

DAILY OPERATIONS PARTNER REPORT

Date: 06/15/2012
Report No: 1

[illegible]

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/15/2012
 Report No: 1

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|---|
| 0:00 | 1:00 | 1.00 | 31PRDR | WLHD | RWH | P | NIPPLE UP TUBING HEAD AND TEST TO 4000 PSI FOR 5 MINUTES TEST GOOD RELEASE RIG @ 01:00 HRS |
| 1:00 | 7:30 | 6.50 | 01MIRU | LOCMOV | RD | P | RIG DOWN RIG TO MOVE TO CHLOE #8 |
| 7:30 | 11:00 | 3.50 | 01MIRU | LOCMOV | MOVE | P | 7:30 Safety meeting 25 people present,went over route to be used and power lines,talk about right to Stop the Job when anything does not look right.Communicate with drivers and swampers by good eye and hand signals, Horn usage (one forward and two honks when backing up) spotters to be used on all loads.100% tied off when over four feet from ground and tag lines on all single pick loads.Watch pinch points and stay Hydrated 7:45 two loads of pipe baskets 8:00 Choke manifold off location 8:10 pipe wrangler off location 8:15 #1 mud pump motor off location 8:25 load of Collars,racks,pipe basket and #2 mud pump motor off 8:35 BOP and pipe basket off and truck #450 re-placed bridle 8:40 Gas Separator and Derrick laid down 9:00 Mud pit and Shaker pit off location 9:20 Silo off location 9:25 roughneck lost hard hat,stopped job ask him to put it on,he did 9:40 second Silo and load of pumps and misc off locatio 9:50 Top House ,Diesel tank and load of pipe off location 10:15 Pre-mix mud pit and Generator off location 10:40 Rig mgr trailer off location 11:00 Derrick and Sub off location |
| 11:00 | 14:30 | 3.50 | 01MIRU | LOCMOV | MOVE | P | 11:00 miscellaneous load, electrical unit, mud premix unit, and crew quarters arrive 11:15 forklift move suspended load without tagline (17.Tool Used Correctly) 11:30 substructure and mast arrive at location 12:00 sub structure set 12:15 Safety Meeting - procedures and policies that promote safe work site conduct and labor were reviewed since prior meeting. Among the topics covered was; PPE, horn blasts, tag lines, 100% tie off above 4 ft., buffer zones, speed limits, JSAs, and everyone's stop work authority. 19 workers present. SO, DSM, Truck Pusher shared in the review. 12:45 doghouse set mud pit set mast pinned 13:15 mud pump set and BOP set 13:30 electrical unit sent 13:45 fuel pod and mud pump and pipe wrangler set 14:30 rig move complete without accident or incident |
| 14:30 | 17:00 | 2.50 | 01MIRU | LOCMOV | RU | P | R/U HYDRAULIC AND ELECTRICAL LINES RIG UP BACK YARD, HOOK UP FLOW LINES, GEL HOPPERS SET UP ON LOCATION, FILL PITS WITH WATER SAFETY BREAK: STAYING HYDRATED |
| 17:00 | 17:30 | 0.50 | 01MIRU | LOCMOV | RU | P | RAISE DERRICK |
| 17:30 | 21:30 | 4.00 | 01MIRU | LOCMOV | RU | P | CONTINUE TO RIG UP, PUMPS , WATER LINES ETC SAFETY BREAK: TEAM WORK |
| 21:30 | 0:00 | 2.50 | 01MIRU | LOCMOV | RU | P | PLACE BHA ON RACKS AND CONTINUE TO RIG UP |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 161.00 Weather Comments:
 Environ Incident? N Days since Last LTA: 524.00
 Incident Comments:

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
USA

Date: 06/15/2012
Report No: 1

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. Travel 1.5mi headed east on lease road and turn right immediately after caliche pit. Travel .8mi headed South on lease road. Turn right when road dead ends and travel west .2mi. to location (University Chloe#8).

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32 21'15.73" N, LONGITUDE 102°23' 23'.08.78 "W, NAD 27

NOTIFIED TRRC : AUDREY OPERATOR #2 AT 23:45, 6/15/12, INTENTION TO SPUD 12 1/4" HOLE, RUN & CEMENT 9 5/8" SURFACE CASING JOB #

SAFETY TOPIC OF THE DAY: RIGGING UP
DAYS WORKED WITH NO LTA: 523
DAYS SINCE LAST RI: 161
TOTAL DAILY SAFETY MEETINGS:4
TOTAL DAILY NEAR MISSES: 0
TOTAL DAILY STOP CARDS: 2
TOTAL DAILY JSA'S REVIEWED: 14
TOTAL PERMITS TO WORK: 1
TOTAL LOTO'S: 0
PRE-SPUD RIG INSPECTIONS: 0
POWER LINE CHECK LIST: 1
TOTAL SWA'S : 0
DAY CREW SHORT 0 MAN
NIGHT CREW SHORT 0MAN
TOTAL NPT TIME = 97.5 HOURS

BEST STOP CARD: OBSERVED EMPLOYEE WORKING OVER 4 FT WITHOUT BEING TIED OFF, STOPPED HIM, WARNED HIM OF THE HAZARDS & INFORMED HIM OF OXY POLICY, HE COMPLIED & JOB CONTINUED WITHOUT INCIDENT

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/16/2012
 Report No: 2

Wellbore / Top MD: 00 @ 55 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,071.80ft DFS: 0.25
 Today's MD: 153 ft Progress: 98 ft Ground Elev: 3,056.40 ft Daily Cost: \$41,708
 Prev MD: 55 ft Rot Hrs Today: 2.00 hr AFE MD/Days: 11,450.0 / 13.6 days Cum Cost: \$221,725
 PBMD: Avg ROP Today: 49.0 ft/hr AFE Number: 1141068#0402 AFE Cost: \$1,224,234

Current Formation: @ Lithology:

Current Ops:

24-Hr Summary: R/U, REPAIR TOP DRIVE AND SPUD THE CHLOE #8, L/C @ 75' SPOTTED 30 PPB LCM PILL ESTABLISHED CIRC AND DRILLED TO 153'

24-Hr Forecast: RR: 6/28/2012 ROL: 6/29/2012 DRILL 12.25" SURFACE HOLE TO 1850, TOH AND RUN 9 5/8" CASING

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|-------------------|-------------------|-----------------|-------------|-------|---------|-----|-----|
| Last Casing: | 16.000in @ 55ft | Str Wt Up/Dn: | 59.0 / 51.0 kip | Pump Rate: | 351.7 | Conn: | 0 | 0 |
| Next Casing: | 9.625in @ 1,850ft | Str Wt Rot: | 54.0 kip | Pump Press: | 890 | Trip: | 0 | 0 |
| Last BOP Press Test: | 06/03/2012 | Torq Off Btm: | 2,000.0 ft-lbf | | | Backgr: | 0 | 0 |
| Form Test/EMW: | | Torq On Btm: | 5,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|-----------------|----------------------|------|-----|-----|-----|-----|----|-----|
| Supervisor 1: | BILL LORANCE | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | DARRELL WERTHER | | | | | | | | |
| Engineer: | IVAN OTERO | | | | | | | | |
| Geologist: | | | | | | | | | |
| Oxy Personnel: | 2 | | | | | | | | |
| Contractor Personnel: | 11 | | | | | | | | |
| Total on Site: | 13 | | | | | | | | |

| 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 | 13804 | M323 | 7x11 | 55 | | -- | -- |
| | | | | | | | | | | |

| 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 | 2.00 | 2.00 | 98 | 98 | 49.0 | 49.0 | 3.0/7.0 | 45/100 | 0.650 | 235 | 173.7 | 0.4 |

| MUD DATA - M-I SWACO | | | LAST OR CURRENT BHA | | | | | |
|---|--------------|--------------|--|-----------|--------|-------|---------|--------|
| Engineer: John Kruczek | MBT: | 0.0 lbm/bbl | BHA No: 1 | Bit No: 1 | MD In: | 55 ft | | |
| Sample From: In | pH: | 8.5 | Purpose: | | | | MD Out: | |
| Mud Type: Spud Mud | Pm / Pom: | 0.00 | Component | | OD | ID | Jts | Length |
| Time / MD: 23:50 / 158.0 | Pf / Mf: | 0.1 / 0.7 | HWDP | | 4.500 | 2.870 | 12 | 364.42 |
| Density @ Temp: 8.70 / 85 | Chlorides: | 1,500 | DRILL COLLAR | | 6.250 | 3.000 | 12 | 352.57 |
| Rheology Temp: 120 | Ca+ / K+: | 320 / 0 | CROSSOVER | | 8.000 | 2.250 | 1 | 2.90 |
| Viscosity: 40.00 | CaCl2: | 0.00 | SPIRAL DRILL COLLAR | | 8.000 | 3.000 | 2 | 62.28 |
| PV / YP: 9 / 10 | Clom: | 0.56 | MWD TOOL | | 8.000 | 3.000 | 1 | 4.92 |
| Gels 10s/10m/30m: 7 / 12 / 15 | Lime: | 0.00 | INTEGRAL BLADE STABILIZER | | 11.750 | 2.870 | 1 | 6.25 |
| API WL: 17.00 | ES: | 15.80 | SPIRAL DRILL COLLAR | | 8.000 | 3.000 | 1 | 30.80 |
| HTHP WL: 0.00 | ECD: | 16.19 | INTEGRAL BLADE STABILIZER | | 12.000 | 2.870 | 1 | 7.28 |
| Cake API / HTHP: 2.0 / .0 | n / K: | 0.00 / 0.000 | SHOCK SUB | | 8.000 | 2.500 | 1 | 12.24 |
| Solids / Sol Corr: 0.10 / 0.00 | Carbonate: | 1 ppm | PDC BIT | | 12.250 | 0.000 | 1 | 1.50 |
| Oil / Water: 0.0 / 0.0 | Bicarbonate: | 0 ppm | | | | | | |
| Sand: 1.75 | Form Loss: | 30.0 / 30.0 | | | | | | |
| Water Added: 420.0 bbl | Fluid Disch: | / | | | | | | |
| Oil Added: | | | | | | | | |
| LGS: 2.70 / 24.30 | | | | | | | | |
| VG Meter: 7@3 / 8@6 / 12@100 / 15@200 / 19@300 / 28@600 | | | Total Length: 845.16 ft Wt below Jars: | | | | | |
| Comments: MIXED 500BBLs 25PPB LCM SPUD MUD AND TRANSFERRED TO STEEL PITS. RESUMED DRILLING WITH FULL RETURNS. PLAN TO PUMP 15PPB LCM SWEEPS EVERY 60FT. OR AS NEEDED. | | | | | | | | |

| MUD PRODUCTS | | |
|-----------------------|------------|----------|
| Product | Units | Qty Used |
| Air Comp Rent | Each | 1.00 |
| Cedar Fiber Chip Seal | Bag, 40 lb | 47.00 |
| Cottonseed Hulls | Bag, 50 lb | 89.00 |
| Defoam A | Can, 5 gal | 3.00 |
| Engineering Service | Each | 1.00 |
| Fiber Seal | Bag, 40 lb | 55.00 |
| M-I Gel Bulk | Ton | 10.75 |
| M-I X II Fine | Bag, 25 lb | 20.00 |
| Pecan Nut Plug CSE | Bag, 50 lb | 32.00 |
| Premix Pit | each | 1.00 |
| Soda Ash | Bag, 50 lb | 10.00 |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
USA

