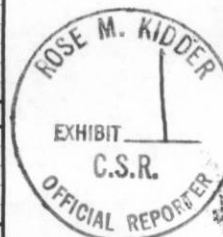




Cost Estimate - Drilling & Completion									
Operator: Gastar Exploration USA, Inc.					Prepared By: RDJ		Tax Rate		
Well Name: Townsend 6-1H					Field: Sooner Trend		Depth: 12,750 '		
Legal: T16N-R05W, Section 06					Parish/County: Kingfisher		Days: 30		
Contractor: TBD					State: OK		Spud Date: TBD		
Well Program-Drill and Complete Horizontal Hunton									
Casing	Hole Size	Casing Size Weight, & Grade			Depth	Drilling Fluid	Formation Evaluation		
Conductor	20	16			30 '	N/A			
Surface	12 1/4	9 5/8" 36# J55			500 '	FW			
Intermediate	8 3/4	7" 26# J55			7,600 '	FW Gel w/ABO	CBL, Triple Combo		
Production	6 1/8	4 1/2" 11.6# P110			12,700 '	FW w/Gel	CBL, Triple Combo, FMI		
Costs						8300		8500	
Code	Item	Item Cost per Unit	Drilling Days/Units	Drilling Cost	Completion Days/No.	Completion Cost	Total	Cost	
Capitalized Intangible Drilling & Completion Costs									
100	Site Preparation & Maintenance			124,000		35,000	159,000		
	Permits & Surveys			5,000			5,000		
	Location, Roads, Pits			60,000		5,000	65,000		
	Water/Water Well/Plugging			30,000		5,000	35,000		
	Conductor/Mousehole Installation			9,000			9,000		
	Site Restoration & Land Use			10,000		5,000	15,000		
	Wellsite Security								
	Roustabouts & Labor			10,000		20,000	30,000		
110	Title Opinion			5,000		2,500	7,500		
120	Drilling/Completion Rig			785,000		4,500	789,500		
	Mob/Demob			125,000			125,000		
	Rig Rental	22,000	30	660,000		4,500	664,500		
	Top Drive & Mousehole								
	Additional Crew/Oil Base pay								
130	Engineering & Supervision			88,000		14,000	102,000		
	Wellsite Supervision	1,400	30	42,000	10	14,000	56,000		
	Engineering & Geology			15,000			15,000		
	Rig Supervisor Camp			30,000			30,000		
	Communications			500			500		
	Field/Office Supplies			500			500		
140	Fuel	1,200	30	36,000		1,500	37,500		
150	Well Evaluation			72,500		80,000	152,500		
	Open Hole Logging			35,000		60,000	95,000		
	Cased Hole Logging			7,500		10,000	17,500		
	Mud Logging	1,500	20	30,000			30,000		
	Core Analysis								
	Drill Stem Testing								
	Fluid Analysis								
	Production Testing				10	10,000	10,000		
160	Casing Services			23,500		29,500	53,000		
	Casing Crews & Rental Tools			20,000		25,000	45,000		
	Roustabouts & Cleaning			3,500		4,500	8,000		
	Thread Specialist								
170	Cementing Services			35,000		40,000	75,000		
	Primary Cementing			35,000		40,000	75,000		
	Remedial Cementing								
	Loss Circulation								
	Squeeze Packers & Cementers								
	Kick-Off Plugs								
180	Drilling Tools			60,000		7,500	67,500		
	Drill Bits			60,000		7,500	67,500		
	Core Bits								
	Stabilizers/Reamers								
	Performance Motors/Turbines (ATK)								
	Drilling Jars								
	Shock Subs								
190	Drilling/Completion Fluids & Services			130,000		10,000	140,000		
	Fluids & Services			125,000		10,000	135,000		
	Shaker Screens			5,000			5,000		
200	Equipment Rentals			62,500		53,500	116,000		
	Shale Shaker								
	Mud Cleaner								
	Centrifuge								
	Transfer Pumps					10,000	10,000		
	Steam Cleaners								
	Wear Bushing								
	Rentals - Surface			60,000			60,000		
	Rentals - Subsurface								
	PVT/Flo-Show								
	BOP Rental								
	Forklift			2,500		3,500	6,000		
	Hydraulic Choke								
	Tankage (Frac Tanks)					40,000	40,000		
210	Drill String			25,000			25,000		
	Drill Pipe			20,000			20,000		
	Drill Collars								
	Drill Pipe Protectors								
	Inspections & Repair			5,000			5,000		
	Corrosion Control								
220	Environmental			45,000		20,000	65,000		

