

Date: 09/27/2011
Report No: 1

| | | |
|---------------------------|--|-------------------|
| Current Formation: | @ | Lithology: |
| Current Ops: | RIGGING DOWN ON UNIVERSITY LEAH # 004 | |
| 24-Hr Summary: | RIG DOWN RIG | |
| 24-Hr Forecast: | RIG DOWN WAIT ON TRUCKS WILL MOVE MONDAY | |

[illegible]

| BIT OPERATING PARAMETERS TODAY | | | | | | | | | | | | |
|--------------------------------|---------|-------------|------|----------|-----|---------|----------------|----------------|-----|------------|---------|-------|
| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |

| MUD DATA - | | LAST OR CURRENT BHA | | | | |
|-----------------------|----------------------|---------------------|--|--|--|--|
| Engineer: | MBT: | | | | | |
| Sample From: | pH: | | | | | |
| Mud Type: | Pm / Pom: | | | | | |
| Time / MD: / | Pf / Mf: / | | | | | |
| Density @ Temp: / | Chlorides: | | | | | |
| Rheology Temp: | Ca+ / K+: / | | | | | |
| Viscosity: | CaCl2: | | | | | |
| PV / YP: / | Clom: | | | | | |
| Gels 10s/10m/30m: / / | Lime: | | | | | |
| API WL: | ES: | | | | | |
| HTHP WL: | ECD: | | | | | |
| Cake API / HTHP: / | n / K: / | | | | | |
| Solids / Sol Corr: / | Carbonate: | | | | | |
| Oil / Water: / | Bicarbonate: | | | | | |
| Sand: | Form Loss: 0.0 / 0.0 | | | | | |
| Water Added: | Fluid Disch: / | | | | | |
| Oil Added: | | | | | | |
| LGS: / | | | | | | |
| VG Meter: | | | | | | |
| Comments: | | | | | | |
| | | | | | | |

[illegible]

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 09/27/2011
Report No: 1

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|------|-------|----------|---------|--------|---------|---|
| 3:00 | 6:00 | 3.00 | 81DMOB | LOCMOV | RD | P | RIG DOWN RIG FOR MOVE , WAIT ON TRUCKS |
| 6:00 | 0:00 | 18.00 | 81DMOB | LOCMOV | RD | P | CONTINUE RIGGING DOWN EQUIPMENT DERRICK LAY OVER AT 14:00 HRS WASH AND CLEAN DERRICK, WORKING ON PUMPS CHANGING OUT SWAB HEADS AND SEATS. CHANGED OUT ROTATING HEAD WELDED FLOW NIPPLE TO ROTATING HEAD. MOVED FRAC TANKS TO NEW LOCATION, TRANSFERS PUMP. CHANGE OUT AGITATOR MOTOR AND IMPELLER IN PRE MIX PIT. |
| Total Time | | 21.00 | | | | | |

Safety Incident? N **Days since Last RI:** 74.00 **Weather Comments:**
Environ Incident? N **Days since Last LTA:** 339.00
Incident Comments:
 No incidents reported last 24 hours.

Other Remarks: AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
 LONG:102° 24' 50.24" W
 NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 749
 4 1/2" HWDP = 227
 6 1/2" DC'S = 227
 8" DC'S = 227

SAFETY TOPIC OF THE DAY : FORKLIFT OPERATIONS JSA # 48

LAST 24 HRS INCIDENTS/ ACCIDENTS: 0

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 339
 DAYS SINCE LAST RECORDABLE: 74

TOTAL DAILY JSA'S REVIEWED:8
 TOTAL DAILY SAFETY MEETINGS: 8
 TOTAL DAILY PERMITS TO WORK: 0
 TOTAL LO/TO: 0
 TOTAL DAILY STOP CARDS: 8

RIG MOVE ESTIMATE: 10/03/2011

BEST STOP CARD: OBSERVED EMPLOYEE WALKING BEHIND FORKLIFT WITHOUT MAKING EYE CONTACT WITH DRIVER STOPPED THEM AND DISCUSSED JSA # 48 AND HOW THIS COULD BE DANGEROUS THEY AGREED AND WORK CONTINUED

Date: 09/28/2011
Report No: 2

[illegible]

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 09/28/2011
Report No: 2

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------|------|------|-------------|------------|-----------|------------|---|
| 0:00 | 6:00 | 6.00 | 81DMOB | LOCMOV | | P | CONTINUE RIGGING DOWN EQUIPMENT DERRICK LAY OVER AT 14:00 HRS WELDER REPAIR MATTING BOARD ,REPAIR PIPE RACK CLEAN RIG WAIT ON TRUCKS AT DAYLIGHT |

Total Time 6.00

| | | | | |
|--|---|----------------------|--------|-------------------|
| Safety Incident? | N | Days since Last RI: | 75.00 | Weather Comments: |
| Environ Incident? | N | Days since Last LTA: | 340.00 | |
| Incident Comments: No incidents reported last 24 hours. | | | | |

Other Remarks:

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

Date: 10/02/2011
Report No: 1

| | | | | | | | |
|--------------------|-----------|----------------|--------------|--------------|-------------------------|-------------|-------------|
| Wellbore / Top MD: | 00 @ 0 ft | Rig: | SAVANNAH 644 | Ref Datum: | ORIGINAL KB @3,089.30ft | DFS: | 0.00 |
| Today's MD: | 56 ft | Progress: | 0 ft | Ground Elev: | 3,073.90 ft | Daily Cost: | \$74,860 |
| Prev MD: | | Rot Hrs Today: | 0.00 hr | AFE MD/Days: | 11,400.0 / 15.1 days | Cum Cost: | \$74,860 |
| PBMD: | | Avg ROP Today: | 0.0 ft/hr | AFE Number: | 1138919#0102 | AFE Cost: | \$1,281,303 |

| | | |
|---------------------------|--|-------------------|
| Current Formation: | @ | Lithology: |
| Current Ops: | RIGGING DOWN ON UNIVERSITY LEAH # 004 | |
| 24-Hr Summary: | RIG DOWN RIG | |
| 24-Hr Forecast: | RIG DOWN WAIT ON TRUCKS WILL MOVE MONDAY | |

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|---------------------|-------------------|---|-------------|-----|---------|-----|-----|
| Last Casing: | 18.000in @ 56ft | Str Wt Up/Dn: | / | Pump Rate: | 0.0 | Conn: | | |
| Next Casing: | 958.000in @ 1,820ft | Str Wt Rot: | | Pump Press: | 0 | Trip: | | |
| Last BOP Press Test: | 09/22/2011 | Torq Off Btm: | | | | Backgr: | | |
| Form Test/EMW: | | Torq On Btm: | | | | | | |

[illegible][illegible]

| BIT OPERATING PARAMETERS TODAY | | | | | | | | | | | | |
|--------------------------------|---------|-------------|------|----------|-----|---------|----------------|----------------|-----|------------|---------|-------|
| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |

| MUD DATA - | | LAST OR CURRENT BHA | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|----------------------|--|--|--|--|--|-----------|-----|--------|-----|--------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Engineer: | MBT: | <table><tr><th>Component</th><th>OD</th><th>ID</th><th>Jts</th><th>Length</th></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table> | | | | | Component | OD | ID | Jts | Length | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Component | OD | | | | | | ID | Jts | Length | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sample From: | pH: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mud Type: | Pm / Pom: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Time / MD: / | Pf / Mf: / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Density @ Temp: / | Chlorides: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rheology Temp: | Ca+ / K+: / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Viscosity: | CaCl2: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PV / YP: / | Clom: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gels 10s/10m/30m: / / | Lime: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| API WL: | ES: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HTHP WL: | ECD: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cake API / HTHP: / | n / K: / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Solids / Sol Corr: / | Carbonate: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oil / Water: / | Bicarbonate: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sand: | Form Loss: 0.0 / 0.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Water Added: | Fluid Disch: / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oil Added: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LGS: / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| VG Meter: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Comments: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

[illegible]

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/02/2011
Report No: 1

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|------|-------|----------|---------|--------|---------|---|
| 3:00 | 6:00 | 3.00 | 01MIRU | LOCMOV | RD | P | RIG DOWN RIG FOR MOVE , WAIT ON TRUCKS |
| 6:00 | 0:00 | 18.00 | 01MIRU | LOCMOV | RD | P | CONTINUE RIGGING DOWN EQUIPMENT DERRICK LAY OVER AT 14:00 HRS WASH AND CLEAN DERRICK, WORKING ON PUMPS CHANGING OUT SWAB HEADS AND SEATS. CHANGED OUT ROTATING HEAD WELDED FLOW NIPPLE TO ROTATING HEAD. MOVED FRAC TANKS TO NEW LOCATION, TRANSFERS PUMP. CHANGE OUT AGITATOR MOTOR AND IMPELLER IN PRE MIX PIT. |
| Total Time | | 21.00 | | | | | |

| | | | | |
|--|---|----------------------|--------|-------------------|
| Safety Incident? | N | Days since Last RI: | 74.00 | Weather Comments: |
| Environ Incident? | N | Days since Last LTA: | 339.00 | |
| Incident Comments: No incidents reported last 24 hours. | | | | |

Other Remarks: AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
 LONG:102° 24' 50.24" W
 NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 749
 4 1/2" HWDP = 227
 6 1/2" DC'S = 227
 8" DC'S = 227

SAFETY TOPIC OF THE DAY : FORKLIFT OPERATIONS JSA # 48

LAST 24 HRS INCIDENTS/ ACCIDENTS: 0

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 339
 DAYS SINCE LAST RECORDABLE: 74

TOTAL DAILY JSA'S REVIEWED:8
 TOTAL DAILY SAFETY MEETINGS: 8
 TOTAL DAILY PERMITS TO WORK: 0
 TOTAL LO/TO: 0
 TOTAL DAILY STOP CARDS: 8

RIG MOVE ESTIMATE: 10/03/2011

BEST STOP CARD: OBSERVED EMPLOYEE WALKING BEHIND FORKLIFT WITHOUT MAKING EYE CONTACT WITH DRIVER STOPPED THEM AND DISCUSSED JSA # 48 AND HOW THIS COULD BE DANGEROUS THEY AGREED AND WORK CONTINUED

Date: 10/03/2011
Report No: 2

[illegible]

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/03/2011
 Report No: 2

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|---|
| 0:00 | 7:00 | 7.00 | 01MIRU | LOCMOV | RD | P | CONTINUE RIGGING DOWN EQUIPMENT DERRICK LAY OVER AT 14:00 HRS WELDER REPAIR MATTING BOARD ,REPAIR PIPE RACK CLEAN RIG WAIT ON TRUCKS AT DAYLIGHT |
| 7:00 | 7:30 | 0.50 | 01MIRU | SAFE | PJSM | P | PJSM WITH HOOPERS, SAFETY MEN, RIG CREW AND DSM |
| 7:30 | 9:30 | 2.00 | 01MIRU | LOCMOV | MOVE | P | RIG DOWN AND START MOVING FIRST LOAD OFF LOCATION AT 0730 HRS. FUEL TANK, CHOKE MANIFOLD HOUSE, 2 PIPE TUBS, WATER TANK/ DOG HOUSE, SCR HOUSE, CAT WALK, 2 PIPE TUBS, ALL DRILL COLLARS, AND 2 LOADS OF LOSE DRILL PIPE. DERRICK OFF LOCATION AT 09:00 HRS, SUB OFF LOCATION AT 0930 HRS. ALL EQUIPMENT OFF UNIVERSITY LEAH NO. 004 AT 09:30 HRS. |
| 9:30 | 11:30 | 2.00 | 01MIRU | LOCMOV | RU | P | RIG UP ON THE UNIVERSITY CAROL NO. 002 SPOTTED ALL EQUIPMENT ON LOCATION SET SUB AND DERRICK DOLLY SET MUD TANKS, PUMPS, WATER TANKS, FRAC TANKS, RESERVE PIT PUMPS, SET PIPE RACKS OFF LOAD DRILLPIPE AND DRILL COLLARS RIG MOVE COMPLETE AT 11:30 SAFETY BRAKE :HYDRATION AND KEEPING FOCUSED ON JOB |
| 11:30 | 18:00 | 6.50 | 01MIRU | LOCMOV | RU | P | RIG UP BUILDINGS, ELECTRICAL LINES, WATER AND AIR LINES, AND HYDRAULIC LINES. SCOPE UP DERRICK AT 15:00 HRS. BRIDAL DOWN RIG UP FLOOR START FILL STEEL PITS WITH WATER. MAKE RIG READY TO SPUD. SAFETY BREAK - WET ELECTRICAL CONNECTION HAZARDS |
| 18:00 | 0:00 | 6.00 | 01MIRU | LOCMOV | RU | P | RIG UP BUILDINGS, ELECTRICAL LINES, WATER AND AIR LINES, AND HYDRAULIC LINES. SETUP TRANSFER PUMPS TIGHTEN PUMP LINES AND HOSES RIG UP PREMIX TANK RIG UPSURVEY LINE NIPPLE UP CONDUCTOR PIPE AND FLOWLINE FILL STEEL PITS WITH WATER.,REPAIR LEAKS ON SHAKER TANK MAKE RIG READY TO SPUD. |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 75.00 Weather Comments:

Environ Incident? N Days since Last LTA: 340.00

Incident Comments:

No incidents reported last 24 hours.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/03/2011
Report No: 2

Other Remarks: AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
LONG:102° 24' 50.24" W
NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 749
4 1/2" HWDP = 0
6 1/2" DC'S = 0
8" DC'S = 0

SAFETY TOPIC OF THE DAY : RIG MOVE JSA # 115

LAST 24 HRS INCIDENTS/ ACCIDENTS: 0

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 340
DAYS SINCE LAST RECORDABLE: 75

TOTAL DAILY JSA'S REVIEWED:11
TOTAL DAILY SAFETY MEETINGS: 8
TOTAL DAILY PERMITS TO WORK: 0
TOTAL LO/TO: 3
TOTAL DAILY STOP CARDS: 9

RIG MOVE ESTIMATE: 10/15/2011

BEST STOP CARD: OBSERVED THIRD PART EMPLOYEE CLEANING CASING WITH DIRTY FACE SHEILD STOPPED JOB DISCUSSED JSA # 11 WASH GUN USE, TRIP HAZERDS AND EYE INJURY, BECAUSE NOT WEARING SHIELD PROPERLY WHEN DIRTY HE AGREED CLEANED FACE SHIELD AND WORK CONTINUED

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/04/2011
 Report No: 3

Wellbore / Top MD: 00 @ 0 ft Rig: SAVANNAH 644 Ref Datum: ORIGINAL KB @3,089.30ft DFS: 1.00
 Today's MD: 241 ft Progress: 185 ft Ground Elev: 3,073.90 ft Daily Cost: \$48,282
 Prev MD: 56 ft Rot Hrs Today: 5.00 hr AFE MD/Days: 11,400.0 / 15.1 days Cum Cost: \$158,134
 PBMD: Avg ROP Today: 37.0 ft/hr AFE Number: 1138919#0102 AFE Cost: \$1,281,303

Current Formation: @ Lithology:
 Current Ops: WAIT ON CEMENT FROM HALIBURTON
 24-Hr Summary: RIG INSPECTIONN, STRAP BHA, SPUD IN DRILL TO 241', LOST CIRCULATION, BUILD VOLUME, PUMP LCM, TOO, LAYDOWN 8" TOOLS
 24-Hr Forecast: PICK UP 5 JTS, DRILL PIPE, TIH, SET CEMENT PLUG AT 150' WAIT ON CEMENT, PICK UP BHA, TIH

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|-------------------|-------------------|-----------------|-------------|-------|---------|-----|-----|
| Last Casing: | 14.000in @ 56ft | Str Wt Up/Dn: | 30.0 / 25.0 kip | Pump Rate: | 469.0 | Conn: | 0 | 0 |
| Next Casing: | 9.625in @ 1,820ft | Str Wt Rot: | 28.0 kip | Pump Press: | 500 | Trip: | 0 | 0 |
| Last BOP Press Test: | 09/22/2011 | Torq Off Btm: | 2,300.0 ft-lbf | | | Backgr: | 0 | 0 |
| Form Test/EMW: | | Torq On Btm: | 5,500.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|----------------|----------------------|------|-----|-----|-----|-----|----|-----|
| Supervisor 1: | CLARENCE SMITH | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | MIKE REEVES | | | | | | | | |
| Engineer: | IVAN OTERO | | | | | | | | |
| Geologist: | TIM LIONS | | | | | | | | |
| Oxy Personnel: | 2 | | | | | | | | |
| Contractor Personnel: | 12 | | | | | | | | |
| Total on Site: | 14 | | | | | | | | |

| BIT RECORD | | | | | | | | | | |
|------------|--------|--------------------|--------|-----------|-----------|---------|-------|--------|----------|-----------|
| Bit No | Size | Manufacturer | Model | Serial No | IADC Code | Nozzles | MD In | MD Out | I-O-D-L | B-G-O-R |
| 1 | 12.250 | ULTERRA DRILLING T | UD519M | M10641 | 616 | 7x16 | 56 | 241 | 0-0-NO-A | D-I-NO-HP |
| | | | | | | | | | | |

| BIT OPERATING PARAMETERS TODAY | | | | | | | | | | | | |
|--------------------------------|---------|-------------|------|----------|------|---------|-------------|-------------|-------|------------|---------|-------|
| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |
| 1 | 5.00 | 5.00 | 185 | 185 | 37.0 | 37.0 | 18.0/25.0 | 100/110 | 1.374 | 0 | 0.0 | 0.0 |

| MUD DATA - M-I SWACO | | | | | LAST OR CURRENT BHA | | | | |
|--|--------------|---------------|-----------|-----------|---------------------|-----------|----------------|--|--|
| Engineer: Tyler Allen | MBT: | 10.0 lbm/bbl | BHA No: 1 | Bit No: 1 | MD In: 56 ft | | | | |
| Sample From: In | pH: | 7.5 | | | | | | | |
| Mud Type: FW | Pm / Pom: | 0.00 | | | | | | | |
| Time / MD: 18:00 / 241.0 | Pf / Mf: | 0.0 / 0.2 | | | | | | | |
| Density @ Temp: 8.70 / 0 | Chlorides: | 1,000 | | | | | | | |
| Rheology Temp: 120 | Ca+ / K+: | 200 / 0 | | | | | | | |
| Viscosity: 40.00 | CaCl2: | 0.00 | | | | | | | |
| PV / YP: 6 / 8 | Clom: | 0.00 | | | | | | | |
| Gels 10s/10m/30m: 2 / 8 / 15 | Lime: | 0.00 | | | | | | | |
| API WL: 45.00 | ES: | 0.00 | | | | | | | |
| HTHP WL: 0.00 | ECD: | 0.00 | | | | | | | |
| Cake API / HTHP: 1.0 / .0 | n / K: | 0.00 / 0.000 | | | | | | | |
| Solids / Sol Corr: 0.00 / 0.00 | Carbonate: | 0 ppm | | | | | | | |
| Oil / Water: 0.0 / 97.0 | Bicarbonate: | 0 ppm | | | | | | | |
| Sand: 0.01 | Form Loss: | 750.0 / 750.0 | | | | | | | |
| Water Added: 1,050.0 bbl | Fluid Disch: | / | | | | | | | |
| Oil Added: | | | | | | | | | |
| LGS: 2.70 / 24.60 | | | | | | | | | |
| VG Meter: 2@3 / 3@6 / 8@100 / 11@200 / 14@300 / 20@600 | | | | | | | | | |
| Comments: Last 24 hours; Finished rigging up and built up BHA and spud well. Once to 143"; encountered total losses. Drilled to 24 | | | | | | | | | |
| | | | | | Total Length: | 666.08 ft | Wt below Jars: | | |

| MUD PRODUCTS | | |
|-----------------------|-----------|----------|
| Product | Units | Qty Used |
| AIR COMP RENT | EACH | 1.00 |
| CEDAR FIBER CHIP SEAL | BG,40 LB | 65.00 |
| DEFOAM A | CAN,5 GA | 9.00 |
| DRILLING PAPER | BG,40 LB | 11.00 |
| DRIVE-BY ENGINEERING | EACH | 1.00 |
| FEDERAL BENTONITE | BG,100 LB | 39.00 |
| FIBER SEAL | BG,40 LB | 37.00 |
| LIME | BG,50 LB | 30.00 |
| M-I GEL BULK | TON | 20.00 |
| MICA FINE | BG,50 LB | 56.00 |
| M-I-X II COARSE | BG,25 LB | 23.00 |
| M-I-X II MEDIUM | BG,25 LB | 42.00 |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/04/2011
 Report No: 3

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|--|
| 0:00 | 1:00 | 1.00 | 01MIRU | SAFE | PJSM | P | PJSM WITH CREWS JSA # 75 PICK UP BHA, AND RIG INSPECTION WITH DSM |
| 1:00 | 2:00 | 1.00 | 06PRES | DRILL | MTRVER | P | STRAP AND CALIPER BHA, AND MAKE UP BIT AND REAMERS |
| 2:00 | 6:00 | 4.00 | 14SUDR | DRILL | MTRVER | P | SPUD UNIV CAROL # 2 AT 02:00 HRS 10/3/2011, DRILL 12 1/4" SURFACE HOLE FROM 56' TO 241', 185', IN 4.0 HRS 46' PH. DRILLING PARAMETERS: 5-10K LBS WOB, 65 SRPM, 393 GPM, 500 PSI ON BOTTOM AND 500 PSI OFF BOTTOM, 4-5K LB-FT TORQUE ON BOTTOM, 7-8K FT-LB OFF BOTTOM. DRILLED THE 1ST 100' WITH 393 GPM & 65 RPM'S TO BURY STAB BELOW CONDUCTOR SHOE DRILLING CIRCULATING ON RESERVE PITS ADD 1 SOAP STICK AND I QT. POLY PLUS ON EACH CONNECTION PUMP 30BBLs HI-VIS SWEEPS EVERY 150' TRRC.CONTACT: BRENDA OPERATOR # 45 AT 02:45 10/4/11 SAFETY BREAK-PPE UPKEEP AND USAGE NOTE: LOST RETURNS AT 143' DRILLED TO 241' TRYING TO GET RETURNS. |
| 6:00 | 7:00 | 1.00 | 14SUDR | LCIRC | LCM | P | LOST RETURNS AT 143' MIX HIGH VIS SWEEP ADDING 16 SX MICA MED 30 SX FIBER SEAL 32 SX MIX II MED 30 SX CEDAR FIBER |
| 7:00 | 7:30 | 0.50 | 14SUDR | TRIP | BHA | P | TOOH INTO CONDUCTOR AT 60' |
| 7:30 | 11:00 | 3.50 | 14SUDR | CIRC | MIXBLD | P | BUILD VOLUME IN PREMIX PIT MIX IN 50 BBL PILLS 50 VIS CEDAR FIBER 10 SX MICA 10 SX MIX II 5 SX FIBER SEAL 15 SX NUT PLUG 5 SX |
| 11:00 | 11:30 | 0.50 | 14SUDR | TRIP | COND | P | TIH TO 140' |
| 11:30 | 12:00 | 0.50 | 14SUDR | CIRC | CNDFLD | P | SPOT 50 BBL PILL, NO RETURNS |
| 12:00 | 13:30 | 1.50 | 14SUDR | TRIP | BHA | P | TOOH LAYED DOWN 1 IBS AND ONE 8" DRILL COLLAR CHECK IBS AND BIT THEY WERE PACKED OFF WITH RED BED CLAY |
| 13:30 | 14:30 | 1.00 | 14SUDR | CIRC | CNDHOL | P | PUMP DOWN THE BACK SIDE FILLED HOLE WITH 150 BBLs OF MUD |
| 14:30 | 16:30 | 2.00 | 14SUDR | CIRC | MIXBLD | P | BUILD 300 BBLs OF MUD IN PREMIX PIT EMPTY MUD PITS AND REPLACE WITH A 50 VIS MUD |
| 16:30 | 18:00 | 1.50 | 14SUDR | TRIP | BHA | P | TIH 8" DRILL COLLARS AND TRY TO ESTABLISH CIRCULATION |
| 18:00 | 19:00 | 1.00 | 14SUDR | CIRC | CNDHOL | P | PUMP 150 BBL OF MUD DID NOT GET RETURNS |
| 19:00 | 22:00 | 3.00 | 14SUDR | CIRC | MIXBLD | P | BUILD VOLUME IN SUPER PREMIX PIT, ACTIVE AND PREMIX MIX 750 BBL 50 VIS CEDAR FIBER 70 SX MICA 70 SX MIX II 35 SX FIBER SEAL 105 SX NUT PLUG 35 SX |
| 22:00 | 0:00 | 2.00 | 14SUDR | TRIP | BHA | P | TOOH LAY DOWN 8 " DC'S, REAMERS AND BIT |
| Total Time | | 24.00 | | | | | |

| | | | | |
|--|---|----------------------|--------|-------------------|
| Safety Incident? | N | Days since Last RI: | 76.00 | Weather Comments: |
| Environ Incident? | N | Days since Last LTA: | 341.00 | |
| Incident Comments: No incidents reported last 24 hours. | | | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/04/2011
Report No: 3

Other Remarks: AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
LONG:102° 24' 50.24" W
NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 749
4 1/2" HWDP = 0
6 1/2" DC'S = 5
8" DC'S = 5

SAFETY TOPIC OF THE DAY : MIXING LCM PROPER PPE

LAST 24 HRS INCIDENTS/ ACCIDENTS: 0

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 341
DAYS SINCE LAST RECORDABLE: 76

TOTAL DAILY JSA'S REVIEWED: 6
TOTAL DAILY SAFETY MEETINGS: 8
TOTAL DAILY PERMITS TO WORK: 0
TOTAL LO/TO: 3
TOTAL DAILY STOP CARDS: 9

RIG MOVE ESTIMATE: 10/15/2011

BEST STOP CARD: OBSERVED EMPLOYEE NOT WEARING DUST MASK WHILE MIXING LCM STOPPED HIM AND DISCUSSED JSA # 68 MIXING CHEMICALS PROPER PPE WITH CREW THEY AGREED AND WORK CONTINUED

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/05/2011
Report No: 4

Wellbore / Top MD: 00 @ 0 ft Rig: SAVANNAH 644 Ref Datum: ORIGINAL KB @3,089.30ft DFS: 2.00
Today's MD: 745 ft Progress: 504 ft Ground Elev: 3,073.90 ft Daily Cost: \$52,154
Prev MD: 241 ft Rot Hrs Today: 5.00 hr AFE MD/Days: 11,400.0 / 15.1 days Cum Cost: \$210,288
PBMD: Avg ROP Today: 100.8 ft/hr AFE Number: 1138919#0102 AFE Cost: \$1,281,303

Current Formation: @ Lithology:
Current Ops: DRILLING AHEAD WITH NO RETURNS FROM 745' TO 773'
24-Hr Summary: WAIT ON HES TO PUMP CEMENT PLUG DUE TO LOST CIRCULATION. PJSM W/ HES RIG UP AND PUMP CEMENT. WOC 4HRS. DRILL FRO
24-Hr Forecast: DRILL BLIND TO 1000' TOH TO PUMP CEMENT PLUG. TIH WITH DRILL PIPE, PUMP PLUG, TOH, WOC.

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|-------------------|-------------------|----------------|-------------|-------|---------|-----|-----|
| Last Casing: | 14.000in @ 56ft | Str Wt Up/Dn: | 69.0/ 64.0 kip | Pump Rate: | 703.5 | Conn: | | |
| Next Casing: | 9.625in @ 1,820ft | Str Wt Rot: | 66.0 kip | Pump Press: | 1050 | Trip: | | |
| Last BOP Press Test: | 09/22/2011 | Torq Off Btm: | 3,500.0 ft-lbf | | | Backgr: | | |
| Form Test/EMW: | | Torq On Btm: | 6,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|----------------|----------------------|------|------|--------|-----|-----|-----|------|
| Supervisor 1: | CLARENCE SMITH | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | TRAE LAIRD | 494.0 | 0.02 | 0.00 | 494.00 | 0.1 | 0.0 | 0.1 | 0.00 |
| Engineer: | IVAN OTERO | 0.0 | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 |
| Geologist: | TIM LIONS | | | | | | | | |
| Oxy Personnel: | 3 | | | | | | | | |
| Contractor Personnel: | 17 | | | | | | | | |
| Total on Site: | 20 | | | | | | | | |

| BIT RECORD | | | | | | | | | | |
|------------|--------|--------------------|--------|-----------|-----------|---------|-------|--------|----------|-----------|
| Bit No | Size | Manufacturer | Model | Serial No | IADC Code | Nozzles | MD In | MD Out | I-O-D-L | B-G-O-R |
| 1RR | 12.250 | ULTERRA DRILLING T | UD519M | M10641 | | | 241 | | -- | -- |
| 1 | 12.250 | ULTERRA DRILLING T | UD519M | M10641 | 616 | 7x16 | 56 | 241 | 0-0-NO-A | D-I-NO-HP |

| BIT OPERATING PARAMETERS TODAY | | | | | | | | | | | | |
|--------------------------------|---------|-------------|------|----------|-------|---------|-------------|-------------|-------|------------|---------|-------|
| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |
| 1RR | 5.00 | 5.00 | 504 | 504 | 100.8 | 100.8 | 25.0/30.0 | 80/110 | 0.000 | 0 | 0.0 | 0.0 |

| MUD DATA - M-I SWACO | | | | | LAST OR CURRENT BHA | | | | |
|--|--------------|-----------------|-----------|-------------|---------------------|--|--|--|--|
| Engineer: Tyler Allen | MBT: | 0.0 lbm/bbl | BHA No: 2 | Bit No: 1RR | MD In: 241 ft | | | | |
| Sample From: In | pH: | 8.0 | | | | | | | |
| Mud Type: FW | Pm / Pom: | 0.00 | | | | | | | |
| Time / MD: 17:30 / 300.0 | Pf / Mf: | 0.0 / 0.2 | | | | | | | |
| Density @ Temp: 8.50 / 80 | Chlorides: | 1,000 | | | | | | | |
| Rheology Temp: 120 | Ca+ / K+: | 200 / 0 | | | | | | | |
| Viscosity: 28.00 | CaCl2: | 0.00 | | | | | | | |
| PV / YP: 1 / 1 | Clom: | 0.00 | | | | | | | |
| Gels 10s/10m/30m: 1 / 1 / 1 | Lime: | 0.00 | | | | | | | |
| API WL: 45.00 | ES: | 0.00 | | | | | | | |
| HTHP WL: 0.00 | ECD: | 0.00 | | | | | | | |
| Cake API / HTHP: .0 / .0 | n / K: | 0.00 / 0.000 | | | | | | | |
| Solids / Sol Corr: 0.00 / 0.00 | Carbonate: | 0 ppm | | | | | | | |
| Oil / Water: 0.0 / 98.0 | Bicarbonate: | 0 ppm | | | | | | | |
| Sand: 0.01 | Form Loss: | 750.0 / 1,500.0 | | | | | | | |
| Water Added: 200.0 bbl | Fluid Disch: | / | | | | | | | |
| Oil Added: | | | | | | | | | |
| LGS: 1.20 / 10.90 | | | | | | | | | |
| VG Meter: 1@3 / 1@6 / 1@100 / 1@200 / 2@300 / 3@600 | | | | | | | | | |
| Comments: Last 24 hours; built and spot LCM waiting until Halliburton arrived on location. Once Halliburton arrived; pumped cement | | | | | | | | | |

| MUD PRODUCTS | | | Total Length: 603.33 ft Wt below Jars: | | | | |
|-----------------------|-----------|----------|--|--|--|--|--|
| Product | Units | Qty Used | | | | | |
| AIR COMP RENT | EACH | 1.00 | | | | | |
| CEDAR FIBER CHIP SEAL | BG,40 LB | 145.00 | | | | | |
| DEFOAM A | CAN,5 GA | 1.00 | | | | | |
| DRILLING PAPER | BG,40 LB | 9.00 | | | | | |
| DRIVE-BY ENGINEERING | EACH | 1.00 | | | | | |
| DUO-VIS | BG,25 LB | 9.00 | | | | | |
| FEDERAL BENTONITE | BG,100 LB | 1.00 | | | | | |
| FIBER SEAL | BG,40 LB | 77.00 | | | | | |
| MICA COARSE | BG,50 LB | 100.00 | | | | | |
| PECAN NUT PLUG CSE | BG,50 LB | 72.00 | | | | | |
| PREMIX RENTAL | DAY | 1.00 | | | | | |
| SODA ASH | BG,50 LB | 10.00 | | | | | |