Date: 06/16/2012
Report No: 2

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|--|
| 0:00 | 4:00 | 4.00 | 01MIRU | LOCMOV | RU | P | CONTINUE TO RIG UP. TOP DRIVE NOT FUNCTIONING PROPERLY, MECHANIC IN ROUTE FROM HOUSTON ETA 9:00 AM. REPLACE SEATS AND VALVES IN #1 PUMP |
| 4:00 | 6:00 | 2.00 | 01MIRU | LOCMOV | RU | P | CONTINUE TO RIG UP. TOP DRIVE NOT FUNCTIONING PROPERLY SAFETY BREAK: STAYING FOCUSED LAST TWO HRS OF TOUR |
| 6:00 | 10:30 | 4.50 | 01MIRU | LOCMOV | RU | PT | CONTINUE TO RIG UP. TOP DRIVE NOT FUNCTIONING WAITING MECHANIC |
| 10:30 | 14:00 | 3.50 | 01MIRU | LOCMOV | RU | PT | WORKING ON TOP DRIVE |
| 14:00 | 17:00 | 3.00 | 14SUDR | DRILL | ROTVR | P | DID RIG INSPECTION ACCEPED RIG 14:00. MAKE UP BIT AND START IN HOLE WITH 12 1/4" BIT AND BHA DRILL 12 1/4" SURFACE HOLE FROM 55' TO 75' WOB 5 K , RPM 25, FLOW RATE 350 GPM, PUMP PSI 250 . 2-5K TORQUE ON BTM. LOST RETURNS AT 75' SAFETY BREAK: P/U BHA |
| 17:00 | 18:00 | 1.00 | 14SUDR | LCIRC | LCM | PT | PULL INTO CONDUCTOR AND MIX 30 PPB LCM PILL & PUMP. HOLE FULL |
| 18:00 | 22:00 | 4.00 | 14SUDR | LCIRC | LCM | PT | BUILDING VOLUME TO RESUME DRILLING. CIRCULATING WITH NO LOSSES BUILT 500 BBLS OFVOLUME WITH 42 SEC/QT VISCOSITY & LCM @ 24 PPB SAFETY BREAK: MIXING MUD |
| 22:00 | 0:00 | 2.00 | 14SUDR | DRILL | ROTVR | P | DRILL 12 1/4" SURFACE HOLE FROM 75' TO 153 ',78' AVG ROP 39FPH WOB 5-10K. TD RPM 95-100, FLOW RATE 230 GPM, PUMP PSI 400 . 4K ON BTM. CIRCULATING STEEL PITS WITH 20-24 PPB LCM 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: MAKING CONNECTIONS |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 162.00 Weather Comments:

Environ Incident? N Days since Last LTA: 525.00

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. Travel 1.5mi headed east on lease road and turn right immediately after caliche pit. Travel .8mi headed South on lease road. Turn right when road dead ends and travel west .2mi. to location (University Chloe#8).

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32 21'15.73" N, LONGITUDE 102°23' 23'.08.78 "W, NAD 27

NOTIFIED TRRC : AUDREY OPERATOR #2 AT 23:45, 6/15/12, INTENTION TO SPUD 12 1/4" HOLE, RUN & CEMENT 9 5/8" SURFACE CASING JOB #

SAFETY TOPIC OF THE DAY: RIGGING UP
DAYS WORKED WITH NO LTA: 525
DAYS SINCE LAST RI: 162
TOTAL DAILY SAFETY MEETINGS:4
TOTAL DAILY NEAR MISSES: 0
TOTAL DAILY STOP CARDS: 2
TOTAL DAILY JSA'S REVIEWED: 14
TOTAL PERMITS TO WORK: 0
TOTAL LOTO'S: 0
PRE-SPUD RIG INSPECTIONS: 1
POWER LINE CHECK LIST: 1
TOTAL SWA'S : 0
DAY CREW SHORT 0 MAN
NIGHT CREW SHORT 0MAN
TOTAL NPT TIME = 97.5 HOURS

BEST STOP CARD: OBSERVED EMPLOYEE USING IMPROPER TOOL FOR THE JOB STOPPED HIM AND INFORMED HIM OF THE HAZARDS, HE COMPLIED AND JOB CONTINUED WITHOUT INCIDENT

OXY USA INC
DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
USA

Date: 06/17/2012
Report No: 3

| | | | | | | | |
|--------------------|------------|----------------|-------------|--------------|-------------------------|-------------|-------------|
| Wellbore / Top MD: | 00 @ 55 ft | Rig: | SAVANNA 643 | Ref Datum: | Original KB @3,071.80ft | DFS: | 1.25 |
| Today's MD: | 1287 ft | Progress: | 1134 ft | Ground Elev: | 3,056.40 ft | Daily Cost: | \$45,093 |
| Prev MD: | 153 ft | Rot Hrs Today: | 21.50 hr | AFE MD/Days: | 11,450.0 / 13.6 days | Cum Cost: | \$266,818 |
| PBMD: | | Avg ROP Today: | 52.7 ft/hr | AFE Number: | 1141068#0402 | AFE Cost: | \$1,224,234 |

Current Formation: @ Lithology:

Current Ops:

24-Hr Summary: DRILLED 12 1/4" SURFACE HOLE FROM 153' TO 1287'

24-Hr Forecast: RR: 6/28/2012 ROL: 6/29/2012 DRILL 12 1/4" SURFACE HOLE TO 1844 FT, TOH, RUN 9 5/8" CASING TO 1844 FT AND CEMENT AS PER PRO

| CASING/WELL CONTROL | HOOKLOAD & TORQUE | HYDRAULICS | MUD GAS | Avg | Max |
|---------------------------------|-------------------------------|------------------|---------|-----|-----|
| Last Casing: 16.000in @ 55ft | Str Wt Up/Dn: 94.0 / 78.0 kip | Pump Rate: 668.3 | Conn: | 0 | 0 |
| Next Casing: 9.625in @ 1,850ft | Str Wt Rot: 88.0 kip | Pump Press: 1800 | Trip: | 0 | 0 |
| Last BOP Press Test: 06/03/2012 | Torq Off Btm: 2,500.0 ft-lbf | | Backgr: | 0 | 0 |
| Form Test/EMW: | Torq On Btm: 7,500.0 ft-lbf | | | | |

| PERSONNEL | SURVEY DATA (LAST 6) | | | | | | | |
|-------------------------------|----------------------|------|------|------|-----|-----|-----|------|
| | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 1: BILL LORANCE | 0.0 | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 |
| Supervisor 2: DARRELL WERTHER | | | | | | | | |
| Engineer: IVAN OTERO | | | | | | | | |
| Geologist: | | | | | | | | |
| Oxy Personnel: 2 | | | | | | | | |
| Contractor Personnel: 11 | | | | | | | | |
| Total on Site: 13 | | | | | | | | |

| 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 | 13804 | M323 | 7x11 | 55 | | -- | -- |
| | | | | | | | | | | |

| 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 | 21.50 | 23.50 | 1134 | 1232 | 52.7 | 52.4 | 10.0/15.0 | 80/100 | 0.650 | 877 | 330.1 | 2.9 |

| MUD DATA - M-I SWACO | | | | LAST OR CURRENT BHA | | | | | |
|--|--|------------------------------|--|--|--|------------------|-----------|---------------------|---------------|
| Engineer: John Kruczek | | MBT: 0.0 lbm/bbl | | BHA No: 1 | | Bit No: 1 | | MD In: 55 ft | |
| Sample From: In | | pH: 8.5 | | Purpose: MD Out: | | | | | |
| Mud Type: Spud Mud | | Pm / Pom: 0.00 | | | | | | | |
| Time / MD: 22:00 / 1,000.0 | | Pf / Mf: 0.1 / 0.8 | | Component | | OD | ID | Jts | Length |
| Density @ Temp: 9.00 / 90 | | Chlorides: 1,800 | | HWDP | | 4.500 | 2.870 | 12 | 364.42 |
| Rheology Temp: 120 | | Ca+ / K+: 240 / 0 | | DRILL COLLAR | | 6.250 | 3.000 | 12 | 352.57 |
| Viscosity: 37.00 | | CaCl2: 0.00 | | CROSSOVER | | 8.000 | 2.250 | 1 | 2.90 |
| PV / YP: 6 / 17 | | Clom: 0.33 | | SPIRAL DRILL COLLAR | | 8.000 | 3.000 | 2 | 62.28 |
| Gels 10s/10m/30m: 16 / 18 / 21 | | Lime: 0.00 | | MWD TOOL | | 8.000 | 3.000 | 1 | 4.92 |
| API WL: 22.00 | | ES: 31.60 | | INTEGRAL BLADE STABILIZER | | 11.750 | 2.870 | 1 | 6.25 |
| HTHP WL: 0.00 | | ECD: 9.97 | | SPIRAL DRILL COLLAR | | 8.000 | 3.000 | 1 | 30.80 |
| Cake API / HTHP: 2.0 / .0 | | n / K: 0.00 / 0.000 | | INTEGRAL BLADE STABILIZER | | 12.000 | 2.870 | 1 | 7.28 |
| Solids / Sol Corr: 0.10 / 0.00 | | Carbonate: 2 ppm | | SHOCK SUB | | 8.000 | 2.500 | 1 | 12.24 |
| Oil / Water: 0.0 / 0.0 | | Bicarbonate: 0 ppm | | PDC BIT | | 12.250 | 0.000 | 1 | 1.50 |
| Sand: 1.50 | | Form Loss: 0.0 / 30.0 | | | | | | | |
| Water Added: 100.0 bbl | | Fluid Disch: / | | | | | | | |
| Oil Added: | | | | | | | | | |
| LGS: 4.90 / 44.60 | | | | | | | | | |
| VG Meter: 16@3 / 17@6 / 19@100 / 21@200 / 23@300 / 29@600 | | | | Total Length: 845.16 ft Wt below Jars: | | | | | |
| Comments: CONTINUE CIRC. STEEL PITS. CURRENTLY ADDING STARCH TO CONTROL FLUID LOSS. ONCE AT TD PUMP HIGH VIS SWEEP AND CIRC. PRIOR TO TOOH. | | | | | | | | | |
| | | | | | | | | | |

| MUD PRODUCTS | | |
|---------------------|------------|----------|
| Product | Units | Qty Used |
| Air Comp Rent | Each | 1.00 |
| Cottonseed Hulls | Bag, 50 lb | 8.00 |
| Defoam A | Can, 5 gal | 20.00 |
| Engineering Service | Each | 1.00 |
| M-I Gel Bulk | Ton | 6.00 |
| Poly-Plus | Can, 5 gal | 1.00 |
| Premix Pit | each | 1.00 |
| | | |
| | | |
| | | |
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DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/17/2012
 Report No: 3

