

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240

Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	September 28, 2015	AFE NO.:	0
WELL NAME:	Jimmy Kane 05-24S-28E RB #206H	FIELD:	0
LOCATION:		MOTVD:	14000/9400'
COUNTY/STATE:	Eddy	LATERAL LENGTH:	9,600
MRC WI:		DRILLING DAYS:	18
GEOLOGIC TARGET:	Wolfcamp A-X/Y	COMPLETION DAYS:	9
REMARKS:	Drill a horizontal well and complete with 14 stages, WC-A/X/Y Gen 2 frac design		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
01 Land / Legal / Regulatory	\$ 31,700	\$ -	\$ -	\$ 31,700
02 Location, Surveys & Damages	115,500	137,500	4,000	257,000
10 Drilling	747,000	-	-	747,000
16 Cementing & Floer Equip	210,000	-	-	210,000
20 Logging / Formation Evaluation	-	4,500	-	4,500
21 Mud Logging	18,000	-	-	18,000
23 Mud Circulation System	47,670	-	-	47,670
24 Mud & Chemicals	111,000	20,000	-	131,000
25 Mud / Wastewater Disposal	175,000	-	-	175,000
26 Freight / Transportation	36,000	15,000	-	51,000
28 Rig Supervision / Engineering	79,200	80,250	18,000	157,450
31 Drills Bits	89,500	-	-	89,500
32 Fuel & Power	105,000	-	-	105,000
33 Water	50,000	335,000	-	385,000
34 Drig & Completion Overhead	9,000	16,000	-	25,000
36 Plugging & Abandonment	-	-	-	-
38 Directional Drilling, Surveys	154,000	-	-	154,000
40 Completion Unit, Swab, CTU	-	80,000	28,000	88,000
44 Perforating, Wireline, Slickline	-	58,500	20,000	79,500
45 High Pressure Pump Truck	-	53,000	-	53,000
46 Stimulation	-	1,610,000	-	1,610,000
47 Stimulation Flowback & Disp	-	60,500	-	60,500
48 Insurance	25,740	-	-	25,740
50 Labor	121,000	17,000	6,000	144,000
51 Rental - Surface Equipment	65,900	151,475	12,000	230,375
52 Rental - Downhole Equipment	50,000	40,000	-	90,000
53 Rental - Living Quarters	45,200	27,080	10,000	82,280
54 Contingency	160,119	266,681	8,800	436,599
TOTAL INTANGIBLES >	2,447,529	2,833,496	167,800	5,448,814

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
TANGIBLE COSTS				
41 Surface Casing	\$ 26,450	\$ -	\$ -	\$ 26,450
42 Intermediate Casing	74,250	-	-	74,250
43 Drilling Liner	262,200	-	-	262,200
44 Production Casing	210,625	-	-	210,625
45 Production Liner	-	-	-	-
46 Tubing	-	-	47,000	47,000
47 Wellhead	70,000	-	50,000	120,000
48 Packers, Liner Hangers	-	23,400	12,000	35,400
49 Tanks	-	-	-	-
50 Production Vessels	-	-	74,000	74,000
51 Flow Lines	-	-	-	-
52 Rod string	-	-	-	-
53 Artificial Lift Equipment	-	-	30,000	30,000
54 Compressor	-	-	67,000	67,000
55 Installation Costs	-	-	5,000	5,000
56 Surface Pumps	-	-	66,000	66,000
58 Non-controllable Surface	-	-	-	-
59 Non-controllable Downhole	-	-	-	-
61 Downhole Pumps	-	-	-	-
63 Measurement & Meter Installation	-	-	12,500	12,500
64 Gas Conditioning / Dehydration	-	-	-	-
65 Interconnecting Facility Piping	-	-	-	-
66 Gathering / Bulk Lines	-	-	-	-
67 Valves, Dumps, Controllers	-	-	-	-
68 Tank / Facility Containment	-	-	-	-
69 Flare Stack	-	-	-	-
70 Electrical / Grounding	-	-	-	-
71 Communications / SCADA	-	-	-	-
72 Instrumentation / Safety	-	-	-	-
TOTAL TANGIBLES >	643,525	23,400	363,500	1,030,425
TOTAL COSTS >	3,081,054	2,956,984	471,300	6,511,238

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Aaron Byrd
 Completions Engineer: Chris Calvert
 Production Engineer: John Romano

Team Lead - WTX/NM WTF
WTF

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO

OIEL

VP - Res. Engineering

EMER

VP - Drilling

BG

Executive VP, Legal

CA

Exotic Dir - Exploration

NLF

VP - Production



President

MVH

VP & General Manager

RCL

NON OPERATING PARTNER APPROVAL:

Company Name:

Working Interest (%):

Toy SD:

Signed by _____

Date: _____

Title:

Approval

Yes **No** (mark one)

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