OXY USA INC
DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/05/2011
Report No: 4

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|--|
| 0:00 | 1:00 | 1.00 | 14SUDR | TRIP | CMT | P | PICK UP FIVE JOINTS DRILL PIPE 161' WITH TIW VALVE AND INSIDE GREY ON TOP OF JOINT NUMBER ONE IN HOLE RIH TO 161' |
| 1:00 | 8:30 | 7.50 | 14SUDR | WAIT | WOEQ | PT | WAIT ON HALIBURTON TO SET CEMENT PLUG AT 161' HALIBURTON PUMP TRUCK ON LOCATION AT 02:30 HRS WRONG CEMENT ,BROUGHT CEMENT FOR SURFACE JOB WAIT ON PLUG CEMENT |
| 8:30 | 9:00 | 0.50 | 14SUDR | SAFE | PJSM | P | PJSM WITH HALLIBURTON AND RIG CREW, RIG UP LINES. |
| 9:00 | 9:30 | 0.50 | 14SUDR | CMT | REM | P | TEST LINES TO 1500 PSI, PUMP 120 SKS (29BBLs) PREMIUM PLUS CEMENT, 14.8 PPG, 1.38 YLD, 6.22 MIX/GAL. DISPLACE WITH 2.3 BBLs FRESH WATER. |
| 9:30 | 10:00 | 0.50 | 14SUDR | CMT | RIGUP | P | RIG DOWN LINES, LAY DOWN PIPE , PUMP THRU INSIDE GREY AT SURFACE ON LAST JOINT. NOTE: DID CIRCULATE AT SURFACE |
| 10:00 | 14:30 | 4.50 | 14SUDR | CMT | WOC | P | WAIT ON CEMENT TO CURE |
| 14:30 | 17:30 | 3.00 | 14SUDR | CMT | Other | P | TAG CEMENT AT 75', LAYDOWN 8" DRILL COLLAR MAKE UP CROSSOVER, WASH AND REAM CEMENT AND CLEAN HOLE FROM 75' TO 241' |
| 17:30 | 20:30 | 3.00 | 14SUDR | DRILL | ROTVR | P | DRILL 12 1/4" SURFACE HOLE FROM 241' TO 509', 268', 89.3 FPH. DRILLING PARAMETERS: 20-25K LBS WOB, 85 -100 SRPM, 725 GPM, 900 PSI ON BOTTOM, 5-6K LB-FT TORQUE ON BOTTOM, 3-5K FT-LB OFF BOTTOM. ADD 1 SOAP STICK AND I QT. POLY PLUS ON EACH CONNECTION PUMP 30 BBLs HI-VIS SWEEPS EVERY 100' MUD WT IN 8.4 PPG OUT 8.5 PPG SAFETY BREAK-RIGGING UP AND DOWN ELEVATOR LINKS |
| 20:30 | 21:00 | 0.50 | 14SUDR | SURV | INCL | P | CIRCULATE AND SURVEY (SURVEY FAILED) |
| 21:00 | 21:30 | 0.50 | 14SUDR | DRILL | ROTVR | P | DRILL 12 1/4" SURFACE HOLE FROM 509' TO 540', 31', 62 FPH. PARAMETERS: 20-25K LBS WOB, 85 -100 SRPM, 725 GPM, 900 PSI ON BOTTOM, 5-6K LB-FT TORQUE ON BOTTOM, 3-5K FT-LB OFF BOTTOM. DRILLING WITH 2 PUMPS ADD 1 SOAP STICK AND I QT. POLY PLUS ON EACH CONNECTION PUMP 30 BBLs HI-VIS SWEEPS EVERY 100' MUD WT IN 8.4 PPG OUT 8.5 PPG |
| 21:30 | 22:00 | 0.50 | 14SUDR | SURV | INCL | P | CIRCULATE AND SURVEY @ 494' .02 DEG. |
| 22:00 | 22:30 | 0.50 | 14SUDR | RIGMT | SRVRIG | P | RIG SERVICE |
| 22:30 | 0:00 | 1.50 | 14SUDR | DRILL | ROTVR | P | DRILL 12 1/4" SURFACE HOLE FROM 540' TO 745', 205', 136.6' FPH. DRILLING PARAMETERS: 20-25K LBS WOB, 85 -100 SRPM, 725 GPM, 1065 PSI ON BOTTOM, 5-6K LB-FT TORQUE ON BOTTOM, 3-5K FT-LB OFF BOTTOM. DRILLING WITH 2 PUMPS ADD 1 SOAP STICK AND I QT. POLY PLUS ON EACH CONNECTION PUMP 30 BBLs HI-VIS SWEEPS EVERY 100' MUD WT IN 8.4 PPG OUT 8.5 PPG |

Total Time 24.00

Safety Incident? N **Days since Last RI:** 77.00

Environ Incident? N **Days since Last LTA:** 342.00

Incident Comments:

No incidents reported last 24 hours.

Weather Comments:

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/05/2011
Report No: 4

Other Remarks: AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
LONG:102° 24' 50.24" W
NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 754
4 1/2" HWDP = 5
6 1/2" DC'S = 10
8" DC'S = 10

SAFETY TOPIC OF THE DAY : MAKING CONNECTIONS

LAST 24 HRS INCIDENTS/ ACCIDENTS: 0

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 342
DAYS SINCE LAST RECORDABLE: 77

TOTAL DAILY JSA'S REVIEWED:8
TOTAL DAILY SAFETY MEETINGS: 8
TOTAL DAILY PERMITS TO WORK: 0
TOTAL LO/TO: 0
TOTAL DAILY STOP CARDS: 11

RIG MOVE ESTIMATE: 10/15/2011

BEST STOP CARD: OBSERVED HAND NOT WEARING HARD HAT WHILE SCRUBBING PUMP HOUSE. STOPPED HIM AND EXPLAINED THE DANGERS. HE AGREED AND JOB CONTINUED WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Date: 10/06/2011
Report No: 5

24-Hr Forecast: PUMP TOP ANNULAR PLUG. WOC TO CURE. DRILL SURFACE HOLE TO 1819'.

[illegible]

| Bit No | Size | Manufacturer | Model | Serial No | IADC Code | Nozzles | MD In | MD Out | I-O-D-L | B-G-O-R |
|--------|--------|--------------------|--------|-----------|-----------|---------|-------|--------|----------|-----------|
| 1RR2 | 12.250 | ULTERRA DRILLING T | UD519M | M10641 | | 7x16 | 1000 | 1000 | 0-0-NO-A | D-I-NO-HP |
| 1RR1 | 12.250 | ULTERRA DRILLING T | UD519M | M10641 | 432 | | 241 | 1000 | 0-0-NO-A | D-I-NO-HP |

| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |
|--------|---------|-------------|------|----------|------|---------|----------------|----------------|-------|------------|---------|-------|
| 1RR1 | 5.00 | 10.00 | 255 | 759 | 51.0 | 75.9 | 15.0/25.0 | 80/110 | 0.000 | 0 | 0.0 | 0.0 |

| | |
|------------------|---|
| VG Meter: | 1@3 / 1@6 / 1@100 / 1@200 / 2@300 / 3@600 |
| Comments: | Last 24 hours; drilled from 239" to 740" and lost total returns. Tried to get it back with 45 ppb LCM pills. Spot pills |

| BHA No: 5 | Bit No: 1RR2 | MD In: 1000 ft | | |
|---------------------------|--------------|-----------------|-----|--------|
| Purpose: | | MD Out: 1000 ft | | |
| Component | OD | ID | Jts | Length |
| PDC BIT | 12.250 | 2.870 | 1 | 0.92 |
| SHOCK SUB | 8.000 | 3.000 | 1 | 13.53 |
| INTEGRAL BLADE STABILIZER | 8.000 | 3.000 | 1 | 5.66 |
| DRILL COLLAR | 8.050 | 2.870 | 1 | 31.45 |
| INTEGRAL BLADE STABILIZER | 8.300 | 3.000 | 1 | 7.83 |
| DRILL COLLAR | 8.000 | 2.870 | 2 | 125.40 |
| CROSSOVER | 6.500 | 2.500 | 1 | 2.95 |
| DRILL COLLAR | 6.500 | 2.875 | 6 | 176.01 |
| HWDP | 4.500 | 2.450 | 10 | 302.33 |

| | | | |
|----------------------|-----------|-----------------------|--|
| Total Length: | 666.08 ft | Wt below Jars: | |
|----------------------|-----------|-----------------------|--|

[illegible]

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/06/2011
 Report No: 5

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|--|
| 0:00 | 0:30 | 0.50 | 14SUDR | CIRC | MIXBLD | PT | <p>LOST ALL RETURNS AT 745'</p> <p>REDUCE PUMP RATE TO 380 GPM.</p> <p>PUMP 100 BBLS. LCM PILL CONCENTRATION OF 45 LB/BBLS. 20 SX MICA 37 SX FIBER SEAL 20 SX MIX II 25 SX CEDAR FIBER 10 SX NUTT PLUG</p> |
| 0:30 | 1:00 | 0.50 | 14SUDR | CIRC | MIXBLD | PT | <p>ATTEMPT TO REGAIN CIRCULATION AT REDUCED RATE OF 380 GPM.</p> <p>ATTEMPT TO SWAB CIRCULATION BACK.</p> <p>NO RETURNS.</p> |
| 1:00 | 1:30 | 0.50 | 14SUDR | CIRC | MIXBLD | PT | <p>REDUCE PUMP RATE TO 380 GPM.</p> <p>PUMP 100 BBLS. LCM PILL CONCENTRATION OF 45 LB/BBLS. 20 SX MICA 37 SX FIBER SEAL 20 SX MIX II 25 SX CEDAR FIBER 10 SX NUTT PLUG</p> |
| 1:30 | 2:00 | 0.50 | 14SUDR | CIRC | MIXBLD | PT | <p>ATTEMPT TO REGAIN CIRCULATION AT REDUCED RATE OF 380 GPM.</p> <p>ATTEMPT TO SWAB CIRCULATION BACK.</p> <p>NO RETURNS.</p> |
| 2:00 | 3:30 | 1.50 | 14SUDR | CIRC | MIXBLD | PT | <p>DECISION MADE BY DS AND ENGINEER TO SPOT 100 BBLS. LCM PILL CONCENTRATION OF 45 LB/BBLS. ON BOTTOM AND PULL 2 STANDS AND ATTEMPT TO REGAIN CIRCULATION AT 200 GPM. BRING PUMPS UP TO 450 GPM. NO RETURNS</p> <p>100 BBL LCM AT 45 LB/BBL CONCENTRATION AS FOLLOWS: 20 SX MICA 37 SX FIBER SEAL 20 SX MIX II 25 SX CEDAR FIBER 10 SX NUTT PLUG</p> |
| 3:30 | 5:00 | 1.50 | 14SUDR | CIRC | MIXBLD | PT | <p>SPOT 2ND 100 BBLS. LCM PILL CONCENTRATION OF 45 LB/BBLS. ON BOTTOM AND PULL 2 STANDS AND ATTEMPT TO REGAIN CIRCULATION AT 200 GPM. BRING PUMPS UP TO 450 GPM. NO RETURNS</p> <p>100 BBL LCM AT 45 LB/BBL CONCENTRATION AS FOLLOWS: 20 SX MICA 37 SX FIBER SEAL 20 SX MIX II 25 SX CEDAR FIBER 10 SX NUTT PLUG</p> |
| 5:00 | 5:30 | 0.50 | 14SUDR | TRIP | COND | PT | <p>TRIP 2 STANDS BACK TO BOTTOM.</p> <p>CALL HALLIBURTON TALKED TO AW NORMAN AND ORDERED 500 SKS FOR CEMENT PLUG.</p> |
| 5:30 | 10:30 | 5.00 | 14SUDR | DRILL | ROTVR | PT | <p>DRILL 12 1/4" SURFACE HOLE FROM 745' TO 1000', (255' AVG ROP 51 FPH) PARAMETERS: 20-25K LBS WOB, 85 -100 SRPM, 400 GPM, 700 PSI, 5-6K LB-FT TORQUE ON BOTTOM, 3-5K FT-LB OFF BOTTOM.</p> <p>NOTE: DRILL AT CONTROLLED RATE BLIND WITH NO RETURNS</p> <p>ADD 1 SOAP STICK AND 1 QT. POLY PLUS ON EACH CONNECTION</p> <p>PUMP 25 BBLS HI-VIS SWEEP WITH 45 LBS/BBL LCM CONCENTRATION EVERY 20 MINUTES</p> <p>MUD WT IN 8.4 PPG NO RETURNS BUT VISIBLE FLUID LEVEL IN CONDUCTOR AT TIMES.</p> |
| 10:30 | 12:30 | 2.00 | 14SUDR | TRIP | BHA | PT | <p>PULL OUT ON ELEVATORS FROM 100' TO 125' LAYDOWN 8" COLLARS, SHOCK SUB AND BIT.</p> |
| 12:30 | 15:00 | 2.50 | 14SUDR | WAIT | WOEQ | PT | <p>WAITING ON SECOND CEMENT TRUCK TO GET LOADED AND ARRIVE TO LOCATION. PUMP TRUCK AND SUPERVISOR ARRIVED 12:30, FIRST PART OF CEMENT ARRIVED AT 13:30. LAST TRUCK ARRIVED 15:00 HOURS</p> |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/06/2011
 Report No: 5

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|--|
| 15:00 | 15:30 | 0.50 | 14SUDR | CMT | RIGUP | PT | PJSM WITH HALLIBURTON, RIG CREW, RIG MANAGER, DSM'S, OXY FIELD SUPERVISOR. RIG UP ALL LINES EXCEPT |
| 15:30 | 16:30 | 1.00 | 14SUDR | TRIP | CMT | PT | PICK UP CEMENT STINGER WITH TIW AND INSIDE BOP, RUN IN HOLE TO 764' TIW AT 413' |
| 16:30 | 17:00 | 0.50 | 14SUDR | SAFE | PJSM | PT | PREJOB SAFETY MEETING COVERING POSSIBLE OUTCOMES DURING CEMENT JOB WITH ALL PARTIES AND INDIVIDUAL EXPECTATIONS. SPOT 10 BBLs FRESH WATER AND 25 BBLs LCM MIX AT 45 LBS/BBL INSIDE DRILL PIPE STINGER. |
| 17:00 | 18:00 | 1.00 | 14SUDR | CMT | REM | PT | TEST LINES 3,500 PSI. PUMP 5 BBLs FRESH WATER SPACER FOLLOWED BY 500 SKS (123 BBLs) CLASS C PREMIUM PLUS LEAD CEMENT WITH 14.8 PPG, 1.38 YLD, 6.22 MIX SLURRY. DISPLACE WITH 6 BBLs FRESH WATER. |
| 18:00 | 18:30 | 0.50 | 14SUDR | TRIP | CMT | PT | RIG DOWN CEMENTING HES LINES AND CEMENTING SWEDGE. PULL 7 STANDS AND 1 SINGLE. PUMP 5 BBLs FRESH WATER TO CLEAR REMAINING PIPE BELOW IBOP. PULL REMAINING STANDS OUT OF HOLE. |
| 18:30 | 23:00 | 4.50 | 14SUDR | CMT | WOC | PT | WAIT ON CEMENT TO CURE. |
| 23:00 | 0:00 | 1.00 | 14SUDR | TRIP | BHA | PT | MAKE UP BIT AND BHA TO RUN IN TO TAG TOP CEMENT AND DRILL OUT PLUG. |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 78.00 Weather Comments:

Environ Incident? N Days since Last LTA: 343.00

Incident Comments:

No incidents reported last 24 hours.

Other Remarks:

AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
 LONG:102° 24' 50.24" W
 NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 759
 4 1/2" HWDP = 10
 6 1/2" DC'S = 15
 8" DC'S = 15

SAFETY TOPIC OF THE DAY : TRIPPING PIPE

LAST 24 HRS INCIDENTS/ ACCIDENTS: 0

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 343
 DAYS SINCE LAST RECORDABLE: 78

TOTAL DAILY JSA'S REVIEWED:9
 TOTAL DAILY SAFETY MEETINGS: 7
 TOTAL DAILY PERMITS TO WORK: 0
 TOTAL LO/TO: 0
 TOTAL DAILY STOP CARDS: 9

RIG MOVE ESTIMATE: 10/17/2011

BEST STOP CARD: OBSERVED HAND PLACING HIS HAND IN A LIFT NUBBING WITH A SLACKED HOIST CABLE AND PUSHING DRILL PIPE OUT THE V-DOOR. EXPLAINED THE DANGERS AND PINCH POINTS. HE AGREED AND JOB CONTINUED WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/07/2011
 Report No: 6

Wellbore / Top MD: 00 @ 0 ft Rig: SAVANNAH 644 Ref Datum: ORIGINAL KB @3,089.30ft DFS: 4.00
 Today's MD: 1141 ft Progress: 141 ft Ground Elev: 3,073.90 ft Daily Cost: \$30,116
 Prev MD: 1000 ft Rot Hrs Today: 1.50 hr AFE MD/Days: 11,400.0 / 15.1 days Cum Cost: \$310,158
 PBMD: Avg ROP Today: 94.0 ft/hr AFE Number: 1138919#0102 AFE Cost: \$1,281,303

Current Formation: RED BEDS@900.0 Lithology:
 Current Ops: DRILLING 12 1/4" SURFACE HOLE AT 1690
 24-Hr Summary: TIH TO 220', SPOT 150 BBL, 65 LB/BBL LCM PILL, PJSM W/ HES,CEMENT WITH 39 BBLS 160 SKS. WOC TO CURE, TAG CEMENT AT 63' W/
 24-Hr Forecast: DRILL 12 1/4" SURFACE HOLE TO 1862'. CIRC. 2 BU. TOH, RUN 9 5/8" CASING, CEMENT, CUT OFF AND WELD ON HEAD. R/U BOPE AND T

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|----------------|-------------|-------|---------|-----|-----|
| Last Casing: | 9.625in @ 1,862ft | Str Wt Up/Dn: | 75.0/ 70.0 kip | Pump Rate: | 556.9 | Conn: | | |
| Next Casing: | 5.500in @ 11,350ft | Str Wt Rot: | 72.0 kip | Pump Press: | 825 | Trip: | | |
| Last BOP Press Test: | 09/22/2011 | Torq Off Btm: | 3,500.0 ft-lbf | | | Backgr: | | |
| Form Test/EMW: | | Torq On Btm: | 9,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|----------------|----------------------|------|------|--------|-----|-----|-----|------|
| Supervisor 1: | DENNIS STEWART | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | TRAE LAIRD | 979.0 | 0.50 | 0.00 | 978.99 | 2.3 | 0.0 | 2.3 | 0.10 |
| Engineer: | IVAN OTERO | 494.0 | 0.02 | 0.00 | 494.00 | 0.1 | 0.0 | 0.1 | 0.00 |
| Geologist: | TIM LIONS | 0.0 | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 |
| Oxy Personnel: | 3 | | | | | | | | |
| Contractor Personnel: | 18 | | | | | | | | |
| Total on Site: | 21 | | | | | | | | |

| BIT RECORD | | | | | | | | | | |
|------------|--------|--------------------|--------|-----------|-----------|---------|-------|--------|----------|-----------|
| Bit No | Size | Manufacturer | Model | Serial No | IADC Code | Nozzles | MD In | MD Out | I-O-D-L | B-G-O-R |
| 1RR3 | 12.250 | ULTERRA DRILLING T | UD519M | M10641 | | 7x16 | 1000 | 1862 | 0-0-NO-A | D-I-NO-TD |
| 1RR2 | 12.250 | ULTERRA DRILLING T | UD519M | M10641 | | 7x16 | 1000 | 1000 | 0-0-NO-A | D-I-NO-HP |

| BIT OPERATING PARAMETERS TODAY | | | | | | | | | | | |
|--------------------------------|---------|-------------|------|----------|------|---------|-------------|-------------|-------|------------|-------|
| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | HHPSI |
| 1RR3 | 1.50 | 1.50 | 14 | 141 | 94.0 | 94.0 | 20.0/30.0 | 80/100 | 1.374 | 0 | 0.0 |

| MUD DATA - M-I SWACO | | | | LAST OR CURRENT BHA | | | | | |
|--|--|---------------------------|--|---------------------------------|-----------|---------------------|---------------|-----------------------|--|
| Engineer: Tyler Allen Sample From: In Mud Type: FW Time / MD: 17:00 / 1,000.0 Density @ Temp: 8.50 / 80 Rheology Temp: 120 Viscosity: 28.00 PV / YP: 1 / 1 Gels 10s/10m/30m: 1 / 1 / 1 API WL: 45.00 HTHP WL: 0.00 Cake API / HTHP: .0 / .0 Solids / Sol Corr: 0.00 / 0.00 Oil / Water: 0.0 / 98.0 Sand: 0.01 Water Added: 200.0 bbl Oil Added: LGS: 1.20 / 10.90 | | MBT: 0.0 lbm/bbl | | BHA No: 7 | | Bit No: 1RR3 | | MD In: 1000 ft | |
| | | pH: 7.5 | | Purpose: MD Out: 1862 ft | | | | | |
| | | Pm / Pom: 0.00 | | | | | | | |
| | | Pf / Mf: 0.0 / 0.1 | | | | | | | |
| | | Chlorides: 1,000 | | | | | | | |
| | | Ca+ / K+: 200 / 0 | | | | | | | |
| | | CaCl2: 0.00 | | | | | | | |
| | | Clom: 0.00 | | | | | | | |
| | | Lime: 0.00 | | | | | | | |
| | | ES: 0.00 | | | | | | | |
| ECD: 0.00 | | Component | | OD | ID | Jts | Length | | |
| n / K: 0.00 / 0.000 | | PDC BIT | | 12.250 | 2.870 | 1 | 0.92 | | |
| Carbonate: 0 ppm | | SHOCK SUB | | 8.000 | 3.000 | 1 | 13.53 | | |
| Bicarbonate: 0 ppm | | INTEGRAL BLADE STABILIZER | | 8.000 | 3.000 | 1 | 5.66 | | |
| Form Loss: 200.0 / 5,700.0 | | DRILL COLLAR | | 8.050 | 2.870 | 1 | 31.45 | | |
| Fluid Disch: / | | INTEGRAL BLADE STABILIZER | | 8.300 | 3.000 | 1 | 7.83 | | |
| | | DRILL COLLAR | | 8.000 | 2.870 | 2 | 125.40 | | |
| | | CROSSOVER | | 6.500 | 2.500 | 1 | 2.95 | | |
| | | DRILL COLLAR | | 6.500 | 2.875 | 6 | 176.01 | | |
| | | HWDP | | 4.500 | 2.450 | 10 | 302.33 | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

| MUD PRODUCTS | | |
|-----------------------|----------|----------|
| Product | Units | Qty Used |
| AIR COMP RENT | EACH | 1.00 |
| CEDAR FIBER CHIP SEAL | BG,40 LB | 50.00 |
| DRILLING PAPER | BG,40 LB | 1.00 |
| DRIVE-BY ENGINEERING | EACH | 1.00 |
| FIBER SEAL | BG,40 LB | 42.00 |
| MF-55 | CAN,5 GA | 2.00 |
| MICA FINE | BG,50 LB | 33.00 |
| M-I-X II COARSE | BG,25 LB | 47.00 |
| PECAN NUT PLUG CSE | BG,50 LB | 24.00 |
| POLY-PLUS | CAN,5 GA | 2.00 |
| PREMIX RENTAL | DAY | 1.00 |
| SODIUM BICARBONATE | BG,50 LB | 1.00 |

| | | | |
|---------------|-----------|----------------|--|
| Total Length: | 666.08 ft | Wt below Jars: | |
|---------------|-----------|----------------|--|

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/07/2011
 Report No: 6

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|--|
| 0:00 | 0:30 | 0.50 | 14SUDR | TRIP | BHA | PT | MAKE UP BHA AND TIH. TAG CEMENT AT 126'. RACK BACK 6.5 DC PICK UP STAND HWDP |
| 0:30 | 1:00 | 0.50 | 14SUDR | CMT | Other | PT | FILL PIPE, WASH AND REAM CEMENT FROM 126' TO 130' LOST RETURNS. CONTINUE DRILLING TO 140' MUD LEVEL HELD STATIC 30' BELOW ROTARY TABLE. NO RETURNS. 350 GPM 85-95 RPM 5-8 WOB |
| 1:00 | 3:00 | 2.00 | 14SUDR | CMT | Other | PT | CALL WAS MADE BY DS AND ENGINEERS TO KEEP DRILLING TO 250'. TOH AND SET 150 BBL LCM PILL CONCENTRATED AT 45 LB/BBL AND CEMENT TOP JOB. WASH AND REAM CEMENT FROM 140' TO 250'. MINIMAL RETURNS NOTE: HALLIBURTON ENGINEER SAID TRUCK WAS BEING LOADED AND HAS NOT ARRIVED. 600 GPM 85-95 RPM 20 - 25 WOB |
| 3:00 | 4:30 | 1.50 | 14SUDR | TRIP | BHA | PT | PULL OUT ON ELEVATORS FROM 250'. LAY DOWN 8" COLLARS, SHOCK SUB AND BIT. |
| 4:30 | 7:30 | 3.00 | 14SUDR | WAIT | WOEQ | PT | WAIT ON HALLIBURTON TO SET CEMENT PLUG AT 250' HALLIBURTON PUMP TRUCK ON LOCATION. WAIT ON PLUG CEMENT. |
| 7:30 | 8:00 | 0.50 | 14SUDR | SAFE | PJSM | PT | HOLD PJSM WITH RIG CREWS, RIG MANAGER, HALLIBURTON, DSM'S RUN IN HOLE SEVEN JOINTS CEMENT STINGER PUMP 150 BBLS OF 65 PPB LCM CONCENTRATE. |
| 8:00 | 9:00 | 1.00 | 14SUDR | CMT | REM | PT | PUT ON HALLIBURTON LOW TORQUE AND SWEDGES TEST LINE TO 3500 PSI. PUMP THE FOLLOWING: 5 BBL FRESHWATER SPACER 39 BBLS LEAD CEMENT CLASS C PREMIUM PLUS 14.8 PPG, 1.38 YLD, 6.22 MIX SLURRY WITH 3% CALC2, 2 PPB KOL-SEAL, 2 PPB PHENO-SEAL. NOTE: NO RETURNS DURING JOB, UNABLE TO PUMP AT REDUCED RATE MIXER BLINDING. |
| 9:00 | 14:00 | 5.00 | 14SUDR | CMT | WOC | PT | WAIT ON CEMENT TO CURE. |
| 14:00 | 15:00 | 1.00 | 14SUDR | TRIP | BHA | PT | PICK UP 12.25" SURFACE ROTARY BHA TAG UP AT 63' |
| 15:00 | 22:00 | 7.00 | 14SUDR | REAM | PRRM | PT | MAKE UP CROSSOVER TO DRILL COLLARS DOWN, WASH AND REAM CEMENT FROM 63' TO 1000'. 100% RETURNS BEGAN ADDING WHITE STARCH AT 780' PH 7 PUMPING HI VIS SWEEPS EVERY 100' |
| 22:00 | 22:30 | 0.50 | 14SUDR | SURV | INCL | P | CIRCULATE AND SURVEY AT 1000' SURVEY DEPTH 979' .5 DEGREES. |
| 22:30 | 0:00 | 1.50 | 14SUDR | DRILL | ROTVR | P | DRILL 12 1/4" SURFACE HOLE FROM 1000' TO 1141, 141', 94' FPH. DRILLING PARAMETERS: 20-25K LBS WOB, 85 -100 SRPM, 550 GPM, 825 PSI ON BOTTOM, 7-9K LB-FT TORQUE ON BOTTOM, 3-5K FT-LB OFF BOTTOM. BEGAN LOSING MUD AT 1/2 TO 3/4 BBL PER MINUTE AT 1020' ADD 1 SOAP STICK AND I QT. POLY PLUS ON EACH CONNECTION PUMP 30 BBLS HI-VIS SWEEPS EVERY 100' MUD WT IN 8.4 PPG OUT 8.5 PPG SAFETY BREAK-PROPER LIFTING TECHNIQUES WHILE PULLING SLIPS. |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 79.00

Environ Incident? N Days since Last LTA: 344.00

Incident Comments:

No incidents reported last 24 hours.

Weather Comments:

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/07/2011
Report No: 6

Other Remarks: AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
LONG:102° 24' 50.24" W
NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 761
4 1/2" HWDP = 12
6 1/2" DC'S = 17
8" DC'S = 17

SAFETY TOPIC OF THE DAY : CEMENTING THROUGH DRILL PIPE.

