

MYCO Industries, Inc.
Daily Drilling Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Robbinson Drilling Company
Landman: Hannah Palomin
Andrews County, Texas

Geol: Jim Schlueter

API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

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02-25-2011

Location and road completed by Sweatt Construction Company.

03-21-2011 thru 03-22-2011

Sweatt Construction built and dig reserve pits for Robinson Rig #15. Install and set cellar.

03-23-2011 thru 03-27-2011

Wait on Robinson Rig #15.

03-28-2011

Move in Dudley Sales and Service and line reserve pit. Fence pit and lay 4" poly line from reserve pit to frac pit. Commence filling outer reserve with fresh water. Haul 10 loads brine water and put in the inside reserve. Move in and rig up Harris Rathole Service. Drill starting hole and set 40' of 20" conductor pipe. Cement 20" conductor pipe to surface with ready mix. Drill rat hole and mouse hole for Robinson Rig #15 The Conductor setting is to be billed to Myco. Rat hole and Mouse hole to be billed to Robinson Drilling Co.

03-29-2011 thru 03-30-2011

Fill pits with water. Set up everything for Robinson Rig #15. Wait on Robinson Rig #15 to move in and rig up on University 5-40 #2.

03-31-2011

Move in Robinson Rig #15 to location. Receive water tanks, dog houses, and sub-structure. Set in and rig up the outline and back yard, Derrick was raised and in the air at 1630 hrs, 03-31-2011 start to Rig up Rotary tools. Finish filling pits and fresh water tanks from fresh water frac pond in reserve pits. Put 13 3/8" surface casing on the racks. Should spud approximately at 0000 to 0600 hrs this AM. Pick up and install the mouse hole, Kelly shuck and the Kelly and should spud by early morning.

4-1-2011

Finish mixing spud mud. Held safety inspection and pressure test all pump lines. Notify Texas RRC of Spud at 0800 hrs, 4/1/2011. (Celeste). Spud well at 0700 hrs, CDT, 4/1/2011.

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Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

04-02-2011

Day #1

Current Operation: Nipple up BOP.

Depth: 345'

Previous Depth: 40'

Progress: 305' in 07.0 Hrs.

ROP: 43.57'/hr

Lithology: Red Bed

Cum rot hrs: 7.00 Hrs.

Bit #1: 17.5", Ulterra, Ser #535J4, 3-13's, In @ 40', Out @ 345'
Make 305' in 7.00 Hrs, ROP--43.57'/hr, WOB--All, RPM--120
Dull Grade: 0, 0, No, A, 0, 1, No, TD

Mud: Wt.--8.4, Vis--32, PH--7.0, Chlorides--2200

Pumps: #1: 6" x 18" x 55 SPM, National C350 GPM--420, PP-800
#2: 6" x 16" x 000 SPM, Gardner Denver G&T, GPM--000, PP--000

BHA #1: Bit, Bit Sub, shock sub, 8" DC, 8" reamer, 5-8" DC, XO, 3--6" DC's
Length: 331.32' BHA #1 Hrs: 7.0 Total DC Hrs Since Insp--7.0

String WT: Rot. Off Bottom: 45K, PU--45K, Slack Off--45K
Deviation: .5 Deg. @ 351'.

OPERATIONS:

HOURS

0600--0700	Mix Spud mud--Repair/ Work on Pumps.	01.00
0700--1400	Drill 17.5" hole F/40'--345' with full returns, TD 17.5" hole at 1400 Hrs CDT	07.00
1400--1430	Circulate and condition hole, Drop Totco.	00.50
1430--1530	TOH to run 13 3/8", 48#, H-40, ST&C casing.	01.00
1530--1800	Hold JSA, Rig up Permian Csg Crew. Run 9 jts, 355.98', 13 3/8" 48# H40 STC.	02.50
1800--2100	Hold JSA w/ Halliburton. Circ casing volume, Test lines to 1500 psi. Cement 13 3/8" casing with 390 sx, Class "C" + 2% CaCl2. Plug down @ 2000 hrs, CDT 04/01/2011. Circulate 103 sx to the surface.	03.00
2100--0600	WOC 4 hrs, cut off csg, Weld on 13 3/8" SOW head test to 500 psi.--(ok)	09.00

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Total Hrs.

24.00

COMMENTS:

Call and notify TRRC @ 0800 Hrs 04-01-2011 (Celeste) of spud, running casing and cement details Job# 3586. Spud well @ 0700 hrs, CDT, 04-01-2011. TD Surface at 345' at 1400hrs CDT, 4/1/2011, Run 9 jts, (8 new jts + cutoff with welded on shoe) 355.98' 13 3/8" H40 STC. 13 3/8" casing shoe at 345', Insert PDC drillable baffle plate at 285'. Circulate 103 sx to surface.

Receive 10 joints plus 1 cut off, 13 3/8 48# H-40 LT&C from Myco Andrews pipe yard. (439.21'/off, 446.80'T/on)

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Daily Drilling Report

13 3/8" SURFACE CASING & CEMENTING DETAILS:
UNIVERSITY 5-40 #2

Spud well @ 0700hrs 04/01/2011 with 17 1/2" Ulterra mill tooth bit. Notified TRRC (Celeste) @ 0800 hrs 04/01/2011 of spud, casing and cement job, Job # 3586. No witness. TD surface hole at a depth of 345' @ 1400 hrs, 04/01/2011.

Run casing as follows:

Davis Lynch 13 3/8" Weld on TX Pattern shoe.	1.10'	
2 jt, 13 3/8", 48#, H-40, ST&C Csg.	60.96'	One new jt, one 20 cutoff.
Davis Lynch 13 3/8" PDC drillable Baffle plate.	00.00'	
7 jts, 13 3/8", 48#, H-40, ST&C Csg.	293.92'	

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<u>Total 13 3/8" Casing Run:</u>	9-Joints	355.98'

13 3/8" Texas Pattern weld on Shoe Set @	345.00'
13 3/8" Baffle plate set @	282.94'

Centralizers placed on joint #1, joint #3, and #5 casing collars.
Tack weld the shoe and first three connections.

Cement 13 3/8" Casing w/:

390 sx HalCem C + 2% CaCL2. Yield--1.35 cu ft, Wt--14.8 ppg.

Halliburton

Test lines to 1500 psi.

Pump a total of 20 bbls WG-19 gel spacer.

390 sx HalCem-C + 2% CaCl2

Yield--1.35 cu ft. Weight--14.8 ppg.

Displace w/ 46 bbls fresh water. Circulated 103 sks , 25 bbls cement to pit.

Close in with 195 psi. @ 2000 hrs. 04/01/2011.

WOC for 4 hrs. Cut off conductor and Install 13 5/8" 3M Cameron SOW.

Test head & csg to 500 psi. NU BOPE & prepare to test.

NOTE: RECEIVED:

10 new jts, plus 1 cut off, 13 3/8" 48# H-40 ST&C from MYCO Andrews yard.
(446.80' T/on) (439.21 T/off)

NOTE: Left Over Casing on location & Returned to Myco Andrews Yard:

1 cut off joint 13 3/8" 48# H-40 ST&C (29.80')

2 new jts 13 3/8" 48# H-40 STC casing, (85.78' T/on) (84.33' T/off)

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Geol: Jim Schlueter

API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

04-03-2011

Day #2

Current Operation: Drill 11" hole with PDC bit with full returns.

Depth: 1555'

Previous Depth: 345'

Progress: 1210' in 10.0 Hrs.

ROP: 121'/hr

Lithology: Red Bed

Cum rot hrs: 17.00 Hrs.

Bit #1: 17.5", Ulterra, ReTip, Ser #535J4, 3-13's, In @ 40', Out @ 345'

Make 305' in 7.00 Hrs ROP--43.57'/hr WOB--All RPM--120

Dull Grade: 0, 0, No, A, 0, 1, No, TD

Bit #2: 11", Ulterra, M616, Ser #M9408, 6-15's, In @ 345'

Make 1210' in 10.00 Hrs ROP--121.0'/hr WOB--25 RPM--70

Mud: Wt--8.6, Vis--32, PH-11.0, Chlorides--98200

Pumps: #1: 6" x 18" x 55 SPM, National C350 GPM--366, PP-850

#2: 6" x 16" x 000 SPM, Gardner Denver G&T GPM--000, PP--000

BHA #2: Bit, Bit Sub, 8" DC, 8" reamer, 8" DC, 8" IBS, 8" DC, shock sub,

XO, 3--8" DC's, XO, 23--6" DC's

Length: 932.92' BHA #2 Hrs: 10.0 Total DC Hrs Since Insp--17.0

String WT: Rot. Off Bottom: 78K, PU--78K, Slack Off--78K

Deviation: .5 Deg. @ 861' , .75 Deg. @ 1355'

OPERATIONS:

HOURS

0600--1400	Nipple up BOP'S, Choke lines, Kill Lines, Choke manifold and Flow Line.	
	Function test BOP (ok) Test BOP with rig pumps 1000 psi--OK	08.00
1400--1700	Pick up & Make up Bit #2, BHA #2 and TIH w/ 11" PDC bit.	03.00
1700--1730	Tag @ 380', and drill cement.	00.50
1730--1745	Drill 11" hole with PDC bit from 345'--361' with full returns.	00.25
1745--1815	Repair rotary chain.	00.50
1815--2230	Drill 11" hole with PDC bit from 361'--861' with full returns.	04.25
2230--2245	Wire line survey @ 861'--.5 Deg.	00.25
2245--0000	Drill 11" hole with PDC bit from 861'--1034' with full returns.	01.25
0000--0130	Repair, replace rotary chain.	01.50
0130--0400	Drill 11" hole with PDC bit from 1034'--1355' with full returns.	02.50
0400--0415	Wire line survey @ 1355'--.75 Deg.	00.25
0415--1600	Drill 11" hole with PDC bit from 1355'--1555' with full returns.	01.75

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Total Hrs:

24.00

COMMENTS:

Drill 11" hole w/ PDC bit from 345'--1655' w/ full returns. Drill ahead with full returns and taking deviation surveys. No accidents and no spills. NU BOP's and test to 1000 psi for 30 min--OK. Make up BHA #2 and TIH. Drill cement. Drill out below 13 3/8" casing with 11" bit, drilling new formation at 1730 hrs, 4/02/2011.

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Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

04-04-2011

Day #3

Current Operation: Drill 11" hole with PDC bit with full returns.

Depth: 2804'

Previous Depth: 1555'

Progress: 1249' in 22.5 Hrs.

ROP: 55.51'/hr

Lithology: Red Bed/Anhydrite

Cum rot hrs: 39.5 Hrs.

Bit #2: 11", Ulterra, M616, Ser #M9408, 6-15's, In @ 345'

Make 2459' in 32.5 Hrs ROP--75.66'/hr WOB--25 RPM--70

Mud: Wt.--9.6, Vis--32, PH-12.0, Chlorides--78200

Pumps: #1: 6" x 18" x 50 SPM, National C350 GPM--374, PP-1050

#2: 6" x 16" x 000 SPM, Gardner Denver G&T GPM--000, PP--000

BHA #2: Bit, Bit Sub, 8" DC, 8" reamer, 8" DC, 8" IBS, 8" DC, shock sub,

XO, 3--8" DC's, XO, 23--6"DC's

Length: 932.92' BHA #2 Hrs: 32.5 Total DC Hrs Since Insp--39.5

String WT: Rot. Off Bottom: 110K, PU--110K, Slack Off--110K

Deviation: .75 Deg. @ 1776', 1.0 Deg. @ 2311'.

OPERATIONS:

HOURS

0600--0930	Drill 11" hole with PDC bit from 1555'--1776' with full returns.
0930--0945	Wire line survey @ 1776'--.75 Deg.
0945--1130	Drill 11" hole with PDC bit from 1776'--1882' with full returns.
1130--1230	Repair rotary chain/Rig service.
1230--2300	Drill 11" hole with PDC bit from 1882'--2311' with full returns.
2300--2315	Wire line survey @ 2311'--1.0 Deg.
2315--0600	Drill 11" hole with PDC bit from 2311'--2804' with full returns.

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Total Hrs:

24.00

COMMENTS:

Drill 11" hole w/ PDC bit from 1555'--2804' w/ full returns. Drill ahead with full returns and taking deviation surveys. No accidents and no spills. Haul in 15 loads of 10# brine.

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Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

04-05-2011

Day #4

Current Operation: Drill 11" hole with PDC bit with full returns.

Depth: 3574'

Previous Depth: 2804'

Progress: 770' in 23.0 Hrs.

ROP: 33.47'/hr

Lithology: Red Bed/Anhydrite

Cum rot hrs: 62.5 Hrs.

Bit #2: 11", Ulterra, M616, Ser #M9408, 6-15's, In @ 345'

Make 3229' in 55.5 Hrs ROP--58.18'/hr WOB--25 RPM--70

Mud: Wt.--9.7, Vis--29, PH-11.0, Chlorides--162000

Pumps: #1: 6" x 18" x 50 SPM, National C350 GPM--374, PP-1050

#2: 6" x 16" x 000 SPM, Gardner Denver G&T GPM--000, PP--000

BHA #2: Bit, Bit Sub, 8" DC, 8" reamer, 8" DC, 8" IBS, 8" DC, shock sub,

XO, 3--8" DC's, XO, 23--6"DC's

Length: 932.92' BHA #2 Hrs: 55.5 Total DC Hrs Since Insp--62.5

String WT: Rot. Off Bottom: 118K, PU--120K, Slack Off--110K

Deviation: .75 Deg. @ 2804', .5 Deg. @ 3286'.

OPERATIONS:

HOURS

0600--0630	Wire line survey @ 2804'--3/4 Degree / rig service
0730--1900	Drill 11" hole with PDC bit from 2804'--3286' with full returns.
1900--1930	Wire line survey @ 3286'--0.5 Deg.
1930--0600	Drill 11" hole with PDC bit from 3286'--3574' with full returns.

00.50

12.50

00.50

10.50

=====

Total Hrs:

24.00

COMMENTS:

Drill 11" hole w/ PDC bit from 2804'--3574' w/ full returns. Drill ahead with full returns and taking deviation surveys. No accidents and no spills. Haul in 10 loads of 10# brine.

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API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

04-06-2011

Day #5

Current Operation: Drill 11" hole with PDC bit with full returns.

Depth: 4282'

Previous Depth: 3574'

Progress: 708' in 23.0 Hrs.

ROP: 33.78'/hr

Lithology: Red Bed/Anhydrite

Cum rot hrs: 85.5 Hrs.

Bit #2: 11", Ulterra, M616, Ser #M9408, 6-15's, In @ 345'

Make 3937' in 78.5 Hrs ROP--50.15'/hr WOB--25 RPM--70

Mud: Wt.--10.0, Vis--28, PH-12.0, Chlorides--192000

Pumps: #1: 6" x 18" x 50 SPM, Natl C350, GPM--374, PP-1150

#2: 6" x 16" x 000 SPM, GD G&T, GPM--000, PP--000

BHA #2: Bit, Bit Sub, 8" DC, 8" reamer, 8" DC, 8" IBS, 8" DC, shock sub,
XO, 3--8" DC's, XO, 23--6"DC's

Length: 932.92' BHA #2 Hrs: 78.5 Total DC Hrs Since Insp--85.5

String WT: Rot. Off Bottom: 138K, PU--139K, Slack Off--135K

Deviation: .75 Deg. @ 3851'.

