

DAILY OPERATIONS PARTNER REPORT

Date: 04/07/2012
Report No: 1

[illegible]

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/07/2012
 Report No: 1

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|--|
| 8:30 | 13:00 | 4.50 | 01MIRU | LOCMOV | RD | P | RIG DOWN / PREPARE FOR RIG MOVE STARTED SCOPING DERRICK DOWN @ 10:30 HRS DERRICK LAYED OVER @ 11:30 HRS MOVE TO THE CASEY #7 1st LOAD LEFT @ 10:00, DERRICK & SUB OFF LOCATION @ 12:30 LOCATION CLEAR @ 17:00 PJSM WITH BUTCH'S, RIG CREW, ALL THIRD PARTY, DSMS |
| 13:00 | 16:30 | 3.50 | 01MIRU | LOCMOV | MOVE | P | SET RIG IN PLACE SUB IN PLACE @ 13:25, DERRICK ON PLACE @ 13:45 SETTING ALL OTHER COMPONENTS IN PLACE RAISE DERRICK @ 18:15 RELEASE TRUCKS @ 16:30 HRS |
| 16:30 | 0:00 | 7.50 | 01MIRU | LOCMOV | RU | P | RIGGING UP TO SPUD 12.25" SURFACE HOLE TRRC : OPERATOR #4, CINDY AT 22:15, 04/07/2012 SAFETY BREAK: RIGGING UP |
| Total Time | | 15.50 | | | | | |

| | | | | |
|--|---|----------------------|--------|-------------------|
| Safety Incident? | N | Days since Last RI: | 93.00 | Weather Comments: |
| Environ Incident? | N | Days since Last LTA: | 456.00 | |
| Incident Comments: No incidents reported last 24 hours. | | | | |

Other Remarks: FROM THE INTERSECTION OF HIGHWAY 385 AND HIGHWAY 176 IN ANDREWS, TEXAS, DRIVE 2.1 MILES EAST ON HIGHWAY 176 TO INTERSECTION OF HIGHWAY 176 AND HIGHWAY 115. TURN LEFT(NORTHEAST) ON HIGHWAY 115. FROM INTERSECTION OF HIGHWAY 115 AND HIGHWAY 176, DRIVE 6.75 MILES NORTHEAST ON HIGHWAY 115. AT INTERSECTION OF HIGHWAY 115 AND FM 1788, TURN RIGHT (SOUTH) ONTO FM 1788.DRIVE 1.75 MILES AND TURN LEFT (EAST) ONTO LEASE ROAD. DRIVE 1.85 MILES MILES ON LEASE ROAD. TURN LEFT (NORTH) ONTO LEASE ROAD. DRIVE 1.0 MILE AND ARRIVE AT UNIVERSITY CASEY #7.

TRAILER TEL NUMBER: (713) 948-3590

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32°22' 18.55"N, LONGITUDE 102°23'34.8"W, NAD 27

NOTIFIED TRRC OF SPUD @ 22:15 HRS ON 04/07/2012 SPOKE WITH CINDY OPERATOR #4

SAFETY TOPIC OF THE DAY: PREPARE FOR RIG MOVE

DAYS WORKED WITH NO LTA: 456

DAYS SINCE LAST RI: 93

NUMBER SAFETY MEETINGS: 6

NUMBER NEAR MISSES: 0

STOP CARDS: 12

DAILY JSA'S REVIEWED: 8

PERMITS TO WORK: 0

LO/TO: 3

PRE-SPUD INSPECTION: X

POWER-LINE CHECK LIST: X

SWA'S: X

BEST STOP CARD OF THE DAY : THIRD PARTY HAND NOT PAYING ATTENTION TO BUFFER ZONE DURING RIG MOVE, STOPPED AND DISCUSSED THE HAZARDS. HE COMPLIED AND JOB CONTINUED WITHOUT INCIDENT.

TOTAL PT HRS: 30

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
USA

Date: 04/08/2012
Report No: 2

Wellbore / Top MD: 00 @ 61 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,050.30ft DFS: 0.83
Today's MD: 1861 ft Progress: 1821 ft Ground Elev: 3,034.90 ft Daily Cost: \$46,941
Prev MD: 40 ft Rot Hrs Today: 16.50 hr AFE MD/Days: 11,400.0 / 13.6 days Cum Cost: \$78,234
PBMD: Avg ROP Today: 110.4 ft/hr AFE Number: 1145998#0102 AFE Cost: \$1,224,234

Current Formation: RED BEDS@

Lithology:

Current Ops:

24-Hr Summary: DRILL 12 1/4" SURFACE HOLE TO 1861' AT 110 FPH, PULL OUT OF HOLE, RUN 9 5/8" SURFACE CASING

24-Hr Forecast: RR 04/21/2012 ROL 04/22/2012: RUN & CEMENT 9 5/8" SURFACE CASING, INSTALL WELL HEAD, N/U & TEST BOP, PICK UP 8 3/4" BHA

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|-------------------|-------------------|-----------------|-------------|-------|---------|-----|-----|
| Last Casing: | 20.000in @ 40ft | Str Wt Up/Dn: | 80.0 / 78.0 kip | Pump Rate: | 674.2 | Conn: | 0 | 0 |
| Next Casing: | 9.625in @ 1,850ft | Str Wt Rot: | 80.0 kip | Pump Press: | 1720 | Trip: | 0 | 0 |
| Last BOP Press Test: | 03/26/2012 | Torq Off Btm: | 5,000.0 ft-lbf | | | Backgr: | 0 | 0 |
| Form Test/EMW: | | Torq On Btm: | 8,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|----------|------|-----|------|------|
| Supervisor 1: | MONTY KEY | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | AUGIE VELASQUEZ | 1,797.0 | 0.70 | 0.00 | 1,796.94 | 12.4 | 0.0 | 12.4 | 0.00 |
| Engineer: | IVAN OTERO | 1,542.0 | 0.70 | 0.00 | 1,541.96 | 9.3 | 0.0 | 9.3 | 0.03 |
| Geologist: | TIM LYONS | 965.0 | 0.50 | 0.00 | 964.99 | 3.2 | 0.0 | 3.2 | 0.07 |
| Oxy Personnel: | 2 | 415.0 | 0.10 | 0.00 | 415.00 | 0.4 | 0.0 | 0.4 | 0.02 |
| Contractor Personnel: | 13 | 0.0 | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 |
| Total on Site: | 15 | | | | | | | | |

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 | U519M | 14546 | 1404 | 7x11 | 40 | 1861 | 0-1-CT-N | 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 |
|--------|---------|-------------|------|----------|-------|---------|-------------|-------------|-------|------------|---------|-------|
| 1 | 16.50 | 16.50 | 1821 | 1821 | 110.4 | 110.4 | 5.0/20.0 | 40/95 | 0.650 | 903 | 333.0 | 3.0 |

MUD DATA - M-I SWACO

Engineer: Dan Ochs MBT: 15.0 lbm/bbl
Sample From: In pH: 7.5
Mud Type: Fresh Water Pm / Pom: 0.00
Time / MD: 21:30 / 1,861.0 Pf / Mf: 0.1 / 0.2
Density @ Temp: 9.10 / 85 Chlorides: 1,000
Rheology Temp: 120 Ca+ / K+: 400 / 0
Viscosity: 41.00 CaCl2: 0.00
PV / YP: 5 / 22 Clom: 0.00
Gels 10s/10m/30m: 21 / 24 / 28 Lime: 0.00
API WL: 5.00 ES: 0.00
HTHP WL: 0.00 ECD: 0.00
Cake API / HTHP: 2.0 / .0 n / K: 0.00 / 0.000
Solids / Sol Corr: 0.00 / 0.00 Carbonate: 1 ppm
Oil / Water: 0.0 / 94.3 Bicarbonate: 0 ppm
Sand: 0.01 Form Loss: 0.0 / 0.0
Water Added: 300.0 bbl Fluid Disch: /
Oil Added:
LGS: 5.70 / 51.90

VG Meter: 16@3 / 17@6 / 21@100 / 23@200 / 27@300 / 32@600

Comments: Circulated reserve, adding 1 MF-55 every 8 hrs. Add 1 soap stick every connection. Pump HiVis sweeps as needed. Sweeps- In Premix, 80 BBL FW, 2 SX Soda Ash, Gel for 50-60 Vis, 2 quart PolyPlus **At 900" return to steel pits and add 60 sx of White Starch at 2 min a sack. LCM-

LAST OR CURRENT BHA

| BHA No: 1 | Bit No: 1 | MD In: 40 ft | | |
|---------------------------|-----------------|--------------|-----|--------|
| Purpose: | MD Out: 1861 ft | | | |
| Component | OD | ID | Jts | Length |
| HWDP | 4.500 | 2.875 | 12 | 364.63 |
| DRILL COLLAR | 6.500 | 2.875 | 12 | 351.00 |
| CROSSOVER | 8.125 | 2.750 | 1 | 3.08 |
| SPIRAL DRILL COLLAR | 8.000 | 2.750 | 2 | 61.93 |
| MWD TOOL | 6.250 | 2.500 | 1 | 4.57 |
| INTEGRAL BLADE STABILIZER | 8.250 | 2.500 | 1 | 6.70 |
| SPIRAL DRILL COLLAR | 8.125 | 2.875 | 1 | 30.80 |
| INTEGRAL BLADE STABILIZER | 8.000 | 2.875 | 1 | 8.06 |
| SHOCK SUB | 8.000 | 2.375 | 1 | 12.83 |
| PDC BIT | 12.250 | | 1 | 1.25 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Total Length: 844.85 ft Wt below Jars:

MUD PRODUCTS

| Product | Units | Qty Used |
|----------------------|-----------|----------|
| AIR COMP RENT | EACH | 1.00 |
| DRIVE-BY ENGINEERING | EACH | 1.00 |
| FEDERAL BENTONITE | BG,100 LB | 105.00 |
| MF-55 | CAN,5 GA | 3.00 |
| M-I GEL BULK | TON | 40.00 |
| MY LO JEL | BG,50 LB | 50.00 |
| PREMIX PIT | EACH | 1.00 |
| SODA ASH | BG,50 LB | 3.00 |
| | | |
| | | |
| | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/08/2012
 Report No: 2

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|--|
| 0:00 | 2:00 | 2.00 | 01MIRU | LOCMOV | RU | P | RIGGING UP TO SPUD 12.25" SURFACE HOLE RIG UP BACK YARD FILL PITS, WITH WATER LAY OUT STRAP & CALIPER BHA SET UP RACKS TO RECEIVE 9 5/8" CASING SAFETY BREAK: WORKING IN WINDY CONDITIONS |
| 2:00 | 2:30 | 0.50 | 06PRES | SAFE | PJSM | P | PERFORM RIG INSPECTION AND HELD PRE SPUD SAFETY MEETING. ACCEPT RIG AT 02:30 HRS |
| 2:30 | 4:00 | 1.50 | 14SUDR | DRILL | ROTVR | P | PICK UP BHA AND SPUD 12.25" SURFACE HOLE PICK UP BHA AS FOLLOWS: 1) 12 1/4" PDC BIT (ULTERRA) 2) SHOCK SUB BORED FOR FLOAT 3) IBS (1/8") UNDER GAUGE 4) 1- 8" DC 5) IBS (1/8") UNDER GAUGE 6) 1-FLOW DRIFT 7) 2- 8" DC 8) 1- XO 6 1/2"XO, X 6 5/8" REG 9) 12 - 6 1/2" DC 10) 12 - 4 1/2" HWDP |
| 4:00 | 6:00 | 2.00 | 14SUDR | DRILL | ROTVR | P | DRILL 12 1/4" SURFACE HOLE FROM 40' TO 130' , 90' AVG ROP 45 FPH WOB 5-15K. TD RPM 40, FLOW RATE 400 GPM, 100 PSI OFF BTM, 150 PSI ON BTM. TORQ 3K OFF BTM, 4K ON BTM. CIRCULATE OUTSIDE RESERVE PUMP 25 BBL 60+ VIS GEL SWEEP EVERY 90' WITH LCM IN IT ADD 1-2 SOAP STICKS, 1 CUP POLY PLUS EVERY CONNECTION ADD MF-55 AT FLOWLINE SAFETY BREAK: PICKING UP DC'S |
| 6:00 | 11:00 | 5.00 | 14SUDR | DRILL | ROTVR | P | DRILL 12 1/4" SURFACE HOLE FROM 130' TO 540' , 410' AVG ROP 82 FPH WOB 5-15K. TD RPM 95, FLOW RATE 588 GPM, 1100 PSI OFF BTM, 1230 PSI ON BTM. TORQ 3K OFF BTM, 8K ON BTM. CIRCULATE OUTSIDE RESERVE PUMP 25 BBL 60+ VIS GEL SWEEP EVERY 90' WITH LCM IN IT ADD 1-2 SOAP STICKS, 1 CUP POLY PLUS EVERY CONNECTION ADD MF-55 AT FLOWLINE SURVEY @ 415', 0.10 INC SAFETY BREAK: FORKLIFT OPS |
| 11:00 | 11:30 | 0.50 | 14SUDR | RIGMT | SRVRIG | P | RIG SERVICE @ 540' |
| 11:30 | 15:30 | 4.00 | 14SUDR | DRILL | ROTVR | P | DRILL 12 1/4" SURFACE HOLE FROM 540' TO 1094' , 554' AVG ROP 139 FPH WOB 5-15K. TD RPM 95, FLOW RATE 588 GPM, 1100 PSI OFF BTM, 1230 PSI ON BTM. TORQ 3K OFF BTM, 8K ON BTM. CIRCULATE OUTSIDE RESERVE PUMP 25 BBL 60+ VIS GEL SWEEP EVERY 90' WITH LCM IN IT ADD 1-2 SOAP STICKS, 1 CUP POLY PLUS EVERY CONNECTION ADD MF-55 AT FLOWLINE SURVEY @ 965', 0.50 INC SAFETY BREAK: MIXING CHEMICALS |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/08/2012
 Report No: 2

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|--|
| 15:30 | 18:00 | 2.50 | 14SUDR | DRILL | ROTVR | P | DRILL 12 1/4" SURFACE HOLE FROM 1094" TO 1475', 381' AVG ROP 152 FPH WOB 5-15K. TD RPM 95, FLOW RATE 670 GPM, 1650 PSI OFF BTM, 1720 PSI ON BTM. TORQ 5K OFF BTM, 8K ON BTM. CIRCULATE OUTSIDE RESERVE CIRCULATE THRU STEEL PITS AT 1100' / CONDITION MUD PUMP 25 BBL 60+ VIS GEL SWEEP EVERY 90' WITH LCM IN IT ADD 1-2 SOAP STICKS, 1 CUP POLY PLUS EVERY CONNECTION ADD MF-55 AT FLOWLINE SAFETY BREAK: FIXED LADDERS |
| 18:00 | 21:00 | 3.00 | 14SUDR | DRILL | ROTVR | P | DRILL 12 1/4" SURFACE HOLE FROM 1475" TO 1861' TD, 386' AVG ROP 127 FPH WOB 5-15K. TD RPM 95, FLOW RATE 670 GPM, 1650 PSI OFF BTM, 1720 PSI ON BTM. TORQ 5K OFF BTM, 8K ON BTM. CIRCULATE THRU STEEL PITS AT 1100' / CONDITION MUD PUMP 25 BBL 60+ VIS GEL SWEEP EVERY 90' WITH LCM IN IT ADD 1-2 SOAP STICKS, 1 CUP POLY PLUS EVERY CONNECTION ADD MF-55 AT FLOWLINE SURVEY @ 1542', 0.70 INC SURVEY @ 1797', 0.70 INC SAFETY BREAK: EQUIPMENT SET UP |
| 21:00 | 22:30 | 1.50 | 14SUDR | CIRC | CNDHOL | P | PUMP HIGH VIS SWEEP AND CIRCULATE HOLE CLEAN CHECK FOR FLOW / WELL STATIC, PUMP SLUG SAFETY BREAK: TRIPPING OUT OF HOLE |
| 22:30 | 0:00 | 1.50 | 14SUDR | TRIP | DRILL | P | POOH FROM 1861' TO 1032', LAID DOWN 11 JTS CHECK FOR FLOW @ 1539' / WELL STATIC |
| Total Time | | 24.00 | | | | | |

| | | | | |
|--|---|----------------------|--------|-------------------|
| Safety Incident? | N | Days since Last RI: | 94.00 | Weather Comments: |
| Environ Incident? | N | Days since Last LTA: | 457.00 | |
| Incident Comments: No incidents reported last 24 hours. | | | | |

Other Remarks: FROM THE INTERSECTION OF HIGHWAY 385 AND HIGHWAY 176 IN ANDREWS, TEXAS, DRIVE 2.1 MILES EAST ON HIGHWAY 176 TO INTERSECTION OF HIGHWAY 176 AND HIGHWAY 115. TURN LEFT(NORTHEAST) ON HIGHWAY 115. FROM INTERSECTION OF HIGHWAY 115 AND HIGHWAY 176, DRIVE 6.75 MILES NORTHEAST ON HIGHWAY 115. AT INTERSECTION OF HIGHWAY 115 AND FM 1788, TURN RIGHT (SOUTH) ONTO FM 1788.DRIVE 1.75 MILES AND TURN LEFT (EAST) ONTO LEASE ROAD. DRIVE 1.85 MILES MILES ON LEASE ROAD. TURN LEFT (NORTH) ONTO LEASE ROAD. DRIVE 1.0 MILE AND ARRIVE AT UNIVERSITY CASEY #7.

TRAILER TEL NUMBER: (713) 948-3590

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32°22' 18.55"N, LONGITUDE 102°23'34.8"W, NAD 27

NOTIFIED TRRC OF SPUD @ 22:15 HRS ON 04/07/2012 SPOKE WITH CINDY OPERATOR #4

SAFETY TOPIC OF THE DAY: PICKING UP BHA

DAYS WORKED WITH NO LTA: 457

DAYS SINCE LAST RI: 94

NUMBER SAFETY MEETINGS: 8

NUMBER NEAR MISSES: 0

STOP CARDS: 13

DAILY JSA'S REVIEWED: 15

PERMITS TO WORK: 0

LO/TO: 0

PRE-SPUD INSPECTION: 1

POWER-LINE CHECK LIST: 1

SWA'S: X

BEST STOP CARD OF THE DAY : HAND STANDING IN LINE OF FIRE WHILE LAYING JOINT OF DRILL PIPE, STOPPED JOB AND EXPLAINED THE DANGER. HE AGREED AND JOB CONTINUED WITHOUT INCIDENT.

TOTAL PT HRS: 30

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
USA

Date: 04/09/2012
Report No: 3

Wellbore / Top MD: 00 @ 61 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,050.30ft DFS: 1.83
Today's MD: 1861 ft Progress: 0 ft Ground Elev: 3,034.90 ft Daily Cost: \$134,026
Prev MD: 1861 ft Rot Hrs Today: 0.00 hr AFE MD/Days: 11,400.0 / 13.6 days Cum Cost: \$212,260
PBMD: Avg ROP Today: 0.0 ft/hr AFE Number: 1145998#0102 AFE Cost: \$1,224,234

Current Formation: RED BEDS@ Lithology:

Current Ops:

24-Hr Summary: RUN & CEMENT 9 5/8" SURFACE CASING, INSTALL WELL HEAD, NIPPLE UP & TEST BOP, PICK UP 8 3/4" BHA

24-Hr Forecast: RR 04/21/2012 ROL 04/22/2012: TIH WITH BHA #2, TAG CMT & PERFORM CHOKE DRILL, DRILL OUT SHOE TRACK & 10' NEW HOLE, FIT TC

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|---|-------------|-----|---------|-----|-----|
| Last Casing: | 9.625in @ 1,861ft | Str Wt Up/Dn: | / | Pump Rate: | 0.0 | Conn: | 0 | 0 |
| Next Casing: | 5.500in @ 11,450ft | Str Wt Rot: | | Pump Press: | 0 | Trip: | 0 | 0 |
| Last BOP Press Test: | 04/09/2012 | Torq Off Btm: | | | | Backgr: | 0 | 0 |
| Form Test/EMW: | | Torq On Btm: | | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|----------|------|-----|------|------|
| Supervisor 1: | MONTY KEY | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | AUGIE VELASQUEZ | 1,797.0 | 0.70 | 0.00 | 1,796.94 | 12.4 | 0.0 | 12.4 | 0.00 |
| Engineer: | IVAN OTERO | 1,542.0 | 0.70 | 0.00 | 1,541.96 | 9.3 | 0.0 | 9.3 | 0.03 |
| Geologist: | TIM LYONS | 965.0 | 0.50 | 0.00 | 964.99 | 3.2 | 0.0 | 3.2 | 0.07 |
| Oxy Personnel: | 2 | 415.0 | 0.10 | 0.00 | 415.00 | 0.4 | 0.0 | 0.4 | 0.02 |
| Contractor Personnel: | 40 | 0.0 | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 |
| Total on Site: | 42 | | | | | | | | |

| 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 | U519M | 14546 | 1404 | 7x11 | 40 | 1861 | 0-1-CT-N | 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 |
| | | | | | | | | | | | | |

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

| MUD DATA - M-I SWACO | | | | LAST OR CURRENT BHA | | | | | |
|--------------------------------|--|----------------------|--|---------------------------|--|-----------|-------|--------------|--------|
| Engineer: Dan Ochs | | MBT: 0.0 lbm/bbl | | BHA No: 1 | | Bit No: 1 | | MD In: 40 ft | |
| Sample From: In | | pH: 7.5 | | Purpose: | | MD Out: | | 1861 ft | |
| Mud Type: Fresh Water | | Pm / Pom: 0.00 | | Component | | OD | ID | Jts | Length |
| Time / MD: 15:00 / 1,861.0 | | Pf / Mf: 0.1 / 0.2 | | HWDP | | 4.500 | 2.875 | 12 | 364.63 |
| Density @ Temp: 8.40 / 70 | | Chlorides: 1,000 | | DRILL COLLAR | | 6.500 | 2.875 | 12 | 351.00 |
| Rheology Temp: 120 | | Ca+ / K+: 200 / 0 | | CROSSOVER | | 8.125 | 2.750 | 1 | 3.08 |
| Viscosity: 27.00 | | CaCl2: 0.00 | | SPIRAL DRILL COLLAR | | 8.000 | 2.750 | 2 | 61.93 |
| PV / YP: 1 / 1 | | Clom: 0.00 | | MWD TOOL | | 6.250 | 2.500 | 1 | 4.57 |
| Gels 10s/10m/30m: 1 / 1 / 1 | | Lime: 0.00 | | INTEGRAL BLADE STABILIZER | | 8.250 | 2.500 | 1 | 6.70 |
| API WL: 45.00 | | ES: 0.00 | | SPIRAL DRILL COLLAR | | 8.125 | 2.875 | 1 | 30.80 |
| HTHP WL: 0.00 | | ECD: 0.00 | | INTEGRAL BLADE STABILIZER | | 8.000 | 2.875 | 1 | 8.06 |
| Cake API / HTHP: .0 / .0 | | n / K: 0.00 / 0.000 | | SHOCK SUB | | 8.000 | 2.375 | 1 | 12.83 |
| Solids / Sol Corr: 0.00 / 0.00 | | Carbonate: 1 ppm | | PDC BIT | | 12.250 | | 1 | 1.25 |
| Oil / Water: 0.0 / 99.6 | | Bicarbonate: 0 ppm | | | | | | | |
| Sand: 0.10 | | Form Loss: 0.0 / 0.0 | | | | | | | |
| Water Added: 0.0 bbl | | Fluid Disch: / | | | | | | | |
| Oil Added: | | | | | | | | | |
| LGS: 0.40 / 4.10 | | | | | | | | | |

VG Meter: 1@3 / 1@6 / 1@100 / 1@200 / 2@300 / 3@600
Comments: Circulate inside reserve and add Lime to bring pH up to 10-11. **Displacement Recipe**: add fresh water, add 2 sx Soda Ash and Fresh gel to a 40-45 viscosity and pump to frac tanks. Displace around 4800". **Sweep**: add 2sx Soda Ash, add Fresh Gel for 50-60vis and pump

| MUD PRODUCTS | | |
|----------------------|------------|----------|
| Product | Units | Qty Used |
| AIR COMP RENT | EACH | 1.00 |
| Cottonseed Hulls | Bag, 50 lb | 9.00 |
| DRIVE-BY ENGINEERING | EACH | 1.00 |
| FIBER SEAL | BG,40 LB | 12.00 |
| MF-55 | CAN,5 GA | 4.00 |
| M-I WATE (BARITE) | 100 LBS/SK | 40.00 |
| POLY-PLUS | CAN,5 GA | 2.00 |
| PREMIX PIT | EACH | 1.00 |
| SOAP STICK | EACH | 60.00 |
| | | |
| | | |
| | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
USA