LAST 24 HRS INCIDENTS/ ACCIDENTS: 0

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 344
DAYS SINCE LAST RECORDABLE: 79

TOTAL DAILY JSA'S REVIEWED:10
TOTAL DAILY SAFETY MEETINGS: 10
TOTAL DAILY PERMITS TO WORK: 0
TOTAL LO/TO: 2
TOTAL DAILY STOP CARDS: 11

RIG MOVE ESTIMATE: 10/17/2011

BEST STOP CARD: OBSERVED HAND STANDING IN THE LINE OF FIRE BETWEEN STUMP AND MOUSE HOLE JNT BEING PULLED OUT DURING CONNECTION. STOPPED JOB AND EXPLAINED THE DANGERS. JOB CONTINUED WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/08/2011
 Report No: 7

Wellbore / Top MD: 00 @ 0 ft Rig: SAVANNAH 644 Ref Datum: ORIGINAL KB @3,089.30ft DFS: 5.00
 Today's MD: 1862 ft Progress: 721 ft Ground Elev: 3,073.90 ft Daily Cost: \$90,697
 Prev MD: 1141 ft Rot Hrs Today: 8.00 hr AFE MD/Days: 11,400.0 / 15.1 days Cum Cost: \$400,855
 PBMD: Avg ROP Today: 90.1 ft/hr AFE Number: 1138919#0102 AFE Cost: \$1,281,303

Current Formation: RED BEDS@900.0 Lithology:
 Current Ops: RECIPROCATE CASING PUMPING 10 BBLs EVERY 20 MINUTES. WAIT ON HALLIBURTON
 24-Hr Summary: DRILLED 12 1/4" SURFACE HOLE FROM 1141' TO 1862'. CIRC. TOH, PJSM WITH B&L CASING CREW AND RIG CREW. RUN 9 5/8" CASING
 24-Hr Forecast: CONTINUE RECIPROCATING CASING, PUMPING 10 BBLs EVERY 20 MINUTES. WAIT ON HALLIBURTON. CEMENT, CUT OFF CASING, ANI

| CASING/WELL CONTROL | HOOKLOAD & TORQUE | HYDRAULICS | MUD GAS | Avg | Max |
|---------------------------------|-------------------------------|------------------|---------|-----|-----|
| Last Casing: 9.625in @ 1,862ft | Str Wt Up/Dn: 92.0 / 86.0 kip | Pump Rate: 293.1 | Conn: | | |
| Next Casing: 5.500in @ 11,350ft | Str Wt Rot: 89.0 kip | Pump Press: 150 | Trip: | | |
| Last BOP Press Test: 09/22/2011 | Torq Off Btm: 3,500.0 ft-lbf | | Backgr: | | |
| Form Test/EMW: | Torq On Btm: 9,000.0 ft-lbf | | | | |

| PERSONNEL | SURVEY DATA (LAST 6) | | | | | | | | |
|------------------------------|----------------------|------|------|--------|-----|-----|-----|------|-------|
| Supervisor 1: DENNIS STEWART | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS | Build |
| Supervisor 2: TRAE LAIRD | 979.0 | 0.50 | 0.00 | 978.99 | 2.3 | 0.0 | 2.3 | 0.10 | 0.10 |
| Engineer: IVAN OTERO | 494.0 | 0.02 | 0.00 | 494.00 | 0.1 | 0.0 | 0.1 | 0.00 | 0.00 |
| Geologist: TIM LIONS | 0.0 | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 |
| Oxy Personnel: 3 | | | | | | | | | |
| Contractor Personnel: 26 | | | | | | | | | |
| Total on Site: 29 | | | | | | | | | |

| BIT RECORD | | | | | | | | | | |
|------------|--------|--------------------|--------|-----------|-----------|---------|-------|--------|----------|-----------|
| Bit No | Size | Manufacturer | Model | Serial No | IADC Code | Nozzles | MD In | MD Out | I-O-D-L | B-G-O-R |
| 1RR3 | 12.250 | ULTERRA DRILLING T | UD519M | M10641 | | 7x16 | 1000 | 1862 | 0-0-NO-A | D-I-NO-TD |
| 1RR2 | 12.250 | ULTERRA DRILLING T | UD519M | M10641 | | 7x16 | 1000 | 1000 | 0-0-NO-A | D-I-NO-HP |

| BIT OPERATING PARAMETERS TODAY | | | | | | | | | | | | |
|--------------------------------|---------|-------------|------|----------|------|---------|-------------|-------------|-------|------------|---------|-------|
| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |
| 1RR3 | 8.00 | 9.50 | 72 | 862 | 90.1 | 90.7 | 25.0/30.0 | 80/110 | 1.374 | 136 | 128.4 | 0.4 |

| MUD DATA - M-I SWACO | | | LAST OR CURRENT BHA | | | | |
|--|--------------|---------------|---------------------------|--------------|--------|-----------------|--|
| Engineer: Tyler Allen | MBT: | 10.0 lbm/bbl | BHA No: 7 | Bit No: 1RR3 | MD In: | 1000 ft | |
| Sample From: In | pH: | 8.0 | Purpose: | | | MD Out: 1862 ft | |
| Mud Type: FW | Pm / Pom: | 0.00 | Component | | OD | ID | |
| Time / MD: 17:00 / 1,862.0 | Pf / Mf: | 0.1 / 0.2 | | | Jts | Length | |
| Density @ Temp: 9.20 / 0 | Chlorides: | 1,000 | PDC BIT | | 12.250 | 2.870 | |
| Rheology Temp: 120 | Ca+ / K+: | 400 / 0 | SHOCK SUB | | 8.000 | 3.000 | |
| Viscosity: 36.00 | CaCl2: | 0.00 | INTEGRAL BLADE STABILIZER | | 8.000 | 3.000 | |
| PV / YP: 5 / 6 | Clom: | 0.00 | DRILL COLLAR | | 8.050 | 2.870 | |
| Gels 10s/10m/30m: 2 / 5 / 10 | Lime: | 0.00 | INTEGRAL BLADE STABILIZER | | 8.300 | 3.000 | |
| API WL: 20.00 | ES: | 0.00 | DRILL COLLAR | | 8.000 | 2.870 | |
| HTHP WL: 0.00 | ECD: | 0.00 | CROSSOVER | | 6.500 | 2.500 | |
| Cake API / HTHP: 2.0 / .0 | n / K: | 0.00 / 0.000 | DRILL COLLAR | | 6.500 | 2.875 | |
| Solids / Sol Corr: 0.00 / 0.00 | Carbonate: | 1 ppm | HWDP | | 4.500 | 2.450 | |
| Oil / Water: 0.0 / 93.5 | Bicarbonate: | 0 ppm | | | | | |
| Sand: 0.10 | Form Loss: | 0.0 / 5,700.0 | | | | | |
| Water Added: 0.0 bbl | Fluid Disch: | / | | | | | |
| Oil Added: | | | | | | | |
| LGS: 6.50 / 58.80 | | | | | | | |
| VG Meter: 1@3 / 2@6 / 5@100 / 8@200 / 11@300 / 16@600 | | | Total Length: 666.08 ft | | | | |
| Comments: Last 24 hours; reamed cement to 1000" and began drilling new hole. Drilled to 1862" and called TD. Circulate 2 B/U and b | | | Wt below Jars: | | | | |

| MUD PRODUCTS | | |
|----------------------|-----------|----------|
| Product | Units | Qty Used |
| AIR COMP RENT | EACH | 1.00 |
| DEFOAM A | CAN,5 GA | 7.00 |
| DRIVE-BY ENGINEERING | EACH | 1.00 |
| FIBER SEAL | BG,40 LB | 3.00 |
| M-I BAR | BG,100 LB | 25.00 |
| MY LO JEL | BG,50 LB | 84.00 |
| PECAN NUT PLUG CSE | BG,50 LB | 11.00 |
| PREMIX RENTAL | DAY | 1.00 |
| SODA ASH | BG,50 LB | 5.00 |
| | | |
| | | |
| | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/08/2011
 Report No: 7

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|--|
| 0:00 | 4:00 | 4.00 | 14SUDR | DRILL | ROTVR | P | <p>DRILL 12 1/4" SURFACE HOLE FROM 1141' TO 1515', 374', 93' FPH. DRILLING PARAMETERS: 20-25K LBS WOB, 85 -100 SRPM, 550 GPM, 920 PSI ON BOTTOM, 7-9K LB-FT TORQUE ON BOTTOM, 3-5K FT-LB OFF BOTTOM.</p> <p>ADD 1 SOAP STICK AND 1 QT. POLY PLUS ON EACH CONNECTION.</p> <p>PUMP 30 BBLS HI-VIS SWEEPS EVERY 100'. ADD 45 LB/BBL LCM TO SWEEPS. MUD WT IN 8.8 PPG OUT 8.9 PPG. VISCOSITY 37</p> <p>SAFETY BREAK - HAND PLACEMENT - TONGS, ELEVATORS, AND SLIPS.</p> |
| 4:00 | 8:00 | 4.00 | 14SUDR | DRILL | ROTVR | P | <p>DRILL 12 1/4" SURFACE HOLE FROM 1515' TO 1862', 347', 86.75' FPH. DRILLING PARAMETERS: 20-25K LBS WOB, 85 -100 SRPM, 550 GPM, 920 PSI ON BOTTOM, 7-9K LB-FT TORQUE ON BOTTOM, 3-5K FT-LB OFF BOTTOM.</p> <p>ADD 1 SOAP STICK AND 1 QT. POLY PLUS ON EACH CONNECTION.</p> <p>PUMP 30 BBLS HI-VIS SWEEPS EVERY 100'. ADD 45 LB/BBL LCM TO SWEEPS. MUD WT IN 8.8 PPG OUT 8.9 PPG. VISCOSITY 37</p> |
| 8:00 | 9:00 | 1.00 | 14SUDR | CIRC | CNDHOL | P | CIRCULATE HOLE CLEAN PUMP 2 HIGH VISCOUS LCM SWEEPS AROUND |
| 9:00 | 12:30 | 3.50 | 14SUDR | TRIP | DRILL | P | <p>DROP SURVEY TOOL, TRIP OUT ON ELEVATORS TO 124'. LAYDOWN 8" DRILL COLLARS, 30K TO 40K DRAG FROM 1600' - 1400', 10K - 15K UNTIL 900' ONE SPOT AT 400'.</p> <p>15 MINUTE SAFETY BRAKE TOPIC ON RUNNING CASING, COMING IN VDOOR WITH PIPE.</p> |
| 12:30 | 13:30 | 1.00 | 14SUDR | OTHR | OTHER | P | <p>CLEAN FLOOR AND CATWALK OF RENTAL TOOLS AND 8" COLLARS.</p> <p>NOTE: SURVEY DID NOT TAKE WILL TAKE ONE WITH FLOW DRIFT ON DRILL OUT.</p> |
| 13:30 | 14:30 | 1.00 | 14SUDR | SAFE | PJSM | P | PREJOB SAFETY MEETING WITH DRILL CREWS AND B&L CASING, & DSM, |
| 14:30 | 17:30 | 3.00 | 14SUDR | CSG | RUNCSG | P | <p>RUN 9.625" 36# J-55 STC CASING USING 4530 FT/LBS OF TORQUE FROM 0' TO 900'</p> <p>CASING DETAILS:</p> <p>MAKE UP SHOE & FLOAT EQUIPMENT WITH 5000 FTLBS TORQUE, THREAD LOCKED PINS, & PUMP THROUGH SAME.</p> <p>1 - WEATHERFORD SHOE FROM 1862' TO 1861' 1 - JOINT 9.625", 36# J-55 STC CASING FROM 1861' TO 1818' 1 - WEATHERFORD FLOAT COLLAR FROM 1818' TO 1817' 43 - JOINTS OF 9.625" 36# J-55 STC CASING FROM 1817' TO SURFACE</p> <p>17 CENTRALIZERS SPACED AS PER PROGRAM. WITH THE FIRST ON STOP RING 10' ABOVE SHOE.</p> |
| 17:30 | 18:00 | 0.50 | 14SUDR | RIGMT | REP | PT | REPAIR B&L CASING SLIPS |
| 18:00 | 23:30 | 5.50 | 14SUDR | CSG | RUNCSG | P | <p>RUN 9.625" 36# J-55 STC CASING USING 4530 FT/LBS OF TORQUE FROM 900' TO 1862. ENCOUNTERED TIGHT SPOT AT 935' TO 1440' AND FROM 1695' TO 1862', 25K DOWN DRAG AND 10K - 15K PICKUP DRAG.</p> <p>CASING DETAILS:</p> <p>MAKE UP SHOE & FLOAT EQUIPMENT WITH 5000 FTLBS TORQUE, THREAD LOCKED PINS, & PUMP THROUGH SAME.</p> <p>1 - WEATHERFORD SHOE FROM 1862' TO 1861' 1 - JOINT 9.625", 36# J-55 STC CASING FROM 1861' TO 1818' 1 - WEATHERFORD FLOAT COLLAR FROM 1818' TO 1817' 43 - JOINTS OF 9.625" 36# J-55 STC CASING FROM 1817' TO SURFACE</p> <p>17 CENTRALIZERS SPACED AS PER PROGRAM. WITH THE FIRST ON STOP RING 10' ABOVE SHOE.</p> |
| 23:30 | 0:00 | 0.50 | 14SUDR | CIRC | CNDHOL | P | <p>CIRCULATE CASING AT 300 GPM FOR A TOTAL OF 1 CASING VOLUME AND 2 BOTTOMS UPS.</p> <p>RECIPROCATING CASING 15' TO 20' WHILE CIRCULATING.</p> |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/08/2011
 Report No: 7

| | | | |
|--|-------|----------------------|--------|
| Total Time | 24.00 | | |
| Safety Incident? | Y | Days since Last RI: | 80.00 |
| Environ Incident? | N | Days since Last LTA: | 345.00 |
| Incident Comments: | | Weather Comments: | |
| 1First Aid. | | | |
| <p>Other Remarks:</p> <p>AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.</p> <p>LAT:32° 20' 54.3"N LONG:102° 24' 50.24" W NAD 27</p> <p>HOURS ON TUBULAR'S SINCE LAST INSPECTION: 4 1/2" DRILL PIPE = 769 4 1/2" HWDP = 20 6 1/2" DC'S = 25 8" DC'S = 25</p> <p>SAFETY TOPIC OF THE DAY : STATIC ELECTRICITY</p> <p>LAST 24 HRS INCIDENTS/ ACCIDENTS: 1</p> <p>FLYING GREEN FLAG</p> <p>DAYS WORKED WITH NO LTI : 345 DAYS SINCE LAST RECORDABLE: 80</p> <p>TOTAL DAILY JSA'S REVIEWED:9 TOTAL DAILY SAFETY MEETINGS: 9 TOTAL DAILY PERMITS TO WORK: 0 TOTAL LO/TO: 3 TOTAL DAILY STOP CARDS: 11</p> <p>RIG MOVE ESTIMATE: 10/19/2011</p> <p>BEST STOP CARD: OBSERVED HAND GETTING ON THE FORK LIFT TO USE NOT KNOWING IT WAS BEING FUEL UP. STOPPED HIM AND EXPLAINED HOW TO LOOK AND INSPECT BEFORE OPERATING. JOB CONTINUED AFTER FUELING WITHOUT INCIDENT.</p> | | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/09/2011
 Report No: 8

Wellbore / Top MD: 00 @ 0 ft Rig: SAVANNAH 644 Ref Datum: ORIGINAL KB @3,089.30ft DFS: 6.00
 Today's MD: 1862 ft Progress: 0 ft Ground Elev: 3,073.90 ft Daily Cost: \$38,577
 Prev MD: 1862 ft Rot Hrs Today: 0.00 hr AFE MD/Days: 11,400.0 / 15.1 days Cum Cost: \$439,432
 PBMD: Avg ROP Today: 0.0 ft/hr AFE Number: 1138919#0102 AFE Cost: \$1,281,303

Current Formation: RED BEDS@900.0

Lithology:

Current Ops: CUTTING DRILLING LINE.

24-Hr Summary: WAIT ON HES. PJSM WITH HES AND RIG CREW. CEMENT 9 5/8" SURFACE CASING. BUMPED PLUG AT 10:34, FLOAT HELD. FULL RETURN

24-Hr Forecast: CUT DRILL LINE, PERFORM CHOKE DRILL, TEST CASING, DRILL OUT, PERFORM FIT TO 12.1 EMW. DRILL 8 3/4" HOLE.

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | | Avg | Max |
|----------------------|--------------------|-------------------|---|-------------|-----|---------|---|-----|-----|
| Last Casing: | 9.625in @ 1,862ft | Str Wt Up/Dn: | / | Pump Rate: | 0.0 | Conn: | 0 | 0 | |
| Next Casing: | 5.500in @ 11,350ft | Str Wt Rot: | | Pump Press: | 0 | Trip: | 0 | 0 | |
| Last BOP Press Test: | 10/09/2011 | Torq Off Btm: | | | | Backgr: | 0 | 0 | |
| Form Test/EMW: | | Torq On Btm: | | | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|----------------|----------------------|------|------|--------|-----|-----|-----|------|
| Supervisor 1: | DENNIS STEWART | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | TRAE LAIRD | 979.0 | 0.50 | 0.00 | 978.99 | 2.3 | 0.0 | 2.3 | 0.10 |
| Engineer: | IVAN OTERO | 494.0 | 0.02 | 0.00 | 494.00 | 0.1 | 0.0 | 0.1 | 0.00 |
| Geologist: | TIM LIONS | 0.0 | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 |
| Oxy Personnel: | 3 | | | | | | | | |
| Contractor Personnel: | 35 | | | | | | | | |
| Total on Site: | 38 | | | | | | | | |

BIT RECORD

| Bit No | Size | Manufacturer | Model | Serial No | IADC Code | Nozzles | MD In | MD Out | I-O-D-L | B-G-O-R |
|--------|--------|--------------------|--------|-----------|-----------|---------|-------|--------|----------|-----------|
| 1RR3 | 12.250 | ULTERRA DRILLING T | UD519M | M10641 | | 7x16 | 1000 | 1862 | 0-0-NO-A | D-I-NO-TD |
| 1RR | 12.250 | ULTERRA DRILLING T | UD519M | M10641 | | | 241 | | -- | -- |

BIT OPERATING PARAMETERS TODAY

| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |
|--------|---------|-------------|------|----------|-----|---------|-------------|-------------|-----|------------|---------|-------|
|--------|---------|-------------|------|----------|-----|---------|-------------|-------------|-----|------------|---------|-------|

MUD DATA - M-I SWACO

Engineer: Tyler Allen MBT: 0.0 lbm/bbl
 Sample From: In pH: 7.5
 Mud Type: FW Pm / Pom: 0.00
 Time / MD: 19:00 / 1,862.0 Pf / Mf: 0.0 / 0.1
 Density @ Temp: 8.50 / 0 Chlorides: 1,000
 Rheology Temp: 120 Ca+ / K+: 200 / 0
 Viscosity: 28.00 CaCl2: 0.00
 PV / YP: 1 / 1 Clom: 0.00
 Gels 10s/10m/30m: 1 / 1 / 1 Lime: 0.00
 API WL: 45.00 ES: 0.00
 HTHP WL: 0.00 ECD: 0.00
 Cake API / HTHP: .0 / .0 n / K: 0.00 / 0.000
 Solids / Sol Corr: 0.00 / 0.00 Carbonate: 0 ppm
 Oil / Water: 0.0 / 98.0 Bicarbonate: 0 ppm
 Sand: 0.01 Form Loss: 50.0 / 5,750.0
 Water Added: 0.0 bbl Fluid Disch: /
 Oil Added:
 LGS: 1.20 / 10.90

VG Meter: 1@3 / 1@6 / 1@100 / 1@200 / 2@300 / 3@600

Comments: Last 24 hours; continue running casing to bottom. Circulate while waiting for cement. While circulating had minimal seep

LAST OR CURRENT BHA

BHA No: 7 Bit No: 1RR3 MD In: 1000 ft
 Purpose: MD Out: 1862 ft

| Component | OD | ID | Jts | Length |
|---------------------------|--------|-------|-----|--------|
| PDC BIT | 12.250 | 2.870 | 1 | 0.92 |
| SHOCK SUB | 8.000 | 3.000 | 1 | 13.53 |
| INTEGRAL BLADE STABILIZER | 8.000 | 3.000 | 1 | 5.66 |
| DRILL COLLAR | 8.050 | 2.870 | 1 | 31.45 |
| INTEGRAL BLADE STABILIZER | 8.300 | 3.000 | 1 | 7.83 |
| DRILL COLLAR | 8.000 | 2.870 | 2 | 125.40 |
| CROSSOVER | 6.500 | 2.500 | 1 | 2.95 |
| DRILL COLLAR | 6.500 | 2.875 | 6 | 176.01 |
| HWDP | 4.500 | 2.450 | 10 | 302.33 |

Total Length: 666.08 ft

Wt below Jars:

MUD PRODUCTS

| Product | Units | Qty Used |
|----------------------|-------|----------|
| AIR COMP RENT | EACH | 1.00 |
| DRIVE-BY ENGINEERING | EACH | 1.00 |
| PREMIX RENTAL | DAY | 1.00 |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/09/2011
Report No: 8

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|---|
| 0:00 | 1:00 | 1.00 | 14SUDR | CIRC | CNDHOL | P | CIRCULATE CASING AT 300 GPM FOR A TOTAL OF 1 CASING VOLUME AND 2 BOTTOMS UPS. RECIPROCATING CASING 15' TO 20' WHILE CIRCULATING. |
| 1:00 | 8:30 | 7.50 | 14SUDR | WAIT | WOEQ | PT | WAIT ON HALLIBURTON TO CEMENT 9 5/8" SURFACE CASING. RECIPROCATING CASING 15' TO 20' . PUMPING 10 BBLS. MUD EVERY 20 MIN. PICK UP WT. 88K SLACK OFF WT. 73K STRING WT. 79K SAFETY BREAK - STATIC ELECTRICITY AROUND THE RIG. |
| 8:30 | 9:00 | 0.50 | 14SUDR | SAFE | PJSM | P | HOLD PJSM WITH HALLIBURTON, DSM, RIG HANDS, FEILD SUPERVISOR |
| 9:00 | 10:30 | 1.50 | 14SUDR | CMT | PRIM | P | SPOT 40 BBLS OF 40 PPB LCM CONCENTRATE WITH 15 PPB SAFECARB, 15 PPB MICA, AND 10 PPB MIX II MEDIUM. TEST LINES TO 1500 PSI PUMP CEMENT AS FOLLOWS : 20 BBLS FRESH WATER SPACER, FOLLOWED BY LEAD 360SKS (112 BBL) 13.5 PPG, 1.76 YIELD AT 6 BPM , 125 PSI. PUMP TAIL 300 SKS (72 BBL) 14.8 PPG. 1.36 YIELD AT 6 BPM 151 PSI. DROP PLUG, DISPLACE WITH 140 BBLS 8.34 PPG WATER AT 6 BPM. WITH 436 PSI. BUMPED PLUG AT 10:34HRS WITH 936 PSI. HELD FOR 10 MINUTES FLOAT HELD. OPENED BLEED OFF VALVE, HAD 1 BBLS BACK 5 BBLS, 16 SKS CEMENT TO SURFACE |
| 10:30 | 11:00 | 0.50 | 14SUDR | CMT | RIGUP | P | RIG DOWN CEMENT UNITS, WASH THRU CONDUCTOR |
| 11:00 | 12:30 | 1.50 | 14SUDR | OTHR | OTHER | P | NIPPLE DOWN CONDUCTOR AND FLOW LINE, ROUGH CUT 9 5/8" SURFACE CASING. |
| 12:30 | 14:30 | 2.00 | 14SUDR | WLHD | RWH | P | MAKE FINAL CUT, LEVEL, & WELD ON 11" 5M. TEST VOID TO 1414 PSI. |
| 14:30 | 20:30 | 6.00 | 14SUDR | BOP | RUBOP | P | HELD PJSM WITH RIG CREW & MAN WELDING & RIG UP BOPS AS FOLLOWS. ROTATING HEAD ANNULAR PIPE RAMS SPACER SPOOL BLIND RAMS SPACER SPOOL (11" 5M X 11" 5M) FLOW LINE AND CHOKE MANIFOLD SAFETY BREAK- PINCH POINTS AND PROPER HAND AND BODY PLACEMENT. OVER HEAD LIFTING HEAVY LOADS. 100% TIE OFF ABOVE 4'. |
| 20:30 | 0:00 | 3.50 | 14SUDR | BOP | TSTBOP | P | HELD PJSM WITH MANS BOP TESTER AND RIG CREW, MAKE UP TEST PLUG VERIFIED CASING VALVE IS OPEN TEST BOP'S: CHOKE, KILL LINE, HCR, BLINDS, PIPE RAMS, BAG PREVENTOR 250/ 2100 PSI TEST DART VALVE AND TIW'S 250/ 2100 PSI CHOKE MANIFOLD 250/ 2100 STANDPIPE & KELLYHOSE BACK TO MUD PUMPS 250/ 3000 PSI HOLD ALL TEST 5MIN. EACH SAFETY BREAK - STAY CLEAR OF TEST UNIT, BOPE, AND LINES DURING TESTING. ANYONE CAN STOP THE JOB. |

Total Time 24.00

Safety Incident? N Days since Last RI: 81.00

Environ Incident? N Days since Last LTA: 346.00

Incident Comments:

No incidents reported last 24 hours.

Weather Comments:

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/09/2011
Report No: 8

Other Remarks: AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
LONG:102° 24' 50.24" W
NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 769
4 1/2" HWDP = 20
6 1/2" DC'S = 25
8" DC'S = 25

SAFETY TOPIC OF THE DAY : RIGGING UP BOPE

LAST 24 HRS INCIDENTS/ ACCIDENTS: 0

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 346
DAYS SINCE LAST RECORDABLE: 81

TOTAL DAILY SAFETY MEETINGS: 10
TOTAL NEAR MISSES: 0
TOTAL DAILY STOP CARDS : 11
TOTAL JSA'S REVIEWED : 10
TOTAL DAILY PERMITS TO WORK: 1
TOTAL LO/TO: 1

RIG MOVE ESTIMATE: 10/19/2011

BEST STOP CARD: OBSERVED 3RD PARTY SAFETY HAND WALKING UNDER AND AROUND CEMENT LINES WHILE TESTING LINES. STOPPED JOB AND EXPLAINED THE DANGERS. HAND COMPLIED AND JOB CONTINUED WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/10/2011
Report No: 9

Wellbore / Top MD: 00 @ 0 ft Rig: SAVANNAH 644 Ref Datum: ORIGINAL KB @3,089.30ft DFS: 7.00
Today's MD: 3315 ft Progress: 1453 ft Ground Elev: 3,073.90 ft Daily Cost: \$37,111
Prev MD: 1862 ft Rot Hrs Today: 12.00 hr AFE MD/Days: 11,400.0 / 15.1 days Cum Cost: \$526,636
PBMD: Avg ROP Today: 121.1 ft/hr AFE Number: 1138919#0102 AFE Cost: \$1,281,303

Current Formation: ANHYDRITE@1,955.0

Lithology:

Current Ops: DRILLING 8 3/4" PRODUCTION HOLE AT 4030'.

24-Hr Summary: TIH TAG FLOAT COLLAR, CIRC. TEST CASING TO 2100 PSI. PERFORMED CHOKE DRILL, DRILLED OUT, PERFORMED FIT TO 405 PSI EMV

24-Hr Forecast: CONTINUE DRILLING 8 3/4" PRODUCTION HOLE FROM 4030'. MUD UP AT 4750' AND CONTINUE DRILLING 11350'.

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|-------------------|-------------|-------|---------|-----|-----|
| Last Casing: | 9.625in @ 1,862ft | Str Wt Up/Dn: | 112.0 / 105.0 kip | Pump Rate: | 598.0 | Conn: | 0 | 0 |
| Next Casing: | 5.500in @ 11,350ft | Str Wt Rot: | 108.0 kip | Pump Press: | 2150 | Trip: | 0 | 0 |
| Last BOP Press Test: | 10/09/2011 | Torq Off Btm: | 3,500.0 ft-lbf | | | Backgr: | 0 | 0 |
| Form Test/EMW: | FIT / 12.59 ppg | Torq On Btm: | 8,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|----------------|----------------------|------|------|----------|------|-----|------|------|
| Supervisor 1: | DENNIS STEWART | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | TRAE LAIRD | 3,236.0 | 0.60 | 0.00 | 3,235.76 | 33.1 | 0.0 | 33.1 | 0.07 |
| Engineer: | IVAN OTERO | 2,265.0 | 1.30 | 0.00 | 2,264.90 | 17.0 | 0.0 | 17.0 | 0.16 |
| Geologist: | TIM LIONS | 1,759.0 | 0.50 | 0.00 | 1,758.96 | 9.1 | 0.0 | 9.1 | 0.00 |
| Oxy Personnel: | 2 | 979.0 | 0.50 | 0.00 | 978.99 | 2.3 | 0.0 | 2.3 | 0.10 |
| Contractor Personnel: | 15 | 494.0 | 0.02 | 0.00 | 494.00 | 0.1 | 0.0 | 0.1 | 0.00 |
| Total on Site: | 17 | 0.0 | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 |

| BIT RECORD | | | | | | | | | | |
|------------|--------|--------------------|-----------|-----------|-----------|---------|-------|--------|---------|---------|
| Bit No | Size | Manufacturer | Model | Serial No | IADC Code | Nozzles | MD In | MD Out | I-O-D-L | B-G-O-R |
| 2 | 8.750 | ULTERRA DRILLING T | MS1666CDU | M9956 | 432 | 6x16 | 1862 | | -- | -- |
| 1RR | 12.250 | ULTERRA DRILLING T | UD519M | M10641 | | | 241 | | -- | -- |

| BIT OPERATING PARAMETERS TODAY | | | | | | | | | | | | |
|--------------------------------|---------|-------------|------|----------|-------|---------|-------------|-------------|-------|------------|---------|-------|
| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |
| 2 | 12.00 | 12.00 | 1453 | 1453 | 121.1 | 121.1 | 15.0/25.0 | 80/100 | 1.178 | 214 | 162.8 | 1.2 |

| MUD DATA - M-I SWACO | | | | | LAST OR CURRENT BHA | | | | |
|--|--------------|---------------|-----------|-----------|---------------------|--|--|--|--|
| Engineer: Tyler Allen | MBT: | 0.0 lbm/bbl | BHA No: 8 | Bit No: 2 | MD In: 1862 ft | | | | |
| Sample From: In | pH: | 11.0 | | | | | | | |
| Mud Type: FW | Pm / Pom: | 0.00 | | | | | | | |
| Time / MD: 20:00 / 2,723.0 | Pf / Mf: | 0.4 / 0.5 | | | | | | | |
| Density @ Temp: 9.00 / 80 | Chlorides: | 54,000 | | | | | | | |
| Rheology Temp: 120 | Ca+ / K+: | 400 / 0 | | | | | | | |
| Viscosity: 28.00 | CaCl2: | 0.00 | | | | | | | |
| PV / YP: 1 / 1 | Clom: | 0.00 | | | | | | | |
| Gels 10s/10m/30m: 1 / 1 / 1 | Lime: | 0.00 | | | | | | | |
| API WL: 45.00 | ES: | 0.00 | | | | | | | |
| HTHP WL: 0.00 | ECD: | 9.10 | | | | | | | |
| Cake API / HTHP: .0 / .0 | n / K: | 0.00 / 0.000 | | | | | | | |
| Solids / Sol Corr: 2.80 / 0.00 | Carbonate: | 6 ppm | | | | | | | |
| Oil / Water: 0.0 / 98.0 | Bicarbonate: | 0 ppm | | | | | | | |
| Sand: 0.01 | Form Loss: | 0.0 / 5,750.0 | | | | | | | |
| Water Added: 750.0 bbl | Fluid Disch: | / | | | | | | | |
| Oil Added: | | | | | | | | | |
| LGS: 1.30 / 11.60 | | | | | | | | | |
| VG Meter: 1@3 / 1@6 / 1@100 / 1@200 / 2@300 / 3@600 | | | | | | | | | |
| Comments: Last 24 hours; Finished test BOP and TIH with new BHA. Once to bottom; drilled out shoe and performed FIT test up to 405 | | | | | | | | | |

| MUD PRODUCTS | | |
|----------------------|----------|----------|
| Product | Units | Qty Used |
| AIR COMP RENT | EACH | 1.00 |
| DEFOAM A | CAN,5 GA | 7.00 |
| DRIVE-BY ENGINEERING | EACH | 1.00 |
| LIME | BG,50 LB | 7.00 |
| M-I GEL BULK | TON | 10.00 |
| MY LO JEL | BG,50 LB | 16.00 |
| PREMIX RENTAL | DAY | 1.00 |
| SAPP | BG,50 LB | 1.00 |
| SODA ASH | BG,50 LB | 19.00 |
| | | |
| | | |
| | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/10/2011
Report No: 9