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|--|
| 0:00 | 2:00 | 2.00 | 14SUDR | DRILL | ROTVR | P | <p>DRILL 12 1/4" SURFACE HOLE FROM 153' TO 273', 120' AVG ROP 60FPH WOB 5-10K. TD RPM 95-100, FLOW RATE 370 GPM, PUMP PSI 830 . TORQUE 5K ON BTM.</p> <p>CIRCULATING STEEL PITS WITH 20-24 PPB LCM</p> <p>PUMP 25 BBL 60+ VIS GEL SWEEP EVERY 90' WITH 20 PPB LCM ADD 1-2 SOAP STICKS, 1 CUP POLY PLUS EVERY CONNECTION</p> <p>SAFETY BREAK: BODY PLACEMENT</p> |
| 2:00 | 2:30 | 0.50 | 14SUDR | RIGMT | SRVRIG | P | RIG SERVICE |
| 2:30 | 3:00 | 0.50 | 14SUDR | CIRC | CNDFLD | P | MUD SYSTEM FOAMED UP ADDED DEFOAMER AND AIRED OUT PUMP |
| 3:00 | 4:00 | 1.00 | 14SUDR | DRILL | ROTVR | P | <p>DRILL 12 1/4" SURFACE HOLE FROM 273' TO 362', 89' AVG ROP 89 FPH WOB 5-10K. TD RPM 95-100, FLOW RATE 370 GPM, PUMP PSI 900 . 5K ON BTM.</p> <p>CIRCULATING STEEL PITS WITH 20-24 PPB LCM & 40 SEC/QT VISCOSITY MUD WEIGHT @ 8.8 PPG</p> <p>PUMP 25 BBL 60+ VIS GEL SWEEP EVERY 90' WITH 20 PPB LCM ADD 1-2 SOAP STICKS, 1 CUP POLY PLUS EVERY CONNECTION ADD MF-55 AT FLOWLINE</p> <p>SAFETY BREAK: STAYING FOCUSED LAST TWO HRS OF TOUR</p> |
| 4:00 | 5:00 | 1.00 | 14SUDR | CIRC | CNDFLD | P | AIRED UP MUD HAD TO CONDITION MUD AND PRIME PUMP |
| 5:00 | 6:00 | 1.00 | 14SUDR | DRILL | ROTVR | P | <p>DRILL 12 1/4" SURFACE HOLE FROM 362' TO 450', 89' AVG ROP 90 FPH WOB 5-10K. TD RPM 95-100, FLOW RATE 370 GPM, PUMP PSI 900 . 5K ON BTM.</p> <p>CIRCULATING STEEL PITS WITH 20-24 PPB LCM & 39 SEC/QT VISCOSITY MUD WEIGHT @ 8.8 PPG</p> <p>PUMP 25 BBL 60+ VIS GEL SWEEP EVERY 90' WITH 20 PPB LCM ADD 1-2 SOAP STICKS, 1 CUP POLY PLUS EVERY CONNECTION ADD MF-55 AT FLOWLINE</p> |
| 6:00 | 10:00 | 4.00 | 14SUDR | DRILL | ROTVR | PT | <p>DRILL 12 1/4" SURFACE HOLE FROM 450 TO 560', 110' AVG ROP 36 FPH WOB 5-10K. TD RPM 90, FLOW RATE 370 GPM, PUMP PSI 900 . 5K ON BTM.</p> <p>CIRCULATING STEEL PITS WITH 20-24 PPB LCM & 39 SEC/QT VISCOSITY MUD WEIGHT @ 8.8 PPG</p> <p>PUMP 25 BBL 60+ VIS GEL SWEEP EVERY 60' WITH 20 PPB LCM, 1 CUP POLY PLUS EVERY CONNECTION</p> <p>PUMP #2 DOWN</p> <p>UNABLE TO RETRIEVE SURVEYS</p> |
| 10:00 | 14:00 | 4.00 | 14SUDR | DRILL | ROTVR | PT | <p>DRILL 12 1/4" SURFACE HOLE FROM 560 TO 753', 193' AVG ROP 50 FPH WOB 5-10K. TD RPM 90, FLOW RATE 370 GPM, PUMP PSI 900 . 5K ON BTM.</p> <p>CIRCULATING STEEL PITS WITH 20-24 PPB LCM & 39 SEC/QT VISCOSITY MUD WEIGHT @ 8.8 PPG</p> <p>PUMP 25 BBL 60+ VIS GEL SWEEP EVERY 60' WITH 10 PPB LCM, 1 CUP POLY PLUS EVERY CONNECTION</p> <p>SAFETY BREAK: SIGNS OF HEAT STROKE</p> <p>PUMP #2 DOWN</p> <p>UNABLE TO RETRIEVE SURVEYS</p> |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/17/2012
 Report No: 3

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|--|
| 14:00 | 18:00 | 4.00 | 14SUDR | DRILL | ROTVR | PT | DRILL 12 1/4" SURFACE HOLE FROM 753 TO 967 ',214' AVG ROP 53 FPH WOB 5-10K. TD RPM 90, FLOW RATE 370 GPM, PUMP PSI 900 . 5K ON BTM. CIRCULATING STEEL PITS MUD WEIGHT @ 8.8 PPG PUMP 25 BBL 60+ VIS GEL SWEEP EVERY 60' WITH 10 PPB LCM, 1 CUP POLY PLUS EVERY CONNECTION PUMP # 2 DOWN SAFETY BREAK: SLIPS TRIPS & FALLS UNABLE TO RETRIEVE SURVEYS |
| 18:00 | 19:30 | 1.50 | 14SUDR | DRILL | ROTVR | PT | DRILL 12 1/4" SURFACE HOLE FROM 967 TO 1034 ',67' AVG ROP 44FPH WOB 5-15K. TD RPM 90, FLOW RATE 370 GPM, PUMP PSI 900 . 5K ON BTM. CIRCULATING STEEL PITS MUD WEIGHT @ 8.8 PPG PUMP 25 BBL 60+ VIS GEL SWEEP EVERY 60' WITH 10 PPB LCM, 1 CUP POLY PLUS EVERY CONNECTION PUMP # 2 DOWN |
| 19:30 | 20:00 | 0.50 | 14SUDR | RIGMT | REP | PT | BOTH PUMPS DOWN |
| 20:00 | 21:30 | 1.50 | 14SUDR | DRILL | ROTVR | PT | DRILL 12 1/4" SURFACE HOLE FROM 1034 TO 1095 ', 61' AVG ROP 40 FPH WOB 5-15K. TD RPM 90, FLOW RATE 370 GPM, PUMP PSI 900 . 5K ON BTM. CIRCULATING STEEL PITS MUD WEIGHT @ 9.0 PPG PUMP 25 BBL 60+ VIS GEL SWEEP EVERY 60' WITH 10 PPB LCM, 1 CUP POLY PLUS EVERY CONNECTION PUMP # 2 DOWN UNABLE TO RETRIEVE SURVEYS |
| 21:30 | 0:00 | 2.50 | 14SUDR | DRILL | ROTVR | P | DRILL 12 1/4" SURFACE HOLE FROM 1095' TO 1287 ', 192' AVG ROP 77 FPH WOB 5-15K. TD RPM 90, FLOW RATE 650GPM, PUMP PSI 1800 . 5K ON BTM. CIRCULATING STEEL PITS MUD WEIGHT @ 9.0 PPG 39 SEC/QT VISCOSITY PUMP 25 BBL 60+ VIS GEL SWEEP EVERY 60' WITH 10 PPB LCM, 1 CUP POLY PLUS EVERY CONNECTION UNABLE TO RETRIEVE SURVEYS |
| Total Time | | 24.00 | | | | | |

| | | | | |
|--|---|----------------------|--------|-------------------|
| Safety Incident? | N | Days since Last RI: | 163.00 | Weather Comments: |
| Environ Incident? | N | Days since Last LTA: | 526.00 | |
| Incident Comments: No incidents reported last 24 hours. | | | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
USA

Date: 06/17/2012
Report No: 3

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. Travel 1.5mi headed east on lease road and turn right immediately after caliche pit. Travel .8mi headed South on lease road. Turn right when road dead ends and travel west .2mi. to location (University Chloe#8).

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32 21'15.73" N, LONGITUDE 102°23' 23'.08.78 "W, NAD 27

NOTIFIED TRRC : AUDREY OPERATOR #2 AT 23:45, 6/15/12, INTENTION TO SPUD 12 1/4" HOLE, RUN & CEMENT 9 5/8" SURFACE CASING JOB #

SAFETY TOPIC OF THE DAY: STAYING HYDRATED

DAYS WORKED WITH NO LTA: 526

DAYS SINCE LAST RI: 163

TOTAL DAILY SAFETY MEETINGS:5

TOTAL DAILY NEAR MISSES: 0

TOTAL DAILY STOP CARDS: 2

TOTAL DAILY JSA'S REVIEWED: 15

TOTAL PERMITS TO WORK: 0

TOTAL LOTO'S: 0

PRE-SPUD RIG INSPECTIONS:0

POWER LINE CHECK LIST: 1

TOTAL SWA'S : 0

DAY CREW SHORT 0 MAN

NIGHT CREW SHORT 0MAN

TOTAL NPT TIME = 126 HOURS

BEST STOP CARD: OBSERVED EMPLOYEE MIXING MUD WITHOUT RESPIRATOR STOPPED HIM, WARNED HIM OF THE HAZARDS AND JOB CONTINUED WITHOUT INCIDENT

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
USA

Date: 06/18/2012
Report No: 4

Wellbore / Top MD: 00 @ 55 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,071.80ft DFS: 2.25
Today's MD: 1844 ft Progress: 557 ft Ground Elev: 3,056.40 ft Daily Cost: \$55,139
Prev MD: 1287 ft Rot Hrs Today: 8.50 hr AFE MD/Days: 11,450.0 / 13.6 days Cum Cost: \$317,468
PBMD: Avg ROP Today: 65.5 ft/hr AFE Number: 1141068#0402 AFE Cost: \$1,224,234

Current Formation: @ Lithology:

Current Ops:

24-Hr Summary: DRILL 12 1/4" SURFACE HOLE TO 1844', L/D BHA #1 & RAN 9 5/8" SURFACE CASING TO 1844'

24-Hr Forecast: RR: 6/28/2012 ROL: 6/29/2012 R/U HALLIBURTON & CEMENT AS PER PROG, N/U, TIH, PERFORM CHOKE DRILL AND FIT TEST AND DRILL !