Date: 04/09/2012
Report No: 3

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|--|
| 0:00 | 2:30 | 2.50 | 14SUDR | TRIP | DRILL | P | POOH FROM 1132' TO SURFACE LAY DOWN SHOCK SUB, BIT, FLOW DRIFT, IBS & 8" DRILL COLLARS SAFETY BREAK: LAYING DOWN BHA |
| 2:30 | 3:00 | 0.50 | 14SUDR | OTHR | OTHER | P | CLEAR & CLEAN FLOOR |
| 3:00 | 4:00 | 1.00 | 14SURC | CSG | RIGUP | P | PJSM WITH SAVANNA, CASING CREW, DSM RIG UP B & L CASING CREW |
| 4:00 | 8:00 | 4.00 | 14SURC | CSG | RUNCSG | P | RUN 9 5/8" CASING PER PROG T/ 1861' FT. (SETTING DEPTH) TORQUE MINIMUM 3400, OPTIMUM 4530, MAXIMUM 5660 1- GUIDE SHOE, MODEL 112, THREAD LOCKED, TORQUED @ 5660 1- CASING JOINT, 9 5/8", 36#, J-55, LTC, THREAD LOCKED, TORQUED @ 5660 1- FLOAT COLLAR, MODEL 402E, THREAD LOCKED, TORQUED @ 5660 43- JOINTS, 9 5/8", 36#, J-55, LTC, TORQUED @ 4530 CENTRALIZERS 1- 10' UP FROM SHOE, WITH STOP RING 1- ON COUPLING ABOVE FLOAT COLLAR 1- EVERY 3 JOINTS TO CELLAR ON COUPLINGS WASH LAST JOINT DOWN / 20' OF FILL |
| 8:00 | 9:30 | 1.50 | 14SURC | CIRC | CNDHOL | P | CIRCULATE TWO BOTTOMS UP RIG DOWN CASING CREW PJSM WITH SAVANNA & HALLIBURTON, RIG UP CMT EQUIPMENT |
| 9:30 | 11:00 | 1.50 | 14SURC | CMT | PRIM | P | CEMENT 9 5/8" CASING PER PROG: (SETTING DEPTH: 1861' FT.) PRESSURE TEST LINES TO LOW 250PSI, HI 3000PSI FOR 5 MINUTES FLUID 1: PUMP 20BBLs FRESH WATER SPACER 5BBL/MN FLUID 2: LEAD WITH 330 SKS 7BBL/MN PREMIUM PLUS CEMENT FLUID WEIGHT 13.50 LBM/GAL 94 LBM/SK PREMIUM PLUS CEMENT (CEMENT) SLURRY YIELD: 1.76 FT3/SK 4 % BENTONITE (ADDITIVE MATERIAL) TOTAL MIXING FLUID: 9.11 GAL/SK 2 % CALCIUM CHLORIDE (ACCELERATOR) TOP OF FLUID: 0 FT 2 LBM/SK KOL-SEAL (LOST CIRCULATION ADDITIVE)CALCULATED FILL: 1083.45 FT, VOLUME: 97.91, CALCULATED SACKS:323.93 SKS PROPOSED SACKS: 330 SKS ESTIMATED SLURRY PROPERTIES: THICKENING TIME: 03:30 COMPRESSIVE STRENGTHS @ 80 °F 24:00 1208 PSI 48:00 1615 PSI 72:00 1750 PSI FLUID 3: TAIL-IN WITH 300 SKS 5BBL/MN PREMIUM PLUS CEMENT FLUID WEIGHT 14.80 LBM/GAL 94 LBM/SK PREMIUM PLUS CEMENT (CEMENT) SLURRY YIELD: 1.36 FT3/SK 2 LBM/SK KOL-SEAL (LOST CIRCULATION ADDITIVE)TOTAL MIXING FLUID:6.27 GAL/SK 2 % CALCIUM CHLORIDE (ACCELERATOR) TOP OF FLUID: 1083.45 FT CALCULATED FILL: 766.55 FT VOLUME: 72.45 BBL, CALCULATED SACKS:300 SKS PROPOSED SACKS: 300 SKS ESTIMATED SLURRY PROPERTIES: THICKENING TIME: 02:30 COMPRESSIVE STRENGTHS @ 80 °F 24:00 1608 PSI,48:00 2172 PSI,72:00 2500 PSI FLUID 4: DISPLACEMENT FRESH WATER 141BBLs 8BBL/MN BUMP PLUG @ 10:57, FINAL LIFT 555 PSI / 1110PSI FLOWBACK 1.0 BBL, FLOATS HELD CIRCULATED 25 BBLs OF CEMENT TO SURFACE (80 SKS) |
| 11:00 | 11:30 | 0.50 | 14SURC | CMT | PRIM | P | HOLD PJSM & RIG DOWN HALLIBURTON |
| 11:30 | 15:30 | 4.00 | 14SURC | WLHD | RWH | P | CONDUCT SAFETY MEETING WITH RIG CREW, MAN NIPPLE UP CREW AND FMC HANDS ; P/U CONDUCTOR, MAKE ROUGH CUT ON CASING. LAY OUT CUT OFF. FINAL CUT CASING, WELD ON WELL HEAD & TEST SAME TO 1414 PSI. |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/09/2012
 Report No: 3

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|--|
| 15:30 | 20:30 | 5.00 | 14SURC | BOP | RUBOP | P | HELD PJSM WITH MAN WELDING NIPPLE UP CREW, RIG CREW, DSM NIPPLE UP BOP COMPONENTS AS FOLLOWS: 11" 3K X 11" 5K ADAPTOR SPOOL 11" 5K MUD CROSS 11" 5K DOUBLE RAM 11" 5K ANNULAR 11" 3K ROTATING HEAD INSTALL FLOWLINE |
| 20:30 | 21:00 | 0.50 | 14SURC | SAFE | PJSM | P | HELD PJSM WITH MAN WELDING TESTER, RIG CREW, DSM |
| 21:00 | 0:00 | 3.00 | 14SURC | BOP | TSTBOP | P | FUNCTION TEST ACCUMULATOR / BOP TEST BOP, CHOKE MANIFOLD, FLOOR VALVES & TOP DRIVE VALVES 250 PSI LOW & 2100 PSI HIGH, TEST 4" MUD LINES 250 PSI LOW & 3500 PSI HIGH, HELD EACH TEST FOR 5 MIN, TEST CASING TO 2100 PSI AND HOLD FOR 30 MIN, ALL TESTS OK |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 95.00 Weather Comments:

Environ Incident? N Days since Last LTA: 458.00

Incident Comments:

No incidents reported last 24 hours.

Other Remarks:

FROM THE INTERSECTION OF HIGHWAY 385 AND HIGHWAY 176 IN ANDREWS, TEXAS, DRIVE 2.1 MILES EAST ON HIGHWAY 176 TO INTERSECTION OF HIGHWAY 176 AND HIGHWAY 115. TURN LEFT(NORTHEAST) ON HIGHWAY 115. FROM INTERSECTION OF HIGHWAY 115 AND HIGHWAY 176, DRIVE 6.75 MILES NORTHEAST ON HIGHWAY 115. AT INTERSECTION OF HIGHWAY 115 AND FM 1788, TURN RIGHT (SOUTH) ONTO FM 1788.DRIVE 1.75 MILES AND TURN LEFT (EAST) ONTO LEASE ROAD. DRIVE 1.85 MILES MILES ON LEASE ROAD. TURN LEFT (NORTH) ONTO LEASE ROAD. DRIVE 1.0 MILE AND ARRIVE AT UNIVERSITY CASEY #7.

TRAILER TEL NUMBER: (713) 948-3590

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32°22' 18.55"N, LONGITUDE 102°23'34.8"W, NAD 27

NOTIFIED TRRC OF SPUD @ 22:15 HRS ON 04/07/2012 SPOKE WITH CINDY OPERATOR #4

SAFETY TOPIC OF THE DAY: NIPPLE UP BOP

DAYS WORKED WITH NO LTA: 458

DAYS SINCE LAST RI: 95

NUMBER SAFETY MEETINGS: 10

NUMBER NEAR MISSES: 0

STOP CARDS: 13

DAILY JSA'S REVIEWED: 18

PERMITS TO WORK: 1

LO/TO: 1

PRE-SPUD INSPECTION: 0

POWER-LINE CHECK LIST: 0

SWA'S: X

BEST STOP CARD OF THE DAY : EMPLOYEE WAS STANDING NEAR HIGH PRESSURE TEST LINE WHILE TESTING BOP. HE WAS INSTRUCTED TO STAY AWAY FROM TESTER'S LINE AND SAFETY POLICY WAS DISCUSSED WITH HIM. HE COMPLIED AND JOB CONTINUED WITHOUT INCIDENT.

TOTAL PT HRS: 0

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/10/2012
 Report No: 4

Wellbore / Top MD: 00 @ 61 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,050.30ft DFS: 2.83
 Today's MD: 3114 ft Progress: 1253 ft Ground Elev: 3,034.90 ft Daily Cost: \$38,841
 Prev MD: 1861 ft Rot Hrs Today: 11.50 hr AFE MD/Days: 11,400.0 / 13.6 days Cum Cost: \$251,100
 PBMD: Avg ROP Today: 109.0 ft/hr AFE Number: 1145998#0102 AFE Cost: \$1,224,234

Current Formation: SALTS@1,950.0

Lithology:

Current Ops:

24-Hr Summary: TIH, PERFORM CHOKE DRILL, DRILL OUT SHOE TRACK & 10' NEW HOLE, FIT TO 12.1 PPG EMW, DRILL 8 3/4" PROD HOLE @ 108 FPH

24-Hr Forecast: RR 04/21/2012 ROL 04/22/2012: DRILL 8 3/4" PRODUCTION HOLE

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|-----------------|-------------|-------|---------|-----|-----|
| Last Casing: | 9.625in @ 1,861ft | Str Wt Up/Dn: | 88.0 / 82.0 kip | Pump Rate: | 600.9 | Conn: | 24 | 26 |
| Next Casing: | 5.500in @ 11,450ft | Str Wt Rot: | 84.0 kip | Pump Press: | 1675 | Trip: | 0 | 0 |
| Last BOP Press Test: | 04/09/2012 | Torq Off Btm: | 4,000.0 ft-lbf | | | Backgr: | 23 | 25 |
| Form Test/EMW: | FIT / 12.10 ppg | Torq On Btm: | 7,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|----------|------|-----|------|------|
| Supervisor 1: | MONTY KEY | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | AUGIE VELASQUEZ | 2,714.0 | 0.20 | 0.00 | 5,349.21 | 19.4 | 0.0 | 19.4 | 0.06 |
| Engineer: | IVAN OTERO | 2,013.0 | 0.60 | 0.00 | 4,648.23 | 14.5 | 0.0 | 14.5 | 0.05 |
| Geologist: | TIM LYONS | 1,797.0 | 0.70 | 0.00 | 4,432.24 | 12.0 | 0.0 | 12.0 | 0.00 |
| Oxy Personnel: | 2 | 1,542.0 | 0.70 | 0.00 | 4,177.26 | 8.9 | 0.0 | 8.9 | 0.03 |
| Contractor Personnel: | 13 | 965.0 | 0.50 | 0.00 | 3,600.29 | 2.9 | 0.0 | 2.9 | 0.07 |
| Total on Site: | 15 | 415.0 | 0.10 | 0.00 | 3,050.30 | 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 | U616M | 14877 | 1797 | 6x13 | 1861 | | -- | -- |
| | | ULTERRA DRILLING T | U616M | 14877 | | | 1861 | | -- | -- |

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 | 11.50 | 11.50 | 1253 | 1253 | 109.0 | 109.0 | 10.0/20.0 | 40/90 | 0.778 | 467 | 247.9 | 2.7 |

MUD DATA - M-I SWACO

Engineer: Brandon Smith MBT: 0.0 lbm/bbl
 Sample From: In pH: 11.5
 Mud Type: Cut Brine Pm / Pom: 0.00
 Time / MD: 14:30 / 2,024.0 Pf / Mf: 0.4 / 0.6
 Density @ Temp: 8.50 / 50 Chlorides: 4,000
 Rheology Temp: 120 Ca+ / K+: 280 / 0
 Viscosity: 28.00 CaCl2: 0.00
 PV / YP: 1 / 1 Clom: 0.59
 Gels 10s/10m/30m: 1 / 1 / 1 Lime: 0.00
 API WL: 45.00 ES: 0.10
 HTHP WL: 0.00 ECD: 0.00
 Cake API / HTHP: .0 / .0 n / K: 0.00 / 0.000
 Solids / Sol Corr: 0.20 / 0.00 Carbonate: 5 ppm
 Oil / Water: 0.0 / 0.0 Bicarbonate: 0 ppm
 Sand: 0.10 Form Loss: 0.0 / 0.0
 Water Added: 414.0 bbl Fluid Disch: /
 Oil Added:
 LGS: 1.00 / 9.00

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

Comments: Circulate inside reserve and add Lime to bring pH up to 10-11. **Displacement Recipe**: add fresh water; add 2 sx Soda Ash and Fresh gel to a 40-45 viscosity and pump to frac tanks. Displace around 4800". **Sweep**: add 2sx Soda Ash; add Fresh Gel for 50-60vis and pump

MUD PRODUCTS

| Product | Units | Qty Used |
|----------------------|----------|----------|
| AIR COMP RENT | EACH | 1.00 |
| DRIVE-BY ENGINEERING | EACH | 1.00 |
| LIME | BG,50 LB | 54.00 |
| MF-55 | CAN,5 GA | 4.00 |
| M-I GEL BULK | TON | 15.00 |
| PREMIX PIT | EACH | 1.00 |
| SODA ASH | BG,50 LB | 8.00 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

LAST OR CURRENT BHA

| BHA No: 2 | Bit No: 2 | MD In: 1861 ft | | |
|---------------------|-----------|----------------|-----|--------|
| Purpose: | MD Out: | | | |
| Component | OD | ID | Jts | Length |
| HWDP | 4.500 | 2.940 | 4 | 121.56 |
| HWDP | 4.500 | 2.875 | 4 | 121.56 |
| DRILLING JAR | 6.250 | 2.250 | 1 | 32.64 |
| DRILLING JAR | 6.375 | 2.750 | 1 | 32.64 |
| HWDP | 4.500 | 2.940 | 8 | 243.07 |
| HWDP | 4.500 | 2.875 | 8 | 243.07 |
| DRILL COLLAR | 6.500 | 2.875 | 12 | 351.00 |
| SPIRAL DRILL COLLAR | 7.930 | 2.750 | 12 | 351.00 |
| ORIENTING SUB | 6.500 | 3.250 | 1 | 4.94 |
| MWD TOOL | 6.500 | 3.250 | 1 | 4.94 |
| 3-POINT REAMER | 8.750 | 2.250 | 1 | 7.74 |
| 3-POINT REAMER | 8.310 | 2.130 | 1 | 7.74 |
| DRILL COLLAR | 6.125 | 2.875 | 1 | 29.60 |

Total Length: 1,662.92 ft Wt below Jars:

OXY USA INC
DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
USA

Date: 04/10/2012
Report No: 4

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|---|
| 0:00 | 3:00 | 3.00 | 14SURC | BOP | TSTBOP | P | CONTINUE TO TEST BOP TEST BOP, CHOKE MANIFOLD, FLOOR VALVES & TOP DRIVE VALVES 250 PSI LOW & 2100 PSI HIGH, TEST 4" MUD LINES 250 PSI LOW & 3500 PSI HIGH, HELD EACH TEST FOR 5 MIN, TEST CASING TO 2100 PSI AND HOLD FOR 30 MIN, ALL TESTS OK |
| 3:00 | 3:30 | 0.50 | 14SURC | BOP | CHRAMS | P | INSTALL WEAR BUSHING INSTALL TWO MOUSEHOLES |
| 3:30 | 6:30 | 3.00 | 14SURC | TRIP | BHA | P | PICK UP BHA #2 AS FOLLOWS: TIH TO 1780' 1 - 8 3/4" ULTERRA PDC BIT, U616M, S/N 14877 1 - 6.5" BAKER MUD MOTOR, M1XL/VS SLICK W/FLOAT (0.11 REV/GAL) 1 - 8 3/4" ROLLER REAMER 1/8" UG 1 - 6.5" DC 1 - 8 3/4" ROLLER REAMER 1/8" UG 1 - 6.5" NOV FLO DRIFT SUB 12 - 6.5" DCS 8 - 4 1/2" HWDP 1 - 6 1/4" DRILLING JARS 4 - 4 1/2" HWDP SAFETY BREAK: PICKING UP BHA |
| 6:30 | 7:30 | 1.00 | 14SURC | RIGMT | SRVRIG | P | SLIP & CUT DRILLING LINE SAFETY BREAK: CUTTING DRILLING LINE |
| 7:30 | 9:00 | 1.50 | 14SURC | SAFE | PJSM | P | FILL PIPE TAG FIRM CEMENT @ 1801 FT, PERFORM CHOKE DRILL AND BOP DRILL WITH RIG MANAGER AND RIG CREW. |
| 9:00 | 10:30 | 1.50 | 14SURC | RIGMT | REP | PT | TROUBLESHOOT CROWN SAVER SAFETY BREAK: 100% TIE OFF 4 FT. AND ABOVE |
| 10:30 | 12:00 | 1.50 | 14SURC | DRLOUT | DOCMT | P | DRILL CEMENT AND FLOAT EQUIPMENT |
| 12:00 | 12:30 | 0.50 | 31PRDR | DRILL | MTRVER | P | DRILL 10' OF NEW FORMATION AND CHECK MUD WT IN AND OUT FOR FIT TEST. |
| 12:30 | 13:00 | 0.50 | 31PRDR | DRLOUT | FST | P | PERFORM FIT TEST 8.4MW // 360 PSI = 12.1 EMW TEST GOOD |
| 13:00 | 17:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 1871' TO 2214' = 343', AVG ROP 86 FPH, WOB 18-20K. TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 1400 PSI OFF BTM, 1650 PSI ON BTM, TORQ. 4K OFF BTM, 7K ON BTM SURVEY AT 2013', 0.60 INC CIRCULATE INSIDE RESERVE MUD WT 8.4 IN , 8.5 OUT VIS 28 IN, 28 OUT PH 11 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150' SAFETY BREAK: FORKLIFT OPS |
| 17:00 | 21:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 2214' TO 2730' = 516', AVG ROP 129 FPH, WOB 10-15K. TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 1540 PSI OFF BTM, 1675 PSI ON BTM, TORQ. 4K OFF BTM, 7K ON BTM CIRCULATE INSIDE RESERVE MUD WT 9.2 IN , 9.2 OUT VIS 28 IN, 28 OUT PH 11 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150' SAFETY BREAK: KEEPING LOCATION GATE CLOSED |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/10/2012
 Report No: 4

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|---|------|-------|----------------------|---------|--------|---------|---|
| 21:00 | 0:00 | 3.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 2730' TO 3114' = 384', AVG ROP 128 FPH, WOB 10-15K. TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 1540 PSI OFF BTM, 1675 PSI ON BTM, TORQ. 4K OFF BTM, 7K ON BTM SURVEY AT 2714', 0.20 INC CIRCULATE INSIDE RESERVE MUD WT 9.4 IN, 9.5 OUT VIS 28 IN, 28 OUT PH 11 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150' SAFETY BREAK: SPOTTING TRUCK DRIVERS |
| Total Time | | 24.00 | | | | | |
| Safety Incident? | | N | Days since Last RI: | | 96.00 | | Weather Comments: |
| Environ Incident? | | N | Days since Last LTA: | | 459.00 | | |
| Incident Comments: No incidents reported last 24 hours. | | | | | | | |
| <p>Other Remarks:</p> <p>FROM THE INTERSECTION OF HIGHWAY 385 AND HIGHWAY 176 IN ANDREWS, TEXAS, DRIVE 2.1 MILES EAST ON HIGHWAY 176 TO INTERSECTION OF HIGHWAY 176 AND HIGHWAY 115. TURN LEFT(NORTHEAST) ON HIGHWAY 115. FROM INTERSECTION OF HIGHWAY 115 AND HIGHWAY 176, DRIVE 6.75 MILES NORTHEAST ON HIGHWAY 115. AT INTERSECTION OF HIGHWAY 115 AND FM 1788, TURN RIGHT (SOUTH) ONTO FM 1788.DRIVE 1.75 MILES AND TURN LEFT (EAST) ONTO LEASE ROAD. DRIVE 1.85 MILES MILES ON LEASE ROAD. TURN LEFT (NORTH) ONTO LEASE ROAD. DRIVE 1.0 MILE AND ARRIVE AT UNIVERSITY CASEY #7.</p> <p>TRAILER TEL NUMBER: (713) 948-3590 FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32°22' 18.55"N, LONGITUDE 102°23'34.8"W, NAD 27</p> <p>NOTIFIED TRRC OF SPUD @ 22:15 HRS ON 04/07/2012 SPOKE WITH CINDY OPERATOR #4</p> <p>SAFETY TOPIC OF THE DAY: TRIPPING IN HOLE DAYS WORKED WITH NO LTA: 459 DAYS SINCE LAST RI: 96 NUMBER SAFETY MEETINGS: 9 NUMBER NEAR MISSES: 0 STOP CARDS: 13 DAILY JSA'S REVIEWED: 15 PERMITS TO WORK: 0 LO/TO: 2 PRE-SPUD INSPECTION: O POWER-LINE CHECK LIST: 0 SWA'S: X</p> <p>BEST STOP CARD OF THE DAY : OBSERVED HAND NOT USING PROPER LOCK OUT / TAG OUT PROCEDURE, STOPPED THE JOB AND EXPLAINED THE CORRECT LO/TO PROCEDURE. THE HAND COMPLIED AND WORK CONTINUED WITHOUT INCIDENT.</p> <p>TOTAL PT HRS: 1.5</p> | | | | | | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/11/2012
 Report No: 5

Wellbore / Top MD: 00 @ 61 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,050.30ft DFS: 3.83
 Today's MD: 5237 ft Progress: 2123 ft Ground Elev: 3,034.90 ft Daily Cost: \$42,828
 Prev MD: 3114 ft Rot Hrs Today: 23.50 hr AFE MD/Days: 11,400.0 / 13.6 days Cum Cost: \$293,929
 PBMD: Avg ROP Today: 90.3 ft/hr AFE Number: 1145998#0102 AFE Cost: \$1,224,234

Current Formation: SA@5,200.0

Lithology:

Current Ops:

24-Hr Summary: DRILL 8 3/4" PRODUCTION HOLE TO 5739' AT 96 FPH

24-Hr Forecast: RR 04/21/2012 ROL 04/22/2012: DRILL 8 3/4" PRODUCTION HOLE

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|-------------------|-------------|-------|---------|-----|-----|
| Last Casing: | 9.625in @ 1,861ft | Str Wt Up/Dn: | 122.0 / 114.0 kip | Pump Rate: | 600.9 | Conn: | 26 | 32 |
| Next Casing: | 5.500in @ 11,450ft | Str Wt Rot: | 116.0 kip | Pump Press: | 2150 | Trip: | 0 | 0 |
| Last BOP Press Test: | 04/09/2012 | Torq Off Btm: | 6,000.0 ft-lbf | | | Backgr: | 23 | 27 |
| Form Test/EMW: | FIT / 12.12 ppg | Torq On Btm: | 9,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|----------|------|-----|------|------|-------|
| Supervisor 1: | MONTY KEY | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS | Build |
| Supervisor 2: | AUGIE VELASQUEZ | 4,868.0 | 0.90 | 0.00 | 4,867.85 | 34.1 | 0.0 | 34.1 | 0.09 | 0.09 |
| Engineer: | IVAN OTERO | 4,171.0 | 0.30 | 0.00 | 4,170.89 | 26.8 | 0.0 | 26.8 | 0.00 | 0.00 |
| Geologist: | TIM LYONS | 3,412.0 | 0.30 | 0.00 | 3,411.90 | 22.8 | 0.0 | 22.8 | 0.01 | 0.01 |
| Oxy Personnel: | 2 | 2,714.0 | 0.20 | 0.00 | 2,713.91 | 19.7 | 0.0 | 19.7 | 0.06 | -0.06 |
| Contractor Personnel: | 13 | 2,013.0 | 0.60 | 0.00 | 2,012.93 | 14.8 | 0.0 | 14.8 | 0.05 | -0.05 |
| Total on Site: | 15 | 1,797.0 | 0.70 | 0.00 | 1,796.94 | 12.4 | 0.0 | 12.4 | 0.00 | 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 | U616M | 14877 | 1797 | 6x13 | 1861 | | -- | -- |
| | | ULTERRA DRILLING T | U616M | 14877 | | | 1861 | | -- | -- |

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 | 35.00 | 2123 | 3376 | 90.3 | 96.5 | 10.0/20.0 | 70/90 | 0.778 | 484 | 247.9 | 2.8 |

