



**CITIZEN ENERGY
DRILLING & COMPLETION AFE
AUTHORIZATION FOR EXPENDITURE**

Well Name:	TBD 22/27-11N-7W	Date:	2/10/2017
AFE #:	OK2016-091	API #:	0
Operator:	Citizen Energy II, LLC	Property #:	-
Surface Location:	0	Prospect Name:	0
Bottom Hole Location:	0	Field:	0
County/State:	Canadian / Oklahoma	Citizen WI:	0.0000%

Description: Drill and complete a 2 mile ~~Woodford~~ horizontal well at a TVD of 11,100 and a MD of 21,110

miss

Code	Intangible Description	Drilling	Completion	Total
1	Surface Damages	\$30,000	\$0	\$30,000
2	Roads & Site Preparation, Restoration, Staking, Surveying	\$100,000	\$2,000	\$102,000
3	Rat Hole, Mouse Hole, Conductor & Other Misc. Preparation	\$10,400	\$1,500	\$11,900
4	Mobilization & Demobilization	\$70,000	\$0	\$70,000
5	Drilling Day Rate	\$345,000	\$0	\$345,000
6	Drilling Turnkey or Footage	\$25,000	\$0	\$25,000
7	Water (Not Frac Water)	\$5,000	\$10,000	\$15,000
8	Fuel & Power	\$60,000	\$0	\$60,000
9	Mud & Additives	\$110,000	\$12,000	\$122,000
10	Bits, Reamers, Stabilizers	\$80,000	\$0	\$80,000
11	Directional Drilling	\$200,000	\$0	\$200,000
12	Downhole Rental Equipment	\$25,000	\$25,000	\$50,000
13	Open Hole Logging	\$0	\$0	\$0
14	Cementing Services and Float Equipment	\$55,000	\$0	\$55,000
15	Inspection Services	\$7,000	\$0	\$7,000
16	Transportation, Trucking	\$20,000	\$0	\$20,000
17	Company Supervision & Expenses	\$5,000	\$0	\$5,000
18	Casing Crews and Equipment	\$15,000	\$0	\$15,000
19	Supplies and Misc Expenses	\$1,000	\$0	\$1,000
20	Well Control Insurance	\$5,000	\$0	\$5,000
21	Overhead	\$0	\$0	\$0
22	P&A or TA Cost	\$0	\$0	\$0
23	Completion Rig	\$0	\$30,000	\$30,000
24	Surface Rental Equipment	\$30,000	\$111,269	\$141,269
25	Completion Logging, Perforating and Wireline	\$0	\$6,000	\$6,000
26	Fracturing, Acidizing & Associated Additives	\$0	\$2,787,475	\$2,787,475
27	Stimulation Water, Water Transfer & Water Storage	\$0	\$129,250	\$129,250
28	Contingency	\$100,000	\$0	\$100,000
29	Legal, Regulatory, Curative	\$15,000	\$0	\$15,000
31	Contract Labor	\$20,000	\$45,000	\$65,000
32	Contract Supervision	\$85,000	\$42,000	\$127,000
33	Trailer House, Camp, Pason, Internet	\$30,000	\$10,000	\$40,000
34	Composite Plugs	\$0	\$0	\$0
35	Mud / Fluid Disposal & Soil Farming	\$50,000	\$130,500	\$180,500
36	Fishing & Sidetrack Operations	\$0	\$0	\$0
37	Formation Evaluation (DST, Coring and Evaluation)	\$0	\$0	\$0
38	Welding	\$1,500	\$0	\$1,500
39	Cased Hole Logs	\$0	\$0	\$0
40	Coil Tubing & Snubbing Equipment	\$0	\$9,000	\$9,000
41	Mud Logging	\$12,000	\$0	\$12,000
Total Intangibles		\$1,511,900	\$3,350,994	\$4,862,894

Code	Tangible Description	Drilling	Completion	Total
1	Surface Casing	\$12,500	\$0	\$12,500
2	Intermediate Casing	\$0	\$0	\$0
3	Liner	\$0	\$0	\$0
4	Production Casing	\$250,000	\$0	\$250,000
5	Tubing	\$0	\$26,250	\$26,250
6	Line Pipe, Valves, Fittings, Flowlines, Etc	\$0	\$35,000	\$35,000
7	Equipment Installation Cost	\$0	\$20,000	\$20,000
8	Wellhead Equipment	\$14,000	\$10,000	\$24,000
9	Conductor Casing	\$0	\$0	\$0
10	Liner Hanger, Packer, Anchor, Nipples, Downhole Tools	\$0	\$6,500	\$6,500
11	Downhole Artificial Lift Equip. (Rods, ESP, GLVs, PC Pump, Plunger L	\$0	\$12,000	\$12,000
12	Surface Artificial Lift Equip (Pumping Unit, Compressor)	\$0	\$0	\$0
13	Miscellaneous & Contingency	\$0	\$0	\$0
14	Containment & Electrical	\$0	\$8,000	\$8,000
15	Pipeline and Metering	\$0	\$0	\$0
16	Tanks & Accessories	\$0	\$40,000	\$40,000
17	Battery (Separator, Heater Treater, Gas Treating Equipment)	\$0	\$30,000	\$30,000
18	Automation	\$0	\$40,000	\$40,000
Total Tangibles		\$276,500	\$227,750	\$504,250
Total Estimated Cost		\$1,788,400	\$3,578,744	\$5,367,144

16-4408T



2/23/17



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County/State:	Canadian / Oklahoma	Citizen WI:	0.0000%

Cost Summary	Drilling	Completions	Total
Total Intangibles	\$1,511,900	\$3,350,994	\$4,862,894
Total Tangibles	\$276,500	\$227,750	\$504,250
Grand Total	\$1,788,400	\$3,578,744	\$5,367,144
Less Outside Interest	\$1,788,400	\$3,578,744	\$5,367,144
Total Net Costs	\$0	\$0	\$0

Prepared by: _____ Date: _____

Approved by: _____ Date: _____

Land Manager

Approved by: _____ Date: _____

Geology Manager

Approved by: _____ Date: _____

Operations Manager