OPERATIONS:

HOURS

0600--0800 Drill 11" hole with PDC bit from 3574'--3636' with full returns.

02.00

0800--0830 Rig service/BOP drill.

00.50

0830--1430 Drill 11" hole with PDC bit from 3636'--3851' with full returns.

06.00

1430--1500 Wire line survey @ 3809'--0.75 Deg.

00.50

1500--0600 Drill 11" hole with PDC bit from 3851'--4282' with full returns.

15.00

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Total Hrs:

24.00

COMMENTS:

Drill 11" hole w/ PDC bit from 3574'--4282' w/ full returns. Drill ahead with full returns and taking deviation surveys. No accidents and no spills.

The following casing was delivered to location from Myco Inventory: Via Wilbanks trucking/Lomac Trucking's forklift.

85Jts 8 5/8" 32# J-55 ST&C from Toolpusher supply. (3750' estimated threads on)

21Jts 8 5/8" 32# N-80 with J-55 collars LT&C from Myco Andrews Yard.

19Jts 8 5/8" 32# N-80 LT&C from Myco Andrews Yard.

1 cut off Jts 8 5/8" 32# N-80 LT&C from Myco Andrews Yard.

85Jts 8 5/8" 32# J-55 ST&C from Toolpusher supply was delivered to Andrews block 8 pipe yard.

Casing on racks to be cleaned, strapped, drifted to 7.75" ID and VTI by Kelly's Pipe Inspection in the morning.

(3750' estimated threads on)

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Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

04-07-2011

Day #6

Current Operation: Drill 11" hole with PDC bit with full returns.

Depth: 4840'

Previous Depth: 4282'

Progress: 558' in 23.0 Hrs.

ROP: 24.26/hr

Lithology: Anhydrite

Cum rot hrs: 108.5 Hrs.

Bit #2: 11", Ulterra, M616, Ser #M9408, 6-15's, In @ 345'

Make 4495' in 101.5 Hrs ROP--44.50'/hr WOB--25 RPM--70

Mud: Wt.--10.0, Vis--28, PH-11.0, Chlorides--175000, CA--4000.

Pumps: #1: 6" x 18" x 50 SPM, National C350 GPM--374, PP-1200

#2: 6" x 16" x 00 SPM, Gardner Denver G&T GPM--000, PP--0000

BHA #2: Bit, Bit Sub, 8" DC, 8" reamer, 8" DC, 8" IBS, 8" DC, shock sub,

XO, 3--8" DC's, XO, 23--6"DC's

Length: 932.92' BHA #2 Hrs: 101.5 Total DC Hrs Since Insp--108.5

String WT: Rot. Off Bottom: 144K, PU--144K, Slack Off--144K

Deviation: .75 Deg. @ 4366'.

OPERATIONS:

HOURS

0600--0930 Drill 11" hole with PDC bit from 4282'--4376' with full returns.

03.50

0930--1000 Rig service/BOP drill.

00.50

1000--1030 Drill 11" hole with PDC bit from 4376'--4406' with full returns.

00.50

1030--1100 Wire line survey @ 4366'--0.75 Deg.

00.50

1100--0600 Drill 11" hole with PDC bit from 4406'--4840' with full returns.

19.00

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Total Hrs:

24.00

COMMENTS:

Drill 11" hole w/ PDC bit from 4282'--4840' w/ full returns. Drill ahead with full returns and taking deviation surveys. No accidents and no spills.

The following casing was delivered to location from Myco Inventory: Via Wilbanks trucking/Lomac Trucking's forklift.

85 Jts 8 5/8" 32# J-55 ST&C from Riverside pipe yard.

(3460.30' T/Off, 3520.16' T/On)

21 Jts 8 5/8" 32# N-80 with J-55 collars LT&C from Myco Andrews Yard.

(915.77' T/Off, 931.61' T/On)

19 Jts 8 5/8" 32# N-80 LT&C from Myco Andrews Yard.

(734.37' T/Off, 747.07' T/On)

1 cut off Jts 8 5/8" 32# N-80 LT&C from Myco Andrews Yard.

(20.31' T/Off, 20.31' T/On)

125 Jts plus 1 cut off jt

Total = 5130.75' T/Off, 5219.51' T/On

Casing on racks was cleaned, strapped, drifted to 7.75" ID and VTI by Kelly's Pipe Inspection.

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04-08-2011

Day #7

Current Operation: Run 8.625" 32# Intermediate Casing.

Depth: 5047'

Previous Depth: 4840'

Progress: 207' in 12.5 Hrs.

ROP: 16.56/hr

Lithology: Anhydrite/Dolomite

Cum rot hrs: 121Hrs.

Bit #2: 11", Ulterra, M616, Ser #: M9408, 6-15's, In @ 345', Out @ 5047'
Make 4702' in 114 Hrs ROP--41.24'/hr WOB--25 RPM--70

Mud: Wt.--10.0, Vis--29, PH-10.0, Chlorides--175000, CA--4000.

Pumps: #1: 6" x 18" x 50 SPM, National C350, GPM--374, PP-1200
#2: 6" x 16" x 00 SPM, GDenver G&T, GPM--000, PP--0000

BHA #2: Bit, Bit Sub, 8" DC, 8" reamer, 8" DC, 8" IBS, 8" DC, shock sub,
XO, 3--8" DC's, XO, 23--6"DC's
Length: 932.92' BHA #2 Hrs: 114.0 Total DC Hrs Since Insp--121.0

String WT: Rot. Off Bottom: 146K, PU--148K, Slack Off--144K

Deviation: 1.5 Deg. @ 4859', 0.75 Deg @ 5040'

OPERATIONS:

HOURS

0600--0700	Drill 11" hole with PDC bit from 4840'--4899' with full returns.	01.00
0700--0730	Wire line survey @ 4366'--0.75 Deg.	00.50
0730--1900	Drill 11" hole with PDC bit from 4899'--5047' with full returns.	11.50
	TD 11" intermediate hole @ 1900 hrs 04/07/2011	
1900--2100	Circulate sweep and condition hole. Spot pill and Drop Totco.	02.00
2100--0100	POOH W/BHA #2, SLM to run intermediate casing. Lay down 8" & 5-6" collars.	04.00
0100--0600	RU Express casing crew. Run a total of 123 joints, 5051.92, 8 5/8" 32# N-80 & J-55 ST&C. Set at 5047'. Float shoe @ 5047', Float Collar @ 4979.07' Wash last 75' to bottom.	05.00

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Total Hrs:

24.00

COMMENTS:

Drill 11" hole w/ PDC bit from 4840'--5047' w/ full returns. Drill ahead with full returns and taking deviation surveys. Run Davis Fluid Calipers AHV 3302 @ 58% washout. TD 11" intermediate hole @ 1900 hrs 4/07/11, Notified TRRC (Audrey Operator # 2) of Casing and cement details @ 2340 04/07/20100. R/U Express Casing crew, Run 8 5/8" casing for a total of 123jts, 5051.92', 8 5/8" 32# N-80 LT&C & J-55 ST&C. Float shoe @ 5047'. Float collar @ 4979.07'. Wash 75' to bottom. Casing and cement details to follow. No accidents and no spills.

Casing on racks has been cleaned, strapped, drifted to 7.75" ID and VTI by Kelly's Pipe Inspection.

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API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

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04-09-2011 **Day #8**
Current Operation: Testing BOP with Third party tester
Depth: 5047'
Previous Depth: 5047'
Progress: 000' in 0.0 Hrs.
ROP: 0.0/hr
Lithology: Anhydrite/Dolomite
Cum rot hrs: 121Hrs.

Bit #2: 11", Ulterra, M616, Ser #: M9408, 6-15's, In @ 345', Out @ 5047'
Make 4702' in 114 Hrs ROP--41.24'/hr WOB--25 RPM--70
Dull Grade: 4, 3, WT, N, X, 1, RR, TD

Mud: Wt.--10.0, Vis--29, PH-10.0, Chlorides--175000, CA--4000.

Pumps: #1: 6" x 18" x 50 SPM, National C350, GPM--374, PP-1200
#2: 6" x 16" x 00 SPM, GDenver G&T, GPM--000, PP--0000
BHA #2: Bit, Bit Sub, 8" DC, 8" reamer, 8" DC, 8" IBS, 8" DC, shock sub,
XO, 3--8" DC's, XO, 23--6"DC's
Length: 932.92' BHA #2 Hrs: 114.0 Total DC Hrs Since Insp--121.0
String WT: Rot. Off Bottom: 000K, PU--000K, Slack Off--000K
Deviation: 0.75 Deg @ 5040'

OPERATIONS:	HOURS
0600--0800 Finish running a total of 123 joints, 5051.92, 8 5/8" 32# N-80 & J-55 ST&C. Set at 5047'. Float shoe @5047', Float Collar @ 4979.07' Wash last 75' to bottom.	02.00
0800--1630 Circulate while waiting on Halliburton.	08.50
1630--2100 Rig up Halliburton cementers. Cement 8 5/8" casing with 10bbl gel spacer 1600 sx EconoCem HLC Premium Plus "C" Yld--2.07 cu ft, Wt--12.4#/gal, Tail in with 300 sx Halliburton Premium Plus "C" + 1% CaCl2. Circ 256 sx. Plug down at 2020 hrs, CDT 04-08-2011. Rig down cementers	04.50
2100--2200 WOC, Wash out BOP stack & prep to set slips on 8 5/8" casing	01.00
2200--0330 WOC, Set Slips, ND BOP stack, Pick up and hang stack. Install "B" section.	05.50
0330--0600 WOC, Nipple up BOP, choke manifold, flow line, and rotating head. Rig up Monahan's BOP testers. Test Blind rams, pipe rams, manifold, choke, and kill lines to 250 psi low and 3000 psi High. Test annular to 1500 psi.	02.50

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Total Hrs: 24.00

COMMENTS:

Finish running 8 5/8" casing for a total of 123jts +1 cut off, 5051.92', 8 5/8" 32# N-80 LT&C & J-55 ST&C. Float shoe @ 5047'. Float collar @ 4979.07'. Wash 75' to bottom. Slip and cut 150' drilling line and change out brake bands while waiting on Halliburton. RU and Cement with 1600 sx: 65-35-10 Lead + 300 sx Class C Tail. Plug down at 2020 hrs, 04/08/2011. Circulate 256 sx to the surface. ND BOP's, Set 8 5/8" slips w/ 135K. NU BOP. Third party test BOP via Monahan's testers. (ok). No accidents and no spills.

8 5/8" CASING & CEMENTING DETAILS:

UNIVERSITY 5-40 #2

April 08, 2011

Drill out below 13 3/8" Casing shoe @ 1730 hrs, 4/02/2011
Reach TD 11" Hole at 1900 hrs, 04/07/2011 at a depth of 5047.00'.
Run Davis fluid caliper, AHV 3302Cu. Ft. @ 58 % washout.

Run 8 5/8" Intermediate Casing as follows:

Davis Lynch 8 5/8" Type 500 DJ, weld on Float Shoe	1.62'
2 jts, 8 5/8", 32#, N-80, LT&C Casing..	64.14'
Davis Lynch 8 5/8" Type 700 PDC drillable float collar	2.17'
36 jts, 8 5/8", 32#, N-80, LT&C Casing.	1493.76'
84 jts, 8 5/8", 32# J-55, ST&C Casing.	3415.70'
2 jts 8 5/8", 32# N-80, LT&C Casing.	74.53'
	=====
Total 123jts. plus 1 cut off joint 8 5/8" Casing Run:	5051.92'

8 5/8" Float Shoe Set @ 5047.00'

8 5/8" Float Collar Set @ 4979.07'

Install Centralizers 20' above the float shoe, then every third joint for 24 jts.

Cement: 8 5/8" Casing w/: Halliburton.

10 bbl. Gel spacer 2.5 lbm/bbl WG-19

1600 SX EconoCem HLC(65/35:10) "C" Permian Basin Critical Zone +
5%SALT+1#Sk Celloflake + .3% HR-800
Yield 2.07 cu ft, 12.40ppg

300 SX HalCem CLASS "C" + 1% CaCl2+1/4# CF-41L
Yield 1.34 cu ft, 14.8 ppg

Displace w/ 304.00 bbls fresh water, check floats-- ok. Bump plug with 1250 psi.

Circulate 256 sx of cement to the reserve pit. Plug down @ 2020 hrs 04/08/2011.

Notified: TRRC, (Audrey operator # 2) @ 2340 Hrs 04/07/2011, of running casing and cement details via telephone. No witness. Land 8 5/8" @ 0800 hrs 04/08/2011, ND BOPs and cut casing. Set slips with 105k, remove spacer spool, make rough cut and prepare to nipple up BOP's.

NOTE: RECEIVED:

85 Jts 8 5/8" 32# J-55 ST&C from Riverside pipe yard.	(3460.30' T/Off, 3520.16' T/On)
21 Jts 8 5/8" 32# N-80 with J-55 collars LT&C from Myco Andrews Yard.	(915.77' T/Off, 931.61' T/On)
19 Jts 8 5/8" 32# N-80 LT&C from Myco Andrews Yard.	(734.37' T/Off, 747.07' T/On)
1 cut off Jts 8 5/8" 32# N-80 LT&C from Myco Andrews Yard.	(20.31
125Jts plus 1 cut off joint	Total = 5130.75' T/Off, 5219.51' T/On

Casing was cleaned and drifted by Kelly's Pipe Inspection.

BACK TO ANDREWS YARD:

1 Cut joint 8 5/8" 32# N-80 LTC	22.47'
1 jt. 8 5/8" 32# N-80 LT&C	(T/OFF 38.02')
1 jt. 8 5/8" 32# J-55 ST&C	(T/OFF 44.60')

NOTE: TOTAL 8-5/8" CASING RUN of 5051.92' includes the length of casing hardware.

MYCO Industries, Inc.
Daily Drilling Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Robinson Drilling Company
Landman: Hannah Palomin
Andrews County, Texas

Geol: Jim Schlueter

API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

04-10-2011

Day #9

Current Operation: Drilling 7.75" Hole w/ PDC bit and full returns.

Depth: 5233'

Previous Depth: 5047'

Progress: 186' in 12.0 Hrs.

ROP: 15.5/hr

Lithology: Dolomite/limestone

Cum rot hrs: 133Hrs.

Bit #3: 7.75", Ulterra, MS1666B, Ser #7402, 6-15's, In at 5047'
Make 186' in 12.0 Hrs. ROP--15.5/hr, WOB--25K, RPM--65

Mud: Wt.--8.5, Vis--28, PH--10, Chlorides--12000

Pumps: #1: 6" x 18" x 52 SPM, National C350, GPM--389, PP-1050
#2: 6" x 16" x 00 SPM, GDenver G&T, GPM--000, PP--0000

BHA #3: Bit, Bit Sub, 1-Tri-DC, IBS, 1-6" DC, IBS, 22- 6" DC"s.
Length: 751.13' BHA #3 Hrs: 12.0 Total DC Hrs Since Insp--133.0

String WT: Rot. Off Bottom: 132K, PU--134K, Slack Off--130K

Deviation: 0.75 Deg @ 5040'.

