

WELL: KREMEIER 1H-18X 18-19 14N 6W		NEWFIELD				
PLAY TYPE: AFE Drill Days = 46						
PROJECT DESCRIPTION & OBJECTIVE: 9900' LOL		AFE #:				
5 Day Move, 41 Days Spud to RR		PROPOSED TD: 8,328 TVD /		18,407 MD		
		DATE: 1/22/2013				
		AFE TYPE: Drill and Complete				
		Original				
DETAIL OF ESTIMATED EXPENDITURES		COST CODE	DRILLING	COMPLETION	FACILITIES	TOTAL
INTANGIBLES						
Base / Field Office Operations (housing, utilities, trash etc.)	101	\$77,497				\$77,497
Cased Hole Electric Wireline	102	\$0	\$275,000			\$275,000
Services - Casing Crews and Running Tools	103	\$88,000	\$0			\$88,000
Services Cementing	105	\$142,000	\$0			\$142,000
Coil Tubing Unit	108					\$0
Communications	109	\$12,459				\$12,459
Consultants	110	\$0	\$14,000			\$14,000
Core / Fluid Analysis	111	\$0				\$0
Engineering - Process	115					\$0
Engineering - Structural	116					\$0
Directional Drilling Operations	113	\$403,020				\$403,020
Environmental & Safety Services	117	\$38,798				\$38,798
Fishing Services	119	\$0				\$0
Fluids Disposal (includes transportation)	120	\$27,599	\$0			\$27,599
Services Formation Evaluation	121	\$80,000				\$80,000
Formation Stimulation - Fracturing	122		\$3,467,000			\$3,467,000
Formation Stimulation - Other	123		\$143,000			\$143,000
Inspection - Bottom Hole Assembly	129	\$20,500				\$20,500
Inspection - Casing	130	\$17,000				\$17,000
Inspection - Drill Pipe	131	\$19,500				\$19,500
Inspection - Tubing	133	\$0				\$0
Installation / Removal - Pipeline	135					\$0
Labor - Company Supervision	139	\$174,792	\$101,500			\$276,292
Company Labor	140					\$0
Labor - Contract Employees	141	\$0		\$55,000		\$55,000
Location Preparation	143	\$145,000	\$34,000			\$179,000
Location Remediation & Maintenance	144	\$150,597	\$50,000			\$200,597
Services Miscellaneous	146	\$111,996	\$75,000			\$186,996
Mud Logging Services	147	\$35,249				\$35,249
Project Management	149					\$0
Drilling & Completion Rig Costs (\$25,495 / day)	150	\$1,172,719	\$375,000			\$1,547,719
Drilling Well Turnkey Costs	152	\$0				\$0
Rig Mobilization & De-Mobilization	153	\$227,475				\$227,475
Security Services	154	\$0				\$0
Slickline Services	155	\$0				\$0
Survey - Location	156	\$3,000				\$3,000
Survey - Well (not associated with directional drilling)	157	\$4,600				\$4,600
Testing - Well Control Equipment	160	\$27,000				\$27,000
Transportation - Land	162	\$47,599	\$35,000			\$82,599
Tubular Conveyed Perforating & Drill Stem Testing Services	165	\$0				\$0
Services Welding	166	\$10,000	\$3,700			\$13,700
Drill Bits	301	\$205,000	\$2,000			\$207,000
Blow-Out Preventor	302	\$36,798				\$36,798
Completion Fluids	304		\$220,000			\$220,000
Compressors	305					\$0
Cranes	307					\$0
Dehydration Unit	309					\$0
Drill String	310	\$79,750				\$79,750
Electrical Repairs	311					\$0
Fuel	313	\$282,109	\$2,000			\$284,109
Gas Measurement	317					\$0
Generators	318					\$0
Rent Lost in Hole	325	\$0				\$0
Rent Miscellaneous Surface Equipment	328	\$48,198	\$200,000			\$248,198
Mud - Drilling	329	\$541,896				\$541,896
Mud Monitoring & Processing Equipment	330	\$77,997				\$77,997
Stabilizer, Under-Reamer, Hole-Opener	341	\$34,399				\$34,399
Tools & Supplies	346					\$0
Vapor Recovery System	349					\$0
Drilling Water	350	\$12,649	\$9,000			\$21,649
Water Handling Equipment	351					\$0
Drilling Insurance	501	\$10,000				\$10,000
Legal Fees	503	\$15,000	\$0			\$15,000
Regulatory Compliance	511	\$1,500				\$1,500
Overhead	965	\$22,999	\$3,000			\$25,999
Subtotal - Intangibles		\$4,404,697	\$5,009,200	\$55,000		\$9,468,897
TANGIBLES						
Oil Measurement Equipment	332			\$18,200		\$18,200
Line Pipe & Battery Fittings	335			\$60,000		\$60,000
Pumps	336					\$0
Separators	340			\$14,000		\$14,000
Stock Tanks	345			\$40,000		\$40,000
Treaters	347			\$33,000		\$33,000
Artificial Lift	601			\$25,000		\$25,000
Casing Accessories	602	\$43,503				\$43,503
Miscellaneous Tangible Equipment	603					\$0
Packers / Anchors / Liner Hangers	604	\$0		\$0		\$0
Water Casing (Conductor Casing)	607	\$72,000				\$72,000
Pipe Surface Casing	608	\$0				\$0
Pipe Intermediate Casing (\$46 / ft)	609	\$345,000				\$345,000
Production Casing/Liner (\$30 / ft)	610	\$554,760		\$0		\$554,760
Pipe Casing Liner	611	\$0				\$0
Tubing	613			\$56,600		\$56,600
Rods	614			\$0		\$0
Tubing Accessories	616			\$7,500		\$7,500
Wellhead	617	\$30,040				\$30,040
Subtotal - Tangibles		\$1,045,303	\$0	\$254,300		\$1,299,603
AFE TOTAL		\$5,450,000.00	\$5,009,200	\$309,300		\$10,768,500
Scope By Tip Brian Date Modified 8/28/2012		Prepared By Brian Tolle Date Modified 9/5/2012		Prepared By Lee Rieger Date Modified 9/5/2012		Prepared By Dan Hensley Date Modified 9/11/2012

This AFE is only an estimate. By returning one signed copy the undersigned hereby agrees to pay its share of all the actual costs incurred in this operation.

NAME: _____
PRINTED NAME: _____
TITLE: _____

COMPANY: _____
DATE: _____

JAN 22 2013

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