



**AUTHORITY FOR EXPENDITURE  
STAGHORN PETROLEUM, LLC**

One West Third Street, Suite 1000  
Tulsa, Oklahoma 74103  
(918) 584-2558

AFE #:

201606

Well Name and Number: Mule 18-06-11 #1H		Operator: Staghorn Petroleum, LLC		
Legal Description: Section 11-18N-6Ww		TD & Formation: 6960' TVD Miss		
County, State: Kingfisher County, OK		Date Prepared By: 8-4-16 Northcutt		
Scope of Work: Drill, Complete & Equip a 12,600' Horizontal Oil Well				
ACCT. CODE	DESCRIPTION OF EXPENDITURE	GROSS COST ESTIMATE		
	INTANGIBLES	DRILL (1562)	COMP (1563)	TOTAL
01	Damages, Permits, Surveys, Right of Way, etc.	\$ 35,000		\$ 35,000
02	Location and Roads	80,000		\$ 80,000
03	Drilling Rig:	325,000		\$ 325,000
03	Completion Rig:		35,000	\$ 35,000
04	Mobilize, RU, RD, Demobilize	60,000		\$ 60,000
05	Fuel & Power	42,500	5,000	\$ 47,500
06	Drilling Water and Completion Fluids	5,000	70,000	\$ 75,000
07	Contract Labor, Welding, Casing Crews	45,000	25,000	\$ 70,000
08	Bits	32,000	5,000	\$ 37,000
09	Drilling Fluids - Oil Based			
10	Drilling Fluids - Water-Based	65,000		\$ 65,000
11	Formation Testing		20,000	\$ 20,000
12	Openhole Logging and Surveys	50,000		\$ 50,000
13	Cementing and Cement Services	75,000		\$ 75,000
14	Downhole Rentals and Services	7,500	5,000	\$ 12,500
15	Casedhole Logging, Perforating and Other Wireline Services		170,000	\$ 170,000
16	Stimulation and Services		1,350,000	\$ 1,350,000
17	Supplies, Materials, Misc.	1,000	1,000	\$ 2,000
18	Geological Services, Mudlogging, Other Professional Services	20,000		\$ 20,000
19	Wellsite Supervision	67,500	37,500	\$ 105,000
20	Abandonment Expenses and Location Reclamation	15,000		\$ 15,000
21	Installation Services (through wellhead)	12,000	8,000	\$ 20,000
22	Trucking, Hauling, Other Transportation Services	6,000	6,000	\$ 12,000
23	Surface Rentals	75,000	20,000	\$ 95,000
24	Directional Drilling Tools and Services	115,000		\$ 115,000
25	Closed Mud System Rentals and Services	50,000		\$ 50,000
26	Fishing Tools and Services			
27	Lost or Damaged Tools and Equipment			
80	Title Opinion and DOTO			
90	Overhead	6,000	6,000	\$ 12,000
92	Insurance	25,000	20,000	\$ 45,000
95	Contingency 5%	60,700	89,200	\$ 149,900
	TOTAL INTANGIBLE COSTS	\$ 1,275,200	\$ 1,872,700	\$ 3,147,900
	TANGIBLES	DRILL (1572)	COMP (1573)	TOTAL
01	Conductor Casing: 20" Pre-Set	7,500		\$ 7,500
02	Surface Casing: 9.625", 40#, J55, LTC @ 400'	6,000		\$ 6,000
03	Intermediate Casing: 7", 29#, P110, Mod BTC @ 7500'	115,600		\$ 115,600
04	Production Csg/Liner: 4.5", 13.5#, P110, Mod BTC @12,600'	40,300		\$ 40,300
05	Tubing: 2.875", 6.5#, N80, EUE @ 7000'		28,400	\$ 28,400
06	Sucker Rods			
07	Downhole Pump, Gas Lift, Tubing Anchor, etc.			
08	Wellhead Equipment	13,000	10,000	\$ 23,000
09	Artificial Lift Equipment		15,000	\$ 15,000
10	Packers and Subsurface Tools	52,000		\$ 52,000
11	Installation Costs		20,000	\$ 20,000
12	Tanks and Accessories 3 x 300 bbls ST, 3 x 300 bbl FG		60,000	\$ 60,000
13	Production Unit, Dehydrator, Compressor		25,000	\$ 25,000
14	Heater Treater		15,000	\$ 15,000
15	Electrical Systems and Lines			
16	Lease Lines			
17	Controllable Valves and Fittings		20,000	\$ 20,000
18	Other Equipment			
19	Non-Controllable Lease Materials			
20	Installation Costs		5,000	\$ 5,000
21	Line Pipe		17,000	\$ 17,000
22	Metering Equipment		10,000	\$ 10,000
95	Contingency 5%	11,700	11,300	\$ 23,000
	TOTAL TANGIBLE COSTS	\$ 246,100	\$ 236,700	\$ 482,800
	TOTAL WELL COSTS	\$ 1,521,300	\$ 2,109,400	\$ 3,630,700



8-22-16

*This AFE is only an estimate. By returning a signed copy, you agree to pay your proportionate share of actual costs incurred.*

**W.I. OWNER APPROVAL:** Company: \_\_\_\_\_ Title: \_\_\_\_\_  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name (Print): \_\_\_\_\_