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|-------------------|-------------------|----------------|-------------|-------|---------|-----|-----|
| Last Casing: | 16.000in @ 55ft | Str Wt Up/Dn: | 98.0/ 82.0 kip | Pump Rate: | 659.5 | Conn: | 0 | 0 |
| Next Casing: | 9.625in @ 1,850ft | Str Wt Rot: | 90.0 kip | Pump Press: | 1900 | Trip: | 0 | 0 |
| Last BOP Press Test: | 06/03/2012 | Torq Off Btm: | 5,000.0 ft-lbf | | | Backgr: | 0 | 0 |
| Form Test/EMW: | | Torq On Btm: | 9,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|------|-----|-----|-----|------|
| Supervisor 1: | BILL LORANCE | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | DARRELL WERTHER | 0.0 | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 |
| Engineer: | IVAN OTERO | | | | | | | | |
| Geologist: | | | | | | | | | |
| Oxy Personnel: | 2 | | | | | | | | |
| Contractor Personnel: | 11 | | | | | | | | |
| Total on Site: | 13 | | | | | | | | |

| 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 | 13804 | M323 | 7x11 | 55 | 1844 | 1-1-NO-G | 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 |
| 1 | 8.50 | 32.00 | 557 | 1789 | 65.5 | 55.9 | 10.0/20.0 | 80/100 | 0.650 | 857 | 321.0 | 2.8 |

| MUD DATA - M-I SWACO | | | | | LAST OR CURRENT BHA | | | | |
|--|--------------|--------------|-----------|-----------|---------------------|--|--|--|--|
| Engineer: John Kruczek | MBT: | 0.0 lbm/bbl | BHA No: 1 | Bit No: 1 | MD In: 55 ft | | | | |
| Sample From: In | pH: | 8.0 | | | | | | | |
| Mud Type: Spud Mud | Pm / Pom: | 0.00 | | | | | | | |
| Time / MD: 15:30 / 1,844.0 | Pf / Mf: | 0.1 / 0.6 | | | | | | | |
| Density @ Temp: 9.50 / 90 | Chlorides: | 2,100 | | | | | | | |
| Rheology Temp: 120 | Ca+ / K+: | 240 / 0 | | | | | | | |
| Viscosity: 46.00 | CaCl2: | 0.00 | | | | | | | |
| PV / YP: 9 / 20 | Clom: | 0.39 | | | | | | | |
| Gels 10s/10m/30m: 14 / 19 / 22 | Lime: | 0.00 | | | | | | | |
| API WL: 11.00 | ES: | 100.20 | | | | | | | |
| HTHP WL: 0.00 | ECD: | 10.11 | | | | | | | |
| Cake API / HTHP: 2.0 / .0 | n / K: | 0.00 / 0.000 | | | | | | | |
| Solids / Sol Corr: 0.10 / 0.00 | Carbonate: | 2 ppm | | | | | | | |
| Oil / Water: 0.0 / 0.0 | Bicarbonate: | 0 ppm | | | | | | | |
| Sand: 1.00 | Form Loss: | 0.0 / 30.0 | | | | | | | |
| Water Added: 0.0 bbl | Fluid Disch: | / | | | | | | | |
| Oil Added: | | | | | | | | | |
| LGS: 8.60 / 78.60 | | | | | | | | | |
| VG Meter: 14@3 / 15@6 / 20@100 / 25@200 / 29@300 / 38@600 | | | | | | | | | |
| Comments: COMPLETED STARCH ADDITIONS TO ACTIVE SYSTEM. ONCE AT TD PUMPED HIGH-VIS GEL SWEEPS AND CIRCULATED PRIOR TO TOOH. NO ADDITIONAL FLUID TREATMENT AT THIS TIME. | | | | | | | | | |

| MUD PRODUCTS | | |
|---------------------|-------------|----------|
| Product | Units | Qty Used |
| Air Comp Rent | Each | 1.00 |
| Defoam A | Can, 5 gal | 3.00 |
| Engineering Service | Each | 1.00 |
| Federal Barite | Bag, 100 lb | 32.00 |
| Myacide GA25 | Can, 5 gal | 6.00 |
| My-Lo-Jel | Bag, 50 lb | 35.00 |
| Poly-Plus | Can, 5 gal | 1.00 |
| Premix Pit | each | 1.00 |
| Soda Ash | Bag, 50 lb | 3.00 |
| | | |
| | | |
| | | |

OXY USA INC
DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
USA

Date: 06/18/2012
Report No: 4

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|--|
| 0:00 | 1:30 | 1.50 | 14SUDR | DRILL | ROTVR | P | DRILL 12 1/4" SURFACE HOLE FROM 1287' TO 1415' , 128' AVG ROP 85 FPH WOB 5-15K. TD RPM 90, FLOW RATE 650GPM, PUMP PSI 1800 . 8K ON BTM. CIRCULATING STEEL PITS MUD WEIGHT @ 9.0 PPG 39 SEC/QT VISCOSITY PUMP 25 BBL 60+ VIS GEL SWEEP EVERY 60' WITH 10 PPB LCM, 1 CUP POLY PLUS EVERY CONNECTION SAFETY BREAK: PREVENTATIVE MAINTENANCE |
| 1:30 | 2:00 | 0.50 | 14SUDR | RIGMT | REP | PT | GRABBER BOX MALFUNCTIONED WHILE MAKING A CONNECTION |
| 2:00 | 6:00 | 4.00 | 14SUDR | DRILL | ROTVR | P | DRILL 12 1/4" SURFACE HOLE FROM 1415' TO 1700' , 285' AVG ROP 71 FPH WOB 5-15K. TD RPM 90, FLOW RATE 650GPM, PUMP PSI 1800 . 8K ON BTM. CIRCULATING STEEL PITS MUD WEIGHT @ 9.0 PPG 39 SEC/QT VISCOSITY PUMP 25 BBL 60+ VIS GEL SWEEP EVERY 60' WITH 10 PPB LCM, 1 CUP POLY PLUS EVERY CONNECTION UNABLE TO RETRIEVE SURVEYS |
| 6:00 | 8:30 | 2.50 | 14SUDR | DRILL | ROTVR | P | DRILL 12 1/4" SURFACE HOLE FROM 1700' TO 1844' , 144' AVG ROP 58FPH WOB 5-15K. TD RPM 90, FLOW RATE 650GPM, PUMP PSI 1800 . 8K ON BTM. CIRCULATING STEEL PITS MUD WEIGHT @ 9.0 PPG 39 SEC/QT VISCOSITY PUMP 25 BBL 60+ VIS GEL SWEEP EVERY 60' WITH 10 PPB LCM, 1 CUP POLY PLUS EVERY CONNECTION UNABLE TO RETRIEVE SURVEYS |
| 8:30 | 9:30 | 1.00 | 14SUDR | CIRC | CNDHOL | P | PUMP VISCOUS SWEEP AND CIRCULATE HOLE CLEAN |
| 9:30 | 16:00 | 6.50 | 14SUDR | TRIP | DRILL | P | TRIP OUT OF HOLE TO RUN 9 5/8" CASING TIGHT SPOT@ 1751-1731,1590-1571 LAY DOWN 8" DC STABILIZERS AND BIT HAVE TROUBLE WITH HYDRAULIC PUMP SYSTEM SAFETY BREAK: LAYING DOWN BHA |
| 16:00 | 17:00 | 1.00 | 14SUDR | OTHR | OTHER | P | CLEAN RIG FLOOR |
| 17:00 | 18:00 | 1.00 | 14SUDR | CSG | RIGUP | P | PJSM WITH RIG CREW AND CASING CREW RIG UP CASING RUNNING EQUIPMENT |
| 18:00 | 22:00 | 4.00 | 14SURC | CSG | RUNCSG | P | RUN 9 5/8" 36# J55 LTC CASING AS FOLLOWS: ? Guide Shoe – Weatherford Model 112 ? 1 joint 9?" 36# J55 LTC casing ? Float Collar - Weatherford Model 402E PDC Drillable ? 9?" 36# J55 LTC casing to surface ? Weatherford bow spring centralizers – Weatherford Model B110 as follows: ? 1 bow spring on collar stop 10' above shoe ? 1 bow spring on coupling above float collar ? 1 bow spring every 3 joints to cellar on couplings ? Total bow spring centralizers needed = 17 ? Casing makeup torque: ? Minimum: 3400 ft-lbs ? OPTIMUM: 4530 ft-lbs ? Maximum: 5660 ft-lbs TIGHT AT 177',265',665',830,1110', |
| 22:00 | 22:30 | 0.50 | 14SURC | CSG | RUNCSG | P | CONTINUE TO RUN CASING FROM 1110'-1628 WASH DOWN JOINT #36 TO 1452' SAFETY BREAK: TEAM WORK |
| 22:30 | 23:30 | 1.00 | 14SURC | CSG | RUNCSG | PT | LAY DOWN JOINT # 37 AND CHANGE OUT COLLAR ON JOINT # 36 DUE TO CROSS THREAD P/U JOINT #43 SAFETY BREAK: PINCH POINTS |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/18/2012
Report No: 4

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|--|------|-------|-----------------------------|---------|--------|---------|---------------------------------|
| 23:30 | 0:00 | 0.50 | 14SURC | CSG | RUNCSG | P | CONTINUE TO RUN CASING TO 1844' |
| Total Time | | 24.00 | | | | | |
| Safety Incident? | | N | Days since Last RI: | | 164.00 | | Weather Comments: |
| Environ Incident? | | N | Days since Last LTA: | | 527.00 | | |
| Incident Comments: No incidents reported last 24 hours. | | | | | | | |
| Other Remarks: <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. Travel 1.5mi headed east on lease road and turn right immediately after caliche pit. Travel .8mi headed South on lease road. Turn right when road dead ends and travel west .2mi. to location (University Chloe#8).</p> <p>FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32 21'15.73" N, LONGITUDE 102°23' 23'.08.78 "W, NAD 27</p> <p>NOTIFIED TRRC : AUDREY OPERATOR #2 AT 23:45, 6/15/12, INTENTION TO SPUD 12 1/4" HOLE, RUN & CEMENT 9 5/8" SURFACE CASING JOB #</p> <p>SAFETY TOPIC OF THE DAY: STAYING HYDRATED DAYS WORKED WITH NO LTA: 527 DAYS SINCE LAST RI: 164 TOTAL DAILY SAFETY MEETINGS:4 TOTAL DAILY NEAR MISSES: 0 TOTAL DAILY STOP CARDS: 2 TOTAL DAILY JSA'S REVIEWED: 14 TOTAL PERMITS TO WORK: 0 TOTAL LOTO'S: 0 PRE-SPUD RIG INSPECTIONS:0 POWER LINE CHECK LIST: 0 TOTAL SWA'S : 0 DAY CREW SHORT 0 MAN NIGHT CREW SHORT 0MAN TOTAL NPT TIME = 127.5 HOURS</p> <p>BEST STOP CARD: OBSERVED THIRD PARTY EMPLOYEE NOT WEARING PROPER PPE STOPPED HIM, WARNED HIM OF THE HAZARDS AND INFORMED HIM OF OXY POLICY, HE COMPLIED AND JOB CONTINUED WITHOUT INCIDENTS</p> | | | | | | | |

DAILY OPERATIONS PARTNER REPORT

Date: 06/19/2012
Report No: 5

[illegible]

