

MYCO Industries, Inc.
Daily Completion Report

University 8-4 #2
1500' FSL & 467' FEL
Block 8, Sec 4, University Lands Survey
Landman: Hannah Palomin Geol: Jim Schlueter
Andrews County, Texas
Key Energy Services—Rig #319

API Number: 42-003-41098
Proposed Total Depth: 11,400'
Formation: Sprayberry Trend
Eng: Nelson Muncy
Elevations: 3016' GR, 3032' KB
KB Correction: 16'

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2-1-2010

Drive to location. Hold 5 min tailgate safety meeting. Move in Sweatt Construction Blade and clean off location. Move in Butch's anchor truck and set anchors. Move in and set rig matting boards, and pipe racks. Move in and rig up Key Energy Services work over rig #319. Nipple up 7 1/16" 5M Double Ram Manual BOP w/ 2 7/8" pipe rams and blinds on bottom. Secure well, SDFN.

2-2-2010

Drive to location and hold safety meeting. Set in WRH, Inc reverse unit package. Test BOP and casing to 2500 psi-- test OK. **Unload 369 joints of 2 7/8" 6.5# L80 tubing onto pipe racks from MYCO inventory at Tool Pusher's Supply yard.** Remove thread protectors and tally all tubing. Make up and GIH w/ 4 3/4" mill tooth bit, bit sub, 5--3.5" DC's, XO, and start picking up 2 7/8" tubing, drifting each joint as it is picked up. Tag DV tool with 20' in on joint #154 at 5,017' by tubing tally. Rig up stripper head and pick up swivel. Test csg and DV tool to 2000 psi with no pressure loss. Break circulation and Drill out 6' of cement then drill out DV tool. Circulate bottoms up. Work bit through DV tool numerous times. DV tool was at 5023' GL by tubing tally. Test DV tool and casing to 2500 psi—OK with no pressure loss. LD swivel, Continue Picking up 96 more jts of 2 7/8" 6.5# N80 tubing. Pick up a total of 250 joints in the hole today. Secure well, SDFN.

2-3-2010

Drive to location and hold safety meeting. SITP & SICP--0. Continue going in hole picking up 9 more jts of 2 7/8" 6.5# L80 tubing. Tag with 5' in on joint #259 at 8,300'. Rig broke down waited on mechanic to replace the clutches on the tbg drum. Repaired rig and drum clutch. Rig up stripper head and picked up swivel. Test csg and DV tool to 2000 psi OK. Break circulation and Drill out 18' of cement then drill out DV tool at 8318' by tbg tally. Run in with joint #260 & test csg to 2000 psi with no pressure loss. Circulate bottoms up. LD swivel & shut down due to bad weather—freezing rain, ice & wind. Secure well & SDFN. Prepare to finish TIH w/ tbg to PBTD.

2-4-2010

Drive to location and hold safety meeting. SITP & SICP--0. Continue going in hole picking up 94 more jts of 2 7/8" 6.5# L80 tubing. Tag with 15' in on joint #354 at 11,303' by tubing tally. Rig up stripper head and pick up swivel. Break circulation and Drill out 15' of cement. Bit started to plug off while circulating hole clean. Circulate bottoms up. New PBTD--11,318' by tubing tally. LD swivel and POOH w/354 jts of 2 7/8" 6.5# N80 tubing. LD 5--3.5" DC's, & 4 3/4" bit. Make up & RIH w/4 3/4" bit, 5.5" casing scraper and 214 jts of 2 7/8" tubing. Secure well, SDFN. Prepare to finish RIH with tubing & displace the hole w/ clean fluid.

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Plug Back TD—11308' by WL

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2-5-2010

Drive to location and hold safety meeting. SITP & SICP--0. Continue going in hole w/145 more jts of 2 7/8" 6.5# N80 tubing. Tag PBTD at 11,318' with a total of 359 jts of tubing. LD 1 jt of tubing. RU reverse unit. Displace the hole with 260 bbls of clean fluid. Shut down and release kill truck. Pull out of hole with 179 stands of 2 7/8" 6.5# N80 tubing. Lay down Bit and Scraper. Move in and rig up J-W Wire line truck. Make up and RIH with CCL/Radial Analysis/CBL/GR tool down to PBTD at 11,308' by WL depth. Correlate to Schlumberger three Detector Litho Density Compensated Neutron open hole log dated 28-Dec- 09. Pull repeat pass from PBTD up to 10,880' w/no pressure. Pull main pass from PBTD up to 4,500' w/1000 psi. Cement top was at surface. POOH w/Logging tool. Rig down and release wire line truck. Good bond across intervals to be perforated. Secure well. SDFWE.

2-6-2010 and 2-7-2010

Shut down for the weekend.