MUD DATA - M-I SWACO

Engineer: Brandon Smith MBT: 7.5 lbm/bbl
 Sample From: In pH: 11.0
 Mud Type: FW/Gel Pm / Pom: 0.00
 Time / MD: 0:00 / 5,130.0 Pf / Mf: 0.5 / 0.8
 Density @ Temp: 8.80 / 105 Chlorides: 18,000
 Rheology Temp: 120 Ca+ / K+: 440 / 0
 Viscosity: 40.00 CaCl2: 0.00
 PV / YP: 3 / 16 Clom: 0.21
 Gels 10s/10m/30m: 11 / 13 / 17 Lime: 0.00
 API WL: 45.00 ES: 0.50
 HTHP WL: 0.00 ECD: 0.00
 Cake API / HTHP: 2.0 / .0 n / K: 0.00 / 0.000
 Solids / Sol Corr: 0.90 / 0.00 Carbonate: 9 ppm
 Oil / Water: 0.0 / 0.0 Bicarbonate: 0 ppm
 Sand: 0.50 Form Loss: 0.0 / 0.0
 Water Added: 936.0 bbl Fluid Disch: /
 Oil Added:
 LGS: 2.30 / 20.50

VG Meter: 11@3 / 13@6 / 15@100 / 17@200 / 19@300 / 22@600

Comments: Circulate steel pits add 12sx Duovis to adjust rheology;
 Maintain system pH @ 10-11 with Caustic Soda. **Premix Recipe**: add
 fresh water; add 6sx Soda Ash; 2sx Duovis; 3sx Lime and Fresh gel to a
 40-45 viscosity and pump to frac tanks. **Sweep**: add 2sx Soda Ash; add

LAST OR CURRENT BHA

| | | | | |
|---------------------|-----------|----------------|-----|--------|
| BHA No: 2 | Bit No: 2 | MD In: 1861 ft | | |
| Purpose: | MD Out: | | | |
| Component | OD | ID | Jts | Length |
| HWDP | 4.500 | 2.940 | 4 | 121.56 |
| HWDP | 4.500 | 2.875 | 4 | 121.56 |
| DRILLING JAR | 6.250 | 2.250 | 1 | 32.64 |
| DRILLING JAR | 6.375 | 2.750 | 1 | 32.64 |
| HWDP | 4.500 | 2.940 | 8 | 243.07 |
| HWDP | 4.500 | 2.875 | 8 | 243.07 |
| DRILL COLLAR | 6.500 | 2.875 | 12 | 351.00 |
| SPIRAL DRILL COLLAR | 7.930 | 2.750 | 12 | 351.00 |
| ORIENTING SUB | 6.500 | 3.250 | 1 | 4.94 |
| MWD TOOL | 6.500 | 3.250 | 1 | 4.94 |
| 3-POINT REAMER | 8.750 | 2.250 | 1 | 7.74 |
| 3-POINT REAMER | 8.310 | 2.130 | 1 | 7.74 |
| DRILL COLLAR | 6.125 | 2.875 | 1 | 29.60 |

Total Length: 1,662.92 ft

Wt below Jars:

MUD PRODUCTS

| Product | Units | Qty Used |
|----------------------|----------|----------|
| AIR COMP RENT | EACH | 1.00 |
| DRIVE-BY ENGINEERING | EACH | 1.00 |
| DUO-VIS | BG,25 LB | 4.00 |
| LIME | BG,50 LB | 13.00 |
| M-I GEL BULK | TON | 5.00 |
| PREMIX PIT | EACH | 1.00 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/11/2012
 Report No: 5

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 3114' TO 3566' = 452', AVG ROP 113 FPH, WOB 10-15K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 1660 PSI OFF BTM, 1875 PSI ON BTM, TORQ. 5K OFF BTM, 8K ON BTM</p> <p>SURVEY AT 3412', 0.30 INC</p> <p>CIRCULATE INSIDE RESERVE</p> <p>MUD WT 9.6 IN, 9.6 OUT VIS 28 IN; 28 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: STAYING FOCUSED ON JOB</p> |
| 4:00 | 8:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE FROM 3566' TO 3987' = 421', AVG ROP 105 FPH, WOB 10-15K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 1660 PSI OFF BTM, 1875 PSI ON BTM, TORQ. 5K OFF BTM, 8K ON BTM</p> <p>CIRCULATE INSIDE RESERVE</p> <p>MUD WT 9.6 IN, 9.6 OUT VIS 28 IN, 28 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: DRIVING TO & FROM WORK</p> |
| 8:00 | 11:00 | 3.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 3987'- T/ 4290' = 303', AVG ROP 101 FPH, WOB 11-15K, TD RPM 90, MM RPM 66, TOTAL RPM 156, FLOW RATE 600 GPM, 1958 PSI OFF BTM, 2148 PSI ON BTM, TORQ. 6K OFF BTM, 9K ON BTM</p> <p>LAST SURVEY @ 4171' / 0.3 INC.</p> <p>CIRCULATE INSIDE RESERVE</p> <p>MUD WT 9.8 IN, 9.8 OUT VIS 28 IN, 28 OUT PH 10</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: MIXING CHEMICALS</p> |
| 11:00 | 12:30 | 1.50 | 31PRDR | DRILL | MTRVER | PT | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 4290- T/ 4383' = 93', AVG ROP 62 FPH, WOB 15-18K, TD RPM 90, MM RPM 43, TOTAL RPM 133, FLOW RATE 390 GPM, 970 PSI OFF BTM, 1110 PSI ON BTM, TORQ. 6K OFF BTM, 9K ON BTM</p> <p>NOTE: DRILL WITH #1 PUMP @ 390 GPM</p> <p>CIRCULATE INSIDE RESERVE</p> <p>MUD WT 9.9 IN, 9.9 OUT VIS 29 IN, 29 OUT PH 10</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> |
| 12:30 | 17:00 | 4.50 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 4383'- T/ 4764' = 381', AVG ROP 85 FPH, WOB 15-18K, TD RPM 90, MM RPM 66, TOTAL RPM 156, FLOW RATE 600 GPM, 1958 PSI OFF BTM, 2148 PSI ON BTM, TORQ. 6K OFF BTM, 9K ON BTM</p> <p>CIRCULATE INSIDE RESERVE</p> <p>MUD WT 9.9 IN, 9.9 OUT VIS 29 IN, 29 OUT PH 10</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: H2S SAFETY</p> |
| 17:00 | 17:30 | 0.50 | 31PRDR | RIGMT | SRVRIG | P | RIG SERVICE |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/11/2012
 Report No: 5

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|--|
| 17:30 | 21:30 | 4.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 4764'- T/ 5048' = 284', AVG ROP 71 FPH, WOB 15-18K, TD RPM 90, MM RPM 66, TOTAL RPM 156, FLOW RATE 600 GPM, 1958 PSI OFF BTM, 2148 PSI ON BTM, TORQ. 6K OFF BTM, 9K ON BTM</p> <p>SURVEY @ 4868', 0.90 INC</p> <p>CIRCULATE INSIDE RESERVE / SWAP OVER TO STEEL PITS AFTER DISPLACING HOLE WITH 897 BBLs OF 8.7 PPG GEL MUD AT 5000'</p> <p>MUD WT 8.7 IN, 8.8 OUT VIS 40 IN, 40 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: THUNDERSTROMS</p> |
| 21:30 | 0:00 | 2.50 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 5048'- T/ 5237' = 189', AVG ROP 76 FPH, WOB 15-18K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 1950 PSI OFF BTM, 2150 PSI ON BTM, TORQ. 6K OFF BTM, 9K ON BTM</p> <p>CIRCULATE THRU STEEL PITS MUD WT 8.9 IN, 8.9 OUT VIS 40 IN, 40 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: MIXING CAUSTIC</p> |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 97.00

Environ Incident? N Days since Last LTA: 460.00

Incident Comments:

No incidents reported last 24 hours.

Weather Comments:

Other Remarks:

FROM THE INTERSECTION OF HIGHWAY 385 AND HIGHWAY 176 IN ANDREWS, TEXAS, DRIVE 2.1 MILES EAST ON HIGHWAY 176 TO INTERSECTION OF HIGHWAY 176 AND HIGHWAY 115. TURN LEFT(NORTHEAST) ON HIGHWAY 115. FROM INTERSECTION OF HIGHWAY 115 AND HIGHWAY 176, DRIVE 6.75 MILES NORTHEAST ON HIGHWAY 115. AT INTERSECTION OF HIGHWAY 115 AND FM 1788, TURN RIGHT (SOUTH) ONTO FM 1788.DRIVE 1.75 MILES AND TURN LEFT (EAST) ONTO LEASE ROAD. DRIVE 1.85 MILES MILES ON LEASE ROAD. TURN LEFT (NORTH) ONTO LEASE ROAD. DRIVE 1.0 MILE AND ARRIVE AT UNIVERSITY CASEY #7.

TRAILER TEL NUMBER: (713) 948-3590

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32°22' 18.55"N, LONGITUDE 102°23'34.8"W, NAD 27

NOTIFIED TRRC OF SPUD @ 22:15 HRS ON 04/07/2012 SPOKE WITH CINDY OPERATOR #4

SAFETY TOPIC OF THE DAY: LO / TO PROCEDURE

DAYS WORKED WITH NO LTA: 460

DAYS SINCE LAST RI: 97

NUMBER SAFETY MEETINGS: 8

NUMBER NEAR MISSES: 0

STOP CARDS: 17

DAILY JSA'S REVIEWED: 11

PERMITS TO WORK: 0

LO/TO: 1

PRE-SPUD INSPECTION: 0

POWER-LINE CHECK LIST: 0

SWA'S: X

BEST STOP CARD OF THE DAY : A COUPLE OF HANDS WERE HORSEPLAYING AROUND, STOPPED THEM AND DISCUSSED THE SITUATION AND SAFETY POLICY. THEY BOTH AGREED.

TOTAL PT HRS: 3

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
USA

Date: 04/12/2012
Report No: 6

Wellbore / Top MD: 00 @ 61 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,050.30ft DFS: 4.83
Today's MD: 6992 ft Progress: 1755 ft Ground Elev: 3,034.90 ft Daily Cost: \$119,855
Prev MD: 5237 ft Rot Hrs Today: 23.50 hr AFE MD/Days: 11,400.0 / 13.6 days Cum Cost: \$413,784
PBMD: Avg ROP Today: 74.7 ft/hr AFE Number: 1145998#0102 AFE Cost: \$1,224,234

Current Formation: SA@5,200.0

Lithology:

Current Ops:

24-Hr Summary: DRILL 8 3/4" PRODUCTION HOLE AT 71 FPH

24-Hr Forecast: RR 04/21/2012 ROL 04/22/2012: DRILL 8 3/4" PRODUCTION HOLE

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|-------------------|-------------|-------|---------|-----|-----|
| Last Casing: | 9.625in @ 1,861ft | Str Wt Up/Dn: | 155.0 / 137.0 kip | Pump Rate: | 600.9 | Conn: | 85 | 97 |
| Next Casing: | 5.500in @ 11,450ft | Str Wt Rot: | 145.0 kip | Pump Press: | 2405 | Trip: | 0 | 0 |
| Last BOP Press Test: | 04/09/2012 | Torq Off Btm: | 6,000.0 ft-lbf | | | Backgr: | 57 | 85 |
| Form Test/EMW: | FIT / 12.12 ppg | Torq On Btm: | 9,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|----------|------|-----|------|------|
| Supervisor 1: | MONTY KEY | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | AUGIE VELASQUEZ | 6,393.0 | 0.50 | 0.00 | 6,392.77 | 48.9 | 0.0 | 48.9 | 0.01 |
| Engineer: | IVAN OTERO | 5,694.0 | 0.40 | 0.00 | 5,693.79 | 43.4 | 0.0 | 43.4 | 0.06 |
| Geologist: | TIM LYONS | 4,868.0 | 0.90 | 0.00 | 4,867.85 | 34.1 | 0.0 | 34.1 | 0.09 |
| Oxy Personnel: | 2 | 4,171.0 | 0.30 | 0.00 | 4,170.89 | 26.8 | 0.0 | 26.8 | 0.00 |
| Contractor Personnel: | 15 | 3,412.0 | 0.30 | 0.00 | 3,411.90 | 22.8 | 0.0 | 22.8 | 0.01 |
| Total on Site: | 17 | 2,714.0 | 0.20 | 0.00 | 2,713.91 | 19.7 | 0.0 | 19.7 | 0.06 |

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 | U616M | 14877 | 1797 | 6x13 | 1861 | | -- | -- |
| | | ULTERRA DRILLING T | U616M | 14877 | | | 1861 | | -- | -- |

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 | 58.50 | 1755 | 5131 | 74.7 | 87.7 | 15.0/25.0 | 70/90 | 0.778 | 511 | 247.9 | 3.0 |

MUD DATA - M-I Swaco

Engineer: BRANDON SMITH
Sample From: In
Mud Type: OTHER
Time / MD: 0:01 / 6,793.0
Density @ Temp: 9.30 / 90
Rheology Temp: 120
Viscosity: 35.00
PV / YP: 5 / 11
Gels 10s/10m/30m: 5 / 6 / 8
API WL: 45.00
HTHP WL: 0.00
Cake API / HTHP: 1.0 / .0
Solids / Sol Corr: 0.00 / 0.00
Oil / Water: 0.0 / 4.6
Sand: 0.20
Water Added:
Oil Added:
LGS: 4.60 / 41.60

MBT: 0.0 lbm/bbl
pH: 10.0
Pm / Pom:
Pf / Mf: 0.4 / 0.5
Chlorides: 40,000
Ca+ / K+: 0 / 0
CaCl2:
Clom:
Lime:
ES:
ECD: 9.52
n / K: 0.00 / 0.000
Carbonate:
Bicarbonate: 8 ppm
Form Loss: 0.0 / 0.0
Fluid Disch: /

VG Meter: 5@3 / 6@6 / 10@100 / 14@200 / 16@300 / 21@600

Comments: 0

LAST OR CURRENT BHA

| | | | | |
|---------------------|-----------|----------------|-----|--------|
| BHA No: 2 | Bit No: 2 | MD In: 1861 ft | | |
| Purpose: | MD Out: | | | |
| Component | OD | ID | Jts | Length |
| HWDP | 4.500 | 2.940 | 4 | 121.56 |
| HWDP | 4.500 | 2.875 | 4 | 121.56 |
| DRILLING JAR | 6.250 | 2.250 | 1 | 32.64 |
| DRILLING JAR | 6.375 | 2.750 | 1 | 32.64 |
| HWDP | 4.500 | 2.940 | 8 | 243.07 |
| HWDP | 4.500 | 2.875 | 8 | 243.07 |
| DRILL COLLAR | 6.500 | 2.875 | 12 | 351.00 |
| SPIRAL DRILL COLLAR | 7.930 | 2.750 | 12 | 351.00 |
| ORIENTING SUB | 6.500 | 3.250 | 1 | 4.94 |
| MWD TOOL | 6.500 | 3.250 | 1 | 4.94 |
| 3-POINT REAMER | 8.750 | 2.250 | 1 | 7.74 |
| 3-POINT REAMER | 8.310 | 2.130 | 1 | 7.74 |
| DRILL COLLAR | 6.125 | 2.875 | 1 | 29.60 |

Total Length: 1,662.92 ft

Wt below Jars:

MUD PRODUCTS

| Product | Units | Qty Used |
|-----------------------|-----------|----------|
| AIR COMP RENT | EACH | 1.00 |
| CEDAR FIBER CHIP SEAL | BG,40 LB | 5.00 |
| DRIVE-BY ENGINEERING | EACH | 1.00 |
| DUO-VIS | BG,25 LB | 18.00 |
| FIBER SEAL | BG,40 LB | 5.00 |
| LIME | BG,50 LB | 19.00 |
| M-I GEL BULK | TON | 15.00 |
| MIX II MEDIUM | bG, 25 LB | 15.00 |
| PECAN NUT PLUG CSE | BG,50 LB | 5.00 |
| PREMIX PIT | EACH | 1.00 |
| SODA ASH | BG,50 LB | 18.00 |

OXY USA INC
DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
USA

Date: 04/12/2012
Report No: 6

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 F/ 5237'- T/ 5628' = 391', AVG ROP 98 FPH, WOB 15-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 1950 PSI OFF BTM, 2150 PSI ON BTM, TORQ. 6K OFF BTM, 9K ON BTM</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.1 IN, 9.1 OUT VIS 40 IN, 40 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: HORSEPLAYING</p> |
| 4:00 | 5:00 | 1.00 | 31PRDR | DRILL | MTRVER | PT | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 5628'- T/ 5664' = 36', AVG ROP 36 FPH, WOB 15-20K, TD RPM 85, MM RPM 42, TOTAL RPM 127, FLOW RATE 380 GPM, 910 PSI OFF BTM, 1060 PSI ON BTM, TORQ. 6K OFF BTM, 9K ON BTM</p> <p>NOTE: DRILL WITH #1 PUMP @ 380 GPM</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.2 IN, 9.2 OUT VIS 40 IN, 40 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: HORSEPLAYING</p> |
| 5:00 | 9:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 5664'- T/ 5897' = 233', AVG ROP 58 FPH, WOB 15-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 1950 PSI OFF BTM, 2150 PSI ON BTM, TORQ. 6K OFF BTM, 9K ON BTM</p> <p>SURVEY @ 5694', 0.4 INC</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.3 OUT VIS 40 IN, 40 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: FORKLIFT INSPECTION</p> |
| 9:00 | 13:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 5897'- T/ 6137' = 240', AVG ROP 60 FPH, WOB 18-20K, TD RPM 88, MM RPM 66, TOTAL RPM 154, FLOW RATE 600 GPM, 2030 PSI OFF BTM, 2370 PSI ON BTM, TORQ. 6K OFF BTM, 11K ON BTM</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.2 IN, 9.3 OUT VIS 41 IN, 42 OUT PH 10</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: GOOD HOUSEKEEPING</p> |
| 13:00 | 16:00 | 3.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 6137'- T/ 6381' = 244', AVG ROP 82 FPH, WOB 18-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2092 PSI OFF BTM, 2405 PSI ON BTM, TORQ. 6K OFF BTM, 11K ON BTM</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.4 OUT VIS 42 IN, 42 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: RIG SERVICE</p> |
| 16:00 | 16:30 | 0.50 | 31PRDR | RIGMT | SRVRIG | P | RIG SERVICE @ 6,381' FT. |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/12/2012
 Report No: 6

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|--|
| 16:30 | 20:30 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE F/ 6387'- T/ 6694' = 307', AVG ROP 78 FPH, WOB 18-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2092 PSI OFF BTM, 2405 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM SURVEY @ 6393', 0.5 INC CIRCULATE THRU STEEL PITS MUD WT 9.2 IN, 9.4 OUT VIS 39 IN, 40 OUT PH 11 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150' SAFETY BREAK: BEING AWARE OF SNAKES |
| 20:30 | 0:00 | 3.50 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE F/ 6694'- T/ 6992' = 298', AVG ROP 85 FPH, WOB 18-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2092 PSI OFF BTM, 2405 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.4 OUT VIS 39 IN, 40 OUT PH 11 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150' SAFETY BREAK: SWING A SLEDGE HAMMER |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 98.00 Weather Comments:

Environ Incident? N Days since Last LTA: 461.00

Incident Comments:

No incidents reported last 24 hours.

Other Remarks:

FROM THE INTERSECTION OF HIGHWAY 385 AND HIGHWAY 176 IN ANDREWS, TEXAS, DRIVE 2.1 MILES EAST ON HIGHWAY 176 TO INTERSECTION OF HIGHWAY 176 AND HIGHWAY 115. TURN LEFT(NORTHEAST) ON HIGHWAY 115. FROM INTERSECTION OF HIGHWAY 115 AND HIGHWAY 176, DRIVE 6.75 MILES NORTHEAST ON HIGHWAY 115. AT INTERSECTION OF HIGHWAY 115 AND FM 1788, TURN RIGHT (SOUTH) ONTO FM 1788.DRIVE 1.75 MILES AND TURN LEFT (EAST) ONTO LEASE ROAD. DRIVE 1.85 MILES MILES ON LEASE ROAD. TURN LEFT (NORTH) ONTO LEASE ROAD. DRIVE 1.0 MILE AND ARRIVE AT UNIVERSITY CASEY #7.

TRAILER TEL NUMBER: (713) 948-3590

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32°22' 18.55"N, LONGITUDE 102°23'34.8"W, NAD 27

NOTIFIED TRRC OF SPUD @ 22:15 HRS ON 04/07/2012 SPOKE WITH CINDY OPERATOR #4

SAFETY TOPIC OF THE DAY: BEING AWARE OF SNAKES

DAYS WORKED WITH NO LTA: 461

DAYS SINCE LAST RI: 98

NUMBER SAFETY MEETINGS: 10

NUMBER NEAR MISSES: 0

STOP CARDS: 16

DAILY JSA'S REVIEWED: 15

PERMITS TO WORK: 0

LO/TO: 1

PRE-SPUD INSPECTION: 0

POWER-LINE CHECK LIST: 0

SWA'S: X

BEST STOP CARD OF THE DAY : OBSERVED HAND WITHOUT PROPER PPE WHILE MIXING CHEMICALS, STOPPED JOB AND EXPLAINED THE HAZARDS. THE HAND COMPLIED AND JOB RESUMED WITHOUT INCIDENT.

TOTAL PT HRS: 4

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
USA

Date: 04/13/2012
Report No: 7

Wellbore / Top MD: 00 @ 61 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,050.30ft DFS: 5.83
Today's MD: 7820 ft Progress: 828 ft Ground Elev: 3,034.90 ft Daily Cost: \$39,741
Prev MD: 6992 ft Rot Hrs Today: 22.00 hr AFE MD/Days: 11,400.0 / 13.6 days Cum Cost: \$453,525
PBMD: Avg ROP Today: 37.6 ft/hr AFE Number: 1145998#0102 AFE Cost: \$1,224,234

Current Formation: SA@5,200.0

Lithology:

Current Ops:

24-Hr Summary: DRILL 8 3/4" PRODUCTION HOLE AT 37 FPH

24-Hr Forecast: RR 04/18/2012 ROL 04/19/2012: DRILL 8 3/4" PRODUCTION HOLE

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|------------------|-------------|-------|---------|-----|-----|
| Last Casing: | 9.625in @ 1,861ft | Str Wt Up/Dn: | 167.0/ 138.0 kip | Pump Rate: | 600.9 | Conn: | 85 | 177 |
| Next Casing: | 5.500in @ 11,450ft | Str Wt Rot: | 155.0 kip | Pump Press: | 2250 | Trip: | 0 | 0 |
| Last BOP Press Test: | 04/09/2012 | Torq Off Btm: | 6,000.0 ft-lbf | | | Backgr: | 125 | 146 |
| Form Test/EMW: | FIT / 12.12 ppg | Torq On Btm: | 10,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|-----------|------|-----|------|------|
| Supervisor 1: | MONTY KEY | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | AUGIE VELASQUEZ | 7,600.0 | 2.00 | 0.00 | 10,234.75 | 73.5 | 0.0 | 73.5 | 0.23 |
| Engineer: | IVAN OTERO | 7,472.0 | 2.30 | 0.00 | 10,106.84 | 68.7 | 0.0 | 68.7 | 0.34 |
| Geologist: | TIM LYONS | 7,088.0 | 1.00 | 0.00 | 9,723.01 | 57.7 | 0.0 | 57.7 | 0.07 |
| Oxy Personnel: | 2 | 6,393.0 | 0.50 | 0.00 | 9,028.07 | 48.6 | 0.0 | 48.6 | 0.01 |
| Contractor Personnel: | 15 | 5,694.0 | 0.40 | 0.00 | 8,329.09 | 43.1 | 0.0 | 43.1 | 0.06 |
| Total on Site: | 17 | 4,868.0 | 0.90 | 0.00 | 7,503.15 | 33.7 | 0.0 | 33.7 | 0.09 |

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 | U616M | 14877 | 1797 | 6x13 | 1861 | 9583 | 0-1-WT-N | D-I-WT-BHA |
| | | ULTERRA DRILLING T | U616M | 14877 | | | 1861 | 9583 | -- | -- |

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 | 22.00 | 80.50 | 828 | 5959 | 37.6 | 74.0 | 15.0/25.0 | 70/100 | 0.778 | 511 | 247.9 | 3.0 |

MUD DATA - M-I SWACO

Engineer: John Kruczek MBT: 10.0 lbm/bbl
Sample From: In pH: 10.5
Mud Type: FW/Gel Pm / Pom: 0.00
Time / MD: 21:00 / 7,713.0 Pf / Mf: 1.2 / 1.4
Density @ Temp: 9.30 / 95 Chlorides: 38,000
Rheology Temp: 120 Ca+ / K+: 440 / 0
Viscosity: 39.00 CaCl2: 0.00
PV / YP: 7 / 17 Clom: 0.37
Gels 10s/10m/30m: 9 / 13 / 15 Lime: 0.00
API WL: 45.00 ES: 3.80
HTHP WL: 0.00 ECD: 0.00
Cake API / HTHP: 2.0 / .0 n / K: 0.00 / 0.000
Solids / Sol Corr: 1.90 / 0.00 Carbonate: 24 ppm
Oil / Water: 0.0 / 0.0 Bicarbonate: 0 ppm
Sand: 0.25 Form Loss: 0.0 / 0.0
Water Added: 300.0 bbl Fluid Disch: /
Oil Added:
LGS: 4.70 / 42.80

VG Meter: 9@3 / 10@6 / 18@100 / 21@200 / 24@300 / 31@600

Comments: Drilled ahead dumping and diluting as necessary. Maintain MW below 9.4ppg. Add Caustic as needed to maintain pH above 10.0. Add 6-8sxs Soda Ash per tour. Pump high vis sweeps as needed.

