

Version 1.4 DRILLING - WELL APPROPRIATION - DETAIL OF COST ESTIMATE										Date	09/25/2013
Field / Area										By:	Kyle Johnson
Cost Element	Description					VENDOR	Intangible	Tangible	DRILLING		
74400001	Rig - Daywork	days	30.68	rate	25000 \$/day		766,441		766,441		
74400002	Drilling Rig-Footage/Turnkey	feet		rate	\$/day		0		0		
74400003	Rig Up/ Rig Down						0		0		
71050200	Fuel-Purchased Natural Gas & Propane						0		0		
71290100	Fuel - Diesel / Motor Fuels						141,803		141,803		
71290300	Utilities - Other (potable water)						0		0		
74500023	Mobilization / De-Mobilization	Rig Days	5	Rig Trucking	100000		225,000		225,000		
		Rig Costs Total - Intangible					1,133,244	0	1,133,244		
68010100	Company Supervision	days	35.68	rate	4500 \$/day		160,459		160,459		
70000300	Contract Project Supervision	days	35.68	rate	900 \$/day		32,092		32,092		
		Supervision Total - Intangible					192,551	0	192,551		
68200100	Onshore Catering						0		0		
68250100	Offshore Catering						0		0		
68730100	Employee Personnel and Business Expense						0		0		
70000100	Contract Labor Surface						0		0		
70000200	Contract Labor Casual						0		0		
76150500	Communications - Radio						0		0		
76150600	Communications - Telephone -CITC						0		0		
76200100	Communications- Cellular						0		0		
76200300	Communications-Other						2,940		2,940		
		Other People Costs Total - Intangible					2,940	0	2,940		
74400004	Drilling Fluids						89,285		89,285		
71901900	Drill and Completion Fluids (not Service)						0		0		
71900500	Materials, Supply, Repair Parts						10,000		10,000		
		Mud, Materials Total - Intangible					99,285	0	99,285		
72300100	Surface Equipment Rentals						389,171		389,171		
72300200	Well Service Equipment Rentals						110,291		110,291		
72300300	Motor Vehicle Rentals						0		0		
73200200	Marine Transportation-Allocated						0		0		
73400300	Other Transportation Services						75,000		75,000		
73400400	Air Transportation allocated Adj						0		0		
73400700	Hauling Services (Not Freight)						0		0		
74400006	Directional Survey and Service Costs						264,574		264,574		
74400007	Drill String Rentals and Mills						14,256		14,256		
71901800	Drill Bits						73,000		73,000		
74400009	Coil Tubing						0		0		
74400010	Stimulation / Gravel Pack Materials & Service						0		0		
74400011	Pumping Services						0		0		
74400014	Perforating & Electric Line Services						0		0		
74400015	Slickline Services						0		0		
74500100	Contract Equipment & Services						0		0		
		Contract Rentals & Services Total - Intangible					926,292	0	926,292		
74500105	Services- Non Taxable Materials						0		0		
74500200	Technical Services						0		0		
75100500	HES Permit Costs & Fees						0		0		
75100601	Surface Regulatory & HES Inspection						0		0		
75590200	Other Professional Services & Fees						0		0		
75900800	Misc. Services and Fees						0		0		
		Other Services Total - Intangible					0	0	0		
74200300	Solid Waste Disposal						125,000		125,000		
74200600	Waste Water Disposal						10,000		10,000		
		Waste Disposal Total - Intangible					135,000	0	135,000		
74400017	Coring						0		0		
74400018	Testing						0		0		
74400019	Logging Wireline						0		0		
74400020	LWD (Logging While Drilling)						0		0		
74400021	Logging - Mud	23.58	days @	1250	\$ per day		29,476		29,476		
		Formation Evaluation Total - Intangible					29,476	0	29,476		
71900022	Well Pipe Casing	Size	Feet		\$/foot				928,803		
	Conductor							0			
	Surface	13-3/8"	1050		33.58			35,258			
	Intermediate 1	9-5/8"	5025		27			135,675			
	Intermediate 2							0			
	Drilling Liner							0			
	Production	5-1/2"	14818		16.93			250,869			
	Production Liner							0			
	Centrifuges & Float Equipment										
	Conductor										
	Surface							3000			
	Intermediate 1							5000			
	Intermediate 2										
	Whipstock							104000			
	Production							45000			
	Packers/Sleeves							350000			
71900020	Well Pipe - Tubing Under 2" OD	Size	Feet		\$/foot				0		
								0			
								0			
71900021	Well Pipe - Tubing 2" OD and over	Size	Feet		\$/foot				0		
								0			
								0			
71900100	Well Equipment / Materials							0	0		
71900110	Wellhead / Xmas Tree	Size	Cost						110,000		
	"A"		110000					110,000			
	"B"							0			
	"C"							0			
	Tubing Head							0			
	Xmas Tree							0			
71900120	Submersible Pumps & Equipment							0	0		
71500100	Surface Lifting Equipment / Materials								0		
	Rod String	Size	Feet		\$/foot						
								0			
								0			
	Production Pkr.										
	Well Pump										
	Other										
		Equipment Total - Tangible					0	1,038,803	1,038,803		
74400024	Cement & Cementing	Size	Sacks	Cost					208,000		
	Conductor					0					
	Surface	Size: 13-3/8"	Sacks: 18000	Cost: 18000		18000					
	Intermediate 1	Size: 9-5/8"	Sacks: 45000	Cost: 45000		45000					
	Intermediate 2	Size: 5-1/2"	Sacks: 50000	Cost: 50000		50000					
	Pilot Plug Back	Size: 2-7/8"	Sacks: 95000	Cost: 95000		95000					
	Production	Size: 5-1/2"	Sacks: 0	Cost: 0		0					
	Production Liner	Size: 5-1/2"	Sacks: 0	Cost: 0		0					
	Squeeze Jobs	Size: 5-1/2"	Sacks: 0	Cost: 0		0					
	Squeeze Jobs	Size: 5-1/2"	Sacks: 0	Cost: 0		0					
	Squeeze Jobs	Size: 5-1/2"	Sacks: 0	Cost: 0		0					
		Cement Total - Intangible				208,000	0		208,000		
74400013	Equipment Lost in Hole					0			0		
74400025	Fishing Costs					0			0		
74500021	Site Work / Roads / Locations					30,000			30,000		
		Unanticipated & Location Total - Intangible				30,000	0		30,000		
		Sub Total Cost Estimate				2,756,788	1,038,803		3,795,591		
94100700	Contingency	0.0%				0	0		0		
		Sub Total Cost Estimate w/ G&A				2,756,788	1,038,803		3,795,591		
94100700	Capitalized G&A	0.0%				0	0		0		
		TOTAL COST ESTIMATE w/ Contingencies				2,756,788	1,038,803		3,795,591		