2-8-2010

Drive to location and hold safety meeting. SITP & SICP were 0. Open up well. Make up RIH with 2 7/8" SN, 356 jts of 2 7/8" 6.5# N80 EUE tubing. Leave the end of the tubing at 11,217' by tubing tally. ND BOP & Flange well up. Rig down and release Key Well Service completion rig. Clean Location, Release all rental equipment. Secure well. Move to University 8-4 #1 at 1400 hrs on 2/8/2010.

2-9-2010 thru 4-2-2010

Wait on frac equipment. Received frac date of 4-8-2010 with Superior Well Services.

TRANSFER:

Set Snelson Pumping unit from Myco Inventory to Univ 8-4 #2. 640-365-168 w/ concrete base.
Serial Number--
75 hp Electric motor—Serial Number--

Lay 4" poly flow line from Univ 8-4 #2 to header at tank battery on Univ 8-4 #1 using 4" poly line from Myco Andrews Yard inventory.

Dixie Electric ran power line to Univ 8-4 #2 location. Install underground service from pole to the pumping unit. Set panel and check rotation of motor.

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4-1-2010

Check water in frac pits and circ with chemicals. Start water wells and start filling up frac pits to provide water for frac job on Univ 8-4 #2.

4-2-2010

Fill frac pits with water and add chemicals. Meet with frac engineer and service supervisor and mark location for frac tanks and acid tank.

4-3-2010

Continue to fill pits with water. Start to haul and set frac tanks for frac job.

4-4-2010

Continue to fill frac pits with water.

4-5-2010

Move in and rig up Key Energy Services work over rig. Set rig mats, portable toilets and light towers. Prepare to pickle 5.5" casing.

4-6-2010

Move in Rising Star pump truck and treating van. Lay down tubing to 11,125'. Rig up and hold pre job safety meeting. Test lines to 5000 psi. Pump 500 gallons Xylene followed by 1000 gallons of 15% HCL acid at 1 bpm down tubing and out the casing. Pump 30 bbls over annular capacity and circ out all acid. Spot 500 gallons of 15% NEFE acid from 11125 to 10640'. Acid contained additives and extra inhibitors. Secure well and shut down. Continue to haul in frac tanks and start to fill with water.

4-7-2010

Drive to location and hold safety meeting. Set in pipe racks and pull out of the hole laying down a total of 356 joints of 2 7/8" 6.5# L80 EUE tubing and 2 7/8" seating nipple. **Install Myco 5 1/8" Frac Mandrel and Myco 5 1/8" 10K Frac Valve to isolate tubing head with Myco Asset Serial Number 45610 and #45610A. Install Stinger Frac Header with Wire line access port. Install Myco Flange Asset Number #2009-007 and Myco Flow back manifold Asset Number #2009-003 and flow back iron.** MIRU JW Wireline truck with packoff. Make up and GIH w/ 3 3/8" slick csg guns. Correlate to JW Wireline CBL dated 2-5-2010. Perforate Stage #1—Strawn perforations at 11076—11080' and 11120'—11125' with 6 JSPF on 60 deg phasing. Total of 54 holes, 0.42" EHD. POH and all shots fired. Rig down JW Wireline. Frac date was pushed back from 4-8-2010 to 4-9-2010. MIRU Rising Star pump truck and treating van. Test lines to 7000 psi. Pressure up on 5.5" casing and started to feed into perfs at 2480 psi at 1.2 BPM. Increase rate and break perfs at 2800 psi. Pump 30 bbls KCL water and displace all acid from 5.5" casing into Stage #1 Perforations 11076—11080' & 11120—11125'. **ISIP—2680 psi.** Rig down and release Rising Star pump truck. Secure well. SION. Set in remainder of frac tanks on location and offset location.

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4-8-2010

Rig down and move off Key Energy Services work over rig. Finish setting and manifold all tanks. Install splitter valves and tee's in manifolds. Install water transfer pumps and lines. Finish filling all the tanks with fresh water. Move tubing and racks to far North side of location. Ready to frac in the am.

4-9-2010

Move in and rig up JW Wireline electric line truck and full 10K lubricator with grease injection. Move in and rig up Superior Well Services frac equipment. QC frac fluid and perform breaker tests and XL loadings. Increase buffer due to water and breaker tests performed OK. Confirm water inventory and sand weight tickets. Hold pre job safety meeting. Lay lines, prime up pumps and test lines to 8500 psi. Fix leaky chicksons and 1" bleedoff valves. Pressure test again and wireline adaptor flange leaked. Perform bucket tests and dry add augers on Chem-Add. Run out Blender and paddles were inoperable. Shut down at 1600 hrs to repair blender and replace ring gasket on wireline adaptor of frac header. Will frac in the am.
Secure well. SION.

4-10-2010

Hold pre job safety meeting. Test lines and wireline lubricator adaptor and wireline BOP to 8500 psi—OK.