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|---|
| 0:00 | 0:30 | 0.50 | 14SUDR | BOP | CHRAMS | P | MAKE UP AND INSTALL WEAR BUSHING. |
| 0:30 | 3:30 | 3.00 | 14SUDR | TRIP | BHA | P | PICK UP BHA # 8 AS FOLLOWS MAKE UP BIT AND MUD MOTOR HELD PJSM ON PICKING UP BHA TOOLS. PICK UP BHA AS FOLLOWS: 1 X 8 3/4" ULTERRA PDC MS1666CDU 6 x 16'S 1 X 6.5" BICO SS50 (.179 RPG 3.1 STAGES 7/8 LOBES) 1 X 8 .3/4" ROLLER REAMER (1/16" UG) 1 X 6.5" DRILL COLLAR 1 X 8 3/4" ROLLER REAMER (1/16" UG) 1 X 6.5" NOV FLO-DRIFT INCLINATION SURVEY TOOL. 12 X 6.5" DRILL COLLARS 8 X 4 1/2" HWDP. 1 X 6 1/2" DRILLING JARS 4 X 4 1/2" HWDP. SAFETY BREAK - HANDLING TOOLS, COLLAR CLAMPS |
| 3:30 | 4:00 | 0.50 | 14SUDR | CIRC | CNDFLD | P | TEST NOV SURVEY TOOL AT 493' .8 DEG TEST MUD MOTOR (GOOD) 300GPM |
| 4:00 | 5:00 | 1.00 | 14SUDR | TRIP | DRILL | P | CONTINUE TIH WITH BHA #8 FROM 493' TO 1714'. CASED HOLE. SAFETY BREAK - PROPER LIFTING WHILE PULLING SLIPS. |
| 5:00 | 6:00 | 1.00 | 14SUDR | RIGMT | SRVRIG | P | SLIP AND CUT 44' OF DRILLING LINE. |
| 6:00 | 7:00 | 1.00 | 14SUDR | TRIP | DRILL | P | INSTALL ROT-HEAD WITH NEW GASKET AND BEARING HOUSING TRIP IN HOLE FROM 1,714' TO 1,820' |
| 7:00 | 8:00 | 1.00 | 14SUDR | CIRC | CNDFLD | P | BREAK CIRCULATION, PUMP THRU CHOKE AND BUSTER, CHECK MANIFOLD VALVES AND DOWNSTREAM OPTIONS. |
| 8:00 | 8:30 | 0.50 | 14SUDR | CSG | PIPE | P | INITIATE PRESSURE STOP AT 2100 PSI, FINAL PRESSURE 2040 PSI, BLEED OFF AND OPEN WELL, 97% INTEGRITY. O K |
| 8:30 | 9:00 | 0.50 | 14SUDR | SAFE | PJSM | P | SAFETY BRAKE AND CHOKE DRILL WITH ALL RIG CREW, TOPIC OF DISCUSSION BOPE, HOW IMPORTANT IT IS AND HOW TO USE. EACH HAND TOOK CHARGE OF CHOKE. |
| 9:00 | 10:30 | 1.50 | 14SUDR | DRLOUT | DOCMT | P | DRILL SHOE TRAK, DRILL 8 3/4" PRODUCTION HOLE FROM 1,862' TO 1,872' (10' AVG ROP 20 FPH), CIRCULATE BOTTOMS UPS DRILL PARAMETERS: 10K WOB, 750 PSI, 380 GPM, 40 SRPM, 68 MTR RPM, 108 TOTAL RPM |
| 10:30 | 11:00 | 0.50 | 14SUDR | DRLOUT | FST | P | TEST FORMATION WITH 8.4 PPG AT 405 PSI = 12.56 EMW |
| 11:00 | 13:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 1872' TO 2030' (158' AVG ROP 79 FPH) DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 68 MM RPM, 148 TOTAL RPM; 600 GPM, 1750 PSI ON BOTTOM, 1500 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN- 8.4, MUD WT. OUT- 8.5 DRILLING THROUGH INSIDE RESERVE PIT WITH LOW VOLUME. PUMPING 20BBLs HI-VIS SWEEP EVERY 200' OR AS NEEDED. 15 MINUTE SAFETY BREAK TOPIC ON TEAM WORK AND ATTITUDE |
| 13:00 | 14:30 | 1.50 | 31PRDR | DRILL | MTRVER | PT | DRILL 8 3/4" PRODUCTION HOLE FROM 2030' TO 2156' (126' AVG ROP 84 FPH) DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 68 MM RPM, 148 TOTAL RPM; 380 GPM, 1250 PSI ON BOTTOM, 1000 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. DRILLING WITH ONE MUD PUMP MUD WT. IN- 8.4, MUD WT. OUT- 8.5 DRILLING THROUGH INSIDE RESERVE PIT WITH LOW VOLUME. PUMPING 20BBLs HI-VIS SWEEP EVERY 200' OR AS NEEDED. 15 MINUTE SAFETY BREAK TOPIC ON USING A FACE SHIELD WHILE RUNNING A PRESSURE WASHER. |
| 14:30 | 15:00 | 0.50 | 31PRDR | RIGMT | SRVRIG | P | GREASE RIG UNIT, TOP DRIVE, WASH PIPE PACKING |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/10/2011
 Report No: 9

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|--|-------|-------|----------|----------------------|--------|---------|---|
| 15:00 | 18:00 | 3.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 2156' TO 2475' (319' AVG ROP 103.3 FPH) DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 108 MM RPM, 188 TOTAL RPM; 600 GPM, 1750 PSI ON BOTTOM, 1500 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN- 8.4, MUD WT. OUT- 8.5 DRILLING THROUGH INSIDE RESERVE PIT WITH LOW VOLUME. PUMPING 20BBLS HI-VIS SWEEP EVERY 200' OR AS NEEDED. |
| 18:00 | 22:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 2475' TO 3094' (619' AVG ROP 154 FPH) DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 108 MM RPM, 188 TOTAL RPM; 600 GPM, 2100 PSI ON BOTTOM, 1750 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN- 9.2, MUD WT. OUT- 9.5 DRILLING THROUGH INSIDE RESERVE PIT WITH LOW VOLUME. PUMPING 20BBLS HI-VIS SWEEP EVERY 100' OR AS NEEDED. SAFETY BREAK - FORK LIFT OPERATIONS |
| 22:00 | 0:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 3094' TO 3315' (221' AVG ROP 110 FPH) DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 108 MM RPM, 188 TOTAL RPM; 600 GPM, 2100 PSI ON BOTTOM, 1750 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN- 9.2, MUD WT. OUT- 9.5 DRILLING THROUGH INSIDE RESERVE PIT WITH LOW VOLUME. PUMPING 20BBLS HI-VIS SWEEP EVERY 100' OR AS NEEDED. |
| Total Time | | 24.00 | | | | | |
| Safety Incident? | | N | | Days since Last RI: | | 82.00 | Weather Comments: |
| Environ Incident? | | N | | Days since Last LTA: | | 347.00 | |
| Incident Comments: No incidents reported last 24 hours. | | | | | | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/10/2011
Report No: 9

Other Remarks: AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
LONG:102° 24' 50.24" W
NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 781
4 1/2" HWDP = 32
6 1/2" DC'S = 37
8" DC'S = 25

SAFETY TOPIC OF THE DAY : FAST DRILLING

LAST 24 HRS INCIDENTS/ ACCIDENTS: 0

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 347
DAYS SINCE LAST RECORDABLE: 82

TOTAL DAILY SAFETY MEETINGS: 9
TOTAL NEAR MISSES: 0
TOTAL DAILY STOP CARDS : 12
TOTAL JSA'S REVIEWED : 9
TOTAL DAILY PERMITS TO WORK: 0
TOTAL LO/TO: 2

RIG MOVE ESTIMATE: 10/19/2011

BEST STOP CARD: OBSERVED EMPLOYEE WALKING NEAR ROTARY WHILE PERFORMING CASING TEST. STOPPED JOB AND EXPLAINED THE DANGERS. JOB CONTINUED WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/11/2011
Report No: 10

Wellbore / Top MD: 00 @ 0 ft Rig: SAVANNAH 644 Ref Datum: ORIGINAL KB @3,089.30ft DFS: 8.00
Today's MD: 5360 ft Progress: 2045 ft Ground Elev: 3,073.90 ft Daily Cost: \$43,246
Prev MD: 3315 ft Rot Hrs Today: 23.50 hr AFE MD/Days: 11,400.0 / 15.1 days Cum Cost: \$574,268
PBMD: Avg ROP Today: 87.0 ft/hr AFE Number: 1138919#0102 AFE Cost: \$1,281,303

Current Formation: SAN ANDRES@5,200.0 Lithology:
Current Ops: DRILLING 8 3/4" PRODUCTION HOLE AT 5,770'.
24-Hr Summary: DRILL 8 3/4" PRODUCTION HOLE FROM 3,315' TO 5770'. (2045' AVG ROP 87 FPH) HOLE DISPLACED WITH PRE-HYDRATED GEL AT 4750
24-Hr Forecast: DRILL 8 3/4" PRODUCTION HOLE TO 11,350'.

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|-------------------|-------------|-------|---------|-----|-----|
| Last Casing: | 9.625in @ 1,862ft | Str Wt Up/Dn: | 138.0 / 132.0 kip | Pump Rate: | 615.6 | Conn: | 0 | 0 |
| Next Casing: | 5.500in @ 11,350ft | Str Wt Rot: | 135.0 kip | Pump Press: | 2200 | Trip: | 0 | 0 |
| Last BOP Press Test: | 10/09/2011 | Torq Off Btm: | 4,500.0 ft-lbf | | | Backgr: | 0 | 0 |
| Form Test/EMW: | FIT / 12.59 ppg | Torq On Btm: | 9,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | | |
|-----------------------|----------------|----------------------|------|------|----------|------|-----|------|------|-------|
| Supervisor 1: | DENNIS STEWART | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS | Build |
| Supervisor 2: | TRAE LAIRD | 4,823.0 | 1.50 | 0.00 | 4,822.54 | 58.7 | 0.0 | 58.7 | 0.09 | 0.09 |
| Engineer: | IVAN OTERO | 4,043.0 | 0.80 | 0.00 | 4,042.70 | 43.0 | 0.0 | 43.0 | 0.02 | 0.02 |
| Geologist: | TIM LIONS | 3,236.0 | 0.60 | 0.00 | 3,235.76 | 33.1 | 0.0 | 33.1 | 0.07 | -0.07 |
| Oxy Personnel: | 3 | 2,265.0 | 1.30 | 0.00 | 2,264.90 | 17.0 | 0.0 | 17.0 | 0.16 | 0.16 |
| Contractor Personnel: | 14 | 1,759.0 | 0.50 | 0.00 | 1,758.96 | 9.1 | 0.0 | 9.1 | 0.00 | 0.00 |
| Total on Site: | 17 | 979.0 | 0.50 | 0.00 | 978.99 | 2.3 | 0.0 | 2.3 | 0.10 | 0.10 |

| BIT RECORD | | | | | | | | | | |
|------------|-------|--------------------|-----------|-----------|-----------|---------|-------|--------|---------|---------|
| Bit No | Size | Manufacturer | Model | Serial No | IADC Code | Nozzles | MD In | MD Out | I-O-D-L | B-G-O-R |
| 2 | 8.750 | ULTERRA DRILLING T | MS1666CDU | M9956 | 432 | 6x16 | 1862 | | -- | -- |
| | | | | | | | | | | |

| BIT OPERATING PARAMETERS TODAY | | | | | | | | | | | | |
|--------------------------------|---------|-------------|------|----------|------|---------|-------------|-------------|-------|------------|---------|-------|
| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |
| 2 | 23.50 | 35.50 | 2045 | 3498 | 87.0 | 98.5 | 15.0/25.0 | 80/90 | 1.178 | 234 | 167.6 | 1.4 |

| MUD DATA - M-I SWACO | | | | | LAST OR CURRENT BHA | | | | |
|--|--------------|---------------|---------------------------------------|-----------|---------------------|--|--|--|---------|
| Engineer: Dan Ochs | MBT: | 20.0 lbm/bbl | BHA No: 8 | Bit No: 2 | MD In: 1862 ft | | | | |
| Sample From: In | pH: | 8.0 | Purpose: DRILL 8 3/4" PRODUCTION HOLE | | | | | | MD Out: |
| Mud Type: FW Gel | Pm / Pom: | 0.00 | | | | | | | |
| Time / MD: 21:30 / 5,330.0 | Pf / Mf: | 0.0 / 0.3 | | | | | | | |
| Density @ Temp: 9.00 / 95 | Chlorides: | 68,000 | | | | | | | |
| Rheology Temp: 120 | Ca+ / K+: | 4,000 / 0 | | | | | | | |
| Viscosity: 43.00 | CaCl2: | 0.00 | | | | | | | |
| PV / YP: 5 / 27 | Clom: | 0.00 | | | | | | | |
| Gels 10s/10m/30m: 16 / 20 / 25 | Lime: | 0.00 | | | | | | | |
| API WL: 45.00 | ES: | 0.00 | | | | | | | |
| HTHP WL: 0.00 | ECD: | 9.57 | | | | | | | |
| Cake API / HTHP: 3.0 / .0 | n / K: | 0.00 / 0.000 | | | | | | | |
| Solids / Sol Corr: 3.60 / 0.00 | Carbonate: | 0 ppm | | | | | | | |
| Oil / Water: 0.3 / 99.7 | Bicarbonate: | 0 ppm | | | | | | | |
| Sand: 0.00 | Form Loss: | 0.0 / 5,750.0 | | | | | | | |
| Water Added: 727.0 bbl | Fluid Disch: | / | | | | | | | |
| Oil Added: | | | | | | | | | |
| LGS: 0.40 / 3.20 | | | | | | | | | |
| VG Meter: 19@3 / 20@6 / 27@100 / 29@200 / 32@300 / 37@600 | | | | | | | | | |
| Comments: MAINTAIN 9.2-9.4PPG MUD WEIGHT WITH PREMIX MUD. ADD CAUSTIC FOR 11PH. MUD RECIPE- IN 200BBLs FW, ADD 2SX SODA ASH, ADD 2SX CAUSTIC, ADD GEL FOR 45VIS. SWEEP RECIPE- SAME AS MUD BUT ADD GEL FOR 60VIS | | | | | | | | | |

| MUD PRODUCTS | | |
|---------------------|----------|----------|
| Product | Units | Qty Used |
| AIR COMP RENT | EACH | 1.00 |
| CAUSTIC SODA | BG,50 LB | 2.00 |
| DEFOAM A | CAN,5 GA | 11.00 |
| ENGINEERING SERVICE | EACH | 1.00 |
| LIME | BG,50 LB | 16.00 |
| M-I GEL BULK | TON | 20.00 |
| SODA ASH | BG,50 LB | 8.00 |
| | | |
| | | |
| | | |
| | | |
| | | |

OXY USA INC
DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/11/2011
Report No: 10

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|--|
| 0:00 | 4:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE FROM 3315' TO 3746' (431' AVG ROP 107 FPH)</p> <p>DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 108 MM RPM, 188 TOTAL RPM; 600 GPM, 2100 PSI ON BOTTOM, 1750 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM.</p> <p>MUD WT. IN- 9.2, MUD WT. OUT- 9.5</p> <p>DRILLING THROUGH INSIDE RESERVE PIT WITH LOW VOLUME.</p> <p>PUMPING 20BBLS HI-VIS SWEEP EVERY 100' OR AS NEEDED.</p> <p>SAFETY BREAK - IMPORTANCE OF GOOD HOUSE KEEPING.</p> |
| 4:00 | 4:30 | 0.50 | 31PRDR | RIGMT | SRVRIG | P | RIG SERVICE |
| 4:30 | 6:00 | 1.50 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE FROM 3746' TO 4030 ' (284' AVG ROP 110 FPH)</p> <p>DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 108 MM RPM, 188 TOTAL RPM; 600 GPM, 2100 PSI ON BOTTOM, 1750 PSI OFF BOTTOM, 8-10K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM.</p> <p>MUD WT. IN- 9.2, MUD WT. OUT- 9.5</p> <p>DRILLING THROUGH INSIDE RESERVE PIT WITH LOW VOLUME.</p> <p>PUMPING 20BBLS HI-VIS SWEEP EVERY 100' OR AS NEEDED.</p> |
| 6:00 | 10:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE FROM 4,030' TO 4,467 ' (437' AVG ROP 109.25 FPH)</p> <p>DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 108 MM RPM, 188 TOTAL RPM; 600 GPM, 2100 PSI ON BOTTOM, 1750 PSI OFF BOTTOM, 8-10K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM.</p> <p>MUD WT. IN- 9.8, MUD WT. OUT- 9.9</p> <p>DRILLING THROUGH INSIDE RESERVE PIT WITH LOW VOLUME.</p> <p>PUMPING 20BBLS HI-VIS SWEEP EVERY 100' OR AS NEEDED.</p> <p>15 MINUTE SAFETY BRAKE TOPIC ON JOB SAFETY ANALYSIS AND HOW IT WORKS.</p> |
| 10:00 | 13:00 | 3.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE FROM 4,467' TO 4,759 ' (292' AVG ROP 97.33 FPH)</p> <p>DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 108 MM RPM, 188 TOTAL RPM; 600 GPM, 2100 PSI ON BOTTOM, 1750 PSI OFF BOTTOM, 8-10K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM.</p> <p>MUD WT. IN- 9.8, MUD WT. OUT- 9.9</p> <p>DRILLING THROUGH INSIDE RESERVE PIT WITH LOW VOLUME.</p> <p>PUMPING 20BBLS HI-VIS SWEEP EVERY 100' OR AS NEEDED.</p> |
| 13:00 | 15:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE FROM 4,759' TO 4,860 ' (101' AVG ROP 50.5 FPH)</p> <p>DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 68 MM RPM, 148 TOTAL RPM; 380 GPM, 1000 PSI ON BOTTOM, 750 PSI OFF BOTTOM, 8-10K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM</p> <p>DISPLACE HOLE WITH PREHYDRATED GEL MUD RUNNING ONE PUMP TO LET TRANSFER PUMPS KEEP UP.</p> <p>MUD WT. IN- 8.6, MUD WT. OUT- 9.5 50 VIS IN 35 OUT</p> <p>DISPLACE TO INSIDE RESERVE PIT BEFORE TURNING IN.</p> <p>PUMPING 20BBLS HI-VIS SWEEP EVERY 200' OR AS NEEDED</p> |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/11/2011
 Report No: 10

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|--|
| 15:00 | 16:00 | 1.00 | 31PRDR | DRILL | MTRVER | PT | DRILL 8 3/4" PRODUCTION HOLE FROM 4,860' TO 4,918' (159' AVG ROP 58 FPH) DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 68 MM RPM, 148 TOTAL RPM; 380 GPM, 1000 PSI ON BOTTOM, 750 PSI OFF BOTTOM, 8-10K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM DISPLACE HOLE WITH PREHYDRATED GEL MUD RUNNING ONE PUMP SQUIRREL CAGES ON SUCTION ROLLED, REALIGN SAME. MUD WT. IN- 8.6, MUD WT. OUT- 9.5 50 VIS IN 35 OUT DISPLACE TO INSIDE RESERVE PIT BEFORE TURNING IN. PUMPING 20BBLs HI-VIS SWEEP EVERY 200' OR AS NEEDED |
| 16:00 | 20:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 4,918' TO 5,140' (222' AVG ROP 56 FPH) DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 108 MM RPM, 188 TOTAL RPM; 600 GPM, 2100 PSI ON BOTTOM, 1750 PSI OFF BOTTOM, 8-10K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN 8.7, OUT 8.9 50 VIS IN 46 OUT PUMPING 20BBLs HI-VIS SWEEP EVERY 200' OR AS NEEDED. SAFETY BREAK - JOB SAFETY ANALYSIS AND HOW IT WORKS. |
| 20:00 | 0:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 5140' TO 5360' (220' AVG ROP 55 FPH) DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 108 MM RPM, 188 TOTAL RPM; 600 GPM, 2200 PSI ON BOTTOM, 1800 PSI OFF BOTTOM, 7-9K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN 9.3, OUT 9.3 44 VIS IN 46 OUT PUMPING 20BBLs HI-VIS SWEEP EVERY 200' OR AS NEEDED. |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 83.00

Environ Incident? N Days since Last LTA: 348.00

Incident Comments:

No incidents reported last 24 hours.

Weather Comments:

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/11/2011
Report No: 10

Other Remarks: AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
LONG:102° 24' 50.24" W
NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 805
4 1/2" HWDP = 56
6 1/2" DC'S = 61
8" DC'S = 25

SAFETY TOPIC OF THE DAY : FORK LIFT SAFETY AND INSPECTIONS.

LAST 24 HRS INCIDENTS/ ACCIDENTS: 0

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 348
DAYS SINCE LAST RECORDABLE: 83

TOTAL DAILY SAFETY MEETINGS: 10
TOTAL NEAR MISSES: 0
TOTAL DAILY STOP CARDS : 11
TOTAL JSA'S REVIEWED : 10
TOTAL DAILY PERMITS TO WORK: 0
TOTAL LO/TO: 0

RIG MOVE ESTIMATE: 10/19/2011

BEST STOP CARD: OBSERVED A CHEESE BURGER LAYING ON A SACK OF LIME ON TOP OF HOPPER. THROUGH THE FOOD AWAY AND HELD A SAFETY BREAK AND EXPLAINED THE HEALTH RISK OF EATING CONTAMINATED FOOD. CREW UNDERSTOOD AND JOB CONTINUED WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/12/2011
Report No: 11

Wellbore / Top MD: 00 @ 0 ft Rig: SAVANNAH 644 Ref Datum: ORIGINAL KB @3,089.30ft DFS: 9.00
Today's MD: 6347 ft Progress: 987 ft Ground Elev: 3,073.90 ft Daily Cost: \$32,942
Prev MD: 5360 ft Rot Hrs Today: 15.00 hr AFE MD/Days: 11,400.0 / 15.1 days Cum Cost: \$607,210
PBMD: Avg ROP Today: 65.8 ft/hr AFE Number: 1138919#0102 AFE Cost: \$1,281,303

Current Formation: ANHYDRITE@1,955.0 Lithology:
Current Ops: DRILLING 8 3/4" PRODUCTION HOLE AT 6540'.
24-Hr Summary: DRILLED 8 3/4 PRODUCTION HOLE FROM 5360' TO 6347'. STAND PIPE WASH OUT. WAIT ON WELDER. WELDED LEAK, COOL AND TEST.
24-Hr Forecast: DRILL 8 3/4" PRODUCTION HOLE FROM 6540' TO 11350'.

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|------------------|-------------|-------|---------|-----|-----|
| Last Casing: | 9.625in @ 1,862ft | Str Wt Up/Dn: | 141.0/ 125.0 kip | Pump Rate: | 615.6 | Conn: | 40 | 70 |
| Next Casing: | 5.500in @ 11,350ft | Str Wt Rot: | 132.0 kip | Pump Press: | 2100 | Trip: | 19 | 35 |
| Last BOP Press Test: | 10/09/2011 | Torq Off Btm: | 4,500.0 ft-lbf | | | Backgr: | 17 | 24 |
| Form Test/EMW: | FIT / 12.59 ppg | Torq On Btm: | 9,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | | |
|-----------------------|----------------|----------------------|------|------|----------|------|-----|------|------|-------|
| Supervisor 1: | DENNIS STEWART | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS | Build |
| Supervisor 2: | TRAE LAIRD | 6,204.0 | 0.10 | 0.00 | 6,203.43 | 71.7 | 0.0 | 71.7 | 0.00 | 0.00 |
| Engineer: | IVAN OTERO | 5,692.0 | 0.10 | 0.00 | 5,691.43 | 70.8 | 0.0 | 70.8 | 0.16 | -0.16 |
| Geologist: | TIM LIONS | 5,569.0 | 0.30 | 0.00 | 5,568.43 | 70.4 | 0.0 | 70.4 | 0.16 | -0.16 |
| Oxy Personnel: | 2 | 4,823.0 | 1.50 | 0.00 | 4,822.54 | 58.7 | 0.0 | 58.7 | 0.09 | 0.09 |
| Contractor Personnel: | 15 | 4,043.0 | 0.80 | 0.00 | 4,042.70 | 43.0 | 0.0 | 43.0 | 0.02 | 0.02 |
| Total on Site: | 17 | 3,236.0 | 0.60 | 0.00 | 3,235.76 | 33.1 | 0.0 | 33.1 | 0.07 | -0.07 |

| BIT RECORD | | | | | | | | | | |
|------------|-------|--------------------|-----------|-----------|-----------|---------|-------|--------|---------|---------|
| Bit No | Size | Manufacturer | Model | Serial No | IADC Code | Nozzles | MD In | MD Out | I-O-D-L | B-G-O-R |
| 2 | 8.750 | ULTERRA DRILLING T | MS1666CDU | M9956 | 432 | 6x16 | 1862 | | -- | -- |
| | | | | | | | | | | |

| BIT OPERATING PARAMETERS TODAY | | | | | | | | | | | | |
|--------------------------------|---------|-------------|------|----------|------|---------|-------------|-------------|-------|------------|---------|-------|
| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |
| 2 | 15.00 | 50.50 | 987 | 4485 | 65.8 | 88.8 | 15.0/25.0 | 65/90 | 1.178 | 229 | 167.6 | 1.4 |

| MUD DATA - M-I SWACO | | | | | LAST OR CURRENT BHA | | | | |
|--|--------------|---------------|---------------------------------------|-----------|---------------------|--|--|--|---------|
| Engineer: Dan Ochs | MBT: | 20.0 lbm/bbl | BHA No: 8 | Bit No: 2 | MD In: 1862 ft | | | | |
| Sample From: In | pH: | 9.0 | Purpose: DRILL 8 3/4" PRODUCTION HOLE | | | | | | MD Out: |
| Mud Type: FW Gel | Pm / Pom: | 0.00 | | | | | | | |
| Time / MD: 15:30 / 6,348.0 | Pf / Mf: | 0.1 / 0.4 | | | | | | | |
| Density @ Temp: 9.10 / 0 | Chlorides: | 38,000 | | | | | | | |
| Rheology Temp: 120 | Ca+ / K+: | 1,800 / 0 | | | | | | | |
| Viscosity: 47.00 | CaCl2: | 0.00 | | | | | | | |
| PV / YP: 8 / 29 | Clom: | 0.00 | | | | | | | |
| Gels 10s/10m/30m: 20 / 28 / 35 | Lime: | 0.00 | | | | | | | |
| API WL: 45.00 | ES: | 0.00 | | | | | | | |
| HTHP WL: 0.00 | ECD: | 9.10 | | | | | | | |
| Cake API / HTHP: 3.0 / .0 | n / K: | 0.00 / 0.000 | | | | | | | |
| Solids / Sol Corr: 1.90 / 0.00 | Carbonate: | 2 ppm | | | | | | | |
| Oil / Water: 0.0 / 96.8 | Bicarbonate: | 0 ppm | | | | | | | |
| Sand: 0.02 | Form Loss: | 0.0 / 5,750.0 | | | | | | | |
| Water Added: 663.0 bbl | Fluid Disch: | / | | | | | | | |
| Oil Added: | | | | | | | | | |
| LGS: 3.20 / 28.80 | | | | | | | | | |
| VG Meter: 23@3 / 24@6 / 31@100 / 35@200 / 37@300 / 45@600 | | | | | | | | | |
| Comments: MAINTAIN 9.2-9.4PPG MUD WEIGHT WITH PREMIX MUD. ADD CAUSTIC FOR 11PH. MUD RECIPE- IN 200BBLs FW, ADD 2SX SODA ASH, ADD 2SX CAUSTIC, ADD GEL FOR 45VIS. SWEEP RECIPE- SAME AS MUD BUT ADD GEL FOR 60VIS | | | | | | | | | |

| MUD PRODUCTS | | |
|---------------------|-----------|----------|
| Product | Units | Qty Used |
| AIR COMP RENT | EACH | 1.00 |
| CAUSTIC SODA | BG,50 LB | 5.00 |
| D-D | CAN,5 GA | 2.00 |
| DEFOAM A | CAN,5 GA | 14.00 |
| ENGINEERING SERVICE | EACH | 1.00 |
| M-I BAR | BG,100 LB | 54.00 |
| SODA ASH | BG,50 LB | 19.00 |
| | | |
| | | |
| | | |
| | | |
| | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/12/2011
Report No: 11

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|--------------------------------------|-------|-------|----------|----------------------|--------|---------|---|
| 0:00 | 4:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 5360' TO 5640 ' (280' AVG ROP 70 FPH) DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 108 MM RPM, 188 TOTAL RPM; 600 GPM, 2200 PSI ON BOTTOM, 1800 PSI OFF BOTTOM, 7-9K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN 9.3, OUT 9.3 44 VIS IN 44 OUT PUMPING 20BBLS HI-VIS SWEEP EVERY 200' OR AS NEEDED. SAFETY BREAK - FORK LIFT SAFETY AND INSPECTIONS. |
| 4:00 | 6:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 5,640' TO 5,770' (130' ROP 65 FPH) DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 108 MM RPM, 188 TOTAL RPM; 600 GPM, 2200 PSI ON BOTTOM, 1800 PSI OFF BOTTOM, 7-9K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN 9.3, OUT 9.3 44 VIS IN 46 OUT PUMPING 20BBLS HI-VIS SWEEP EVERY 200' OR AS NEEDED. SAFETY BREAK - PROPER STORAGE OF FOOD. |
| 6:00 | 10:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 5,770' TO 6,004' (234' ROP 58.5 FPH) DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 108 MM RPM, 188 TOTAL RPM; 600 GPM, 2200 PSI ON BOTTOM, 1800 PSI OFF BOTTOM, 7-9K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN 9.3, OUT 9.3 44 VIS IN 46 OUT PUMPING 20BBLS HI-VIS SWEEP EVERY 200' OR AS NEEDED. 15 MIN SAFETY BREAK TOPIC ON USE OF GRINDERS PEDESTAL MOUNT AND HAND GRINDERS, CHECKING SHEILDS AND TOOL USAGE. |
| 10:00 | 15:00 | 5.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 6,004' TO 6,347' (343' ROP 69 FPH) DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 108 MM RPM, 188 TOTAL RPM; 600 GPM, 2200 PSI ON BOTTOM, 1800 PSI OFF BOTTOM, 7-9K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN 9.3, OUT 9.3 44 VIS IN 46 OUT PUMPING 20BBLS HI-VIS SWEEP EVERY 200' OR AS NEEDED. |
| 15:00 | 16:00 | 1.00 | 31PRDR | RIGMT | REP | PT | TOH FROM 6347' TO 6027' ON ELEVATORS, REMOVE GRABBER BLOCK ON TOP DRIVE TO INSTALL PUMP IN SUB TO CIRCULATE WHILE FIXING STAND PIPE. |
| 16:00 | 21:00 | 5.00 | 31PRDR | RIGMT | REP | PT | PJSM WITH WELDER, JSA REVIEWED FOR BOAT SWAINS CHAIR AND WORKING WITH TOOLS OVER HEAD. HOT WORK PERMIT FILLED OUT. WELD WASH OUT IN GOOSE NECK OF STAND PIPE. COOL AND TEST. STAND PIPE BEGAIN TO LEAK AGAIN. DESISION MADE BY SAVANNA TO TRY AND PATCH THE GOOSE NECK WITH PLATE MATERIAL. WORK PIPE EVERY 10 MINUTES. CIRCULATING THROUGH PUMP IN SUB AT 5.5 BBLS PER MINUTE. |
| 21:00 | 23:30 | 2.50 | 31PRDR | RIGMT | REP | PT | WAIT ON WELDER AND PLATE TO FIX STAND PIPE. CIRCULATE THROUGH PUMP IN SUB AT 5.5 BBLS PER MINUTE. WORK PIPE 10' EVERY 10 MIN. |
| 23:30 | 0:00 | 0.50 | 31PRDR | RIGMT | REP | PT | PJSM WITH WELDER AND CREW. JSA REVIEWED FOR BOAT SWAINS CHAIR AND WORKING WITH TOOLS OVER HEAD. HOT WORK PERMIT FILLED OUT. WELDER ATTEMPTING TO PATCH LEAKING STAND PIPE. |
| Total Time | | 24.00 | | | | | |
| Safety Incident? | | N | | Days since Last RI: | | 84.00 | |
| Environ Incident? | | N | | Days since Last LTA: | | 349.00 | |
| Incident Comments: | | | | | | | |
| No incidents reported last 24 hours. | | | | | | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/12/2011
Report No: 11

Other Remarks: AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
LONG:102° 24' 50.24" W
NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 820
4 1/2" HWDP = 71
6 1/2" DC'S = 76
8" DC'S = 25

SAFETY TOPIC OF THE DAY : FORK LIFT SAFETY AND INSPECTIONS.

LAST 24 HRS INCIDENTS/ ACCIDENTS: 0

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 349
DAYS SINCE LAST RECORDABLE: 84

TOTAL DAILY SAFETY MEETINGS: 10
TOTAL NEAR MISSES: 0
TOTAL DAILY STOP CARDS : 11
TOTAL JSA'S REVIEWED : 10
TOTAL DAILY PERMITS TO WORK: 2
TOTAL LO/TO: 1

RIG MOVE ESTIMATE: 10/20/2011

BEST STOP CARD: OBSERVED MOTORMAN TEACHING NEW EMPLOYEE THE DO'S AND DON'T'S AROUND THE RIG.
TOLD HIM GOOD JOB AND JOB CONTINUED.

