

AFE - Drilling & Completion

Operator: ABC Exploration, LP	Prepared By: RDR	Tax Rate
Well Name: Example #1-H	Field: Expl	Depth: 13,150 '
Legal:	Parish/County: Harrison	Days: 22
Contractor: Nabors ???	State: TX	Spud Date: TBA

Well Program

Casing	Hole Size	Casing Size Weight, & Grade	Depth	Drilling Fluid	Formation Evaluation
Conductor		14" 3/8" Wall Welded	80 '		
Surface	12 1/4	9 5/8" 36 ppf J/K-55 STC	2,850 '	Spud	None
Intermediate	8 3/4	7" 29 ppf N-80 BTC	7,900 '	LSND	Triple Combo
1st Liner					
2nd Liner					
Production	6 1/4	4 1/2" 11.6 ppf P-110	13,150 '	LSND	LWD

Costs

Code	Item	Item Cost per Unit	Days/Units	Drilling Cost	Days/No.	Completion Cost	Total Cost
------	------	--------------------	------------	---------------	----------	-----------------	------------

Capitalized Intangible Drilling & Completion Costs

100	Site Preparation & Maintenance			135,000			135,000
	Permits & Surveys	7,500	1	7,500			7,500
	Location, Roads, Pits	75,000	1	75,000			75,000
	Water/Water Well/Plugging	7,500	1	7,500			7,500
	Conductor/Mousehole Installation	25,000	1	25,000			25,000
	Site Restoration & Land Use	20,000	1	20,000			20,000
	Wellsite Security						
	Roustabouts & Labor						
110	Title Opinion						
120	Drilling/Completion Rig			557,000			557,000
	Mob/Demob	150,000	1	150,000			150,000
	Rig Rental	18,500	22	407,000			407,000
	Top Drive & Mousehole						
	Additional Crew/Oil Base pay						
130	Engineering & Supervision			78,100		15,000	93,100
	Wellsite Supervision	3,000	22	66,000	5	15,000	81,000
	Engineering & Geology						
	Rig Supervisor Camp	400	22	8,800			8,800
	Communications	150	22	3,300			3,300
	Field/Office Supplies						
140	Fuel	4,500	22	99,000			99,000
150	Well Evaluation			45,900		7,500	53,400
	Open Hole Logging	25,000	1	25,000			25,000
	Cased Hole Logging	7,500			1	7,500	7,500
	Mud Logging	950	22	20,900			20,900
	Core Analysis						
	Drill Stem Testing						
	Fluid Analysis						
	Production Testing						
160	Casing Services			20,000		10,000	30,000
	Casing Crews & Rental Tools	10,000	2	20,000	1	10,000	30,000
	Roustabouts & Cleaning						
	Thread Specialist						
170	Cementing Services			70,000		35,000	105,000
	Primary Cementing	35,000	2	70,000	1	35,000	105,000
	Remedial Cementing						
	Loss Circulation						
	Squeeze Packers & Cementers						
	Kick-Off Plugs						
180	Drilling Tools			49,000		15,000	64,000
	Drill Bits	40,000	1	40,000			40,000
	Core Bits						
	Stabilizers/Reamers	1,500	5	7,500			7,500
	Performance Motors	15,000			1	15,000	15,000
	Turbines						
	Shock Subs	500	3	1,500			1,500
190	Drilling/Completion Fluids & Services			102,300		13,500	115,800
	Fluids & Services	4,500	22	99,000	3	13,500	112,500
	Shaker Screens	150	22	3,300			3,300
200	Equipment Rentals			13,120		19,000	32,120
	Shale Shaker						
	Mud Cleaner						
	Centrifuge	350	7	2,450			2,450
	Transfer Pumps						
	Steam Cleaners						
	Wear Bushing	35	22	770			770
	Rentals - Surface						
	Rentals - Subsurface						
	PVT/Flo-Show	350	22	7,700			7,700
	BOP Rental						
	Forklift	100	22	2,200			2,200
	Hydraulic Choke	4,000			4	16,000	16,000
	Tankage (Frac Tanks)	15			200	3,000	3,000
210	Drill String			32,500			32,500