Frac Stage #1 Strawn Perforations:

**1106-11080' & 11120-11125' w/ 6 JSPF on 60 Deg Phasing.
Total of 54 holes with 0.42" EHD.**

Frac via 5.5" 20# P110 LT&C casing as follows:

154,308 Gal Slickwater 133,318 Gal 12# XL Gel, and 20000 Gal 15% NEFE Acid, carrying 55,500# 40/70 White Sand, 193,586# 20/40 Econoprop and 17,506# of 20/40 Super LC resin coated sand.

Max Pressure—5935 psi, Avg Pressure—4055 psi, Max Rate—51.8 BPM, Avg Rate--47.1 BPM.

ISDP—4023, 5 min—3220, 10 Min—3165, 15 min—3138.

Total load to recover---8619 bbls.

Hold post job safety meeting. Bleed off pressure. Make up and GIH w/ 5.5" Copperhead plug, 3 3/8" slick casing guns and GIH. Set CIBP @ 11025'. Pressure test plug with 6000 psi. Bleed off pressure and perforate Stage #2: 10952—10956, & 10968—10972' w/ 6 JSPF on 60 Deg Phasing for a total of 32 holes with 0.42" EHD. POH and confirm all shots fired. Lay down guns and setting tool.

Frac Stage #2: Perfs 10952-56 & 10968-10972'. 32 Holes, 0.42" EHD.

Frac via 5.5" 20# P110 LT&C Casing as Follows:

Break formation at 3993 psi. Establish Injection rate of 15.2 BPM @ 5042 psi.
Perform MiniFrac w/ Step down. 25 BPM at 7000 psi. Do 3 stage step down. ISDP-3131.
Spearhead 2000 gal 15% NEFE. 12 BPM @ 6113 psi. Acid on formation—break to 3900.
Pump Slickwater frac with 0.5# 40/70 White sand and 1# 40/70 white sand with sweeps.
Pump 12# Crosslink with 1#, 2#, 3# Econoprop and 4# Super LC resin coated sand—all 20/40.
Pumped total of 3350# of 0.5# 40/70 White sand as a Slug in Pad, 6000# 40/70 White Sand in
0.5 and 1# stages, 30,000# 20/40 Econoprop in 1#, 2# and 3# stages and follow with
18,118# of 20/40 Super LC Resin Coated sand. Total of 57,468# Sand Pumped.

Well screened out with 242 bbls flush behind Super LC sand. Total flush was to be 245 bbls.
Shut down 3 bbls early.

ISDP—3918, 5 min—3306, 10 min—3181, 15 min—3135.

Max Pressure—7000 psi. Avg Pressure—3653 psi.

Max Rate—26 BPM, Avg Rate—25.1 BPM

Total Load for Stage #2 to Recover—2239 bbls.

Hold post job safety meeting. Bleed off pressure. Make up and rig up 5.5" Copperhead CIBP and slick 3 3/8" perforating guns. GIH and tagged at 10635'. Pick up and had to work tools free. Pick up hole and pressure up on casing and attempt to pump into perfs. Pressure up on the 5.5" csg to 7800 psi with no rate into perforations. Attempt to continue in hole with Copperhead CIBP and set down again at 10635'. Pull out of the hole and lay down CIBP and casing guns. Rig down and release JW Wireline electric line truck. Unable to set plug or get perforating guns deeper than 10635. Our perforations for stage #3 are 10810—10816'. Plan to perforate and frac next stage in conjunction with other stages up the hole after evaluating the lower intervals.

Rig down and release Superior Well Services frac crew. Put remainder of sand in Myco Inventory at Superior Yard.

Rig down frac header and plumb well back to flow back manifold. Shut well in and shut down to allow Super LC sand to cure over night. Release all frac equipment from location at 2300 hrs.

Total Load to Recover from Stage #1 and Stage #2: 10,858 bbls.

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4-11-2010

Move in and rig up Bobcat 2" coil tubing unit and pump. Make up 2 7/8" BICO motor from First Call Coil tools and 5 bladed mill, hydraulic disconnect and bypass sub. Pull test and pump test tools and connections on surface. All tools functioned properly. Rig up lubricator and injector head on 5 1/8" 10K frac valve. Connect Flow Tee to manifold and flow back tank. Rig up plug & debris catcher between flow tee and manifold (Stevens Specialty). Open up well with 2800 psi. Go in hole with tools and tag at 10638' by coil tubing measurement. Drill resin coated sand from 10638' to 10980' and fall free. Continue in hole to CIBP at 11025'. Drill CIBP in 22 minutes. Well flowing back at 100 bbls/hr with 2600 psi. Catch plug and sand debris in catcher, switch sides and clean out debris while flowing well. Continue to PBTD at 11308' with coil tubing. Circulate bottoms up and pump two 20 bbl sweeps. Circ sweeps out of the hole. Pull out of the hole with coil tubing. Break out and lay down motor and tools. Rig down and release Bobcat coil tubing unit at 2300 hrs on 4/11/2010. Install top flange on frac valve and open well up for flow back at 2330 hrs, 4/11/2010.