DAILY OPERATIONS PARTNER REPORT

Date: 10/13/2011
Report No: 12

24-Hr Forecast: CIRC. SWEEP AND BOTTOMS UP. TOH. CHANGE OUT BROKEN BOLTS ON GOOSE NECK. REPLACE BAD STAND PIPE. SLIP AND CUT DR

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | | |
|-----------------------|----------------|----------------------|------|------|----------|------|-----|------|------|-------|
| Supervisor 1: | DENNIS STEWART | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS | Build |
| Supervisor 2: | TRAE LAIRD | 7,025.0 | 0.70 | 0.00 | 7,024.39 | 79.7 | 0.0 | 79.7 | 0.02 | 0.02 |
| Engineer: | IVAN OTERO | 6,455.0 | 0.60 | 0.00 | 6,454.42 | 73.2 | 0.0 | 73.2 | 0.20 | 0.20 |
| Geologist: | TIM LIONS | 6,204.0 | 0.10 | 0.00 | 6,203.43 | 71.7 | 0.0 | 71.7 | 0.00 | 0.00 |
| Oxy Personnel: | 3 | 5,692.0 | 0.10 | 0.00 | 5,691.43 | 70.8 | 0.0 | 70.8 | 0.16 | -0.16 |
| Contractor Personnel: | 14 | 5,569.0 | 0.30 | 0.00 | 5,568.43 | 70.4 | 0.0 | 70.4 | 0.16 | -0.16 |
| Total on Site: | 17 | 4,823.0 | 1.50 | 0.00 | 4,822.54 | 58.7 | 0.0 | 58.7 | 0.09 | 0.09 |

[illegible]

| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |
|--------|---------|-------------|------|----------|------|---------|----------------|----------------|-------|------------|---------|-------|
| 2 | 14.00 | 64.50 | 823 | 5308 | 58.8 | 82.3 | 20.0/25.0 | 80/85 | 1.178 | 234 | 167.6 | 1.4 |

VG Meter: 20@3 / 21@6 / 26@100 / 30@200 / 32@300 / 38@600
Comments: MAINTAIN 9.2-9.4PPG MUD WEIGHT WITH PREMIX
MUD. ADD CAUSTIC FOR 11PH. MUD RECIPE- IN 200BBLS FW, ADD
2SX SODA ASH, ADD 2SX CAUSTIC, ADD GEL FOR 45VIS. SWEEP
RECIPE- SAME AS MUD BUT ADD GEL FOR 60VIS

| | | | |
|---------------------------------------|-----------|-----------|------------|
| BHA No: 8 | Bit No: 2 | MD In: | 1862 ft |
| Purpose: DRILL 8 3/4" PRODUCTION HOLE | | MD Out: | |
| Component | OD | ID | Jts |
| DRILL PIPE | 4.500 | 3.800 | 201 |
| HWDP | 6.500 | 2.750 | 4 |
| DRILLING JAR | 6.500 | 2.750 | 1 |
| HWDP | 6.500 | 2.780 | 8 |
| DRILL COLLAR | 6.500 | 2.750 | 12 |
| TELEDRIFT | 6.310 | 2.250 | 1 |
| 3-POINT REAMER | 6.500 | 2.750 | 1 |
| DRILL COLLAR | 6.500 | 2.750 | 1 |
| 3-POINT REAMER | 6.500 | 2.250 | 1 |
| POSITIVE DISPLACEMENT MOTOR | 6.500 | 3.000 | 1 |
| PDC BIT | 8.750 | 3.000 | 1 |
| | | | |
| | | | |
| | | | |

| | | | |
|----------------------|-----------|-----------------------|--|
| Total Length: | 826.36 ft | Wt below Jars: | |
|----------------------|-----------|-----------------------|--|

[illegible]

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/13/2011
 Report No: 12

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|---|
| 0:00 | 2:00 | 2.00 | 31PRDR | RIGMT | REP | PT | PJSM WITH WELDER AND CREW. JSA REVIEWED FOR BOAT SWAINS CHAIR AND WORKING WITH TOOLS OVER HEAD. HOT WORK PERMIT FILLED OUT. WELDER PATCHED LEAK, COOL AND TEST. TEST HELD. CIRCULATING THROUGH PUMP IN SUB. WORK PIPE EVERY 10 MIN. |
| 2:00 | 2:30 | 0.50 | 31PRDR | RIGMT | REP | PT | UNLATCH FROM STUMP AND INSTALL GRABBER BLOCK GUIDES. RIG DOWN PUMP IN SWEDGE AND 2" HOSES. |
| 2:30 | 3:00 | 0.50 | 31PRDR | RIGMT | REP | PT | TIH FROM 6004' TO 6347'. MAKE UP TOP DRIVE AND FILL PIPE. BREAK CIRCULATION. 100% RETURNS. |
| 3:00 | 4:00 | 1.00 | 31PRDR | DRILL | MTRVER | PT | DRILL 8 3/4" PRODUCTION HOLE FROM 6,347' TO 6,410' (63' ROP 63 FPH) DRILLING PARAMETERS: 15/25 K WOB, 85 SRPM, 72 MM RPM, 157 TOTAL RPM; 400 GPM, 1265 PSI ON BOTTOM, 950 PSI OFF BOTTOM, 7-9K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. DRILLING WITH 1 PUMP. MUD WT. IN 9.3, OUT 9.3 44 VIS IN 46 OUT. PUMPING 20BBLS HI-VIS SWEEP EVERY 200' OR AS NEEDED. |
| 4:00 | 6:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 6,410' TO 6,540' (130' ROP 65 FPH) DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 108 MM RPM, 188 TOTAL RPM; 600 GPM, 2500 PSI ON BOTTOM, 2100 PSI OFF BOTTOM, 7-9K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN 9.3, OUT 9.4 45 VIS IN 47 OUT PUMPING 20BBLS HI-VIS SWEEP EVERY 200' OR AS NEEDED. |
| 6:00 | 10:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 6,540' TO 6,875' (335' ROP 83.75 FPH) DRILLING PARAMETERS: 15/25 K WOB, 70 SRPM, 90 MM RPM, 160 TOTAL RPM; 500 GPM, 2200 PSI ON BOTTOM, 1800 PSI OFF BOTTOM, 7-9K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN 9.3, OUT 9.4 45 VIS IN 47 OUT PUMPING 20BBLS HI-VIS SWEEP EVERY 200' OR AS NEEDED. |
| 10:00 | 13:30 | 3.50 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 6,875' TO 7,108' (233' ROP 66.5 FPH) DRILLING PARAMETERS: 15/25 K WOB, 70 SRPM, 90 MM RPM, 160 TOTAL RPM; 500 GPM, 2200 PSI ON BOTTOM, 1800 PSI OFF BOTTOM, 7-9K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN 9.2, OUT 9.3 40 VIS IN 44 OUT PUMPING 20BBLS HI-VIS SWEEP EVERY 200' OR AS NEEDED. |
| 13:30 | 14:00 | 0.50 | 31PRDR | RIGMT | SRVRIG | P | SERVICE RIG AND GREASE TOP DRIVE. |
| 14:00 | 14:30 | 0.50 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 7,108' TO 7,174' (62' ROP 112 FPH) DRILLING PARAMETERS: 15/25 K WOB, 70 SRPM, 90 MM RPM, 160 TOTAL RPM; 500 GPM, 2200 PSI ON BOTTOM, 1800 PSI OFF BOTTOM, 7-9K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN 9.2, OUT 9.3 40 VIS IN 44 OUT PUMPING 20BBLS HI-VIS SWEEP EVERY 200' OR AS NEEDED |
| 14:30 | 15:00 | 0.50 | 31PRDR | RIGMT | REP | PT | WASH PIPE PACKING WENT OUT PULL OUT FROM 7174' TO 7048' |
| 15:00 | 16:00 | 1.00 | 31PRDR | RIGMT | REP | PT | CHANGE OUT WASH PIPE PACKING. |
| 16:00 | 17:30 | 1.50 | 31PRDR | STKP | STKDS | PT | PIPE HUNG UP WORK TRAVEL UP AND DOWN, CALL FEILD SUPERVISOR 16:25 WORK PIPE TO DOWN, UNABLE TO FREE STARTED JARRING DOWN AT 16:30 HOURS. |
| 17:30 | 18:30 | 1.00 | 31PRDR | STKP | STKDS | PT | INSPECT DERRICK, TRAVELING EQUIPMENT AND TOP DRIVE. INSTALL PUMP IN SUB TO CIRCULATE WHILE JARRING PIPE. |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/13/2011
 Report No: 12

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|---|
| 18:30 | 19:30 | 1.00 | 31PRDR | STKP | STKDS | PT | JAR DOWN ON STUCK PIPE. PUMP 114 GPM, 340 PSI PU 140K SO 45K |
| 19:30 | 21:00 | 1.50 | 31PRDR | STKP | STKDS | PT | INSPECT DERRICK, TRAVELING EQUIPMENT AND TOP DRIVE. |
| 21:00 | 22:00 | 1.00 | 31PRDR | STKP | STKDS | PT | JAR DOWN ON STUCK PIPE. PUMP 114 GPM, 340 PSI PU 140K SO 45K |
| 22:00 | 22:30 | 0.50 | 31PRDR | STKP | STKDS | PT | INSPECT DERRICK, TRAVELING EQUIPMENT AND TOP DRIVE. |
| 22:30 | 23:30 | 1.00 | 31PRDR | STKP | STKDS | PT | JAR DOWN ON STUCK PIPE. PUMP 114 GPM, 340 PSI PU 140K SO 45K |
| 23:30 | 0:00 | 0.50 | 31PRDR | STKP | STKDS | PT | INSPECT DERRICK, TRAVELING EQUIPMENT AND TOP DRIVE. |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 85.00 Weather Comments:
 Environ Incident? N Days since Last LTA: 350.00
 Incident Comments:
 No incidents reported last 24 hours.

Other Remarks: AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
 LONG:102° 24' 50.24" W
 NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 834
 4 1/2" HWDP = 85
 6 1/2" DC'S = 90
 8" DC'S = 25

SAFETY TOPIC OF THE DAY : FORK LIFT SAFETY AND INSPECTIONS.

LAST 24 HRS INCIDENTS/ ACCIDENTS: 0

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 350
 DAYS SINCE LAST RECORDABLE: 85

TOTAL DAILY SAFETY MEETINGS: 10
 TOTAL NEAR MISSES: 0
 TOTAL DAILY STOP CARDS : 11
 TOTAL JSA'S REVIEWED : 10
 TOTAL DAILY PERMITS TO WORK: 0
 TOTAL LO/TO: 1

RIG MOVE ESTIMATE: 10/20/2011

BEST STOP CARD: OBSERVED HAND DRAGGING HOSE ACROSS MUD TANKS, NOT PAYING ATTENTION TO HANG UPS. STOPPED HIM AND EXPLAINED PROPER WAY TO STRETCH HOSES. JOB CONTINUED WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Date: 10/14/2011
Report No: 13

| | | | |
|---------------------------|---|-------------------|--|
| Current Formation: | SAN ANDREAS@5,200.0 | Lithology: | |
| Current Ops: | DRILL 7 7/8" PRODUCTION HOLE AT 7201' | | |
| 24-Hr Summary: | JAR STUCK PIPE, PUMP PIPE LAX PILL. PIPE FREE AT 5:30. CIRC. SWEEP UNTILL SHAKERS CLEANED UP, 2 BU, TOH CHANGE OUT BIT, | | |
| 24-Hr Forecast: | CONTINUE DRILLING 7 7/8" PRODUCTION HOLE FROM 7201' TO 11350'. | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | | |
|-----------------------|----------------|----------------------|------|------|----------|------|-----|------|------|-------|
| Supervisor 1: | DENNIS STEWART | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS | Build |
| Supervisor 2: | TRAE LAIRD | 7,025.0 | 0.70 | 0.00 | 7,024.39 | 79.7 | 0.0 | 79.7 | 0.02 | 0.02 |
| Engineer: | IVAN OTERO | 6,455.0 | 0.60 | 0.00 | 6,454.42 | 73.2 | 0.0 | 73.2 | 0.20 | 0.20 |
| Geologist: | TIM LIONS | 6,204.0 | 0.10 | 0.00 | 6,203.43 | 71.7 | 0.0 | 71.7 | 0.00 | 0.00 |
| Oxy Personnel: | 16 | 5,692.0 | 0.10 | 0.00 | 5,691.43 | 70.8 | 0.0 | 70.8 | 0.16 | -0.16 |
| Contractor Personnel: | 21 | 5,569.0 | 0.30 | 0.00 | 5,568.43 | 70.4 | 0.0 | 70.4 | 0.16 | -0.16 |
| Total on Site: | 37 | 4,823.0 | 1.50 | 0.00 | 4,822.54 | 58.7 | 0.0 | 58.7 | 0.09 | 0.09 |

| Bit No | Size | Manufacturer | Model | Serial No | IADC Code | Nozzles | MD In | MD Out | I-O-D-L | B-G-O-R |
|--------|-------|---------------------|-----------|-----------|-----------|---------|-------|--------|----------|------------|
| 3 | 7.875 | ULTRERRA DRILLING T | M9657 | M9657 | 432 | 6x16 | 7174 | | - - | - - |
| 2 | 8.750 | ULTRERRA DRILLING T | MS1666CDU | M9956 | 432 | 6x16 | 1862 | 7174 | 2-4-CT-H | D-I-CT-BHA |

| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |
|--------|---------|-------------|------|----------|-----|---------|----------------|----------------|-------|------------|---------|-------|
| 2 | 0.00 | 64.50 | 0 | 5308 | 0.0 | 82.3 | 20.0/100.0 | 0/0 | 1.178 | 8 | 31.0 | 0.0 |

VG Meter: 6@3 / 7@6 / 10@100 / 11@200 / 14@300 / 19@600

Comments: MAINTAIN 9.2-9.4PPG MUD WEIGHT WITH PREMIX
MUD. ADD CAUSTIC FOR 11PH. MUD RECIPE- IN 200BBLS FW, ADD
2SX SODA ASH, ADD 2SX CAUSTIC, ADD GEL FOR 45VIS. SWEEP
RECIPE- SAME AS MUD BUT ADD GEL FOR 60VIS

| | | | | | |
|-----------------------------|-----------|-----------|------------|---------------|---------|
| BHA No: | 9 | Bit No: | 3 | MD In: | 7174 ft |
| Purpose: | MD Out: | | | | |
| Component | OD | ID | Jts | Length | |
| DRILL PIPE | 4.500 | 3.800 | 282 | 8,890.00 | |
| HWDP | 6.500 | 2.750 | 4 | 120.45 | |
| DRILLING JAR | 6.500 | 2.750 | 1 | 32.65 | |
| HWDP | 6.500 | 2.780 | 8 | 240.94 | |
| DRILL COLLAR | 6.500 | 2.750 | 12 | 351.11 | |
| TELEDRIFT | 6.310 | 2.250 | 1 | 4.95 | |
| 3-POINT REAMER | 6.500 | 2.750 | 1 | 6.61 | |
| DRILL COLLAR | 6.500 | 2.750 | 1 | 31.45 | |
| 3-POINT REAMER | 6.500 | 2.250 | 1 | 7.71 | |
| POSITIVE DISPLACEMENT MOTOR | 6.500 | 3.000 | 1 | 30.29 | |
| PDC BIT | 7.875 | 3.000 | 1 | 0.95 | |
| | | | | | |
| | | | | | |

| | | |
|----------------------|-----------|-----------------------|
| Total Length: | 827.11 ft | Wt below Jars: |
|----------------------|-----------|-----------------------|

[illegible]

OXY USA INC
DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/14/2011
Report No: 13

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|--|
| 0:00 | 1:00 | 1.00 | 31PRDR | STKP | STKDS | PT | JAR DOWN ON STUCK PIPE. PUMP 114 GPM, 340 PSI PU 140K SO 45K |
| 1:00 | 1:30 | 0.50 | 31PRDR | STKP | STKDS | PT | INSPECT DERRICK, TRAVELING EQUIPMENT AND TOP DRIVE. |
| 1:30 | 2:30 | 1.00 | 31PRDR | STKP | STKDS | PT | JAR DOWN ON STUCK PIPE. PUMP 114 GPM, 340 PSI PU 140K SO 45K |
| 2:30 | 3:00 | 0.50 | 31PRDR | STKP | STKDS | PT | INSPECT DERRICK, TRAVELING EQUIPMENT AND TOP DRIVE. |
| 3:00 | 4:00 | 1.00 | 31PRDR | STKP | STKDS | PT | PJSM WITH FISHING TOOL HAND. JAR DOWN AND UP ON STUCK PIPE. PUMP 114 GPM, 340 PSI. PU 195K SO 40K |
| 4:00 | 4:30 | 0.50 | 31PRDR | STKP | STKDS | PT | INSPECT DERRICK, TRAVELING EQUIPMENT AND TOP DRIVE. |
| 4:30 | 5:30 | 1.00 | 31PRDR | STKP | STKDS | PT | JAR DOWN AND UP ON STUCK PIPE. PUMP 114 GPM, 340 PSI. PU 195K SO 40K SPOT 50 BBL. PIPE LAX PILL. 25 BBLs OUT SIDE THE PIPE. PUMPING 2 BBL. INTERVILS EVERY 30 MINUTES. |
| 5:30 | 8:30 | 3.00 | 31PRDR | CIRC | CNDHOL | PT | PIPE FREE AT 5:20 PUMP 40 BBL HIGH VIS SWEEP. CIRCULATE BOTTOMS UP. |
| 8:30 | 14:30 | 6.00 | 31PRDR | TRIP | PULD | PT | PULL OUT ON ELEVATORS FROM 7,048' TO SURFACE, PULLED 20K - 30K OVER F/ 6,938' - T/ 6,795'. 30K OVER AT 6,290', 6,197'. REAMERS PACKED TIGHT UNABLE TO ROLL. BIT BALLED AS WELL, HEEL ROW WORN. |
| 14:30 | 15:00 | 0.50 | 31PRDR | SAFE | PJSM | PT | SAFETY MEETING WITH RIG CREWS ON HAZARD AWARENESS, CLEAN FLOOR OF 8 3/4" BHA COMPONENTS, STRAP AND CALIPER 7 7/8" BHA COMPONENTS, MOVE TO CATWALK |
| 15:00 | 17:00 | 2.00 | 31PRDR | TRIP | BHA | PT | TRIP IN HOLE FROM SURFACE TO 858' PICKUP BHA #9 AS FOLLOWS: 1 X 7 7/8" ULTERRA PDC MS1666CDG 6 x 16'S 1 X 6.5" BICO SS50 (.179 RPG 3.1 STAGES 7/8 LOBES) 1 X 7 7/8"" ROLLER REAMER (1/16" UG) 1 X 6.5" DRILL COLLAR 1 X 7 7/8"" ROLLER REAMER (1/16" UG) 1 X 6.5" NOV FLO-DRIFT INCLINATION SURVEY TOOL. 12 X 6.5" DRILL COLLARS 8 X 4 1/2" HWDP. 1 X 6 1/2" DRILLING JARS 4 X 4 1/2" HWDP. |
| 17:00 | 22:00 | 5.00 | 31PRDR | RIGMT | REP | PT | INSPECT TOP DRIVE AND REPLACE BROKEN BOLTS IN GOOSE NECK ON TOP DRIVE. |
| 22:00 | 22:30 | 0.50 | 31PRDR | RIGMT | REP | PT | TEST SWIVEL PACKING AND GOOSE NECK FOR LEAKS. (LEAKED) |
| 22:30 | 0:00 | 1.50 | 31PRDR | RIGMT | REP | PT | PULL OUT SWIVEL PACKING TO CHECK O'RINGS. |
| Total Time | | 24.00 | | | | | |

| | | | | |
|---|---|-----------------------------|--------|--------------------------|
| Safety Incident? | N | Days since Last RI: | 86.00 | Weather Comments: |
| Environ Incident? | N | Days since Last LTA: | 351.00 | |
| Incident Comments: No incidents reported last 24 hours. | | | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/14/2011
Report No: 13

Other Remarks: AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
LONG:102° 24' 50.24" W
NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 834
4 1/2" HWDP = 85
6 1/2" DC'S = 90
8" DC'S = 25

SAFETY TOPIC OF THE DAY : WORKING AT HEIGHTS ABOVE 4'.

LAST 24 HRS INCIDENTS/ ACCIDENTS: 0

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 351
DAYS SINCE LAST RECORDABLE: 86

TOTAL DAILY SAFETY MEETINGS: 10
TOTAL NEAR MISSES: 0
TOTAL DAILY STOP CARDS : 11
TOTAL JSA'S REVIEWED : 10
TOTAL DAILY PERMITS TO WORK: 2
TOTAL LO/TO: 3

RIG MOVE ESTIMATE: 10/23/2011

BEST STOP CARD: OBSERVED HAND AND MECHANIC ON TOP OF TOP DRIVE WITH OUT HARNESS OR BEING TIED OFF. STOPPED JOB AND EXPLAINED THE POLICY AND THE DANGERS. THEY UNDERSTOOD, JOB CONTINUED WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Date: 10/15/2011
Report No: 14

| BIT OPERATING PARAMETERS TODAY | | | | | | | | | | | | |
|--------------------------------|---------|-------------|------|----------|------|---------|----------------|----------------|-------|------------|---------|-------|
| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |
| 3 | 24.00 | 24.00 | 1266 | 1266 | 52.7 | 52.7 | 10.0/25.0 | 80/110 | 1.178 | 185 | 151.7 | 1.2 |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/15/2011
Report No: 14

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|--|
| 0:00 | 0:30 | 0.50 | 31PRDR | RIGMT | REP | PT | PULL OUT SWIVEL PACKING TO CHECK O'RINGS. REPLACED O'RINGS, REINSTALLED AND RETESTED (GOOD) |
| 0:30 | 4:30 | 4.00 | 31PRDR | TRIP | DRILL | PT | TIH FROM 858' TO 7004', WITH BIT # 3, BHA #9 FILL PIPE AND BREAK CIRCULATION EVERY 25 STANDS. SAFETY BREAK - TAILING PIPE WITH ROPE. |
| 4:30 | 5:30 | 1.00 | 31PRDR | CIRC | CNDHOL | PT | FILL PIPE AND BREAK CIRCULATION. WASH AND REAM FROM 7004' TO 7174' (NO DRAG) 400 GPM. FULL RETURNS 60 RPM 4500 # TORQUE |
| 5:30 | 6:00 | 0.50 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 7174' TO 7,201' (27' ROP 54 FPH) DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 108 MM RPM, 188 TOTAL RPM; 600 GPM, 2100 PSI ON BOTTOM, 1800 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN 9.2, OUT 9.3 42 VIS IN 45 OUT PUMPING 20BBLS HI-VIS SWEEP EVERY 200' OR AS NEEDED. |
| 6:00 | 10:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 7,201' TO 7,475' (274' ROP 68.5 FPH) DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 97 MM RPM, 178 TOTAL RPM; 540 GPM, 2250 PSI ON BOTTOM, 1900 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN 9.2, OUT 9.3 42 VIS IN 45 OUT PUMPING 20BBLS HI-VIS SWEEP EVERY 200' OR AS NEEDED 15 MINUTE SAFETY BRAKE TOPIC ON PPE REQUIREMENTS AROUND RIG, MIXING CHEMICALS, MAINTENCE AROUND MACHINERY, GENERAL CONNECTION HAND PROTECTION. |
| 10:00 | 14:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 7,475' TO 7,745' (270' ROP 67.5 FPH) DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 97 MM RPM, 178 TOTAL RPM; 540 GPM, 2250 PSI ON BOTTOM, 1900 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN 9.1, OUT 9.2 38 VIS IN 42 OUT PUMPING 20BBLS HI-VIS SWEEP EVERY 200' OR AS NEEDED 15 MINUTE SAFETY BRAKE TOPIC ON HAZARADOUS CHEMICALS AROUND RIG, FLASH POINTS, GOOD STORAGE HABITS. |
| 14:00 | 18:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 7,745' TO 8,040' (565' ROP 141FPH) DRILLING PARAMETERS: 15/25 K WOB, 80 SRPM, 97 MM RPM, 178 TOTAL RPM; 540 GPM, 2250 PSI ON BOTTOM, 1900 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN 9.0, OUT 9.1 36 VIS IN 38 OUT 10 PH PUMPING 20BBLS HI-VIS SWEEP EVERY 200' OR AS NEEDED 15 MINUTE SAFETY BRAKE TOPIC |
| 18:00 | 22:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 8,040' TO 8,317' (277' ROP 69 FPH) DRILLING PARAMETERS: 10/12 K WOB, 110SRPM, 97 MM RPM, 207 TOTAL RPM; 540 GPM, 2250 PSI ON BOTTOM, 1900 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. BACK REAM EACH STAND 2 TIMES. MUD WT. IN 9.0, OUT 9.1 41 VIS IN 42 OUT 10 PH PUMPING 20BBLS HI-VIS SWEEP EVERY 100' OR AS NEEDED PARAMETERS BACKED OFF DUE TO DEVIATED HOLE. |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/15/2011
 Report No: 14

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|------|------|----------|---------|--------|---------|---|
| 22:00 | 0:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 7 7/8" PRODUCTION HOLE FROM 8,040' TO 8,317' (123' ROP 62 FPH)</p> <p>DRILLING PARAMETERS: 10/12 K WOB, 110SRPM, 97 MM RPM, 207 TOTAL RPM; 540 GPM, 2250 PSI ON BOTTOM, 1900 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. BACK REAM EACH STAND 2 TIMES.</p> <p>MUD WT. IN 9.0, OUT 9.1 41 VIS IN 42 OUT 10 PH</p> <p>PUMPING 20BBLS HI-VIS SWEEP EVERY 100' OR AS NEEDED</p> <p>PARAMETERS BACKED OFF DUE TO DEVIATED HOLE.</p> |

Total Time 24.00

Safety Incident? N Days since Last RI: 87.00 Weather Comments:

Environ Incident? N Days since Last LTA: 352.00

Incident Comments:

No incidents reported last 24 hours.

Other Remarks:

AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
 LONG:102° 24' 50.24" W
 NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 858
 4 1/2" HWDP = 109
 6 1/2" DC'S = 114
 8" DC'S = 25

SAFETY TOPIC OF THE DAY : MAKING CONNECTIONS.

LAST 24 HRS INCIDENTS/ ACCIDENTS: 0

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 352
 DAYS SINCE LAST RECORDABLE: 87

TOTAL DAILY SAFETY MEETINGS: 10
 TOTAL NEAR MISSES: 0
 TOTAL DAILY STOP CARDS : 11
 TOTAL JSA'S REVIEWED : 10
 TOTAL DAILY PERMITS TO WORK: 0
 TOTAL LO/TO: 2

RIG MOVE ESTIMATE: 10/21/2011

BEST STOP CARD: OBSERVED HAND ROLLING PIPE WHILE STANDING BETWEEN PIPE AND CATWALK. STOPPED HIM AND EXPLAINED THE DANGERS. JOB CONTINUED WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/16/2011
 Report No: 15

Wellbore / Top MD: 00 @ 0 ft Rig: SAVANNAH 644 Ref Datum: ORIGINAL KB @3,089.30ft DFS: 13.00
 Today's MD: 9718 ft Progress: 1278 ft Ground Elev: 3,073.90 ft Daily Cost: \$32,782
 Prev MD: 8440 ft Rot Hrs Today: 23.50 hr AFE MD/Days: 11,400.0 / 15.1 days Cum Cost: \$781,618
 PBMD: Avg ROP Today: 54.4 ft/hr AFE Number: 1138919#0102 AFE Cost: \$1,281,303

Current Formation: SPRABERRY@8,550.0 Lithology:
 Current Ops: TOH TO SHOE TO REPLACE SWIVEL PACKING.
 24-Hr Summary: DRILL 7 7/8" PRODUCTION HOLE FROM 8740' TO 9847'. SWIVEL PACKING FAILED, TOH TO SHOE TO REPLACE.
 24-Hr Forecast: REPLACE SWIVEL PACKING. TIH TO 9847' AND CONTINUE DRILLING 7 7/8" PRODUCTION HOLE FROM 9847' TO 11350'.

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | | Avg | Max |
|----------------------|--------------------|-------------------|-------------------|-------------|-------|---------|-----|-----|-----|
| Last Casing: | 9.625in @ 1,862ft | Str Wt Up/Dn: | 192.0 / 175.0 kip | Pump Rate: | 586.2 | Conn: | 210 | | 450 |
| Next Casing: | 5.500in @ 11,350ft | Str Wt Rot: | 183.0 kip | Pump Press: | 2350 | Trip: | 8 | | 8 |
| Last BOP Press Test: | 10/09/2011 | Torq Off Btm: | 4,500.0 ft-lbf | | | Backgr: | 35 | | 210 |
| Form Test/EMW: | FIT / 12.59 ppg | Torq On Btm: | 10,000.0 ft-lbf | | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|----------------|----------------------|------|------|----------|-------|-----|-------|------|
| Supervisor 1: | DENNIS STEWART | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | TRAE LAIRD | 9,446.0 | 0.30 | 0.00 | 9,444.07 | 146.4 | 0.0 | 146.4 | 0.31 |
| Engineer: | IVAN OTERO | 9,190.0 | 1.10 | 0.00 | 9,188.10 | 143.2 | 0.0 | 143.2 | 0.40 |
| Geologist: | TIM LIONS | 8,934.0 | 0.08 | 0.00 | 8,932.11 | 140.6 | 0.0 | 140.6 | 0.22 |
| Oxy Personnel: | 2 | 8,557.0 | 0.90 | 0.00 | 8,555.13 | 137.4 | 0.0 | 137.4 | 1.30 |
| Contractor Personnel: | 13 | 8,488.0 | 1.80 | 0.00 | 8,486.15 | 135.8 | 0.0 | 135.8 | 0.63 |
| Total on Site: | 15 | 8,425.0 | 2.20 | 0.00 | 8,423.19 | 133.6 | 0.0 | 133.6 | 1.11 |

| BIT RECORD | | | | | | | | | | |
|------------|-------|--------------------|-------|-----------|-----------|---------|-------|--------|---------|---------|
| Bit No | Size | Manufacturer | Model | Serial No | IADC Code | Nozzles | MD In | MD Out | I-O-D-L | B-G-O-R |
| 3 | 7.875 | ULTERRA DRILLING T | M9657 | M9657 | 432 | 6x16 | 7174 | | -- | -- |

| BIT OPERATING PARAMETERS TODAY | | | | | | | | | | | | |
|--------------------------------|---------|-------------|------|----------|------|---------|-------------|-------------|-------|------------|---------|-------|
| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |
| 3 | 23.50 | 47.50 | 1278 | 2544 | 54.4 | 53.6 | 10.0/25.0 | 65/110 | 1.178 | 189 | 152.5 | 1.3 |

| MUD DATA - M-I SWACO | | | | | LAST OR CURRENT BHA | | | | |
|---|--------------|-----------------|-----------|-----------|---------------------|--|--|--|--|
| Engineer: Dan Ochs | MBT: | 15.0 lbm/bbl | BHA No: 9 | Bit No: 3 | MD In: 7174 ft | | | | |
| Sample From: In | pH: | 9.0 | | | | | | | |
| Mud Type: FW Gel | Pm / Pom: | 0.00 | | | | | | | |
| Time / MD: 19:00 / 9,531.0 | Pf / Mf: | 0.1 / 0.4 | | | | | | | |
| Density @ Temp: 9.10 / 0 | Chlorides: | 40,000 | | | | | | | |
| Rheology Temp: 120 | Ca+ / K+: | 1,800 / 0 | | | | | | | |
| Viscosity: 33.00 | CaCl2: | 0.00 | | | | | | | |
| PV / YP: 5 / 15 | Clom: | 0.00 | | | | | | | |
| Gels 10s/10m/30m: 9 / 14 / 17 | Lime: | 0.00 | | | | | | | |
| API WL: 45.00 | ES: | 0.00 | | | | | | | |
| HTHP WL: 0.00 | ECD: | 9.46 | | | | | | | |
| Cake API / HTHP: 3.0 / .0 | n / K: | 0.00 / 0.000 | | | | | | | |
| Solids / Sol Corr: 2.00 / 0.00 | Carbonate: | 1 ppm | | | | | | | |
| Oil / Water: 0.0 / 98.5 | Bicarbonate: | 0 ppm | | | | | | | |
| Sand: 0.02 | Form Loss: | 322.5 / 6,072.5 | | | | | | | |
| Water Added: 199.0 bbl | Fluid Disch: | / | | | | | | | |
| Oil Added: | | | | | | | | | |
| LGS: 3.00 / 27.50 | | | | | | | | | |
| VG Meter: 7@3 / 8@6 / 16@100 / 18@200 / 20@300 / 25@600 | | | | | | | | | |
| Comments: MAINTAIN 9.1PPG MUD WEIGHT WITH PREMIX MUD. ADD CAUSTIC FOR 11PH. MUD RECIPE- IN 200BBLs FW, ADD 2SX SODA ASH, ADD 2SX CAUSTIC, ADD GEL FOR 45VIS. SWEEP RECIPE- SAME AS MUD BUT ADD GEL FOR 60VIS | | | | | | | | | |

| MUD PRODUCTS | | |
|-----------------------|-----------|----------|
| Product | Units | Qty Used |
| AIR COMP RENT | EACH | 1.00 |
| CAUSTIC SODA | BG,50 LB | 19.00 |
| CEDAR FIBER CHIP SEAL | BG,40 LB | 28.00 |
| DEFOAM A | CAN,5 GA | 2.00 |
| ENGINEERING SERVICE | EACH | 1.00 |
| FEDERAL BENTONITE | BG,100 LB | 10.00 |
| MICA FINE | BG,50 LB | 5.00 |
| PECAN NUT PLUG CSE | BG,50 LB | 18.00 |
| SAFE-CARB 250 | BG,50 LB | 11.00 |
| SODA ASH | BG,50 LB | 15.00 |
| | | |
| | | |
| | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/16/2011
 Report No: 15