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/19/2012
 Report No: 5

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|--|
| 0:00 | 1:00 | 1.00 | 14SURC | CSG | RUNCSG | P | TAG BOTTOM WITH CASING @ 1844' |
| 1:00 | 1:30 | 0.50 | 14SURC | CIRC | CNDFLD | P | CIRCULATE & CONDITION MUD |
| 1:30 | 2:00 | 0.50 | 14SURC | SAFE | PJSM | P | PJSM WITH HALLIBURTON AND RIG UP EQUIPMENT |
| 2:00 | 4:00 | 2.00 | 14SURC | CMT | PRIM | P | CEMENT 9 5/8" CASING AS PER PROG Fluid 1: 10 bbl freshwater spacer Fluid 2: 20 bbl gel pill Fluid 3: Lead with 360 sks Premium Plus Cement Fluid Weight 13.50 lbm/gal 94 lbm/sk Premium Plus Cement (Cement) Slurry Yield: 1.76 ft ³ /sk 4 % Bentonite (Light Weight Additive) Total Mixing Fluid: 9.1 Gal/sk 2 % Calcium Chloride (Accelerator) Top of Fluid: 0 ft 2 lbm/sk Kol-Seal (Lost Circulation Additive) Calculated Fill: 1229.10 ft Volume: 113.00 bbl Calculated Sacks: 453.67 sks Proposed Sacks: 460 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 4: Tail-in with 300 sks Premium Plus Cement Fluid Weight 14.80 lbm/gal 94 lbm/sk Premium Plus Cement (Cement) Slurry Yield: 1.36 ft ³ /sk 2 % Calcium Chloride (Accelerator) Total Mixing Fluid: 6.27 Gal/sk 2 lbm/sk Kol-Seal (Lost Circulation Additive) Top of Fluid: 1229.10 ft Calculated Fill: 620.90 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 #5 fresh water 139 bbls (displacement) 74 bbls of cement to surface 236 sacks Floats held 1.5 bbls back |
| 4:00 | 4:30 | 0.50 | 14SURC | CMT | RIGUP | P | HOLD PJSM & RIG DOWN HALLIBURTON |
| 4:30 | 5:00 | 0.50 | 14SURC | SAFE | PJSM | P | HOLD PJSM WITH ALL CREWS BEFORE WELD ON AND NIPPLE UP |
| 5:00 | 6:00 | 1.00 | 14SURC | WLHD | RWH | P | MAKE ROUGH CUT ON CONDUCTOR AND MAKE ROUGH CUT ON CASING. LAY OUT CUT OFF. |
| 6:00 | 8:00 | 2.00 | 14SURC | WLHD | RWH | P | FINAL CUT CASING, WELD ON WELL HEAD & TEST SAME TO 1414 PSI. TEST GOOD |
| 8:00 | 11:00 | 3.00 | 14SURC | BOP | RUBOP | P | 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 |
| 11:00 | 17:00 | 6.00 | 14SURC | BOP | TSTBOP | P | TEST ANNULAR 1500 PSI , BLIND AND PIPE RAMS TO 250 PSI LOW AND 2100 PSI HIGH AND HOLD FOR 5 MINUTES. TEST ALL LINES AND SURFACE EQUIPMENT BACK TO MUD PUMP TO 250 PSI LOW AND 3500 PSI HIGH. AND HOLD FOR 5 MINUTES. TEST 9 5/8" CASING TO 2100 PSI AND HOLD FOR 30 MIN. |
| 17:00 | 17:30 | 0.50 | 14SURC | OTHR | OTHER | P | INSTALL WEAR BUSHING |
| 17:30 | 18:00 | 0.50 | 14SURC | TRIP | BHA | P | MAKE UP BIT TO MOTOR |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/19/2012
 Report No: 5

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|---|
| 18:00 | 22:00 | 4.00 | 14SURC | TRIP | BHA | P | TRIP IN HOLE WITH BHA # 2 AS FOLLOWS: ? 8 3/4" PDC bit ? 1 – 6.5" Baker motor XL/LS (0.16 rev/gal) ? 1 – 6.5" DC ? Roller Reamer (1/8" UG) ? 1 – 6.5" DC ? Roller Reamer (1/8" UG) ? NOV FLO-DRIFT ? 12 – 6 1/2" Spiral DC ? 8 - 4 1/2" HWDP ? 1 X Jar (To be run in Tension) ? 5 - 4 1/2" HWDP SURVEY AT 500 MISS FIRE SURVEY AT 1000 MISS FIRE SURVEY AT 1733 .50 DEG SAFETY BREAK: PICKING UP BHA |
| 22:00 | 0:00 | 2.00 | 14SURC | TRIP | BHA | P | CONTINUE TO TRIP IN HOLE AND TAG CEMENT @ 1797' |
| Total Time | | 24.00 | | | | | |

| | | | | |
|--|---|----------------------|--------|-------------------|
| Safety Incident? | N | Days since Last RI: | 165.00 | Weather Comments: |
| Environ Incident? | N | Days since Last LTA: | 528.00 | |
| 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. Travel 1.5mi headed east on lease road and turn right immediately after caliche pit. Travel .8mi headed South on lease road. Turn right when road dead ends and travel west .2mi. to location (University Chloe#8).

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32 21'15.73" N, LONGITUDE 102°23' 23'.08.78 "W, NAD 27

NOTIFIED TRRC : AUDREY OPERATOR #2 AT 23:45, 6/15/12, INTENTION TO SPUD 12 1/4" HOLE, RUN & CEMENT 9 5/8" SURFACE CASING JOB #

SAFETY TOPIC OF THE DAY: STAYING HYDRATED
 DAYS WORKED WITH NO LTA: 528
 DAYS SINCE LAST RI: 165
 TOTAL DAILY SAFETY MEETINGS:4
 TOTAL DAILY NEAR MISSES: 0
 TOTAL DAILY STOP CARDS: 2
 TOTAL DAILY JSA'S REVIEWED: 15
 TOTAL PERMITS TO WORK: 1
 TOTAL LOTO'S: 0
 PRE-SPUD RIG INSPECTIONS:0
 POWER LINE CHECK LIST: 0
 TOTAL SWA'S : 0
 DAY CREW SHORT 0 MAN
 NIGHT CREW SHORT 0MAN
 TOTAL NPT TIME = 127.5 HOURS

BEST STOP CARD: OBSERVED EMPLOYEE WORKING OVER 4 FT WITHOUT BEING TIED OFF,STOPPED HIM , WARNED HIM OF THE HAZARDS AND INFORMED HIM OF OXY POLICY HE COMPLIED AND JOB CONTINUED WITHOUT INCIDENT

DAILY OPERATIONS PARTNER REPORT

Date: 06/20/2012
Report No: 6

| MUD PRODUCTS | | |
|---------------------|------------|----------|
| Product | Units | Qty Used |
| Air Comp Rent | Each | 1.00 |
| Engineering Service | Each | 1.00 |
| Lime | Bag, 50 lb | 54.00 |
| MF-55 | Can, 5 gal | 6.00 |
| M-I Gel Bulk | Ton | 20.00 |
| Poly-Plus | Can, 5 gal | 1.00 |
| Premix Pit | each | 1.00 |
| | | |
| | | |
| | | |
| | | |
| | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/20/2012
 Report No: 6

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|---|
| 0:00 | 0:30 | 0.50 | 14SURC | SAFE | PJSM | P | FILL ALL SURFACE EQUIPMENT AND PERFORM CHOKE DRILL |
| 0:30 | 1:00 | 0.50 | 14SURC | TRIP | BHA | P | DRILL CEMENT |
| 1:00 | 2:00 | 1.00 | 31PRDR | DRLOUT | DOCMT | P | DRILL 10 FT OF FORMATION, CIRCULATE HOLE CLEAN AND PERFORM FIT TEST 8.4MW X 362 PSI = 12.1 EMW TEST GOOD |
| 2:00 | 6:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 1854', TO 2250', 396' AVG ROP 99', FPH WOB 15-20K. TD RPM 80+TOTAL BIT RPM 176, FLOW RATE 600 GPM, PUMP PSI 1700. TORQUE 5K ON BOTTOM CIRCULATE INSIDE RESERVE MUD WT 8.5 VIS 28 PH 9 SAFETY BREAK: STAYING FOCUSED LAST 2 HRS OF HITCH PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| 6:00 | 10:00 | 4.00 | 31PRDR | DRILL | MTRVER | PT | DRILL 8 3/4" PRODUCTION HOLE FROM 2250', TO , 2804' 554AVG ROP 139', FPH WOB 6.2 K. TD RPM 88+TOTAL BIT RPM 176, FLOW RATE 350 GPM, PUMP PSI 1700. TORQUE 5K ON BOTTOM DRILLING WITH ONE PUMP CIRCULATE INSIDE RESERVE MUD WT 8.5 VIS 28 PH 9 SAFETY BREAK: STAYING FOCUSED FIRST DAY OF HITCH PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| 10:00 | 12:30 | 2.50 | 31PRDR | DRILL | MTRVER | PT | DRILL 8 3/4" PRODUCTION HOLE FROM 2804', TO 3005' , 201 AVG ROP 80', FPH WOB 6.2 K. TD RPM 88+TOTAL BIT RPM 176, FLOW RATE 350 GPM, PUMP PSI 17. TORQUE 5K ON BOTTOM DRILLING WITH ONE PUMP CIRCULATE INSIDE RESERVE MUD WT 8.5 VIS 28 PH 9 SAFETY BREAK: MAKING CONNECTIONS PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| 12:30 | 15:00 | 2.50 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 3005', TO 3359' , 354' AVG ROP 141', FPH WOB 15-20 K. TD RPM 88+TOTAL BIT RPM 176, FLOW RATE 633GPM, PUMP PSI 1900. TORQUE 8K ON BOTTOM CIRCULATE INSIDE RESERVE MUD WT 9.0 VIS 28 PH 9 SAFETY BREAK: BODY PLACEMENT PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/20/2012
 Report No: 6

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|---|
| 15:00 | 18:00 | 3.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 3359', TO 3649' , AVG ROP 96', FPH WOB 15-20 K. TD RPM 88+TOTAL BIT RPM 176, FLOW RATE 633GPM, PUMP PSI 1900. TORQUE 8K ON BOTTOM CIRCULATE INSIDE RESERVE MUD WT 9.2 VIS 28 PH 9 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| 18:00 | 20:30 | 2.50 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 3649', TO 3989' , AVG ROP 136', FPH WOB 15-20 K. TD RPM 88+TOTAL BIT RPM 176, FLOW RATE 633GPM, PUMP PSI 1900. TORQUE 9K ON BOTTOM CIRCULATE INSIDE RESERVE MUD WT 9.4 VIS 28 PH 9 SAFETY BREAK: BUFFER ZONES PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| 20:30 | 0:00 | 3.50 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 3989', TO 4445' , AVG ROP 130' , FPH WOB 15-20 K. TD RPM 88+TOTAL BIT RPM 176, FLOW RATE 633GPM, PUMP PSI 1900. TORQUE 10K ON BOTTOM CIRCULATE INSIDE RESERVE MUD WT 9.5 VIS 28 PH 9 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 166.00 Weather Comments:

Environ Incident? N Days since Last LTA: 529.00

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. Travel 1.5mi headed east on lease road and turn right immediately after caliche pit. Travel .8mi headed South on lease road. Turn right when road dead ends and travel west .2mi. to location (University Chloe#8).

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32 21'15.73" N, LONGITUDE 102°23' 23'.08.78 "W, NAD 27

NOTIFIED TRRC : AUDREY OPERATOR #2 AT 23:45, 6/15/12, INTENTION TO SPUD 12 1/4" HOLE, RUN & CEMENT 9 5/8" SURFACE CASING JOB #

SAFETY TOPIC OF THE DAY: STAYING HYDRATED

DAYS WORKED WITH NO LTA: 529
 DAYS SINCE LAST RI: 166
 TOTAL DAILY SAFETY MEETINGS:5
 TOTAL DAILY NEAR MISSES: 0
 TOTAL DAILY STOP CARDS: 2
 TOTAL DAILY JSA'S REVIEWED: 14
 TOTAL PERMITS TO WORK: 0
 TOTAL LOTO'S: 0
 PRE-SPUD RIG INSPECTIONS:0
 POWER LINE CHECK LIST: 0
 TOTAL SWA'S : 0
 DAY CREW SHORT 0 MAN
 NIGHT CREW SHORT 0MAN
 TOTAL NPT TIME = 127.5 HOURS

BEST STOP CARD: OBSERVED EMPLOYEE POWER WASHING WITHOUT FACE SHIELD STOPPED HIM AND INFORMED HIM OF THE HAZARDS, HE COMPLIED AND JOB CONTINUED WITHOUT INCIDENT

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/21/2012
 Report No: 7

Wellbore / Top MD: 00 @ 55 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,071.80ft DFS: 5.25
 Today's MD: 6233 ft Progress: 1788 ft Ground Elev: 3,056.40 ft Daily Cost: \$44,482
 Prev MD: 4445 ft Rot Hrs Today: 23.50 hr AFE MD/Days: 11,450.0 / 13.6 days Cum Cost: \$497,563
 PBMD: Avg ROP Today: 76.1 ft/hr AFE Number: 1141068#0402 AFE Cost: \$1,224,234

