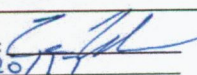


SCOPING		Council Oak Resources, LLC		RIG TYPE - LAND	
		AUTHORIZATION FOR EXPENDITURE		WBM TO CSG PT, OBM IN LAT	
		DRILLING		Date <u>2/20/17</u> <u>04/06/17</u>	
Lease.....	Barnes 1-5H	AFE NO			
Location.....	SURFACE.....	330' FNL 300' FEL Sec 8 T17N R12W			
	BOTTOM HOLE.....	50' FNL 330' FEL Sec 5 T17N R12W			
Section.....	8	Township.....	17N	Range.....	12W
Field.....	0	Prospect Name.....	Wildcat		
Type of Well..	OIL/GAS	Estimated Depth.....	10,325' TVD		Horizontal Length..... 5,000'
District Manager.....	Address		Target..... Meramec		
Cost Estimated By					
TANGIBLE EQUIPMENT					
EQUIPMENT/ QUANTITY		DESCRIPTION	SUB	EXPENDITURES	
DRY HOLE	PRODUCER		ACCT	DRY HOLE	COMPLETED
		Casing	Cost/Ft		TOTAL
			259		
80		16" CONDUCTOR		4,000	4,000
1,000		13-3/8" J55		28,700	28,700
8,700		9 5/8" 40# P110		191,400	191,400
15,725		5-1/2" P110		214,200	214,200
				0	0
				0	0
				0	0
		Tubing	259		
	8,500	2 7/8"		65,200	65,200
	8,500	Sucker Rods		37,600	37,600
		Other Equipment	259		
		LINER HANGER		0	0
		LUFKIN 912 WITH PAD AND MOTOR		0	120,000
		WELLHEAD, CSG HANGER, TBG HANGER	259	10,000	35,000
		PACKER, ANCHOR CATCHER, ROD PUMP		20,000	20,000
		FACILITIES		200,000	200,000
		PIPELINE		0	0
TOTAL EQUIPMENT				\$448,300	\$477,800
					\$926,100
INTANGIBLES					
Drilling Contract, Footage		001			
Drilling Contract, Day Work w/Topdrive		002			
Days @ + taxes					
35	2 Days @ \$16,000 + taxes	002	560,000	32,000	592,000
Drilling Contract, Day Work		003	0	75,000	75,000
Completion / P&A Contract-Day Work		004	0	0	0
Drill Pipe and Tubing Rental		009	15,000	0	15,000
Drive Conductor		010	35,000	15,000	50,000
Labor		014	24,500	9,500	34,000
Transportation		019	134,000	0	134,000
Drilling Contract - Rig MI, RU, & RD		020	175,000	15,100	190,100
Fuel \$2.00 P/GAL		022	37,000	11,400	48,400
Water		031	100,000	50,000	150,000
Bits and Mills		032	280,000	30,000	310,000
Drilling and Completion Fluids + Disposal		034	3,000	0	3,000
Welding and Repairs		037	20,000	10,000	30,000
Tubular and Wellhead Inspection and Testing		039	394,500	31,000	425,500
Rental Equipment		040	38,900	0	38,900
Mud Logging		047	46,000	0	46,000
Insurance		049	110,000	50,000	160,000
Road and Location Costs, Permitting		058	7,200	2,200	9,400
Communication		060	98,000	19,600	117,600
Geological, Engineering, and Drilling Foreman (Well Site)		063	0	0	0
Miscellaneous		065	14,000	2,800	16,800
Supervision, District, Camp and Warehouse		070	0	30,000	30,000
Electrical Logging, Sidewall Coring, and Directional Surveys & VSP		071	0	0	0
Coreheads, Conventional Coring, and Core Analysis		072	0	45,000	45,000
Production Test		074	15,000	50,000	65,000
Cement and Cementing Services		077	0	1,980,000	1,980,000
Stimulation and Sand Control		078	0	100,000	100,000
Perforating					
Contingency 10 %			210,800	255,900	466,700
TOTAL INTANGIBLES				\$2,317,900	\$2,814,500
TOTAL WELL COSTS				\$2,766,200	\$3,292,300
(LESS CONTRIBUTIONS)				\$0	\$0
NET WELL COSTS				\$2,766,200	\$3,292,300
APPROVED BY: 					
DATE: <u>2/20/17</u>					
NON-OPERATOR					
Approval of this AFE constitutes NON-OPERATOR'S approval of and commitment to pay all costs incurred in connection with the performance of the operations proposed herein and agreement to bear all risks and liabilities associated with such operations as to NON-OPERATOR'S interest as specified herein and as required by any applicable operating agreement. It is specifically recognized that the costs indicated in this AFE are estimates only and the actual costs may vary from the estimate.					
This AFE includes Operator's Extra Expense (Blowout) Insurance which provides coverage during drilling and completion operations. If you do not desire to have Operator provide the coverage for you, please indicate so in the space below and enclose a copy of your Insurance Certificate outlining your coverage. NO RESPONSE shall result in a conclusive presumption of acceptance.					
GEN. FORM 360 - REVISED 1/91					

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2-21-17