Version 1.1	COMPLETION - WELL APPROPRIATION - DETAIL OF COST ESTIMATE						Date:	10/31/2013	
Field / Area	Well Name	Bell Lake 18-23-24 #1H					By:	ANE	
Cost Element	Description					VENDOR	Intangible	Tangible	DRILLING
74400001	Rig - Daywork	days	4.000000	rate	6500 \$/day		26,000		26,000
74400002	Drilling Rig-Footage/Turnkey	feet		rate	\$/day		0		0
74400003	Rig Up/ Rig Down						5,000		5,000
71050200	Fuel-Purchased Natural Gas & Propane						0		0
71290100	Fuel - Diesel / Motor Fuels						0		0
71290300	Utilities - Other (potable water)						13,500		13,500
74500023	Mobilization / De-Mobilization	Rig Days			Rig Trucking		0		0
					Rig Costs Total - Intangible		44,500	0	44,500
66010100	Company Supervision	days	0.000000	rate	\$/day		69,938		69,938
70000300	Contract Project Supervision	days	0.000000	rate	\$/day		46,625		46,625
					Supervision Total - Intangible		116,563	0	116,563
68200100	Onshore Catering						0		0
68250100	Offshore Catering						0		0
68730100	Employee Personnel and Business Expense						0		0
70000100	Contract Labor Surface						0		0
70000200	Contract Labor Casual						0		0
76150500	Communications - Radio						0		0
76150600	Communications - Telephone -CITC						0		0
76200100	Communications- Cellular						0		0
76200300	Communications-Other						0		0
					Other People Costs Total - Intangible		0	0	0
74400004	Drilling Fluids						0		0
71901900	Drill and Completion Fluids (not Service)						220,500		220,500
71900500	Materials, Supply, Repair Parts						0		0
					Mud, Materials Total - Intangible		220,500	0	220,500
72300100	Surface Equipment Rentals						357,069		357,069
72300200	Well Service Equipment Rentals						0		0
72300300	Motor Vehicle Rentals						0		0
73200200	Mainline Transportation-Allocated						0		0
73400300	Other Transportation Services						0		0
73400400	Air Transportation allocated Adj						0		0
73400700	Hauling Services (Not Freight)						0		0
74400006	Directional Survey and Service Costs						0		0
74400007	Drill String Rentals and Mills						65,000		65,000
71901800	Drill Bits						0		0
74400009	Coil Tubing						160,000		160,000
74400010	Stimulation / Gravel Pack Materials & Service						1,200,000		1,200,000
74400011	Pumping Services						0		0
74400014	Perforating & Electric Line Services						25,000		25,000
74400015	Slickline Services						0		0
74500100	Contract Equipment & Services						0		0
					Contract Rentals & Services Total - Intangible		1,887,069	0	1,887,069
74500105	Services- Non Taxable Materials						0		0
74500200	Technical Services						0		0
75100500	HES Permit Costs & Fees						0		0
75100501	Surface Regulatory & HES Inspection						0		0
75500200	Other Professional Services & Fees						0		0
75900800	Misc. Services and Fees						0		0
					Other Services Total - Intangible		0	0	0
74200300	Solid Waste Disposal						0		0
74200600	Waste Water Disposal						20,000		20,000
					Waste Disposal Total - Intangible		20,000	0	20,000
74400017	Coring						0		0
74400018	Testing						0		0
74400019	Logging Wireline						5,000		5,000
74400020	LWD (Logging While Drilling)						0		0
74400021	Logging - Mud	days @			\$ per day		0		0
					Formation Evaluation Total - Intangible		5,000	0	5,000
71900022	Well Pipe Casing	Size	Feet		\$/foot				0
	Conductor							0	
	Surface							0	
	Intermediate 1							0	
	Intermediate 2							0	
	Drilling Liner							0	
	Production							0	
	Production Liner							0	
	Centralizers & Float Equipment								
	Conductor								
	Surface								
	Intermediate 1								
	Intermediate 2								
	Drilling Liner								
	Production								
	Production Liner								
71900025	Well Pipe - Tubing Under 2" OD	Size	Feet		\$/foot				0
								0	
								0	
71900021	Well Pipe - Tubing 2" OD and over	Size	Feet		\$/foot				76,000
		2.875	9500		8			76,000	
								0	
71900100	Well Equipment / Materials							0	0
71900110	Wellhead / Xmas Tree	Size			Cost				40,000
	"A"							0	
	"B"							0	
	"C"							0	
	Tubing Head							0	
	Xmas Tree							40,000	
	Riser								
71900120	Submersible Pumps & Equipment							0	0
71500100	Surface Lifting Equipment / Materials								20,000
	Rod String	Size	Feet		\$/foot				
								0	
								0	
	Production Pkr							20,000	
	Well Pump								
	Other								
					Equipment Total - Tangible		0	136,000	136,000
74400024	Cement / Cementing	Size	Sacks		Cost				0
	Conductor					0			
	Surface					0			
	Intermediate 1					0			
	Intermediate 2					0			
	Drilling Liner					0			
	Production					0			
	Production Liner					0			
	Squeeze Jobs					0			
	Squeeze Jobs					0			
	Squeeze Jobs					0			
	Squeeze Jobs					0			
					Cement Total - Intangible		0	0	0
74400013	Equipment Lost in Hole						0		0
74400025	Fishing Costs						0		0
74500021	Site Work / Roads / Locations						5,000		5,000
					Unanticipated & Location Total - Intangible		5,000	0	5,000
					Sub Total Cost Estimate		2,318,631	136,000	2,354,631
94100700	Contingency	5.0%					110,932	6,809	117,732
					Sub Total Cost Estimate w/ G&A		2,329,563	142,800	2,472,363
	Capitalized G&A	0.0%					0	0	0
					TOTAL COST ESTIMATE w/ Contingencies		2,329,563	142,800	2,472,363

