

**Hussey Oil & Gas LLC**  
**EXPLORATION & DEVELOPMENT DRILLING**  
**AFE COST ESTIMATE (Slotted Liner)**

Well Name: North Grant Canyon #1-8	Location: Sec. 8-T7N-R57E	Date: 9/2/2018
County/State: Nye County, Nevada	Formation: Guilmette (Devonian)	TD Depth: 7,000'
Lease/Field: North Grant Canyon	AFE#: TBD	Type Well: Oil

Well Design: Hole/Casings: 12-1/4"x10-3/4"; 9-7/8"x 7-5/8": 6-3/4" x 4-1/2" Slt. Liner

Notes: New Well - Rotary Drill 14-3/4" hole to 1100', run / set 10-3/4" 40.5# K-55 STC csg. and cement to surface. NU cls III 5M BOPE. Rotary / LWD vertical 9-7/8" hole f/ 1,100' to 6,225'. Run e-logs, Quad combo, dip meter and SWC's. Run & set 7-5/8" 29.7# L-80 LTC production csg. (2) stage cement f/ 6,250' to surface. Rotary/LWD 6-3/4" open hole f/ 6,225 to TD (7,000). Run e-logs and evaluate. Plug back as needed. Run ~500' of 4-1/2" 11.6# L-80 slt liner f/ 6,250' to PBTD. Run 3-1/2" N-80 tubing w/ down hole prod. equip. Swab test well (6-7 dys) to clean up and test for production. Well completed w/ installed surface facilities: pumping unit, heater treater, flowlines to production tanks.

	ACCOUNT#:	17.0	2.0	13.0	32.0
<b>DRILLING INTANGIBLE</b>	<b>80010</b>	<b>DRILLING</b>	<b>DRLG / COMP</b>	<b>COMPLETION</b>	<b>TOTALS</b>
LOCATION: Survey / Right of Way / Build w/ reclaim	80010/10	\$150,000	\$0	\$0	\$150,000
WASTE DISPOSAL:	80010/12	\$13,000	\$2,000	\$0	\$15,000
DRILLING RIG: w/ sub \$15,000/day	80010/14	\$255,000	\$30,000	\$0	\$285,000
MOVE IN/MOVE OUT @ \$180,000	80010/16	\$360,000	\$0	\$0	\$360,000
MUD: DMA / Poly Pac Systems	80010/18	\$70,000	\$10,000	\$0	\$80,000
BITS, UNDERREAMERS, HOLE OPENERS	80010/20	\$105,000	\$0	\$0	\$105,000
CEMENTING: Surface + Intermediate (2 stage)	80010/22	\$135,000	\$0	\$0	\$135,000
DIRECTIONAL DRILLING/TOOLS: LWD ++	80010/23	\$135,000	\$0	\$0	\$135,000
RIG SUPPLIES - FUEL	80010/24	\$70,000	\$8,000	\$0	\$78,000
CRANE SERVICE	80010/25	\$15,000	\$2,000	\$0	\$17,000
RENTALS + 7,000' of 4" FH DP	80010/26	\$170,000	\$20,000	\$0	\$190,000
SOLID CONTROL EQUIPMENT	80010/28	\$25,000	\$3,000	\$0	\$28,000
WATER WELL / HAULING	80010/29	\$10,000	\$1,000	\$0	\$11,000
TRANSPORTATION	80010/30	\$60,000	\$7,000	\$0	\$67,000
VACUUM TRUCKING	80010/32	\$20,000	\$2,000	\$0	\$22,000
OPEN HOLE LOGGING / CORING:	80010/34	\$80,000	\$50,000	\$0	\$130,000
MUD LOGGING	80010/36	\$20,000	\$2,000	\$0	\$22,000
FISHING TOOLS & SERVICES	80010/41	\$0	\$0	\$0	\$0
CONTRACT LABOR	80010/42	\$21,000	\$4,000	\$0	\$25,000
CONTRACT SERVICES	80010/43	\$20,000	\$2,000	\$0	\$22,000
SUPERVISION: 24 hr On-Site Supervision	80010/44	\$38,000	\$4,000	\$0	\$42,000
ENGINEERING: Engineering & a.m. Reports	80010/46	\$14,000	\$2,000	\$0	\$16,000
GEOLOGICAL. Consulting Geologist	80010/48	\$15,000	\$0	\$0	\$15,000
PERMITS/LEGAL	80010/50	\$50,000	\$0	\$0	\$50,000
COMMUNICATION: Pason PVT Rig watch	80010/52	\$15,000	\$2,000	\$0	\$17,000
INSPECTION & REPAIR: (7000')	80010/60	\$35,000	\$0	\$0	\$35,000
INSURANCE (General Liability & Control of Well)	80010/64	\$40,000	\$1,000	\$0	\$41,000
OVERHEAD	80010/68	\$10,000	\$1,000	\$0	\$11,000
MISCELLANEOUS	80010/72	\$36,000	\$5,000	\$0	\$41,000
CONTINGENCY 10.00%	80010/76	\$199,000	\$16,000	\$0	\$215,000
<b>TOTALS DRILLING INTANGIBLE</b>		<b>\$2,186,000</b>	<b>\$174,000</b>	<b>\$0</b>	<b>\$2,360,000</b>