OPERATIONS:

HOURS

0600--1200	Finish third party testing Blind rams, pipe rams, manifold, choke, and kill lines to 250 psi low and 3000 psi High. Test annular to 1500 psi.	06.00
1200--1300	Pick up and make up BHA # 3. and TIH with drill collars.	01.00
1300--1500	GIH with Bit #3, and tag cement at 4974'. Test 8 5/8" casing to 2000 psi.	02.00
1500--1800	Drill out cement, Plug, float, and shoe F/4974'--5047'.	03.00
1800--0600	Drill 7 3/4" hole with PDC bit from F/5047'--5233' with full returns.	12.00

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Total Hours:

24.00

COMMENTS:

Drill 7 3/4" hole from 5047'--5233' using PDC bit and full returns. Third party test BOP via Monahan's BOP testers (ok). Test for Sulfur water flow during connections--no flow. Drill 7 3/4" hole with full returns and take wire line surveys. Rig up H2S compliance package Via Safety Solutions. Monitor for water flow while drilling. No H2S alarms and no accidents. No water flow at report time.

MYCO Industries, Inc.
Daily Drilling Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Robinson Drilling Company
Landman: Hannah Palomin
Andrews County, Texas

Geol: Jim Schlueter

API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

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04-11-2011 **Day #10**

Current Operation: Drilling 7.75" Hole w/ PDC bit and full returns.

Depth: 5819'

Previous Depth: 5233'

Progress: 586' in 23.0 Hrs.

ROP: 25.47/hr

Lithology: Dolomite/limestone

Cum rot hrs: 156.00 Hrs.

Bit #3: 7.75", Ulterra, MS1666B, Ser #7402, 6-15's, In at 5047'
Make 772' in 35.00 Hrs. ROP--22.0/hr, WOB--25K, RPM--65

Mud: Wt.--9.0, Vis--28, PH--10, Chlorides--145000

Pumps: #1: 6" x 18" x 52 SPM, National C350, GPM--389, PP-1050
#2: 6" x 16" x 00 SPM, GDenver G&T, GPM--000, PP--0000

BHA #3: Bit, Bit Sub, 1-Tri-DC, IBS, 1-6" DC, IBS, 22- 6" DC"s.
Length: 751.13' BHA #3 Hrs: 35.00 Total DC Hrs Since Insp--156.00

String WT: Rot. Off Bottom: 152K, PU--156K, Slack Off--150K

Deviation: 0.5 Deg @ 5500'.

<u>OPERATIONS:</u>	<u>HOURS</u>
0600--1200 Drill 7 3/4" hole with PDC bit from F/5233'--5408' with 3-5gpm water flow.	06.00
1200--1230 Service Rig/BOP drill.	00.50
1230--1400 Drill 7 3/4" hole with PDC bit from F/5408'--5541' with 30-35gpm water flow.	01.50
1400--1430 Wire line survey @ 5500'-- .5 Deg./ BOP drill.	00.50
1430--0600 Drill 7 3/4" hole with PDC bit from F/5541'--5819' with full returns.	15.50

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Total Hours: 24.00

COMMENTS:

Drill 7 ¾" hole from 5233'--5819' using PDC bit and full returns. Test for Sulfur water flow during connections--no flow.
Drill 7 ¾" hole with full returns and take wire line surveys. Monitor for water flow while drilling. Raise weight to 9.1# with brine water to control water flow. No H2S alarms and no accidents. Bucket Test shows water flowing at 2-3 gpm at report time.

MYCO Industries, Inc.
Daily Drilling Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Robinson Drilling Company
Landman: Hannah Palomin
Andrews County, Texas

Geol: Jim Schlueter

API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

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04-12-2011 **Day #11**

Current Operation: Drilling 7.75" Hole w/ PDC bit and full returns.

Depth: 6615'

Previous Depth: 5819'

Progress: 796' in 20.0 Hrs.

ROP: 39.80'/hr

Lithology: 20% Dolomite, 80% Sand

Cum rot hrs: 176.00 Hrs.

Bit #3: 7.75", Ulterra, MS1666B, Ser #7402, 6-15's, In at 5047'
Make 1568" in 55.00 Hrs. ROP--28.50'/hr, WOB--25K, RPM--65

Mud: Wt.--8.8, Vis--28, PH--10, Chlorides--145000

Pumps: #1: 6" x 18" x 52 SPM, National C350, GPM--389, PP-1050
#2: 6" x 16" x 00 SPM, GDenver G&T, GPM--000, PP--0000

BHA #3: Bit, Bit Sub, 1-Tri-DC, IBS, 1-6" DC, IBS, 22- 6" DC"s.
Length: 751.13' BHA #3 Hrs: 55.00 Total DC Hrs Since Insp--176.00

String WT: Rot. Off Bottom: 161K, PU--163K, Slack Off--155K

Deviation: 1 Deg @ 5992', 1.25 Deg @ 6536'.

OPERATIONS: **HOURS**

0600--1200	Drill 7 3/4" hole with PDC bit from F/5819'--6033' with 35gpm water flow.	06.00
1200--1230	Wire line survey @ 5992'-- .5 Deg. Service Rig. with 25gpm water flow.	00.50
1230--1600	Drill 7 3/4" hole with PDC bit from F/6033'--6251' with 10gpm water flow.	03.50
1600--1900	Rig repair/ work on draw works.	03.00
1900--0330	Drill 7 3/4" hole with PDC bit from F/6251'--6577' with 10gpm water flow.	08.50
0330--0400	Wire line survey @ 6536'-- 1.25 Deg./ BOP drill. with 20gpm water flow.	00.50
0400--0600	Drill 7 3/4" hole with PDC bit from F/6577'--6615' with 20gpm water flow.	02.00

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Total Hours: 24.00

COMMENTS:

Drill 7 3/4" hole from 5819'--6615' using PDC bit and full returns. Test for water flow during connections--10-35gpm flow noted and increased during the night. Drill 7 3/4" hole with full returns and take wire line surveys. Monitor for water flow while drilling. No H2S alarms and no accidents. Bucket Test shows water flowing at 15-20 gpm at report time.

MYCO Industries, Inc.
Daily Drilling Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Robinson Drilling Company
Landman: Hannah Palomin
Andrews County, Texas

Geol: Jim Schlueter

API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

04-13-2011 **Day #12**

Current Operation: Drilling 7.75" Hole w/ PDC bit and full returns.

Depth: 7506'

Previous Depth: 6615'

Progress: 891' in 23.0 Hrs.

ROP: 38.73'/hr

Lithology: Limestone/Sand

Cum rot hrs: 199.00 Hrs.

Bit #3: 7.75", Ulterra, MS1666B, Ser #7402, 6-15's, In at 5047'
Make 2459' in 78.00 Hrs. ROP--31.52/hr, WOB--25K, RPM--65

Mud: Wt.--8.8, Vis--29, PH--10.5, Chlorides--58000

Pumps: #1: 6" x 18" x 52 SPM, National C350, GPM--389, PP-1150
#2: 6" x 16" x 00 SPM, GDenver G&T, GPM--000, PP--0000

BHA #3: Bit, Bit Sub, 1-Tri-DC, IBS, 1-6" DC, IBS, 22- 6" DC"s.
Length: 751.13' BHA #3 Hrs: 78.00 Total DC Hrs Since Insp--199.00

String WT: Rot. Off Bottom: 179K, PU--181K, Slack Off--177K

Deviation: 1 Deg @ 7001'.

<u>OPERATIONS:</u>	<u>HOURS</u>
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0600--0900	Drill 7 3/4" hole with PDC bit from F/6615'--6707' with 20-25gpm water flow.	06.00
0900--0930	Service Rig, / BOP Drill and had water flow with 10 gpm flow	00.50
0930--1700	Drill 7 3/4" hole with PDC bit from F/6707'--7045' with full returns & no flow.	03.50
1700--1730	Wire line survey @ 7001'-- 1 Deg./ BOP drill. No noticeable flow.	00.50
1730--0600	Drill 7 3/4" hole with PDC bit from F/7045'--7506' with full returns & no flow.	02.00

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Total Hours:	24.00
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COMMENTS:

Drill 7 3/4" hole from 6615'--7506' using PDC bit and full returns. Test for water flow during connections--10-35gpm flow noted and decreased during the day at 8.8 mud weight. Drill 7 3/4" hole with full returns and take wire line surveys. Monitor for water flow while drilling and had intermittent flow. No spills and no accidents. Hauled 6 loads produced water at 9.2 mud weight to inside reserve. Unload 76jts of 5.5" P-100 17# LT&C casing from Tool Pushers supply via Lomac Transports forklift.

MYCO Industries, Inc.
Daily Drilling Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Robinson Drilling Company
Landman: Hannah Palomin
Andrews County, Texas

Geol: Jim Schlueter

API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

04-14-2011 **Day #13**

Current Operation: Drilling 7.75" Hole w/ PDC bit and full returns.

Depth: 8491'

Previous Depth: 7506'

Progress: 985' in 23.5 Hrs.

ROP: 41.91'/hr

Lithology: Shale/Sand

Cum rot hrs: 222.5 Hrs.

Bit #3: 7.75", Ulterra, MS1666B, Ser #7402, 6-15's, In at 5047'
Make 3444' in 101.50 Hrs. ROP--33.93'/hr, WOB--25K, RPM--65

Mud: Wt.--8.8, Vis--29, PH--11, Chlorides--58000

Pumps: #1: 6" x 18" x 52 SPM, National C350, GPM--389, PP-1100
#2: 6" x 16" x 00 SPM, GDenver G&T, GPM--000, PP--0000

BHA #3: Bit, Bit Sub, 1-Tri-DC, IBS, 1-6" DC, IBS, 22- 6" DC"s.
Length: 751.13' BHA #3 Hrs: 101.5 Total DC Hrs Since Insp--222.5

String WT: Rot. Off Bottom: 193K, PU--195K, Slack Off--190K

Deviation: .75 Deg @ 7493', 1.25 Deg. @ 8079'.

<u>OPERATIONS:</u>	<u>HOURS</u>
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0600--0630	Drill 7 3/4" hole with PDC bit from F/7506'--7535' with full returns & no flow.	00.50
0630--0700	Wire line survey @ 7493'-- .75Deg./ rig service No noticeable flow detected	00.50
0700--2000	Drill 7 3/4" hole with PDC bit from F/7535'--8121' with full returns & no flow.	13.00
2000--2030	Wire line survey @ 8079'-- 1.25Deg./ rig service with full returns & no flow	00.50
2030--0600	Drill 7 3/4" hole with PDC bit from F/8121'--8491' with full returns & no flow.	09.50

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Total Hours:

24.00

COMMENTS:

Drill 7 3/4" hole from 7506'--8491' using PDC bit and full returns. Test for water flow during connections--no flow at 8.8 mud weight. Drill 7 3/4" hole with full returns and take wire line surveys. Monitor for water flow while drilling, with intermittent flows. No spills and no accidents. Unload 266 joints of 5.5" 17# P110 LT&C casing from Tool Pushers supply via Lomac Transports forklift.

MYCO Industries, Inc.
Daily Drilling Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Robinson Drilling Company
Landman: Hannah Palomin
Andrews County, Texas

Geol: Jim Schlueter

API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

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04-15-2011 **Day #14**

Current Operation: TIH with Bit #4
Depth: 9133'
Previous Depth: 8491'
Progress: 642' in 16.75Hrs.
ROP: 38.32'/hr
Lithology: Shale/Sand
Cum rot hrs: 239.25 Hrs.

Bit #3: 7.75", Ulterra, MS1666B, Ser #7402, 6-15's, In at 5047'out at 9133'
Make 4086' in 118.25 Hrs. ROP--34.55'/hr, WOB--25K, RPM--65
Dull Grade: 2, 2, BT, N, X, I, WT, TQ

Bit #4: 7.75", Ulterra, MS1666B, Ser #8138, 6-15's, In at 9133'
Make 000' in 000 Hrs. ROP--00'/hr, WOB--00K, RPM--00

Mud: Wt.--8.8, Vis--29, PH--11, Chlorides--52000

Pumps: #1: 6" x 18" x 52 SPM, National C350, GPM--389, PP-1100
#2: 6" x 16" x 00 SPM, GDenver G&T, GPM--000, PP--0000

BHA #4: Bit, Bit Sub, 1-Tri-DC, IBS, 1-6" DC, IBS, 22- 6" DC"s.
Length: 751.13' BHA #4 Hrs: 00 Total DC Hrs Since Insp--239.25

String WT: Rot. Off Bottom: 65K, PU--65K, Slack Off--65K

Deviation: .75 Deg @ 8541', 1.25 Deg. @ 9033'.

<u>OPERATIONS:</u>	<u>HOURS</u>
0600--0800 Drill 7 3/4" hole with PDC bit from F/8491'--8583' with full returns & no flow.	02.00
0800--0830 Wire line survey @ 8541'-- .75Deg./ rig service No noticeable flow detected	00.50
0830--1930 Drill 7 3/4" hole with PDC bit from F/8583'--9075' with full returns & no flow.	11.00
1930--2015 Wire line survey @ 9033'-- 1 Deg. with 5gpm flow noted.	00.75
2015--0000 Drill 7 3/4" hole with PDC bit from F/9075'--9133' with full returns 5gpm flow.	03.75
0000--0500 Drop Totco, POOH with bit #3, Make up bit #4,	05.00
0500--0600 TIH w/ new bit to 751'--10gpm flow.	01.00

=====

Total Hours: 24.00

COMMENTS:

Drill 7 3/4" hole from 8491'--9133' using PDC bit and full returns. Test for water flow during connections--5gpm flow at 8.8 mud weight. Drill 7 3/4" hole with full returns and take wire line surveys. Monitor for water flow while drilling, with intermittent flows. Pull out of the hole to change PDC bit at 9133'. Sulfur water flow tested while tripping pipe with 5-10gpm flow reported. No spills and no accidents. Unload 327 joints at University 5-40#1 location of 5.5" 17# P110 LT&C casing from Tool Pushers supply via Lomac Transports forklift.

MYCO Industries, Inc.
Daily Drilling Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Robinson Drilling Company
Landman: Hannah Palomin
Andrews County, Texas

Geol: Jim Schlueter

API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

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04-16-2011 **Day #15**

Current Operation: Drilling 7.75" Hole w/ PDC bit and full returns.

Depth: 9765'

Previous Depth: 9133'

Progress: 632' in 19Hrs.

ROP: 33.26'/hr

Lithology: Shale/Sand

Cum rot hrs: 258.25 Hrs.

Bit #4: 7.75", Ulterra, MS1666B, Ser #8138, 6-15's, In at 9133'
Make 632' in 19 Hrs. ROP--33.26'/hr, WOB--25K, RPM--65

Mud: Wt.--8.8, Vis--30, PH--10.5, Chlorides--52000

Pumps: #1: 6" x 18" x 52 SPM, National C350, GPM--389, PP-1275
#2: 6" x 16" x 00 SPM, GDenver G&T, GPM--000, PP--0000

BHA #4: Bit, Bit Sub, 1-Tri-DC, IBS, 1-6" DC, IBS, 22- 6" DC"s.
Length: 751.13' BHA #4 Hrs: 19 Total DC Hrs Since Insp--258.25

String WT: Rot. Off Bottom: 195K, PU--195K, Slack Off--190K

Deviation: 1.25 Deg. @ 9582'.

