

<b>Gruntmeir 1H-18X</b> <b>PLAY TYPE:</b> AFE Drill Days = 34 <b>PROJECT DESCRIPTION &amp; OBJECTIVE:</b> 10000' LOL		<div style="display: flex; align-items: center; justify-content: center;"> </div>	
<b>AFE #:</b> <b>PROPOSED TO:</b> <b>DATE:</b> 5-26-15 <b>AFE TYPE:</b> Drill and Complete Original		<div style="border: 1px solid black; border-radius: 50%; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <div style="text-align: center;">             ELISE CRUCHON              EXHIBIT 1              C.S.R.              OFFICIAL REPORTER           </div> </div> <div style="font-size: 2em; margin-top: 10px; text-align: right;">5-26-15</div>	

  

DETAIL OF ESTIMATED EXPENDITURES	COST CODE	DRILLING	COMPLETION	FACILITIES	TOTAL
<b>INTANGIBLES</b>		880	881	883	
Base / Field Office Operations (housing, utilities, trash etc.)	101	\$56,100	\$0		\$56,100
Cased Hole Electric Wireline	102	\$0	\$412,500		\$412,500
Services - Casing Crews and Running Tools	103	\$68,000	\$0		\$68,000
Services Cementing	105	\$207,000	\$0		\$207,000
Coil Tubing Unit	108	\$0	\$0		\$0
Communications	109	\$8,000	\$0		\$8,000
Consultants	110	\$0	\$250,000	\$3,000	\$253,000
Core / Fluid Analysis	111	\$0	\$0	\$10,000	\$10,000
Engineering - Process	115	\$0	\$0		\$0
Engineering - Structural	116	\$0	\$0		\$0
Directional Drilling Operations	113	\$403,700	\$0		\$403,700
Environmental & Safety Services	117	\$2,000	\$0		\$2,000
Fishing Services	119	\$0	\$0		\$0
Fluids Disposal (includes transportation)	120	\$20,400	\$150,000		\$170,400
Services Formation Evaluation	121	\$120,000	\$0		\$120,000
Formation Stimulation - Fracturing	122	\$0	\$3,845,000		\$3,845,000
Formation Stimulation - Other	123	\$0	\$100,000		\$100,000
Inspection - Bottom Hole Assembly	129	\$18,500	\$0		\$18,500
Inspection - Casing	130	\$1,500	\$0		\$1,500
Inspection - Drill Pipe	131	\$43,000	\$0		\$43,000
Inspection - Tubing	133	\$0	\$0		\$0
Installation / Removal - Pipeline	135	\$0	\$0	\$85,000	\$85,000
Labor - Company Supervision	139	\$153,100	\$250,000		\$403,100
Company Labor	140	\$0	\$0	\$500	\$500
Labor - Contract Employees	141	\$0	\$0		\$0
Location Preparation	143	\$135,000	\$75,000		\$210,000
Location Remediation & Maintenance	144	\$311,900	\$50,000		\$361,900
Services Miscellaneous	146	\$102,500	\$100,000		\$202,500
Mud Logging Services	147	\$54,700	\$0		\$54,700
Project Management	149	\$0	\$0		\$0
Drilling & Completion Rig Costs	150	\$778,400	\$350,000	\$14,000	\$1,142,400
Drilling Well Turnkey Costs	152	\$0	\$0		\$0
Rig Mobilization & De-Mobilization	153	\$254,100	\$0		\$254,100
Security Services	154	\$0	\$0		\$0
Slickline Services	155	\$0	\$0		\$0
Survey - Location	156	\$3,000	\$0		\$3,000
Survey - Well (not associated with directional drilling)	157	\$2,500	\$0		\$2,500