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Operator: Gastar Exploration USA, Inc.			Prepared By: RDJ		Tax Rate	
Well Name: Townsend 6-1H			Field: Sooner Trend		Depth: 12,750'	
Legal: T16N-R05W, Section 06			Parish/County: Kingfisher		Days: 30	
Contractor: TBD			State: OK		Spud Date: TBD	
	Solid Waste Disposal		5,000		5,000	
	Brine & Water Disposal		5,000	15,000	20,000	
	Cuttings Haul-off & Disposal		10,000	5,000	15,000	
	Closed Loop Services		25,000		25,000	
	Reserve & Flare Pit Closure					
	Spill Cleanup					
230	Miscellaneous		20,000	10,000	30,000	
240	Specialty Tools & Services		260,000	10,500	270,500	
	Directional & MWD Services		260,000		260,000	
	Well Surveying (SS, EMS, Gyro)					
	Fishing Tools and Services					
	Sidetrack: Whipstock, Mills, Service					
	Coring Services					
	Safety (H2S)					
	Control Of Well					
	BOP NU & Testing Services			6,000	6,000	
	Wellhead Technician			4,500	4,500	
250	Trucking & Transportation		10,000	7,500	17,500	
260	Welding		7,500	3,000	10,500	
270	Production Services			2,080,000	2,080,000	
	Stimulation			1,600,000	1,600,000	
	Perforating			100,000	100,000	
	Wireline Services			25,000	25,000	
	Stimulation Water/ Transfer			80,000	80,000	
	Coil Tubing & Nitrogen Services			200,000	200,000	
	Misc. Rental Equipment			50,000	50,000	
	Pressure Testing Services					
	Facilities Construction			25,000	25,000	
300	Contract Labor		10,000	20,000	30,000	
310	Plug and Abandonment					
400	OEE Insurance		5,000		5,000	
500	Overhead Allocation		15,000	10,000	25,000	
Total Intangible Cost			\$1,819,000	\$2,439,000	\$4,258,000	
Tangible Drilling & Completion Costs			8400	8600		
100	Casing		162,800	151,200	314,000	
	Conductor Casing		15,000		15,000	
	Surface Casing	22	500	11,000	11,000	
	Protection Casing	18	7600	136,800	136,800	
	Protection Casing					
	Drilling Liner & Tieback					
	Production Liner/Casing	12	12600		151,200	151,200
110	Production Tubing			32,200	32,200	
	Tubing	4	7800	31,200	31,200	
	Pups and cross-overs			1,000	1,000	
120	Subsurface Equipment		4,500	63,000	67,500	
	Liner Hanger & Packer					
	Production Packer, Anchor, Seals			8,000	8,000	
	Cementing Equipment		4,500	15,000	19,500	
	Gas Lift Mandrels & Valves			20,000	20,000	
	Pumps					
	Bridge Plugs			20,000	20,000	
130	Wellhead Equipment		15,000	10,000	25,000	
140	Production Equipment			78,000	78,000	
	Stock Tanks 400 BBL	10,500	2	21,000	21,000	
	Water Tank 400 BBL	9,000	1	9,000	9,000	
	Sand Separator			6,000	6,000	
	Gas Meters	4,500	3	13,500	13,500	
	Separator - 2 Phase 36"x 10'	8,500	1	8,500	8,500	
	Heater Treater 6"x 20"	20,000	1	20,000	20,000	
150	Miscellaneous Equipment			45,000	45,000	
	Surface Lines/Gathering System			20,000	20,000	
	Line Pipe/Fittings			25,000	25,000	
	Sucker Rods					
Total Tangible Cost			\$182,300	\$379,400	\$561,700	
Total Cost			\$2,001,300	\$2,818,400	\$4,819,700	
Contingencies			5%	\$100,065	\$140,920.00	\$240,985
AFE Cost				\$2,101,365	\$2,959,320	\$5,060,685
W.I. Share			100.00%	\$2,101,365	\$2,959,320	\$5,060,685

Approved By:

Company:

Title:

Signed this

13 day of September 13.