10858 bbls of load water to recover.

Commence flow back at 2330 hrs, 4/11/2010. Open up on 20/64 choke and continue to flow back frac load through plug & debris catcher installed prior to manifold. Flow back well from 2330 hrs to 0600 hrs on 4/12/2010 at 80-100 bbls/hr. Recover 573 bbls load water.

10285 bbls load to recover. Flowing on 20/64 choke with 2100 psi FCP making 100 bbls/hr load water and starting to get fair gas blow with flow back.

4-12-2010

Continue to flow back frac load into flow back tank. Flow back a total of **1680 bbls load water in the past 24 hours**. FCP decreasing from 2100 psi to 1400 psi at 1800 hrs and then decreased to 300 psi on 28/64" choke at 0600 hrs 4/13/2010. Well is still flowing back 60 bbls/hr with good gas and started a very light skim of oil at 0200 hrs 4/13/2010. Move racks and 2 7/8" tubing back from North side of the location in preparation to run 2 7/8" production tubing. Continue to flow back well and recover frac load. **8605 BLWTR.**

4-13-2010

Continue to flow back frac load. Flow back a total of 498 bbls of load water in the past 24 hrs. FCP continued to decline from 300 psi on 28/64" choke to 150 psi on open 48/64" choke. Flowing this am at 0600 hrs 4/14/2010 with 150 psi on open 48/64" choke making 19 bbls/hr with a strong gas blow and approx 1-2% oil cut. **8107 BLWTR.**

4-14-2010

Move in and set rig matting boards, and pipe racks. Move in and rig up Key Energy Services work over rig. Well was flowing 12 bbls/hr of L/W with strong gas blow and a 2% oil cut SDFN. Continue to flow well overnight. Open up choke to full open 2" thru choke manifold. Flow rate increased with 25 psi FCP. Flow back a total of 321 bbls of load water in the past 24 hrs ending at 0600 hrs, 4/15/2010. Flow rates were from 6-33 bbls/hr and with 5% oil cut w/ FCP from 10—100 psi and making strong gas. **7786 BLWTR.**

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4-15-2010

Drive to location. Hold safety meeting. FCP this AM is 15 psi on open 2" thru manifold making 10-12 bbls/hr. Oil cut increased to 15% and gas is steadily increasing. Heavy rains today. Wait for thunderstorm to pass through and Nipple down frac mandrel and frac valve. NU 5K Double ram BOP. Well kicked off flowing again. Flow well to flow back tank again and continue to flow at 22 bbls/hr with 10-15% oil cut. Oil samples shows two distinct oil types in samples on top of load water. Allow well to flow to flow back tank and shut down due to heavy rains and lightning. Continue to flow back well over night. Fluid production flowing to tanks started to decrease at 0200 hrs 4/16/2010 and at 0600 was only making gas with an occasional slug of load water. Flow back a total of 263 bbls load water in the past 24 hrs. Prep to run 2 7/8" production tubing. **7523 BLWTR.**

4-16-201

Drive to location. Hold safety meeting. FCP This AM at 0-psi, but well was gassing steadily with strong blow. Rig up kill truck and pump 20 bbls of 10# brine water down the casing to kill the gas.

Release Myco 5 1/8" Frac Mandrel and Myco 5 1/8" 10K Frac Valve to isolate tubing head with Myco Asset Serial Number 45610 and #45610A. Send to Cameron for repairs & storage.

Rig up and start vacuum pump on 5.5" csg & tally tubing. Make up & RIH w/2 7/8" Bull plug, 2 jts--2 7/8" 6.5# L80 EUE tbg, 4'--2 7/8" perforated super sub, 2 7/8" Mechanical hold down seating nipple w/ 1.25" X 20' gas anchor w/1.25" x 8' Sand Screen, & 4 joints of 2 7/8" 6.5# L80 EUE tubing, 2 7/8" X 5.5" TAC. Rig up stripper head on BOP then run in hole with 282 more joints of tubing. Pump 10# brine down tubing while going in the hole to keep tubing dead. Well was flowing in heads up the casing while TIH with the tubing. ND stripper head. Total of 282 jts 2 7/8" 6.5# L80 EUE tbg above the TAC, 286 jts to the Mechanical Hold Down Seating Nipple and 288 joints total in the well. Well started flowing again. Pump 20 more bbls down the tbg and 30 down the 5.5" csg to kill well. ND BOP. Attempt to set TAC, but could not get TAC to set. NU BOP again. Leave well open to the frac tank w/ flow back hand over night. Well did not flow up the tubing, but flowed 15 bbls oil and 48 bbls water up the casing over night. Use a total of 100 bbls brine water today.