AFE - Drilling & Completion

Drill Pipe	2,500	7	17,500			17,500
Drill Collars						
Drill Pipe Protectors	100					
Inspections & Repair	7,500	2	15,000			15,000
Corrosion Control						
220 Environmental			4,400		35,000	39,400
Solid Waste Disposal	200	22	4,400			4,400
Brine & Water Disposal	750			20	15,000	15,000
Cuttings Haul-off & Disposal						
Closed Loop Services						
Reserve & Flare Pit Closure					20,000	20,000
Spill Cleanup						
230 Miscellaneous	250	22	5,500	10	2,500	8,000
240 Specialty Tools & Services			86,500		4,500	91,000
Directional & MWD Services	10,000	7	70,000			70,000
Well Surveying (SS,EMS,Gyro)	7,500	1	7,500			7,500
Fishing Tools and Services						
Sidetrack: Whipstock,Mills,Service						
Coring Services						
Safety (H2S)						
Control Of Well						
BOP NU & Testing Services	3,000	2	6,000	1	3,000	9,000
Wellhead Technician	1,500	2	3,000	1	1,500	4,500
250 Trucking & Transportation	650	22	14,300	10	6,500	20,800
260 Welding	1,000	2	2,000	1	1,000	3,000
270 Production Services					1,685,000	1,685,000
Stimulation	200,000			8	1,600,000	1,600,000
Perforating						
Wireline Services -BP,cement, lubricators, cranes						
Slickline Services						
Coil Tubing & Nitrogen Services	60,000			1	60,000	60,000
Misc. Rental Equipment						
Pressure Testing Services						
Facilities Construction	25,000			1	25,000	25,000
300 Contract Labor						
310 Plug and Abandonment						
400 OEE Insurance	4	13150	52,600			52,600
500 Overhead Allocation	1,000	22	22,000	5	5,000	27,000
Total Intangible Cost			\$1,389,220		\$1,854,500	\$3,243,720
Tangible Drilling & Completion Costs			8400		8600	
100 Casing			275,050		411,700	686,750
Conductor Casing	40	80	3,200			3,200
Surface Casing	21	2850	59,850			59,850
Protection Casing	27	8000	212,000			212,000
1st Drilling Liner						
Production Casing	18			13150	236,700	236,700
Stim Sleeves and Packers	175,000			1	175,000	175,000
110 Production Tubing					50,000	50,000
Tubing	6			8000	50,000	
Pups and cross-overs						
120 Subsurface Equipment			10,000		20,000	30,000
Liner Hanger & Packer						
Production Packer, Anchor, Seals, Pump	20,000			1	20,000	20,000
Cementing Equipment	10,000	1	10,000			10,000
Gas Lift Mandrels & Valves						
Pumps						
Bridge Plugs						
130 Wellhead Equipment	15,000	1	15,000	3	45,000	60,000
140 Production Equipment					127,000	127,000
Tank Battery	9,000			3	27,000	27,000
Compressors						
Pump Unit & Stuffing Box	80,000			1	80,000	80,000
Fluid Meters & run						
Production Skid - separator, heater treater, de-hy	20,000			1	20,000	20,000
Treatment Units						
150 Miscellaneous Equipment					28,500	28,500
Surface Lines/Gathering System					7,500	7,500
Line Pipe						
Sucker Rods	3			8000	21,000	21,000
Total Tangible Cost			\$300,050		\$682,200	\$982,250
			Drilling		Completion	Total
Total Cost			\$1,689,270		\$2,536,700	\$4,225,970
Contengencies						
AFE Cost			\$1,689,270		\$2,536,700	\$4,225,970
W.I. Share	100.00%		\$1,689,270		\$2,536,700	\$4,225,970