

**SABER OIL & GAS VENTURES, LLC
DAILY REPORT
UNIVERSITY T-7
ANDREWS COUNTY, TEXAS**

07/23/2013

Drill rat and mouse holes. Set 40' of 20" conductor. Start MI RU Viking Rig #6.
DWC: \$147,698 CWC: \$147,698

07/24/2013

Rigging up drilling rig. Changed out liners and pistons in #1 mud pump had safety man inspect rig at 11:00 pm. After repairs had rig re-inspected. Tested mud lines and repaired leaks.

DWC: \$92,761 CWC: \$240,459

07/25/2013

Day 1 Depth: 630'

1 hr rigging up. 4-1/2 hours working on rotary bushing. 1 hr welding pad eyes on sub for turnbuckles to stabilize stack and conductor. Spud well at 11:00 am, 7/24/2013. Drill to 184'. Replace rotary bushings. Drill from 184' to 630'. Surveys: .4° @ 164', .5° @ 417'.

DWC: \$37,873 CWC: \$278,332

07/26/2013

Day 2 Depth: 1150'

12 hrs down trip out of the hole and replace rotary table and trip back in the hole. 12 hrs drilling from 630' to 1150'. Surveys: .3° @ 648', .6° @ 892'.

DWC: \$20,389 CWC: \$298,721

07/27/2013

Day 3 Depth: 1878'

Drill from 1105' to 1878'. TD surface hole at 1878'. Circulate hole clean. POH to run surface casing. Surveys: .5° @ 1257', .6° @ 1409', .6° @ 1469', .7° @ 1657'.

DWC: \$35,767 CWC: \$334,488

07/28/2013

Day #4 Depth: 1878'

POH to run surface casing. Lay down 17-1/2" bit and reamer assemblies. Run float shoe, 1 jt 13-3/8" 54.5# K-55 STC casing, float collar, 46 jts 13-3/8" 54.5# K-55 STC casing (total of 1895.26') set at 1878'. Cement 1320 sx Class C with 4% gel + 1/8 pps

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celloflake + 5% salt followed by 200 sx Class C with 2% CaCl₂. Circulate 100 sx to surface. Cut off conductor and weld on wellhead. Start NU BOP.

DWC: \$66,574 CWC: \$401,062

07/29/2013

Day 5 Depth 1878'

Nipple up BOP. Test BOP – leaking on choke manifold. Replace valve. Test bop to 1000 psi high and 250 psi low (good test). Make up 8" BHA and TIH with 11" bit. Start drilling float collar.

DWC: \$16,975 CWC: \$418,037

07/30/2013

Day 6 Depth 2842'

Drill cement and float shoe. Drill new formation from 1878' – 2842'.

Surveys: 1.0° @ 2571'.

DWC: \$19,243 CWC: \$437,280

07/31/2013

Day 7 Depth 3081'

Drill from 2848' to 3081'. TOH for bit #3. Bit damaged on gauge row. TIH with bit #3.

DWC: \$32,310 CWC: \$469,590

08/01/2013

Day 8 Depth 3880'

Finish TIH with bit #3. Wash and ream from 3023' – 3081'. Drill from 3081' to 3880'.

Surveys: 1.8° @ 3120', 1.6° @ 3175', 1.3° @ 3396' and .9° @ 3501'.

DWC: \$26,064 CWC: \$495,654

08/02/2013

Day 9 Depth: 4790'

Drill from 3880' – 4790'. Surveys: .5° @ 3992', .9° @ 4292' and 1.4° @ 4572'.

DWC: \$16,975 CWC: \$512,629

08/03/2013

Day 10 Depth: 5680'

Drill from 4790' to 5680'. Surveys: 1.0° @ 5124', .5° @ 5281' and .6° @ 5557'. Drilling break at 5390'. Have ½ bbl/min flow during connections.

DWC: \$18,767 CWC: \$531,396

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08/04/2013

Day 11 Depth: 6718'

Drill from 5680' to intermediate hole TD of 6718'. Circulate sweeps to clean hole. Water flow still the same, ½ bbl per min with pumps off). Started seeing H2S on connections at 6026'. Less than 100 ppm max H2S and goes away quickly upon circulating well. Increased corrosion chemicals to protect drill pipe. Surveys: .6° @ 6028', .8° @ 6405', .8° @ 6589' and .8° @ 6718'.