Current Formation: SAN ANDRES@5,200.0

Lithology:

Current Ops:

24-Hr Summary: DRILLED 8 3/4" PRODUCTION HOLE TO 4445'

24-Hr Forecast: RR 6/28/2012 ROL 6/29/2012 DRILL 8 3/4" PRODUCTION HOLE

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|------------------|-------------|-------|---------|-----|-----|
| Last Casing: | 9.625in @ 1,844ft | Str Wt Up/Dn: | 135.0/ 125.0 kip | Pump Rate: | 386.9 | Conn: | 0 | 0 |
| Next Casing: | 5.500in @ 11,450ft | Str Wt Rot: | 130.0 kip | Pump Press: | 1300 | Trip: | 0 | 0 |
| Last BOP Press Test: | 06/19/2012 | Torq Off Btm: | 3,500.0 ft-lbf | | | Backgr: | 0 | 0 |
| Form Test/EMW: | FIT / 12.16 ppg | Torq On Btm: | 8,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|----------|------|-----|------|------|
| Supervisor 1: | BILL LORANCE | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | DARRELL WERTHER | 5,221.0 | 1.00 | 0.00 | 5,220.33 | 72.1 | 0.0 | 72.1 | 0.02 |
| Engineer: | IVAN OTERO | 4,395.0 | 0.80 | 0.00 | 4,394.43 | 59.2 | 0.0 | 59.2 | 0.01 |
| Geologist: | | 2,600.0 | 1.80 | 0.00 | 2,599.78 | 25.0 | 0.0 | 25.0 | 0.15 |
| Oxy Personnel: | 2 | 3,467.0 | 0.90 | 0.00 | 3,466.54 | 45.4 | 0.0 | 45.4 | 0.10 |
| Contractor Personnel: | 11 | 1,733.0 | 0.50 | 0.00 | 1,732.98 | 7.6 | 0.0 | 7.6 | 0.03 |
| Total on Site: | 13 | 0.0 | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 |

BIT RECORD

| Bit No | Size | Manufacturer | Model | Serial No | IADC Code | Nozzles | MD In | MD Out | I-O-D-L | B-G-O-R |
|--------|-------|--------------------|-------|-----------|-----------|---------|-------|--------|---------|---------|
| 2 | 8.750 | ULTERRA DRILLING T | U616M | 14875 | M323 | 6x13 | 1844 | | -- | -- |
| | | | | | | | | | | |

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 | 45.50 | 1788 | 4389 | 76.1 | 96.5 | 18.0/22.0 | 65/95 | 0.778 | 212 | 159.6 | 0.8 |

MUD DATA - M-I SWACO

Engineer: Brandon Smith MBT: 10.0 lbm/bbl
 Sample From: In pH: 10.0
 Mud Type: Spud Mud Pm / Pom: 0.00
 Time / MD: 17:30 / 5,901.0 Pf / Mf: 0.3 / 0.5
 Density @ Temp: 9.30 / 95 Chlorides: 30,000
 Rheology Temp: 120 Ca+ / K+: 320 / 0
 Viscosity: 44.00 CaCl2: 0.00
 PV / YP: 5 / 20 Clom: 0.00
 Gels 10s/10m/30m: 16 / 19 / 23 Lime: 0.00
 API WL: 45.00 ES: 0.00
 HTHP WL: 0.00 ECD: 9.69
 Cake API / HTHP: 2.0 / .0 n / K: 0.00 /
 Solids / Sol Corr: 1.40 / 0.00 Carbonate: 6 ppm
 Oil / Water: 0.0 / 94.8 Bicarbonate: 0 ppm
 Sand: 0.02 Form Loss: 0.0 / 30.0
 Water Added: 0.0 bbl Fluid Disch: /
 Oil Added:
 LGS: 5.20 / 47.70

VG Meter: 16@3 / 18@6 / 21@100 / 23@200 / 25@300 / 30@600

Comments: Last 24 hrs: Drilled 8.75" hole from 3937" to 5000"
 Displaced hole at 5000" at 4:00 with GelMud and drilled to current d

LAST OR CURRENT BHA

| | | | | | |
|-----------------------------|-------|-----------|-----|----------------|--|
| BHA No: 2 | | Bit No: 2 | | MD In: 1844 ft | |
| Purpose: | | MD Out: | | | |
| Component | OD | ID | Jts | Length | |
| HWDP | 4.500 | 2.870 | 5 | 151.35 | |
| DRILLING JAR | 6.500 | 2.810 | 1 | 32.64 | |
| HWDP | 4.500 | 2.810 | 8 | 243.53 | |
| DRILL COLLAR | 6.310 | 2.870 | 12 | 352.57 | |
| MWD TOOL | 6.500 | 2.870 | 1 | 4.28 | |
| WIRED ROLLER REAMER | 6.750 | 2.870 | 1 | 7.62 | |
| DRILL COLLAR | 6.250 | 2.370 | 1 | 30.51 | |
| WIRED ROLLER REAMER | 6.560 | 2.370 | 1 | 7.35 | |
| DRILL COLLAR | 6.250 | 2.870 | 1 | 28.88 | |
| POSITIVE DISPLACEMENT MOTOR | 6.500 | 3.260 | 1 | 32.07 | |
| PDC BIT | 8.750 | | 1 | 1.00 | |
| | | | | | |
| | | | | | |
| | | | | | |

Total Length: 891.80 ft Wt below Jars:

MUD PRODUCTS

| Product | Units | Qty Used |
|-------------------------|------------|----------|
| Air Comp Rent | Each | 1.00 |
| Caustic Soda | Bag, 50 lb | 11.00 |
| Engineering Service | Each | 1.00 |
| Hubercarb M200 (Medium) | Bag, 50 lb | 7.00 |
| Lime | Bag, 50 lb | 1.00 |
| Premix Pit | each | 1.00 |
| Soda Ash | Bag, 50 lb | 50.00 |
| | | |
| | | |
| | | |
| | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/21/2012
 Report No: 7

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 FROM 4445', TO 4509' , AVG ROP 64 FPH WOB 15-20 K. TD RPM 88+TOTAL BIT RPM 176, FLOW RATE 633GPM, PUMP PSI 2000. TORQUE 10K ON BOTTOM</p> <p>CIRCULATE INSIDE RESERVE</p> <p>MUD WT 9.5 VIS 28 PH 9</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90</p> |
| 1:00 | 1:30 | 0.50 | 31PRDR | DRILL | MTRVER | PT | <p>DRILL 8 3/4" PRODUCTION HOLE FROM 4509', TO 4528' , AVG ROP 38 FPH WOB 15-20 K. TD RPM 88+TOTAL BIT RPM 176, FLOW RATE 633GPM, PUMP PSI 2000. TORQUE 10K ON BOTTOM</p> <p>DRILLING WITH 1 PUMP CIRCULATE INSIDE RESERVE</p> <p>MUD WT 9.5 VIS 28 PH 9</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90</p> |
| 1:30 | 4:00 | 2.50 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE FROM 4528', TO 4837' , AVG ROP 123 FPH WOB 15-20 K. TD RPM 88+TOTAL BIT RPM 176, FLOW RATE 633GPM, PUMP PSI 2100. TORQUE 10K ON BOTTOM</p> <p>CIRCULATE INSIDE RESERVE</p> <p>MUD WT 9.8 VIS 28 PH 10</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90</p> |
| 4:00 | 6:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE FROM 4837', TO 5020' , AVG ROP 91 FPH WOB 15-20 K. TD RPM 88+TOTAL BIT RPM 176, FLOW RATE 633GPM, PUMP PSI 2100. TORQUE 10K ON BOTTOM</p> <p>DISPLACED HOLE @ 5000' 9800 STROKES</p> <p>CIRCULATE INSIDE RESERVE</p> <p>MUD WT 10 VIS 28 PH 10</p> <p>SAFETY BREAK: STAYING ALERT LAST TWO HRS OF TOUR</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60</p> |
| 6:00 | 10:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | <p>DRILL 8 3/4" PRODUCTION HOLE FROM 5020', TO 5327' , 307 AVG ROP 78 FPH WOB 20 K. TD RPM 94+TOTAL BIT RPM 193, FLOW RATE 633GPM, PUMP PSI 2100. TORQUE 8K ON BOTTOM</p> <p>CIRCULATE STEEL PITS</p> <p>MUD WT 8.8 VIS 44 PH 11</p> <p>PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60</p> <p>SAFETY BREAK: PICK UP DRILL PIPE WITH TAG LINE</p> |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/21/2012
 Report No: 7

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|---|
| 10:00 | 14:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 5327', TO 5715' , 388 AVG ROP 97 FPH WOB 20 K. TD RPM 94+TOTAL BIT RPM 193, FLOW RATE 633GPM, PUMP PSI 2100. TORQUE 8K ON BOTTOM CIRCULATE STEEL PITS MUD WT 8.9 VIS 44 PH 11 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60 SAFETY BREAK : HAND AND BODY PLACEMENT |
| 14:00 | 18:00 | 4.00 | 31PRDR | DRILL | MTRVER | PT | DRILL 8 3/4" PRODUCTION HOLE FROM 5715', TO 5942' , 227' AVG ROP 56 FPH WOB 20 K. TD RPM 94+TOTAL BIT RPM 193, FLOW RATE 390GPM, PUMP PSI 1260. TORQUE 8K ON BOTTOM CIRCULATE STEEL PITS DRILLING WITH ONE PUMP MUD WT 9.2 VIS 44 PH 11 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60 |
| 18:00 | 20:00 | 2.00 | 31PRDR | DRILL | MTRVER | PT | DRILL 8 3/4" PRODUCTION HOLE FROM 5942', TO 6033' , 91 ' AVG ROP 45 FPH WOB 20 K. TD RPM 94+TOTAL BIT RPM 193, FLOW RATE 390GPM, PUMP PSI 1260. TORQUE 8K ON BOTTOM STEEL PITS DRILLING WITH ONE PUMP MUD WT 9.2 VIS 43 PH 11 SAAFETY BREAK: 100% TIE OFF OVER 4 FT PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60 |
| 20:00 | 20:30 | 0.50 | 31PRDR | RIGMT | SRVRIG | P | RIG SERVICE |
| 20:30 | 0:00 | 3.50 | 31PRDR | DRILL | MTRVER | PT | DRILL 8 3/4" PRODUCTION HOLE FROM 6033', TO 6223' , 200 ' AVG ROP 57 FPH WOB 20 K. TD RPM 94+TOTAL BIT RPM 193, FLOW RATE 390GPM, PUMP PSI 1260. TORQUE 8K ON BOTTOM STEEL PITS DRILLING WITH ONE PUMP MUD WT 9.2 VIS 38 PH 11 SAFETY BREAK: SLIPS TRIPS AND FALLS PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60 |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 167.00

Environ Incident? N Days since Last LTA: 530.00

Incident Comments:

No incidents reported last 24 hours.

Weather Comments:

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
USA

Date: 06/21/2012
Report No: 7

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. Travel 1.5mi headed east on lease road and turn right immediately after caliche pit. Travel .8mi headed South on lease road. Turn right when road dead ends and travel west .2mi. to location (University Chloe#8).

