

CD 201207933

PAYNE EXPLORATION COMPANY

Drilling and Completion AFE

Lease Name:	Bollenbach #1-11H		Location:	W/2 Section 11-16N-05W		Date:	05/06/2013		
County:	Kingfisher		State:	Oklahoma		AFE No.	20120529		
Type Well:	Horizontal Oil		Proposed Formation:	Hunton		Expected T.D.:	11,900		
Purpose of Expenditure and Work Procedure:									
Drill 12 1/4" hole to 400'. Run and set 9 5/8" surface casing. Drill 8 3/4" hole to 7,400'. Run and set 7" intermediate casing. Drill 6 1/8" horizontal hole to 11,900' in Hunton and set 4 1/2" production string Treat Hunton with +/- 15 stage frac job. Flow back and test. Put well on gas lift to tank battery.									
DESCRIPTION						DRY HOLE	PRODUCER		
INTANGIBLE DRILLING AND COMPLETION COSTS									
Drilling Cost: Lump Sum \$						0	\$0	\$0	
111 DRILLING - DAYWORK 0 feet @						0.00 \$ / foot	\$0	\$0	
111 DRILLING - FOOTAGE 22 Days @						13200 \$ / day	\$290,400	\$290,400	
220 DRILLING COMP-DW 4 Days @						13200 \$ / day	\$52,800	\$52,800	
108 MOB/DEMOB 35000						107 DRILLING FLUID MUD 100000	\$135,000	\$135,000	
102 CEMENT & EQUIPMENT 22000						205 CEMENT & SERVICES 18000	\$22,000	\$40,000	
10X DRILL STEM TESTING 0						216 LOGGING 40000	\$40,000	\$40,000	
115 GEOLOGICAL SERVICES 5000 Coring \$ 0						119 MUD LOGGING 18000	\$23,000	\$23,000	
146 STAKE LOCATION 850						114 DRILLING OVERHEAD 6250	\$27,100	\$27,100	
122 LOCATION 60000						219 COMPLETION OVERHEAD 2500	\$65,000	\$67,500	
129 LABOR, DRILLING 42000						170 TRUCKING DRILLING 7500	\$49,500	\$49,500	
218 MISCELLANEOUS LABOR 5000						244 TRUCKING COMPLETION 1500	\$0	\$6,500	
113 DIRECT SUPERVISION DRILLING 35000						242 DIRECT SUPERVISION COMPLETION 5000	\$35,000	\$40,000	
106 DRILLING CONDUCTOR & RATHOLE 11500						167 PERMITS 500	\$12,000	\$12,000	
						101 ABSTRACTS & LEGAL 6500	\$6,500	\$6,500	
OTHER COST \$ 175 PLUGGING COST \$15,000						110 DIRECTIONAL 225000	\$240,000	\$225,000	
239 COIL TBG & MTR \$ 100000						250 FRAC SYSTEM 0	\$0	\$100,000	
120 DIESEL FUEL 57200						136 WATER 10000	103 DRILL BITS 45000	\$112,200	\$112,200
130 RENTAL TOOLS 53000						239 RENTAL OF EQUIPMENT 50000	\$53,000	\$103,000	
259 WELDING &/OR CONSTRUCTION 5500						233 CONSTRUCTION COMP 25000	\$5,500	\$30,500	
257 UNIT TO COMPLETE WELL 4 Days @ \$ 4000							\$0	\$16,000	
236 PERFORATING & BOND LOG 120000						243 FRACTURING 1200000	\$0	\$1,320,000	
						TOTAL INTANGIBLES	\$1,169,000	\$2,697,000	
WELL EQUIPMENT						Other Cost \$ 0	\$0	\$0	
						Non-Controllable Tangible Equip. \$ 0	\$0	\$0	
188 SURFACE CASING 500 Ft. of 9-5/8" 32# J-55 New						23.00	\$11,500	\$11,500	
191 INTERMEDIATE CSG 0 Ft. of						0.00	\$0	\$0	
191 INTERMEDIATE CSG 7400 Ft. of 7" 26# K-55 LT&C New						18.00	\$133,200	\$133,200	
277 PROD CSG - NEW 11900 Ft. of 4 1/2" 11.6# P-110 LT&C New						11.75	\$0	\$139,825	
Tie-Back 0 Ft. of						0.00	\$0	\$0	
279 PROD TBG - NEW 7200 Ft. of 2 3/8" 4 7# N-80 8rd EUE New						4.75	\$0	\$34,200	
275 PACKER W/FITTINGS 4500						189 CASING HEAD DRLG 12500	291 WELLHEAD 6000	\$12,500	\$23,000
282 PMPG UNIT ENGINE 0						252 GAS LIFT SYSTEM 10000	0	\$0	\$10,000
288 SUCKER RODS 0 Ft. of 7/8" & 3/4" rods						3.7	\$0	\$0	
269 DOWNHOLE PUMP 0						281 PUMPING UNIT 0	\$0	\$0	
GENERAL LEASE EQUIPMENT						265 OTHER EQUIPMENT			
						Other Cost \$ 0	\$0	\$0	
						Non-Controllable Tangible Equip. \$ 0	\$0	\$0	
271 FIBERGLASS SWT 9000 Description: 1-300 FG w/ walkway							\$0	\$9,000	
287 STOCK TANKS 25000 Description: 2-300 bbl Steel							\$0	\$25,000	
286 SEPARATOR 7500 Description: 1-30"x10' two phase							\$0	\$7,500	
272 HEATER TREATER 19500 Description: 4x20 50#							\$0	\$19,500	
265 OTHER EQUIPMENT 5500 Description: New 30"x10' FWKO							\$0	\$5,500	
BUILDINGS 0						212 ELECTRICAL INSTALLATION 0	\$0	\$0	
273 BATTERY FITTINGS/LINE PIPE 21000						SWD Pumps \$ 0	\$0	\$21,000	
						240 RIGHT-OF-WAY AND DAMAGES 0	\$0	\$0	
267 CATTLEGUARD / SAFETY ANCHORS 7500							\$0	\$7,500	
Estimated Operator Cost									
Drilling % 100.00%						\$1,392,510	TOTAL TANGIBLES	\$157,200	\$446,725
Completion % 100.00%						\$1,908,401	CONTINGENCY 5%	\$66,310	\$157,186
Total Operator Cost :						\$3,300,911	TOTAL ESTIMATE	\$1,392,510	\$3,300,911
W.C. Payne Approval <i>[Signature]</i> Date: 5-6-13						Partner Approval		WI %	AMOUNT
Engineering Approval <i>[Signature]</i> Date:						Company: Thompson		0.000000%	\$0
						Signature:			
						Date:			
						Title:			