Testing - Well Control Equipment	160	\$35,000	\$0		\$35,000
Transportation - Land	162	\$26,400	\$20,000	\$3,000	\$49,400
Tubular Conveyed Perforating & Drill Stem Testing Services	165	\$0	\$0		\$0
Services Welding	168	\$7,500	\$5,000		\$12,500
Drill Bits	301	\$198,800	\$175,000		\$373,800
Blow-Out Preventor	302	\$34,700	\$0		\$34,700
Completion Fluids	304	\$0	\$4,500		\$4,500
Compressors	305	\$0	\$0		\$0
Cranes	307	\$0	\$0		\$0
Dehydration Unit	309	\$0	\$0		\$0
Drill String	310	\$54,000	\$0		\$54,000
Electrical Repairs	311	\$0	\$0		\$0
Fuel	313	\$260,100	\$429,000		\$689,100
Gas Measurement	317	\$0	\$0	\$34,000	\$34,000
Generators	318	\$0	\$0		\$0
Rent Lost in Hole	325	\$0	\$0		\$0
Rent Miscellaneous Surface Equipment	328	\$35,100	\$50,000	\$50,000	\$135,100
Mud - Drilling	329	\$508,900	\$0		\$508,900
Mud Monitoring & Processing Equipment	330	\$76,400	\$0		\$76,400
Stabilizer, Under-Reamer, Hole-Opener	341	\$20,600	\$0		\$20,600
Tools & Supplies	346	\$0	\$0	\$85,000	\$85,000
Vapor Recovery System	349	\$0	\$0	\$20,000	\$20,000
Drilling Water	350	\$9,400	\$10,000		\$19,400
Water Handling Equipment	351	\$0	\$0		\$0
Drilling Insurance	501	\$0	\$0		\$0
Legal Fees	503	\$3,000	\$10,000		\$13,000
Regulatory Compliance	511	\$0	\$0		\$0
Overhead	965	\$17,000	\$50,000		\$67,000
<b>Subtotal - Intangibles</b>		<b>\$4,032,300</b>	<b>\$6,336,000</b>	<b>\$304,500</b>	<b>\$10,672,800</b>
<b>TANGIBLES</b>		880	881	883	
Oil Measurement Equipment	332	\$0			\$0
Line Pipe & Battery Fittings	335	\$0			\$0
Pumps	336	\$0			\$0
Separators	340	\$0		\$62,000	\$62,000
Stock Tanks	345	\$0		\$65,000	\$65,000
Treaters	347	\$0			\$0
Artificial Lift	601	\$0		\$25,000	\$25,000
Casing Accessories	602	\$25,000			\$25,000
Miscellaneous Tangible Equipment	603	\$0			\$0
Packers / Anchors / Liner Hangers	604	\$0		\$0	\$0
Water Casing (Conductor Casing)	607	\$0			\$0
Pipe Surface Casing	608	\$72,000			\$72,000
Pipe Intermediate Casing	609	\$0			\$0
Production Casing/Liner	610	\$548,200		\$0	\$548,200
Pipe Casing Liner	611	\$0			\$0
Tubing	613	\$0		\$50,000	\$50,000
Rods	614	\$0		\$0	\$0
Tubing Accessories	616	\$0			\$0
Wellhead	617	\$22,500			\$22,500
<b>Subtotal - Tangibles</b>		<b>\$667,700</b>	<b>\$0</b>	<b>\$202,000</b>	<b>\$869,700</b>
<b>AFE TOTAL</b>		<b>\$4,700,000</b>	<b>\$6,336,000</b>	<b>\$506,500</b>	<b>\$11,542,500</b>

  

Scope By Date Modified	Prepared By D. Wayne Johnson Date Modified 10/7/2013	Prepared By Cody Bass Date Modified 10/7/2013	Prepared By Jarrod Franks Date Modified
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This AFE is only an estimate. By returning one signed copy the undersigned hereby agrees to pay its share of all the actual costs incurred in this operation.

NAME: _____	COMPANY: _____
PRINTED NAME: _____	DATE: _____
TITLE: _____	