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32 21'15.73" N, LONGITUDE 102°23' 23'.08.78 "W, NAD 27

NOTIFIED TRRC : AUDREY OPERATOR #2 AT 23:45, 6/15/12, INTENTION TO SPUD 12 1/4" HOLE, RUN & CEMENT 9 5/8" SURFACE CASING JOB #

SAFETY TOPIC OF THE DAY: STAYING HYDRATED

DAYS WORKED WITH NO LTA: 530

DAYS SINCE LAST RI: 167

TOTAL DAILY SAFETY MEETINGS:5

TOTAL DAILY NEAR MISSES: 0

TOTAL DAILY STOP CARDS: 2

TOTAL DAILY JSA'S REVIEWED: 14

TOTAL PERMITS TO WORK: 0

TOTAL LOTO'S: 0

PRE-SPUD RIG INSPECTIONS:0

POWER LINE CHECK LIST: 0

TOTAL SWA'S : 0

DAY CREW SHORT 0 MAN

NIGHT CREW SHORT 0MAN

TOTAL NPT TIME = 137.5 HOURS

BEST STOP CARD: OBSERVED EMPLOYEE NOT BEING 100% TIED OFF OVER 4 FT STOPPED HIM WARNED HIM OF THE HAZARDS AND INFORMED HIM OF OXY POLICY HE COMPLIED AND JOB CONTINUED WITHOUT INCIDENT

OXY USA INC
DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
USA

Date: 06/22/2012
Report No: 8

| | | | | | | | |
|--------------------------------------|------------|----------------|-------------|-------------------------------------|-------------------------|-------------|-------------|
| Wellbore / Top MD: | 00 @ 55 ft | Rig: | SAVANNA 643 | Ref Datum: | Original KB @3,071.80ft | DFS: | 6.25 |
| Today's MD: | 7480 ft | Progress: | 1247 ft | Ground Elev: | 3,056.40 ft | Daily Cost: | \$41,697 |
| Prev MD: | 6233 ft | Rot Hrs Today: | 24.00 hr | AFE MD/Days: | 11,450.0 / 13.6 days | Cum Cost: | \$539,260 |
| PBMD: | | Avg ROP Today: | 52.0 ft/hr | AFE Number: | 1141068#0402 | AFE Cost: | \$1,224,234 |
| Current Formation: CLEARFORK@7,200.0 | | | | Lithology: DOLOMITE/SHALE/LIMESTONE | | | |

Current Ops:

24-Hr Summary: DRILLED 8 3/4" PRODUCTION HOLE TO 7480 FT

24-Hr Forecast: RR 6/28/2012 ROL 6/29/2012 DRILL 8 3/4" PRODUCTION HOLE

| CASING/WELL CONTROL | HOOKLOAD & TORQUE | HYDRAULICS | MUD GAS | Avg | Max |
|---------------------------------|--------------------------------|------------------|---------|-----|-----|
| Last Casing: 9.625in @ 1,844ft | Str Wt Up/Dn: 155.0/ 140.0 kip | Pump Rate: 384.0 | Conn: | 0 | 0 |
| Next Casing: 5.500in @ 11,450ft | Str Wt Rot: 150.0 kip | Pump Press: 1500 | Trip: | 0 | 0 |
| Last BOP Press Test: 06/19/2012 | Torq Off Btm: 4,000.0 ft-lbf | | Backgr: | 0 | 0 |
| Form Test/EMW: FIT / 12.16 ppg | Torq On Btm: 8,000.0 ft-lbf | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|----------|------|-----|------|------|-------|
| Supervisor 1: | BILL LORANCE | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS | Build |
| Supervisor 2: | DARRELL WERTHER | 7,189.0 | 0.90 | 0.00 | 7,188.19 | 95.3 | 0.0 | 95.3 | 0.05 | 0.05 |
| Engineer: | IVAN OTERO | 6,238.0 | 0.40 | 0.00 | 6,237.25 | 84.6 | 0.0 | 84.6 | 0.06 | -0.06 |
| Geologist: | | 5,221.0 | 1.00 | 0.00 | 5,220.33 | 72.1 | 0.0 | 72.1 | 0.02 | 0.02 |
| Oxy Personnel: | 2 | 4,395.0 | 0.80 | 0.00 | 4,394.43 | 59.2 | 0.0 | 59.2 | 0.01 | -0.01 |
| Contractor Personnel: | 11 | 2,600.0 | 1.80 | 0.00 | 2,599.78 | 25.0 | 0.0 | 25.0 | 0.15 | 0.15 |
| Total on Site: | 13 | 3,467.0 | 0.90 | 0.00 | 3,466.54 | 45.4 | 0.0 | 45.4 | 0.10 | -0.10 |

| BIT RECORD | | | | | | | | | | |
|------------|-------|--------------------|-------|-----------|-----------|---------|-------|--------|----------|-----------|
| Bit No | Size | Manufacturer | Model | Serial No | IADC Code | Nozzles | MD In | MD Out | I-O-D-L | B-G-O-R |
| 2 | 8.750 | ULTERRA DRILLING T | U616M | 14875 | M323 | 6x13 | 1844 | 8709 | 1-1-BT-N | 1-I-CT-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 |
| 2 | 24.00 | 69.50 | 1247 | 5636 | 52.0 | 81.1 | 20.0/25.0 | 65/80 | 0.778 | 211 | 158.4 | 0.8 |

| MUD DATA - M-I SWACO | | | | LAST OR CURRENT BHA | | | | | |
|---|--|-----------------------|--|--|--|-----------|-------|----------------|--------|
| Engineer: Brandon Smith | | MBT: 10.0 lbm/bbl | | BHA No: 2 | | Bit No: 2 | | MD In: 1844 ft | |
| Sample From: In | | pH: 11.0 | | Purpose: MD Out: 8709 ft | | | | | |
| Mud Type: Spud Mud | | Pm / Pom: 0.00 | | Component | | OD | ID | Jts | Length |
| Time / MD: 14:30 / 7,050.0 | | Pf / Mf: 0.3 / 0.6 | | HWDP | | 4.500 | 2.870 | 5 | 151.35 |
| Density @ Temp: 9.30 / 90 | | Chlorides: 38,000 | | DRILLING JAR | | 6.500 | 2.810 | 1 | 32.64 |
| Rheology Temp: 129 | | Ca+ / K+: 320 / 0 | | HWDP | | 4.500 | 2.810 | 8 | 243.53 |
| Viscosity: 43.00 | | CaCl2: 0.00 | | DRILL COLLAR | | 6.310 | 2.870 | 12 | 352.57 |
| PV / YP: 7 / 28 | | Clom: 0.00 | | MWD TOOL | | 6.500 | 2.870 | 1 | 4.28 |
| Gels 10s/10m/30m: 21 / 23 / 26 | | Lime: 0.00 | | WIRED ROLLER REAMER | | 6.750 | 2.870 | 1 | 7.62 |
| API WL: 45.00 | | ES: 0.00 | | DRILL COLLAR | | 6.250 | 2.370 | 1 | 30.51 |
| HTHP WL: 0.00 | | ECD: 9.88 | | WIRED ROLLER REAMER | | 6.560 | 2.370 | 1 | 7.35 |
| Cake API / HTHP: 2.0 / .0 | | n / K: 0.00 / 0.000 | | DRILL COLLAR | | 6.250 | 2.870 | 1 | 28.88 |
| Solids / Sol Corr: 1.90 / 0.00 | | Carbonate: 5 ppm | | POSITIVE DISPLACEMENT MOTOR | | 6.500 | 3.260 | 1 | 32.07 |
| Oil / Water: 0.0 / 95.3 | | Bicarbonate: 0 ppm | | PDC BIT | | 8.750 | | 1 | 1.00 |
| Sand: 0.02 | | Form Loss: 0.0 / 30.0 | | | | | | | |
| Water Added: 70.0 bbl | | Fluid Disch: / | | | | | | | |
| Oil Added: | | | | | | | | | |
| LGS: 4.70 / 42.80 | | | | | | | | | |
| VG Meter: 20@3 / 24@6 / 30@100 / 33@200 / 35@300 / 42@600 | | | | Total Length: 891.80 ft Wt below Jars: | | | | | |
| Comments: Last 24 hrs: Drilled 8.75" hole from 5901" to current depth of 7050" Currently drilling ahead with 20,000 lbs on bit at | | | | | | | | | |

| MUD PRODUCTS | | |
|---------------------|------------|----------|
| Product | Units | Qty Used |
| Air Comp Rent | Each | 1.00 |
| Caustic Soda | Bag, 50 lb | 8.00 |
| Engineering Service | Each | 1.00 |
| Premix Pit | each | 1.00 |
| Soda Ash | Bag, 50 lb | 19.00 |
| | | |
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DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/22/2012
Report No: 8

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|---|
| 0:00 | 2:30 | 2.50 | 31PRDR | DRILL | MTRVER | PT | DRILL 8 3/4" PRODUCTION HOLE FROM 6223', TO 6356' , 133 ' AVG ROP 53 FPH WOB 20 K. TD RPM 94+TOTAL BIT RPM 193, FLOW RATE 390GPM, PUMP PSI 1260. TORQUE 8K ON BOTTOM CIRCULATING STEEL PITS DRILLING WITH ONE PUMP MUD WT 9.2 VIS 38 PH 11 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60 |
| 2:30 | 6:00 | 3.50 | 31PRDR | DRILL | MTRVER | PT | DRILL 8 3/4" PRODUCTION HOLE FROM 6356', TO 6555' , 199 ' AVG ROP 66 FPH WOB 20 K. TD RPM 94+TOTAL BIT RPM 193, FLOW RATE 390GPM, PUMP PSI 1260. TORQUE 8K ON BOTTOM CIRCULATING STEEL PITS DRILLING WITH ONE PUMP MUD WT 9.2 VIS 38 PH 11 SAFETY BREAK: USING PROPER TOOLS FOR THE JOB PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60 |
| 6:00 | 10:00 | 4.00 | 31PRDR | DRILL | ROTVR | PT | DRILL 8 3/4" PRODUCTION HOLE FROM 6555', TO 6789' , 234 ' AVG ROP 58.5 FPH WOB 20 K. TD RPM 94+TOTAL BIT RPM 193, FLOW RATE 390GPM, PUMP PSI 1260. TORQUE 8K ON BOTTOM CIRCULATING STEEL PITS SAFETY BREAK: TEAM WORK MUD WT 9.2 VIS 38 PH 11 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60 SAFETY BREAK: MAKING CONNECTION |
| 10:00 | 14:00 | 4.00 | 31PRDR | DRILL | ROTVR | PT | DRILL 8 3/4" PRODUCTION HOLE FROM 6789', TO 7030' , 241 ' AVG ROP 60 FPH WOB 20 K. TD RPM 94+TOTAL BIT RPM 193, FLOW RATE 390GPM, PUMP PSI 11500. TORQUE 8K ON BOTTOM CIRCULATING STEEL PITS DRILLING WITH ONE PUMP MUD WT 9.2 VIS 41 PH 10 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60 SAFETY BREAK: STAY HYDRATED |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/22/2012
 Report No: 8