	80030	DRILLING	DRLG / COMP	COMPLETION	TOTALS
<b>COMPLETION INTANGIBLE</b>					
LOCATION WORK	80030/10	\$0	\$0	\$10,000	\$10,000
WASTE DISPOSAL	80030/12	\$0	\$0	\$20,000	\$20,000
COMPLETION RIG: 14 dys	80030/14	\$0	\$0	\$52,000	\$52,000
COMPLETION FLUID	80030/16	\$0	\$0	\$0	\$0
BITS & SCRAPERS	80030/18	\$0	\$0	\$4,000	\$4,000
CEMENTING:	80030/20	\$0	\$0	\$0	\$0
RIG SUPPLIES	80030/21	\$0	\$0	\$0	\$0
EQUIPMENT RENTAL	80030/22	\$0	\$0	\$26,000	\$26,000
PACKERS, PLUGS, CEMENT RET	80030/24	\$0	\$0	\$0	\$0
CRANE SERVICE	80030/25	\$0	\$0	\$0	\$0
FISHING TOOLS	80030/26	\$0	\$0	\$0	\$0
VACUUM TRUCKING	80030/28	\$0	\$0	\$13,000	\$13,000
TRANSPORTATION	80030/30	\$0	\$0	\$25,000	\$25,000
CASED HOLE LOGGING/PERFORATING	80030/32	\$0	\$0	\$0	\$0
COMPLETION SERVICE-TEST/INSPEC	80030/34	\$0	\$0	\$0	\$0
TREATING-SWABBING	80030/36	\$0	\$0	\$0	\$0
ACIDIZING	80030/38	\$0	\$0	\$0	\$0
FRACTURE STIMULATION	80030/40	\$0	\$0	\$0	\$0
CONTRACT LABOR	80030/44	\$0	\$0	\$39,000	\$39,000
SUPERVISION	80030/48	\$0	\$0	\$24,000	\$24,000
ENGINEERING/GEOLOGICAL	80030/55	\$0	\$0	\$12,000	\$12,000
INSURANCE	80030/60	\$0	\$0	\$10,000	\$10,000
COMMUNICATIONS	80030/65	\$0	\$0	\$2,000	\$2,000
MISCELLANEOUS	80030/70	\$0	\$0	\$13,000	\$13,000
CONTINGENCY	80030/75	\$0	\$0	\$25,000	\$25,000
<b>TOTALS COMPLETION INTANGIBLE</b>		<b>\$0</b>	<b>\$0</b>	<b>\$275,000</b>	<b>\$275,000</b>
<b>TOTALS INTANGIBLES</b>		<b>\$2,186,000</b>	<b>\$174,000</b>	<b>\$275,000</b>	<b>\$2,635,000</b>

	ACCOUNT#:	80020	DRILLING	DRLG / COMP	COMPLETION	TOTALS
<b>DRILLING TANGIBLES</b>						
CASING - CONDUCTOR: 16"	80020/12	\$12,000	\$0	\$0	\$12,000	
CASING - SURFACE: 1100' 10-3/4" 40.5# K-55 STC	80020/14	\$25,000	\$0	\$0	\$25,000	
CASING - INTERMEDIATE: 6,225' 7-5/8" 29.7#	80020/16	\$125,000	\$0	\$0	\$125,000	
CASING - PRODUCTION:	80020/18	\$0	\$0	\$0	\$0	
CASING - LINER: 4-1/2" Slt. Liner w/ Hanger	80020/20	\$0	\$60,000	\$0	\$60,000	
WELLHEAD EQUIPMENT:	80020/30	\$10,000	\$5,000	\$0	\$15,000	
CASING HARDWARE: w/ (2 stage cmt. tool)	80020/40	\$60,000	\$0	\$0	\$60,000	
<b>TOTALS DRILLING TANGIBLE</b>		<b>\$232,000</b>	<b>\$65,000</b>	<b>\$0</b>	<b>\$297,000</b>	

	80040	DRILLING	DRLG / COMP	COMPLETION	TOTALS
<b>COMPLETION TANGIBLE</b>					
TUBING: New 3-1/2" 9.3 N-80 tbg.	80040/10	\$0	\$0	\$41,000	\$41,000
RODS: NEW ROD STRING	80040/12	\$0	\$0	\$0	\$0
DOWNHOLE PUMPS/TUBING ANCHOR	80040/14	\$0	\$0	\$0	\$0
PUMP UNIT, MOTOR, BASE, WEIGHTS:	80040/16	\$0	\$0	\$175,000	\$175,000
WELLHEAD, TUBING HEAD, TREE, PUMP	80040/18	\$0	\$0	\$13,000	\$13,000
PIPES, VALVES & FITTINGS	80040/20	\$0	\$0	\$10,000	\$10,000
SUFACE PRODUCTION EQUIPMENT	80040/22	\$0	\$0	\$65,000	\$65,000
FACILITIES: Oil Treating Equip. w/ flow lines	80040/24	\$0	\$0	\$250,000	\$250,000
MISCELLANEOUS	80040/26	\$0	\$0	\$25,000	\$25,000
INSTALLATION	80040/28	\$0	\$0	\$50,000	\$50,000
<b>TOTALS COMPLETION TANGIBLE</b>		<b>\$0</b>	<b>\$0</b>	<b>\$629,000</b>	<b>\$629,000</b>

	DRILLING	DRLG / COMP	COMPLETION	TOTALS
<b>TOTALS INTANGIBLES</b>	<b>\$2,186,000</b>	<b>\$174,000</b>	<b>\$275,000</b>	<b>\$2,635,000</b>
<b>TOTALS TANGIBLES</b>	<b>\$232,000</b>	<b>\$65,000</b>	<b>\$629,000</b>	<b>\$926,000</b>
<b>Drilling Dry Hole Costs =</b>	<b>\$2,418,000</b>	<b>\$2,418,000</b>		
<b>Drilling Completion Costs =</b>		<b>\$239,000</b>		
<b>Total Drilling / Completion Costs =</b>		<b>\$2,657,000</b>		<b>\$2,657,000</b>
<b>Completed Completion Costs =</b>			<b>\$904,000</b>	<b>\$904,000</b>
<b>Total AFE Costs =</b>				<b>\$3,561,000</b>