DWC: \$19,663 CWC: \$551,059

08/05/2013

Day 12 Depth: 6718'

Circulate hole clean. POH with drill string to run casing. LD 8" drill collars and tools. Rig up casing crew and run 8-5/8" float shoe, 1 jt 8-5/8" 32# HCK casing, float collar, 71 jts (2798') 8-5/8" 32# HCK casing and 95 jts (3877') 8-5/8" 32# J-55 casing. Wash casing to bottom of hole at 6718'. Circulated well for 1 hour. Rig up O-tex pumping and cement intermediate pipe with 750 sx 50:50 Class C with 10% gel + 5% salt + ¼ pps celloflake + 2 pps Kolseal + .004 gps CF-41L followed by 400 sx Class C + .004 gps CF-41L. Good circulation throughout job. Shut well in and WOC 3 hours. Start ND BOP.

DWC: \$37,182 CWC: \$588,241

08/06/2013

Day 13 Depth: 7182'

Nipple down BOP. Set slips with 160,000# (80% of string weight). Cut casing and install B section. Nipple up BOP. Test BOP 1000 psi high and 250 psi low – held OK. TIH with bit #4 (7-7/8" Ulterra 616). Drill float collar, shoe joint and float shoe. Drill from 6718' to 7182'. Surveys: .2° @ 7000'.

DWC: \$217,230 CWC: \$805,471

08/07/2013

Day 14 Depth: 7805'

Drill from 7182' to 7805'. Backed off weight due to hole angle increasing and drilled off weight in the middle of the joint. Surveys: 1.4° @ 7245', 2.2° @ 7468' and 1.3° @ 7712'.

DWC: \$17,975 CWC: \$823,446

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08/08/2013

Day 15 Depth: 8208'

Drill from 7805' to 8208'. Start TOH to change BHA. Surveys: 2.1° @ 7933', 2.7° @ 8083', 3.0° @ 8178' and 3.3° @ 8210'.
DWC: \$21,751 CWC: \$845,197

08/09/2013

Day 16 Depth: 8390'

Finish TOH to change BHA. TIH with 60' pendulum assembly. Slip and cut drill line on TIH. Resume drilling. Drill from 8208' to 8390'. Surveys: 3.0° @ 8241', 2.7° @ 8273', 2.8° @ 8304' and 2.4° @ 8367'.
DWC: \$ 18,633 CWC: \$863,830

08/10/2013

Day #17 Depth: 9025'

Drill from 8390' to 9025'. Surveys: .5° @ 8492', .5° @ 8586', .6° @ 8750', .4° @ 8823', .6° @ 8930' and .8° @ 8992'.
DWC: \$24,180 CWC: \$888,010

08/11/2013

Day #18 Depth: 9525'

Drill from 9025' to 9525'. Surveys: .5° @ 9179' and .2° @ 9510'.
DWC: \$17,975 CWC: \$905,985

08/12/2013

Day #19 Depth: 9935'

Drill from 9525' to 9935'. Surveys: .5° @ 9179', .6° @ 9306' and 1.1° @ 9895'.
DWC: \$17,975 CWC: \$923,960

08/13/2013

Day #20 Depth: 10380'

Drill from 9935' to 10380'. Surveys: 1.1° @ 9958', 1.1° @ 10021', 1.2° @ 10242' and 1.0° @ 10332'.
DWC: \$17,975 CWC: \$941,935

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08/14/2013

Day #21 Depth: 10625'

Drill from 10380' to 10396'. TOH for bit. PU and TIH with bit #5. Drill from 10396' to 10625'. Surveys: .9° @ 10398', 1.3° @ 10492' and 1.4° @ 10586'.

DWC: \$27,975 CWC: \$969,910

08/15/2013

Day #22 Depth: 11165'

Drill from 10625' to 11165'. Surveys: 1.7° @ 10676', .9° @ 10836' and 1.0° @ 11144'.

DWC: \$23,165 CWC: \$993,075

08/16/2013

Day #23 Depth: 11424'

Drill from 11165' to TD of 11424'. Circulate and condition hole. TOH for logging. Surveys: .9° @ 11270' and .9° @ 11368'.

DWC: \$20,505 CWC: \$1,013,580

08/17/2013

Day #24 Depth: 11424'

TOH for logs. RU Halliburton Logging and run in hole with triple combo tool. Could not get below 8410'. Put hole finder attachment and ran in hole. Stopped at 8410'. RD loggers. TIH with drill string and ream section from 8200' to 8492'.

