

# CONTINENTAL RESOURCES, INC.

P.O. Box 268870 OKC, OK 73102  
(405) 234-9000

## AUTHORITY FOR EXPENDITURE



MAY 10 2016

AFE No.: **DL06048** Date: **05/09/16** Lease Name & No.: **Zella 1-4-9XH**  
Legal Description: **200' FNL & 2500' FEL of Section 4-16N-11W** County: **Blaine** State: **Oklahoma**  
**50' FSL & 2310' FEL of Section 9-16N-11W**  
Work Description: **Drill and complete Mississippian, 9833 ft lateral at 10110 ft TVD 5.5 in. cemented long string to 20215 ft; 36 stage frac**  
**Oil Based Mud system**

Exploration **XXX** Development: \_\_\_\_\_ Recompletion: \_\_\_\_\_ Supplemental: \_\_\_\_\_ T.D.: **20,215'**

| INTANGIBLES                            | Estimated Days | 44          | 5    |             |             |
|--|----------------|-------------|------|-------------|-------------|
|  | Code           | Dry Hole    | Code | Completion  | Total       |
| Legal expenses                         | 010            | \$33,000    | 010  | \$1,000     | \$34,000    |
| Damages                                | 020            | \$20,000    | 020  | \$1,000     | \$21,000    |
| Road & location construction           | 030            | \$133,000   | 030  | \$25,000    | \$158,000   |
| Rig Costs                              | 060            | \$1,360,000 | 060  | \$293,000   | \$1,653,000 |
| Water                                  | 070            | \$31,000    | 070  | \$108,000   | \$139,000   |
| Drilling mud & chemicals               | 090            | \$444,000   | 090  | \$99,360    | \$543,360   |
| Bits & BHA                             | 100            | \$238,000   | 100  | \$80,000    | \$318,000   |
| Surface rental tools & equipment       | 110            | \$114,000   | 110  | \$127,000   | \$241,000   |
| Drill pipe & work string rental        | 120            | \$13,000    | 120  | \$25,000    | \$38,000    |
| Cementing                              | 130            | \$45,000    | 130  | \$82,000    | \$127,000   |
| Flowback                               | 140            | \$0         | 140  | \$70,000    | \$70,000    |
| Roustabout Labor                       | 151            | \$30,000    | 151  | \$0         | \$30,000    |
| Roustabout Transportation              | 152            | \$20,000    | 152  | \$0         | \$20,000    |
| Downhole testing and analysis          | 160            | \$39,000    | 160  | \$0         | \$39,000    |
| Wireline services                      | 170            | \$40,000    | 170  | \$205,000   | \$245,000   |
| Rental tanks                           | 210            | \$21,000    | 210  | \$14,000    | \$35,000    |
| Stimulation services                   | 230            | \$0         | 230  | \$3,060,000 | \$3,060,000 |
| Miscellaneous services & contingencies | 240            | \$190,000   | 240  | \$229,000   | \$419,000   |
| Fuel                                   | 250            | \$312,000   | 250  | \$0         | \$312,000   |
| Directional tools and services         | 280            | \$446,000   | 280  | \$15,000    | \$461,000   |
| Inspections                            | 290            | \$6,000     | 290  | \$0         | \$6,000     |
| Casing Crews                           | 300            | \$32,000    | 300  | \$25,000    | \$57,000    |
| Fishing tools and services             | 330            | \$0         | 330  | \$0         | \$0         |
| Pumping services                       | 340            | \$0         | 340  | \$252,000   | \$252,000   |
| Insurance                              | 350            | \$0         | 350  | \$0         | \$0         |
| Mud disposal                           | 360            | \$183,000   | 360  | \$129,600   | \$312,600   |
| Field office expense - housing         | 470            | \$51,000    | 470  | \$0         | \$51,000    |
| Contract supervision                   | 500            | \$198,000   | 500  | \$26,000    | \$224,000   |
| HSSE Consultant/ Training              | 508            | \$10,000    | 508  | \$0         | \$10,000    |
| Facility Overhead                      | 750            | \$15,000    | 750  | \$0         | \$15,000    |
| Overhead                               | 800            | \$30,000    | 800  | \$0         | \$30,000    |
| Geologic, Eng & Tech                   | 850            | \$30,000    | 850  | \$0         | \$30,000    |
| Drilling Hazard Mitigation             | 900            | \$65,000    | 900  | \$0         | \$65,000    |

### TOTAL INTANGIBLES

**\$4,149,000** **\$4,866,960** **\$9,015,960**

### TANGIBLES

|                                |   |                            |     |           |     |           |
|--------------------------------|---|----------------------------|-----|-----------|-----|-----------|
| Surface Casing                 | 1,500 ft. @ \$ 36.00 /ft.                                     | 13 3/8", 54.5#, J-55, ST&C | 510 | \$54,000  |     | \$54,000  |
| Intermediate Casing            | 8800 ft. @ \$ 34.00 /ft.                                      | 9 5/8", 40#, P-110, LT&C   | 520 | \$299,000 |     | \$299,000 |
| Production Casing              | 20,220 ft. @ \$ 19.00 /ft.                                    | 5-1/2", 20#, P-110 BTC     |     |           | 530 | \$384,000 |
| Toe Initiator Sleeve           | 0 ft. @ \$ - /ft.   |                            | 0   |           | 530 | \$19,000  |
| Surf Equ Trkg/Inst/Lbr         |   |                            |     |           | 540 | \$55,000  |
| Tubing                         | 10,380 ft. @ \$ 5.75 /ft.                                     | 2-7/8", 6.5#, L-80, EUE    |     |           | 550 | \$64,000  |
| Wellhead Equipment             | 13-5/8" SOW x 13 3/8" 3K x 11" 5K x 7-1/16" 10K x 2-9/16" 10K |                            | 560 | \$12,000  | 560 | \$32,000  |
| Packers & Subsurface Equipment |   |                            |     |           | 570 | \$10,000  |
| Pumping Unit & Prime Mover     |   |                            |     |           | 580 | \$0       |
| Sucker Rods & Pump             |   |                            |     |           | 590 | \$0       |
| Production Facility            |   |                            |     |           | 600 | \$173,000 |
| Flowline, Valves & Connections |   |                            |     |           | 610 | \$55,000  |

### TOTAL TANGIBLES

**\$365,000** **\$792,000** **\$1,157,000**

### TOTAL AFE

**\$4,514,000** **\$5,658,960** **\$10,172,960**

### APPROVAL:

Operator: \_\_\_\_\_

Non-Operator: \_\_\_\_\_

CONTINENTAL RESOURCES, INC.

Company: \_\_\_\_\_

Operations: \_\_\_\_\_ Geology: \_\_\_\_\_ Land: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Wt: \_\_\_\_\_ % Date: \_\_\_\_\_