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|--|
| 0:00 | 4:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 8,440' TO 8,597' (157' ROP 40 FPH) DRILLING PARAMETERS: 10/12 K WOB, 110SRPM, 97 MM RPM, 207 TOTAL RPM; 540 GPM, 2250 PSI ON BOTTOM, 1900 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. BACK REAM EACH STAND 2 TIMES. MUD WT. IN 9.0, OUT 9.1 41 VIS IN 42 OUT 10 PH. PUMPING 20BBLS HI-VIS SWEEP EVERY 100' OR AS NEEDED. PARAMETERS BACKED OFF DUE TO DEVIATED HOLE. SAFETY BREAK - FACE PROTECTION. |
| 4:00 | 6:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 8,597' TO 8,740' (143' ROP 72 FPH) DRILLING PARAMETERS: 15/20 K WOB, 100 SRPM, 97 MM RPM, 197 TOTAL RPM; 540 GPM, 2250 PSI ON BOTTOM, 1900 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. BACK REAM EACH STAND 2 TIMES. STARTED LOSSING 15 BBLS HOUR TOTAL LOSSES = 30 BBLS MUD WT. IN 9.0, OUT 9.1 40 VIS IN 41 OUT 10 PH. PUMPING 20BBLS HI-VIS SWEEP EVERY 100' OR AS NEEDED. |
| 6:00 | 10:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 8,740' TO 8,956' (235' ROP 54 FPH) DRILLING PARAMETERS: 15/20 K WOB, 100 SRPM, 97 MM RPM, 197 TOTAL RPM; 540 GPM, 2250 PSI ON BOTTOM, 1900 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. BACK REAM EACH STAND 2 TIMES. MUD WT. IN 9.0, OUT 9.1 36 VIS IN 38 OUT 10 PH LOSSING 15 BBLS HOUR = 60 BBLS, TOTAL LOSS = 90 BBLS PUMPING 25 BBLS HI-VIS SWEEP EVERY 100' MIXED WITH LCM CONCENTRATION OF 20PPB, 5 PPB CEDER FIBER, 5 PPB SAFE CARB, 5 PPB MICA, 5 PPB NUT PLUG. AVG BACKGROUND GAS 110 UNITS, MAX GAS 224 |
| 10:00 | 13:30 | 3.50 | 31PRDR | DRILL | MTRVER | PT | DRILL 7 7/8" PRODUCTION HOLE FROM 8,956' TO 9,120' (164' ROP 46.8 FPH) DRILLING PARAMETERS: 15/20 K WOB, 100 SRPM, 97 MM RPM, 197 TOTAL RPM; 380 GPM, 1650 PSI ON BOTTOM, 1200 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. MUD WT. IN 9.0, OUT 9.1 36 VIS IN 38 OUT 10 PH. LOSSING 15 BBLS HOUR = 52.5 BBLS, TOTAL LOSS = 142.5 BBLS PUMPING 25 BBLS HI-VIS SWEEP EVERY 100' MIXED WITH LCM CONCENTRATION OF 20PPB, 5 PPB CEDER FIBER, 5 PPB SAFE CARB, 5 PPB MICA, 5 PPB NUT PLUG. AVG BACKGROUND GAS 225 UNITS, MAX GAS 436 UNITS |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/16/2011
 Report No: 15

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|--|
| 13:30 | 17:30 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 9,120' TO 9,407' (287' ROP 71.75 FPH) DRILLING PARAMETERS: 15/20 K WOB, 100 SRPM, 97 MM RPM, 197 TOTAL RPM; 540 GPM, 2250 PSI ON BOTTOM, 1900 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. BACK REAM EACH STAND 1 TIMES. MUD WT. IN 9.0, OUT 9.1 36 VIS IN 38 OUT 10 PH. LOSSING 15 BBLS HOUR = 60 BBLS, TOTAL LOSS = 202.5 BBLS PUMPING 25 BBLS HI-VIS SWEEP EVERY 100' MIXED WITH LCM CONCENTRATION OF 20PPB, 5 PPB CEDER FIBER, 5 PPB SAFE CARB, 5 PPB MICA, 5 PPB NUT PLUG. AVG BACKGROUND GAS 225 UNITS, MAX GAS 436 UNITS |
| 17:30 | 18:00 | 0.50 | 31PRDR | RIGMT | SRVRIG | P | SERVICE RIG AND TOP DRIVE, GREASE WASH PIPE |
| 18:00 | 22:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 9,407' TO 9,605' (195' ROP 49.5 FPH) DRILLING PARAMETERS: 15/20 K WOB, 100 SRPM, 97 MM RPM, 197 TOTAL RPM; 540 GPM, 2450 PSI ON BOTTOM, 2200 PSI OFF BOTTOM, 6-8K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. BACK REAM EACH STAND 1 TIMES. MUD WT. IN 9.0, OUT 9.1 36 VIS IN 38 OUT 10 PH. LOSSING 15 BBLS HOUR = 60 BBLS, TOTAL LOSS = 262.5 BBLS PUMPING 25 BBLS HI-VIS SWEEP EVERY 100' MIXED WITH LCM CONCENTRATION OF 20PPB, 5 PPB CEDER FIBER, 5 PPB SAFE CARB, 5 PPB MICA, 5 PPB NUT PLUG. AVG BACKGROUND GAS 58 UNITS, MAX GAS 219 UNITS |
| 22:00 | 0:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 9,605' TO 9,718' (113' ROP 56.5 FPH) DRILLING PARAMETERS: 15/20 K WOB, 100 SRPM, 97 MM RPM, 197 TOTAL RPM; 540 GPM, 2450 PSI ON BOTTOM, 2200 PSI OFF BOTTOM, 7-9K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. BACK REAM EACH STAND 1 TIMES. MUD WT. IN 9.0, OUT 9.1 36 VIS IN 38 OUT 10 PH. LOSSING 15 BBLS HOUR = 60 BBLS, TOTAL LOSS = 322.5 BBLS PUMPING 25 BBLS HI-VIS SWEEP EVERY 100' MIXED WITH LCM CONCENTRATION OF 20PPB, 5 PPB CEDER FIBER, 5 PPB SAFE CARB, 5 PPB MICA, 5 PPB NUT PLUG. AVG BACKGROUND GAS 58 UNITS, MAX GAS 219 UNITS SAFETY BREAK - FIRE PREVENTION. |

| | | |
|--------------------|--------------------------------------|-----------------------------|
| Total Time | 24.00 | |
| Safety Incident? | N | Days since Last RI: 88.00 |
| Environ Incident? | N | Days since Last LTA: 353.00 |
| Incident Comments: | No incidents reported last 24 hours. | |

Weather Comments:

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/16/2011
Report No: 15

Other Remarks: AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
LONG:102° 24' 50.24" W
NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 881.5
4 1/2" HWDP = 132.5
6 1/2" DC'S = 137.5
8" DC'S = 25

SAFETY TOPIC OF THE DAY : MAKING CONNECTIONS.

LAST 24 HRS INCIDENTS/ ACCIDENTS: 0

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 353
DAYS SINCE LAST RECORDABLE: 88

TOTAL DAILY SAFETY MEETINGS: 12
TOTAL NEAR MISSES: 0
TOTAL DAILY STOP CARDS : 11
TOTAL JSA'S REVIEWED : 12
TOTAL DAILY PERMITS TO WORK: 0
TOTAL LO/TO: 3

RIG MOVE ESTIMATE: 10/21/2011

BEST STOP CARD: OBSERVED HAND DRIVING ON TO THE LOCATION WITH EXCESSIVE SPEED. WARNED HIM OF THE DANGERS AND HE COMPLIED. JOB CONTINUED WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/17/2011
 Report No: 16

Wellbore / Top MD: 00 @ 0 ft Rlg: SAVANNAH 644 Ref Datum: ORIGINAL KB @3,089.30ft DFS: 14.00
 Today's MD: 10,550 ft Progress: 832 ft Ground Elev: 3,073.90 ft Daily Cost: \$41,125
 Prev MD: 9718 ft Rot Hrs Today: 15.50 hr AFE MD/Days: 11,400.0 / 15.1 days Cum Cost: \$831,976
 PBMD: Avg ROP Today: 53.7 ft/hr AFE Number: 1138919#0102 AFE Cost: \$1,281,303

Current Formation: WOLFCAMP@9,800.0 Lithology:
 Current Ops: DRILLING 7 7/8" PRODUCTION HOLE AT 10,753'.
 24-Hr Summary: REPLACE SWIVEL PACKING. TIH TO 9847' AND CONTINUE DRILLING 7 7/8" PRODUCTION HOLE FROM 9847' TO 10641'. GAS CLIMBED UP
 24-Hr Forecast: DRILL 7 7/8" PRODUCTION HOLE FROM 10,790' TO 11350'.

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|------------------|-------------|-------|---------|------|------|
| Last Casing: | 9.625in @ 1,862ft | Str Wt Up/Dn: | 197.0/ 185.0 kip | Pump Rate: | 539.3 | Conn: | 91 | 206 |
| Next Casing: | 5.500in @ 11,350ft | Str Wt Rot: | 193.0 kip | Pump Press: | 2500 | Trip: | 210 | 279 |
| Last BOP Press Test: | 10/09/2011 | Torq Off Btm: | 4,500.0 ft-lbf | | | Backgr: | 1250 | 8500 |
| Form Test/EMW: | FIT / 12.59 ppg | Torq On Btm: | 9,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|----------------|----------------------|------|------|-----------|-------|------|-------|------|
| Supervisor 1: | DENNIS STEWART | MD | Incl | Azi | TVD | N/-S | E/-W | VS | DLS |
| Supervisor 2: | TRAE LAIRD | 10,205.0 | 0.70 | 0.00 | 10,202.95 | 158.8 | 0.0 | 158.8 | 0.79 |
| Engineer: | IVAN OTERO | 10,078.0 | 1.70 | 0.00 | 10,075.98 | 156.1 | 0.0 | 156.1 | 0.31 |
| Geologist: | TIM LIONS | 9,822.0 | 0.90 | 0.00 | 9,820.05 | 150.3 | 0.0 | 150.3 | 0.16 |
| Oxy Personnel: | 2 | 9,446.0 | 0.30 | 0.00 | 9,444.07 | 146.4 | 0.0 | 146.4 | 0.31 |
| Contractor Personnel: | 13 | 9,190.0 | 1.10 | 0.00 | 9,188.10 | 143.2 | 0.0 | 143.2 | 0.40 |
| Total on Site: | 15 | 8,934.0 | 0.08 | 0.00 | 8,932.11 | 140.6 | 0.0 | 140.6 | 0.22 |

| BIT RECORD | | | | | | | | | | |
|------------|-------|--------------------|-------|-----------|-----------|---------|-------|--------|---------|---------|
| Bit No | Size | Manufacturer | Model | Serial No | IADC Code | Nozzles | MD In | MD Out | I-O-D-L | B-G-O-R |
| 3 | 7.875 | ULTERRA DRILLING T | M9657 | M9657 | 432 | 6x16 | 7174 | | -- | -- |
| | | | | | | | | | | |

| BIT OPERATING PARAMETERS TODAY | | | | | | | | | | | | |
|--------------------------------|---------|-------------|------|----------|------|---------|-------------|-------------|-------|------------|---------|-------|
| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |
| 3 | 15.50 | 63.00 | 832 | 3376 | 53.7 | 53.6 | 15.0/25.0 | 65/100 | 1.178 | 176 | 146.9 | 1.1 |

| MUD DATA - M-I SWACO | | | | | LAST OR CURRENT BHA | | | | |
|---|--------------|-----------------|-----------|-----------|---------------------|-----------|----------------|--|---------|
| Engineer: Dan Ochs | MBT: | 15.0 lbm/bbl | BHA No: 9 | Bit No: 3 | MD In: 7174 ft | | | | |
| Sample From: In | pH: | 9.0 | Purpose: | | | | | | MD Out: |
| Mud Type: FW Gel | Pm / Pom: | 0.00 | | | | | | | |
| Time / MD: 12:00 / 9,996.0 | Pf / Mf: | 0.1 / 0.3 | | | | | | | |
| Density @ Temp: 9.10 / 110 | Chlorides: | 41,000 | | | | | | | |
| Rheology Temp: 120 | Ca+ / K+: | 1,600 / 0 | | | | | | | |
| Viscosity: 36.00 | CaCl2: | 0.00 | | | | | | | |
| PV / YP: 5 / 13 | Clom: | 0.00 | | | | | | | |
| Gels 10s/10m/30m: 11 / 15 / 18 | Lime: | 0.00 | | | | | | | |
| API WL: 45.00 | ES: | 0.00 | | | | | | | |
| HTHP WL: 0.00 | ECD: | 9.39 | | | | | | | |
| Cake API / HTHP: 2.0 / .0 | n / K: | 0.00 / 0.000 | | | | | | | |
| Solids / Sol Corr: 2.00 / 0.00 | Carbonate: | 2 ppm | | | | | | | |
| Oil / Water: 0.0 / 98.5 | Bicarbonate: | 0 ppm | | | | | | | |
| Sand: 0.01 | Form Loss: | 140.0 / 6,212.5 | | | | | | | |
| Water Added: 127.0 bbl | Fluid Disch: | / | | | | | | | |
| Oil Added: | | | | | | | | | |
| LGS: 3.00 / 26.90 | | | | | | | | | |
| VG Meter: 9@3 / 10@6 / 14@100 / 16@200 / 18@300 / 23@600 | | | | | | | | | |
| Comments: MAINTAIN 9.1PPG MUD WEIGHT WITH PREMIX MUD. ADD CAUSTIC FOR 11PH. MUD RECIPE- IN 200BBLs FW, ADD 2SX SODA ASH, ADD 2SX CAUSTIC, ADD GEL FOR 45VIS. SWEEP RECIPE- SAME AS MUD BUT ADD GEL FOR 60VIS | | | | | | | | | |
| | | | | | Total Length: | 827.11 ft | Wt below Jars: | | |

| MUD PRODUCTS | | |
|-----------------------|-----------|----------|
| Product | Units | Qty Used |
| AIR COMP RENT | EACH | 1.00 |
| CAUSTIC SODA | BG,50 LB | 1.00 |
| ENGINEERING SERVICE | EACH | 1.00 |
| FIBER SEAL | BG,40 LB | 7.00 |
| MF-55 | CAN,5 GA | 3.00 |
| M-I BAR | BG,100 LB | 3.00 |
| PECAN NUT PLUG CSE | BG,50 LB | 6.00 |
| PECAN NUT PLUG MEDIUM | BG,50 LB | 6.00 |
| SAFE-CARB 250 | BG,50 LB | 10.00 |
| SAPP | BG,50 LB | 3.00 |
| SOAP STICK | EACH | 60.00 |
| SODA ASH | BG,50 LB | 17.00 |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/17/2011
Report No: 16

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|--|
| 0:00 | 2:30 | 2.50 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 7 7/8" PRODUCTION HOLE FROM 9,718' TO 9,847' (129' ROP 51.6 FPH)</p> <p>DRILLING PARAMETERS: 15/20 K WOB, 100 SRPM, 97 MM RPM, 197 TOTAL RPM; 540 GPM, 2,450 PSI ON BOTTOM, 2200 PSI OFF BOTTOM, 8-10K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM.</p> <p>BACK REAM EACH STAND 1 TIMES.</p> <p>MUD WT. IN 9.0, OUT 9.1 36 VIS IN 38 OUT 10 PH.</p> <p>LOSSING 15 BBLS HOUR = 37.5 BBLS, TOTAL LOSS = 360 BBLS</p> <p>PUMPING 25 BBLS HI-VIS SWEEP EVERY 100' MIXED WITH LCM CONCENTRATION OF 20PPB, 5 PPB CEDER FIBER, 5 PPB SAFE CARB, 5 PPB MICA, 5 PPB NUT PLUG.</p> <p>AVG BACKGROUND GAS 58 UNITS, MAX GAS 219 UNITS</p> <p>SAFETY BREAK - FIRE PREVENTION.</p> |
| 2:30 | 6:00 | 3.50 | 31PRDR | TRIP | WIPER | PT | <p>SWIVEL PACKING WENT OUT. PHONE FDS, DESICION MADE TO TRIP INTO SHOE INSPECT WASHPIPE HOUSING AND REPLACE PACKING.</p> <p>TOH FROM 9,847' TO 4,000' .</p> <p>FROM 9,847' TO 9,545' PULLED FROM 10K TO 17K OVER STRING WT. FROM 9,545' TO 5,000' NO DRAG.</p> <p>FLOW CHECK AT 9,847', 6,000' 4,000'.</p> |
| 6:00 | 7:00 | 1.00 | 31PRDR | RIGMT | REP | PT | <p>REPLACE WASHPIPE AND PACKING IN TOP DRIVE.</p> <p>NOTE: ONLY 45.5 HOURS DRILLING AND CIRCULATING</p> |
| 7:00 | 10:30 | 3.50 | 31PRDR | TRIP | WIPER | PT | <p>TRIP BACK IN HOLE FROM 4,000' TO 9,722' NO PROBLEMS ON TRIP</p> <p>15 MINUTE SAFETY BRAKE TOPIC ON TWO MEN ON SLIPS EACH TIME.</p> |
| 10:30 | 11:00 | 0.50 | 31PRDR | REAM | PRRM | PT | PRECAUTIONARY WASH AND REAM FROM 9,722' TO 9,847' |
| 11:00 | 15:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 7 7/8" PRODUCTION HOLE FROM 9,847' TO 10,095' (248' ROP 62 FPH)</p> <p>DRILLING PARAMETERS: 15/20 K WOB, 100 SRPM, 97 MM RPM, 197 TOTAL RPM; 540 GPM, 2,450 PSI ON BOTTOM, 2200 PSI OFF BOTTOM, 8-10K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM.</p> <p>BACK REAM EACH STAND 1 TIMES.</p> <p>MUD WT. IN 9.0, OUT 9.1 36 VIS IN 38 OUT 10 PH.</p> <p>LOSSING 15 BBLS HOUR = 60 BBLS, TOTAL LOSS = 420 BBLS</p> <p>PUMPING 25 BBLS HI-VIS SWEEP EVERY 100' MIXED WITH LCM CONCENTRATION OF 20PPB, 5 PPB CEDER FIBER, 5 PPB SAFE CARB, 5 PPB MICA, 5 PPB NUT PLUG.</p> <p>AVG BACKGROUND GAS 58 UNITS, MAX GAS 219 UNITS</p> <p>15 MINUTE SAFETY BRAKE TOPIC ON RIGGING AND SLINGS, NO KNOTS AND NO RUNNING THRU THEMSELVES TO SHORTEN RUN.</p> |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/17/2011
 Report No: 16

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|--|-------|-------|----------|----------------------|--------|---------|---|
| 15:00 | 20:00 | 5.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 10,095' TO 10,343' (248' ROP 49.6 FPH) DRILLING PARAMETERS: 15/20 K WOB, 100 SRPM, 97 MM RPM, 197 TOTAL RPM; 540 GPM, 2,450 PSI ON BOTTOM, 2200 PSI OFF BOTTOM, 8-10K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. BACK REAM EACH STAND 1 TIMES. MUD WT. IN 9.0, OUT 9.1 36 VIS IN 38 OUT 10 PH. LOSSING 15 BBLS HOUR = 75BBLS, TOTAL LOSS = 495 BBLS PUMPING 25 BBLS HI-VIS SWEEP EVERY 100' MIXED WITH LCM CONCENTRATION OF 20PPB, 5 PPB CEDER FIBER, 5 PPB SAFE CARB, 5 PPB MICA, 5 PPB NUT PLUG. AVG BACKGROUND GAS 54 UNITS, MAX GAS 180 UNITS. |
| 20:00 | 0:00 | 4.00 | 31PRDR | DRILL | MTRVER | PT | DRILL 7 7/8" PRODUCTION HOLE FROM 10,343' TO 10,550' (207' ROP 51.75 FPH) DRILLING PARAMETERS: 15/20 K WOB, 100 SRPM, 68 MM RPM, 168 TOTAL RPM; 380 GPM, 1,560 PSI ON BOTTOM, 1,150 PSI OFF BOTTOM, 8-10K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. DRILLING WITH ONE MUD PUMP BACK REAM EACH STAND 1 TIMES. MUD WT. IN 9.0, OUT 9.1 36 VIS IN 38 OUT 10 PH. LOSSING 15 BBLS HOUR = 30 BBLS, TOTAL LOSS = 525 BBLS PUMPING 25 BBLS HI-VIS SWEEP EVERY 100' MIXED WITH LCM CONCENTRATION OF 20PPB, 5 PPB CEDER FIBER, 5 PPB SAFE CARB, 5 PPB MICA, 5 PPB NUT PLUG. AVG BACKGROUND GAS 58 UNITS, MAX GAS 219 UNITS 15 MINUTE SAFETY BREAK - HIGH WINDS. |
| Total Time | | 24.00 | | | | | |
| Safety Incident? | | N | | Days since Last RI: | | 89.00 | Weather Comments: |
| Environ Incident? | | N | | Days since Last LTA: | | 354.00 | |
| Incident Comments: No incidents reported last 24 hours. | | | | | | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/17/2011
Report No: 16

Other Remarks: AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
LONG:102° 24' 50.24" W
NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 897
4 1/2" HWDP = 148
6 1/2" DC'S = 153
8" DC'S = 25

SAFETY TOPIC OF THE DAY : MAKING CONNECTIONS.

LAST 24 HRS INCIDENTS/ ACCIDENTS: 0

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 354
DAYS SINCE LAST RECORDABLE: 89

TOTAL DAILY SAFETY MEETINGS: 10
TOTAL NEAR MISSES: 0
TOTAL DAILY STOP CARDS : 11
TOTAL JSA'S REVIEWED : 10
TOTAL DAILY PERMITS TO WORK: 0
TOTAL LO/TO: 6

RIG MOVE ESTIMATE: 10/21/2011

BEST STOP CARD: OBSERVED HAND ON TOP OF PIPE GET TALLY. STOPPED HIM AND EXPLAINED THE DANGERS. HE COMPLIED AND JOB CONTINUED WITHOUT INCIDENT.

Date: 10/18/2011
Report No: 17

Current Formation: SPRABERRY@8,550.0 **Lithology:**

Current Ops:

24-Hr Summary:

24-Hr Forecast:

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | | |
|-----------------------|----------------|----------------------|------|------|-----------|-------|-----|-------|------|-------|
| Supervisor 1: | DENNIS STEWART | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS | Build |
| Supervisor 2: | TRAE LAIRD | 10,205.0 | 0.70 | 0.00 | 10,202.95 | 158.8 | 0.0 | 158.8 | 0.79 | -0.79 |
| Engineer: | IVAN OTERO | 10,078.0 | 1.70 | 0.00 | 10,075.98 | 156.1 | 0.0 | 156.1 | 0.31 | 0.31 |
| Geologist: | TIM LIONS | 9,822.0 | 0.90 | 0.00 | 9,820.05 | 150.3 | 0.0 | 150.3 | 0.16 | 0.16 |
| Oxy Personnel: | 2 | 9,446.0 | 0.30 | 0.00 | 9,444.07 | 146.4 | 0.0 | 146.4 | 0.31 | -0.31 |
| Contractor Personnel: | 13 | 9,190.0 | 1.10 | 0.00 | 9,188.10 | 143.2 | 0.0 | 143.2 | 0.40 | 0.40 |
| Total on Site: | 15 | 8,934.0 | 0.08 | 0.00 | 8,932.11 | 140.6 | 0.0 | 140.6 | 0.22 | -0.22 |

| BIT OPERATING PARAMETERS TODAY | | | | | | | | | | | | |
|--------------------------------|---------|-------------|------|----------|-----|---------|----------------|----------------|-----|------------|---------|-------|
| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |

| MUD DATA - | | LAST OR CURRENT BHA | | | | |
|-----------------------|----------------------|-----------------------------|-----------|----------------|---------|--------|
| Engineer: | MBT: | BHA No: 9 | Bit No: 3 | MD In: | 7174 ft | |
| Sample From: | pH: | Purpose: | | MD Out: | | |
| Mud Type: | Pm / Pom: | Component | | OD | ID | Jts |
| Time / MD: / | Pf / Mf: / | | | | | Length |
| Density @ Temp: / | Chlorides: | DRILL PIPE | | 4.500 | 3.800 | 308 |
| Rheology Temp: | Ca+ / K+: / | HWDP | | 6.500 | 2.750 | 4 |
| Viscosity: | CaCl2: | DRILLING JAR | | 6.500 | 2.750 | 1 |
| PV / YP: / | Clom: | HWDP | | 6.500 | 2.780 | 8 |
| Gels 10s/10m/30m: / / | Lime: | DRILL COLLAR | | 6.500 | 2.750 | 12 |
| API WL: | ES: | TELEDRIFT | | 6.310 | 2.250 | 1 |
| HTHP WL: | ECD: | 3-POINT REAMER | | 6.500 | 2.750 | 1 |
| Cake API / HTHP: / | n / K: / | DRILL COLLAR | | 6.500 | 2.750 | 1 |
| Solids / Sol Corr: / | Carbonate: | 3-POINT REAMER | | 6.500 | 2.250 | 1 |
| Oil / Water: / | Bicarbonate: | POSITIVE DISPLACEMENT MOTOR | | 6.500 | 3.000 | 1 |
| Sand: | Form Loss: / 6,212.5 | PDC BIT | | 7.875 | 3.000 | 1 |
| Water Added: | Fluid Disch: / | | | | | |
| Oil Added: | | | | | | |
| LGS: / | | | | | | |
| VG Meter: | | | | | | |
| Comments: | | Total Length: 827.11 ft | | Wt below Jars: | | |

[illegible]

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/18/2011
Report No: 17

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|------|------|----------|---------|--------|---------|---|
| 0:00 | 3:00 | 3.00 | 31PRDR | DRILL | MTRVER | PT | <p>DRILL 7 7/8" PRODUCTION HOLE FROM 10,550' TO 10,641' (91' ROP 30 FPH)</p> <p>DRILLING PARAMETERS: 15/20 K WOB, 100 SRPM, 68 MM RPM, 168 TOTAL RPM; 380 GPM, 1,560 PSI ON BOTTOM, 1,150 PSI OFF BOTTOM, 8-10K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. DRILLING WITH ONE MUD PUMP</p> <p>BACK REAM EACH STAND 1 TIMES.</p> <p>MUD WT. IN 9.2, OUT 9.1 35 VIS IN 37 OUT 10 PH.</p> <p>LOSSING 10BBLS HOUR = 30 BBLS, TOTAL LOSS = 585 BBLS</p> <p>PUMPING 25 BBLS HI-VIS SWEEP EVERY 100' MIXED WITH LCM CONCENTRATION OF 20PPB, 5 PPB CEDER FIBER, 5 PPB SAFE CARB, 5 PPB MICA, 5 PPB NUT PLUG.</p> <p>AVG BACKGROUND GAS 50 UNITS, MAX GAS 210 UNITS</p> <p>SAFETY BREAK - SLINGS AND RIGGING.</p> |
| 3:00 | 4:30 | 1.50 | 31PRDR | DRILL | MTRVER | PT | <p>DRILL 7 7/8" PRODUCTION HOLE FROM 10,641 TO 10,710' (69' ROP 46 FPH)</p> <p>DRILLING PARAMETERS: 15/20 K WOB, 100 SRPM, 68 MM RPM, 168 TOTAL RPM; 380 GPM, 1,560 PSI ON BOTTOM, 1,150 PSI OFF BOTTOM, 10-11K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. DRILLING WITH ONE MUD PUMP</p> <p>BACK REAM EACH STAND 1 TIMES.</p> <p>TALKED WITH FIELD SUPERVISOR ABOUT RAISING MUD WT.</p> <p>MUD WT. IN 9.3, OUT 9.2 35 VIS IN 37 OUT 10 PH.</p> <p>RAISED MUD WT. TO 9.3.</p> <p>LOSSING 10BBLS HOUR = 15 BBLS, TOTAL LOSS = 600 BBLS</p> <p>PUMPING 25 BBLS HI-VIS SWEEP EVERY 100' MIXED WITH LCM CONCENTRATION OF 20PPB, 5 PPB CEDER FIBER, 5 PPB SAFE CARB, 5 PPB MICA, 5 PPB NUT PLUG.</p> <p>AVG BACKGROUND GAS 6500 UNITS, MAX GAS 8500 UNITS</p> <p>DRILLING THROUGH MUD GAS SEPERATOR</p> <p>SAFETY BREAK - SLINGS AND RIGGING.</p> |
| 4:30 | 6:00 | 1.50 | 31PRDR | DRILL | MTRVER | PT | <p>DRILL 7 7/8" PRODUCTION HOLE FROM 10,710' TO 10,790' (80' ROP 53 FPH)</p> <p>DRILLING PARAMETERS: 15/20 K WOB, 100 SRPM, 68 MM RPM, 168 TOTAL RPM; 380 GPM, 1,560 PSI ON BOTTOM, 1,150 PSI OFF BOTTOM, 10-11K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. DRILLING WITH ONE MUD PUMP</p> <p>BACK REAM EACH STAND 1 TIMES.</p> <p>MUD WT. IN 9.3, OUT 9.2 35 VIS IN 37 OUT 10 PH.</p> <p>RAISED MUD WT. TO 9.3.</p> <p>LOSSING 15 BBLS HOUR = 23 BBLS, TOTAL LOSS = 623 BBLS</p> <p>PUMPING 25 BBLS HI-VIS SWEEP EVERY 100' MIXED WITH LCM CONCENTRATION OF 20PPB, 5 PPB CEDER FIBER, 5 PPB SAFE CARB, 5 PPB MICA, 5 PPB NUT PLUG.</p> <p>AVG BACKGROUND GAS 1200 UNITS, MAX GAS 1450 UNITS</p> <p>DRILLING THROUGH MUD GAS SEPERATOR</p> |
| Total Time | | 6.00 | | | | | |

Safety Incident? N Days since Last Ri: 90.00 Weather Comments:

Environ Incident? N Days since Last LTA: 355.00

Incident Comments:

No incidents reported last 24 hours.

Other Remarks:

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/19/2011
 Report No: 18

Wellbore / Top MD: 00 @ 0 ft Rig: SAVANNAH 644 Ref Datum: ORIGINAL KB @3,089.30ft DFS: 16.00
 Today's MD: 11,350 ft Progress: 109 ft Ground Elev: 3,073.90 ft Daily Cost: \$52,916
 Prev MD: 11,241 ft Rot Hrs Today: 4.00 hr AFE MD/Days: 11,400.0 / 15.1 days Cum Cost: \$932,428
 PBMD: Avg ROP Today: 27.2 ft/hr AFE Number: 1138919#0102 AFE Cost: \$1,281,303

Current Formation: STRAWN@11,000.0

Lithology:

Current Ops: RUNNING 5.5" PRODUCTION CASING AT 7304'. 171 JOINTS.