7523 + 100 = 7623 BLW – 48 recovered over night = **7575 BLWTR.**

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4-17-2010

Drive to location & hold safety meeting. SITP & SICP—slight blow. Open BOP and POOH w/ 283 jts of 2 7/8" tbg. Break out and lay down TAC. Change out TAC, RIH w/ 283 jts of 2 7/8" 6.5# L80 tbg. ND BOP & Set TAC at 8,925' in 15K tension, which is above all perforations. Place Mechanical Hold Down SN at 9,052' and End of Tbg at 9,119', which gives 2,189' of Rat Hole with PBTD at 11,308'. Flange up wellhead. Rig up equipment to run rods. Remove thread protectors off of 1.5" K bars and 3/4" sucker rods. Pick up and bucket test pump--OK. Go in hole with 2.5" X 1.75" X 24' RHBM Brass/NiCarb pump, 3/4" on/off box, 6--1.5" "K" bars and 126--3/4" rods. All rods are Upco HS rods. Pick up 1.5" X 26' Polish rod with 1.75" X 16' Polish Rod Liner. Secure the well & SDON. Will finish going in hole picking up remainder of 7/8" & 1" rods in the am.

GIH w/ 2-7/8" 6.5# L80 EUE production tubing as follows:

KB Correction:	16.00
283 Joints 2.875" 6.5# L80 EUE tbg	8,458.75
2-7/8"x5.5" Baker 50K TAC	2.80
4 jts 2-7/8" 6.5# L80 EUE tbg	125.69
2-7/8" Mechanical Hold Down SN	1.10
2-7/8" Perforated super sub	4.00
2 jts 2-7/8" 6.5# L80 EUE tbg (MJ)	63.12
2-7/8" Bull Plug	0.40

Total Tubing Length

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9,119.54

Tubing Anchor / Catcher at: 8925.23'
Mechanical Hold Down SN at: 9052.02'
End of Tubing at: 9119.54'

4-18-2010

Drive to location & hold safety meeting. Open well. SITP—320, SICP--250—Bleed well down and flowed a steady stream of frac fluid out of the 5.5" csg. Finish removing thread protectors on 7/8" & 1" sucker rods. Go in hole picking up 114--7/8" Upco HS rods, 113--1" Upco HS rods. Seat pump and space out with 2'x 6'x 8'x1" pony sub's. Install 1.5" X 26' Polish rod with 1.75" X 16' Polish Rod Liner. Space out 18" off bottom. Hang well on. RU kill truck. Load & test well to 500 psi w/2 bbls and test OK—showed good pump action. Plumb in well head and flow line. Leave well pumping into flow back tank at 1400 hrs on 4/18/2010. Contact Snelson pumping units to have crew out and balance pumping unit tomorrow am. SDFN. Pump 114 bbls fluid from 1400 hrs to 2100 hrs with 15% oil cut and good gas. Plan to put well down the flow line into tank battery and production facility after balancing the pumping unit tomorrow am.

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4-19-2010

Well pumping this am. Pump 241 bbls fluid from 2100 hrs 4-18-10 to 0900 hrs 4-19-10 w/ 15% oil cut in the past 12 hrs. LLTR- **7,220 BLWTR**. Rig down and release Key Energy Services work over rig. Clean location and **Release all rental equipment**. Move in and rig up Snelson pumping units service. Balance pumping unit and put well down flow line into tank battery and production facility. Leave well pumping over night to stock tanks with a steady stream of oil into oil tanks and water into water tanks. DCP meter showing 85 mcf/d rate at 1500 hrs on 4/19/2010.

Rod Details From top-- Down:

1-1/2"x26' PR w/1-3/4"x1-1/2"x16' PRLNR
1"x2'x6'x8'—subs (Upco HS)
113-- 1" Rods (Upco HS Rods)
114-- 7/8" Rods (Upco HS Rods)
126-- 3/4" Rods (Upco HS Rods)
6—1-1/2" Kbars (Upco HS)
2.5"x1.5"x24' RHBM—Mechanical Hold Down Pump
Total Rod Length---9,041"

Release Myco Flow back manifold, Flange and iron Asset #2009-003 and #2009-007. Load onto trailer and transport back to the Andrews yard. 7220 BLWTR.

4-20-2010

Well pumping steady. Make 104 bbls oil, 355 bbls water and 40 mcf in the past 24 hrs. **6865 BLWTR**.

TRANSFER:

University 8-4 #2 Location to Myco Andrews Yard:
4---3/4" Upco HS rods
8---7/8" Upco HS rods
14—1" Upco HS Rods
Rod boxes for each rod.
67 Joints, 2107.57', 2 7/8" 6.5# L80 EUE tbgs.