<u>OPERATIONS:</u>	<u>HOURS</u>
0600--0915 TIH w/ Bit #4 to 9069'--10 gpm flow.	03.25
0915--1000 Pick up Kelly and wash 64' to bottom. with full returns 5gpm flow.	00.75
1000--1200 Drill 7 3/4" hole with PDC bit from F/9133'--9201' with full returns 5gpm flow.	02.00
1200--1230 Rig service. BOP drill. no flow.	00.50
1230--0200 Drill 7 3/4" hole with PDC bit from F/9201'--9632' with full returns no flow.	13.50
0200--0230 Wire line survey @ 9582'-- 1.25 Deg. with 3-5gpm flow noted.	00.50
0230--0600 Drill 7 3/4" hole with PDC bit from F/9632'--9765' with full returns 3-5gpm flow.	03.50

=====

Total Hours: 24.00

COMMENTS:

Drill 7 3/4" hole from 9133'--9765' using PDC bit and full returns. Test for water flow during connections--0-5gpm flow at 8.8 mud weight. Drill 7 3/4" hole with full returns and take wire line surveys. Monitor for water flow while drilling, with intermittent flows. Finish tripping in hole with PDC bit#4 at 9133'. Sulfur water flow tested while tripping pipe with 5-10gpm flow reported. Start mud up at 9600'. No spills and no accidents.

MYCO Industries, Inc.
Daily Drilling Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Robinson Drilling Company
Landman: Hannah Palomin
Andrews County, Texas

Geol: Jim Schlueter

API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

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04-17-2011 **Day #16**

Current Operation: Drilling 7.75" Hole w/ PDC bit and full returns.

Depth: 10385'

Previous Depth: 9765'

Progress: 620' in 21.5Hrs.

ROP: 28.83'/hr

Lithology: Shale/Limestone

Cum rot hrs: 279.75 Hrs.

Bit #4: 7.75", Ulterra, MS1666B, Ser #8138, 6-15's, In at 9133'
Make 1252' in 40.5 Hrs. ROP--30.91'/hr, WOB--25K, RPM--65

Mud: Wt.--9.2, Vis--44, PH--10.5, Chlorides--62000,WL--8cc

Pumps: #1: 6" x 18" x 52 SPM, National C350, GPM--389, PP-1275
#2: 6" x 16" x 00 SPM, GDenver G&T, GPM--000, PP--0000

BHA #4: Bit, Bit Sub, 1-Tri-DC, IBS, 1-6" DC, IBS, 22- 6" DC"s.
Length: 751.13' BHA #4 Hrs: 40.5 Total DC Hrs Since Insp--279.75

String WT: Rot. Off Bottom: 204K, PU--205K, Slack Off--200K

Deviation: .75 Deg. @ 9959'.

OPERATIONS: **HOURS**

0600--0800	Drill 7 3/4" hole with PDC bit from F/9765'--9835' with full returns 10gpm flow.	02.00
0800--0900	Rig service/ Repair rotary sprocket / BOP Drill 10-15gpm flow.	01.00
0900--1500	Drill 7 3/4" hole with PDC bit from F/9835'--10001' with full returns 15gpm flow.	06.00
1500--1545	Wire line survey @ 9959'-- .75 Deg. with 25-35gpm flow.	00.75
1545--2045	Drill 7 3/4" hole with PDC bit from F/10001'--10124' with full returns.35gpm flow.	05.00
2045--2130	Change out rotating head rubber.	00.75
2130--0600	Drill 7 3/4" hole with PDC bit from F/10124'--10385' with full returns.15gpm flow.	08.50

=====

Total Hours:

24.00

COMMENTS:

Drill 7 3/4" hole from 9765'--10385' using PDC bit and full returns. Test for water flow during connections--Drill 7 3/4" hole with full returns and take wire line surveys. Monitor for water flow while drilling, with intermittent flows increasing during the day. Raise mud wt. with 9.9# brine slowly to control water flow. 9.2# at report time with some seepage while drilling and 15gpm flow with pumps off. No spills and no accidents.

MYCO Industries, Inc.
Daily Drilling Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Robinson Drilling Company
Landman: Hannah Palomin
Andrews County, Texas

Geol: Jim Schlueter

API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

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04-18-2011 Day #17

Current Operation: Drilling 7.75" Hole w/ PDC bit and full returns.

Depth: 10842'

Previous Depth: 10385'

Progress: 457' in 23.5Hrs.

ROP: 19.44'/hr

Lithology: Shale/Limestone

Cum rot hrs: 303.25' Hrs.

Bit #4: 7.75", Ulterra, MS1666B, Ser #8138, 6-15's, In at 9133'
Make 1709' in 64 Hrs. ROP--26.70'/hr, WOB--25K, RPM--65

Mud: Wt.--9.2, Vis--45, PH--11.0, Chlorides--70000,WL--10cc

Pumps: #1: 6" x 18" x 46 SPM, National C350, GPM--360, PP-1350
#2: 6" x 16" x 00 SPM, GDenver G&T, GPM--000, PP--0000

BHA #4: Bit, Bit Sub, 1-Tri-DC, IBS, 1-6" DC, IBS, 22- 6" DC"s.
Length: 751.13' BHA #4 Hrs: 64 Total DC Hrs Since Insp--303.25

String WT: Rot. Off Bottom: 210K, PU--215K, Slack Off--207K

Deviation: 1.0 Deg. @ 10422'.

OPERATIONS: **HOURS**

0600--1100 Drill 7 3/4" hole with PDC bit from F/10385'--10464' with full returns 10gpm flow. 05.00

1100--1130 Wire line survey @ 10422'-- 1.0 Deg./Rig service / BOP Drill with 5gpm flow.00.50

1130--0600 Drill 7 3/4" hole with PDC bit from F/10462'--10842' with full returns.3-5gpm flow. 18.50

=====

Total Hours: 24.00

COMMENTS:

Drill 7 ¾" hole from 10385'--10842' using PDC bit and full returns. Test for water flow during connections--Drill 7 ¾" hole with full returns and take wire line surveys. Monitor for water flow while drilling, with intermittent flows decreasing during the day. 9.2# at report time with some seepage while drilling and 3-5gpm flow with pumps off. No spills and no accidents.

Elevations: 3032' GR, 3048' KB

Drill 7 ¾" hole from 10842'--11089' using PDC bit and full returns. Test for water flow during connections--Drill 7 ¾" hole with full returns and take wire line surveys. Monitor for water flow while drilling, with intermittent flows decreasing during the day, 9.2# at report time with no flow during bit trip. Repair compound chain. Received 10jts 5.5" 20# P-110 casing from Andrews Block 8 pipe yard to location via Lomac, 1 transport and forklift. No spills and no accidents.

MYCO Industries, Inc.
Daily Drilling Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Robinson Drilling Company
Landman: Hannah Palomin
Andrews County, Texas

Geol: Jim Schlueter

API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

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04-20-2011 **Day #19**

Current Operation: Drilling 7.75" Hole w/ PDC bit and full returns.

Depth: 11373'

Previous Depth: 11089'

Progress: 284' in 21.00 Hrs.

ROP: 13.52'/hr

Lithology: Shale/Limestone

Cum rot hrs: 337.25 Hrs.

Bit #5: 7.75", Ulterra, MS1366CDEG, Ser #84501, 6-15's, In at 11089'
Make 284' in 21 Hrs. ROP--13.52'/hr, WOB--15K, RPM--65

Mud: Wt.--9.2, Vis--38, PH--11.0, Chlorides--68000, WL--9.5cc

Pumps: #1: 6" x 18" x 46 SPM, National C350, GPM--360, PP-1350
#2: 6" x 16" x 00 SPM, GDenver G&T, GPM--000, PP--0000

BHA #5: Bit, Bit Sub, 1-Tri-DC, IBS, 1-6" DC, IBS, 22- 6" DC"s.
Length: 751.13' BHA #5 Hrs: 21 Total DC Hrs Since Insp--337.25

String WT: Rot. Off Bottom: 220K, PU--225K, Slack Off--215K

Deviation: 1.0 Deg. @ 10927'.

<u>OPERATIONS:</u>	<u>HOURS</u>
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0600--0900	TIH with bit #5. Wash 50' to bottom, BOP drill. No flow.	03.00
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0900--0600	Drill 7 3/4" hole with PDC bit from F/11089'--11373' with full returns. No flow.	21.00
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Total Hours:	24.00
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COMMENTS:

Drill 7 3/4" hole from 11089'--11373' using PDC bit and full returns. Test for water flow during connections--Drill 7 3/4" hole with full returns and take wire line surveys. Monitor for water flow while drilling, with intermittent flows No spills and no accidents.

MYCO Industries, Inc.
Daily Drilling Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Robinson Drilling Company
Landman: Hannah Palomin
Andrews County, Texas

Geol: Jim Schlueter

API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

=====

04-21-2011 Day #20

Current Operation: Drilling 7.75" Hole w/ PDC bit and full returns.

Depth: 11682'

Previous Depth: 11373'

Progress: 309' in 22.50 Hrs.

ROP: 13.73'/hr

Lithology: Limestone

Cum rot hrs: 359.75 Hrs.

Bit #5: 7.75", Ulterra, MS1366CDEG, Ser #84501, 6-15's, In at 11089'
Make 593' in 43.5 Hrs. ROP--13.63'/hr, WOB--15K, RPM--65

Mud: Wt.--9.2, Vis--41, PH--10.0, Chlorides--65000, WL--9.6cc

Pumps: #1: 6" x 18" x 46 SPM, National C350, GPM--360, PP-1350
#2: 6" x 16" x 00 SPM, GDenver G&T, GPM--000, PP--0000

BHA #5: Bit, Bit Sub, 1-Tri-DC, IBS, 1-6" DC, IBS, 22- 6" DC"s.
Length: 751.13' BHA #5 Hrs: 43.5 Total DC Hrs Since Insp--359.75

String WT: Rot. Off Bottom: 223K, PU--226K, Slack Off--215K

Deviation: 2.0 Deg. @ 11553'.

OPERATIONS: **HOURS**

0600--2330	Drill 7 3/4" hole with PDC bit from F/11373'--11585' with full returns. 3 gpm flow.	17.50
2330--0000	Wire line survey @ 11553'-- 2.0 Deg. /BOP Drill.	No flow. 00.50
0000--0100	Rig repair/ work on wire line machine	01.00
0100--0600	Drill 7 3/4" hole with PDC bit from F/11585'--11622' with full returns. No flow	05.00

=====

Total Hours: 24.00

COMMENTS:

Drill 7 3/4" hole from 11373'--11622' using PDC bit and full returns. Test for water flow during connections--Drill 7 3/4" hole with full returns & take wire line surveys. Monitor water flow while drilling, w/ intermittent flows. No spills and no accidents.

The following casing was delivered to location:

342 Joints, 5.5", 17#, P-110, LT&C. (12951.54' threads on, 12731.29' threads Off.)

10 Joints, 5.5", 20#, P-110, LT&C. (427.99' threads on, 420.71' threads Off.)

352jtsTotal Pipe= (13379.83' threads on, 13152.00' threads Off.)

All 5.5" P-110 LT&C casing is on pipe racks and ready to run. Casing was cleaned and drifted by Charlie's Pipe Inspection.

MYCO Industries, Inc.
Daily Drilling Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Robinson Drilling Company
Landman: Hannah Palomin
Andrews County, Texas

Geol: Jim Schlueter

API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

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04-22-2011 **Day #21**

Current Operation: Circulate and condition hole for electric logs
Depth: 11900'
Previous Depth: 11682'
Progress: 218' in 20.50 Hrs.
ROP: 10.63'/hr
Lithology: Shale
Cum rot hrs: 380.25 Hrs.

Bit #5: 7.75", Ulterra, MS1366CDEG, Ser #84501, 6-15's, In at 11089'
Make 811' in 64 Hrs. ROP--12.67'/hr, WOB--15K, RPM--65

Mud: Wt.--9.3, Vis--41, PH--10.5, Chlorides--66000, WL--9.6cc

Pumps: #1: 6" x 18" x 46 SPM, National C350, GPM--360, PP-1350
#2: 6" x 16" x 00 SPM, GDenver G&T, GPM--000, PP--0000

BHA #5: Bit, Bit Sub, 1-Tri-DC, IBS, 1-6" DC, IBS, 22- 6" DC"s.
Length: 751.13' BHA #5 Hrs: 64 Total DC Hrs Since Insp--380.25

String WT: Rot. Off Bottom: 223K, PU--226K, Slack Off--215K

Deviation: 2.0 Deg. @ 11553'.

<u>OPERATIONS:</u>	<u>HOURS</u>
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0600--0230	Drill 7 3/4" hole with PDC bit from F/11622'--11900' with full returns. No flow	20.50
	TD Well @ 0230hrs 4/22/11. Start day work.	
0230--0600	Circulate and condition hole.	03.50

Total Hours:	=====
	24.00

COMMENTS:

Drill 7 3/4" hole from 11622'--11900' using PDC bit and full returns. Test for water flow during connections--Drill 7 3/4" hole with full returns & take wire line surveys. Monitor water flow while drilling, w/ intermittent flows. Call & notify TRRC (Audrey operator #2) of TD, casing, and cement details @ 0600hrs, 4/22/2011. No spills and no accidents.

All 5.5" P-110 LT&C casing is on pipe racks and ready to run. Casing was cleaned and drifted by Charlie's Pipe Inspection.

MYCO Industries, Inc.
Daily Drilling Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Robinson Drilling Company
Landman: Hannah Palomin
Andrews County, Texas

Geol: Jim Schlueter

API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

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04-23-2011 **Day #22**

Current Operation: Circulate and condition hole.

Depth: 11900'

Previous Depth: 11900'

Progress: 000' in 00.00 Hrs.

ROP: 00.00'/hr

Lithology: Shale

Cum rot hrs: 380.25 Hrs.

Bit #5: 7.75", Ulterra, MS1366CDEG, Ser #84501, 6-15's, In at 11089'
Make 811' in 64 Hrs. ROP--12.67'/hr, WOB--15K, RPM--65

Mud: Wt.--9.3, Vis--41, PH--10.5, Chlorides--66000, WL--9.6cc

Pumps: #1: 6" x 18" x 46 SPM, National C350, GPM--360, PP-1350
#2: 6" x 16" x 00 SPM, GDenver G&T, GPM--000, PP--0000

BHA #5: Bit, Bit Sub, 1-Tri-DC, IBS, 1-6" DC, IBS, 22- 6" DC"s.
Length: 751.13' BHA #5 Hrs: 64 Total DC Hrs Since Insp--380.25

String WT: Rot. Off Bottom: 223K, PU--226K, Slack Off--215K

Deviation: 2.0 Deg. @ 11553'.

OPERATIONS: **HOURS**

0600--1300	Drop MD totco and strap out of Hole for electric logs.	07.00
1300--1400	Rig up Halliburton and pack off tool.	01.00
1400--2000	Run Halliburton Electric logs. PEX=HRLA-ECS, bond Logs	08.00
2000--2300	Rig Down & Load out Halliburton.	01.00
2300--0400	Make up Bit and TIH to lay down drill pipe.	05.00
0400--0600	Circulate sweeps and condition hole. Prep to lay down drill pipe.	02.00

=====

Total Hours: 24.00

COMMENTS:

POOH out of hole to run Halliburton logging equipment. Rig up pressure control equipment and run Electric logs with Halliburton. Loggers Total Depth was 11,910'. Lay down logging tools. Monitor pit volume while logging and keeping hole full. Flow increased up to 7gpm. GIH hole to lay down drill pipe.
Call & notify TRRC (Audrey operator #2) of TD, casing, and cement details @ 0600hrs, 4/22/2011. No spills and no accidents.

All 5.5" P-110 LT&C casing is on pipe racks and ready to run. Casing was cleaned and drifted by Charlie's Pipe Inspection.