LAST OR CURRENT BHA

| BHA No: 2 | Bit No: 2 | MD In: 1861 ft | | |
|---------------------|-----------------|----------------|-----|--------|
| Purpose: | MD Out: 9583 ft | | | |
| Component | OD | ID | Jts | Length |
| HWDP | 4.500 | 2.940 | 4 | 121.56 |
| HWDP | 4.500 | 2.875 | 4 | 121.56 |
| DRILLING JAR | 6.250 | 2.250 | 1 | 32.64 |
| DRILLING JAR | 6.375 | 2.750 | 1 | 32.64 |
| HWDP | 4.500 | 2.940 | 8 | 243.07 |
| HWDP | 4.500 | 2.875 | 8 | 243.07 |
| DRILL COLLAR | 6.500 | 2.875 | 12 | 351.00 |
| SPIRAL DRILL COLLAR | 7.930 | 2.750 | 12 | 351.00 |
| ORIENTING SUB | 6.500 | 3.250 | 1 | 4.94 |
| MWD TOOL | 6.500 | 3.250 | 1 | 4.94 |
| 3-POINT REAMER | 8.750 | 2.250 | 1 | 7.74 |
| 3-POINT REAMER | 8.310 | 2.130 | 1 | 7.74 |
| DRILL COLLAR | 6.125 | 2.875 | 1 | 29.60 |

Total Length: 1,662.92 ft

Wt below Jars:

MUD PRODUCTS

| Product | Units | Qty Used |
|----------------------|----------|----------|
| AIR COMP RENT | EACH | 1.00 |
| CAUSTIC SODA | BG,50 LB | 21.00 |
| DRIVE-BY ENGINEERING | EACH | 1.00 |
| DUO-VIS | BG,25 LB | 10.00 |
| LIME | BG,50 LB | 18.00 |
| M-I GEL BULK | TON | 20.00 |
| PREMIX PIT | EACH | 1.00 |
| SODA ASH | BG,50 LB | 25.00 |
| | | |
| | | |
| | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/13/2012
 Report No: 7

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 F/ 6992'- T/ 7227' = 235', AVG ROP 59 FPH, WOB 18-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2092 PSI OFF BTM, 2405 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>SURVEY @ 7088', 1.0 INC</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.4 OUT VIS 39 IN, 40 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: PROPER PPE</p> |
| 4:00 | 6:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 7227'- T/ 7317' = 90', AVG ROP 45 FPH, WOB 18-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2092 PSI OFF BTM, 2405 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.4 IN, 9.4 OUT VIS 39 IN, 40 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: SMOKING AREA</p> |
| 6:00 | 10:30 | 4.50 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 7317'- T/ 7479' = 162', AVG ROP 36 FPH, WOB 18-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2100 PSI OFF BTM, 2425 PSI ON BTM, TORQ. 7K OFF BTM, 10K ON BTM</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.4 IN, 9.4 OUT VIS 39 IN, 40 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: H2S SAFETY</p> |
| 10:30 | 12:30 | 2.00 | 31PRDR | WLCNTL | NOCIRC | PT | <p>H2S ALARMS WENT OFF @ 7479' FT. PICK UP ,SHUT IN WELL AND MUSTER UP EVERYONE ON LOCATION. WAIT ON TOTAL SAFETY TO ARRIVE. PJSM WITH CREW & GAVE ALL CLEAR.</p> <p>H2S SENSOR ON RIG FLOOR HAD GOTTEN WET WHILE CLEANING FLOOR.</p> |
| 12:30 | 16:30 | 4.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 7479'- T/ 7572' = 93', AVG ROP 23 FPH, WOB 15K, TD RPM 100, MM RPM 66, TOTAL RPM 166, FLOW RATE 600 GPM, 2240 PSI OFF BTM, 2335 PSI ON BTM, TORQ. 7K OFF BTM, 10K ON BTM</p> <p>SURVEY @ 7472', 2.3 INC DOUBLE BACKREAM TO CORRECT DEVIATION</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.4OUT VIS 41 IN, 41 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: ON MEET AND GREET</p> |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
USA

Date: 04/13/2012
Report No: 7

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|---|
| 16:30 | 20:30 | 4.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 7572'- T/ 7700' = 128', AVG ROP 32 FPH, WOB 15K, TD RPM 100, MM RPM 66, TOTAL RPM 166, FLOW RATE 600 GPM, 2100 PSI OFF BTM, 2250 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>SURVEY @ 7600', 2.0 INC DOUBLE BACKREAM TO CORRECT DEVIATION</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.3 OUT VIS 40 IN, 41 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: HOT WEATHER</p> |
| 20:30 | 0:00 | 3.50 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 7700'- T/ 7820' = 122', AVG ROP 34 FPH, WOB 15K, TD RPM 100, MM RPM 66, TOTAL RPM 166, FLOW RATE 600 GPM, 2100 PSI OFF BTM, 2250 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>DOUBLE BACKREAM TO CORRECT DEVIATION</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.2 IN, 9.3 OUT VIS 40 IN, 41 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: CHANGING TONG DIES</p> |

Total Time 24.00

Safety Incident? N Days since Last RI: 99.00 Weather Comments:

Environ Incident? N Days since Last LTA: 462.00

Incident Comments:

No incidents reported last 24 hours.

Other Remarks:

FROM THE INTERSECTION OF HIGHWAY 385 AND HIGHWAY 176 IN ANDREWS, TEXAS, DRIVE 2.1 MILES EAST ON HIGHWAY 176 TO INTERSECTION OF HIGHWAY 176 AND HIGHWAY 115. TURN LEFT(NORTHEAST) ON HIGHWAY 115. FROM INTERSECTION OF HIGHWAY 115 AND HIGHWAY 176, DRIVE 6.75 MILES NORTHEAST ON HIGHWAY 115. AT INTERSECTION OF HIGHWAY 115 AND FM 1788, TURN RIGHT (SOUTH) ONTO FM 1788.DRIVE 1.75 MILES AND TURN LEFT (EAST) ONTO LEASE ROAD. DRIVE 1.85 MILES MILES ON LEASE ROAD. TURN LEFT (NORTH) ONTO LEASE ROAD. DRIVE 1.0 MILE AND ARRIVE AT UNIVERSITY CASEY #7.

TRAILER TEL NUMBER: (713) 948-3590

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32°22' 18.55"N, LONGITUDE 102°23'34.8"W, NAD 27

NOTIFIED TRRC OF SPUD @ 22:15 HRS ON 04/07/2012 SPOKE WITH CINDY OPERATOR #4

SAFETY TOPIC OF THE DAY: H2S ALARMS

DAYS WORKED WITH NO LTA: 462

DAYS SINCE LAST RI: 99

NUMBER SAFETY MEETINGS: 8

NUMBER NEAR MISSES: 0

STOP CARDS: 12

DAILY JSA'S REVIEWED: 14

PERMITS TO WORK: 0

LO/TO: 2

PRE-SPUD INSPECTION: 0

POWER-LINE CHECK LIST: 0

SWA'S: X

BEST STOP CARD OF THE DAY : OBSERVED EMPLOYEE ATTEMPTING TO CHANGE OUT TONG DIES WITHOUT SAFETY GLASSES AND FACE SHIELD, STOPPED JOB AND DISCUSSED SITUATION WITH CREW. ALL AGREED AND JOB CONTINUED WITHOUT INCIDENT.

TOTAL PT HRS: 3.5

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/14/2012
 Report No: 8

Wellbore / Top MD: 00 @ 61 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,050.30ft DFS: 6.83
 Today's MD: 9033 ft Progress: 1213 ft Ground Elev: 3,034.90 ft Daily Cost: \$54,624
 Prev MD: 7820 ft Rot Hrs Today: 23.50 hr AFE MD/Days: 11,400.0 / 13.6 days Cum Cost: \$508,149
 PBMD: Avg ROP Today: 51.6 ft/hr AFE Number: 1145998#0102 AFE Cost: \$1,224,234

Current Formation: SPRABERRY@8,550.0

Lithology:

Current Ops:

24-Hr Summary: DRILL 8 3/4" PRODUCTION HOLE AT 66 FPH

24-Hr Forecast: RR 04/18/2012 ROL 04/19/2012: DRILL 8 3/4" PRODUCTION HOLE

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|-------------------|-------------|-------|---------|-----|-----|
| Last Casing: | 9.625in @ 1,861ft | Str Wt Up/Dn: | 172.0 / 168.0 kip | Pump Rate: | 600.9 | Conn: | 130 | 225 |
| Next Casing: | 5.500in @ 11,450ft | Str Wt Rot: | 170.0 kip | Pump Press: | 2550 | Trip: | 0 | 0 |
| Last BOP Press Test: | 04/09/2012 | Torq Off Btm: | 5,000.0 ft-lbf | | | Backgr: | 241 | 312 |
| Form Test/EMW: | FIT / 12.12 ppg | Torq On Btm: | 9,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|-----------|------|-----|------|------|
| Supervisor 1: | MONTY KEY | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | AUGIE VELASQUEZ | 8,548.0 | 0.20 | 0.00 | 11,182.65 | 85.6 | 0.0 | 85.6 | 0.08 |
| Engineer: | IVAN OTERO | 8,422.0 | 0.30 | 0.00 | 11,056.65 | 85.0 | 0.0 | 85.0 | 0.56 |
| Geologist: | TIM LYONS | 8,296.0 | 1.00 | 0.00 | 10,930.66 | 83.6 | 0.0 | 83.6 | 0.16 |
| Oxy Personnel: | 2 | 7,849.0 | 0.30 | 0.00 | 10,483.69 | 78.5 | 0.0 | 78.5 | 0.68 |
| Contractor Personnel: | 19 | 7,600.0 | 2.00 | 0.00 | 10,234.75 | 73.5 | 0.0 | 73.5 | 0.23 |
| Total on Site: | 21 | 7,472.0 | 2.30 | 0.00 | 10,106.84 | 68.7 | 0.0 | 68.7 | 0.34 |

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 | U616M | 14877 | 1797 | 6x13 | 1861 | 9583 | 0-1-WT-N | D-I-WT-BHA |
| | | ULTERRA DRILLING T | U616M | 14877 | | | 1861 | 9583 | -- | -- |

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 | 104.00 | 1213 | 7172 | 51.6 | 69.0 | 15.0/22.0 | 70/100 | 0.778 | 517 | 247.9 | 3.0 |

MUD DATA - M-I SWACO

Engineer: John Kruczek MBT: 12.5 lbm/bbl
 Sample From: In pH: 10.0
 Mud Type: FW/Gel Pm / Pom: 0.00
 Time / MD: 19:15 / 8,782.0 Pf / Mf: 0.5 / 0.7
 Density @ Temp: 9.40 / 95 Chlorides: 53,000
 Rheology Temp: 120 Ca+ / K+: 960 / 0
 Viscosity: 36.00 CaCl2: 0.00
 PV / YP: 4 / 17 Clom: 0.25
 Gels 10s/10m/30m: 10 / 12 / 15 Lime: 0.00
 API WL: 45.00 ES: 5.00
 HTHP WL: 0.00 ECD: 9.60
 Cake API / HTHP: 2.0 / .0 n / K: 0.00 / 0.000
 Solids / Sol Corr: 2.60 / 0.00 Carbonate: 10 ppm
 Oil / Water: 0.0 / 0.0 Bicarbonate: 0 ppm
 Sand: 0.25 Form Loss: 0.0 / 0.0
 Water Added: 200.0 bbl Fluid Disch: /
 Oil Added:
 LGS: 4.50 / 40.60

VG Meter: 10@3 / 11@6 / 16@100 / 19@200 / 21@300 / 25@600

Comments: Dump and dilute as necessary to maintain weight below 9.4ppg. Mix caustic to maintain pH above 10.0. Add 6-8sxs. Soda Ash per tour. Pump high-vis sweeps as necessary.

LAST OR CURRENT BHA

| BHA No: 2 | Bit No: 2 | MD In: 1861 ft | | |
|---------------------|-----------------|----------------|-----|--------|
| Purpose: | MD Out: 9583 ft | | | |
| Component | OD | ID | Jts | Length |
| HWDP | 4.500 | 2.940 | 4 | 121.56 |
| HWDP | 4.500 | 2.875 | 4 | 121.56 |
| DRILLING JAR | 6.250 | 2.250 | 1 | 32.64 |
| DRILLING JAR | 6.375 | 2.750 | 1 | 32.64 |
| HWDP | 4.500 | 2.940 | 8 | 243.07 |
| HWDP | 4.500 | 2.875 | 8 | 243.07 |
| DRILL COLLAR | 6.500 | 2.875 | 12 | 351.00 |
| SPIRAL DRILL COLLAR | 7.930 | 2.750 | 12 | 351.00 |
| ORIENTING SUB | 6.500 | 3.250 | 1 | 4.94 |
| MWD TOOL | 6.500 | 3.250 | 1 | 4.94 |
| 3-POINT REAMER | 8.750 | 2.250 | 1 | 7.74 |
| 3-POINT REAMER | 8.310 | 2.130 | 1 | 7.74 |
| DRILL COLLAR | 6.125 | 2.875 | 1 | 29.60 |

Total Length: 1,662.92 ft

Wt below Jars:

MUD PRODUCTS

| Product | Units | Qty Used |
|----------------------|----------|----------|
| AIR COMP RENT | EACH | 1.00 |
| DRIVE-BY ENGINEERING | EACH | 1.00 |
| DUO-VIS | BG,25 LB | 3.00 |
| LIME | BG,50 LB | 34.00 |
| M-I GEL BULK | TON | 8.44 |
| PREMIX PIT | EACH | 1.00 |
| SODA ASH | BG,50 LB | 35.00 |
| | | |
| | | |
| | | |
| | | |
| | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/14/2012
 Report No: 8

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 F/ 7820'- T/ 7948' = 128', AVG ROP 32 FPH, WOB 15K, TD RPM 100, MM RPM 66, TOTAL RPM 166, FLOW RATE 600 GPM, 2100 PSI OFF BTM, 2250 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>SURVEY @ 7849', 0.3 INC DOUBLE BACKREAM TO CORRECT DEVIATION</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.2 IN, 9.3 OUT VIS 39 IN, 40 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: SURFACE TRACTION</p> |
| 4:00 | 6:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 7948'- T/ 8020' = 72', AVG ROP 36 FPH, WOB 18-22K, TD RPM 80, MM RPM 66, TOTAL RPM 146, FLOW RATE 600 GPM, 2185 PSI OFF BTM, 2330 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.4 OUT VIS 39 IN, 40 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: GOOD COMMUNICATION</p> |
| 6:00 | 10:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 8020'- T/ 8214' = 194', AVG ROP 48 FPH, WOB 18-22K, TD RPM 80, MM RPM 66, TOTAL RPM 146, FLOW RATE 600 GPM, 2195 PSI OFF BTM, 2400 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.2 IN, 9.3 OUT VIS 43 IN, 43 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: UNLOADING CASING / SPOTTER</p> |
| 10:00 | 14:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 8214'- T/ 8500' = 286', AVG ROP 72 FPH, WOB 18-20K, TD RPM 80, MM RPM 66, TOTAL RPM 146, FLOW RATE 600 GPM, 2220 PSI OFF BTM, 2450 PSI ON BTM, TORQ. 5K OFF BTM, 9K ON BTM</p> <p>SURVEY @ 8422 0.3 INC.</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.3 OUT VIS 43 IN, 42 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: CABLE INSPECTIONS</p> |
| 14:00 | 14:30 | 0.50 | 31PRDR | RIGMT | SRVRIG | P | RIG SERVICE @ 8500' FT. |
| 14:30 | 17:00 | 2.50 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 8500'- T/ 8665' = 165', AVG ROP 66 FPH, WOB 18-20K, TD RPM 80, MM RPM 66, TOTAL RPM 146, FLOW RATE 600 GPM, 2220 PSI OFF BTM, 2450 PSI ON BTM, TORQ. 5K OFF BTM, 9K ON BTM</p> <p>SURVEY @ 8548', 0.2 INC</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.3 OUT VIS 43 IN, 42 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: STRONG WINDS</p> |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/14/2012
 Report No: 8

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|---|
| 17:00 | 17:30 | 0.50 | 31PRDR | DRILL | MTRVER | PT | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 8665'- T/ 8680' = 15', AVG ROP 30 FPH, WOB 15K, TD RPM 80, MM RPM 42, TOTAL RPM 122, FLOW RATE 380GPM, 1300 PSI OFF BTM, 1450 PSI ON BTM, TORQ. 5K OFF BTM, 7K ON BTM</p> <p>NOTE: DRILLING WITH #2 PUMP. CHANGE SWAB IN #1 PUMP</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.3 OUT VIS 43 IN, 42 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: LOCK OUT/ TAG OUT TRY</p> |
| 17:30 | 21:30 | 4.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 8680'- T/ 8888' = 208', AVG ROP 52 FPH, WOB 18-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2275 PSI OFF BTM, 2550 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.4 OUT VIS 38 IN, 40 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: CAUSTIC HAZARDS</p> |
| 21:30 | 0:00 | 2.50 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 8888'- T/ 9033' = 145', AVG ROP 58 FPH, WOB 18-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2275 PSI OFF BTM, 2550 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.4 OUT VIS 38 IN, 40 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: TOOL USED CORRECTLY</p> |
| Total Time | | 24.00 | | | | | |

| | | | | |
|--|---|----------------------|--------|-------------------|
| Safety Incident? | N | Days since Last RI: | 100.00 | Weather Comments: |
| Environ Incident? | N | Days since Last LTA: | 463.00 | |
| Incident Comments: No incidents reported last 24 hours. | | | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
USA

Date: 04/14/2012
Report No: 8

Other Remarks:

FROM THE INTERSECTION OF HIGHWAY 385 AND HIGHWAY 176 IN ANDREWS, TEXAS, DRIVE 2.1 MILES EAST ON HIGHWAY 176 TO INTERSECTION OF HIGHWAY 176 AND HIGHWAY 115. TURN LEFT(NORTHEAST) ON HIGHWAY 115. FROM INTERSECTION OF HIGHWAY 115 AND HIGHWAY 176, DRIVE 6.75 MILES NORTHEAST ON HIGHWAY 115. AT INTERSECTION OF HIGHWAY 115 AND FM 1788, TURN RIGHT (SOUTH) ONTO FM 1788.DRIVE 1.75 MILES AND TURN LEFT (EAST) ONTO LEASE ROAD. DRIVE 1.85 MILES MILES ON LEASE ROAD. TURN LEFT (NORTH) ONTO LEASE ROAD. DRIVE 1.0 MILE AND ARRIVE AT UNIVERSITY CASEY #7.

TRAILER TEL NUMBER: (713) 948-3590

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32°22' 18.55"N, LONGITUDE 102°23'34.8"W, NAD 27

NOTIFIED TRRC OF SPUD @ 22:15 HRS ON 04/07/2012 SPOKE WITH CINDY OPERATOR #4

SAFETY TOPIC OF THE DAY: WORKING IN WINDY WEATHER

DAYS WORKED WITH NO LTA: 463

DAYS SINCE LAST RI: 100

NUMBER SAFETY MEETINGS: 9

NUMBER NEAR MISSES: 0

STOP CARDS: 14

DAILY JSA'S REVIEWED: 16

PERMITS TO WORK: 0

LO/TO: 3

PRE-SPUD INSPECTION: 0

POWER-LINE CHECK LIST: 0

SWA'S: X

BEST STOP CARD OF THE DAY : NOTICED EMPTY SACKS OF CAUSTIC ON ACTIVE PIT WALKWAY, HELD SAFETY BREAK WITH CREW ON THE HAZARDS OF CAUSTIC AND DISCARDING THE SACKS AS SOON AS THEY WERE EMPTIED. ALL AGREED AND WORK CONTINUED WITHOUT INCIDENT.

TOTAL PT HRS: 3.5

DAILY OPERATIONS PARTNER REPORT

Date: 04/15/2012
Report No: 9

| CASING/WELL CONTROL | HOOKLOAD & TORQUE | HYDRAULICS | MUD GAS | Avg | Max |
|---------------------|-------------------|------------|---------|-----|-----|
|---------------------|-------------------|------------|---------|-----|-----|

| PERSONNEL | SURVEY DATA (LAST 6) |
|-----------|----------------------|
|-----------|----------------------|

BIT RECORD

BIT OPERATING PARAMETERS TODAY

| | |
|---|--|
| VG Meter: 11@3 / 12@6 / 16@100 / 19@200 / 21@300 / 27@600 | |
|---|--|

| | | |
|----------------------|-------------|-----------------------|
| Total Length: | 1,662.92 ft | Wt below Jars: |
|----------------------|-------------|-----------------------|

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
USA

Date: 04/15/2012
Report No: 9

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|---|
| 0:00 | 1:00 | 1.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 9033'- T/ 9090' = 57', AVG ROP 57 FPH, WOB 18-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2275 PSI OFF BTM, 2550 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.4 IN, 9.4 OUT VIS 39 IN, 40 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: EYEWASH STATIONS</p> |
| 1:00 | 2:00 | 1.00 | 31PRDR | DRILL | MTRVER | PT | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 9090'- T/ 9121' = 31', AVG ROP 31 FPH, WOB 15K, TD RPM 80, MM RPM 42, TOTAL RPM 122, FLOW RATE 380 GPM, 1135 PSI OFF BTM, 1260 PSI ON BTM, TORQ. 5K OFF BTM, 9K ON BTM</p> <p>NOTE: DRILL WITH #1 PUMP @ 380 GPM</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.4 IN, 9.4 OUT VIS 39 IN, 40 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> |
| 2:00 | 2:30 | 0.50 | 31PRDR | RIGMT | SRVRIG | P | RIG SERVICE / GREASE TOP DRIVE & CHANGE OUT HYD FILTERS ON HOLDING TANKS |
| 2:30 | 6:00 | 3.50 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 9121'- T/ 9327' = 206', AVG ROP 59 FPH, WOB 18-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2275 PSI OFF BTM, 2550 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>SURVEY @ 9117', 0.4 INC</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.4 IN, 9.4 OUT VIS 39 IN, 40 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: CLEAN WORK AREA</p> |
| 6:00 | 7:00 | 1.00 | 31PRDR | RIGMT | REP | PT | TROUBLESHOOT HYDRAULIC UNIT FOR TOP DRIVE / ALARM LIGHT ON CHANGE OUT ALL HYD FILTERS |
| 7:00 | 10:00 | 3.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 9327'- T/ 9464' = 206', AVG ROP 46 FPH, WOB 18-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2275 PSI OFF BTM, 2550 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.4 OUT VIS 40 IN, 42OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: FORKLIFT OPS</p> |
| 10:00 | 12:00 | 2.00 | 31PRDR | DRILL | MTRVER | PT | <p>DRILL 8 3/4" PRODUCTION HOLE F/ 9464'- T/ 9507' = 43', AVG ROP 22 FPH, WOB 18-20K, TD RPM 85, MM RPM 42, TOTAL RPM 122, FLOW RATE 380 GPM, 1350 PSI OFF BTM, 1700 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>NOTE: DRILL WITH ONE MUD PUMP</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.2 IN, 9.3 OUT VIS 45 IN, 43 OUT PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: WORKING ON PUMP</p> |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/15/2012
 Report No: 9

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|--|
| 12:00 | 14:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE F/ 9507'- T/ 9583' = 76', AVG ROP 38 FPH, WOB 18-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2275 PSI OFF BTM, 2550 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM SURVEY @ 9438', 1.7 DEG. CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.4 OUT VIS 40 IN, 42OUT PH 11 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150' SAFETY BREAK: TRIP HAZARDS |
| 14:00 | 15:00 | 1.00 | 31PRDR | CIRC | CNDHOL | P | PJSM CIRCULATE HOLE CLEAN AND PREPARE FOR TRIP OUT OF HOLE @ 9,583' FT. |
| 15:00 | 18:00 | 3.00 | 31PRDR | TRIP | DRILL | P | PULL 5 STANDS WET F/ 9583- T/ 9203, PUMP SLUG (NO FLOW) AND INSTALL WIPER RUBBER; TOH FOR BIT & BHA #3. CONTINUE TRIP OUT F/ 9203' FT.- T/ 7550' FT. HOLE TAKING PROPER FILL SAFETY BREAK: TRIPPING PIPE |
| 18:00 | 20:30 | 2.50 | 31PRDR | RIGMT | REP | PT | TOP DRIVE DOWN, WORKING ON ELECTRIC PLC AND HYD. HOSE DEPTH: 7550' FT. CHECK FOR FLOW / WELL STATIC |
| 20:30 | 0:00 | 3.50 | 31PRDR | TRIP | DRILL | P | POOH F/ 7550' TO 961' CHECK FOR FLOW AT 4447' & SHOE / WELL STATIC HOLE TAKING PROPER FILL SAFETY BREAK: MONITORING WELL |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 101.00 Weather Comments:

Environ Incident? N Days since Last LTA: 464.00

Incident Comments:

No incidents reported last 24 hours.

