

Marathon Oil Company CD: 201600724

**MRO AUTHORIZATION FOR EXPENDITURE**  
DETAIL OF ESTIMATED WELL CONSTRUCTION COSTS

Well Name: Strack 1-2-11XH  
County: BLAINE  
Formation: MISS LIME

Date: 6/17/2016  
AFE #: 0  
MD: 20,171

	Costs
<b>DRILLING COSTS - TANGIBLE</b>	
Surface Casing	\$39,165
Intermediate Casing	\$199,099
Production Casing	\$275,939
Wellhead Equip & Csg Access	\$72,000
<b>TOTAL DRILLING COSTS - TANGIBLE</b>	<b>\$586,203</b>
<b>DRILLING COSTS - INTANGIBLE</b>	
Location and Access	\$186,500
Rig Move	\$139,500
Drilling Rig	\$883,750
Directional Services	\$170,000
Mud Fluids & Services	\$190,000
Solids Control	\$28,600
Bits	\$112,000
Casing Crew and Services	\$47,500
Cementing Service	\$108,250
Rental Equipment	\$153,200
Fuel	\$160,000
Water & Water Services	\$61,500
Logging Services	\$34,000
Inspection Services	\$14,250
Contract Labor	\$38,000
Freight	\$19,000
Misc Materials & Equipment	\$137,750
Telecom Services	\$13,680
Supervision & Overhead	\$190,200
HES Equip & Service	\$33,600
Air Drilling Services	\$0
Coring & Analysis	\$0
Contingency	\$127,239
<b>TOTAL DRILLING COSTS - INTANGIBLE</b>	<b>\$2,848,519</b>
<b>TOTAL DRY HOLE COSTS</b>	<b>\$2,910,983</b>
<b>TOTAL DRILLING COSTS</b>	<b>\$3,434,722</b>
<b>COMPLETION COSTS - TANGIBLE</b>	
Tubing & Accessories	\$74,690
Artificial Lift	\$15,000
Wellhead Equipment	\$27,450
<b>TOTAL COMPLETION COSTS - TANGIBLE</b>	<b>\$117,140</b>
<b>COMPLETION COSTS - INTANGIBLE</b>	
Location and Access	\$7,500
Completion Rig	\$22,800
Coiled Tubing	\$150,000
Rental Equipment	\$342,564
Snubbing	\$0
Pulling/Swab Units	\$6,000
Fuel	\$0
Casing Crews	\$0
Cement	\$0
Well Testing /Flowback	\$79,725
Fracturing Services	\$2,819,250
Acidizing and N2 Services	\$0
Perforating and Wireline Services	\$150,400
Cased Hole Logging	\$7,500
Comp Fluids & Services	\$272,100
Water & Water Services	\$429,230
Freight	\$13,950
Inspection Services	\$4,500
Misc Materials & Equip	\$10,000
Frac Plugs	\$75,400
Contract Labor	\$52,250
Telecom Services	\$19,000
HES Equip & Service	\$211,500
Supervision & Overhead	\$174,400
Tracers	\$20,000
Surface Facilities	\$411,200
Contingency	\$0
<b>TOTAL COMPLETION COSTS - INTANGIBLE</b>	<b>\$5,279,269</b>
<b>TOTAL COMPLETION COSTS</b>	<b>\$5,396,409</b>
<b>TOTAL WELL COSTS</b>	<b>\$8,831,131</b>



JUN 20 2016

SIGNATURE: \_\_\_\_\_

PRINTED NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

This AFE is only an estimate of the costs to be incurred in conducting the referenced operation. In no event shall this AFE be construed as a representation or warrant as to the accuracy of such estimate, or construed in any way to limit a participant's responsibility to pay its proportionate share of all costs and expenses incurred in connection with the referenced operations.