Delaware Basin - Lea County
Phase 3A - Facilities Cost Estimate

Facilities

	Bell Lake	
	Quant	Cost
GRAND TOTAL (for all items)	---	\$ 2,183,787.44
SUB-TOTAL (for all items)	---	\$ 2,017,355.60
Contingency	0%	\$ -
Tax	8.25%	\$ 166,431.84
G&A	0.0%	\$ -
Battery	1	\$ 1,696,500.00
- Civil	---	\$ 80,000.00
- Goldilocks Battery (Equip.)	---	\$ 1,000,000.00
- Goldilocks Battery (Install.)	---	\$ 600,000.00
- Electrical (EDS)	---	\$ 16,500.00
- Flare	---	\$ -
- Commingle Mods	---	\$ -
Dirt Work	1	\$ 60,160.00
- Supervision	---	\$ 13,760.00
- Land Damages	---	\$ 20,000.00
- Roads	---	\$ 26,400.00
- Frac Pond	---	\$ -
Compressor Station	---	
CAD drawings	---	
Vessels	---	
Dehy	---	
Fab/Construction	---	
I&E	---	
Well Sites	1	\$ 183,695.60
- Supervision	---	\$ 10,000.00
- Civil (includes caliche)	---	\$ 116,495.60
- Mechanical	---	\$ 20,000.00
- Flowline	---	\$ 25,200.00
- POC/Well Kill	---	\$ 12,000.00
- Gas Tie-in Connections	---	\$ -
Electrical Distribution	---	\$ 77,000.00
- Feed to Sections	1	\$ 77,000.00
- Capital Contribution	1	\$ -
- Generator Contingency	1	\$ -