


WELL: KREMEIER 1H-18X 18-19 14N 6W					
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
<b>INTANGIBLES</b>					
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
Stickline 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
<b>Subtotal - Intangibles</b>		<b>\$4,404,697</b>	<b>\$5,009,200</b>	<b>\$55,000</b>	<b>\$9,468,897</b>
<b>TANGIBLES</b>					
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
<b>Subtotal - Tangibles</b>		<b>\$1,045,303</b>	<b>\$0</b>	<b>\$254,300</b>	<b>\$1,299,603</b>
<b>AFE TOTAL</b>		<b>\$5,450,000.00</b>	<b>\$5,009,200</b>	<b>\$309,300</b>	<b>\$10,768,500</b>
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 23 2013