24-Hr Summary: L/D DRILL PIPE. PJSM W/ CSG. CREW. R/U RUN 5.5" PROD. CSG. H2S ALARM @ 18:11. SHUT WELL IN, MUSTERED UP, TOTAL SAFETY AF

24-Hr Forecast: FINISH RUN 5.5" PRODUCTION CASING TO 11,350' TD, CIRCULATE PJSM WITH HALIBURTON SERVICES, AND CEMENT 5.5" PRODUCTION

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | | Avg | Max |
|----------------------|--------------------|-------------------|-------------------|-------------|-------|---------|-----|------|-----|
| Last Casing: | 9.625in @ 1,862ft | Str Wt Up/Dn: | 209.0 / 196.0 kip | Pump Rate: | 381.1 | Conn: | 900 | 1451 | |
| Next Casing: | 5.500in @ 11,350ft | Str Wt Rot: | 204.0 kip | Pump Press: | 1600 | Trip: | 43 | 62 | |
| Last BOP Press Test: | 10/09/2011 | Torq Off Btm: | 5,000.0 ft-lbf | | | Backgr: | 700 | 1450 | |
| Form Test/EMW: | FIT / 12.59 ppg | Torq On Btm: | 12,000.0 ft-lbf | | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|----------------------------|----------------------|------|------|-----------|-------|-----|-------|------|
| Supervisor 1: | DENNIS STEWART/ CLARENCE S | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | TRAE LAIRD | 11,264.0 | 1.20 | 0.00 | 11,261.63 | 183.5 | 0.0 | 183.5 | 0.37 |
| Engineer: | IVAN OTERO | 11,100.0 | 1.80 | 0.00 | 11,097.68 | 179.2 | 0.0 | 179.2 | 0.15 |
| Geologist: | TIM LIONS | 10,902.0 | 2.10 | 0.00 | 10,899.80 | 172.5 | 0.0 | 172.5 | 0.34 |
| Oxy Personnel: | 2 | 10,525.0 | 0.80 | 0.00 | 10,522.93 | 163.0 | 0.0 | 163.0 | 0.03 |
| Contractor Personnel: | 26 | 10,205.0 | 0.70 | 0.00 | 10,202.95 | 158.8 | 0.0 | 158.8 | 0.79 |
| Total on Site: | 28 | 10,078.0 | 1.70 | 0.00 | 10,075.98 | 156.1 | 0.0 | 156.1 | 0.31 |

BIT RECORD

| Bit No | Size | Manufacturer | Model | Serial No | IADC Code | Nozzles | MD In | MD Out | I-O-D-L | B-G-O-R |
|--------|-------|--------------------|-------|-----------|-----------|---------|-------|--------|----------|-----------|
| 3 | 7.875 | ULTERRA DRILLING T | M9657 | M9657 | 432 | 6x16 | 7174 | 11,350 | 2-2-BT-M | D-I-CT-TD |

BIT OPERATING PARAMETERS TODAY

| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |
|--------|---------|-------------|------|----------|------|---------|-------------|-------------|-------|------------|---------|-------|
| 3 | 4.00 | 91.00 | 109 | 4176 | 27.2 | 45.9 | 25.0/30.0 | 70/80 | 1.178 | 91 | 103.8 | 0.4 |

MUD DATA - M-I SWACO

Engineer: Brandon Smith MBT: 0.0 lbm/bbl
 Sample From: In pH: 10.5
 Mud Type: Gel/Starch Pm / Pom: 0.00
 Time / MD: 14:00 / 11,350.0 Pf / Mf: 0.3 / 0.4
 Density @ Temp: 9.40 / 90 Chlorides: 35,000
 Rheology Temp: 120 Ca+ / K+: 1,600 / 0
 Viscosity: 35.00 CaCl2: 0.00
 PV / YP: 3 / 13 Clom: 0.25
 Gels 10s/10m/30m: 12 / 15 / 16 Lime: 0.00
 API WL: 45.00 ES: 0.90
 HTHP WL: 0.00 ECD: 0.00
 Cake API / HTHP: 2.0 / .0 n / K: 0.00 / 0.000
 Solids / Sol Corr: 1.70 / 0.00 Carbonate: 6 ppm
 Oil / Water: 0.0 / 0.0 Bicarbonate: 0 ppm
 Sand: 0.20 Form Loss: 60.0 / 6,572.5
 Water Added: 807.0 bbl Fluid Disch: /
 Oil Added:
 LGS: 5.70 / 51.70

VG Meter: 9@3 / 10@6 / 13@100 / 14@200 / 16@300 / 19@600

Comments: 0

LAST OR CURRENT BHA

| | | | | | |
|-----------------------------|--|-----------|-------|-------------------|-----------|
| BHA No: 9 | | Bit No: 3 | | MD In: 7174 ft | |
| Purpose: | | | | MD Out: 11,350 ft | |
| Component | | OD | ID | Jts | Length |
| DRILL PIPE | | 4.500 | 3.800 | 332 | 10,413.99 |
| HWDP | | 6.500 | 2.750 | 4 | 120.45 |
| DRILLING JAR | | 6.500 | 2.750 | 1 | 32.65 |
| HWDP | | 6.500 | 2.780 | 8 | 240.94 |
| DRILL COLLAR | | 6.500 | 2.750 | 12 | 351.11 |
| TELEDRIPT | | 6.310 | 2.250 | 1 | 4.95 |
| 3-POINT REAMER | | 6.500 | 2.750 | 1 | 6.61 |
| DRILL COLLAR | | 6.500 | 2.750 | 1 | 31.45 |
| 3-POINT REAMER | | 6.500 | 2.250 | 1 | 7.71 |
| POSITIVE DISPLACEMENT MOTOR | | 6.500 | 3.000 | 1 | 30.29 |
| PDC BIT | | 7.875 | 3.000 | 1 | 0.95 |
| | | | | | |
| | | | | | |
| | | | | | |

Total Length: 827.11 ft

Wt below Jars:

MUD PRODUCTS

| Product | Units | Qty Used |
|-----------------------|-----------|----------|
| AIR COMP RENT | EACH | 1.00 |
| CAUSTIC SODA | BG,50 LB | 13.00 |
| CEDAR FIBER CHIP SEAL | BG,40 LB | 41.00 |
| DRIVE-BY ENGINEERING | EACH | 1.00 |
| M-I BAR | BG,100 LB | 172.00 |
| MICA FINE | BG,50 LB | 12.00 |
| M-I-X II COARSE | BG,25 LB | 2.00 |
| PECAN NUT PLUG CSE | BG,50 LB | 37.00 |
| SAFE-CARB 250 | BG,50 LB | 28.00 |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/19/2011
Report No: 18

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|---|
| 0:00 | 4:00 | 4.00 | 31PRDR | DRILL | MTRVER | PT | <p>DRILL 7 7/8" PRODUCTION HOLE FROM 11,241' TO 11,350' (109' ROP 27.5 FPH) WELL TD.</p> <p>DRILLING PARAMETERS: 15/20 K WOB, 100 SRPM, 68 MM RPM, 168 TOTAL RPM; 380 GPM, 1,560 PSI ON BOTTOM, 1,250 PSI OFF BOTTOM, 10-11K TQ ON BOTTOM, 4-5K TQ OFF BOTTOM. DRILLING WITH ONE MUD PUMP</p> <p>BACK REAM EACH STAND 1 TIMES.</p> <p>SURVEY 11264' 1.2</p> <p>MUD WT. IN 9.4, OUT 9.4 35 VIS IN 37 OUT 11 PH.</p> <p>RAISED MUD WT. TO 9.4.</p> <p>LOSSING 15 BBLS HOUR = 60 BBLS, TOTAL LOSS = 969 BBLS</p> <p>PUMPING 50 BBLS HI-VIS SWEEP EVERY 50' FROM TD.' MIXED WITH LCM CONCENTRATION OF 20PPB, 5 PPB CEDER FIBER, 5 PPB SAFE CARB, 5 PPB MICA, 5 PPB NUT PLUG.</p> <p>AVG BACKGROUND GAS 600 UNITS, MAX GAS 1,450 UNITS.</p> <p>SAFETY BREAK - HAND PLACEMENT.</p> |
| 4:00 | 5:00 | 1.00 | 31PRDR | CIRC | CNDHOL | P | SPOT 100 BBLS. 9.8 PPG. MUD ON BOTTOM. FLOW CHECK - NO FLOW. |
| 5:00 | 11:30 | 6.50 | 31PRDR | TRIP | PULD | P | LAY DOWN DRILL PIPE FROM 11350' TO 1814'. |
| 11:30 | 12:30 | 1.00 | 31PRDR | RIGMT | SRVRIG | P | PJSM SLIP AND CUT DRILLING LINE |
| 12:30 | 14:00 | 1.50 | 31PRDR | TRIP | PULD | P | CONTINUE LAYING DOWN DRILL STRING |
| 14:00 | 16:00 | 2.00 | 31PRDR | TRIP | BHA | P | LAY DOWN HWDP AND DRILL COLLARS |
| 16:00 | 16:30 | 0.50 | 31PRDR | OTHR | OTHER | P | REMOVE WEAR BUSHING FROM WELL HEAD CLEAR OFF FLOOR |
| 16:30 | 17:00 | 0.50 | 31PRDR | SAFE | PJSM | P | PJSM WITH B & L CASING |
| 17:00 | 18:00 | 1.00 | 31PRDR | CSG | RIGUP | P | RIG UP B & L CASING CREW |
| 18:00 | 18:30 | 0.50 | 31PRDR | CSG | RUNCSG | P | <p>RUN 5.5 PRODUCTION CASING</p> <p>MAKE UP FLOAT EQUIPMENT THREAD LOCKED TO TOP OF FLOAT COLLAR TORQ TO MAX , 4260 FT/LBS, AND PUMP THRU SAME</p> <p>5.5"- 17# LTC L-80 PRODUCTION CASING RUN AS FOLLOWS</p> <p>SHOE MODEL 303A</p> <p>2 JOINTS CASING</p> <p>FLOAT COLLAR MODEL 402A</p> <p>67 JOINTS CASING</p> <p>1 FLAG JOINT @ 8497'</p> <p>33 JOINTS CSG @ 7097'</p> <p>50 JOINTS RYT WRAP. @4951</p> <p>115 JOINTS CASING 11350'</p> <p>TORQUE TO 3410 FT/LBS</p> <p>SHOE DEPTH 12,016' FLOAT COLLAR DEPTH 11,262'</p> <p>INSTALL 50 DOUBLE BOW SPRING CENTRALIZER'S AS PER PROGRAM</p> <p>INSTALL 17 RYT WRAP CENTRALIZERS.</p> <p>RUN 4 JOINTS TO 175'</p> <p>H2S ALARM SOUNDED AT 18:11.</p> <p>SHUT IN WELL AND MUSTARD UP ALL PERSONEL ON LOCATION.</p> <p>PHONED TOTAL SAFETY TO COME AND GIVE THE ALL CLEAR.</p> |
| 18:30 | 21:00 | 2.50 | 31PRDR | WLCNTL | CRCCND | PT | <p>WAIT ON TOTAL SAFETY TO GIVE ALL CLEAR.</p> <p>TOTAL SAFETY ON LOCATION AT 19:30.</p> <p>MONITER #13 WENT OFF DUE TO TRUCK RUNNING NEXT TO IT. MOUNTED ON END OF RIG MANAGER TRAILOR.</p> <p>TOTAL INSPECTED AND SNIFFED ALL MONITERS.</p> <p>OPENED UP WELL AND SNIFFED.</p> <p>GAVE THE ALL CLEAR.</p> <p>TOTAL SAFETY WILL REMAIN ON LOCATION UNTIL CEMENT JOB IS COMPLETE.</p> <p>SAFETY BREAK - H2S GAS.</p> |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/19/2011
 Report No: 18

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|---|
| 21:00 | 22:30 | 1.50 | 31PRDR | CSG | RUNCSG | P | RUN 5.5 PRODUCTION CASING MAKE UP FLOAT EQUIPMENT THREAD LOCKED TO TOP OF FLOAT COLLAR TORQ TO MAX , 4260 FT/LBS, AND PUMP THRU SAME 5.5"- 17# LTC L-80 PRODUCTION CASING RUN AS FOLLOWS SHOE MODEL 303A 2 JOINTS CASING FLOAT COLLAR MODEL 402A 67 JOINTS CASING 1 FLAG JOINT @ 8497' 33 JOINTS CSG @ 7097' 50 JOINTS RYT WRAP. @4951 115 JOINTS CASING 11350' TORQUE TO 3410 FT/LBS SHOE DEPTH 12,016' FLOAT COLLAR DEPTH 11,262. INSTALL 50 DOUBLE BOW SPRING CENTRALIZER'S AS PER PROGRAM. INSTALL 17 RYT WRAP CENTRALIZER'S. RUN 44 JOINTS TO 1881' |
| 22:30 | 23:00 | 0.50 | 31PRDR | CIRC | CNDFLD | P | CIRCULATE 5.5" PRODUCTION CASING AT 1881' 95 SPM 275 GPM 279 PSI 1766 STKS BOTTOMS UP |
| 23:00 | 0:00 | 1.00 | 31PRDR | CSG | RUNCSG | P | RUN 5.5 PRODUCTION CASING MAKE UP FLOAT EQUIPMENT THREAD LOCKED TO TOP OF FLOAT COLLAR TORQ TO MAX , 4260 FT/LBS, AND PUMP THRU SAME 5.5"- 17# LTC L-80 PRODUCTION CASING RUN AS FOLLOWS SHOE MODEL 303A 2 JOINTS CASING FLOAT COLLAR MODEL 402A 67 JOINTS CASING 1 FLAG JOINT @ 8497' 33 JOINTS CSG @ 7097' 50 JOINTS RYT WRAP. @4951 115 JOINTS CASING 11350' TORQUE TO 3410 FT/LBS SHOE DEPTH 12,016' FLOAT COLLAR DEPTH 11,262' INSTALL 50 DOUBLE BOW SPRING CENTRALIZER'S AS PER PROGRAM. INSTALL 17 RYT WRAP CENTRALIZER'S. RUN 76 JOINTS TO 3259'. |

Total Time 24.00

Safety Incident? N Days since Last RI: 91.00 Weather Comments:

Environ Incident? N Days since Last LTA: 356.00

Incident Comments:

H2S ALARM WENT OFF DUE TO CARBON MONOXIDE
 FROM A TRUCK RUNNING NEAR MONITER.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/19/2011
Report No: 18

Other Remarks: AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
LONG:102° 24' 50.24" W
NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 925
4 1/2" HWDP = 177
6 1/2" DC'S = 182
8" DC'S = 25

SAFETY TOPIC OF THE DAY : MAKING CONNECTIONS.

LAST 24 HRS INCIDENTS/ ACCIDENTS: 1

H2S MONITOR WENT OFF, SHUT IN WELL AND MUSTERED UP. TRUCK RUNNING NEAR MONITOR SET IT OFF. TOTAL SAFETY GAVE ALL CLEAR AND JOB CONTINUED. TOTAL SAFETY STAYING ON LOCATION TILL CEMENTED.

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 356
DAYS SINCE LAST RECORDABLE: 91

TOTAL DAILY SAFETY MEETINGS: 11
TOTAL NEAR MISSES: 0
TOTAL DAILY STOP CARDS : 11
TOTAL JSA'S REVIEWED : 10
TOTAL DAILY PERMITS TO WORK: 0
TOTAL LO/TO: 1

RIG MOVE ESTIMATE: 10/22/2011

BEST STOP CARD: H2S ALARMS SOUNDED. ALL RIG CREW, CASING CREW, RIG MANAGERS REPORTED IMMEDIATELY TO THE MUSTER STATION. GOOD JOB GUYS.

DAILY OPERATIONS PARTNER REPORT

Date: 10/20/2011
Report No: 19

24-Hr Forecast: NIPPLE DOWN BOP'S NIPPLE UP TUBING HEAD AND TEST .CLEAN PITS AN RELEASE RIG TO THE UNIVERSITY LIZBY #2. RIG DOWN

| | | | | | | | | | | |
|-----------------------|----|----------|------|------|-----------|-------|-----|-------|------|------|
| Total on Site: | 24 | 10 078 0 | 1 70 | 0 00 | 10 075 98 | 156 1 | 0 0 | 156 1 | 0 31 | 0 31 |
|-----------------------|----|----------|------|------|-----------|-------|-----|-------|------|------|

| | | | | | | | | | | |
|---|-------|-------------------|--------|--------|-----|------|-------|--------|----------|----------|
| 9 | 7,375 | CELESTIA DRILLING | 100007 | 100007 | 102 | 5X75 | 7,174 | 11,555 | 2,237.10 | 2,470.45 |
|---|-------|-------------------|--------|--------|-----|------|-------|--------|----------|----------|

[illegible]

| | | | | | |
|-----------|---|---------------|-----------|----------------|--|
| Comments. | 0 | Total Length. | 827.11 ft | Wt below Jars. | |
|-----------|---|---------------|-----------|----------------|--|

| | | |
|--|--|--|
| | | |
| | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/20/2011
 Report No: 19

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------|------|------|----------|---------|--------|---------|---|
| 0:00 | 1:00 | 1.00 | 31PRDR | CSG | RUNCSG | P | <p>RUN 5.5 PRODUCTION CASING MAKE UP FLOAT EQUIPMENT THREAD LOCKED TO TOP OF FLOAT COLLAR TORQ TO MAX , 4260 FT/LBS, AND PUMP THRU SAME 5.5"- 17# LTC L-80 PRODUCTION CASING RUN AS FOLLOWS SHOE MODEL 303A 2 JOINTS CASING FLOAT COLLAR MODEL 402A 67 JOINTS CASING 1 FLAG JOINT @ 8497' 33 JOINTS CSG @ 7097' 50 JOINTS RYT WRAP. @4951 115 JOINTS CASING 11350' TORQUE TO 3410 FT/LBS SHOE DEPTH 11,350' FLOAT COLLAR DEPTH 11,262'</p> <p>INSTALL 50 DOUBLE BOW SPRING CENTRALIZER'S AS PER PROGRAM. INSTALL 17 RYT WRAP CENTRALIZER'S.</p> <p>RUN 101 JOINTS TO 4295'. SAFETY BREAK - PINCH POINTS.</p> |
| 1:00 | 3:00 | 2.00 | 31PRDR | WAIT | WOEQ | PT | <p>CHANGE ELEVATORS TO RUN RYT WRAP CASING. ELEVATORS WILL NOT STAY SHUT.</p> <p>WAITING ON ELEVATORS.</p> <p>SCREW IN TOP DRIVE SWEDGE, BROKE CIRC. AND 1 BU 3708 STROKES. PUMP 5 BBL 72 STROKES EVERY 10 MINUTES. WORK PIPE CONTINUOUSLY.</p> <p>ELEVATORS ARRIVED AT 2:45. INSTALLED AND WITNESSED WORKING PROPERLY BY DSM.</p> |
| 3:00 | 7:30 | 4.50 | 31PRDR | CSG | RUNCSG | P | <p>RUN 5.5 PRODUCTION CASING MAKE UP FLOAT EQUIPMENT THREAD LOCKED TO TOP OF FLOAT COLLAR TORQ TO MAX , 4260 FT/LBS, AND PUMP THRU SAME 5.5"- 17# LTC L-80 PRODUCTION CASING RUN AS FOLLOWS SHOE MODEL 303A 2 JOINTS CASING FLOAT COLLAR MODEL 402A 67 JOINTS CASING 1 FLAG JOINT @ 8497' 33 JOINTS CSG @ 7097' 50 JOINTS RYT WRAP. @4951 115 JOINTS CASING 11350' TORQUE TO 3410 FT/LBS SHOE DEPTH 11,350' FLOAT COLLAR DEPTH 11,262'</p> <p>INSTALL 50 DOUBLE BOW SPRING CENTRALIZER'S AS PER PROGRAM. INSTALL 17 RYT WRAP CENTRALIZER'S.</p> <p>RUN 225 JOINTS TO 9500'.</p> |
| 7:30 | 8:30 | 1.00 | 31PRDR | CIRC | CNDHOL | P | <p>CIRCULATE 5.5" PRODUCTION CASING AT 9500'</p> <p>85 SPM 246 GPM 289 PSI 4575 STKS BOTTOMS UP</p> |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/20/2011
Report No: 19

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|--|
| 8:30 | 9:30 | 1.00 | 31PRDR | CSG | RUNCSG | P | <p>RUN 5.5 PRODUCTION CASING MAKE UP FLOAT EQUIPMENT THREAD LOCKED TO TOP OF FLOAT COLLAR TORQ TO MAX , 4260 FT/LBS, AND PUMP THRU SAME 5.5"- 17# LTC L-80 PRODUCTION CASING RUN AS FOLLOWS SHOE MODEL 303A 2 JOINTS CASING FLOAT COLLAR MODEL 402A 67 JOINTS CASING 1 FLAG JOINT @ 8497' 33 JOINTS CSG @ 7097' 50 JOINTS RYT WRAP. @4951 115 JOINTS CASING 11350' TORQUE TO 3410 FT/LBS SHOE DEPTH 11,350' FLOAT COLLAR DEPTH 11,262'</p> <p>INSTALL 50 DOUBLE BOW SPRING CENTRALIZER'S AS PER PROGRAM. INSTALL 17 RYT WRAP CENTRALIZER'S.</p> <p>RUN 248 JOINTS TO 10500'.</p> |
| 9:30 | 10:30 | 1.00 | 31PRDR | CIRC | CNDHOL | P | <p>CIRCULATE 5.5" PRODUCTION CASING AT 10,500'</p> <p>85 SPM 246 GPM 300 PSI 4970 STKS BOTTOMS UP</p> |
| 10:30 | 11:30 | 1.00 | 31PRDR | CSG | RUNCSG | P | <p>RUN 5.5 PRODUCTION CASING MAKE UP FLOAT EQUIPMENT THREAD LOCKED TO TOP OF FLOAT COLLAR TORQ TO MAX , 4260 FT/LBS, AND PUMP THRU SAME 5.5"- 17# LTC L-80 PRODUCTION CASING RUN AS FOLLOWS SHOE MODEL 303A 2 JOINTS CASING FLOAT COLLAR MODEL 402A 67 JOINTS CASING 1 FLAG JOINT @ 8497' 33 JOINTS CSG @ 7097' 50 JOINTS RYT WRAP. @4951 115 JOINTS CASING 11350' TORQUE TO 3410 FT/LBS SHOE DEPTH 11,350' FLOAT COLLAR DEPTH 11,262'</p> <p>INSTALL 50 DOUBLE BOW SPRING CENTRALIZER'S AS PER PROGRAM. INSTALL 17 RYT WRAP CENTRALIZER'S.</p> <p>RUN 268 JOINTS TO 11,350'.</p> |
| 11:30 | 12:30 | 1.00 | 31PRDR | CIRC | CNDHOL | P | CIRCULATE LAST TWO JOINTS TO BOTTOM |
| 12:30 | 20:30 | 8.00 | 31PRDR | WAIT | WOEQ | PT | <p>WAIT ON HALLIBURTON</p> <p>CIRCULATING CASING 51 SPM 3.5 BPM 147 GPM 318 PSI</p> |
| 20:30 | 21:30 | 1.00 | 31PRDR | CMT | RIGUP | P | HOLD PJSM WITH HALIBURTON, RIG CREWS ,RIG MANAGER ,AND DSM RIG UP HALIBURTON |
| 21:30 | 22:00 | 0.50 | 31PRDR | CMT | RIGUP | P | RIG UP HALIBURTON AND TEST LINES 250 PSI LOW / 3500 PSI HIGH |
| 22:00 | 0:00 | 2.00 | 31PRDR | CMT | PRIM | P | <p>CEMENT 5.5" PRODUCTION CASING AS FOLLOWS</p> <p>PUMP SPACER 30 BBLs FW @ 5.0 BBLs MIN, 150 PSI PUMP 11.7 PPG 480 SKS 225 BBLs LEAD CEMENT @5.0 BBLs MIN,540 PSI, PUMP 13 PPG 820 SKS 253 BBLs TAIL CEMENT @ 4 BBLs MIN, 265 PSI, DROP PLUG @ 23:50HRS. PUMP FRESH WATER DISPLACEMENT @ 8 BBLs MIN, 262 BBLs, 255 PSI CAUGHT LIFT PRESSURE AT 121 BBLs 6.7 BPM 499 PSI FINAL CIRCULATING LIFT 1890 PSI AT 2.5 BPM BUMP PLUG WITH 500 PSI OVER FINAL LIFT 2400 PSI AT 00:35 HRS PUMP 1 BBLs OVER DISPLACEMENT TOTAL 263 BBLs. HELD 5 MIN BLEED BACK 1.5 BBL FLOATS HELD</p> <p>FULL RETURNS THROUGHOUT JOB</p> <p>ETOC @ 750'</p> |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 92.00 Weather Comments:

Environ Incident? N Days since Last LTA: 357.00

Incident Comments:

No incidents reported last 24 hours.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/20/2011
Report No: 19

Other Remarks: AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
LONG:102° 24' 50.24" W
NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 925
4 1/2" HWDP = 177
6 1/2" DC'S = 182
8" DC'S = 25

SAFETY TOPIC OF THE DAY : CEMENTING CASING

NO ACCIDENTS LAST 24 HOURS

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 357
DAYS SINCE LAST RECORDABLE: 92

TOTAL DAILY SAFETY MEETINGS: 8
TOTAL NEAR MISSES: 0
TOTAL DAILY STOP CARDS : 9
TOTAL JSA'S REVIEWED : 9
TOTAL DAILY PERMITS TO WORK: 0
TOTAL LO/TO: 4

RIG MOVE ESTIMATE: 10/22/2011

BEST STOP CARD: OBSERVED THIRD PARTY EMPLOYEE NOT WEARING SAFETY GLASSES INFORMED HIM OF COMPANY POLICY AND POSSIBLE EYE INJURY'S HE AGREED AND WORK CONTINUED

Date: 10/21/2011
Report No: 20

| | | |
|---------------------------|---|-------------------|
| Current Formation: | STRAWN@11,000.0 | Lithology: |
| Current Ops: | RIG DOWN PREPARE FOR MOVE TO UNIVERSITY LIZBY NO. 002 | |
| 24-Hr Summary: | NIPPLE DOWN BOP'S, INSTALL TUBING HEAD AND TEST, CLEAN PITS AN RELEASE RIG TO THE UNIVERSITY LIZBY NO. 002. | |
| 24-Hr Forecast: | MOVE RIG TO UNIVERSTIY LIZBY NO. 002 | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | | |
|-----------------------|----------------------------|----------------------|------|------|-----------|-------|-----|-------|------|-------|
| Supervisor 1: | DENNIS STEWART/ CLARENCE S | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS | Build |
| Supervisor 2: | TRAE LAIRD | 11,264.0 | 1.20 | 0.00 | 11,261.63 | 183.5 | 0.0 | 183.5 | 0.37 | -0.37 |
| Engineer: | IVAN OTERO | 11,100.0 | 1.80 | 0.00 | 11,097.68 | 179.2 | 0.0 | 179.2 | 0.15 | -0.15 |
| Geologist: | TIM LIONS | 10,902.0 | 2.10 | 0.00 | 10,899.80 | 172.5 | 0.0 | 172.5 | 0.34 | 0.34 |
| Oxy Personnel: | 2 | 10,525.0 | 0.80 | 0.00 | 10,522.93 | 163.0 | 0.0 | 163.0 | 0.03 | 0.03 |
| Contractor Personnel: | 13 | 10,205.0 | 0.70 | 0.00 | 10,202.95 | 158.8 | 0.0 | 158.8 | 0.79 | -0.79 |
| Total on Site: | 15 | 10,078.0 | 1.70 | 0.00 | 10,075.98 | 156.1 | 0.0 | 156.1 | 0.31 | 0.31 |

| BIT OPERATING PARAMETERS TODAY | | | | | | | | | | | | |
|--------------------------------|---------|-------------|------|----------|-----|---------|----------------|----------------|-----|------------|---------|-------|
| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |

| MUD DATA - | | LAST OR CURRENT BHA | | | | |
|-----------------------|--------------------------|---------------------|--|--|--|--|
| Engineer: | MBT: | | | | | |
| Sample From: | pH: | | | | | |
| Mud Type: | Pm / Pom: | | | | | |
| Time / MD: / | Pf / Mf: / | | | | | |
| Density @ Temp: / | Chlorides: | | | | | |
| Rheology Temp: | Ca+ / K+: / | | | | | |
| Viscosity: | CaCl2: | | | | | |
| PV / YP: / | Clom: | | | | | |
| Gels 10s/10m/30m: / / | Lime: | | | | | |
| API WL: | ES: | | | | | |
| HTHP WL: | ECD: | | | | | |
| Cake API / HTHP: / | n / K: / | | | | | |
| Solids / Sol Corr: / | Carbonate: | | | | | |
| Oil / Water: / | Bicarbonate: | | | | | |
| Sand: | Form Loss: 0.0 / 6,572.5 | | | | | |
| Water Added: | Fluid Disch: / | | | | | |
| Oil Added: | | | | | | |
| LGS: / | | | | | | |
| VG Meter: | | | | | | |
| Comments: | | | | | | |
| | | | | | | |

[illegible]

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
 USA

Date: 10/21/2011
 Report No: 20

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|------|------|----------|---------|--------|---------|---|
| 0:00 | 1:00 | 1.00 | 31PRDR | CMT | PRIM | P | CEMENT 5.5" PRODUCTION CASING AS FOLLOWS PUMP SPACER 30 BBLS FW @ 5.0 BBLS MIN, 150 PSI PUMP 11.7 PPG 480 SKS 225 BBLS LEAD CEMENT @ 5.0 BBLS MIN, 540 PSI, PUMP 13 PPG 820 SKS 253 BBLS TAIL CEMENT @ 4.0 BBLS MIN, 265 PSI, DROP PLUG @ 23:50HRS. PUMP FRESH WATER DISPLACEMENT @ 8 BBLS MIN, 262 BBLS, 255 PSI CAUGHT LIFT PRESSURE AT 121 BBLS 6.7 BPM 499 PSI FINAL CIRCULATING LIFT 1890 PSI AT 2.5 BPM BUMP PLUG WITH 500 PSI OVER FINAL LIFT 2400 PSI AT 00:35 HRS PUMP 1 BBLS OVER DISPLACEMENT TOTAL 263 BBLS. HELD 5 MIN BLEED BACK 1.5 BBL FLOATS HELD RIG DOWN HALIBURTON FULL RETURNS THROUGHOUT JOB ETOC @ 750' |
| 1:00 | 4:00 | 3.00 | 31PRDR | BOP | RDBOP | P | HELD PJSM WITH MONAHANS & RIG CREW RIG DOWN FLOWLINE & REMOVE TURNBUCKLES, NIPPLE DOWN BOP & MAKE BOTTOM BREAK & LIFT STACK INSTALL CASING SLIPS & SET 160K STRING WT, MAKE ROUGH CUT ON 5.5' CSG & LAYOUT SAME. CONTINUE TO NIPPLE DOWN BOP'S & SPLIT STACK & REMOVE MUD CROSS |
| 4:00 | 7:00 | 3.00 | 31PRDR | CSG | RIGUP | P | MAKE FINAL CUT ON 5.5' CASING, INSTALL 7 1/16" TUBING HEAD & TEST TO 4400 PSI FOR 10 MINS. (GOOD TEST) CLEAN MUD PITS RIG RELEASED AT 07:00 HRS |
| Total Time | | 7.00 | | | | | |

Safety Incident? N Days since Last RI: 93.00

Environ Incident? N Days since Last LTA: 358.00

Incident Comments:

No incidents reported last 24 hours.

Weather Comments:

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CAROL NO. 002
USA

Date: 10/21/2011
Report No: 20

Other Remarks: AT THE INTERSECTION OF HWY 1788 AND HWY 115. GO SOUTH 1 MILES OM 1788 AND TURN RIGHT ON CALICHES' ROAD THRU CATTLE GUARD IMMEDIATELY TURN LEFT TRAVEL .75 MILE ROAD WILL TURN BACK TO THE EAST STAY TO THE LEFT ABOUT .75 MILES, TURN LEFT AND TRAVEL SOUTH TO LOCATION .6 MILES.