Other Remarks:

FROM THE INTERSECTION OF HIGHWAY 385 AND HIGHWAY 176 IN ANDREWS, TEXAS, DRIVE 2.1 MILES EAST ON HIGHWAY 176 TO INTERSECTION OF HIGHWAY 176 AND HIGHWAY 115. TURN LEFT(NORTHEAST) ON HIGHWAY 115. FROM INTERSECTION OF HIGHWAY 115 AND HIGHWAY 176, DRIVE 6.75 MILES NORTHEAST ON HIGHWAY 115. AT INTERSECTION OF HIGHWAY 115 AND FM 1788, TURN RIGHT (SOUTH) ONTO FM 1788.DRIVE 1.75 MILES AND TURN LEFT (EAST) ONTO LEASE ROAD. DRIVE 1.85 MILES MILES ON LEASE ROAD. TURN LEFT (NORTH) ONTO LEASE ROAD. DRIVE 1.0 MILE AND ARRIVE AT UNIVERSITY CASEY #7.

TRAILER TEL NUMBER: (713) 948-3590

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32°22' 18.55"N, LONGITUDE 102°23'34.8"W, NAD 27

NOTIFIED TRRC OF SPUD @ 22:15 HRS ON 04/07/2012 SPOKE WITH CINDY OPERATOR #4

SAFETY TOPIC OF THE DAY: TRIPPING OUT OF HOLE

DAYS WORKED WITH NO LTA: 464

DAYS SINCE LAST RI: 101

NUMBER SAFETY MEETINGS: 10

NUMBER NEAR MISSES: 0

STOP CARDS: 16

DAILY JSA'S REVIEWED: 11

PERMITS TO WORK: 0

LO/TO: 2

PRE-SPUD INSPECTION: 0

POWER-LINE CHECK LIST: 0

SWA'S: X

BEST STOP CARD OF THE DAY : HAND WAS STANDING BETWEEN STUMP AND ONCOMING MUD MOTOR BEING PICKED UP, STOPPED JOB AND EXPLAINED THE DANGER. HE AGREED AND JOB CONTINUED WITHOUT INCIDENT.

TOTAL PT HRS: 7

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/16/2012
 Report No: 10

Wellbore / Top MD: 00 @ 61 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,050.30ft DFS: 8.83
 Today's MD: 10,154 ft Progress: 571 ft Ground Elev: 3,034.90 ft Daily Cost: \$56,389
 Prev MD: 9583 ft Rot Hrs Today: 12.00 hr AFE MD/Days: 11,400.0 / 13.6 days Cum Cost: \$597,889
 PBMD: Avg ROP Today: 47.6 ft/hr AFE Number: 1145998#0102 AFE Cost: \$1,224,234

Current Formation: WOLFCAMP@9,900.0

Lithology:

Current Ops:

24-Hr Summary: TRIP IN HOLE, DRILL 7 7/8" PRODUCTION HOLE AT 57 FPH

24-Hr Forecast: RR 04/18/2012 ROL 04/19/2012: DRILL 7 7/8" PRODUCTION HOLE

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|-------------------|-------------|-------|---------|-----|-----|
| Last Casing: | 9.625in @ 1,861ft | Str Wt Up/Dn: | 196.0 / 178.0 kip | Pump Rate: | 600.9 | Conn: | 180 | 255 |
| Next Casing: | 5.500in @ 11,450ft | Str Wt Rot: | 188.0 kip | Pump Press: | 2550 | Trip: | 55 | 275 |
| Last BOP Press Test: | 04/09/2012 | Torq Off Btm: | 6,000.0 ft-lbf | | | Backgr: | 230 | 307 |
| Form Test/EMW: | FIT / 12.12 ppg | Torq On Btm: | 10,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|-----------|-------|-----|-------|------|-------|
| Supervisor 1: | MONTY KEY | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS | Build |
| Supervisor 2: | AUGIE VELASQUEZ | 9,692.0 | 2.00 | 0.00 | 12,326.45 | 102.6 | 0.0 | 102.6 | 0.12 | 0.12 |
| Engineer: | IVAN OTERO | 9,438.0 | 1.70 | 0.00 | 12,072.58 | 94.4 | 0.0 | 94.4 | 0.40 | 0.40 |
| Geologist: | TIM LYONS | 9,117.0 | 0.40 | 0.00 | 11,751.64 | 88.5 | 0.0 | 88.5 | 0.04 | 0.04 |
| Oxy Personnel: | 2 | 8,548.0 | 0.20 | 0.00 | 11,182.65 | 85.6 | 0.0 | 85.6 | 0.08 | -0.08 |
| Contractor Personnel: | 13 | 8,422.0 | 0.30 | 0.00 | 11,056.65 | 85.0 | 0.0 | 85.0 | 0.56 | -0.56 |
| Total on Site: | 15 | 8,296.0 | 1.00 | 0.00 | 10,930.66 | 83.6 | 0.0 | 83.6 | 0.16 | 0.16 |

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 | U616M | M14387 | M423 | 6x16 | 9583 | | -- | -- |
| 2 | 8.750 | ULTERRA DRILLING T | U616M | 14877 | 1797 | 6x13 | 1861 | 9583 | 0-1-WT-N | D-I-WT-BHA |

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 | 12.00 | 12.00 | 57 | 571 | 47.6 | 47.6 | 15.0/25.0 | 70/90 | 1.178 | 223 | 163.6 | 1.6 |

MUD DATA - M-I SWACO

Engineer: John Kruczek MBT: 12.5 lbm/bbl
 Sample From: In pH: 10.0
 Mud Type: FW/Gel Pm / Pom: 0.00
 Time / MD: 17:38 / 9,800.0 Pf / Mf: 0.6 / 0.7
 Density @ Temp: 9.30 / 95 Chlorides: 46,000
 Rheology Temp: 120 Ca+ / K+: 880 / 0
 Viscosity: 38.00 CaCl2: 0.00
 PV / YP: 6 / 16 Clom: 0.35
 Gels 10s/10m/30m: 12 / 15 / 18 Lime: 0.00
 API WL: 45.00 ES: 6.00
 HTHP WL: 0.00 ECD: 0.00
 Cake API / HTHP: 2.0 / .0 n / K: 0.00 / 0.000
 Solids / Sol Corr: 2.30 / 0.00 Carbonate: 12 ppm
 Oil / Water: 0.0 / 0.0 Bicarbonate: 0 ppm
 Sand: 0.10 Form Loss: 0.0 / 0.0
 Water Added: 100.0 bbl Fluid Disch: /
 Oil Added:
 LGS: 4.20 / 37.90

VG Meter: 12@3 / 13@6 / 18@100 / 20@200 / 22@300 / 28@600

Comments: Dump and dilute as necessary to maintain weight below 9.4ppg. Mix Caustic to keep pH above 10.0. Add 6-8sx. Soda Ash per tour. Pump 60-80 sweeps every 100-150ft. or as needed.

MUD PRODUCTS

| Product | Units | Qty Used |
|----------------------|----------|----------|
| AIR COMP RENT | EACH | 1.00 |
| CAUSTIC SODA | BG,50 LB | 1.00 |
| DRIVE-BY ENGINEERING | EACH | 1.00 |
| M-I GEL BULK | TON | 7.58 |
| PREMIX PIT | EACH | 1.00 |
| SODA ASH | BG,50 LB | 10.00 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

LAST OR CURRENT BHA

| | | | | |
|-----------------------------|-----------|----------------|-----|--------|
| BHA No: 3 | Bit No: 3 | MD In: 9583 ft | | |
| Purpose: | | MD Out: | | |
| Component | OD | ID | Jts | Length |
| HWDP | 4.500 | 2.940 | 4 | 121.56 |
| DRILLING JAR | 6.250 | 2.250 | 1 | 32.64 |
| HWDP | 4.500 | 2.940 | 8 | 243.07 |
| DRILL COLLAR | 6.500 | 2.875 | 12 | 351.00 |
| ORIENTING SUB | 6.500 | 3.250 | 1 | 4.94 |
| 3-POINT REAMER | 7.875 | 2.250 | 1 | 7.64 |
| DRILL COLLAR | 6.125 | 2.875 | 1 | 29.60 |
| 3-POINT REAMER | 7.875 | 2.250 | 1 | 6.78 |
| POSITIVE DISPLACEMENT MOTOR | 7.000 | 1.750 | 1 | 32.18 |
| PDC BIT | 7.875 | 2.500 | 1 | 1.00 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total Length: | 830.41 ft | Wt below Jars: | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/16/2012
 Report No: 10

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|---|
| 0:00 | 2:30 | 2.50 | 31PRDR | TRIP | DRILL | P | POOH F/ 961' TO BIT LAYING DOWN 8 3/4" BHA CHECK FOR FLOW AT BHA / WELL STATIC SAFETY BREAK: LAYING DOWN BHA |
| 2:30 | 3:00 | 0.50 | 31PRDR | OTHR | OTHER | P | CLEAR & CLEAN FLOOR |
| 3:00 | 6:00 | 3.00 | 31PRDR | TRIP | DRILL | P | PICK UP BHA #3 AS FOLLOWS: TIH TO 1400' 1 - 7 7/8" ULTERRA PDC BIT, U616M, S/N M14387 1 - 6.5" BAKER MUD MTR, M1XL/LS SLICK W/FLOAT (0.11 REV/GAL) 1 - 7 7/8" ROLLER REAMER 1/8" UG 1 - 6.5" DC 1 - 7 7/8" ROLLER REAMER 1/8" UG 1 - 6.5" NOV FLO DRIFT SUB 12 - 6.5" DCS 8 - 4 1/2" HWDP 1 - 6 1/4" DRILLING JARS 4 - 4 1/2" HWDP SAFETY BREAK: PICKING UP BHA / TIH |
| 6:00 | 6:30 | 0.50 | 31PRDR | RIGMT | SRVRIG | P | SLIP AND CUT DRILL LINE @ 1400' FT. |
| 6:30 | 12:00 | 5.50 | 31PRDR | TRIP | DRILL | P | TRIP IN HOLE F/ 1400' FT.- T/ 9520' FT. WASH AND REAM LAST STAND TO BOTTOM @ 9583' FT. SAFETY BREAK: TRIPPING PIPE |
| 12:00 | 16:00 | 4.00 | 31PRDR | DRILL | MTRVER | PT | DRILL 7 7/8" PRODUCTION HOLE F/ 9583'- T/ 9725' = 142', AVG ROP 36 FPH, WOB 20K, TD RPM 80, MM RPM 42, TOTAL RPM 122, FLOW RATE 380 GPM, 1135 PSI OFF BTM, 1380 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM SURVEY @ 9692', 2.0 INC NOTE: DRILL WITH #1 PUMP @ 380 GPM CIRCULATE THRU STEEL PITS MUD WT 9.4 IN, 9.4 OUT VIS 42 IN, 43 OUT PH 10 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' SAFETY BREAK: WORKING ON MUD PUMP |
| 16:00 | 19:00 | 3.00 | 31PRDR | DRILL | MTRVER | PT | DRILL 7 7/8" PRODUCTION HOLE F/ 9725'- T/ 9862' = 137', AVG ROP 46 FPH, WOB 20K, TD RPM 80, MM RPM 42, TOTAL RPM 122, FLOW RATE 380 GPM, 1135 PSI OFF BTM, 1380 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM NOTE: DRILL WITH #1 PUMP @ 380 GPM CIRCULATE THRU STEEL PITS MUD WT 9.2 IN, 9.3 OUT VIS 41 IN, 42 OUT PH 10 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' SAFETY BREAK: LO/TO TRY |
| 19:00 | 0:00 | 5.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE F/ 9862'- T/ 10154' = 292', AVG ROP 58 FPH, WOB 15-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2375 PSI OFF BTM, 2550 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.4 OUT VIS 40 IN, 40 OUT PH 10 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150' SAFETY BREAK: FORKLIFT OPS |
| Total Time | | 24.00 | | | | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/16/2012
 Report No: 10

| | | | | |
|--|---|----------------------|--------|-------------------|
| Safety Incident? | N | Days since Last RI: | 102.00 | Weather Comments: |
| Environ Incident? | N | Days since Last LTA: | 465.00 | |
| Incident Comments: No incidents reported last 24 hours. | | | | |

Other Remarks:

FROM THE INTERSECTION OF HIGHWAY 385 AND HIGHWAY 176 IN ANDREWS, TEXAS, DRIVE 2.1 MILES EAST ON HIGHWAY 176 TO INTERSECTION OF HIGHWAY 176 AND HIGHWAY 115. TURN LEFT(NORTHEAST) ON HIGHWAY 115. FROM INTERSECTION OF HIGHWAY 115 AND HIGHWAY 176, DRIVE 6.75 MILES NORTHEAST ON HIGHWAY 115. AT INTERSECTION OF HIGHWAY 115 AND FM 1788, TURN RIGHT (SOUTH) ONTO FM 1788.DRIVE 1.75 MILES AND TURN LEFT (EAST) ONTO LEASE ROAD. DRIVE 1.85 MILES MILES ON LEASE ROAD. TURN LEFT (NORTH) ONTO LEASE ROAD. DRIVE 1.0 MILE AND ARRIVE AT UNIVERSITY CASEY #7.

TRAILER TEL NUMBER: (713) 948-3590
 FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32°22' 18.55"N, LONGITUDE 102°23'34.8"W, NAD 27

NOTIFIED TRRC OF SPUD @ 22:15 HRS ON 04/07/2012 SPOKE WITH CINDY OPERATOR #4

SAFETY TOPIC OF THE DAY: PROPER PPE / MIXING MUD
 DAYS WORKED WITH NO LTA: 465
 DAYS SINCE LAST RI: 102
 NUMBER SAFETY MEETINGS: 8
 NUMBER NEAR MISSES: 0
 STOP CARDS: 14
 DAILY JSA'S REVIEWED: 12
 PERMITS TO WORK: 0
 LO/TO: 2
 PRE-SPUD INSPECTION: 0
 POWER-LINE CHECK LIST: 0
 SWA'S: X

BEST STOP CARD OF THE DAY : EMPLOYEE USING A PIPE WRENCH INSTEAD OF THE SHOP HAMMER, DISCUSSED AND SUGGESTED THE PROPER TOOL FOR THE JOB. HE COMPLIED AND JOB CONTINUED WITHOUT INCIDENT.

TOTAL PT HRS: 7

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/17/2012
 Report No: 11

Wellbore / Top MD: 00 @ 61 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,050.30ft DFS: 9.83
 Today's MD: 11,426 ft Progress: 1272 ft Ground Elev: 3,034.90 ft Daily Cost: \$55,943
 Prev MD: 10,154 ft Rot Hrs Today: 20.50 hr AFE MD/Days: 11,400.0 / 13.6 days Cum Cost: \$653,832
 PBMD: Avg ROP Today: 62.0 ft/hr AFE Number: 1145998#0102 AFE Cost: \$1,224,234

Current Formation: STRAWN@11,080.0

Lithology:

Current Ops:

24-Hr Summary: DRILL 7 7/8" PRODUCTION HOLE TO TD AT 11470', POOH LAYING DOWN DRILL PIPE

24-Hr Forecast: RR 04/19/2012 ROL 04/20/2012: POOH LAYING DOWN DRILL PIPE & BHA, RUN 5.5" PRODUCTION CASING

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | | Avg | Max |
|----------------------|--------------------|-------------------|-------------------|-------------|-------|---------|-----|-----|-----|
| Last Casing: | 9.625in @ 1,861ft | Str Wt Up/Dn: | 214.0 / 206.0 kip | Pump Rate: | 600.9 | Conn: | 215 | 267 | |
| Next Casing: | 5.500in @ 14,467ft | Str Wt Rot: | 210.0 kip | Pump Press: | 2750 | Trip: | 0 | 0 | |
| Last BOP Press Test: | 04/09/2012 | Torq Off Btm: | 6,000.0 ft-lbf | | | Backgr: | 302 | 367 | |
| Form Test/EMW: | FIT / 12.12 ppg | Torq On Btm: | 10,000.0 ft-lbf | | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|-----------|-------|-----|-------|------|-------|
| Supervisor 1: | MONTY KEY | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS | Build |
| Supervisor 2: | AUGIE VELASQUEZ | 11,026.0 | 0.40 | 0.00 | 13,660.29 | 117.9 | 0.0 | 117.9 | 0.07 | 0.07 |
| Engineer: | IVAN OTERO | 10,450.0 | 0.00 | 0.00 | 13,084.30 | 115.9 | 0.0 | 115.9 | 0.26 | -0.26 |
| Geologist: | TIM LYONS | 9,692.0 | 2.00 | 0.00 | 12,326.45 | 102.6 | 0.0 | 102.6 | 0.12 | 0.12 |
| Oxy Personnel: | 2 | 9,438.0 | 1.70 | 0.00 | 12,072.58 | 94.4 | 0.0 | 94.4 | 0.40 | 0.40 |
| Contractor Personnel: | 13 | 9,117.0 | 0.40 | 0.00 | 11,751.64 | 88.5 | 0.0 | 88.5 | 0.04 | 0.04 |
| Total on Site: | 15 | 8,548.0 | 0.20 | 0.00 | 11,182.65 | 85.6 | 0.0 | 85.6 | 0.08 | -0.08 |

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 | U616M | M14387 | M423 | 6x16 | 9583 | | -- | -- |
| 2 | 8.750 | ULTERRA DRILLING T | U616M | 14877 | 1797 | 6x13 | 1861 | 9583 | 1-1-WT-N | D-I-WT-BC |

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 | 20.50 | 32.50 | 1272 | 1843 | 62.0 | 56.7 | 15.0/25.0 | 70/90 | 1.178 | 225 | 163.6 | 1.6 |

MUD DATA - M-I SWACO

Engineer: John Kruczek MBT: 12.5 lbm/bbl
 Sample From: In pH: 10.0
 Mud Type: FW/Gel Pm / Pom: 0.00
 Time / MD: 21:45 / 11,341.0 Pf / Mf: 0.6 / 0.9
 Density @ Temp: 9.40 / 105 Chlorides: 49,000
 Rheology Temp: 120 Ca+ / K+: 840 / 0
 Viscosity: 45.00 CaCl2: 0.00
 PV / YP: 7 / 22 Clom: 0.31
 Gels 10s/10m/30m: 18 / 21 / 24 Lime: 0.00
 API WL: 14.60 ES: 6.00
 HTHP WL: 0.00 ECD: 9.84
 Cake API / HTHP: 2.0 / .0 n / K: 0.00 / 0.000
 Solids / Sol Corr: 2.40 / 0.00 Carbonate: 12 ppm
 Oil / Water: 0.0 / 0.0 Bicarbonate: 0 ppm
 Sand: 0.10 Form Loss: 0.0 / 0.0
 Water Added: 300.0 bbl Fluid Disch: /
 Oil Added:
 LGS: 4.70 / 43.10

VG Meter: 18@3 / 19@6 / 23@100 / 26@200 / 29@300 / 36@600

Comments: Dumped and diluted as necessary to maintain weight below 9.4ppg. Mixed caustic as needed to maintain pH above 10.0. Added 6-8sxs Soda Ash per tour. Mixed 100sxs Starch per DSM. Plan to pump high-vis sweep and TOO. H.

MUD PRODUCTS

| Product | Units | Qty Used |
|----------------------|----------|----------|
| AIR COMP RENT | EACH | 1.00 |
| CAUSTIC SODA | BG,50 LB | 6.00 |
| DRIVE-BY ENGINEERING | EACH | 1.00 |
| DUO-VIS | BG,25 LB | 2.00 |
| MY LO JEL | BG,50 LB | 100.00 |
| MYACIDE GA25 | CAN,5 GA | 4.00 |
| PREMIX PIT | EACH | 1.00 |
| SODA ASH | BG,50 LB | 8.00 |
| | | |
| | | |
| | | |
| | | |

LAST OR CURRENT BHA

| | | | | |
|-----------------------------|-----------|----------------|-----|--------|
| BHA No: 3 | Bit No: 3 | MD In: 9583 ft | | |
| Purpose: | | MD Out: | | |
| Component | OD | ID | Jts | Length |
| HWDP | 4.500 | 2.940 | 4 | 121.56 |
| DRILLING JAR | 6.250 | 2.250 | 1 | 32.64 |
| HWDP | 4.500 | 2.940 | 8 | 243.07 |
| DRILL COLLAR | 6.500 | 2.875 | 12 | 351.00 |
| ORIENTING SUB | 6.500 | 3.250 | 1 | 4.94 |
| 3-POINT REAMER | 7.875 | 2.250 | 1 | 7.64 |
| DRILL COLLAR | 6.125 | 2.875 | 1 | 29.60 |
| 3-POINT REAMER | 7.875 | 2.250 | 1 | 6.78 |
| POSITIVE DISPLACEMENT MOTOR | 7.000 | 1.750 | 1 | 32.18 |
| PDC BIT | 7.875 | 2.500 | 1 | 1.00 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total Length: | 830.41 ft | Wt below Jars: | | |

OXY USA INC
DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
USA

Date: 04/17/2012
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 | <p>DRILL 7 7/8" PRODUCTION HOLE F/ 10154'- T/ 10470' = 316', AVG ROP 79 FPH, WOB 15-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2375 PSI OFF BTM, 2550 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.4 OUT VIS 40 IN, 40 OUT PH 10</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: MAKING TOP DRIVE CONNECTIONS</p> |
| 4:00 | 6:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 7 7/8" PRODUCTION HOLE F/ 10470'- T/ 10610' = 104', AVG ROP 70 FPH, WOB 15-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2375 PSI OFF BTM, 2550 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>SURVEY @ 10450', 1.0 INC</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.4 OUT VIS 40 IN, 40 OUT PH 10</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: DRIVING TO & FROM WORK</p> |
| 6:00 | 10:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 7 7/8" PRODUCTION HOLE F/ 10610'- T/ 10909' = 299', AVG ROP 75 FPH, WOB 15-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2475 PSI OFF BTM, 2750 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.4 OUT VIS 44 IN, 43 OUT PH 10</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: PIPE SKATE OPERATIONS</p> |
| 10:00 | 13:30 | 3.50 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 7 7/8" PRODUCTION HOLE F/ 10,909'- T/ 11,118' = 209', AVG ROP 60 FPH, WOB 15-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2475 PSI OFF BTM, 2750 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>SURVEY @ 11026', 0.4 INC</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.3 IN, 9.4 OUT VIS 44 IN, 43 OUT PH 10</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: 100% TIE OFF 4' AND ABOVE</p> |
| 13:30 | 17:00 | 3.50 | 31PRDR | RIGMT | REP | PT | <p>NIPPLE ON GOOSENECK HAMMER UNION LEAKING, SHUT DOWN AND TAKE UNION OFF AND INSPECT. RE-TEFLON AND MAKE NIPPLE BACK UP AND MAKE UP UNION. WORK PIPE AND ROTATE WHILE MAKING REPAIRS.</p> <p>SAFETY BREAK: BACKING OUT NIPPLE ON TOP DRIVE GOOSENECK & MAKING BACK UP</p> |
| 17:00 | 21:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 7 7/8" PRODUCTION HOLE F/ 11,118'- T/ 11,302' = 184', AVG ROP 46 FPH, WOB 15-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2475 PSI OFF BTM, 2750 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.4 IN, 9.4 OUT VIS 41 IN, 41 OUT PH 10</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>SAFETY BREAK: HEAD PROTECTION</p> |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/17/2012
 Report No: 11

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|------|------|----------|---------|--------|---------|--|
| 21:00 | 0:00 | 3.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE F/ 11,302'- T/ 11,426' = 124', AVG ROP 41 FPH, WOB 15-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2475 PSI OFF BTM, 2750 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM CIRCULATE THRU STEEL PITS MUD WT 9.4 IN, 9.4 OUT VIS 41 IN, 41 OUT PH 10 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150' SAFETY BREAK: NOT RUSHING OR TAKING SHORT CUTS |

Total Time 24.00

Safety Incident? N Days since Last RI: 103.00 Weather Comments:

Environ Incident? N Days since Last LTA: 466.00

Incident Comments:

No incidents reported last 24 hours.

Other Remarks:

FROM THE INTERSECTION OF HIGHWAY 385 AND HIGHWAY 176 IN ANDREWS, TEXAS, DRIVE 2.1 MILES EAST ON HIGHWAY 176 TO INTERSECTION OF HIGHWAY 176 AND HIGHWAY 115. TURN LEFT(NORTHEAST) ON HIGHWAY 115. FROM INTERSECTION OF HIGHWAY 115 AND HIGHWAY 176, DRIVE 6.75 MILES NORTHEAST ON HIGHWAY 115. AT INTERSECTION OF HIGHWAY 115 AND FM 1788, TURN RIGHT (SOUTH) ONTO FM 1788.DRIVE 1.75 MILES AND TURN LEFT (EAST) ONTO LEASE ROAD. DRIVE 1.85 MILES MILES ON LEASE ROAD. TURN LEFT (NORTH) ONTO LEASE ROAD. DRIVE 1.0 MILE AND ARRIVE AT UNIVERSITY CASEY #7.