MYCO Industries, Inc.
Daily Drilling Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Robinson Drilling Company
Landman: Hannah Palomin
Andrews County, Texas

Geol: Jim Schlueter

API Number: 42-003-42557
Proposed Total Depth: 13,000'
Formation: Sprayberry (Trend)
Rig # 15: KB Elevation: 16'
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB

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04-24-2011 **Day #23**
Current Operation: Run 5 1/2" Production Casing
Depth: 11900'
Previous Depth: 11900'
Progress: 000' in 00.00 Hrs.
ROP: 00.00'/hr
Lithology: Shale
Cum rot hrs: 380.25 Hrs.

Bit #5: None
Mud: Wt.--9.3, Vis--41, PH--10.5, Chlorides--66000, WL--9.6cc

Pumps: #1: 6" x 18" x 46 SPM, National C350, GPM--360, PP-1350
#2: 6" x 16" x 00 SPM, GDenver G&T, GPM--000, PP--0000

BHA #5: None

String WT: Rot. Off Bottom: 223K, PU--226K, Slack Off--215K

Deviation: 2.0 Deg. @ 11553'.

OPERATIONS:	HOURS
0600--0730 Circulate and condition hole.	01.50
0730--1100 Unable to get lay down machine. Lay down drill pipe.	04.00
1100--1230 Rig up Bull Rogers lay down machine.	01.50
1230--2030 Lay down drill pipe.	08.00
2030--2200 Break Kelly, lay down drill collars. Rig up csg crew	01.50
2200--0600 Run 5.5" 17# P110 LTC production casing.	08.00
	=====
Total Hours:	24.00

COMMENTS:

Circulate and condition hole. Unable to locate lay down machine. Lay down DP without LD machine. Rig up Bull Rogers Lay down machine. Finish laying down DP with Bull Rogers lay down machine. Break Kelly and lay down drill collars. Rig up casing crew. Rig up and run 5 1/2, 17# P110 LTC production casing. Lack 17 joints at report time being on bottom. Break circulation and prep to continue in the hole to bottom.

All 5.5" P-110 LT&C casing is on pipe racks and ready to run. Casing was cleaned and drifted by Charlie's Pipe Inspection.

MYCO Industries, Inc.
Daily Drilling Report

University 5-40 #2

330' FSL & 2310' FEL

Section 40, Block 5, University Lands Survey

Robinson Drilling Company

Landman: Hannah Palomin

Andrews County, Texas

Geol: Jim Schlueter

API Number: 42-003-42557

Proposed Total Depth: 13,000'

Formation: Sprayberry (Trend)

Rig # 15: KB Elevation: 16'

Engineer: Nelson Muncy

Elevations: 3032' GR, 3048' KB

04-25-2011

Day #24

Current Operation: Run 5 1/2" Production Casing

Depth: 11900'

Previous Depth: 11900'

Progress: 000' in 00.00 Hrs.

ROP: 00.00'/hr

Lithology: Shale

Cum rot hrs: 380.25 Hrs.

Bit #5: None

Mud: None

Pumps: #1: 6" x 18" x 00 SPM, National C350, GPM--360, PP-0000

#2: 6" x 16" x 00 SPM, GDenver G&T, GPM--000, PP--0000

BHA #5: None

String WT: None

Deviation:

OPERATIONS:

HOURS

0600--0900	Finish running 5.5" csg. Run total of 317 jts, 11,906.88', 5.5", 17# & 20#, P110, LT&C casing. Set Davis Lynch float shoe @ 11900', Float collar @ 11811.65', Packer stage tool set @ 7006.88'. Rig down Bull Rogers	03.00
0900--1930	Circulate and condition hole while waiting on cement.	10.50
1930--2345	Safety meeting. Rig up Halliburton Services.	

Cement Stage #1: 10 bbl fresh water spacer. 750 gallons super flush, 10 bbl fresh water spacer, followed by the following cement:
300 sks lead-- VersaCem-PBSH2 + additives. Yield--1.63 cu ft, Wt--13.2#/gal.
625 sks tail-- VersaCem-PBSH2 + additives. Yield--1.51 cu ft, Wt--13.5#/gal.
Plug down at 2111 hrs, CDT 04/24/2011. Drop opening bomb.

Inflate packer stage tool. Open DV tool. Circulate thru DV tool.

Circulate 172 sx off of Packer Stage Tool.

Cement Stage #2: 5 bbls fresh water spacer followed by:

100 sks scavenger --EconoCem -H Yield--2.79 cu ft, Wt--11.5#/gal.

10 bbl gel spacer, 1500 gallons Super Flush 101, 10 bbl fresh water spacer

800 sks lead--EconoCem-MHLH + additives. Yield--2.27 cu ft, Wt--12.4#/gal.

250 sks tail--VersaCem-H + additives. Yield--1.39 cu ft, Wt--14.0#/gal.

Plug down @ 2345 hrs, CDT 04/24/2011. Close DV tool with 3500 psi.

Rig down cementers, **Circulate 148 sx** to surface

2345--0345	Nipple down BOP stack. Set 5.5" casing slips w/ 150K.	04.00
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0345--0600	Jet & clean steel pits. NU blank flange & tbg head.	02.25
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RIG RELEASED AT 0345 HRS, 4/25/2011. END DAY RATE.

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Total Hrs. 24.00

COMMENTS

Finish running 317 jts, 11490' of 5.5" 17# & 20#, HC P-110 LTC Csg. Float shoe at 11900', Float collar @ 11811.65, Packer Stage Tool @ 7006.88'. Circulate 172 sacks cement from Stage #1. Circulate 148 sacks cement on Stage #2. ND BOP and set 5.5" casing slips. NU Tbg head and install blank flange. Jet and clean steel pits. **RIG RELEASED AT 0345 HRS, 04-25-2011.** Release all rental equipment. **Casing and cement report to follow.**

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2

330' FSL & 2310' FEL

Section 40, Block 5, University Lands Survey

Landman: Hannah Palomin

Geol: Jim Schlueter

Andrews County, Texas

Select Well Service Rig #1

API Number: 42-003-42557

Proposed Total Depth: 12,000'

Formation: Sprayberry (Trend)

Engineer: Nelson Muncy

Elevations: 3032' GR, 3048' KB

KB Correction: 16'

4-28-2011

Drive rig with crew to location. Hold safety meeting. Move in Sweatt Construction Blade and clean off location. Move in and set Myco rig matting boards (#001 & 002) and 1-set of Myco pipe racks (#007) and 1-set of Select pipe racks. Rig up Select Well Service Rig #1. Nipple up 7 1/16" 5M Double Ram Manual BOP w/ 2 7/8" pipe rams and blinds on bottom. Transfer 380 joints of 2 7/8" 6.5# L80 EUE tubing from Myco Block 8 Yard and unload onto pipe racks. Remove thread protectors and tally all tubing. Make up and GIH w/ 4 3/4" mill tooth reverse bit, bit sub, 6—3.5" DC's, XO, and pick up 75 joints of 2 7/8" 6.5# L80 EUE tubing. Drift each joint with 2.442" drift while picking tubing off of the pipe racks. Secure well, SDFN. Prep to continue RIH w/tbg in the am.

4-29-2011

Drive to location. Hold safety meeting. SITP & SICP--0 psi. Open BOP & Continue GIH picking up tubing. Tag Packer stage tool at 7013' w/10' in on joint #215 by tubing tally. Lay down 2 jts Secure the well. Shut down due to high winds. SDOWE, Prep to drill out packer stage tool on Monday morning.

5-2-2011

Drive to location. Hold 5 min tailgate safety meeting. SITP & SICP--0 psi. Open well drop down and tag packer stage tool. Drill out Packer stage tool at 7,013'. Pick up and work bit through stage tool numerous times. Shut 5.5" casing valve and test casing to 2500 psi—OK. Continue GIH picking up tubing. Drift each joint with 2.442" drift while picking tubing off of the pipe racks. Tag float collar @ 11,800' by tubing tally with 24' in on joint #365. Rig up swivel. Break circulation. Drill out float collar @ 11,800'. Drill 66' of cement below the float collar with 26' in on joint #367 in the hole for a PBTD of 11,866' by tubing tally. Circulate hole clean. Shut the 5.5" casing valve and test casing to 2500 psi—OK, Rig down swivel. POOH with 20 joints of 2 7/8" 6.5# L80 EUE tubing. Secure well, SDFN. Prep to finish POOH w/tubing and lay down 3.5" drill collars in the am.

5-3-2011

Drive to location. Hold 5 min tailgate safety meeting. SITP & SICP--0 psi. Open well & continue to POOH with 347 more joints of 2 7/8" 6.5# L80 tubing & lay down 6--3.5" DC's and bit. Make up & RIH with 5.5" casing scraper, 4 3/4" bit and 373 joints of 2 7/8" 6.5# L80 EUE tubing. Work scraper and bit through packer stage tool numerous times. Tag PBTD at 11,866' with 26' in on joint #373. Lay down joint #373 & leave bit at 11,840' with a total of 372 joints of tubing in the hole. ND-BOP NUWH. Rig down Select Well Service Rig #1 and move to the Univ 8-4 #6. Will rig back up on Friday to lay down the tbg and run CNL/CBL Log. Release matting board (#001, 002)

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2

330' FSL & 2310' FEL

Section 40, Block 5, University Lands Survey

Landman: Hannah Palomin

Geol: Jim Schlueter

Andrews County, Texas

Select Well Service Rig #1

API Number: 42-003-42557

Proposed Total Depth: 12,000'

Formation: Sprayberry (Trend)

Engineer: Nelson Muncy

Elevations: 3032' GR, 3048' KB

KB: 16' PBTB--11860'

5-4-2011

Drive to location. Hold 5 min tailgate safety meeting. SITP & SICP--0 psi. Open well, Move in and rig up Halliburton pump truck & treating van. Hold pre job safety meeting. Rig up to 2 7/8" tubing & test lines to 5,000 psi—OK. Pickle 2 7/8" tbg & 5.5" csg w/ 250 gallons of Xylene followed by 1000 gallons of 15% HCL acid. Pump at 2 BPM rate down the tubing and 3 BPM out the casing. Displace the hole with 280 bbls of treated fresh water. Over displace the hole until fluid was totally clean. Shut the csg valve. Pressure test csg to 3,000 psi—OK, Rig down and release Halliburton Services.

5-5-2011

Drive rig with crew to location. Hold safety meeting. Move in rig up Select Well Service Rig #1. Nipple down wellhead, Nipple up 7 1/16" 5M Double Ram Manual BOP w/ 2 7/8" pipe rams and blinds on bottom. Rig up work floor. Trip out of the hole and lay down 120 jts of 2 7/8" 6.5# L80 EUE tbg. Shut down due to high winds. Secure the well. Plan to finish laying down the rest of the tbg and rig down Select Well Service Rig #1 in the morning and rig up electric line truck on Monday am to run CNL/CBL. Set Matting Board (001, 002) when rigging up Select Rig #1.

5-6-2011

Drive rig with crew to location. Hold safety meeting. SITP & SICP--0 psi. Open well up & continue to POOH laying down 260 more joints of 2 7/8" 6.5# L80 tubing & lay down 5.5" casing scraper, 4 3/4" bit. Secure well. Plan to rig up electric line truck on Monday am to run GR/CNL/CBL.

5-9-2011

Drive to location. Hold safety meeting. Wait on wire line. Move in and rig up Halliburton Electric line truck. Make up and RIH with GR/Compensated Neutron Density logging tool and CBL tool. Run CNL Log from PBTB at 11,860' by WL depth up to 4800', then pull GR/CCL/CBL Repeat pass from PBTB at 11,860' up to 11,550', and correlate on depth with Halliburton Dual Laterolog Micro Spherically Focused Log dated 4/22/2011, Pull main pass from PBTB at 11,860' up to Surface w/1000 psi on the 5.5" casing. Cement top was at 120' from surface. POOH w/Logging tool, Rig down and release Halliburton Electric line truck. Good bond across intervals to be perforated. Secure well, SDFN. Plan to rig down Select Well Service in the morning,

5-10-2011

Drive to location. Hold 5 min tailgate safety meeting. SICP--0 psi ND-BOP NUWH. Rig down Select Well Service Rig #1 and move to the Univ 8-4 #4. Release matting board (#001, 002) and all rental equipment, waiting on frac date.

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2

330' FSL & 2310' FEL

Section 40, Block 5, University Lands Survey

Landman: Hannah Palomin

Geol: Jim Schlueter

Andrews County, Texas

Select Well Service Rig #1

API Number: 42-003-42557

Proposed Total Depth: 12,000'

Formation: Sprayberry (Trend)

Engineer: Nelson Muncy

Elevations: 3032' GR, 3048' KB

KB Corr: 16' PBTD--11860'

8-22-2011

Drive to location. Move in and rig up Allied Wire line service and Cudd Energy Services Frac equipment. Perform inventory and QC fluids for gel loadings and breaker times. Go in hole and perforate Atoka perforations. Hold Pre-Job safety meeting, Pressure test treating lines to 9,000 psi with No leaks. Set pop-off to 8200 psi.

Stage #1 Frac Atoka perforations from 11,862'-11,806'. 40 holes. .42" EHD on 60 deg phasing

Frac down 5.5" 17# P-110 casing as follows:

- 1,386 gallons 9# linear gel breakdown
- 3,990 gallons 10% HCL acid spearhead
- 10,500 gallons 9# linear gel Pre-Pad
- 22,050 gallons 9# linear gel Pad
- 11,970 gallons 9# linear gel w/ ½ ppg 40/70 sand slug
- 7,014 gallons 9# linear gel sweep
- 22,470 gallons 9# linear gel w/ 1.0 ppg 40/70 sand slug
- 15,792 gallons B Frac 20 cross-linked gel Pad
- 30,744 gallons B Frac 20 carrying 72,390 lbs 30/60 sinterball
- 11,088 gallons B Frac 20 carrying 28,585 lbs 20/40 Carbo Bond
- 2,000 gallons 10% HCL acid spot
- 11,550 gallons 9# linear gel flush

Formation broke at 3,205 psi. Total sand – 26,696 lbs 40/70 white, 72,390 lbs 30/60 Sinter Ball, 28,585 lbs 20/40 Carbo Bond in concentrations up to 4#/gal. Average Rate-- 60.7 bpm, Average Pressure--5,028 psi, Maximum Pressure- 7163 psi, **Total Load this stage - 3,685 bbls.** Flush acid to bottom perforations of Stage #2 from 11,675'-11,780'. Rig up wire line and set CBP at 11,790'. Test CBP to 4500 psi with No leak off.

Myco Industries, Inc.
Daily Completion Report

University 5-40 #2

330' FSL & 2310' FEL

Section 40, Block 5, University Lands Survey

Landman: Hannah Palomin

Geol: Jim Schlueter

Andrews County, Texas

Select Well Service Rig #1

API Number: 42-003-42557

Proposed Total Depth: 12,000'

Formation: Sprayberry (Trend)

Engineer: Nelson Muncy

Elevations: 3032' GR, 3048' KB

KB Corr: 16', PBTD--11860'

8-22-2011 Continued:

Continue to fracture stimulate the Lower Atoka Perforations.

