



COUNCIL OAK RESOURCES, LLC
AUTHORIZATION FOR EXPENDITURE
DRILL AND COMPLETE NEW WELL

Original: X
Supplemental No.
Revision No.

Well Code: TBD
Date: 4/21/2017

Well Name: Twin Oaks 1-5-8XH
Location (STR): Section 32-18N-12W
Field/Prospect: Tiger Shark
Objective Formation: Mississippian

SHL Desc: TBD
SHL (Lat/Long): TBD
BHL Desc: TBD
BHL (Lat/Long): TBD

County: Blaine
State: Oklahoma
TMD: 17,735'
TVD: 9,945'

<u>INTANGIBLE COSTS</u>	<u>CODE</u>	<u>DRILLING</u>	<u>CODE</u>	<u>COMPLETION</u>
Permit/Survey/Damages	180.010	50,000	190.010	
Title/Legal Fees/Regs	180.015	15,000	190.015	
Insurance/Bonds	180.020	32,000	190.020	10,000
Location & Road	180.025	110,000	190.025	35,000
Anchor Instl/Replmt/Test	180.030		190.030	12,000
Drilling Rig - Daywork	180.035	588,000	190.035	
Drlg Rig - Turnkey/Footage	180.040		190.040	
Compl Rig/Pulling Unit			190.045	15,000
Snubbing/Services			190.047	10,000
Slickline/Swabbing Unit			190.050	
Coiled Tubing			190.057	120,000
Rig Mobil/Demobil	180.060	150,000	190.060	
Directional Services	180.062	246,000		
Bits (Incl Rental Bits)	180.065	100,000	190.065	5,000
Mud/Fluids/Chemicals	180.070	280,000	190.070	75,000
Solids Control	180.072			
Fuel/Lubrication	180.075	180,000	190.075	
Casing Crew	180.080	20,000	190.080	45,000
Cement/Cement Service	180.085	40,000	190.085	80,000
Squeeze/Plug Back	180.090		190.090	
Inspection/Special Services	180.095	40,000	190.095	100,000
Fishing Services	180.100		190.100	
Open Hole Logs/Wireline	180.110		190.110	
Cased Hole Log/Perf/Wire	180.115		190.115	200,000
DST/Coring	180.120		190.120	
Mud Log	180.125	26,000	190.125	
Flowback Rental & Services			190.127	80,000
Rentals - Surface	180.130	128,000	190.130	170,000
Rentals - Downhole	180.135	47,000	190.135	10,000
Pump Truck/Fresh Water	180.140		190.140	85,000
Stimulation-Frac/Acid/GP	180.145		190.145	3,375,000
Water Transfer	180.152		190.152	100,000
Pumping Services	180.155		180.155	20,000
Comp Labor/Supv/Benefits	180.165	21,000	190.165	
Cntrct Labr-Fourt/Weld/Etc	180.170	90,000	190.170	93,000
Consulting Geo/Eng/Supv	180.175	132,000	190.175	100,000
Transport Air/Land/Marin	180.180	50,000	190.180	65,000
Company Vehicle Expense	180.185		190.185	
Comm-Telephone/Radio/Etc	180.190		190.190	
Misc/Other/Contingency	180.195		190.195	5,000
Utilities/Electric/Gas	180.200		190.200	
Environmental/Safety	180.205		190.205	
Disposal	180.210	140,000	190.210	80,000
Materials/Supplies	180.215	40,000	190.215	
Operated Overhead	180.230	18,000	190.230	6,000
Plug & Abandon Costs	180.235		190.235	

TOTAL INTANGIBLE COSTS

Page 1 \$ 2,543,000

\$ 4,896,000



CD 17-1852T

4/25/n

By the execution of this AFE each Non-Operator is covered by Operators Extra Expense Insurance (including Control of Well, Re-drilling Expenses and Seepage & Pollution) with policy limits as set out below, * subject to certain limitations and exclusions. If the Non-Operator elects not to be covered by the Operators Extra Expense Insurance, the Non-Operator will notify the Operator and furnish a Certificate of Insurance evidencing Well Control Insurance coverage in an amount acceptable to Operator.



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AUTHORIZATION FOR EXPENDITURE

<u>TANGIBLE COSTS</u>	<u>CODE</u>	<u>DRILLING</u>	<u>CODE</u>	<u>COMPLETION</u>
Conductor Pipe	185.015	15,000		
Casing Head	185.020	10,000		
Surface/Grndwtr Casing	185.025	33,000		
Intermediate Casing:	185.030	244,000		
Drilling Liner	185.035			
Prod Casing/Tubing Liner			195.040	266,000
Tubing Head			195.045	12,000
Tubulars			195.050	51,500
Float Equipment/Hanger	185.055	9,000	195.055	20,000
Other Equipment - Downhole	185.060	10,000	195.060	10,000
Rods/Pumps			195.065	
Valves/Fittings			195.070	5,500
Wellhead Equipment			195.075	20,000
Surface Pumps			195.080	
Other Equipment - Surface			195.085	
Pump Unit/Prime Mover			195.090	
Tanks/Walkway/Stairway			195.095	60,000
Meter/Meter Run			195.100	9,500
Flowlines/Connections			195.110	22,000
Dehydr/Comp			195.115	
Separator/Heater-Treater			195.120	57,000
Installation Costs			195.135	
Production Facilities			195.145	45,000
Trucking			195.160	5,000
TOTAL TANGIBLE COSTS		\$ 321,000		\$ 583,500
TOTAL INTANGIBLE & TANGIBLE COSTS		\$ 2,864,000		\$ 5,479,500
TOTAL WELL COSTS		\$ 8,343,500		

It is recognized that the amounts herein are estimates only and approval of this authorization shall extend to the actual costs incurred in conducting the operation specified whether more or less than that herein set out.

PREPARED BY: _____

OPERATOR APPROVALS:

Approved By: [Signature]
Title: Landman

Date: 4/21/17

By Execution of this AFE, the signatory party promises to pay his proportionate share of the expenditures detailed herein on or before thirty days after receipt of an invoice for same.

NON-OPERATOR APPROVALS:

Company: _____
Approved By: _____
Title: _____

Date: _____