All equipment except tanks picked up off of location.

4-21-2010

Install thread protectors on rods and tubing moved to yard. Make 80 bbls oil, 240 Bbls Load water and 32 mcf in the past 24 hrs. **6625 BLWTR**. Well is pumping good.

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Frac Remaining Intervals

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6-1-2010

Move in and set rig matting board and Porta Toilet. MIRU Key Energy Services. Remove and lay down Horse's Head on pumping unit. Bleed well down, unseat pump and lay down polish rod. Install rod stripper. POH laying down rods as follows:
1.5 X 16' Polish rod, 1-2', 6' & 8' pony rods. Lay down 113--3/4 rods and 89--7/8" rods. Close well in the polish rod. Secure well. SION.

6-2-2010

Finish laying down rods. Lay down 26 more 7/8" rods, 126--3/4" rods, 6-1.5" "K" Bars, right hand release sub and 2.5 X 1.75 X 24' RHBM pump. Rig up kill truck and pump 20 bbls 2% KCL water down the casing and kill the gas. ND wellhead and nipple up BOP. Release TAC and lay down 283 jts 2 7/8" 6.5# L80 EUE tbg, TAC, 4 jts 2 7/8" tbg, MHSN, 4' Super Perf sub, 2 jts BP MA. Install Cameron 10K frac mandrel in tubing head and 5 1/8" 10K Frac Valve. Test frac mandrel. Rig up Stinger 4 port frac head with wire line adaptor. Move in and rig up Gray Wireline electric line truck. Go in hole with gauge ring and junk basket to 10975'. POH and lay down GR/JB and make up 5.5" 10K Composite plug and 3 1/8" casing guns. Set 10K Composite plug at 10925'. Load and test plug to 4000 psi. Perforate Lower Wolfcamp interval 10810--10816' with 4 JSPF on 60 Deg phasing for a total of 24 holes, 0.42" EHD. Pull out of hole with guns and setting tool. All perforations shot. Secure well and SION. Prep to lay down DC's, rig down and release Key Energy Service work over rig, Rig up Gray wireline crane and MIRU Superior Well Services to frac. All frac tanks set and filled with water. **Rig Up Myco Flow back manifold, Flange and iron, Asset #2009-003 and #2009-007.**

6-3-2010

Move in and rig up Gray Wire Line crane truck. Finish moving in Superior Well Services frac equipment. Perform inventory and XL gel loadings and breaker QC tests. Hold pre job safety meeting and test lines to 9000 psi. Frac two stages as follows:

Stage #1: Lower Wolfcamp: 10810--10816' 4 JSPF 0.42" EHD 24 holes
63,840 gal Gelled water + 13408# 40/70 Ottawa Sand
Avg Rate--25 BPM, Avg Pressure--4590 psi. ISIP--3792 psi. Load--1518 bbls.
Stage #2: Lower Wolfcamp: 9984--10058' 3 JSPF 0.42" EHD 42 holes
148,000 gal Gel Water + 107,000# 40/70 Ottawa Sand and 30/50 EconoProp.
Avg Rate--30 BPM, Avg Pressure--3750 psi. Load--3440 bbls.

Secure Well. Shut down for night. Will resume frac stages in the am. Shut down at 2300 hrs.

6-4-2010

Prep to GIH w/ electric line. Unable to get frac valve open due to body lock with sand and pressure and over torque by frac crews. Work through the night and release pressure from below frac valve. Change out 5 1/8" 10K frac valve and install frac head w/ wire line adaptor. Test valve and frac head again to 9000 psi.

Frac to resume on Sat am on 6/5/2010.

MYCO Industries, Inc.
Daily Completion Report
Frac Remaining Intervals

University 8-4 #2

1500' FSL & 467' FEL

Block 8, Sec 4, University Lands Survey

Landman: Hannah Palomin

Geol: Jim Schlueter

Andrews County, Texas

KB Correction: 16'

API Number: 42-003-41098

Proposed Total Depth: 11,400'

Formation: Sprayberry Trend

Eng: Nelson Muncy

Elevations: 3016' GR, 3032' KB

Plug Back TD—11308' by WL

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6-5-2010

Flow back frac load while getting electric line and frac crew back from changing out valves. Make up and Go in hole with 5.5" Smith Copperhead plug and 3 1/8" csg guns. Tag at 9956'. Set 5.5" Copperhead Plug at 9950'. Perforate Stage #3 at 9874'--9878', 9902'--9906' w/ 4 JSPF on 60 Deg phasing with 3 1/8" casing guns. Total of 32 holes, 0.42" EHD. POH w/ guns--all fired and lay down guns with setting tool.

Stage #3: Wolfcamp Lime: 9874--9876', 9902--9906' 32 holes, 0.42" EHD.

