


Klade 1H-3X					
PLAY TYPE:	AFE Drill Days = 48				
PROJECT DESCRIPTION & OBJECTIVE:					
AFE #: PROPOSED TD: 9,122 TVD / 21,416 MD PREPARED BY / DATE: BDT 10/7/2012 AFE TYPE: Drill and Complete Original					
DETAIL OF ESTIMATED EXPENDITURES		COST CODE	DRILLING	COMPLETION	TOTAL
INTANGIBLES			880	881	
Base / Field Office Operations (housing, utilities, trash etc.)		101	\$80,500	\$0	\$80,500
Cased Hole Electric Wireline		102	\$0	\$190,000	\$190,000
Services - Casing Crews and Running Tools		103	\$118,000	\$0	\$118,000
Services Cementing/Coil Tubing Unit		105/108	\$172,000	\$0	\$172,000
Communications		109	\$6,260	\$0	\$6,260
Consultants		110	\$0	\$0	\$0
Core / Fluid Analysis		111	\$0	\$0	\$0
Directional Drilling Operations		113	\$435,998		\$435,998
Environmental & Safety Services		117	\$2,000	\$0	\$2,000
Fishing Services		119	\$0	\$0	\$0
Fluids Disposal (includes transportation)		120	\$28,800	\$0	\$28,800
Services Formation Evaluation		121	\$100,000		\$100,000
Formation Stimulation - Fracturing		122		\$3,617,000	\$3,617,000
Formation Stimulation - Other		123		\$5,000	\$5,000
Inspection - Bottom Hole Assembly		129	\$20,500		\$20,500
Inspection - Casing		130	\$2,500	\$0	\$2,500
Inspection - Drill Pipe		131	\$19,500		\$19,500
Inspection - Tubing		133	\$0	\$0	\$0
Labor - Company Supervision		139	\$153,600	\$84,400	\$238,000
Labor - Contract Employees		141	\$0	\$21,100	\$21,100
Location Preparation		143	\$135,000	\$0	\$135,000
Location Remediation & Maintenance		144	\$156,402	\$125,000	\$281,402
Services Miscellaneous		146	\$116,000	\$75,000	\$191,000
Mud Logging Services		147	\$51,968		\$51,968
Drilling & Completion Rig Costs (\$25,000 / day)		150	\$1,275,000	\$325,000	\$1,600,000
Drilling Well Turnkey Costs		152	\$0		\$0
Rig Mobilization & De-Mobilization		153	\$150,000	\$0	\$150,000
Security Services		154	\$0	\$0	\$0
Slickline Services		155	\$0	\$0	\$0
Survey - Location		156	\$3,000		\$3,000
Survey - Well (not associated with directional drilling)		157	\$2,500	\$0	\$2,500
Testing - Well Control Equipment		160	\$44,000	\$0	\$44,000
Transportation - Land		162	\$48,800	\$0	\$48,800
Tubular Conveyed Perforating & Drill Stem Testing Services		165	\$0	\$0	\$0
Services Welding		166	\$10,000	\$0	\$10,000
Drill Bits		301	\$235,000	\$0	\$235,000
Blow-Out Preventor		302	\$50,900	\$0	\$50,900
Completion Fluids		304		\$60,000	\$60,000
Drill String		310	\$80,745	\$0	\$80,745
Fuel		313	\$312,000	\$0	\$312,000
Rent Lost in Hole		325	\$0	\$0	\$0
Rent Miscellaneous Surface Equipment		328	\$50,200	\$147,700	\$197,900
Mud - Drilling		329	\$391,391		\$391,391
Mud Monitoring & Processing Equipment		330	\$81,000		\$81,000
Stabilizer, Under-Reamer, Hole-Opener		341	\$33,260	\$0	\$33,260
Drilling Water		350	\$13,200	\$0	\$13,200
Drilling Insurance		501	\$0		\$0
Legal Fees		503	\$3,000	\$0	\$3,000
Regulatory Compliance		511	\$0		\$0
Overhead		965	\$24,000	\$12,000	\$36,000
Subtotal - Intangibles			\$4,407,024	\$4,662,200	\$9,069,224
TANGIBLES			880	881	
Oil Measurement Equipment		332		\$0	\$0
Line Pipe & Battery Fittings		335		\$38,500	\$38,500
Separators		340		\$161,000	\$161,000
Stock Tanks		345		\$45,000	\$45,000
Treaters		347		\$0	\$0
Artificial Lift		601		\$0	\$0
Casing Accessories		602	\$40,000	\$0	\$40,000
Packers / Anchors / Liner Hangers		604	\$0	\$0	\$0
Water Casing (Conductor Casing)		607	\$0		\$0
Pipe Surface Casing (\$48 / ft)		608	\$72,000		\$72,000
Pipe Intermediate Casing (\$35 / ft)		609	\$280,000		\$280,000
Production Casing/Liner (\$36 / ft)		610	\$770,976	\$0	\$770,976
Pipe Casing Liner		611	\$0		\$0
Tubing		613		\$63,525	\$63,525
Rods		614		\$0	\$0
Tubing Accessories		616		\$7,500	\$7,500
Wellhead		617	\$30,000	\$14,000	\$44,000
Subtotal - Tangibles			\$1,192,976	\$329,525	\$1,522,501
AFE TOTAL			\$5,600,000	\$4,991,725	\$10,591,725

This AFE is only an estimate. By returning one signed copy the undersigned hereby agrees to pay it share of the all

PREPARED BY: Brian Tolle

NAME: _____
 PRINTED NAME: _____
 TITLE: _____

COMPANY: _____
 DATE: _____

11/13/12
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 KMT
 CD 12-6918T