

Marathon Oil Company CD# 2016C2850

MRO AUTHORIZATION FOR EXPENDITURE DETAIL OF ESTIMATED WELL CONSTRUCTION COSTS

Well Name: Redman BIA 1-28H
County: BLAINE
Formation: MISS LIME

Date: 8/24/2016
AFE #: DX.16.40091
MD: 17,133

Costs

DRILLING COSTS - TANGIBLE

| | |
|--|------------------|
| Surface Casing | \$39,165 |
| Intermediate Casing | \$221,583 |
| Production Casing | \$263,215 |
| Wellhead Equip & Csg Access | \$0 |
| TOTAL DRILLING COSTS - TANGIBLE | \$523,963 |

DRILLING COSTS - INTANGIBLE

| | |
|--|--------------------|
| Location and Access | \$332,000 |
| Rig Move | \$0 |
| Drilling Rig | \$1,320,000 |
| Directional Services | \$344,900 |
| Mud Fluids & Services | \$170,000 |
| Solids Control | \$47,100 |
| Bits | \$85,000 |
| Casing Crew and Services | \$47,500 |
| Cementing Service | \$108,250 |
| Rental Equipment | \$242,800 |
| Fuel | \$240,000 |
| Water & Water Services | \$61,500 |
| Logging Services | \$48,000 |
| Inspection Services | \$14,250 |
| Contract Labor | \$38,000 |
| Freight | \$19,000 |
| Misc Materials & Equipment | \$240,000 |
| Telecom Services | \$21,600 |
| Supervision & Overhead | \$172,800 |
| HES Equip & Service | \$50,400 |
| Air Drilling Services | \$0 |
| Coring & Analysis | \$0 |
| Contingency | \$163,305 |
| TOTAL DRILLING COSTS - INTANGIBLE | \$3,761,405 |

TOTAL DRY HOLE COSTS

\$3,774,353

TOTAL DRILLING COSTS

\$4,285,368

COMPLETION COSTS - TANGIBLE

| | |
|--|------------------|
| Tubing & Accessories | \$65,240 |
| Artificial Lift | \$15,000 |
| Wellhead Equipment | \$27,450 |
| TOTAL COMPLETION COSTS - TANGIBLE | \$107,690 |

COMPLETION COSTS - INTANGIBLE

| | |
|--|--------------------|
| Location and Access | \$7,500 |
| Completion Rig | \$22,800 |
| Coiled Tubing | \$135,000 |
| Rental Equipment | \$313,364 |
| Snubbing | \$0 |
| Pulling/Swab Units | \$6,000 |
| Fuel | \$0 |
| Casing Crews | \$0 |
| Cement | \$0 |
| Well Testing /Flowback | \$95,050 |
| Fracturing Services | \$1,629,250 |
| Acidizing and N2 Services | \$0 |
| Perforating and Wireline Services | \$79,900 |
| Cased Hole Logging | \$7,500 |
| Comp Fluids & Services | \$178,850 |
| Water & Water Services | \$139,564 |
| Freight | \$13,950 |
| Inspection Services | \$4,500 |
| Misc Materials & Equip | \$10,000 |
| Frac Plugs | \$23,800 |
| Contract Labor | \$35,000 |
| Telecom Services | \$17,100 |
| HES Equip & Service | \$186,250 |
| Supervision & Overhead | \$150,000 |
| Tracers | \$0 |
| Surface Facilities | \$385,000 |
| Contingency | \$0 |
| TOTAL COMPLETION COSTS - INTANGIBLE | \$3,540,378 |

TOTAL COMPLETION COSTS

\$3,648,068

TOTAL WELL COSTS

\$7,933,436

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.



AUG 29 2016