Stage #2 Atoka perforations from 11,675' – 11,780'. 40 holes .42" EHD on 60 Deg Phasing

Frac down 5 ½" 17# P110 LTC Casing with the following:

- 882 gallons 9# linear gel breakdown
- 4,116 gallons 10% HCL acid spearhead
- 9,996 gallons 9# linear gel Pre-Pad
- 15,330 gallons 9# linear gel Pad
- 11,970 gallons 9# linear gel w/1.2 ppg 40/70 white sand slug
- 7,056 gallons 9# linear gel sweep
- 21,798 gallons 9# linear gel w/1.0 ppg 40/70 white sand slug
- 16,842 gallons B Frac 20 Pad cross-linked pad
- 27,384 gallons B Frac 20 carrying 73,349 lbs 30/60 Sinter Ball sand
- 14,658 gallons B Frac 20 carrying 31,229 lbs 20/40 Carbo Bond sand
- 2,000 gallons 10% HCL acid spot
- 11,424 gallons 9# linear gel flush

Formation broke at 7,858 psi. Total sand 26,815 lbs 40/70 white sand, 73,349 lbs 30/60 Sinter Ball sand, 31,329 lbs 20/40 Carbo Bond sand in concentrations up to 4#/gal. Average rate--60.6 bpm, Average pressure--6,568 psi, Maximum pressure – 7,858 psi. **Total load this stage 3,510 bbls** Flush acid to bottom perms of Stage #3 from 11,460'--11,596'. Rig up wire line and set CBP at 11,636'. Test CBP to 4500 psi. No leak off.

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2

330' FSL & 2310' FEL

Section 40, Block 5, University Lands Survey

Landman: Hannah Palomin

Geol: Jim Schlueter

Andrews County, Texas

Select Well Service Rig #1

API Number: 42-003-42557

Proposed Total Depth: 12,000'

Formation: Sprayberry (Trend)

Engineer: Nelson Muncy

Elevations: 3032' GR, 3048' KB

KB Corr: 16', PBSD--11860'

8-22-2011 Continued:

Continue to fracture stimulate the Lower Atoka Perforations as follows:

Stage #3 Atoka perforations from 11,596'-11,460' 40 holes, 0.42" EHD on 60 deg phasing

- 924 gallons 9# linear gel breakdown
- 3,150 gallons 10% HCL acid spearhead
- 10,080 gallons 9# linear gel Pre-Pad
- 19,992 gallons 9# linear gel Pad
- 14,994 gallons 9# linear gel carrying ½ ppg 40/70 white sand
- 7,056 gallons 9# linear gel sweep
- 20,160 gallons 9# linear gel carrying 1.0 ppg 40/70 white sand
- 18,108 gallons B Frac 20 cross-linked Pad
- 35,784 gallons B Frac 20 carrying 88,182 lbs 30/60 Sinter Ball sand
- 10,878 gallons B Frac 20 carrying 28,375 lbs 20/40 Carbo Bond sand
- 11,256 gallons 9# linear gel flush

Formation broke at 4,350 psi. Total sand pumped 26,423 lbs 40/70 White sand, 88,182 lbs 30/60 Sinter Ball, 28,375 lbs 20/40 Carbo Bond sand, In concentrations from ½ ppg to 4.0 ppg. Average rate-61.1 bpm, Average pressure-5680 psi, Maximum pressure-6094 psi. **Total load this stage- 3750 bbl.** Rig up wire line and go in hole set CBP at 11,360'. Test plug to 3500 psi with No leakoff.

Total BLWTR 10,945 bbls.

Rig down and release Allied Wire Line truck and Cudd Energy Services frac equipment. Shut in well. Prepare to MIRU reverse unit and workover rig. Flow back equipment was rigged up on 8/18/2011 using Myco Flow back equipment and frac header.

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Landman: Hannah Palomin Geol: Jim Schlueter
Andrews County, Texas
CC Forbes Well Service Rig #140

API Number: 42-003-42557
Proposed Total Depth: 12,000'
Formation: Sprayberry (Trend)
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB
KB Corr: 16', PBSD--11860'

8-23-2011

Drive to location and hold pre job safety meeting. Move in and set Myco Matting board #002. Move in and rig up C.C. Forbes Well Service Rig #140. Move in and set Myco pipe racks and Lomac Cat Walk. SICP--500 psi. Rig up to manifold and bleed well down. Nipple down Myco 5 1/8" 10K frac valves and frac mandrel, BTI 5 1/8" 10K frac header and Myco Cross below frac valves. Move in and set in and rig up Freedom Reverse unit and hyd BOP. Rig up and Nipple up BOP and test to 2500 psi. Move in and set 380 joints, 2 7/8" 6.5# L80 EUE tubing from edge of location and put on pipe racks. Remove thread protectors and tally tubing. Make up 4 3/4" metal monster bit and go in the hole picking up tubing off of racks. Drift each joint while being picked up off of the racks with 2.442" drift. Go in hole with total of 200 joints tubing. Secure well. SDFN.

8-24-2011

Drive to location and hold safety meeting. Continue to go in the hole picking up tubing off of the pipe racks. Tag CIBP at 11360' with bit. Drill out safe plug composite plug at 11,360' and well started to flow up the casing at 70 bbls/hr rate. Continue in the hole and drill out composite plugs at 11,636' and 11,790'. Circulate hole clean and continue in the hole to PBSD at 11,860'. Circulate two bottoms up. Pull out of hole laying down 23 joints tubing leaving 350 joints 2 7/8" 6.5# L80 EUE tubing in the hole with end of tubing at 11360'. Secure well, SDFN. Leave well flowing to tanks over night. Prepare to land tubing, flange up wellhead & pump ball to shift pump off sub.

8-25-2011

Well flowed 1250 bbls up the casing in 12 hrs making 100 bbls/hr flow rate on 21/64 choke with 650 psi FCP. Install wrap around on tubing and land tubing and flange up wellhead. Rig up on tubing and pump ball down 2 7/8" tubing and pressure up on pump off sub. Drop off bit to bottom of the casing and close the casing valve. Open up tubing and flow well up the tubing. Leave well with flow back hands.

9695 BLWTR

8-26-2011

Flow back 1150 bbls load water in the past 24 hrs on open 48/64" choke with 0-20 psi FTP. Last several hours tank gauges are showing flow rate of 20 bbls/hr load water. Continue to flow back frac load.

8545 BLWTR

8-27-2011

Turn into production facilities through flowline. Flow back 140 bbls load water with 60 psi FTP and 350 psi FCP.

8405 BLWTR

8-28-2011

Flow back 132 bbls load water + 2% oil cut at wellhead sample. FTP--60 psi and 410 psi FCP.

8273 BLWTR

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Landman: Hannah Palomin Geol: Jim Schlueter
Andrews County, Texas
Standard Well Service Rig

API Number: 42-003-42557
Proposed Total Depth: 12,000'
Formation: Sprayberry (Trend)
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB
KB Corr: 16', PBSD--11860'

9-7-2011

Drive to location. Hold safety meeting. Set in Myco rig mat #2. Move in and rig up Standard Well Service Rig 124. Make preparations to begin swabbing to half tank on 9-8-2011. Secure well and shut down for night.

9-8-2011

Drive to location. Hold safety meeting. SITP-1000 psi, SICP-600 psi. Open well to half pit and let well flow for 6 hours until it died. Flowed back 132 barrels in 6 hours. Pick up swab and go in hole. IFL-1500' Make 6 swab runs 3 hours getting back an additional 48 barrels. FFL-1500'. Oil samples 10% oil cut. Secure well and shut down for night.

9-9-2011

Drive to location. Hold safety meeting. SITP-800 psi, SICP-520 psi. Let well flow back until it died. 6 barrels. Pick up swab and make 23 swab runs. IFL-1800'—FFL 2000'. Swab back a total of 167 bbls with 10% Oil cut. Secure well and shut down for night.
7979 BLWTR

9-10-2011

Drive to location. Hold safety meeting. SITP-800 psi, SICP-550. Open tubing up to half pit to flow back. Tubing produced 2 barrels of water before dying. Open up 5.5" casing to half pit. Casing produced 180 barrels of fluid with 10% oil cut and small amounts of gas while flowing up the casing. It is planned to lay down tubing and were unsuccessful in locating a kill truck to kill well. Shut well in. Shut down until Monday 9-12-2011.
7799 BLWTR

9-11-2011

Shut in for Sunday.

9-12-2011

Drive to location. Hold safety meeting. SITP-1000 psi, SICP-550. Open casing up to half pit to flow. MIRU Double" A" services pump truck, pump 50 bbls 10# brine down the 2 7/8 6.5# L-80 EUE tubing to kill well. Nipple down B-1 flange, 2 7/8 5K tubing valve and 2 7/8 wrap around, Nipple up 7 1/16 5M Double ram BOP with 2 7/8 pipe rams and blinds, rig up work floor. Trip out of hole laying down 350jts 2 7/8 L-80 EUE tubing on Myco pipe racks. SDFN. Plan in the am is to move in wireline truck in the morning to set CBP in the 5 1/2 17# N-80 casing at 11,400' over the lower 3 stages of Atoka perms and then rig down Standard Well Service rig to move to the University 5-40 #1.

9-13-2011

Drive to location and hold safety meeting. SICP--150 psi. Open casing up to flow back tank, bleed off pressure to 0. Move in and rig up Wood Group electric line truck with full lubricator and grease injection for 5K. Make up and GIH with 5.5" CBP and set at 11,413' over the lower 3 stages of perforations. Test CBP to 4000 psi. POH & rig down Wood Group. ND BOP, NU B1 flange & valve.

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Landman: Hannah Palomin Geol: Jim Schlueter
Andrews County, Texas
KB Correction: 16'

API Number: 42-003-42557
Proposed Total Depth: 12,000'
Formation: Sprayberry (Trend)
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB
PBTD--11860'

9-14-2011

Drive to location and hold safety meeting with Cudd Energy Services stimulation crew, test lines to 4000psi. Open casing valve--SICP was 150 psi. Pump down casing and catch pressure with 8 bbls. Test CBP to 4000 psi and ran chart test for 10 minutes with no bleed off. Rig down Cudd high pressure pump and move to 5-40 #1. Nipple down B-1 flange with Mustang Roustabout Services, pick up frac stack with Lomac pole truck, clean mandrel, and replace old seal rings with new ones. Grease up seal rings and mandrel. Nipple up frac stack and torque up bolts in the flanges. Well is now ready for frac. Prep to MIRU Cudd Energy Services frac crew in the am.

9-15-2011

Drive to location. Move in and rig up Allied Wire line services electric line and crane truck and 10k lubricator with grease injection system. Make up and go in the hole with 3 1/8" casing guns and perforate Stage 4 Atoka 11,278'-11,382' 40 holes on .42" EHD 60 deg phasing. Pull out of hole with guns. Inspect guns, all fired. Move in and rig up Cudd energy services frac equipment for 10 stage frac. . Perform QC on gel loadings and XL breakers and breaker times. Inventory the total water and sand quantities. Hold pre job safety meeting with Cudd energy and all personnel on location. Test lines to 10,000 psi. Set pressure kick outs at 8000 psi maximum pressure and test. Start water transfer pumps and commence frac via 5.5" 17# P110 LTC casing as follows:

Stage #4 Atoka 11,278'-11,382' 40 Holes .42" EHD 60 Deg Phasing

- 1,932 gallons 9# treated water Establish injection rate
- 3,402 gallons 15% HCL acid spearhead
- 10,038 gallons 9# linear gel Pre-Pad
- 20,034 gallons 9# linear gel Pad
- 13,944 gallons 9# linear gel carrying 6,982 lbs 40/70 white sand ½ ppg
- 7,014 gallons 9# linear gel sweep
- 13,944 gallons 9# linear gel carrying 13,983 lbs 40/70 white sand 1.0 ppg
- 16,002 gallons B Frac 20 Pad
- 6,930 gallons B Frac 20 carrying 6,963 lbs 30/60 Carbo ISP sand 1.0 ppg
- 7,980 gallons B Frac 20 carrying 16,020 lbs 30/60 Carbo ISP sand 2.0 ppg
- 8,484 gallons B Frac 20 carrying 25,486 lbs 30/60 Carbo ISP sand 3.0 ppg
- 7,014 gallons B Frac 20 carrying 28,200 lbs 30/60 Carbo ISP sand 4.0 ppg
- 12,306 gallons B Frac 20 carrying 36,810 lbs 20/40 Carbo Bond sand 4.0 ppg
- 1,302 gallons 15% HCL acid spot
- 9,618 gallons 9# linear gel flush
- Average Rate—64.3 Bpm
- Average pressure—5,679 psi
- Maximum pressure—7,428 psi

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Landman: Hannah Palomin Geol: Jim Schlueter
Andrews County, Texas
Standard Well Service Rig

API Number: 42-003-42557
Proposed Total Depth: 12,000'
Formation: Sprayberry (Trend)
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB
KB Corr: 16', PBSD--11860'

9-15-2011--- Continued

Break down perfs at 7,428 psi. Total sand this stage-20,695 lbs 40/70 White sand, 76,669 lbs 30/60 Carbo ISP sand, 36,810 lbs 20/40 Carbo bond sand. **Total load this stage – 152,376 gallons—3,628 Bbls.** Sand was Pumped in concentrations from ½ ppg to 4.0 ppg. Spot acid of 1,302 gallons was included into flush to bottom perforations on stage 5. Rig up electric line with 3 1/8" slick guns and Magnum CBP. **Set CBP at 11,250'.** Pressure test CBP to 4,500 psi. No leak off. Pull up and perforate stage 5. Pull out of hole and inspect guns, all fired.

Stage #5 Strawn 11,074'-11,232' 54 Holes .42" EHD 60 Deg Phasing

Breakdown perforations at 2,750 psi. Establish injection rate and pump as follows.

- 1,344 gallons 9# treated water Establish injection rate
- 6,510 gallons 15% HCL acid spearhead
- 4,998 gallons 9# linear gel Pre-Pad
- 19,992 gallons 9# linear gel Pad
- 13,818 gallons 9# linear gel carrying 6,920 lbs 40/70 white sand ½ ppg
- 6,972 gallons 9# linear gel sweep
- 15,456 gallons 9# linear gel carrying 15,471 lbs 40/70 white sand 1.0 ppg
- 18,984 gallons B Frac 20 Pad
- 7,518 gallons B Frac 20 carrying 7,530 lbs 30/60 Carbo ISP sand
- 10,080 gallons B Frac 20 carrying 20,240 lbs 30/60 Carbo ISP sand
- 4,830 gallons B Frac 20 carrying 12,097 lbs 30/60 Carbo ISP sand
- 1302 gallons 15% HCL acid spot
- 9,618 gallons 9# linear gel flush
- Average Rate—62.9 Bpm
- Average pressure—5,250 psi
- Maximum pressure—6,521 psi

Total sand this stage-22,391 lbs 40/70 White sand, 39,867 lbs 30/60 Carbo ISP sand. **Total load this stage – 141,792 gallons—3,376 Bbls.** Sand was Pumped in concentrations from ½ ppg to 2.5 ppg. Spot acid of 1302 gallons was included into flush to bottom perforations on stage 6. Rig up electric line with 3 1/8" slick guns and Magnum CBP. **Set CBP at 11,023'.** Pressure test CBP to 4500 psi. No leak off. Pull up and perforate stage 6. Pull out of hole and inspect guns, all fired. **** Cut sand short when going to 3.0 ppg Carbo ISP sand. Blender alternator through belt off deck engine. Cut sand and flushed well with acid across Canyon Lower Wolf Camp perforations. Blender will be repaired overnight.**** Secure well and shut down for night. Will resume Frac operations at 07:00 TX 9-17-2011.