TRAILER TEL NUMBER: (713) 948-3590

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32°22' 18.55"N, LONGITUDE 102°23'34.8"W, NAD 27

NOTIFIED TRRC OF SPUD @ 22:15 HRS ON 04/07/2012 SPOKE WITH CINDY OPERATOR #4

SAFETY TOPIC OF THE DAY: DRIVING TO & FROM WORK

DAYS WORKED WITH NO LTA: 466

DAYS SINCE LAST RI: 103

NUMBER SAFETY MEETINGS: 9

NUMBER NEAR MISSES: 0

STOP CARDS: 16

DAILY JSA'S REVIEWED: 12

PERMITS TO WORK: 0

LO/TO: 2

PRE-SPUD INSPECTION: 0

POWER-LINE CHECK LIST: 0

SWA'S: X

BEST STOP CARD OF THE DAY : HAND ATTEMPTING TO WORK ON LEAKING GOOSENECK WITHOUT BEING 100 % TIED-OFF, DISCUSSED THE SAFETY POLICY AND INSTRUCTED HIM TO ALWAYS BE COMPLETELY TIED-OFF WHILE WORKING ABOVE FOUR FEET. HE COMPLIED AND WORK RESUMED WITHOUT INCIDENT.

TOTAL PT HRS: 10.5

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
USA

Date: 04/18/2012
Report No: 12

Wellbore / Top MD: 00 @ 61 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,050.30ft DFS: 10.83
Today's MD: 11,470 ft Progress: 44 ft Ground Elev: 3,034.90 ft Daily Cost: \$31,984
Prev MD: 11,426 ft Rot Hrs Today: 1.00 hr AFE MD/Days: 11,400.0 / 13.6 days Cum Cost: \$685,816
PBMD: Avg ROP Today: 44.0 ft/hr AFE Number: 1145998#0102 AFE Cost: \$1,224,234

Current Formation: STRAWN@11,080.0

Lithology:

Current Ops:

24-Hr Summary: POOH LAYING DOWN DRILL PIPE & BHA, RUN 5.5" PRODUCTION CASING

24-Hr Forecast: RR 04/19/2012 ROL 04/21/2012:RUN & CMT 5.5" PROD CSG. HANG BOP & SET SLIPS, N/D BOP, INSTALL TUBING HEAD. RELEASE RIG, PR

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|-------------------|-------------|-------|---------|-----|-----|
| Last Casing: | 9.625in @ 1,861ft | Str Wt Up/Dn: | 214.0 / 206.0 kip | Pump Rate: | 600.9 | Conn: | | |
| Next Casing: | 5.500in @ 14,467ft | Str Wt Rot: | 210.0 kip | Pump Press: | 2750 | Trip: | | |
| Last BOP Press Test: | 04/09/2012 | Torq Off Btm: | 6,000.0 ft-lbf | | | Backgr: | 25 | 43 |
| Form Test/EMW: | FIT / 12.12 ppg | Torq On Btm: | 10,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|-----------|-------|-----|-------|------|
| Supervisor 1: | BILL LORANCE | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | AUGIE VELASQUEZ | 11,381.0 | 0.30 | 0.00 | 14,015.28 | 120.0 | 0.0 | 120.0 | 0.03 |
| Engineer: | IVAN OTERO | 11,026.0 | 0.40 | 0.00 | 13,660.29 | 117.9 | 0.0 | 117.9 | 0.07 |
| Geologist: | TIM LYONS | 10,450.0 | 0.00 | 0.00 | 13,084.30 | 115.9 | 0.0 | 115.9 | 0.26 |
| Oxy Personnel: | 2 | 9,692.0 | 2.00 | 0.00 | 12,326.45 | 102.6 | 0.0 | 102.6 | 0.12 |
| Contractor Personnel: | 21 | 9,438.0 | 1.70 | 0.00 | 12,072.58 | 94.4 | 0.0 | 94.4 | 0.40 |
| Total on Site: | 23 | 9,117.0 | 0.40 | 0.00 | 11,751.64 | 88.5 | 0.0 | 88.5 | 0.04 |

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 | U616M | M14387 | M423 | 6x16 | 9583 | 11,470 | 1-1-NO-A | D-I-NO-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 | 1.00 | 33.50 | 44 | 1887 | 44.0 | 56.3 | 15.0/25.0 | 70/90 | 1.178 | 225 | 163.6 | 1.6 |

MUD DATA - M-I SWACO

Engineer: John Kruczek MBT: 12.5 lbm/bbl
Sample From: In pH: 10.0
Mud Type: FW/Gel Pm / Pom: 0.00
Time / MD: 22:30 / 11,470.0 Pf / Mf: 0.7 / 0.9
Density @ Temp: 9.50 / 95 Chlorides: 47,000
Rheology Temp: 120 Ca+ / K+: 880 / 0
Viscosity: 44.00 CaCl2: 0.00
PV / YP: 6 / 23 Clom: 0.27
Gels 10s/10m/30m: 17 / 19 / 22 Lime: 0.00
API WL: 14.00 ES: 7.00
HTHP WL: 0.00 ECD: 9.70
Cake API / HTHP: 2.0 / .0 n / K: 0.00 / 0.000
Solids / Sol Corr: 2.30 / 0.00 Carbonate: 14 ppm
Oil / Water: 0.0 / 0.0 Bicarbonate: 0 ppm
Sand: 0.10 Form Loss: 0.0 / 0.0
Water Added: 100.0 bbl Fluid Disch: /
Oil Added:
LGS: 5.60 / 51.40

VG Meter: 17@3 / 18@6 / 20@100 / 22@200 / 29@300 / 35@600

Comments: NO ADDITIONAL TREATMENT NEEDED. PLAN TO CALL
FOR TRUCKS TO TRANSFER INVENTORY TO NEW LOCATION.

LAST OR CURRENT BHA

| | | | | |
|-----------------------------|-------------------|----------------|-----|--------|
| BHA No: 3 | Bit No: 3 | MD In: 9583 ft | | |
| Purpose: | MD Out: 11,470 ft | | | |
| Component | OD | ID | Jts | Length |
| HWDP | 4.500 | 2.940 | 4 | 121.56 |
| DRILLING JAR | 6.250 | 2.250 | 1 | 32.64 |
| HWDP | 4.500 | 2.940 | 8 | 243.07 |
| DRILL COLLAR | 6.500 | 2.875 | 12 | 351.00 |
| ORIENTING SUB | 6.500 | 3.250 | 1 | 4.94 |
| 3-POINT REAMER | 7.875 | 2.250 | 1 | 7.64 |
| DRILL COLLAR | 6.125 | 2.875 | 1 | 29.60 |
| 3-POINT REAMER | 7.875 | 2.250 | 1 | 6.78 |
| POSITIVE DISPLACEMENT MOTOR | 7.000 | 1.750 | 1 | 32.18 |
| PDC BIT | 7.875 | 2.500 | 1 | 1.00 |
| | | | | |
| | | | | |
| | | | | |

Total Length: 830.41 ft

Wt below Jars:

MUD PRODUCTS

| Product | Units | Qty Used |
|----------------------|------------|----------|
| AIR COMP RENT | EACH | 1.00 |
| DRIVE-BY ENGINEERING | EACH | 1.00 |
| M-I WATE (BARITE) | 100 LBS/SK | 72.00 |
| PREMIX PIT | EACH | 1.00 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/18/2012
 Report No: 12

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|--|
| 0:00 | 1:00 | 1.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 7 7/8" PRODUCTION HOLE F/ 11,426'- T/ 11,470' TD = 44', AVG ROP 29 FPH, WOB 15-20K, TD RPM 85, MM RPM 66, TOTAL RPM 151, FLOW RATE 600 GPM, 2475 PSI OFF BTM, 2750 PSI ON BTM, TORQ. 6K OFF BTM, 10K ON BTM</p> <p>SURVEY @ 11381', 0.3 INC</p> <p>CIRCULATE THRU STEEL PITS MUD WT 9.4 IN, 9.4 OUT VIS 41 IN, 41 OUT PH 10</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 100' TO 150'</p> <p>PUMPED 50 BBL HI - VIS SWEEP ON LAST CONNECTION PRIOR TO TD</p> |
| 1:00 | 2:30 | 1.50 | 31PRDR | CIRC | CNDHOL | P | <p>CIRCULATE TWO BTMS UP FLOWCHECK / WELL STATIC</p> <p>SAFETY BREAK: TRIPPING OUT OF HOLE</p> |
| 2:30 | 6:00 | 3.50 | 31PRDR | TRIP | PULD | P | <p>POOH LAYING DOWN DRILL PIPE FROM 11470' TO 9352'</p> <p>FLOWCHECK @ 11320' / WELL STATIC, PUMP SLUG</p> <p>SAFETY BREAK: PULLING SLIPS</p> |
| 6:00 | 10:00 | 4.00 | 31PRDR | TRIP | PULD | P | <p>POOH LAYING DOWN DRILL PIPE FROM 9352' TO 5632'</p> <p>FLOWCHECK @ 6600' / WELL STATIC</p> <p>SAFETY BREAK: USING PIPE SKATE</p> |
| 10:00 | 14:30 | 4.50 | 31PRDR | TRIP | PULD | P | <p>POOH LAYING DOWN DRILL PIPE FROM 5632' TO 830' BHA</p> <p>FLOWCHECK @ 1800' SHOE & BHA / WELL STATIC</p> <p>SAFETY BREAK: MONITORING WELL</p> |
| 14:30 | 17:30 | 3.00 | 31PRDR | TRIP | PULD | P | <p>POOH LAYING DOWN BHA FROM 830' TO BIT</p> <p>RETRIEVE WEAR BUSHING</p> <p>SAFETY BREAK: LAYING DOWN BHA</p> |
| 17:30 | 19:30 | 2.00 | 31PRRC | CSG | RIGUP | P | <p>CLEAN & CLEAR FLOOR, GET READY TO RUN 5.5 PRODUCTION CASING</p> <p>PJSM WITH B & L CASING</p> <p>RIG UP CASING CREW / TORQUE TURN</p> |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/18/2012
 Report No: 12

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|------|-------|----------|---------|--------|---------|--|
| 19:30 | 0:00 | 4.50 | 31PRRC | CSG | RUNCSG | P | RUN 5.5" PRODUCTION CASING PER PROG TO 3058' VISUALLY INSPECT FLOAT EQUIPMENT FOR DAMAGE AND PROPER OPERATION: • FLOAT SHOE – MODEL E303-THREAD LOCKED TORQUE TO 4260, SET @ 11,467' • 2 JOINTS 5½" 17# L80 LTC CASING-THREAD LOCKED TORQUE TO 4260 • FLOAT COLLAR – MODEL E402-THREAD LOCKED TORQUE TO 4260, SET @ 11,380' • 5½" 17# L80 LTC CASING TO 7000 FT, TORQUE TO 3410 • INCLUDE A FLAG JOINT TO BE LOCATED AT ~8500', TORQUE TO 3410, SET @ 8,507' • 5½" 17# L80 LTC RYT WRAPPED CASING FROM 7000 FT TO 5000 FT, TORQUE TO 3410 • 5½" 17# L80 LTC CASING FROM 5000 FT TO SURFACE, TORQUE TO 3410 INSTALL WEATHERFORD SINGLE BOW SPRING CENTRALIZERS (PART NUMBER: B1103651) AS FOLLOWS: • 1 BOW SPRING 10' ABOVE SHOE • 1 BOW SPRING ON COUPLING ~40' ABOVE SHOE • 1 BOW SPRING ABOVE FLOAT COLLAR (~90' ABOVE SHOE) • 1 BOW SPRING EVERY 2 JOINTS UP TO 7000 FT • 1 BOW SPRING EVERY 3 JOINTS FROM 7000 FT TO 5000 FT (RYT WRAP CENTRALIZERS PART NUMBER: 823355) • 1 RIGID CENTRALIZER (PART NUMBER 572288) AT THE FIRST COUPLING BELOW THE WELLHEAD • ESTIMATED NUMBER OF BOW SPRING CENTRALIZERS NEEDED: 50 • RYT WRAP CENTRALIZERS: 17 FILL UP ON THE FLY AND EVERY 10 JOINTS COMPLETE SAFETY BREAK: FILLING UP / MONITOR WELL |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 104.00 Weather Comments:

Environ Incident? N Days since Last LTA: 467.00

Incident Comments:

No incidents reported last 24 hours.

Other Remarks:

FROM THE INTERSECTION OF HIGHWAY 385 AND HIGHWAY 176 IN ANDREWS, TEXAS, DRIVE 2.1 MILES EAST ON HIGHWAY 176 TO INTERSECTION OF HIGHWAY 176 AND HIGHWAY 115. TURN LEFT(NORTHEAST) ON HIGHWAY 115. FROM INTERSECTION OF HIGHWAY 115 AND HIGHWAY 176, DRIVE 6.75 MILES NORTHEAST ON HIGHWAY 115. AT INTERSECTION OF HIGHWAY 115 AND FM 1788, TURN RIGHT (SOUTH) ONTO FM 1788.DRIVE 1.75 MILES AND TURN LEFT (EAST) ONTO LEASE ROAD. DRIVE 1.85 MILES MILES ON LEASE ROAD. TURN LEFT (NORTH) ONTO LEASE ROAD. DRIVE 1.0 MILE AND ARRIVE AT UNIVERSITY CASEY #7.

TRAILER TEL NUMBER: (713) 948-3590

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32°22' 18.55"N, LONGITUDE 102°23'34.8"W, NAD 27

NOTIFIED TRRC OF SPUD @ 22:15 HRS ON 04/07/2012 SPOKE WITH CINDY OPERATOR #4

SAFETY TOPIC OF THE DAY: CASING RUNNING TOOL

DAYS WORKED WITH NO LTA: 467

DAYS SINCE LAST RI: 104

NUMBER SAFETY MEETINGS: 10

NUMBER NEAR MISSES: 0

STOP CARDS: 12

DAILY JSA'S REVIEWED: 15

PERMITS TO WORK: 0

LO/TO: 2

PRE-SPUD INSPECTION: 0

POWER-LINE CHECK LIST: 0

SWA'S: X

BEST STOP CARD OF THE DAY : HAND STANDING AT BOTTOM OF V-DOOR WHILE DRILL COLLAR WAS BEING LAID DOWN. STOPPED JOB AND DISCUSSED THE DANGER WITH CREW. ALL AGREED AND JOB CONTINUED WITHOUT INCIDENT.

TOTAL PT HRS: 10.5

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
USA

Date: 04/19/2012
Report No: 13

Wellbore / Top MD: 00 @ 61 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,050.30ft DFS: 11.83
Today's MD: 11,470 ft Progress: 0 ft Ground Elev: 3,034.90 ft Daily Cost: \$360,213
Prev MD: 11,470 ft Rot Hrs Today: 0.00 hr AFE MD/Days: 11,400.0 / 13.6 days Cum Cost: \$1,046,029
PBMD: Avg ROP Today: 0.0 ft/hr AFE Number: 1145998#0102 AFE Cost: \$1,224,234

Current Formation: STRAWN@11,080.0

Lithology:

Current Ops:

24-Hr Summary: RAN 5.5" PRODUCTION STRING TO 11470', AND PUMPED CEMENT

24-Hr Forecast: RR 04/20/2012 ROL 04/21/2012: NIPPLE DOWN, INSTALL WELL HEAD & RELEASE RIG

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|---|-------------|-----|---------|-----|-----|
| Last Casing: | 9.625in @ 1,861ft | Str Wt Up/Dn: | / | Pump Rate: | 0.0 | Conn: | | |
| Next Casing: | 5.500in @ 14,467ft | Str Wt Rot: | | Pump Press: | 0 | Trip: | | |
| Last BOP Press Test: | 04/09/2012 | Torq Off Btm: | | | | Backgr: | | |
| Form Test/EMW: | FIT / 12.12 ppg | Torq On Btm: | | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|-----------|-------|-----|-------|------|-------|
| Supervisor 1: | BILL LORANCE | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS | Build |
| Supervisor 2: | DARRELL WERTHER | 11,381.0 | 0.30 | 0.00 | 14,015.28 | 120.0 | 0.0 | 120.0 | 0.03 | -0.03 |
| Engineer: | IVAN OTERO | 11,026.0 | 0.40 | 0.00 | 13,660.29 | 117.9 | 0.0 | 117.9 | 0.07 | 0.07 |
| Geologist: | TIM LYONS | 10,450.0 | 0.00 | 0.00 | 13,084.30 | 115.9 | 0.0 | 115.9 | 0.26 | -0.26 |
| Oxy Personnel: | 2 | 9,692.0 | 2.00 | 0.00 | 12,326.45 | 102.6 | 0.0 | 102.6 | 0.12 | 0.12 |
| Contractor Personnel: | 13 | 9,438.0 | 1.70 | 0.00 | 12,072.58 | 94.4 | 0.0 | 94.4 | 0.40 | 0.40 |
| Total on Site: | 15 | 9,117.0 | 0.40 | 0.00 | 11,751.64 | 88.5 | 0.0 | 88.5 | 0.04 | 0.04 |

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 | U616M | M14387 | M423 | 6x16 | 9583 | 11,470 | 1-1-NO-A | 1-I-NO-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 |
|--------|---------|-------------|------|----------|-----|---------|-------------|-------------|-----|------------|---------|-------|
|--------|---------|-------------|------|----------|-----|---------|-------------|-------------|-----|------------|---------|-------|

MUD DATA - M-I SWACO

Engineer: John Kruczek MBT: 12.5 lbm/bbl
Sample From: In pH: 10.0
Mud Type: FW/Gel Pm / Pom: 0.00
Time / MD: 19:00 / 11,470.0 Pf / Mf: 0.6 / 0.9
Density @ Temp: 9.50 / 90 Chlorides: 48,000
Rheology Temp: 120 Ca+ / K+: 880 / 0
Viscosity: 44.00 CaCl2: 0.00
PV / YP: 5 / 25 Clom: 0.22
Gels 10s/10m/30m: 15 / 17 / 19 Lime: 0.00
API WL: 14.00 ES: 6.00
HTHP WL: 0.00 ECD: 9.50
Cake API / HTHP: 2.0 / .0 n / K: 0.00 / 0.000
Solids / Sol Corr: 2.40 / 0.00 Carbonate: 12 ppm
Oil / Water: 0.0 / 0.0 Bicarbonate: 0 ppm
Sand: 0.10 Form Loss: 0.0 / 0.0
Water Added: 0.0 bbl Fluid Disch: /
Oil Added:
LGS: 5.60 / 50.80

VG Meter: 15@3 / 16@6 / 19@100 / 21@200 / 30@300 / 35@600

Comments: NO MUD TREATMENT NECESSARY. ACCOUNTED FOR ALL ON-SITE INVENTORY.

LAST OR CURRENT BHA

| BHA No: 3 | Bit No: 3 | MD In: 9583 ft | | |
|-----------------------------|-------------------|----------------|-----|--------|
| Purpose: | MD Out: 11,470 ft | | | |
| Component | OD | ID | Jts | Length |
| HWDP | 4.500 | 2.940 | 4 | 121.56 |
| DRILLING JAR | 6.250 | 2.250 | 1 | 32.64 |
| HWDP | 4.500 | 2.940 | 8 | 243.07 |
| DRILL COLLAR | 6.500 | 2.875 | 12 | 351.00 |
| ORIENTING SUB | 6.500 | 3.250 | 1 | 4.94 |
| 3-POINT REAMER | 7.875 | 2.250 | 1 | 7.64 |
| DRILL COLLAR | 6.125 | 2.875 | 1 | 29.60 |
| 3-POINT REAMER | 7.875 | 2.250 | 1 | 6.78 |
| POSITIVE DISPLACEMENT MOTOR | 7.000 | 1.750 | 1 | 32.18 |
| PDC BIT | 7.875 | 2.500 | 1 | 1.00 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Total Length: 830.41 ft

Wt below Jars:

MUD PRODUCTS

| Product | Units | Qty Used |
|----------------------|------------|----------|
| AIR COMP RENT | EACH | 1.00 |
| DRIVE-BY ENGINEERING | EACH | 1.00 |
| MICA FINE | BG, 50 LB | 3.00 |
| Mix II Course | bG, 25 LBS | 5.00 |
| Pecan Nut Plug Fine | Bag, 50 lb | 5.00 |
| PREMIX PIT | EACH | 1.00 |
| SAPP | BG, 50 LB | 8.00 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/19/2012
 Report No: 13

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|--|
| 0:00 | 6:00 | 6.00 | 31PRRC | CSG | RUNCSG | P | RUN 5.5" PRODUCTION CASING PER PROG F/ 3058' TO 6942' VISUALLY INSPECT FLOAT EQUIPMENT FOR DAMAGE AND PROPER OPERATION, • FLOAT SHOE – MODEL E303-THREAD LOCKED TORQUE TO 4260, SET @ 11,467' • 2 JOINTS 5½" 17# L80 LTC CASING-THREAD LOCKED TORQUE TO 4260 • FLOAT COLLAR – MODEL E402-THREAD LOCKED TORQUE TO 4260, SET @ 11,380' • 5½" 17# L80 LTC CASING TO 7000 FT, TORQUE TO 3410 • INCLUDE A FLAG JOINT TO BE LOCATED AT ~8500', TORQUE TO 3410, SET @ 8,507' • 5½" 17# L80 LTC RYT WRAPPED CASING FROM 7000 FT TO 5000 FT, TORQUE TO 3410 • 5½" 17# L80 LTC CASING FROM 5000 FT TO SURFACE, TORQUE TO 3410 INSTALL WEATHERFORD SINGLE BOW SPRING CENTRALIZERS (PART NUMBER: B1103651) AS FOLLOWS: • 1 BOW SPRING 10' ABOVE SHOE • 1 BOW SPRING ON COUPLING ~40' ABOVE SHOE • 1 BOW SPRING ABOVE FLOAT COLLAR (~90' ABOVE SHOE) • 1 BOW SPRING EVERY 2 JOINTS UP TO 7000 FT • 1 BOW SPRING EVERY 3 JOINTS FROM 7000 FT TO 5000 FT (RYT WRAP CENTRALIZERS PART NUMBER: 823355) • 1 RIGID CENTRALIZER (PART NUMBER 572288) AT THE FIRST COUPLING BELOW THE WELLHEAD • ESTIMATED NUMBER OF BOW SPRING CENTRALIZERS NEEDED: 50 • RYT WRAP CENTRALIZERS: 17 FILL UP ON THE FLY AND EVERY 10 JOINTS COMPLETE SAFETY BREAK: GOOD COMMUNICATION |
| 6:00 | 11:00 | 5.00 | 31PRRC | CSG | RUNCSG | P | RUNNING 5 1/2" CASING |
| 11:00 | 12:30 | 1.50 | 31PRRC | WAIT | WOEQ | PT | WAIT ON TOTAL SAFETY AFTER ALARM WENT OFF. ALL CLEAR BATTERY ON SHAKER SCREEN MONITOR WENT OFF SAFETY BREAK: H2S SAFETY |
| 12:30 | 13:00 | 0.50 | 31PRRC | CSG | RUNCSG | P | FINISH TRIP IN HOLE 11, 467' |
| 13:00 | 15:00 | 2.00 | 31PRRC | CIRC | CNDHOL | P | CIRCULATE HOLE 2 BOTTOMS UP AND RIG DOWN CASING CREW EQUIPMENT |
| 15:00 | 16:30 | 1.50 | 31PRRC | CIRC | MIXBLD | PT | WAITING ON HALLIBURTON PUMP TRUCK ON LOCATION, WAIT ON CEMENT |
| 16:30 | 18:30 | 2.00 | 31PRRC | WAIT | WOEQ | PT | H2S ALARM WENT OFF WAIT ON PERSONAL GAVE ALL CLEAR |
| 18:30 | 21:30 | 3.00 | 31PRRC | WAIT | WOEQ | PT | WAITING ON HALLIBURTON PUMP TRUCK ON LOCATION, WAIT ON CEMENT |
| 21:30 | 0:00 | 2.50 | 31PRRC | CMT | PRIM | P | HOLD PJSM WITH HALLIBURTON AND PUMPED CEMENT JOB AS FOLLOWS PERSONAL H2S SENSORS SOUNDED WHILE PUMPING CEMENT MUSTERED UP HANDS AND WERE CLEARED TO CONTINUE CEMENTING 10 BBL FRESH WATER SPACER @ 8 BBL/MIN 20 BBL GEL SPACER @ 8 BBL/MIN 480 SX OF 11.7 LEAD CEMENT @ 8 BBL/MIN 810 SX OF 13.0 TAIL CEMENT @ 5 BBL/MIN 263 BBL OF BRINE WATER @ 10 BBL/MIN BUMPED PLUG @ 2600 PSI AND INCREASED TO 3100 PSI |
| Total Time | | 24.00 | | | | | |

| | | | | |
|--|---|----------------------|--------|-------------------|
| Safety Incident? | N | Days since Last RI: | 105.00 | Weather Comments: |
| Environ Incident? | N | Days since Last LTA: | 468.00 | |
| Incident Comments: No incidents reported last 24 hours. | | | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
USA

Date: 04/19/2012
Report No: 13

Other Remarks: FROM THE INTERSECTION OF HIGHWAY 385 AND HIGHWAY 176 IN ANDREWS, TEXAS, DRIVE 2.1 MILES EAST ON HIGHWAY 176 TO INTERSECTION OF HIGHWAY 176 AND HIGHWAY 115. TURN LEFT(NORTHEAST) ON HIGHWAY 115. FROM INTERSECTION OF HIGHWAY 115 AND HIGHWAY 176, DRIVE 6.75 MILES NORTHEAST ON HIGHWAY 115. AT INTERSECTION OF HIGHWAY 115 AND FM 1788, TURN RIGHT (SOUTH) ONTO FM 1788.DRIVE 1.75 MILES AND TURN LEFT (EAST) ONTO LEASE ROAD. DRIVE 1.85 MILES MILES ON LEASE ROAD. TURN LEFT (NORTH) ONTO LEASE ROAD. DRIVE 1.0 MILE AND ARRIVE AT UNIVERSITY CASEY #7.

