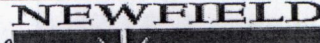


Well Name Stangl 1H-12X		AFE Drill Days = 20		 <p>AFE # <u>9340 TPD</u> / <u>19,460 MD</u></p> <p>PROPOSED TO <u>8,610' 18,610'</u></p> <p>AFE TYPE: Drill and Complete</p> <p>Original</p>		
STACK						
PROJECT DESCRIPTION & OBJECTIVE:						
Drill and Complete 10,000' LOL						
DETAIL OF ESTIMATED EXPENDITURES		COST CODE	DRILLING	COMPLETION	COMPLETION	TOTAL
INTANGIBLES			880	881	883	
Base / Field Office Operations (housing, utilities, trash etc.)	101	\$42,000	\$0	\$0	\$42,000	
Cased Hole Electric Wireline	102	\$0	\$292,500	\$0	\$292,500	
Services - Casing Crews and Running Tools	103	\$35,000	\$0	\$0	\$35,000	
Services Cementing/Coil Tubing Unit	105	\$125,000	\$0	\$0	\$125,000	
Communications	109	\$6,750	\$0	\$0	\$6,750	
Consultants	110	\$90,000	\$100,000	\$3,000	\$193,000	
Core / Fluid Analysis	111	\$0	\$0	\$0	\$0	
Directional Drilling Operations	113	\$300,000	\$0	\$0	\$300,000	
Environmental & Safety Services	117	\$2,010	\$0	\$0	\$2,010	
Fishing Services	119	\$0	\$0	\$0	\$0	
Fluids Disposal (includes transportation)	120	\$110,010	\$0	\$0	\$110,010	
Services Formation Evaluation	121	\$0	\$0	\$0	\$0	
Formation Stimulation - Fracturing	122	\$2,900,000	\$0	\$0	\$2,900,000	
Formation Stimulation - Other	123	\$400,000	\$0	\$0	\$400,000	
Inspection - Bottom Hole Assembly	129	\$5,000	\$0	\$0	\$5,000	
Inspection - Casing	130	\$0	\$0	\$0	\$0	
Inspection - Drill Pipe	131	\$25,000	\$0	\$0	\$25,000	
Inspection - Tubing	133	\$0	\$0	\$0	\$0	
Installation / Removal - Pipeline	135	\$0	\$50,000	\$0	\$50,000	
Labor - Company Supervision	139	\$0	\$100,000	\$0	\$100,000	
Company Labor	140	\$0	\$2,000	\$0	\$2,000	
Labor - Contract Employees	141	\$0	\$52,750	\$0	\$52,750	
Location Preparation	143	\$190,000	\$50,000	\$0	\$240,000	
Location Remediation & Maintenance	144	\$160,000	\$25,000	\$0	\$185,000	
Services Miscellaneous	146	\$0	\$200,000	\$0	\$200,000	
Mud Logging Services	147	\$22,500	\$0	\$0	\$22,500	
Drilling & Completion Rig Costs (\$23,325 / day)	150	\$583,124	\$275,000	\$14,000	\$872,124	
Drilling Well Turnkey Costs	152	\$0	\$0	\$0	\$0	
Rig Mobilization & De-Mobilization	153	\$165,000	\$0	\$0	\$165,000	
Security Services	154	\$0	\$0	\$0	\$0	
Slickline Services	155	\$0	\$0	\$0	\$0	
Survey - Location	156	\$1,500	\$0	\$0	\$1,500	
Survey - Well (not associated with directional drilling)	157	\$0	\$0	\$0	\$0	
Testing - Well Control Equipment	160	\$20,000	\$0	\$0	\$20,000	
Transportation - Land	162	\$9,900	\$0	\$13,000	\$22,900	
Tubular Conveyed Perforating & Drill Stem Testing Services	165	\$0	\$0	\$0	\$0	
Services Welding	166	\$3,500	\$0	\$0	\$3,500	
Drill Bits	301	\$120,000	\$175,000	\$0	\$295,000	
Blow-Out Preventor	302	\$30,000	\$0	\$0	\$30,000	
Completion Fluids	304	\$43,750	\$0	\$0	\$43,750	
Cranes	307	\$0	\$10,000	\$0	\$10,000	
Drill String	310	\$0	\$0	\$0	\$0	
Fuel	313	\$88,482	\$10,000	\$0	\$98,482	
Gas Measurement	317	\$0	\$13,200	\$0	\$13,200	
Rent Lost in Hole	325	\$0	\$0	\$0	\$0	
Rent Miscellaneous Surface Equipment	328	\$10,750	\$300,000	\$72,000	\$382,750	
Mud - Drilling	329	\$342,984	\$0	\$0	\$342,984	
Mud Monitoring & Processing Equipment	330	\$57,000	\$0	\$0	\$57,000	
Stabilizer, Under-Reamer, Hole-Opener	341	\$12,000	\$0	\$0	\$12,000	
Vapor Recovery System	349	\$0	\$20,000	\$0	\$20,000	
Drilling Water	350	\$18,000	\$0	\$0	\$18,000	
Water Handling Equipment	351	\$0	\$16,000	\$0	\$16,000	
Drilling Insurance	501	\$0	\$0	\$0	\$0	
Legal Fees	503	\$0	\$0	\$0	\$0	
Regulatory Compliance	511	\$0	\$0	\$0	\$0	
Overhead	965	\$10,500	\$0	\$0	\$10,500	
Subtotal - Intangibles		\$2,586,009	\$4,924,000	\$213,200	\$7,723,209	
TANGIBLES			880	881	883	
Oil Measurement Equipment	332	\$0	\$0	\$0	\$0	
Line Pipe & Battery Fittings	335	\$0	\$0	\$0	\$0	
Separators	340	\$34,000	\$0	\$0	\$34,000	
Stock Tanks	345	\$58,000	\$0	\$0	\$58,000	
Treaters	347	\$0	\$0	\$0	\$0	
Artificial Lift	601	\$25,000	\$0	\$0	\$25,000	
Casing Accessories	602	\$26,000	\$0	\$0	\$26,000	
Packers / Anchors / Liner Hangers	604	\$0	\$0	\$0	\$0	
Water Casing (Conductor Casing)	607	\$10,000	\$0	\$0	\$10,000	
Pipe Surface Casing (\$28 / ft)	608	\$42,000	\$0	\$0	\$42,000	
Pipe Intermediate Casing	609	\$0	\$0	\$0	\$0	
Production Casing/Liner (\$25 / ft)	610	\$486,512	\$0	\$0	\$486,512	
Pipe Casing Liner	611	\$0	\$0	\$0	\$0	
Tubing	613	\$68,000	\$0	\$0	\$68,000	
Rods	614	\$0	\$0	\$0	\$0	
Tubing Accessories	616	\$7,500	\$0	\$0	\$7,500	
Wellhead	617	\$22,000	\$0	\$0	\$22,000	
Subtotal - Tangibles		\$586,512	\$0	\$192,500	\$779,012	
AFE TOTAL		\$3,172,521	\$4,924,000	\$405,700	\$8,502,221	



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

PREPARED BY: M Patten

1/23/2015

NAME: _____
 PRINTED NAME: _____
 TITLE: _____

COMPANY: _____
 DATE: _____

CD 20140768-T