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2

330' FSL & 2310' FEL

Section 40, Block 5, University Lands Survey

Landman: Hannah Palomin

Geol: Jim Schlueter

Andrews County, Texas

Standard Well Service Rig

API Number: 42-003-42557

Proposed Total Depth: 12,000'

Formation: Sprayberry (Trend)

Engineer: Nelson Muncy

Elevations: 3032' GR, 3048' KB

KB Corr: 16', PBTD--11860'

9-15-2011

Stage#6: Canyon & Lwr Wolfcamp 10,881'—10,972' 40 Holes .42" EHD 60 Deg Phasing

Break down perforations at 4,921 psi. Establish injection rate and pump acid spot into perfs. Over displace acid with 100 Bbls treated water.

9-16-2011

- 798 gallons 9# treated water Establish injection rate
- 2,184 gallons 15% HCL acid spearhead
- 4,998 gallons 9# linear gel Pre-Pad
- 20,034 gallons 9# linear gel Pad
- 10,416 gallons 9# linear gel carrying 5,216 lbs 40/70 white sand ½ ppg
- 7,980 gallons 9# linear gel sweep
- 9,954 gallons 9# linear gel carrying 9,965 lbs 40/70 white sand 1.0 ppg
- 14,994 gallons B Frac 20 Pad
- 7,938 gallons B Frac 20 carrying 3,978 lbs 30/60 Carbo ISP sand ½ ppg
- 7,938 gallons B Frac 20 carrying 7,975 lbs 30/60 Carbo ISP sand 1.0 ppg
- 7,938 gallons B Frac 20 carrying 11,929 lbs 30/60 Carbo ISP sand 1.5 ppg
- 7,938 gallons B Frac 20 carrying 15,942 lbs 30/60 Carbo ISP sand 2.0 ppg
- 7,938 gallons B Frac 20 carrying 23,901 lbs 30/60 Carbo ISP sand 3.0 ppg
- 7,518 gallons B Frac 20 carrying 22,897 lbs 20/40 Carbo Bond sand 3.0 ppg
- 1,302 gallons 15% HCL acid spot
- 9,227 gallons 9# linear gel flush
- Average Rate—60.8 Bpm
- Average pressure—5,306 psi
- Maximum pressure—6,165 psi

Total sand this stage-15,181 lbs 40/70 White sand, 47,783 lbs 30/60 Carbo ISP sand, 22,987 lbs 20/40 Carbo Bond sand. **Total load this stage – 142,254 gallons—3,387 Bbls.** Sand was Pumped in concentrations from ½ ppg to 3.0 ppg. Spot acid of 1302 gallons was included into flush to bottom perforations on stage 7. Rig up electric line with 3 1/8" slick guns and Magnum CBP. **Set CBP at 10,884'.** Pressure test CBP to 4500 psi. No leak off. Pull up and perforate stage 7. Pull out of hole and inspect guns, all fired.

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Landman: Hannah Palomin Geol: Jim Schlueter
Andrews County, Texas
Standard Well Service Rig

API Number: 42-003-42557
Proposed Total Depth: 12,000'
Formation: Sprayberry (Trend)
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB
KB Corr: 16', PBSD--11860'

9-16-2011--- Continued

Stage 7 Lower Wolfcamp 10,597'-10,806' 55 Holes .42" EHD 60 Deg Phasing

Break down perforations at 1,985 psi. Establish injection rate and pump as follows.

- 840 gallons 9# treated water Establish injection rate
- 2,142 gallons 15% HCL acid spearhead
- 9,996 gallons 9# linear gel Pre-Pad
- 24,990 gallons 9# linear gel Pad
- 9,954 gallons 9# linear gel carrying 4,990 lbs 40/70 white sand ½ ppg
- 8,022 gallons 9# linear gel sweep
- 14,952 gallons 9# linear gel carrying 14,988 lbs 40/70 white sand 1.0 ppg
- 27,090 gallons B Frac 20 Pad
- 7,812 gallons B Frac 20 carrying 7,853 lbs 30/60 Carbo ISP sand ½ ppg
- 9,996 gallons B Frac 20 carrying 9,999 lbs 30/60 Carbo ISP sand 1.0 ppg
- 15,120 gallons B Frac 20 carrying 30,321 lbs 30/60 Carbo ISP sand 2.0 ppg
- 19,950 gallons B Frac 20 carrying 49,926 lbs 30/60 Carbo ISP sand 2.5 ppg
- 10,458 gallons B Frac 20 carrying 31,490 lbs 30/60 Carbo ISP sand 3.0 ppg
- 13,776 gallons B Frac 20 carrying 30,914 lbs 20/40 Carbo Bond sand 3.0 ppg
- 1,302 gallons 15% HCL acid spot
- 8,707 gallons 9# linear gel flush
- Average Rate—66.6 Bpm
- Average pressure—5,071 psi
- Maximum pressure—5,655 psi

Total sand this stage-19,978 lbs 40/70 White sand, 129,589 lbs 30/60 Carbo ISP sand, 30,914 lbs 20/40 Carbo Bond sand. **Total load this stage – 194,964 gallons—4642 Bbls.** Sand was pumped in concentrations from ½ ppg to 3.0 ppg. Spot acid of 1302 gallons was included into flush to bottom perforations on stage 8. Rig up electric line with 3 1/8" slick guns and Magnum CBP. **Set CBP at 10,436'.** Pressure test CBP to 4500 psi. No leak off. Pull up and perforate stage 8. Pull out of hole and inspect guns, all fired.

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Landman: Hannah Palomin Geol: Jim Schlueter
Andrews County, Texas
Standard Well Service Rig

API Number: 42-003-42557
Proposed Total Depth: 12,000'
Formation: Sprayberry (Trend)
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB
KB Corr: 16', PBSD--11860'

9-16-2011—Continued

Stage 8 Wolfcamp Shale 10,134'-10,272' 55 Holes .42" EHD 60 Deg Phasing

Break down perforations with 2731psi. Establish injection rate and pump as follows.

- 642 gallons 9# treated water Establish injection rate
- 2,016 gallons 15% HCL acid spearhead
- 9,996 gallons 9# linear gel Pre-Pad
- 19,992 gallons 15# linear gel Pad
- 12,642 gallons 15# linear gel carrying 6,325 lbs 40/70 white sand ½ ppg
- 7,980 gallons 15# linear gel sweep
- 10,038 gallons 15# linear gel carrying 7,555 lbs 40/70 white sand .75 ppg
- 7,980 gallons 15# linear gel sweep
- 9,408 gallons 15# linear gel carrying 9,443 lbs 40/70 white sand 1.0 ppg
- 22,050 gallons B Frac 20 pad
- 8,012 gallons B Frac 20 carrying 4,019 lbs 30/60 Carbo ISP sand ½ ppg
- 7,938 gallons B Frac 20 carrying 7,975 lbs 30/60 Carbo ISP sand 1.0 ppg
- 9,954 gallons B Frac 20 carrying 19,927 lbs 30/60 Carbo ISP sand 2.0 ppg
- 9,954 gallons B Frac 20 carrying 24,963 lbs 30/60 Carbo ISP sand 2.5 ppg
- 6,972 gallons B Frac 20 carrying 20,955 lbs 30/60 Carbo ISP sand 3.0 ppg
- 8,652 gallons B Frac 20 carrying 25,371 lbs 20/40 Carbo Bond sand 3.0 ppg
- 1,302 gallons 15% HCL acid spot
- 8,514 gallons 9# linear gel flush
- Average Rate—68.5 Bpm
- Average pressure—4,202 psi
- Maximum pressure—4,795 psi

Total sand this stage-23,323 lbs 40/70 White sand, 77,839 lbs 30/60 Carbo ISP sand, 25,371 lbs 20/40 Carbo Bond sand. **Total load this stage – 178,248 gallons—4,244 Bbls.** Sand was pumped in concentrations from ½ ppg to 3.0 ppg. Spot acid of 1302 gallons was included into flush to bottom perforations on stage 9. Rig up electric line with 3 1/8" slick guns and Magnum CBP. **Set CBP at 10,120'.** Pressure test CBP to 4500 psi. No leak off. Pull up and perforate stage 9. Pull out of hole and inspect guns, all fired.

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2

330' FSL & 2310' FEL

Section 40, Block 5, University Lands Survey

Landman: Hannah Palomin

Geol: Jim Schlueter

Andrews County, Texas

Standard Well Service Rig

API Number: 42-003-42557

Proposed Total Depth: 12,000'

Formation: Sprayberry (Trend)

Engineer: Nelson Muncy

Elevations: 3032' GR, 3048' KB

KB Corr: 16', PBSD--11860'

9-16-2011--- Continued

Stage 9 Upper Wolfcamp & WC LS 9,951'-10,074' 54 Holes .42" EHD 60 Deg Phasing

Break down perforations with 6931 psi. Establish injection rate and pump as follows.

- 1,470 gallons 9# treated water Establish injection rate
- 1,000 gallons 15% HCL acid spearhead
- 9,996 gallons 9# linear gel Pre-Pad
- 20,160 gallons 9# linear gel Pad
- 10,836 gallons 9# linear gel carrying 6,016 lbs 40/70 white sand ½ ppg
- 8,106 gallons 9# linear gel sweep
- 14,028 gallons 9# linear gel carrying 14,068 lbs 40/70 white sand 1.0 ppg
- 19,992 gallons B Frac 20 Pad
- 14,952 gallons B Frac 20 carrying 7,482 lbs 30/60 Carbo ISP sand ½ ppg
- 14,994 gallons B Frac 20 carrying 15,019 lbs 30/60 Carbo ISP sand 1.0 ppg
- 15,978 gallons B Frac 20 carrying 30,164 lbs 30/60 Carbo ISP sand 2.0 ppg
- 15,036 gallons B Frac 20 carrying 37,636 lbs 30/60 Carbo ISP sand 2.5 ppg
- 16,926 gallons B Frac 20 carrying 50,860 lbs 30/60 Carbo ISP sand 3.0 ppg
- 4,410 gallons B Frac 20 carrying 13,890 lbs 20/40 Super LC sand 3.0 ppg
- 1,000 gallons 15% HCL acid spot
- 8,628 gallons 9# linear gel flush
- Average Rate—72.9 Bpm
- Average pressure—4,906 psi
- Maximum pressure—6,949 psi

Total sand this stage-20,084 lbs 40/70 White sand, 141,161 lbs 30/60 Carbo ISP sand, 13,890 lbs 20/40 Super LC sand. **Total load this stage – 190,428 gallons—4,535 Bbls.** Sand was Pumped in concentrations from ½ ppg to 3.0 ppg. Spot acid of 1,000 gallons was included into flush to bottom perforations on stage 10. Rig up electric line with 3 1/8" slick guns and Magnum CBP. **Set CBP at 9,921'.** Pressure test CBP to 4500 psi. No leak off. Pull up and perforate stage 10. Pull out of hole and inspect guns, all fired.

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Landman: Hannah Palomin Geol: Jim Schlueter
Andrews County, Texas
Standard Well Service Rig

API Number: 42-003-42557
Proposed Total Depth: 12,000'
Formation: Sprayberry (Trend)
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB
KB Corr: 16', PBTD--11860'

9-16-2011--- Continued

Stage 10 Dean 9,704'-9,890' 38 Holes .42" EHD 60 Deg Phasing

Break down perforations with 4233 psi. Pump 100 barrels treated water to over flush acid into perms. Secure well and shut down for night and will resume frac operations 9-17-2011 a.m.

9-17-2011

- 2,100 gallons 9# treated water breakdown perforations
- 1,512 gallons 15% HCL acid spearhead
- 10,038 gallons 9# linear gel Pre-Pad
- 14,994 gallons 9# linear gel Pad
- 7,182 gallons 9# linear gel carrying 3,593 lbs 40/70 white sand ½ ppg.
- 6,384 gallons 9# linear gel sweep
- 8,232 gallons 9# linear gel carrying 8,237 lbs 40/70 white sand 1.0 ppg
- 15,456 gallons B Frac 20 pad
- 5,334 gallons B Frac 20 Carrying 5,344 lbs 20/40 white sand 1.0 ppg
- 5,166 gallons B Frac 20 carrying 10,399 lbs 20/40 white sand 2.0 ppg
- 8,022 gallons B Frac 20 carrying 24,076 lbs 20/40 white sand 3.0 ppg
- 8,736 gallons B Frac 20 carrying 34,997 lbs 20/40 white sand 4.0 ppg
- 6,678 gallons B Frac 20 carrying 26,593 lbs 20/40 Super LC sand 4.0 ppg
- 1,302 gallons 15% HCL acid spot
- 8,065 gallons 9# linear gel flush
- Average Rate—67.6 Bpm
- Average pressure—3,816 psi
- Maximum pressure—4,450 psi
-

Total sand this stage-11,830 lbs 40/70 whites sand, 74,816 lbs 20/40 white sand, 26,592 lbs 20/40 Super LC sand. **Total load this stage – 122,136 gallons—2,908 Bbls.** Sand was pumped in concentrations from 1/2 ppg to 4.0 ppg. Spot acid of 1,302 gallons was included into flush to bottom perforations on stage 11. Rig up electric line with 3 1/8" slick guns and Magnum CBP. **Set CBP at 9,657'.** Pressure test CBP to 4500 psi with No leak off. Pull up and perforate stage 11. Pull out of hole and inspect guns. All fired.

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2

330' FSL & 2310' FEL

Section 40, Block 5, University Lands Survey

Landman: Hannah Palomin

Geol: Jim Schlueter

Andrews County, Texas

Standard Well Service Rig

API Number: 42-003-42557

Proposed Total Depth: 12,000'

Formation: Sprayberry (Trend)

Engineer: Nelson Muncy

Elevations: 3032' GR, 3048' KB

KB Corr: 16', PBTD--11860'

9-17-2011 – Continued

Stage 11 Lower Sprayberry(Lower) 9458'---9614' 48 Holes .42" EHD 60 Deg Phasing

Break down perforations at 2345 psi. Establish injection rate and switch to 15% HCL acid.
Pump as follows

- 1,200 gallons 9# treated water breakdown perforations
- 1,000 gallons 15% HCL acid spearhead
- 4,998 gallons 9# linear gel Pre-Pad
- 18,018 gallons 9# linear gel Pad
- 4,998 gallons B FRac 20 Carrying 5,022 lbs 20/40 white sand 1.0 ppg
- 7,518 gallons B Frac 20 carrying 15,098 lbs 20/40 white sand 2.0 ppg
- 9,954 gallons B Frac 20 carrying 29,956 lbs 20/40 white sand 3.0 ppg
- 9,954 gallons B Frac 20 carrying 39,997 lbs 20/40 white sand 4.0 ppg
- 4,914 gallons B Frac 20 carrying 18,797 lbs 20/40 Super LC sand 4.0 ppg
- 1,000 gallons 15% HCL acid spot
- 8,157 gallons 9# linear gel flush
- Average Rate—67.4 Bpm
- Average pressure—3,167 psi
- Maximum pressure—3,504 psi

Total sand this stage 90,073 lbs 20/40 white sand, 18,797 lbs 20/40 Super LC sand. **Total load this stage – 85,512 gallons—2,036 Bbls.** Sand was pumped in concentrations from 1 ppg to 4.0 ppg. Spot acid of 1,000 gallons was included into flush to bottom perforations on stage 12. Rig up electric line with 3 1/8" slick guns and Magnum CBP. **Set CBP at 9,432'.** Pressure test CBP to 4500 psi with No leak off. Pull up and perforate stage 12. Pull out of hole and inspect guns. All fired.