TRAILER TEL NUMBER: (713) 948-3590

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32°22' 18.55"N, LONGITUDE 102°23'34.8"W, NAD 27

NOTIFIED TRRC OF SPUD @ 22:15 HRS ON 04/07/2012 SPOKE WITH CINDY OPERATOR #4

SAFETY TOPIC OF THE DAY: CASING RUNNING TOOL

DAYS WORKED WITH NO LTA: 468

DAYS SINCE LAST RI: 105

NUMBER SAFETY MEETINGS: 10

NUMBER NEAR MISSES: 0

STOP CARDS: 12

DAILY JSA'S REVIEWED: 15

PERMITS TO WORK: 0

LO/TO: 2

PRE-SPUD INSPECTION: 0

POWER-LINE CHECK LIST: 0

SWA'S: X

BEST STOP CARD OF THE DAY : OBSERVED THIRD PARTY EMPLOYEE NOT WEARING SAFETY GLASSES STOPPED HIM AND WARNED HIM OF THE HAZARDS HE COMPLIED AND JOB CONTINUED WITHOUT INCIDENT.

TOTAL PT HRS: 10.5

DAILY OPERATIONS PARTNER REPORT

Date: 04/20/2012
Report No: 14

| | | | |
|---------------------------|-----------------|-------------------|--|
| Current Formation: | STRAWN@11,080.0 | Lithology: | |
|---------------------------|-----------------|-------------------|--|

| | |
|-----------------|--------------------------|
| 24-Hr Forecast: | RIG RELEASE TO LIZBY # 4 |
|-----------------|--------------------------|

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|-----------|-------|-----|-------|------|-------|
| Supervisor 1: | BILL LORANCE | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS | Build |
| Supervisor 2: | DARRELL WERTHER | 11,381.0 | 0.30 | 0.00 | 14,015.28 | 120.0 | 0.0 | 120.0 | 0.03 | -0.03 |
| Engineer: | IVAN OTERO | 11,026.0 | 0.40 | 0.00 | 13,660.29 | 117.9 | 0.0 | 117.9 | 0.07 | 0.07 |
| Geologist: | TIM LYONS | 10,450.0 | 0.00 | 0.00 | 13,084.30 | 115.9 | 0.0 | 115.9 | 0.26 | -0.26 |
| Oxy Personnel: | 2 | 9,692.0 | 2.00 | 0.00 | 12,326.45 | 102.6 | 0.0 | 102.6 | 0.12 | 0.12 |
| Contractor Personnel: | 27 | 9,438.0 | 1.70 | 0.00 | 12,072.58 | 94.4 | 0.0 | 94.4 | 0.40 | 0.40 |
| Total on Site: | 29 | 9,117.0 | 0.40 | 0.00 | 11,751.64 | 88.5 | 0.0 | 88.5 | 0.04 | 0.04 |

| 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 |
| | | | | | | | | | | | | |

[illegible]

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CASEY 7
 USA

Date: 04/20/2012
Report No: 14

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|------|------|----------|---------|--------|---------|---|
| 0:00 | 1:00 | 1.00 | 31PRRC | CMT | PRIM | P | FINISH CEMENT JOB,TOTAL SAFETY CHECKED FOR H2S AND CLEARED THE AREA FOR WORK, RIGGED DOWN CIRCULATING IRON. |
| 1:00 | 2:00 | 1.00 | 31PRRC | BOP | RDBOP | P | HELD PJSM WITH CREWS AND NIPPLE DOWN BOP |
| 2:00 | 4:30 | 2.50 | 31PRRC | BOP | RDBOP | P | SET SLIPS AND CUT CASING AND CONTINUE TO NIPPLE DOWN BOP |
| 4:30 | 6:00 | 1.50 | 31PRRC | WLHD | RWH | P | INSTALLING WELL HEAD AND PSI TEST TO 4000 PSI |
| | | | | | | | RELEASE RIG @ 06:00 |
| Total Time | | 6.00 | | | | | |

| | | | | |
|---|---|-----------------------------|--------|--------------------------|
| Safety Incident? | N | Days since Last RI: | 106.00 | Weather Comments: |
| Environ Incident? | N | Days since Last LTA: | 469.00 | |
| Incident Comments: No incidents reported last 24 hours. | | | | |

Other Remarks:

Job Daily Costs Report for WellCASEY-7

OSH018CN Total Cost: \$1073992.88

| | | | | | |
|------------|-----------------------------|------------|---------------------|--------|-----------|
| Job Type | Drilling/Completion | Start Date | 04/24/2012 09:01:18 | Status | Completed |
| Job Reason | Dev Completion - Cased Hole | End Date | 05/29/2012 12:00:00 | | |

| Date | A/E | Event Type | Remarks | Hours | Total Cost |
|---------------------|-------------|------------------------|--|---------------|-------------|
| 4/11/2012 | CASEY 7 D&E | Economic Analysis Plan | Analysis Complete | 0.0000 | 0.00 |
| Daily Totals | | | | 0.0000 | 0.00 |
| 4/24/2012 | CASEY 7 D&E | Daily Summary | 4-24-12 University Casey 7 Daily Cost: \$13,880.04 - MIRU Schlumberger wireline. RIH and log CNL, CCL, GR, CBL. Tag PBTD at 11,324 ft. No pump available to hold pressure for bond log. RDMO wireline. | 0.0000 | 0.00 |
| | CASEY 7 D&E | Wellbore Report | | 0.0000 | 0.00 |
| Daily Totals | | | | 0.0000 | 0.00 |
| 4/27/2012 | CASEY 7 D&E | Daily Summary | 4-27-12 University Casey 7 Install 10K frac stack. MIRU kill trk. Psi test csg & frac stack to 5000 psi. Psi test good. | 0.0000 | 0.00 |
| Daily Totals | | | | 0.0000 | 0.00 |
| 5/2/2012 | 1145998 | Job Cost Detail Report | | 0.0000 | 46080.04 |
| | | | Capital - Tank Rental | | 2000.00 |
| | | | Capital - Tank Rental | | 14000.00 |
| | | | Capital - Tank Rental | | 1000.00 |
| | | | Capital - WH | | 4500.00 |

| | | | | |
|-------------|-----------------------------------|--|--------|----------|
| | | Equip | | |
| | | Capital - Wireline | | 13880.04 |
| | | Capital - Professional Services | | 1200.00 |
| | | Capital - Transport | | 6500.00 |
| | | Capital - Transport | | 2000.00 |
| | | Capital - Other Rental Equip | | 1000.00 |
| | | Perf Strawn 5-1-12RU 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 Strawn @ 11220, 11176, 11132, 11096, 11056. Total shots=44 & fired=44. Net feet =166'. Reference log Halliburton CNL/GR/CCL dated 4-24-12. | 0.0000 | 0.00 |
| CASEY 7 D&E | Wireline - Perforate Casing/Liner | | | |
| CASEY 7 D&E | Frac - Sand | Frac Strawn 07:47-09:08RU Hallbiburton frac Strawn zone. Break down at 4220 psi @ 3.4 bpm. Pump 3012 gal 15% Ferchek acid. Pump 10647 gal treated water pre-pad. Pump 24515 gal Hybor G pre-pad. Pump 78311 gal Hybor G Pad, 77638 gal Hybor G w/ 83153# 20/40 Versa Prop, 1032 | 0.0000 | 0.00 |
| | | | | |

| | | | | |
|-------------|---|---|--------|------|
| | | gal 15% Ferchek acid, 9823 gal treated water flush. Max rate= 69 bpm, Avg rate=68 bpm, Max psi=5594 psi, Avg psi=5454 psi, ISIP=4461 psi. Total load=204978 gal. | | |
| CASEY 7 D&E | Wireline - Bridge Plug - Composite - Set Wireline | RU Halliburton Wireline. RIH w/ 5 ½ " composite plug. Set @ 10920'. | 0.0000 | 0.00 |
| CASEY 7 D&E | Wireline - Perforate Casing/Liner | Perf Lower Wolfcamp 09:28-11:18Perf Lower 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 Lower Wolfcamp @ 10880, 10840, 10791, 10742, 10694, 10642. Total shots=41 & fired=41. Net feet =240'. Reference log Halliburton CNL/GR/CCL dated 4-24-12 | 0.0000 | 0.00 |
| CASEY 7 D&E | Frac - Sand | Frac Lower Wolfcamp 11:18-12:28RU Halliburton frac Lower Wolfcamp zone. Break down at 3801 @ 5.8 bpm. Pump 1496 gal 15% Ferchek | 0.0000 | 0.00 |

| | | | | |
|-------------|---|---|--------|------|
| | | acid. Pump 9998 gal treated water pre-pad. Pump 2419 gal Hybor G pre-pad. 64194 gal Hybor G Pad. 77354 gal Hybor G w/ 119014# 20/40 Versa Prop, 1025 gal 15% Ferchek acid, 9392 gal treated water flush. Max rate=66 bpm, Avg rate=65 bpm, Max psi=4749 psi, Avg psi=4476 psi, ISIP=3373 psi. Total load=166511 gal. Note: Pump went down max rate was reduced to 66 bpm. | | |
| CASEY 7 D&E | Wireline - Bridge Plug - Composite - Set Wireline | RU Halliburton Wireline. RIH w/ 5 ½ " composite plug. Set @ 10490'. | 0.0000 | 0.00 |
| CASEY 7 D&E | Wireline - Perforate Casing/Liner | Perf Middle Wolfcamp 12:50-13:30Perf 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 @ 10443, 10400, 10356, 10284, 10242, 10192. Total shots=45 & fired=45. Net feet =253'. Reference | 0.0000 | 0.00 |

| | | | | |
|----------------|--|---|--------|------|
| CASEY 7 D&E | Frac - Sand | log Halliburton CNL/GR/CCL dated 4-24-12. Frac Middle Wolfcamp 14:52- 15:41RU Halliburton frac Middle Wolfcamp zone. Break down at 3051 @ 4.8 bpm. Pump 1497 gal 15% Ferchek acid. Pump 10700 gal treated water pre-pad. Pump 2372 gal Hybor G pre-pad. Pump 30066 gal Hybor G Pad, 58452 gal Hybor G w/ 141340# 20/40 CRC prop, 1025 gal 15% Ferchek acid, 8960 gal treated water flush. Max rate=66 bpm, Avg rate=65 bpm, Max psi=4493 psi, Avg psi=3430 psi, ISIP=2356 psi. Total load=113074 gal. Note: Had to wait for pump to be replaced. Lost Packing on another pump reducing rate to 66 bpm RU Halliburton Wireline. RIH w/ 5 ½ " composite plug. Set @ 10060'. Perf Upper Wolfcamp 15:58- | 0.0000 | 0.00 |
| CASEY 7 D&E | Wireline - Bridge Plug - Composite - Set Wireline | | 0.0000 | 0.00 |
| CASEY 7 D&E | Wireline - Perforate | | 0.0000 | 0.00 |

| | | | | |
|-------------|--------------|--|--------|------|
| | Casing/Liner | 16:40Perf 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 @ 10006, 9967, 9925, 9892. Total shots=45 & fired=45. Net feet =116'. Reference log Halliburton CNL/GR/CCL dated 4-24-12. | | |
| | | Frac Upper Wolfcamp 17:10-18:02RU Halliburton frac Upper Wolfcamp zone. Breakdown at 2324 psi @ 4.6 bpm. Pump 1493 gal 15% Ferchek acid. Pump 5151 gal treated water pre-pad. Pump 2259 gal Hybor G pre-pad. Pump 27271 gal Hybor G Pad, 49114 gal Hybor G w/ 115830# 20/40 CRC prop, Pump 1020 gal 15% Ferchek acid. Note: Screened out on 4# sand. Pressure was increasing on 3# sand and locked out on 4# sand. Shut well in with | | |
| CASEY 7 D&E | Frac - Sand | | 0.0000 | 0.00 |

| | | | | | |
|-------------------------|----------------|---------------|--|---------------|-----------------|
| | | | 3600 psi on it. Called for a flow back crew. Crew arrive at 22:30 and opened well up with 3000 psi started flowing back well and pressure dropped to 400 psi. Opened choke to allow more rate and sand started coming back out. At 08:00 well was flowing back at 2800 psi and fluid looked clean. | | |
| Daily Totals | | | | 0.0000 | 46080.04 |
| 5/3/2012 | CASEY 7 D&E | Daily Summary | Casey 7 5/3/12 WOC: CHRIS EISENBERG SouthCap, OSH018CN, 0103, 1145998 Daily Cost= \$ 758,907.82 Cum Cost= \$ 862,435.86 Flush Upper Wolfcamp 09:00-09:26 Shutdown Flow back Opened well w/ 1949 Pump 10181 gal treated water flush. Max rate=10 bpm, Avg rate=9 bpm, Max psi=4000 psi, Avg psi=3989 psi, ISIP=2447 psi. Total load=97676 gal. Perf Dean Zone 09:48-10:30 RU Halliburton | 0.0000 | 0.00 |

Wireline. RIH w/ 5
½ " composite
plug. Set @ 9640'.
Perf Dean 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
Dean @ 9594,
9524, 9492, 9446,
9406. Total
shots=49 &
fired=49. Net feet
=190'. Reference
log Halliburton
CNL/GR/CCL
dated 4-24-12
Frac Dean 10:46-
11:43 RU
Halliburton frac
Dean zone.
Breakdown at
2105 psi @ 10.1
bpm. Pump 1009
gal 15% Ferchek
acid. Pump 5832
gal treated water
pre-pad. Pump
2521 Hybor G pre-
pad. Pump 45953
gal Hybor G Pad,
74161 gal Hybor G
w/ 192040# 20/40
Ottawa prop.
Pump 1000 gal
15% Ferchek acid.
Pump 8157 gal
treated water
flush. Max rate=70
bpm, Avg rate=68
bpm, Max
psi=3887 psi, Avg
psi=3245 psi,

ISIP=1801 psi.
Total load=148868
gal. Perf Upper
Sprayberry 11:57-
12:33 RU
Halliburton
Wireline. RIH w/ 5
½ " composite
plug. Set @ 9220'.
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
@ 9176, 9107,
9064, 9002, 8963,
8931. Total
shots=46 &
fired=46. Net feet
=247'. Reference
log Halliburton
CNL/GR/CCL
dated 4-24-12.
Frac Upper
Sprayberry 13:21-
14:15 RU
Halliburton frac
Upper Sprayberry
zone. Breakdown
at 1662 psi @ 11.2
bpm. Pump 1999
gal 15% Ferchek
acid. Pump 5955
gal treated water
pre-pad. Pump
2268 Hybor G pre-
pad. Pump 48930
gal Hybor G Pad,
71053 gal Hybor G
w/ 189990# 20/40
Ottawa prop,

| | | | | |
|-------------|---|--|--------|------|
| | | Pump 8645 gal treated water flush. Max rate=71 bpm, Avg rate=70 bpm, Max psi=4786 psi, Avg psi=3069 psi, ISIP=1393 psi. Total load=138850 gal. Field Cost Halliburton FRAC=636729.16 Halliburton Wireline=52674.94 Tools=18138.72 Log=13880.04 Flow Back= 3165 Flush Upper Wolfcamp 09:00-09:26Shutdown Flow back Opened well w/ 1949 Pump 10181 gal treated water flush. Max rate=10 bpm, Avg rate=9 bpm, Max psi=4000 psi, Avg psi=3989 psi, ISIP=2447 psi. Total load=97676 gal.RU Halliburton Wireline. RIH w/ 5 ½ " composite plug. Set @ 9640'. Perf Dean Zone 09:48-10:30Perf Dean 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 Dean @ 9594, | | |
| CASEY 7 D&E | Wireline - Bridge Plug - Composite - Set Wireline | | 0.0000 | 0.00 |
| CASEY 7 D&E | Wireline - Perforate Casing/Liner | | 0.0000 | 0.00 |

| | | | | |
|-------------|---|---|--------|------|
| | | 9524, 9492, 9446, 9406. Total shots=49 & fired=49. Net feet =190'. Reference log Halliburton CNL/GR/CCL dated 4-24-12 Frac Dean 10:46-11:43RU Halliburton frac Dean zone. Breakdown at 2105 psi @ 10.1 bpm. Pump 1009 gal 15% Ferchek acid. Pump 5832 gal treated water pre-pad. Pump 2521 Hybor G pre-pad. Pump 45953 gal Hybor G Pad, 74161 gal Hybor G w/ 192040# 20/40 Ottawa prop. Pump 1000 gal 15% Ferchek acid. Pump 8157 gal treated water flush. Max rate=70 bpm, Avg rate=68 bpm, Max psi=3887 psi, Avg psi=3245 psi, ISIP=1801 psi. Total load=148868 gal. | | |
| CASEY 7 D&E | Frac - Sand | RU Halliburton Wireline. RIH w/ 5 ½ " composite plug. Set @ 9220'. Perf Upper Sprayberry 11:57-12:33Perf Upper Sprayberry w/ 3 1/8" csg gun perf. | 0.0000 | 0.00 |
| CASEY 7 D&E | Wireline - Bridge Plug - Composite - Set Wireline | | 0.0000 | 0.00 |
| CASEY 7 D&E | Wireline - Perforate Casing/Liner | | 0.0000 | 0.00 |

| | | | | |
|----------------|---------------------------|---|--------|-----------|
| | | using 3319-331T charges 19 gm wt. 0.42" EHD, 42" penetration, 6 SPF, 60 degree phasing. Perforate Upper Sprayberry @ 9176, 9107, 9064, 9002, 8963, 8931. Total shots=46 & fired=46. Net feet =247'. Reference log Halliburton CNL/GR/CCL dated 4-24-12. | | |
| CASEY 7 D&E | Frac - Sand | Frac Upper Sprayberry 13:21- 14:15RU Halliburton frac Upper Sprayberry zone. Breakdown at 1662 psi @ 11.2 bpm. Pump 1999 gal 15% Ferchek acid. Pump 5955 gal treated water pre-pad. Pump 2268 Hybor G pre- pad. Pump 48930 gal Hybor G Pad, 71053 gal Hybor G w/ 189990# 20/40 Ottowa prop, Pump 8645 gal treated water flush. Max rate=71 bpm, Avg rate=70 bpm, Max psi=4786 psi, Avg psi=3069 psi, ISIP=1393 psi. Total load=138850 gal. | 0.0000 | 0.00 |
| 1145998 | Job Cost Detail Report | | 0.0000 | 735742.81 |

| | | | | |
|---------------------|----------------------|---------------------------------|---------------|------------------|
| | | Capital - Stimulation Frac | | 636729.19 |
| | | Capital - Tank Rental | | 14000.00 |
| | | Capital - Tank Rental | | 1000.00 |
| | | Capital - Hourly Vacuum | | 1500.00 |
| | | Capital - WH Equip | | 1000.00 |
| | | Capital - Wireline | | 52674.94 |
| | | Capital - Professional Services | | 1200.00 |
| | | Capital - Transport | | 6500.00 |
| | | Capital - Transport | | 2000.00 |
| | | Capital - Other Rental Equip | | 1000.00 |
| | | Capital - WH Equip | | 18138.72 |
| Daily Totals | | | 0.0000 | 735742.81 |
| 5/17/2012 | 1145998 | Job Cost Detail Report | 0.0000 | 14000.00 |
| | | Capital - BOP | | 750.00 |
| | | Capital - Reverse Rig/Mud Pump | | 2200.00 |
| | | Capital - Professional Services | | 600.00 |
| | | Capital - Other Rental Equip | | 1000.00 |
| | | Capital - Pump Truck | | 1400.00 |
| | | Capital - Hourly Vacuum | | 1300.00 |
| | | Capital - Other Rental Equip | | 800.00 |
| | | Capital - Welding | | 2500.00 |
| | | Capital - Other Rental Equip | | 50.00 |
| | | Capital - Truck Hauling | | 1000.00 |
| | | Capital - Transport | | 2400.00 |
| CASEY 7 D&E | Rig Crew Travel Time | Drove crew to location and road | 2.5000 | 615.00 |

| | | | | | |
|-----------|---------------------|----------------------------------|---|----------------|-----------------|
| | | | rig to next location,. | | |
| | CASEY 7 D&E | Safety Meeting | DO JSA | 0.5000 | 123.00 |
| | CASEY 7 D&E | Pulling Unit - Rig Up | LOTO Rig up pulling unit | 1.5000 | 369.00 |
| | CASEY 7 D&E | Casing - Check Pressure | SICP- 50 PSI | 0.5000 | 123.00 |
| | CASEY 7 D&E | Well Control - Kill Well - Brine | Riig up pump truck and bullhead 200 bbls b/w. Well on vacumm. | 3.0000 | 738.00 |
| | CASEY 7 D&E | Frac Valve - Nipple Down | Nipple down frac valve | 1.5000 | 369.00 |
| | CASEY 7 D&E | BOPE - Nipple Up | Function test and nipple up 7 1/16 hydraulic bop | 1.5000 | 369.00 |
| | CASEY 7 D&E | Equipment - Load/Unload | Un load and spot catwalk and pipe racks. | 1.0000 | 246.00 |
| | CASEY 7 D&E | Shut-in Overnight | Secure well sion | 0.5000 | 123.00 |
| | CASEY 7 D&E | Rig Crew Travel Time | Drove crew home. | 1.0000 | 246.00 |
| | CASEY 7 D&E | Safety - Personnel | | 0.0000 | 0.00 |
| | Daily Totals | | | 13.5000 | 17321.00 |
| 5/18/2012 | CASEY 7 D&E | Rig Crew Travel Time | Drove crew to location. | 1.0000 | 246.00 |
| | CASEY 7 D&E | Safety Meeting | Went to OXY weekly safety meeting. | 1.5000 | 369.00 |
| | CASEY 7 D&E | Safety Meeting | Do jsa [hand placement and pinch points] | 0.5000 | 123.00 |
| | CASEY 7 D&E | Equipment - Load/Unload | Had 11,300' of 2 7/8" L-80 unloaded and set on pipe racks. | 2.0000 | 492.00 |
| | CASEY 7 D&E | Tubing - Tally | Tally 100 jts 2 7/8" L-80. Take protecters off. | 1.0000 | 246.00 |
| | CASEY 7 D&E | Break for Crew | Lunch break. | 1.0000 | 246.00 |
| | CASEY 7 | Tubing - Run | Pick up 4 3/4" bit, | 5.0000 | 1230.00 |

| | | | | | |
|-----------|---------------------|---|---------------------------|----------------|------------------|
| | D&E | 6-3 1/2" drill collars and 210 jts 2 7/8" L-80 tbgs. | | | |
| | CASEY 7 D&E | Shut-in Overnight | Secure well sion. | 0.5000 | 123.00 |
| | CASEY 7 D&E | Rig Crew Travel Time | Drove crew home to Iraan. | 2.0000 | 492.00 |
| | CASEY 7 D&E | Safety - Personnel | | 0.0000 | 0.00 |
| | 1145998 | Job Cost Detail Report | | 0.0000 | 104100.00 |
| | | Capital - BOP | | | 350.00 |
| | | Capital - Reverse Rig/Mud Pump | | | 2200.00 |
| | | Capital - Professional Services | | | 600.00 |
| | | Capital - Pump Truck | | | 1500.00 |
| | | Capital - Hourly Vacuum | | | 1400.00 |
| | | Capital - Other Rental Equip | | | 200.00 |
| | | Capital - Truck Hauling | | | 1700.00 |
| | | Capital - Other Rental Equip | | | 50.00 |
| | | Capital - Other Rental Equip | | | 87000.00 |
| | | Capital - Truck Hauling | | | 1400.00 |
| | | Capital - Tank Rental | | | 200.00 |
| | | Capital - Other Rental Equip | | | 7500.00 |
| | Daily Totals | | | 14.5000 | 107667.00 |
| 5/19/2012 | 1145998 | Job Cost Detail Report | | 0.0000 | 800.00 |
| | | Capital - BOP | | | 350.00 |
| | | Capital - Other Rental Equip | | | 200.00 |
| | | Capital - Other Rental Equip | | | 50.00 |
| | | Capital - Tank Rental | | | 200.00 |