175,686 gal gelled water + 107,250# 40/70 and 30/50 Econoprop.

Avg Rate--32 BPM, Avg Pressure--3424 psi, ISIP--2340 psi, Load--4183 bbls.

Rig up and GIH w/ 3 1/8" guns and 5.5" Copperhead plug. Set Plug at 9800'.

Stage #4: Lower Sprayberry, 9694--9696', 9718--9722', 24 holes, 0.42" EHD.

64,200 gal gelled water + 86,250# 20/40 Ottawa + 20,000# 20/40 Super LC.

Avg Rate--25 BPM, Avg Pressure--2525 psi, ISIP--1650 psi, Load--1530 bbls.

Rig up and GIH w/ 3 1/8" guns and 5.5" Copperhead plug. Set Plug @ 9464'.

Stage #5: Lower Sprayberry, 9178--82', 9214--18', 9232--34', 40 holes, 0.42" EHD.

110,900 gal gelled water + 147,000# 20/40 Ottawa + 15,000# 20/40 Super LC.

Avg Rate--38 BPM, Avg Pressure--2435 psi, ISIP--1485 psi, Load--2641 bbls.

Rig up and GIH w/ 3 1/8" guns and 5.5" Copperhead plug. Set Plug @ 9075'

6-6-2010

Stage #6: Middle Sprayberry, 8853-55, 8928-30, 8946-48, 8954-56, 32 holes, 0.42" EHD.

85,360 gal gelled water + 102,000# 20/40 Ottawa + 15,000# 20/40 Super LC.

Avg Rate--38 BPM, Avg Pressure--2185 psi, ISIP--1510 psi, Load--2032 bbls.

Rig up and GIH w/ 3 1/8" guns and 5.5" Copperhead Plug. Set Plug @ 8800'

Stage #7: Upper Sprayberry, 8610--8710' overall, 40 holes, 0.42" EHD.

80,280 gal gelled water + 90,000# 30/50 Econoprop + 15,000# 20/40 Super LC.

Avg Rate--35 BPM, Avg Pressure--1877 psi, ISIP--1440 psi, Load--1911 bbls.

Rig up and GIH w/ 3 1/8" guns and 5.5" Copperhead Plug. Set Plug @ 8500'

Stage #8: Lower Clearfork, 8170-72', 8220-22', 8246-48', 24 holes, 0.42" EHD.

149,310 gal gelled water + 148,250# 30/50 Ottawa + 15,000# 20/40 Super LC.

Avg Rate--45 BPM, Avg Pressure--2240 psi, ISIP--1380 psi, Load--3555 bbls.

Rig down and move out Superior Well Services frac equipment and Gray Wire Line electric line truck. Rig up flow back iron. MIRU Bobcat 1.75" Coil Tubing unit and equipment. Make up 2 7/8" BICO 7/8 Lobe, 5 Stage motor with 5 blade mill, Hydraulic disconnect and coil tubing connector. Go in hole with mill to drill out sand and Copperhead Plugs. At 0600 hrs, 6/7/2010 report time, well is cleaned out down to plug at 8800'. Continue to clean out plugs and sand to PBTD. **20810 BLWTR.**

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6-7-2010

Continue to drill out Smith Copperhead plugs down to the Composite BP set at 10925' to cover the Strawn and Lower WC intervals previously pump tested. Drill out BP and continue to clean out to PBDT at 11,305' by coil tubing measurement. Pump two sweeps and circulate hole clean. Pull out of hole with coil tubing, motor and mill. Rig down and release Bobcat Coil Tubing unit at 1700 hrs, on 6/7/2010. Rig up flange on frac valve. Hook up to flow back manifold and commence flow back to flow back tanks. Open up well to flow back tanks at 2200 hrs with 380 psi SICP. Commence flow rate on a 36/64" choke size at 70 bbls / hour. Flow back well over night and recover 535 bbls load water up to 0600 hrs, 6/8/2010. Currently flowing back frac load on a 28/64" choke with 250 psi FCP making 60 bbls load water per hour. Release water transfer pump on 6/6/2010, frac header and flow tee for coil tubing released to Stinger and to BTI.

20,810 bbls load water total. Recover 535 bbls load water in the past 7 hrs. 20,275 BLWTR.

6-8-2010

Continue to flow back frac load to steel flow back ½ tanks. Flowing this am on 32/64" choke with 150 psi FCP. Flow back a total of 1500 bbls load water in the past 24 hrs. Flow back 60 bbls frac load water the past hour. Open choke to 40/64" choke to increase flow back rate.

**Recover 1500 bbls load water in the past 24 hrs.
18,775 BLWTR.**

6-9-2010

Continue to flow back frac load to flow back tanks. Flow this am on open choke with 15 psi FCP. Flow back 1857 bbls in the past 24 hrs. Continue to flow back load water.

