

CD 201207935

PAYNE EXPLORATION COMPANY

Drilling and Completion AFE

1/7/13

TAD

Lease Name:	Beecher #1-15H	Location:	W/2 Section 15-16N-05W	Date:	1/12/2012
County:	Kingfisher	State:	Oklahoma	AFE No.	20120413
Type Well:	Horizontal Oil	Proposed Formation:	Hunton	Expected T.D.:	11,500

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 11,500' 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
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	164 SURFACE DAMAGES 20000	114 DRILLING OVERHEAD 6250		\$27,100	\$27,100
122 LOCATION 60000	209 LOCATION WORK, DR 5000	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 215000			\$230,000	\$215,000
239 COIL TBG & MTR \$ 60000	250 FRAC SYSTEM 0			\$0	\$60,000
120 DIESEL FUEL 74250	136 WATER 10000	103 DRILL BITS 45000		\$129,250	\$129,250
130 RENTAL TOOLS 53000	239 RENTAL OF EQUIPMENT 20000			\$53,000	\$73,000
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
WELL EQUIPMENT				TOTAL INTANGIBLES	\$1,176,050 \$2,634,050
Other Cost \$				0	\$0
Non-Controllable Tangible Equip. \$				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 11600 Ft. of	4 1/2" 11.6# P-110 LT&C New	11.75		\$0	\$136,300
Tie-Back: 0 Ft. of		0.00		\$0	\$0
279 PROD TBG - NEW 7000 Ft. of	2 3/8" 4.7# N-80 8rd EUE New	4.75		\$0	\$33,250
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	\$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
Non-Controllable Tangible Equip. \$				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 20000	SWD Pumps \$	0		\$0	\$20,000
	240 RIGHT-OF-WAY AND DAMAGES	0		\$0	\$0
267 CATTLEGUARD / SAFETY ANCHORS		7500		\$0	\$7,500
Estimated Operator Cost					
Drilling % 100.000%	\$1,399,913	TOTAL TANGIBLES		\$157,200	\$441,250
Completion % 100.000%	\$1,829,152	CONTINGENCY 5%		\$66,663	\$153,765
Total Operator Cost:	\$3,229,065	TOTAL ESTIMATE		\$1,399,913	\$3,229,065
W. C. Payne Approval	Date	Partner Approval		WI %	AMOUNT
Engineering Approval	Date	Company:		0.000000%	\$0
		Signature:			
		Typed Name:			



JAN 07 2013