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2

330' FSL & 2310' FEL

Section 40, Block 5, University Lands Survey

Landman: Hannah Palomin

Geol: Jim Schlueter

Andrews County, Texas

Standard Well Service Rig

API Number: 42-003-42557

Proposed Total Depth: 12,000'

Formation: Sprayberry (Trend)

Engineer: Nelson Muncy

Elevations: 3032' GR, 3048' KB

KB Corr: 16', PBSD--11860'

9-17-2011 – Continued

Stage 12 Lower Sprayberry(Upper) 9,153'-9,406' 53 Holes .42" EHD 60 Deg Phasing

Break down perforations at 955 psi. Establish injection rate and switch to 15% HCL acid.
Pump as follows

- 1,200 gallons 9# treated water breakdown perforations
- 1,000 gallons 15% HCL acid spearhead
- 4,998 gallons 9# linear gel Pre-Pad
- 22,050 gallons 9# linear gel Pad
- 7,980 gallons B Frac 20 Carrying 7,996 lbs 20/40 white sand 1.0 ppg
- 9,996 gallons B Frac 20 carrying 20,028 lbs 20/40 white sand 2.0 ppg
- 11,970 gallons B Frac 20 carrying 35,497 lbs 20/40 white sand 3.0 ppg
- 10,038 gallons B Frac 20 carrying 40,261 lbs 20/40 white sand 4.0 ppg
- 7,896 gallons B Frac 20 carrying 32,004 lbs 20/40 Super LC sand 4.0 ppg
- 1,000 gallons 15% HCL acid spot
- 7,656 gallons 9# linear gel flush
- Average Rate—67.6 Bpm
- Average pressure—2,870 psi
- Maximum pressure—3,407 psi

Total sand this stage 103,782 lbs 20/40 white sand, 32,004 lbs 20/40 Super LC sand. **Total load this stage – 98,490 gallons—2,345 Bbls.** Sand was pumped in concentrations from 1 ppg to 4.0 ppg. Spot acid of 1,000 gallons was included into flush to bottom perforations on stage 13. Rig up electric line with 3 1/8" slick guns and Magnum CBP. **Set CBP at 9,010'** Pressure test CBP to 4500 psi with No leak off. Pull up and perforate stage 13. Pull out of hole and inspect guns. All fired.

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Landman: Hannah Palomin Geol: Jim Schlueter
Andrews County, Texas
Standard Well Service Rig

API Number: 42-003-42557
Proposed Total Depth: 12,000'
Formation: Sprayberry (Trend)
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB
KB Corr: 16', PBSD--11860'

9-17-2011 Continued:

Stage 13 Upper Sprayberry 8,632'-8,890' 54 Holes .42" EHD 60 Deg Phasing

Break down perforations at 1459 psi. Establish injection rate and switch to 15% HCL acid.
Pump as follows

- 1,200 gallons 9# treated water breakdown perforations
- 1,000 gallons 15% HCL acid spearhead
- 5,124 gallons 9# linear gel Pre-Pad
- 22,080 gallons 9# linear gel Pad
- 8,022 gallons B Frac 20 Carrying 8,036 lbs 20/40 white sand 1.0 ppg
- 10,248 gallons B Frac 20 carrying 20,567 lbs 20/40 white sand 2.0 ppg
- 12,012 gallons B Frac 20 carrying 36,058 lbs 20/40 white sand 3.0 ppg
- 10,290 gallons B Frac 20 carrying 41,257 lbs 20/40 white sand 4.0 ppg
- 8,569 gallons B Frac 20 carrying 34,275 lbs 20/40 Super LC sand 4.0 ppg
- 8,316 gallons 9# linear gel flush
- Average Rate—73.2 BPM
- Average pressure—2,387 psi
- Maximum pressure—2,740 psi

Total BLWTR – 33,388

Total sand this stage 105,918 lbs 20/40 white sand, 34,275 lbs 20/40 Super LC sand. **Total load this stage – 96,054 gallons—2,287 Bbls.** Sand was pumped in concentrations from 1 ppg to 4.0 ppg. Rig up CCL, setting tool and Magnum CBP. **Set CBP at 8,530** Pressure test CBP to 4500 psi with No leak off. Rig down and release Cudd Energy services frac equipment and Allied wire line service. Secure well and shut down, prepare to drill out plugs.

33,388 BLWTR

9-18-2011

Move out frac equipment and prepare to start flowing back well. Wait on work over rig to drill out CBP's.

33,388 BLWTR

9-19-2011

Wait on workover rig to drill out CBP's. Prep to move manifold and rig up lines to start flow back while waiting on workover rig.

33,388 BLWTR

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Landman: Hannah Palomin Geol: Jim Schlueter
Andrews County, Texas
Select Rig #2

API Number: 42-003-42557
Proposed Total Depth: 12,000'
Formation: Sprayberry (Trend)
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB
KB Corr: 16', PBSD--11860'

9-20-2011

Drive to location. Set in Myco rig mat #2. Move in and set Myco pipe racks and load with 385 joints 2 7/8" 6.5# L-80 EUE tubing. Road Select Well Service Rig #2 from the University 5-40 #3 location and rig up. Remove frac header and Nipple down cross, frac valves and frac mandrel, Send frac mandrel and Myco frac valves in to Cameron--Hobbs, NM for inspection and repair. Move in and rig up 7 1/16" hydraulic double ram BOP. Secure well and shut down for night.

33,388 BLWTR

9-21-2011

Drive to location. Hold safety meeting. Set in Freedom fishing and rental tools reverse unit package. Set in high pressure flow back manifold. Tally top row of tubing and remove thread protectors. Pick up and go in the hole with 4 5/8" plug muncher bit, pump off sub and 261 joints 2 7/8" 6.5# L-80 EUE tubing picking up off pipe racks using 2.442" drift thru each joint. Tag sand fill at 8,451' with 10' in on joint 261. Nipple up high pressure stripper head and 2.5 Bowen power swivel. Secure well and shut down for night.

33,388 BLWTR

9-22-2011

Drive to location. Hold safety meeting. Break circulation and wash through sand fill and tag plug #1 at 8,528' by tally with 11' in on joint # 263. Drill through plug in 7 minutes. Pick up 15 joints tubing and tag plug #2 at 9013' by tally. Drill plug in 6 minutes. Pick up 13 joints tubing and tag plug #3 at 9433' by tally. Drill plug in 8 minutes. Pick up 7 joints of tubing and tag plug #4 at 9659' by tally. Drill plug in 26 minutes. Pick up 8 joints of tubing and tag plug #5 at 9917' by tally. Drill plug in 18 minutes. Pick up 6 joints of tubing and tag plug #6 at 10,120' by tubing tally. Drill plug in 27 minutes. Pick up 10 joints of tubing and tag plug #7 at 10,434' by tubing tally. Pick up 13 joints of tubing and tag plug #8 at 10,880' by tubing tally. Drill plug in 20 minutes. Pick up 5 joints and tag plug #9 at 11,020' by tubing tally. Drill plug in 19 minutes. Circulate 2 times bottoms up and lay down swivel. Stand back 120 joints of tubing in derrick. Well flowed 100 barrels/hr from 0700 hrs to 1730 hrs. Secure well and turn over to flow back crew with 1020 bbls load water flowed back to flow back tank.

32,386 BLWTR

9-23-2011

Drive to location. Hold safety meeting. Go back in the hole with 120 joints 2 7/8" 6.5# L-80 tubing from derrick. Tag plug #10 at 11,248' by tubing tally with 347 joints in. Drill plug in 9 minutes. Pick up 6 joints of tubing and tag plug #11 at 11,420' with 18' in on joint # 353. Drill plug in 8 minutes. Pick up 13 joints of tubing and tag PBSD at 11,866' by tally with 8' out on joint # 366. Pick up 10' and circulate 2 times well capacity. Lay down swivel. Pull out of hole and lay down 88 joints of tubing onto pipe racks. Place the **EOT at 9013'**. Could not get wrap around through well head. Called Cameron--Hobbs yard for new wrap around and did not have one available until Monday 9-26-2010. Secure well and shut down for weekend. Turn well over to flow back crew. Flow back total of 928 bbls load water in the past 24 hrs.

31,458 BLWTR

MYCO Industries, Inc.
Daily Completion Report

University 5-40 #2

330' FSL & 2310' FEL

Section 40, Block 5, University Lands Survey

Landman: Hannah Palomin

Geol: Jim Schlueter

Andrews County, Texas

Select Rig #2

API Number: 42-003-42557

Proposed Total Depth: 12,000'

Formation: Sprayberry (Trend)

Engineer: Nelson Muncy

Elevations: 3032' GR, 3048' KB

KB Corr: 16', PBTD--11860'

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9-24-2011

Flow back 1361 bbls in the past 24 hrs on open 48/64" choke w/ 1% oil cut, 70 psi FTP.

30,097 BLWTR

9-25-2011

Flow back 1060 bbls load water in the past 24 hrs on 48/64" choke w/ 1% oil cut, 60 psi FTP.

29,037 BLWTR

9-26-2011

Drive to location. Hold 5 minutes tailgate safety meeting. Service man from Cameron wellhead arrived on location with new 2 7/8" tubing wrap around. Install wrap around and nipple down 7 1/16" hydraulic BOP and nipple up B1 flange. Open valve and drop 1.50" ball down the 2 7/8" tubing. Rig up Freedom fishing tools reverse pump on tubing and chase ball down to seat. Ball landed in pump off sub. Pressure up to 2200 psi and pump bit off. Rig up flow line to 2 7/8" tubing and turn over to flow back crew. Rig down and release Freedom fishing and rental tools reverse unit package. Rig down Select Well Service Rig #2 and move to the University 8-5 #1. Flow well up the tubing now and shut in the casing. Flow overnight with the flow back crew.

9-27-2011

Flow 798 bbls load water in the past 24 hrs, 20 psi FTP, 220 FCP, 1% Oil cut.

28,239 BLWTR

MYCO Industries, Inc.
Daily Completion Report (After Frac)

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Landman: Hannah Palomin Geol: Jim Schlueter
Andrews County, Texas
Select Well Service Rig #1

API Number: 42-003-42557
Proposed Total Depth: 12,000'
Formation: Sprayberry (Trend)
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB
KB Correction: 16'

9-28-2011

Flowed 8 bbls oil, 391 bbls load water. 2% oil cut on wellhead sample. **27848 BLWTR.**

9-29-2011

Flowed 28 bbls oil, 327 bbls load water. 240 csg psi. 8% oil cut on wellhead sample. **27521 BLWTR.**

9-30-2011

Flowed 24 bbls oil, 333 bbls load water. 240 csg psi. 8% oil cut on wellhead sample. **27188 BLWTR.**

10-1-2011

Flowed 25 bbls oil, 345 bbls load water. 240 csg psi. 7% oil cut on wellhead sample. **26843 BLWTR.**

10-2-2011

Flowed 17 bbls oil, 159 bbls load water. 400 csg psi. **26684 BLWTR.**

10-3-2011

20 bbls oil, 290 bbls load water. 400 csg psi. **26394 BLWTR.**

10-4-2011

19 bbls oil, 214 bbls load water. 500 csg psi. **26180 BLWTR.**

10-5-2011

22 bbls oil, 242 bbls load water. 500 csg psi. **25938 BLWTR.**

10-6-2011

21 bbls oil, 226 bbls load water. 500 csg psi. **25712 BLWTR.**

10-7-2011

21 bbls oil, 219 bbls load water. 650 csg psi. **25493 BLWTR.**

10-8-2011

16 bbls oil, 129 bbls load water. 800 csg psi. Opened choke from 10 to 14. **25364 BLWTR.**

10-9-2011

17 bbls oil, 210 bbls load water. 900 csg psi. **25154 BLWTR.**

MYCO Industries, Inc.
Daily Completion Report (After Frac)

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Landman: Hannah Palomin Geol: Jim Schlueter
Andrews County, Texas
Select Well Service Rig #1

API Number: 42-003-42557
Proposed Total Depth: 12,000'
Formation: Sprayberry (Trend)
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB
KB Correction: 16'

10-10-2011

16 bbls oil, 123 bbls load water. 900 csg psi. **25031 BLWTR.**

10-11-2011

30 bbls oil, 299 bbls load water. 500 csg psi. **24732 BLWTR.**

10-12-2011

43 bbls oil, 312 bbls load water. 700 csg psi. **24420 BLWTR.**

10-13-2011

43 bbls oil, 234 bbls load water. 750 csg psi. **24186 BLWTR.**

10-14-2011

29 bbls oil, 100 bbls load water. 750 csg psi. **24086 BLWTR.**

10-15-2011

16 bbls oil, 137 bbls load water. 800 csg psi. **23949 BLWTR.**

10-16-2011

23 bbls oil, 91 bbls load water. 850 csg psi. **23858 BLWTR.**

10-17-2011

16 bbls oil, 132 bbls load water. 850 csg psi. **23726 BLWTR.**

10-18-2011

17 bbls oil, 134 bbls load water. 900 csg psi. **23592 BLWTR.**

10-19-2011

18 bbls oil, 94 bbls load water. 950 csg psi. **23498 BLWTR.**

10-20-2011

29 bbls oil, 88 bbls load water. 950 csg psi. **23410 BLWTR.**

10-21-2011

19 bbls oil, 35 bbls load water. 950 csg psi. **23375 BLWTR.**

10-22-2011

11 bbls oil, 45 bbls load water. 1000 csg psi. 40 tbg psi. **23330 BLWTR.**

MYCO Industries, Inc.
Daily Completion Report (After Frac)

University 5-40 #2
330' FSL & 2310' FEL
Section 40, Block 5, University Lands Survey
Landman: Hannah Palomin Geol: Jim Schlueter
Andrews County, Texas
Select Well Service Rig #1

API Number: 42-003-42557
Proposed Total Depth: 12,000'
Formation: Sprayberry (Trend)
Engineer: Nelson Muncy
Elevations: 3032' GR, 3048' KB
KB Correction: 16'

10-23-2011

20 bbls oil, 49 bbls load water. 1000 csg psi. 40 tbg psi. **23281 BLWTR.**

10-24-2011

29 bbls oil, 70 bbls load water. 1050 csg psi. 40 tbg psi. **23211 BLWTR.**

10-25-2011

18 bbls oil, 55 bbls load water. 1050 csg psi. 40 tbg psi. **23156 BLWTR.**

10-26-2011

18 bbls oil, 52 bbls load water. 1100 csg psi. 40 tbg psi. **23104 BLWTR.**

10-27-2011

26 bbls oil, 54 bbls load water. 1100 csg psi. 40 tbg psi. **23050 BLWTR.**

10-28-2011

18 bbls oil, 36 bbls load water. 1100 csg psi. 40 tbg psi. **23014 BLWTR.**

10-29-2011

26 bbls oil, 54 bbls load water. 1100 csg psi. 40 tbg psi. **22960 BLWTR.**

10-30-2011

15 bbls oil, 40 bbls load water. 1100 csg psi. 40 tbg psi. **22920 BLWTR.**

10-31-2011

0 bbls oil, 0 bbls load water. Shut-in to swab. **22920 BLWTR.**

11-1-2011

0 bbls oil, 0 bbls load water. Shut-in to swab. **22920 BLWTR.**

11-2-2011

107 bbls oil, 126 bbls load water. 1000 csg psi, 70 tbg psi. **22794 BLWTR.** W-2 filed with TRRC. **FINAL REPORT.**