16,918 BLWTR.

6-10-2010

Continue to flow back frac load. Flow until 1700 hrs and make 272 bbls. Last two hrs, flow back 17 bbls. Shut well in over night. Will open back up in the am and see if well will flow. Plan to move in work over rig and run production tubing on Sat or Monday.

16,646 BLWTR.

6-11-2010

Open well with 150 psi. Flow back frac load to tanks and make total of 194 bbls load water and died off to no flow for the last 2 hrs. Shut in well at 1600 hrs.

16,452 BLWTR.

6-12-2010

Open well w/100 psi to tank & flow 176 bbls load water in 6 hrs & died. SION. **16,276 BLWTR.**

6-13-2010

Open well w/ 50 psi to tank & flow 142 bbls load water in 4 hrs & died. SION. **16,134 BLWTR.**

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6-14-2010

Set rig matting board. Move in and rig up MICO Well Service work over rig. Forklift set T-Sills and move tubing and rods from edge of location into place next to rig. Rig up floor and prepare to run tubing.

Remove and Release Myco 5 1/8" Frac Mandrel and Myco 5 1/8" 10K Frac Valve, Myco Asset Serial Number 45610 and #45610A. Send to Cameron--Hobbs, NM for repairs & storage. Rig Down and Release Myco Flow back manifold, Flange and iron, Asset #2009-003 and #2009-007. Transport back to Myco Andrews Yard for storage and any repairs.

Nipple up 5M Manual Double ram BOP. Make up and go in hole with 2 7/8" Bull Plug, 4 joints 2 7/8" 6.5# L80 EUE tbg, 2 7/8" X 4' Super Perf Screened perforated sub, 2 7/8" Mechanical Hold Down Seating Nipple w/ 1.25" X 20' extension and 8' sand screen, 33 joints 2 7/8" 6.5# L80 EUE tbg, 2 7/8" X 5.5" TAC w/ carbide slips & 50K Shear pins, 103 joints 2 7/8" 6.5# L80 EUE tbg. Drift each joint while it was picked up with 2.4" drift. All joints drifted good. Secure well. SDFN.

Prep to continue to GIH w/ tubing. Plan to set SN at 9000', run pump and rods.

6-15-2010

Bleed off slight gas pressure from wellhead. Continue in hole picking up 2 7/8" 6.5# L80 EUE tubing. Nipple down BOP, Set TAC with 17K tension. Nipple up wellhead and rig down floor. Rig up tools to run rods.

GIH w/ 2-7/8" 6.5# L80 EUE production tubing as follows:

KB Correction:	16.00
252 Joints 2.875" 6.5# L80 EUE tbg	7944.12
2-7/8"x5.5" Baker 50K TAC	2.90
33 jts 2-7/8" 6.5# L80 EUE tbg	1038.10
2-7/8" Mechanical Hold Down SN	1.10
2-7/8" Perforated super sub	4.00
4 jts 2-7/8" 6.5# L80 EUE tbg (MJ)	112.68
2-7/8" Bull Plug	0.40

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9,118.23

Total Tubing Length

Tubing Anchor / Catcher at: 7960.12'
Mechanical Hold Down SN at: 9001.12'
End of Tubing at: 9118.23'

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6-15-2010 Continued:

Pick up and surface test the pump. Fill pump and outside of pump w/ corrosion chemicals. Go in hole with 2.5" X 1.5" X 24' RHBM pump, right hand release sub, 6--1.5" K Bars, 126--3/4" Upco HS rods, 113--7/8" Upco HS rods, pick up 3--1" rods, polish rod and secure well. SDFN.

6-16-2010

Shut in tubing pressure--50 psi, Shut in casing pressure--150 psi. Bleed pressure off of tubing and casing. Rig up vacuum pump to tubing due to well trying to flow up tubing. Continue running rods in the hole. Run remainder of the 1" Upco HS rods. Seat pump and space out rod string with 3 pony rods. Install 1" X 2, 6, & 8' pony rods. Space out pump 20" off bottom. Rig up kill truck to load and test tubing to 500 psi with no leak off. Start pumping unit and pump for one hour with good pump action. Set back pressure valve at 200 psi. Shut down well and rig. SDFN.

Rod Details From top-- Down:

1-1/2"x26' PR w/1-3/4"x1-1/2"x16' PRLNR
1"x2'x6'x8'—subs (Upco HS)
113-- 1" Rods (Upco HS Rods)
114-- 7/8" Rods (Upco HS Rods)
126-- 3/4" Rods (Upco HS Rods)
6—1-1/2" Kbars (Upco HS)
2.5"x1.75"x24' RHBM—Mechanical Hold Down Pump (Steel/Chrome)

Plan to start well pumping in the am.