tangibles			850	860	
Code	Item	Description	Drilling	Completion	Total
.010	Conductor			\$	-
.015	Surface Casing		\$ 5,500	\$	5,500
.020	Intermediate Casing			\$	-
.025	Drilling Liner			\$	-
.030	Wellhead Equipment		\$ 12,000	\$ 7,000	19,000
.040	Liner Materials/Hanger/PBR/PKRS			\$ 66,400	66,400
.130	Production Casing	7800' of 7" P-110	\$ 170,430	\$	170,430
.135	Production Liner	5000' 4-1/2" P-110		\$ 48,750	48,750
.140	Tubing	7700' of 2-7/8"		\$ 48,125	48,125
.155	Nipple/Valves/Fittings/Flowline		\$ 5,000	\$ 30,000	35,000
.160	Subsurface Equipment	Gas lift and ESP		\$ 185,000	185,000
.165	Surface Equipment			\$ 12,000	12,000
.180	Compressor			\$	-
.185	Pumping Unit/Base/Motor/Controls				-
.186	Rods			\$	-
.190	Power - Electrical			\$	-
.195	Flowlines			\$ 21,000	21,000
.210	Treater			\$ 21,000	21,000
.220	Oil/Gas Separator			\$ 5,000	5,000
.235	Scada & Safety equipment			\$ 20,000	20,000
.250	Pipeline and Metering			\$ 21,000	21,000
.300	Tank Battery and FWKO			\$ 56,500	56,500
.205	Miscellaneous Tangibles			\$	-
.199	Taxes	taxes 6.0%	\$ 11,576	\$ 32,507	44,082
.200	Contingency			\$	-
Tangibles Subtotal:			\$ 204,506	\$ 574,282	778,787

Grand Total \$ 1,470,672 | \$ 2,593,205 \$ 4,063,878

EXECUTED THIS 22 DAY OF OCTOBER 2014

OPERATED BY: **Dorado E&P Partners, LLC**

TITLE: **VICED PRESIDENT - LAND**

SIGNED: \_\_\_\_\_

NAME: **MELVIN R STAHL JR**

THE AMOUNTS SET FORTH ARE THE OPERATOR'S BEST ESTIMATES BASED ON CURRENT MARKET CONDITIONS. BILLING & PAYMENT SHALL BE FOR COSTS ACTUALLY INCURRED.

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_

COMPANY: \_\_\_\_\_

TITLE: \_\_\_\_\_

SIGNED: \_\_\_\_\_

NAME: \_\_\_\_\_

CD14-3055