LAT:32° 20' 54.3"N
LONG:102° 24' 50.24" W
NAD 27

HOURS ON TUBULAR'S SINCE LAST INSPECTION:

4 1/2" DRILL PIPE = 925
4 1/2" HWDP = 177
6 1/2" DC'S = 182
8" DC'S = 25

SAFETY TOPIC OF THE DAY : CEMENTING CASING

NO ACCIDENTS LAST 24 HOURS

FLYING GREEN FLAG

DAYS WORKED WITH NO LTI : 357
DAYS SINCE LAST RECORDABLE: 92

TOTAL DAILY SAFETY MEETINGS: 8
TOTAL NEAR MISSES: 0
TOTAL DAILY STOP CARDS : 9
TOTAL JSA'S REVIEWED : 9
TOTAL DAILY PERMITS TO WORK: 0
TOTAL LO/TO: 4

RIG MOVE ESTIMATE: 10/22/2011

BEST STOP CARD: OBSERVED THIRD PARTY EMPLOYEE NOT WEARING SAFETY GLASSES INFORMED HIM OF COMPANY POLICY AND POSSIBLE EYE INJURY'S HE AGREED AND WORK CONTINUED

[View Details...](#)

| | | |
|-----------------------------------|-------------------------------|---|
| Event | | |
| Completed | | |
| CAROL-002 | Dev Completion - Cased | |
| Hole | | |
| 10/24/2011 | | |
| Daily Summary | | 10-24-11 -MIRU Schlumberger wireline. RIH and log CCL, GR, CBL. Hold 1000 psi on csg while running CBL. RDMO wire line. SIW & SDFN Daqily cost=\$16463.98 Cumulative cost=\$16463.98 |
| Total Cost for 10/24/2011 | \$0.00 | |
| 10/25/2011 | | |
| Daily Summary | | 10-25-11-Install 10K frac stack. MIRU kill trk. Psi test csg & frac stack to 5000 psi. Psi test good. Move Nabors frac tanks on location. Daqily cost=\$48668.00 Cumulative cost=\$65131.98 |
| Total Cost for 10/25/2011 | \$0.00 | |
| 11/03/2011 | | |
| Daily Summary | | 11/3/11 Perf Lower Wolfcamp 12:29-13:11 RU Halliburton Wireline. No Plug Set. 3 1/8" csg gun perf. Using 3319-331T charges 19 gm wt. 0.42", 42" penetration, 6 SPF, 60 degree phsing. Perforate Lower Wolfcamp @ 11150, 11096, 11047, 11018. Total shots=34 & fired=34. Net feet =132'. Reference log Schlumberger CNL/GR/CCL dated 10-24-11. Frac Lower Wolfcamp 18:56-20:10 RU Halliburton frac Lower Wolfcamp zone. Break down at 5110psi @3.8 bpm. Pump 2003 gal 15% Ferchek acid. Pump 11530 gal treated water pre-pad. Pump 8539 gal Hybor G pre-pad. Pump 59915 gal Hybor G Pad, 26101 gal Hybor G w/ 20248# 20/40 Premium prop, 1070 gal 15% Ferchek acid, 9764 gal treated water flush. Max rate 64.5 bpm, Avg rate=39.7 bpm, Max psi=6323 psi, Avg psi=5783 psi, ISIP=3378 psi. Total load=119022 gal. NOTE: Frac crew had an accident on previous location Halliburton to Halliburton vehicles causing a 2.5 hour delay on start time. Cut sand on 1# stage due to pressure riding max which had to continue cutting rate to maintain pressure. Only able to get 20248# of sand into formation. Called Doc and notified him that we got well bore flushed with acid spotted for the next zone. Doc concurred that aborting the zone would be fine and to continue onto stage 2. Perf Middle Wolfcamp 20:20-21:30 RU Halliburton Wireline. RIH w/ 5 1/2" composite plug. Set @ 10860'. Perf Middle Wolfcamp w/ 3 1/8" csg gun perf. using 3319-331T charges 19 gm wt. 0.42" EHD, 42" penetration, 6 SPF, 60 degree phasing. Perforate Middle Wolfcamp @ 10820, 10766, 10692, 10615, 10580. Total shots=44 & fired=44. Net feet =240'. Reference log Schlumberger CNL/GR/CCL dated 10-24-11. NOTE: Shut down for the night resume frac for Stage 2 tomorrow at 06:30 |
| Wireline - Perforate Casing/Liner | | Perf Lower Wolfcamp 12:29-13:11 RU Halliburton Wireline. No Plug Set. 3 1/8" csg gun perf. Using 3319-331T charges 19 gm wt. 0.42", 42" penetration, 6 SPF, 60 degree phsing. Perforate Lower Wolfcamp @ 11150, 11096, 11047, 11018. Total shots=34 & fired=34. Net feet =132'. Reference log Schlumberger CNL/GR/CCL dated 10-24-11. |
| Frac - Sand | | Frac Lower Wolfcamp 18:56-20:10 RU Halliburton frac Lower Wolfcamp zone. Break down at 5110psi @3.8 bpm. Pump 2003 gal 15% Ferchek acid. Pump 11530 gal treated water pre-pad. Pump 8539 gal Hybor G pre-pad. Pump 59915 gal Hybor G Pad, 26101 gal Hybor G w/ 20248# 20/40 Premium prop, 1070 gal 15% Ferchek acid, 9764 gal treated water flush. Max rate 64.5 bpm, Avg rate=39.7 bpm, Max psi=6323 psi, Avg psi=5783 psi, ISIP=3378 psi. Total load=119022 gal. NOTE: Frac crew had an accident on previous location Halliburton to Halliburton vehicles causing a 2.5 hour delay on start time. Cut sand on 1# stage due to pressure riding max which had to continue cutting rate to maintain pressure. Only able |


[View Details...](#)

| | | |
|---|---------------|---|
| | | to get 20248# of sand into formation. Called Doc and notified him that we got well bore flushed with acid spotted for the next zone. Doc concurred that aborting the zone would be fine and to continue onto stage 2. |
| Wireline - Bridge Plug - Composite - Set Wireline | | RU Halliburton Wireline. RIH w/ 5 ½" composite plug. Set @ 10860'. |
| Wireline - Perforate Casing/Liner | | Perf Middle Wolfcamp 20:20-21:30 Perf Middle Wolfcamp w/ 3 1/8" csg gun perf. using 3319-331T charges 19 gm wt. 0.42" EHD, 42" penetration, 6 SPF, 60 degree phasing. Perforate Middle Wolfcamp @ 10820, 10766, 10692, 10615, 10580. Total shots=44 & fired=44. Net feet =240'. Reference log Schlumberger CNL/GR/CCL dated 10-24-11. NOTE: Shut down for the night resume frac for Stage 2 tomorrow at 06:30 |
| Total Cost for 11/03/2011 | \$0.00 | |
| 11/04/2011 | | |
| Wireline - Bridge Plug - Composite - Set Wireline | | RU Halliburton Wireline. RIH w/ 5 ½" composite plug. Set @ 10070'. |
| Job Cost Detail Report | | |
| Daily Summary | | 11/4/11 Frac Middle Wolfcamp 06:39-07:40 RU Halliburton frac Middle Wolfcamp zone. Break down at 2707 @ 4.2 bpm. Pump 1008 gal 15% Ferchek acid. Pump 11276 gal treated water pre-pad. Pump 8865 gal Hybor G pre-pad. 59040 gal Hybor G Pad, 67396 gal Hybor G w/ 79714# 20/40 Premium prop, 993 gal 15% Ferchek acid, 9337 gal treated water flush. Max rate=71.8 bpm, Avg rate=70.5 bpm, Max psi=5781 psi, Avg psi=4866 psi, ISIP=3183 psi. Total load=158787 gal. Perf Upper Wolfcamp 08:04-09:09 RU Halliburton Wireline. RIH w/ 5 ½" composite plug. Set @ 10430'. Perf Upper Wolfcamp w/ 3 1/8" csg gun perf. using 3319-331T charges 19 gm wt. 0.42" EHD, 42" penetration, 6 SPF, 60 degree phasing. Perforate Upper Wolfcamp @ 10385, 10330, 10284, 10166. Total shots=48 & fired=48. Net feet =219'. Reference log Schlumberger CNL/GR/CCL dated 10-24-11. Frac Upper Wolfcamp |
| Frac - Sand | | Frac Middle Wolfcamp 06:39-07:40 RU Halliburton frac Middle Wolfcamp zone. Break down at 2707 @ 4.2 bpm. Pump 1008 gal 15% Ferchek acid. Pump 11276 gal treated water pre-pad. Pump 8865 gal Hybor G pre-pad. 59040 gal Hybor G Pad, 67396 gal Hybor G w/ 79714# 20/40 Premium prop, 993 gal 15% Ferchek acid, 9337 gal treated water flush. Max rate=71.8 bpm, Avg rate=70.5 bpm, Max psi=5781 psi, Avg psi=4866 psi, ISIP=3183 psi. Total load=158787 gal. |
| Wireline - Bridge Plug - Composite - Set Wireline | | RU Halliburton Wireline. RIH w/ 5 ½" composite plug. Set @ 10430' |
| Wireline - Perforate Casing/Liner | | Perf Upper Wolfcamp 08:04-09:09 . Perf Upper Wolfcamp w/ 3 1/8" csg gun perf. using 3319-331T charges 19 gm wt. 0.42" EHD, 42" penetration, 6 SPF, 60 degree phasing. Perforate Upper Wolfcamp @ 10385, 10330, 10284, 10166. Total shots=48 & fired=48. Net feet =219'. Reference log Schlumberger CNL/GR/CCL dated 10-24-11. Frac Upper Wolfcamp 09:25-10:32 RU Halliburton frac Upper Wolfcamp zone. Break down at 3199 @ 6.2 bpm. Pump 1017 gal 15% Ferchek acid. Pump 15770 gal treated water pre-pad. Pump 6039 gal Hybor G pre-pad. Pump 69150 gal Hybor G Pad, 78608 gal Hybor G w/ 121850# 20/40 Premium prop, 1030 gal 15% Ferchek acid, 8987 gal treated water flush. Max rate=71.5 bpm, Avg rate=70.3 bpm, Max psi=4658 psi, Avg psi=3503 psi, ISIP=2178psi. Total load=180623 gal. |
| Frac - Sand | | RU Halliburton Wireline. RIH w/ 5 ½" composite plug. Set @ 10070'. |
| Wireline - Bridge Plug - Composite - Set Wireline | | RU Halliburton Wireline. RIH w/ 5 ½" composite plug. Set @ 9610'. |


[View Details...](#)

| | | |
|-----------------------------------|---------------------|--|
| Wireline - Perforate Casing/Liner | | Perf Upper Sprayberry 13:20-14:23 Perf Upper Sprayberry w/ 3 1/8" csg gun perf. using 3319-331T charges 19 gm wt. 0.42" EHD, 42" penetration, 6 SPF, 60 degree phasing. Perforate Upper Sprayberry @ 9564, 9518, 9450, 9406, 9354, 9310. Total shots=47 & fired=47. Net feet =254'. Reference log Schlumberger CNL/GR/CCL dated 10-24-11. |
| Frac - Sand | | Frac Upper Sprayberry 14:55-15:54 RU Halliburton frac Upper Sprayberry zone. Breakdown at 1754 psi @ 6.3 bpm. Pump 1008 gal 15% Ferchek acid. Pump 15829 gal treated water pre-pad. Pump 7421 Hybor G pre-pad. Pump 48448 gal Hybor G Pad, 64335 gal Hybor G w/ 165383# 20/40 CRD prop, 9004 gal treated water flush. Max rate=71.9 bpm, Avg rate=69.6 bpm, Max psi=3805 psi, Avg psi=3182 psi, ISIP=1402 psi. Total load=146045 gal. |
| Wireline - Perforate Casing/Liner | | Perf Lower Sprayberry 10:46-11:58 Perf Lower Sprayberry w/ 3 1/8" csg gun perf. using 3319-331T charges 19 gm wt. 0.42" EHD, 42" penetration, 6 SPF, 60 degree phasing. Perforate Lower Sprayberry @ 10030, 9978, 9938, 9896, 9836, 9778. Total shots=47 & fired=47. Net feet =252'. Reference log Schlumberger CNL/GR/CCL dated 10-24-11. |
| Frac - Sand | | Frac Lower Sprayberry 12:12-13:05 RU Halliburton frac Lower Sprayberry zone. Breakdown at 2369psi @ 7.6 bpm. Pump 994 gal 15% Ferchek acid. Pump 15963 gal treated water pre-pad. Pump 6932 gal Hybor G pre-pad. Pump 41918 gal Hybor G Pad, 61066 gal Hybor G w/ 143288# 20/40 CRC prop, Pump 1004 gal 15% Ferchek acid. Pump 8541 gal treated water flush. Max rate=74.2 bpm, Avg rate=69.9 bpm, Max psi=4211 psi, Avg psi=3566 psi, ISIP=2247 psi. Total load=136417 gal.. |
| Total Cost for 11/04/2011 | \$623,866.38 | |
| 12/06/2011 | | |
| Rig Travel Time | | Road equipment to well site |
| Safety Meeting | | Held safety meeting and JSA |
| Site Work | | spot coil unit, and equipment |
| Pulling Unit - Rig Up | | RU PU Warrior 553, CT Unit |
| Rig Crew Travel Time | | Crew travel home |
| Safety - Personnel | | |
| Job Cost Detail Report | | |
| Total Cost for 12/06/2011 | \$33,716.16 | |
| 12/07/2011 | | |
| Rig Crew Travel Time | | Crew to loc |
| Safety Meeting | | Held safety mtg & JSA |
| Site Work | | defrost pump and frac tanksinstalled 2" coil connector and pull tested to 10k and 20k. Installed 2.88" hydraulic disconnect, dual circulating sub, and pressure tested to 2500. installed 2.88" motor and 4.625 jz bit and tested motor at 2 bpm. Rig up to well and have safety meeting. pressure tested well to 5000 psi. open well |
| Coil Tubing - Cleanout - Other | | ran in hole and tagged 1st plug at 9610 and pumped 10 bbl sweep. Drilled up 1st plug and pumped 10bbl sweep. Took 30 min. ran in hole and tagged 2nd plug at 10068 and pumped 10bbl sweep. Shut down to fix leak at the real. Resumed, and pressure is 7300. drilled up 2nd plug and pumped 10bbl sweep. ran in hole and tagged 3rd plug at 10425 and pumped 10bbl sweep.pressure back down to 5000. ran in hole and tagged 4th plug at 10855 and pumped 10bbl sweep. drilled up 4th plug and pumped 10bbl sweep. took 30 min. ran in hole and tagged at 11133. drilled through and continued in hole. pumped a 10bbl sweep at 11155. ran in hole and tagged PBTD at 10261, and pulled up to perfs and pumped 10bbl sweep.POOH |


[View Details...](#)

| | | |
|----------------------------------|--------------------|--|
| | | with coil |
| Pulling Unit - Rig Down | | RD PU Warrior 553 CT Unit |
| Rig Crew Travel Time | | Crew drove home |
| Safety - Personnel | | |
| Job Cost Detail Report | | |
| Daily Summary | | <p>12/7/11 JODY IGLEHART CAROL #2 WARRIOR (2" COIL UNIT) Arrived on location and held safety meeting and JSA. Defrosted pump and frac tanks. Installed 2" coil connector and pull tested to 10K and 20K. Installed 2.88 hydraulic disconnect, and 2.88 dual circulating sub, and pressure tested to 2500. Installed 2.88" motor and 4.625 JZ BIT, and tested at 2 BPM. Rigged up to well and had safety meeting. Pressure tested well head to 5000 psi (test good). Had trouble opening main valve could only get 25 rounds and then it would get tight. Opened 5 more rounds and tools went past. Pulled back up, shut valve and tested again to make sure valve was closing all the way (test good). Open well head and RIH with tools. Tagged first plug at 9610, pumped 10 bbl sweep. Drilled plug up in 30 min, and ran another 10 bbl sweep. RIH and tagged 2nd plug at 10068, and ran 10 bbl sweep. Shut down and fixed leak at reel, came back on line and circulating pressure at 7300 psi. Pressure came down to 5400. Drilled up 2nd plug in 45 min. RIH and tagged 3rd plug at 10425 and pumped 10 bbl sweep. Drilled up 3rd plug in 45 min. pressure erratic up to 7000 psi. RIH, pressure coming down to 5000 psi. Tagged 4th plug at 10855 and pumped 10 bbl sweep. Drilled up plug in 30 min. RIH and tagged at 11133. Drilled through, and ran sweep at 11155. RIH and tagged PBTD at 11260 and pulled up to perfs slow. Pumped sweep and POOH. Rigged off well head and lay down tools. Blew reel dry, and rigged down. Left location. DAILY COST: \$70,751 ACCUMULATIVE COST: \$91789</p> |
| Total Cost for 12/07/2011 | \$64,046.39 | |
| 12/17/2011 | | |
| Casing - Flowback | | CASING 50 PSI, FLOW WELL DOWN TO PIT |
| Waiting on Service Provider | | WAIT ON REVERSE UNIT TO ARRIVE LOCATION--MUSSELWHITE |
| Equipment - Load/Unload | | MOVE EQUIPMENT TO LOCATION FROM MABEE RANCH |
| Safety Meeting | | CREW CHANGE, SAFETY MEETING, RIG INSPECTION |
| Rig Crew Travel Time | | RIG TRAVEL TO LOCATION |
| Waiting on Service Provider | | WAIT ON RIG MAT TO BE MOVED TO LOCATION--FIFE SERVICES |
| Pulling Unit - Rig Up | | RU PU WLP 120 |
| Break for Crew | | LUNCH |
| BOPE - Function Test | | UNLOAD AND FUNCTION TEST BOP |
| Shut-in Overnight | | SHUT IN WELL, SECURE LOCATION |
| Rig Crew Travel Time | | CREW TRAVEL HOME |
| Safety - Personnel | | |
| Job Cost Detail Report | | |
| Equipment - Load/Unload | | MOVE IN, RIG UP REVERSE UNIT, SPOT FRAC TANK AND LOAD |
| Daily Summary | | CAROL 2 WLP 120 LARRY WILLIAMS 12-17-11.....move equipment to location, move in, rig up pulling unit, wait on trucking to move reverse unit and frac tank, rig up reverse unit, spot frac tank and load with brine, shut down till Monday |


[View Details...](#)

| | | |
|----------------------------------|---------------------|--|
| Total Cost for 12/17/2011 | \$103,720.84 | |
| 12/19/2011 | | |
| Job Cost Detail Report | | |
| Tubing - Pull | | PULL OUT OF HOLE LAYING DOWN TUBING |
| Shut-in Overnight | | WINDS WERE SUPPOSED TO BLOW THE REST OF THE DAY, SHUT IN WELL, SECURE LOC |
| Rig Crew Travel Time | | CREW TRAVEL HOME |
| Rig Crew Travel Time | | NIGHT CREW TRAVEL TO LOCATION |
| Safety Meeting | | SAFETY MEETING, RIG INSPECTION |
| Tubing - Run | | PICK UP AND RUN IN HOLE WITH PRODUCTION TUBING, RUN SLOW BECAUSE OF WIND |
| Safety - Personnel | | |
| Daily Summary | | CAROL 2 WLP 120 LARRY WILLIAMS 12-19-11.....bleed well down to pit, pump 50 bbls down casing, nipple down wellhead, nipple up bop, start to run in hole with prod tubing, too windy to continue, lay down bha, send day crew home, night crew pick up and run in hole with new production tubing cost 12-17-11 - \$103,900, cumulative cost thru 12-17-11 -- \$819,859 |
| Rig Crew Travel Time | | CREW TRAVEL TO LOCATION |
| Safety Meeting | | SAFETY MEETING, RIG INSPECTION, JSA 401 |
| Casing - Check Pressure | | CASING 350 PSI |
| Casing - Flowback | | BLEED WELL DOWN TO PIT |
| Well Control - Kill Well - Brine | | KILL WELL WITH 200 BBLs BRINE |
| Wellhead - Nipple Down | | NIPPLE DOWN WELLHEAD |
| BOPE Hydraulic - Nipple Up | | NIPPLE UP HYD BOP AND XOVER SPOOL |
| Tubing - Tally | | PREP EQUIPMENT TO RUN TUBING, TALLY TUBING |
| Tubing - Run | | MAKE UP BHA AND START IN HOLE WITH PROD TUBING, TOO WINDY TO CONTINUE |
| Break for Crew | | LUNCH |
| Total Cost for 12/19/2011 | \$13,142.08 | |
| 12/20/2011 | | |
| Tubing - Run | | RUN IN HOLE WITH PRODUCTION TUBING |
| Shut-in Overnight | | SHUT IN WELL, SECURE LOCATION |
| Rig Crew Travel Time | | CREW TRAVEL TO WESTEX YARD |
| Safety Meeting | | WESTEX SAFETY MEETING |
| Rig Crew Travel Time | | CREW TRAVEL TO LOCATION |
| Safety Meeting | | SAFETY MEETING, RIG INSPECTION |
| Equipment - Load/Unload | | UNLOAD NEW WEATHERFORD RODS ON LOCATION |
| Tubing - Run | | FINISH RUNNING IN HOLE WITH PRODUCTION TUBING |
| Break for Crew | | LUNCH |
| Tubing Anchor - Set | | ATTEMPT TO SET TUBING ANCHOR, WOULD NOT SET |
| Tubing - Pull | | PULL OUT OF HOLE WITH PRODUCTION TUBING, TUBING ANCHOR WAS LOCKED UP W/ SAND |


[View Details...](#)

| | | |
|---------------------------------------|--------------------|--|
| Waiting on Orders | | CONSULT WITH WELL SERVICE SERVICE TEAM, WILL MAKE BIT TRIP TO CLEAN HOLE |
| Safety Meeting | | CREW CHANGE, SAFETY MEETING, RIG INSPECTION |
| Safety - Personnel | | |
| Safety Meeting | | SAFETY HUDDLE |
| Waiting on Service Provider | | WAIT ON BIT AND DRILL COLLARS TO ARRIVE LOCATION--COLD CALL--WLP |
| Bit - Run | | PICK UP AND RUN IN HOLE WITH 4 3/4" BIT, 6 EA 3 1/2" DRILL COLLARS AND 2 7/8" TUBING |
| Daily Summary | | 12/20/2011.....run in hole with production tubing, attend Westex safety meeting, finish running in hole with production tubing, could not set tubing anchor, pull out of hole with production tubing, tubing anchor locked up with sand, consult WST, order bit and drill collars, run in hole with 4 3/4" bit, 6 ea 3 1/2" drill collars and 2 7/8" L-80 tubing cost 12-19-11 - \$12,800, cumulative cost thru 12-19-11 - \$832,659 |
| Job Cost Detail Report | | |
| Total Cost for 12/20/2011 | \$44,591.50 | |
| 12/21/2011 | | |
| Daily Summary | | CAROL 2 WLP 120 BOBBY RUSSELL 12-21-11 RIh down to 9000'. Broke circulation with fresh water. Circulated the hole clean. RIh down to 11,261'. Circulated clean. Killed the well with brine. POOH with the bit and collars. Started back with the production tbg. cost 12-19-11 - \$12,800, cumulative cost thru 12-19-11 -- \$832,659 |
| Break for Crew | | Lunch |
| Bit - Run | | RIh down to 9194'. 287 joints. |
| Stripper Head - Nipple Up/Nipple Down | | Installed the stripper and rigged up the reverse unit to the tbg. |
| Circulate - Fresh Water | | Started breaking circulation. Pumped 400 bbls of fresh water. |
| Safety Meeting | | Crew change. Inspect equipment. |
| Tubing - Flowback | | Flowed the tbg back till the tbg died. |
| Bit - Run | | RIh with the bit and collars. Tagged @ 11,261'. |
| Circulate - Fresh Water | | Circulated 400 bbls of fresh water. |
| Bit - Pull | | POOH with 120 joints. |
| Safety Meeting | | Crew change. Inspect equipment. |
| Well Control - Kill Well - Brine | | Pumped 195 bbls of brine to kill the well. |
| Stripper Head - Nipple Up/Nipple Down | | Nippled down the stripper head. |
| Bit - Pull | | Finished pooh with the bit and collars. Laid the collars down. |
| Safety - Personnel | | |
| Job Cost Detail Report | | |
| Total Cost for 12/21/2011 | \$31,191.48 | |
| 12/22/2011 | | |
| Tubing Anchor - Set | | Attempted to set tac. Tac would not set. |
| Bit - Run | | Started in with 4 3/4 bit, 6- 3 1/2 drill collars and the 2 7/8 tbg. |
| Safety Meeting | | Crew change. Inspect equipment. |
| Bit - Run | | Finished running in with the bit and collars. Tagged 11,261'. |


[View Details...](#)

| | | |
|---------------------------------------|--------------------|--|
| Stripper Head - Nipple Up/Nipple Down | | Installed the stripper head. |
| Circulate | | Strated unloading the hole with the air unit. |
| Safety - Personnel | | |
| Job Cost Detail Report | | |
| Tubing - Pull | | Pulled the tac up above the perms. |
| Circulate - Brine/Produced Water | | Pumped 230 bbls of brine water to flush the tac off. Unable to set the tac. |
| Break for Crew | | Lunch |
| Tubing - Pull | | Finished pooh with the bit and collars. |
| Tubing - Run | | Started in with the production tbg. |
| Safety Meeting | | Crew change. Inspect equipment. |
| Break for Crew | | Lunch |
| Tubing - Pull | | POOH with the production tbg. |
| Total Cost for 12/22/2011 | \$25,191.48 | |
| 12/23/2011 | | |
| Job Cost Detail Report | | |
| Safety - Personnel | | |
| Rig Crew Travel Time | | Crew travel time. |
| Shut-in Overnight | | Shut the well in for the holidays |
| Bit - Pull | | Pulled the tbg up to 6000'. |
| Well Control - Kill Well - Brine | | Pumped 50 bbls of brine down tbg to kill the well. |
| Casing - Flowback | | Bleed the tbg and csg down to the pit. |
| Casing - Check Pressure | | 800 psi on the csg and 100 psi on the tbg. |
| Safety Meeting | | Crew attended safety meeting at Westex yard. Crew Change. Inspect equipment. |
| Shut-in Overnight | | Shut the well in. |
| Bit - Pull | | Pulled the bit up above the perms. |
| Well Control - Kill Well - Brine | | Pumped 70 bbls of brine down the tbg to kill the tbg. |
| Circulate | | Continued circulating clean. |
| Break for Crew | | Lunch |
| Total Cost for 12/23/2011 | \$20,439.10 | |
| 12/27/2011 | | |
| Tubing - Run | | RIH down to 7000'. |
| Circulate - Brine/Produced Water | | Pumped 250 bbls of brine to wash the tac off. |
| Tubing - Run | | Continued running in with the tbg. |
| Safety - Personnel | | |
| Job Cost Detail Report | | |
| Safety Meeting | | Crew change. Inspect equipment. |
| Tubing - Run | | Started in with the production tbg. |


[View Details...](#)

| | | |
|---------------------------------------|--------------------|--|
| Bit - Pull | | POOH with the tbg and laid the bit and collars down. |
| Break for Crew | | Lunch |
| Stripper Head - Nipple Up/Nipple Down | | Nippled down the stripper head. |
| Well Control - Kill Well - Brine | | Circulated 200 bbls of brine to kill the well. |
| Casing - Flowback | | Started flowing the well back. |
| Casing - Check Pressure | | 400 psi on the csg and 300 psi on the tbg. |
| Safety Meeting | | Inspect equipment. Discussed pulling bit and collars. |
| Rig Crew Travel Time | | Crew travel time to location. |
| Safety Meeting | | Safety meeting at Westex yard. |
| Total Cost for 12/27/2011 | \$9,907.36 | |
| 12/28/2011 | | |
| Pulling Unit - Repair/Service | | CHANGE OUT TUBING LINE ON RIG |
| Safety Meeting | | SAFETY HUDDLE |
| Tubing Anchor - Release | | RUN IN HOLE AND SCREW BACK INTO TUBING, RELEASE TUBING ANCHOR |
| Tubing - Pull | | PULL OUT OF HOLE WITH TUBING |
| Safety Meeting | | CREW CHANGE, SAFETY MEETING, RIG INSPECTION |
| Tubing - Run | | CHANGE OUT TAC, RUN IN HOLE WITH PRODUCTION TUBING, CHECK EVERY CONNECTION WITH TONGS |
| Safety Meeting | | SAFETY HUDDLE |
| Tubing - Run | | FINISH RUN IN HOLE WITH PRODUCTION TUBING |
| Safety - Personnel | | |
| Job Cost Detail Report | | |
| Tubing - Run | | CONTINUE RUNNING IN HOLE WITH PROD TUBING, TOTAL OF 352 JTS, SUB, 2 JTS, TAC, 2 JTS TK-99, MHDSN, 2 TUBING SCREENS, MA |
| Tubing Anchor - Set | | ATTEMPT TO SET TUBING ANCHOR, HAD HARD TIME SETTING TAC, TAC FINALLY SET, PULL AGAINST TUBING ANCHOR AND TUBING PARTED, KINKED TUBING LINE, SHUT IN WELL, TUBING LINE NEEDS TO BE REPLACED, SET UP TO CHANGE TUBING IN AM |
| Waiting on Service Provider | | WAIT ON JORDAN WIRE ROPE--COLD CALL, SERVICE RIG AND CLEANUP LOCATION |
| Safety Meeting | | CREW CHANGE, SAFETY MEETING, RIG INSPECTION |
| Waiting on Service Provider | | WAIT ON JORDAN WIRE ROPE--COLD CALL, SERVICE RIG AND CLEANUP LOCATION |
| Total Cost for 12/28/2011 | \$23,043.80 | |
| 12/29/2011 | | |
| Daily Summary | | CAROL 2 WLP 120 LARRY WILLIAMS 12-29-11.....run in hole with production tubing, nipple down bop, set tac, nipple up wellhead, pick up and run in hole with pump, 6 ea 1.5" k bars and new Weatherford rods from ground, space out, load and test tubing to 500 psi, long stroke pump, wait on Weatherford winch truck, lower beam on pumping unit, hang well on, rig down pulling unit and all equip and prep to move cumulative cost thru 12-28-11 -- \$267,298 |
| Safety Meeting | | SAFETY HUDDLE |
| Pump/Rods - Run | | PREP EQUIPMENT TO RUN RODS, PICK UP AND RUN IN HOLE |

[View Details...](#)

| | | |
|----------------------------------|-----------------------|--|
| | | WITH PUMP, RHR, 6 X 1.5" K BARS, AND NEW WEATHERFORD HD RODS |
| Safety Meeting | | CREW CHANGE, SAFETY MEETING, RIG INSPECTION |
| Pump/Rods - Run | | FINISH RUNNING IN HOLE WITH RODS, SPACE OUT |
| Tubing - Pressure Test | | LOAD AND TEST TUBING TO 500 PSI, LONG STROKE PUMP |
| Break for Crew | | LUNCH |
| Site Work | | CLEANUP LOCATION |
| Safety Meeting | | CREW CHANGE, SAFETY MEETING, RIG INSPECTION |
| Pulling Unit - Rig Down | | RD PU Carol 2, RIG DOWN ALL EQUIPMENT ON LOCATION AND PREP TO MOVE |
| Pulling Unit - Repair/Service | | CHANGED OUT SRL ON RIG |
| Rig Travel Time | | MOVE EQUIPMENT TO NEXT LOCATION |
| Rig Crew Travel Time | | CREW TRAVEL HOME |
| Safety - Personnel | | |
| Job Cost Detail Report | | |
| Break for Crew | | LUNCH |
| Tubing Anchor - Set | | SET TUBING ANCHOR AT 10925 WITH 20K TENSION |
| BOPE Hydraulic - Nipple Down | | NIPPLE DOWN BOP AND SPOOL |
| Wellhead - Nipple Up | | NIPPLE UP WELLHEAD AND SURFACE EQUIPMENT |
| Waiting on Service Provider | | WAIT ON WEATHERFORD WINCH TRUCK TO ARRIVE LOCATION |
| Pumping Unit - Hang on Head | | WINCH TRUCK PUT BEAM ON DOWN STROKE, HANG WELL ON |
| Total Cost for 12/29/2011 | \$11,991.48 | |
| Total Cost for CAROL-002 | \$1,004,848.05 | |
| | | |
| | | |