

Annuschat 1H-8X		PLAY TYPE: North Cana Oil		AFE Drill Days = 38.2		
PROJECT DESCRIPTION & OBJECTIVE:		<div>NEWFIELD</div> <div>AFE #</div> <div>PROPOSED TO 8,438 TWD / 19,214 MD</div> <div>PREPARED BY / DATE: BKC 5/13/14 - 2/10/14</div> <div>AFE TYPE: Drill and Complete Original</div>				
10,230 Lateral						
DETAIL OF ESTIMATED EXPENDITURES		COST CODE	DRILLING	COMPLETION	COMPLETION	TOTAL
INTANGIBLES						
Base / Field Office Operations (housing, utilities, trash etc.)		101	\$62,040	\$0	\$0	\$62,040
Cased Hole Electric Wireline		102	\$0	\$330,000	\$0	\$330,000
Services - Casing Crews and Running Tools		103	\$66,000	\$115,500	\$0	\$183,500
Services Cementing/Coil Tubing Unit		105	\$207,000	\$0	\$0	\$207,000
Coil Tubing Unit		108	\$0	\$0	\$0	\$0
Communications		109	\$8,913	\$0	\$0	\$8,913
Consultants		110	\$0	\$200,000	\$3,000	\$203,000
Core / Fluid Analysis		111	\$0	\$0	\$0	\$0
Directional Drilling Operations		113	\$311,779	\$0	\$0	\$311,779
Environmental & Safety Services		117	\$30,594	\$0	\$0	\$30,594
Fishing Services		119	\$0	\$0	\$0	\$0
Fluids Disposal (includes transportation)		120	\$22,946	\$0	\$0	\$22,946
Services Formation Evaluation		121	\$80,000	\$0	\$0	\$80,000
Formation Stimulation - Fracturing		122	\$0	\$3,511,500	\$0	\$3,511,500
Formation Stimulation - Other		123	\$0	\$401,000	\$0	\$401,000
Inspection - Bottom Hole Assembly		129	\$18,500	\$0	\$0	\$18,500
Inspection - Casing		130	\$1,500	\$0	\$0	\$1,500
Inspection - Drill Pipe		131	\$43,000	\$0	\$0	\$43,000
Inspection - Tubing		133	\$0	\$0	\$0	\$0
Installation / Removal - Pipeline		135	\$0	\$50,000	\$0	\$50,000
Labor - Company Supervision		139	\$152,972	\$175,000	\$0	\$327,972
Company Labor		140	\$0	\$2,000	\$0	\$2,000
Labor - Contract Employees		141	\$0	\$34,815	\$0	\$34,815
Location Preparation		143	\$135,000	\$50,000	\$0	\$185,000
Location Remediation & Maintenance		144	\$314,898	\$100,000	\$0	\$414,898
Services Miscellaneous		146	\$113,108	\$150,000	\$0	\$263,108
Mud Logging Services		147	\$65,295	\$0	\$0	\$65,295
Drilling & Completion Rig Costs (\$26,800 / day)		150	\$890,914	\$275,000	\$14,000	\$1,179,914
Drilling Well Turnkey Costs		152	\$0	\$0	\$0	\$0
Rig Mobilization & De-Mobilization		153	\$234,125	\$0	\$0	\$234,125
Security Services		154	\$0	\$0	\$0	\$0
Slickline Services		155	\$0	\$0	\$0	\$0
Survey - Location		156	\$3,000	\$0	\$0	\$3,000
Survey - Well (not associated with directional drilling)		167	\$2,500	\$0	\$0	\$2,500
Testing - Well Control Equipment		160	\$35,000	\$0	\$0	\$35,000
Transportation - Land		162	\$28,946	\$0	\$13,000	\$41,946
Tubular Conveyed Perforating & Drill Stem Testing Services		165	\$0	\$0	\$0	\$0
Services Welding		166	\$7,500	\$10,000	\$0	\$17,500
Drill Bits		301	\$190,000	\$250,000	\$0	\$440,000
Blow-Out Preventor		302	\$38,094	\$0	\$0	\$38,094
Completion Fluids		304	\$0	\$9,185	\$0	\$9,185
Cranes		307	\$0	\$10,000	\$0	\$10,000
Drill String		310	\$59,110	\$0	\$0	\$59,110
Fuel		313	\$228,285	\$45,000	\$0	\$273,285
Gas Measurement		317	\$0	\$13,200	\$0	\$13,200
Rent Lost in Hole		325	\$0	\$0	\$0	\$0
Rent Miscellaneous Surface Equipment		328	\$39,343	\$300,000	\$72,000	\$411,343
Mud - Drilling		329	\$493,179	\$0	\$0	\$493,179
Mud Monitoring & Processing Equipment		330	\$87,310	\$0	\$0	\$87,310
Stabilizer, Under-Reamer, Hole-Opener		341	\$22,297	\$0	\$0	\$22,297
Vapor Recovery System		349	\$0	\$20,000	\$0	\$20,000
Drilling Water		350	\$10,517	\$0	\$0	\$10,517
Water Handling Equipment		351	\$0	\$16,000	\$0	\$16,000
Drilling Insurance		501	\$0	\$0	\$0	\$0
Legal Fees		503	\$3,000	\$0	\$0	\$3,000
Regulatory Compliance		511	\$0	\$0	\$0	\$0
Overhead		965	\$19,122	\$35,000	\$0	\$54,122
Subtotal - Intangibles			\$4,027,789	\$5,992,000	\$213,200	\$10,232,989
TANGIBLES						
Oil Measurement Equipment		332	\$0	\$0	\$0	\$0
Line Pipe & Battery Fittings		335	\$0	\$0	\$0	\$0
Separators		340	\$0	\$34,000	\$0	\$34,000
Stock Tanks		345	\$0	\$58,000	\$0	\$58,000
Treaters		347	\$0	\$0	\$0	\$0
Artificial Lift		601	\$0	\$25,000	\$0	\$25,000
Casing Accessories		602	\$25,000	\$0	\$0	\$25,000
Packers / Anchors / Liner Hangers		604	\$0	\$0	\$0	\$0
Water Casing (Conductor Casing)		607	\$0	\$0	\$0	\$0
Pipe Surface Casing (\$48 / ft)		608	\$72,000	\$0	\$0	\$72,000
Pipe Intermediate Casing		609	\$0	\$0	\$0	\$0
Production Casing/Liner (\$29 / ft)		610	\$552,711	\$0	\$0	\$552,711
Pipe Casing Liner		611	\$0	\$0	\$0	\$0
Tubing		613	\$0	\$68,000	\$0	\$68,000
Rods		614	\$0	\$0	\$0	\$0
Tubing Accessories		616	\$0	\$7,500	\$0	\$7,500
Wellhead		617	\$22,500	\$14,000	\$0	\$36,500
Subtotal - Tangibles			\$672,211	\$14,000	\$192,500	\$878,711
AFE TOTAL			\$4,700,000	\$6,006,000	\$405,700	\$11,111,700

This AFE is only an estimate. By returning one signed copy the undersigned hereby agrees to pay it share of the all actual

PREPARED BY: B Crump

NAME: \_\_\_\_\_ COMPANY: \_\_\_\_\_  
 PRINTED NAME: \_\_\_\_\_ DATE: \_\_\_\_\_  
 TITLE: \_\_\_\_\_