DWC: \$16,975 CWC: \$1,030,555

08/18/2013

Day #25 Depth: 11424'

Wash and ream from 8492' to 8540'. TIH to TD and circulate and condition mud. TOH, laying down drill pipe. RU Halliburton Logging and run in hole with triple combo tool. Started logging well from 11,409'.

DWC: \$20,015 CWC: \$1,050,570

08/19/2013

Day #26 Depth: 11424'

Finish running open hole logs. RU casing crew and run 5-1/2" 17# L-80 high collapse casing to 11,424'. RU cementers and cement with 150 bbls mud with 150 scf nitrogen per bbl followed by 385 sx 50:50 Class H + 8% gel + 5% salt + 3pps Kolseal + .25 pps celloflake + .001% C-20 + .004 gps followed by 750 sx Class H + 2% gel + .5% C-47A +

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.2% C-49 + .2% SMS + .25 pps Celloflake + .2% C-20 +.004 gps CF-41L. Good circulation throughout job. RD cementers. ND BOP's and set slips on casing. Install C section. Jets pits. Release rig at 6:00 am, 8/19/2013.

DWC: \$294,320

CWC: \$1,344,890

Completion Report

08/29/2013

Day #1

MIRU Liberty Well Service pulling unit. ND tubing head and NU BOP. Unload 2-7/8" 6.5# L-80 tubing on racks. PU and RIH with 4-3/4" bit, bit sub and 148 jts 2-7/8" tubing. SDFN.

DC: \$74,487

CC: \$74,487

08/30/2013

Day #2

Finish running bit and tubing in well. Tagged PBTD at 11,388'. Pull up 5'. RU pump truck and displace well with 270 bbls 2% KCL water. Displaced fresh water into frac tank on location. Close BOP and test casing to 2000 psi for 15 minutes. Tested good. POH with 360 jts 2-7/8" tubing standing back in derrick. Shut well in and SD for Labor Day holiday.

DC: \$5,300

CC: \$79,787

09/03/2013

Day #3

RU API wireline with lubricator. Pressured up on casing to 500 psi and ran GR/CBL/CNL from PBTD of 11,325' to 5,000'. Good quality cement below 6,210'. Cement quality above 6,210' is marginal although bond log indicated low quality cement from 6,210' to 5,000' where log was terminated. Correlated log to Halliburton Spectral Density Dual Spaced Neutron Spectral Gamma Ray dated 8/17/2013. RIH with GR casing gun and perforated casing with 4 jspf from 11,112'-11,117', 11,080'-11,085', 11,050'-11,055' and 11,015'-11,020' (total – 80 shots). POH with guns. RIH with 5-1/2" compression packer on 347 jts 2-7/8" tubing. Set packer at 10,976'. Pressured annulus to 500 psi. Released pressure and swabbed well to 5500'. SWION.

DC: \$14,050

CC: \$93,837

09/04/2013

Day #4

RU Crain acidizing and RU to monitor annulus. Load tubing with 31.5 bbls 2% KCL water. Acidized well with 3600 gallons 15% HCL NE-FE acid and 100 1.2 SG ball sealers. Dropped 5 ball sealers every 4 bbls acid. Pumped at 4 BPM with max pressure at 3060 psi and average pressure at 2780 psi. Very little ball action. ISIP – 2125 psi, 5 min – 1860 psi, 10 min – 1735 psi and 15 min – 1715 psi. TLTR – 227 BW. RD Crain

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acidizing. Shut well in for 1.5 hours. RU lubricator and start swabbing. Made 16 swab runs. With FL staying at 2900'. Saw gas and had 1% oil cut on runs. Recovered 100 BW. 127 BLWTR. SION.

DC: \$16,016 CC: \$109,853

09/05/2013

Day #5

Arrived at location. Well had 900 psi on tubing. Flowed well back one hour into frac tank making 50 BW and died. Made 2 swab runs. IFL 5200' – FFL 6200'. Made 16 bbls fluid with a 50% oil cut. Total water recovered from well = 198 BW. 29 BLWTR. Release packer and POH LD tubing. ND tubing spool and NU 10,000 psi frac tree. Shut well in, release pulling unit and WO Frac date.

DC: \$5,146 CC: \$114,999