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|---------------------|-------------|----------------------------|---|---------------|
| Daily Totals | | | 0.0000 | 800.00 |
| 5/20/2012 | 1145998 | Job Cost Detail Report | 0.0000 | 800.00 |
| | | Capital - BOP | | 350.00 |
| | | Capital - Other | | 200.00 |
| | | Rental Equip | | |
| | | Capital - Other | | 50.00 |
| | | Rental Equip | | |
| | | Capital - Tank | | 200.00 |
| | | Rental | | |
| Daily Totals | | | 0.0000 | 800.00 |
| 5/21/2012 | 1145998 | Job Cost Detail Report | 0.0000 | 23000.00 |
| | | Capital - BOP | | 350.00 |
| | | Capital - Reverse | | 2200.00 |
| | | Rig/Mud Pump | | |
| | | Capital - Professional | | 600.00 |
| | | Services | | |
| | | Capital - Pump | | 1600.00 |
| | | Truck | | |
| | | Capital - Hourly | | 1600.00 |
| | | Vacuum | | |
| | | Capital - Other | | 200.00 |
| | | Rental Equip | | |
| | | Capital - Truck | | 1200.00 |
| | | Hauling | | |
| | | Capital - Other | | 50.00 |
| | | Rental Equip | | |
| | | Capital - Tank | | 200.00 |
| | | Rental | | |
| | | Capital - Environment | | 15000.00 |
| | CASEY 7 D&E | Rig Crew Travel Time | DROVE CREW TO LOCATION | 1.0000 246.00 |
| | CASEY 7 D&E | Safety Meeting | DO JSA (PICKING UP TBG) | 0.5000 123.00 |
| | CASEY 7 D&E | Casing - Check Pressure | SITP- 0 PSI and SICP- 0 PSI | 0.5000 123.00 |
| | CASEY 7 D&E | Tubing - Run | Pick up 63 jts 2 7/8" L-80 tbg to 8850' | 1.5000 369.00 |
| | CASEY 7 D&E | Well Control - Circulate - | Rig up foam air unit. Break | 2.0000 492.00 |

| | | | | | |
|---------------------|-------------|----------------------------------|--|----------------|-----------------|
| | CASEY 7 D&E | Brine | circulation. | | |
| | CASEY 7 D&E | Drill | Pick up 11 jts 2 7/8" L-80 Tag 1st plug at 9220' pick up power swivel. Drill out 1st plug 9640' and 2nd plug at 9640'. | 4.5000 | 1107.00 |
| | CASEY 7 D&E | Well Control - Circulate - Brine | Circulate well clean. Pump 60 bbls b/w down tbg. Lay down swivel. | 2.0000 | 492.00 |
| | CASEY 7 D&E | Tubing - Pull | Pull 24 jts. Leave bit at 8850' | 1.0000 | 246.00 |
| | CASEY 7 D&E | Shut-in Overnight | SECURE WELL. SION | 0.5000 | 123.00 |
| | CASEY 7 D&E | Rig Crew Travel Time | DROVE CREW HOME | 1.0000 | 246.00 |
| | CASEY 7 D&E | Daily Summary | 5-21-12 Daily cost-\$ 108,760.00 Cum cost-\$ 988,074.00 CASEY 7 KEY 432 WOC - Juan Rondan DCTL HTGSM Well was dead.Pick up 63 jts 2 7/8" L-80 with 4 3/4" bit at 8850' break circulation. Run down and drill out 1st plug at 9220' and 2nd plug at 9640' Circulate well clean. Pump 60 bbls b/w down tbg. Pull bit up to 8850' Secure well sion. NDP- Drill out last 3 plugs and clean out to PBTD @ 11,379' | 0.0000 | 0.00 |
| Daily Totals | | | | 14.5000 | 26567.00 |
| 5/22/2012 | CASEY 7 D&E | Daily Summary | 5-22-12 Daily cost-\$28,300.00 Cum | 0.0000 | 0.00 |

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|---------|---------------------------|----------------------|--------|----------|
| | | cost-\$ | | |
| | | 1,017,974.00 | | |
| | | CASEY 7 KEY | | |
| | | 432 WOC - Juan | | |
| | | Rondan DCTL | | |
| | | HTGSM SICP- | | |
| | | 850 PSI. Bleed | | |
| | | well down Ran 4 | | |
| | | 3/4" bit from 8850 | | |
| | | to 10060' break | | |
| | | circulation. Drill | | |
| | | out 3rd plug@ | | |
| | | 10060', 4th | | |
| | | plug@10,490' and | | |
| | | 5th plug @10920'. | | |
| | | Circulate well | | |
| | | clean; Kill tbq with | | |
| | | 60 bbls b/w. Pull | | |
| | | bit to 8850' Secure | | |
| | | well sion. NDP- | | |
| | | Clean out to | | |
| | | PBTD@ 11,379' | | |
| | | Circulate well. | | |
| 1145998 | Job Cost Detail Report | | 0.0000 | 23300.00 |
| | | Capital - BOP | | 350.00 |
| | | Capital - Reverse | | 2200.00 |
| | | Rig/Mud Pump | | |
| | | Capital - | | |
| | | Professional | | 600.00 |
| | | Services | | |
| | | Capital - Pump | | 1600.00 |
| | | Truck | | |
| | | Capital - Hourly | | 1600.00 |
| | | Vacuum | | |
| | | Capital - Other | | 200.00 |
| | | Rental Equip | | |
| | | Capital - Other | | 50.00 |
| | | Rental Equip | | |
| | | Capital - Tank | | 200.00 |
| | | Rental | | |
| | | Capital - | | 15000.00 |
| | | Environment | | |
| | | Capital - Hourly | | 1500.00 |
| | | Vacuum | | |
| CASEY 7 | Rig Crew | DROVE CREW | 1.0000 | 246.00 |

| | | | | | |
|-----------|---------------------|----------------------------------|--|----------------|-----------------|
| | D&E | Travel Time | TO LOCATION | | |
| | CASEY 7 D&E | Safety Meeting | DO JSA (HAND REPLACEMENT, PINCH POINTS) | 0.5000 | 123.00 |
| | CASEY 7 D&E | Casing - Check Pressure | SICP- 850 psi. | 0.5000 | 123.00 |
| | CASEY 7 D&E | Well Control - Bleed Well Down | BLEED WELL DOWN TO PIT | 1.0000 | 246.00 |
| | CASEY 7 D&E | Tubing - Run | Run 4 3/4" bit from 8850' to 10,060'. Pick up power swivel. | 1.5000 | 369.00 |
| | CASEY 7 D&E | Drill | Break circulation drill out 3rd plug @ 10,060', 4th plug @ 10,490' and 5th plug @ 10,920' | 4.5000 | 1107.00 |
| | CASEY 7 D&E | Circulate - Brine/Produced Water | Circulate well clean | 1.5000 | 369.00 |
| | CASEY 7 D&E | Well Control - Kill Well - Brine | Pump 60 bbls b/w down tbgs. Lay down power swivel. | 1.0000 | 246.00 |
| | CASEY 7 D&E | Tubing - Pull | Pull 64 jts and leave bit at 8850' | 1.5000 | 369.00 |
| | CASEY 7 D&E | Shut-in Overnight | SECURE WELL. | 0.5000 | 123.00 |
| | CASEY 7 D&E | Rig Crew Travel Time | DROVE CREW HOME | 1.0000 | 246.00 |
| | Daily Totals | | | 14.5000 | 26867.00 |
| 5/23/2012 | CASEY 7 D&E | Daily Summary | 5-23-12 Daily cost-\$28,400.00 Cum cost-\$1,046,374.00 CASEY 7 KEY 432 WOC - Juan Rondan DCTL HTGSM SICP- 850 PSI. Bleed well down Ran 4 3/4" bit from 8850 to 11,288' pick up power swivel. | 0.0000 | 0.00 |

| | | | | |
|-------------|-------------------------|--|--------|----------|
| | | Clean out from 11,288' to 11358' PBTD. Circulate well for 3 1/2" hrs. Kill tbg with 60 bbls b/w. Pull 100 jts Secure well sion. NDP- Kill well poh with tbg, collars and bit. run bha and tbg in hole. | | |
| 1145998 | Job Cost Detail Report | | 0.0000 | 30000.00 |
| | | Capital - BOP | | 350.00 |
| | | Capital - Reverse Rig/Mud Pump | | 2200.00 |
| | | Capital - Professional Services | | 600.00 |
| | | Capital - Pump Truck | | 1400.00 |
| | | Capital - Hourly Vacuum | | 1400.00 |
| | | Capital - Other Rental Equip | | 200.00 |
| | | Capital - Other Rental Equip | | 50.00 |
| | | Capital - Tank Rental | | 200.00 |
| | | Capital - Environment | | 15000.00 |
| | | Capital - Pump | | 4700.00 |
| | | Capital - Supplies | | 3900.00 |
| CASEY 7 D&E | Rig Crew Travel Time | DROVE CREW TO LOCATION | 1.0000 | 246.00 |
| CASEY 7 D&E | Safety Meeting | DO JSA (SUSPENDED LOADS) | 0.5000 | 123.00 |
| CASEY 7 D&E | Tubing - Check Pressure | sitp- 0 psi [has check vlave] | 0.5000 | 123.00 |
| CASEY 7 D&E | Casing - Check Pressure | SICP- 850 PSI Bled well down to flowback tank. | 0.5000 | 123.00 |
| CASEY 7 D&E | Tubing - Run | Ran 4 3/4" bit from 8850' down to | 1.0000 | 246.00 |

| | | | | | |
|---------------------|-------------|----------------------------------|--|----------------|-----------------|
| | | | 11,288' and tag sand. | | |
| | CASEY 7 D&E | Power Swivel - Rig Up | Pick up power swivel. | 0.5000 | 123.00 |
| | CASEY 7 D&E | Wellbore Cleanout - Sand | With foamair unit clean out sand from 11,288' to PBTD @ 11,358' | 1.5000 | 369.00 |
| | CASEY 7 D&E | Circulate | Circulate well clean for 3.5 hrs. | 3.5000 | 861.00 |
| | CASEY 7 D&E | Well Control - Kill Well - Brine | Pump 60 bbls b/w down tbg. Put tbg on vacuum. | 0.5000 | 123.00 |
| | CASEY 7 D&E | Power Swivel - Rig Down | Lay down power swivel on trailer. | 0.5000 | 123.00 |
| | CASEY 7 D&E | Tubing - Pull | Pull 120 jts 2 7/8" L-80. | 1.5000 | 369.00 |
| | CASEY 7 D&E | Shut-in Overnight | SECURE WELL. SION. | 0.5000 | 123.00 |
| | CASEY 7 D&E | Rig Crew Travel Time | DROVE CREW HOME | 1.0000 | 246.00 |
| Daily Totals | | | | 13.0000 | 33198.00 |
| 5/24/2012 | CASEY 7 D&E | Daily Summary | 5-24-12 Daily cost-\$34,818.00 Cum cost-\$1,081,392.00 CASEY 7 KEY 432 WOC - Juan Rondan DCTL HTGSM SITP- 700 PSI and SICP- 700 PSI. Bled well down. Pump 60 bbls b/w down casing and 30 bbls b/w down tbg. Poh with 90 stands. Lay down 6-3 1/2" drill collars, and 4 3/4" bit. Pick up 2 7/8" chemical screen, 1 jt 2 7/8"m.a., 2 7/8" 12 slot sandscren, 2 7/8" MHD S.N., 2 | 0.0000 | 0.00 |

| | | | | |
|----------------|----------------------------|---|--------|----------|
| | | jts 2 7/8" tk-99, 4 jts 2 7/8" I-80, 5 1/2" x 2 7/8" tac, 2 jts 2 7/8" I-80, 2 7/8" x 4' I-80 marker jt.180 jts 2 7/8" I-80 tbg. Secure well sion. NDP- Finish rih Land S.N. @ 11,222' Nipple down bop set tac. Flange well up. | | |
| 1145998 | Job Cost Detail Report | | 0.0000 | 43900.00 |
| | | Capital - BOP | | 350.00 |
| | | Capital - Reverse Rig/Mud Pump | | 2200.00 |
| | | Capital - Professional Services | | 600.00 |
| | | Capital - Pump Truck | | 1400.00 |
| | | Capital - Hourly Vacuum | | 1300.00 |
| | | Capital - Other Rental Equip | | 200.00 |
| | | Capital - Other Rental Equip | | 50.00 |
| | | Capital - Tank Rental | | 200.00 |
| | | Capital - Environment | | 7500.00 |
| | | Capital - Other Rental Equip | | 1200.00 |
| | | Capital - Rods | | 28000.00 |
| | | Capital - Hourly Hot Oiler | | 900.00 |
| CASEY 7 D&E | Rig Crew Travel Time | DROVE CREW TO LOCATION | 1.0000 | 246.00 |
| CASEY 7 D&E | Safety Meeting | DO JSA (HOUSE KEEPING) | 0.5000 | 123.00 |
| CASEY 7 D&E | Tubing - Check Pressure | SITP- 700 PSI | 0.5000 | 123.00 |
| CASEY 7 D&E | Casing - Check Pressure | SICP- 700 PSI | 0.5000 | 123.00 |

| | | | | |
|-------------------------|-------------------------------------|---|----------------|-----------------|
| | | Bled well down. Pump 60 bbls b/w down casing and Kill Well - Brine | | |
| CASEY 7 D&E | Well Control - Kill Well - Brine | 30 bbls down tbg. | 1.5000 | 369.00 |
| | | Both sides on vacuum. | | |
| CASEY 7 D&E | Tubing - Pull | POH with 160 jts 2 7/8" L-80 | 2.0000 | 492.00 |
| CASEY 7 D&E | Break for Crew | LUNCH BREAK | 1.0000 | 246.00 |
| CASEY 7 D&E | Tubing - Pull | Pull 20 jts 2 7/8" L- 80. Lay down 6-3 1/2" drill collars and 4 3/4" bit. | 1.0000 | 246.00 |
| | | Run 2 7/8" bull plug, 2 7/8" x 24' chemical screen, 2 7/8" m.a. jt, 2 7/8" M.H.D. S.N., 2 jts 2 7/8" tk-99, 4 jts 2 7/8" I-80, 5 1/2" x 2 7/8" tac, 2 jts 2 7/8" I-80, 2 7/8" x 4' marker sub, and 180 jts 2 7/8" L-80. | | |
| CASEY 7 D&E | Tubing - Run | SECURED WELL. | 3.5000 | 861.00 |
| CASEY 7 D&E | Shut-in Overnight | SION | 0.5000 | 123.00 |
| CASEY 7 D&E | Rig Crew Travel Time | DROVE CREW HOME | 1.0000 | 246.00 |
| Daily Totals | | | 13.0000 | 47098.00 |
| 5/25/2012 | 1145998 | Job Cost Detail Report | 0.0000 | 8100.00 |
| | | Capital - BOP | | 350.00 |
| | | Capital - Reverse Rig/Mud Pump | | 2200.00 |
| | | Capital - Professional Services | | 600.00 |
| | | Capital - Pump Truck | | 1400.00 |
| | | Capital - Hourly Vacuum | | 1300.00 |
| | | Capital - Other Rental Equip | | 200.00 |
| | | Capital - Other | | 50.00 |

| | | | | | |
|-------------|----------------------------------|---|--------|--------|---------|
| | | Rental Equip | | | |
| | | Capital - Tank | | | 200.00 |
| | | Rental | | | |
| | | Capital - Supplies | | | 1000.00 |
| | | Capital - Other | | | 800.00 |
| | | Rental Equip | | | |
| | | WENT TO OXY | | | |
| CASEY 7 D&E | Safety Meeting | WEEKLY SAFETY MEETING | 1.5000 | 369.00 | |
| CASEY 7 D&E | Rig Crew Travel Time | DROVE CREW TO LOCATION DO JSA | 1.0000 | 246.00 | |
| CASEY 7 D&E | Safety Meeting | (SUSPENDEED LOAD) | 0.5000 | 123.00 | |
| CASEY 7 D&E | Tubing - Check Pressure | SITP- 100 psi | 0.5000 | 123.00 | |
| CASEY 7 D&E | Casing - Check Pressure | SICP- 100 psi | 0.5000 | 123.00 | |
| | | BLEED WELL DOWN. PUMP 60 BBLs B/W DOWN | | | |
| CASEY 7 D&E | Well Control - Kill Well - Brine | CASING AND 30 BBLs B/W DOWN TBG. BOTH SIDES ON VACUUM | 1.0000 | 246.00 | |
| CASEY 7 D&E | Tubing - Run | RUN 45 STANDS 2 7/8" L-80 TBG FROM DERRICK | 1.0000 | 246.00 | |
| CASEY 7 D&E | Break for Crew | LUNCH BREAK (DO JSA) | 1.0000 | 246.00 | |
| CASEY 7 D&E | Tubing - Run | Run 45 stands 2 7/8" L-80 tbg from derrick.. Total of 347 jts 2 7/8" L-80 to marker sub.With tac@ 11,032 and S.N. @ 11,222' | 1.0000 | 246.00 | |
| CASEY 7 D&E | BOPE Hydraulic - Nipple Down | Nipple down hydraulic BOP, | 1.0000 | 246.00 | |
| CASEY 7 D&E | Wellhead - Nipple Up | Set TAC with 20 pt tension. Flange well up. | 1.0000 | 246.00 | |
| CASEY 7 D&E | Rods - Run | Pick up 2.5" x 1.50" x 24' pump, | 1.5000 | 369.00 | |

| | | | | | |
|---------------------|-------------|------------------------|--|----------------|-----------------|
| | | | 3/4" RHR box, 6-1.50" K no neck sinker bars and 100- 3/4" HD weatherford rods. | | |
| | CASEY 7 D&E | Shut-in Overnight | Pick up poish rod. Secure well sion. | 0.5000 | 123.00 |
| | CASEY 7 D&E | Rig Crew Travel Time | DROVE CREW HOME | 1.0000 | 246.00 |
| Daily Totals | | | | 13.0000 | 11298.00 |
| 5/26/2012 | CASEY 7 D&E | Daily Summary | 5-26-12 CASEY 7 KEY 432 Daily cost- \$ 12,918.00 Cum cost-\$ 1,143,028.00 WOC - Juan Rondan DCTL HTGSM SITP- 0 PSI and SICP- 0 PSI Lay down polish rod. Pick up 174-3/4" H.D. weatherford and 165- 7/8" H.D. weatherford rods. Pick up polish rod. Secure well SDFWE. NDP- Load and test tbg. Space pump out and rig down. . | 0.0000 | 0.00 |
| | 1145998 | Job Cost Detail Report | | 0.0000 | 6700.00 |
| | | | Capital - BOP | | 350.00 |
| | | | Capital - Reverse Rig/Mud Pump | | 2200.00 |
| | | | Capital - Professional Services | | 1200.00 |
| | | | Capital - Pump Truck | | 1300.00 |
| | | | Capital - Hourly Vacuum | | 1200.00 |
| | | | Capital - Other Rental Equip | | 200.00 |

| | | | | | |
|---------------------|----------------|------------------------|-----------------|----------------|--------|
| | | | Capital - Other | | 50.00 |
| | | | Rental Equip | | |
| | | | Capital - Tank | | 200.00 |
| | | | Rental | | |
| CASEY 7 | Rig Crew | DROVE CREW | | | |
| D&E | Travel Time | TO LOCATION | 1.0000 | 246.00 | |
| CASEY 7 | Safety Meeting | DO JSA (PICKING | 0.5000 | 123.00 | |
| D&E | | UP RODS) | | | |
| CASEY 7 | Tubing - Check | SITP- 0 psi | 0.5000 | 123.00 | |
| D&E | Pressure | | | | |
| CASEY 7 | Rods - Run | Take protecters off | | | |
| D&E | | and put 3/4" f.h t- | 3.0000 | 738.00 | |
| | | coupling rod | | | |
| | | boxes. Pick up | | | |
| | | 174- 3/4" HD | | | |
| CASEY 7 | Break for Crew | weatherford rods. | | | |
| D&E | | Lunch break [| 1.0000 | 246.00 | |
| | | Review jsa] | | | |
| CASEY 7 | Rods - Run | Take protecters off | | | |
| D&E | | and put 7/8" f.h t- | 2.5000 | 615.00 | |
| | | coupling rod | | | |
| | | boxes. Pick up 85- | | | |
| | | 7/8"" HD | | | |
| CASEY 7 | Shut-in | weatherford rods. | | | |
| D&E | Overnight | Pick up polish rod. | 0.5000 | 123.00 | |
| CASEY 7 | Rig Crew | Secure well sion. | | | |
| D&E | Travel Time | Drove crew home | 2.0000 | 492.00 | |
| | | to Iraan. | | | |
| Daily Totals | | | 11.0000 | 9406.00 | |
| 5/27/2012 | 1145998 | Job Cost Detail Report | 0.0000 | 450.00 | |
| | | Capital - Other | | | 200.00 |
| | | Rental Equip | | | |
| | | Capital - Other | | | 50.00 |
| | | Rental Equip | | | |
| | | Capital - Tank | | | 200.00 |
| | | Rental | | | |
| Daily Totals | | | 0.0000 | 450.00 | |
| 5/28/2012 | 1145998 | Job Cost Detail Report | 0.0000 | 450.00 | |
| | | Capital - Other | | | 200.00 |
| | | Rental Equip | | | |
| | | Capital - Other | | | 50.00 |
| | | Rental Equip | | | |

| | | | | | |
|--------------|-------------|---------------|---|------------------------|---------|
| | | | Capital - Tank Rental | 200.00 | |
| Daily Totals | | | 0.0000 | 450.00 | |
| 5/29/2012 | CASEY 7 D&E | Daily Summary | 5-29-12 Daily cost-\$ 10,236.00 Cum cost-\$ 1,153,264.00 CASEY 7 KEY 432 WOC - Juan Rondan DCTL HTGSM SITP- 0 PSI and SICP- 0 PSI Lay down polish rod. Take protecters off and put 7/8" FH t-coupling rod boxes on. Pick up 87-7/8" HD weatherford rods. Pick ip polish rod. Space pump out to 37". Load tbg with 3 bbls b/w. Test tbg to 700 psi. Long stroke 7 strokes 500 psi. Had weatherford put unit on downstroke. Hang well on. Rig down. | 0.0000 | 0.00 |
| | | | . | 0.0000 | 7050.00 |
| | | | 1145998 | Job Cost Detail Report | |
| | | | Capital - Reverse Rig/Mud Pump | 2200.00 | |
| | | | Capital - Professional Services | 600.00 | |
| | | | Capital - Pump Truck | 1400.00 | |
| | | | Capital - Hourly Vacuum | 1300.00 | |
| | | | Capital - Other Rental Equip | 200.00 | |

| | | | | |
|--------------------|----------------|---------------------|-----------------|-------------------|
| | | Capital - Other | | 50.00 |
| | | Rental Equip | | |
| | | Capital - Tank | | 200.00 |
| | | Rental | | |
| | | Capital - Truck | | 1100.00 |
| | | Hauling | | |
| CASEY 7 | Rig Crew | Drove crew to | | |
| D&E | Travel Time | location from | 2.0000 | 492.00 |
| | | Iraan. | | |
| CASEY 7 | Safety Meeting | Do jsa [picking up | 0.5000 | 123.00 |
| D&E | | rods] | | |
| CASEY 7 | Tubing - Check | SITP- 0 psi | 0.5000 | 123.00 |
| D&E | Pressure | | | |
| | | Take rod | | |
| | | protectors and put | | |
| CASEY 7 | Rods - Run | 7/8" FH T- | 2.5000 | 615.00 |
| D&E | | couplings on 87- | | |
| | | 7/8" HD | | |
| | | weatherford rods | | |
| | | and pick them up. | | |
| CASEY 7 | Break for Crew | Lunch break | 1.0000 | 246.00 |
| D&E | | | | |
| | | Pick up polish rod | | |
| CASEY 7 | Tubing - | and load tbg with 3 | 1.0000 | 246.00 |
| D&E | Pressure Test | bbls b/w. Test tbg | | |
| | | to 700 psi. Held | | |
| | | good. | | |
| CASEY 7 | Pump - Space | Space pump out to | 1.0000 | 246.00 |
| D&E | Out | 37" | | |
| CASEY 7 | Pump - | Long stroke pump. | 1.0000 | 246.00 |
| D&E | Longstroke | 7 strokes 500 psi. | | |
| | | Bled pressure off. | | |
| | | Had weatherford | | |
| CASEY 7 | Pumping Unit - | put pumping unit | 1.0000 | 246.00 |
| D&E | Hang on Head | on downstroke. | | |
| | | Hang on horse | | |
| | | head. | | |
| CASEY 7 | Pulling Unit - | Rig down. Clean | 1.5000 | 369.00 |
| D&E | Rig Down | location. | | |
| CASEY 7 | Rig Crew | Drove crew home. | 1.0000 | 246.00 |
| D&E | Travel Time | | | |
| Daily | | | 13.0000 | 10248.00 |
| Totals | | | | |
| Job Totals | | | 120.0000 | 1073992.85 |
| Totals | | | 120.00 | 1073992.85 |
| AFE Summary | Hours | Costs | Budget | Balance |

| | | | | | |
|---------|----------------|----------|------------|------|-------------|
| 1145998 | CASEY 7 D&E | 120.0000 | 1073992.85 | 0.00 | -1073992.85 |
|---------|----------------|----------|------------|------|-------------|