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|--|-------|-------|----------|----------------------|--------|---------|---|
| 14:00 | 18:00 | 4.00 | 31PRDR | DRILL | ROTVR | PT | DRILL 8 3/4" PRODUCTION HOLE FROM 7030', TO 7237' , 207 ' AVG ROP 52 FPH WOB 20 K. TD RPM 94+TOTAL BIT RPM 193, FLOW RATE 390GPM, PUMP PSI 1500. TORQUE 8K ON BOTTOM CIRCULATING STEEL PITS DRILLING WITH ONE PUMP MUD WT 9.2 VIS 43 PH 11 SAFETY BREAK: FORKLIFT SAFETY PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60 |
| 18:00 | 22:00 | 4.00 | 31PRDR | DRILL | ROTVR | PT | DRILL 8 3/4" PRODUCTION HOLE FROM 7237', TO 7396' , 159 ' AVG ROP 40 FPH WOB 20-25K . TD RPM 94+TOTAL BIT RPM 150, FLOW RATE 390GPM, PUMP PSI 1500. TORQUE 8K ON BOTTOM CIRCULATING STEEL PITS DRILLING WITH ONE PUMP MUD WT 9.4 VIS 42 PH 10 SAFETY BREAK: MIXING CAUSTIC PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60 |
| 22:00 | 0:00 | 2.00 | 31PRDR | DRILL | ROTVR | PT | DRILL 8 3/4" PRODUCTION HOLE FROM 7396', TO 7480' , 84 ' AVG ROP 42 FPH WOB 20-25K . TD RPM 94+TOTAL BIT RPM 150, FLOW RATE 390GPM, PUMP PSI 1500. TORQUE 8K ON BOTTOM CIRCULATING STEEL PITS DRILLING WITH ONE PUMP MUD WT 9.4 VIS 42 PH 10 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60 |
| Total Time | | 24.00 | | | | | |
| Safety Incident? | | N | | Days since Last RI: | | 168.00 | Weather Comments: |
| Environ Incident? | | N | | Days since Last LTA: | | 531.00 | |
| Incident Comments: No incidents reported last 24 hours. | | | | | | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
USA

Date: 06/22/2012
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. Travel 1.5mi headed east on lease road and turn right immediately after caliche pit. Travel .8mi headed South on lease road. Turn right when road dead ends and travel west .2mi. to location (University Chloe#8).

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32 21'15.73" N, LONGITUDE 102°23' 23'.08.78 "W, NAD 27

NOTIFIED TRRC : AUDREY OPERATOR #2 AT 23:45, 6/15/12, INTENTION TO SPUD 12 1/4" HOLE, RUN & CEMENT 9 5/8" SURFACE CASING JOB #

SAFETY TOPIC OF THE DAY: STAYING HYDRATED

DAYS WORKED WITH NO LTA: 531

DAYS SINCE LAST RI: 168

TOTAL DAILY SAFETY MEETINGS:5

TOTAL DAILY NEAR MISSES: 0

TOTAL DAILY STOP CARDS: 2

TOTAL DAILY JSA'S REVIEWED: 14

TOTAL PERMITS TO WORK: 0

TOTAL LOTO'S: 0

PRE-SPUD RIG INSPECTIONS:0

POWER LINE CHECK LIST: 0

TOTAL SWA'S : 0

DAY CREW SHORT 0 MAN

NIGHT CREW SHORT 0MAN

TOTAL NPT TIME = 161.5 HOURS

BEST STOP CARD: OBSERVED EMPLOYEE NOT USING THREE PT CONTACT STOPPED HIM AND INFORMED HIM OF THE HAZARDS, HE COMPLIED AND JOB CONTINUED WITHOUT INCIDENT

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
USA

Date: 06/23/2012
Report No: 9

Wellbore / Top MD: 00 @ 55 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,071.80ft DFS: 7.25
Today's MD: 8595 ft Progress: 1115 ft Ground Elev: 3,056.40 ft Daily Cost: \$55,795
Prev MD: 7480 ft Rot Hrs Today: 23.50 hr AFE MD/Days: 11,450.0 / 13.6 days Cum Cost: \$595,055
PBMD: Avg ROP Today: 47.4 ft/hr AFE Number: 1141068#0402 AFE Cost: \$1,224,234
Current Formation: SPRABERRY@8,550.0 Lithology: DOLOMITE/SHALE/LIMESTONE

Current Ops:
24-Hr Summary: DRILLED 8 3/4" PRODUCTION HOLE TO 8595'
24-Hr Forecast: RR 6/28/2012 ROL 6/29/2012 DRILL 8 3/4" PRODUCTION HOLE

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|-------------------|-------------|-------|---------|-----|-----|
| Last Casing: | 9.625in @ 1,844ft | Str Wt Up/Dn: | 169.0 / 167.0 kip | Pump Rate: | 580.4 | Conn: | 0 | 0 |
| Next Casing: | 5.500in @ 11,450ft | Str Wt Rot: | 168.0 kip | Pump Press: | 2400 | Trip: | 0 | 0 |
| Last BOP Press Test: | 06/19/2012 | Torq Off Btm: | 4,000.0 ft-lbf | | | Backgr: | 0 | 0 |
| Form Test/EMW: | FIT / 12.16 ppg | Torq On Btm: | 9,500.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|----------|-------|-----|-------|------|
| Supervisor 1: | BILL LORANCE | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | DARRELL WERTHER | 7,885.0 | 2.20 | 0.00 | 7,883.92 | 114.2 | 0.0 | 114.2 | 0.19 |
| Engineer: | IVAN OTERO | 7,189.0 | 0.90 | 0.00 | 7,188.19 | 95.3 | 0.0 | 95.3 | 0.05 |
| Geologist: | | 6,238.0 | 0.40 | 0.00 | 6,237.25 | 84.6 | 0.0 | 84.6 | 0.06 |
| Oxy Personnel: | 2 | 5,221.0 | 1.00 | 0.00 | 5,220.33 | 72.1 | 0.0 | 72.1 | 0.02 |
| Contractor Personnel: | 11 | 4,395.0 | 0.80 | 0.00 | 4,394.43 | 59.2 | 0.0 | 59.2 | 0.01 |
| Total on Site: | 13 | 2,600.0 | 1.80 | 0.00 | 2,599.78 | 25.0 | 0.0 | 25.0 | 0.15 |

| BIT RECORD | | | | | | | | | | |
|------------|-------|--------------------|-------|-----------|-----------|---------|-------|--------|----------|-----------|
| Bit No | Size | Manufacturer | Model | Serial No | IADC Code | Nozzles | MD In | MD Out | I-O-D-L | B-G-O-R |
| 2 | 8.750 | ULTERRA DRILLING T | U616M | 14875 | M323 | 6x13 | 1844 | 8709 | 1-1-BT-N | 1-I-CT-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 |
| 2 | 23.50 | 93.00 | 1115 | 6751 | 47.4 | 72.6 | 20.0/25.0 | 65/90 | 0.778 | 477 | 239.4 | 2.7 |

| MUD DATA - M-I SWACO | | | LAST OR CURRENT BHA | | | | | |
|---|--------------|--------------|--|-----------|---------|---------|-----|--------|
| Engineer: Brandon Smith | MBT: | 10.5 lbm/bbl | BHA No: 2 | Bit No: 2 | MD In: | 1844 ft | | |
| Sample From: In | pH: | 10.0 | Purpose: | | MD Out: | 8709 ft | | |
| Mud Type: Spud Mud | Pm / Pom: | 0.00 | Component | | OD | ID | Jts | Length |
| Time / MD: 13:30 / 8,092.0 | Pf / Mf: | 0.4 / 0.7 | HWDP | | 4.500 | 2.870 | 5 | 151.35 |
| Density @ Temp: 9.30 / 90 | Chlorides: | 41,000 | DRILLING JAR | | 6.500 | 2.810 | 1 | 32.64 |
| Rheology Temp: 120 | Ca+ / K+: | 360 / 0 | HWDP | | 4.500 | 2.810 | 8 | 243.53 |
| Viscosity: 42.00 | CaCl2: | 0.00 | DRILL COLLAR | | 6.310 | 2.870 | 12 | 352.57 |
| PV / YP: 7 / 29 | Clom: | 0.00 | MWD TOOL | | 6.500 | 2.870 | 1 | 4.28 |
| Gels 10s/10m/30m: 22 / 24 / 26 | Lime: | 0.00 | WIRED ROLLER REAMER | | 6.750 | 2.870 | 1 | 7.62 |
| API WL: 45.00 | ES: | 0.00 | DRILL COLLAR | | 6.250 | 2.370 | 1 | 30.51 |
| HTHP WL: 0.00 | ECD: | 9.87 | WIRED ROLLER REAMER | | 6.560 | 2.370 | 1 | 7.35 |
| Cake API / HTHP: 2.0 / .0 | n / K: | 0.00 / 0.000 | DRILL COLLAR | | 6.250 | 2.870 | 1 | 28.88 |
| Solids / Sol Corr: 2.00 / 0.00 | Carbonate: | 8 ppm | POSITIVE DISPLACEMENT MOTOR | | 6.500 | 3.260 | 1 | 32.07 |
| Oil / Water: 0.0 / 95.5 | Bicarbonate: | 0 ppm | PDC BIT | | 8.750 | | 1 | 1.00 |
| Sand: 0.02 | Form Loss: | 0.0 / 30.0 | | | | | | |
| Water Added: 66.0 bbl | Fluid Disch: | / | | | | | | |
| Oil Added: | | | | | | | | |
| LGS: 4.50 / 41.00 | | | | | | | | |
| VG Meter: 21@3 / 25@6 / 29@100 / 32@200 / 36@300 / 43@600 | | | Total Length: 891.80 ft Wt below Jars: | | | | | |
| Comments: Last 24 hrs: Drilled from 7050" to 8092". Dumped 200 bbls to maintain MW <9.4. Currently drilling ahead with 26,000 lbs | | | | | | | | |

| MUD PRODUCTS | | |
|---------------------|------------|----------|
| Product | Units | Qty Used |
| Air Comp Rent | Each | 1.00 |
| Caustic Soda | Bag, 50 lb | 4.00 |
| Engineering Service | Each | 1.00 |
| M-I Gel Bulk | Ton | 30.00 |
| Premix Pit | each | 1.00 |
| Sapp | Bag, 50 lb | 2.00 |
| Soda Ash | Bag, 50 lb | 10.00 |
| | | |
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DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/23/2012
 Report No: 9

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|---|
| 0:00 | 4:00 | 4.00 | 31PRDR | DRILL | MTRVER | PT | DRILL 8 3/4" PRODUCTION HOLE FROM 7480', TO 7641' , 161 ' AVG ROP 40 FPH WOB 20-25K . TD RPM 94+TOTAL BIT RPM 150, FLOW RATE 390GPM, PUMP PSI 1500. TORQUE 8K ON BOTTOM CIRCULATING STEEL PITS DRILLING WITH ONE PUMP MUD WT 9.4 VIS 43 PH 10 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60 |
| 4:00 | 6:00 | 2.00 | 31PRDR | DRILL | MTRVER | PT | DRILL 8 3/4" PRODUCTION HOLE FROM 7641', TO 7741' , 100 ' AVG ROP 50 FPH WOB 20-25K . TD RPM 94+TOTAL BIT RPM 150, FLOW RATE 390GPM, PUMP PSI 1500. TORQUE 8K ON BOTTOM CIRCULATING STEEL PITS DRILLING WITH ONE PUMP MUD WT 9.4 VIS 43 PH 10 STAYING FOCUSED LAST TWO HRS OF TOUR PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60 |
| 6:00 | 10:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 7741', TO 7935' , 194 ' AVG ROP48.5 FPH WOB 20-25K . TD RPM 80+TOTAL BIT RPM 186, FLOW RATE 564GPM, PUMP PSI 2450. TORQUE 8K ON BOTTOM CIRCULATING STEEL PITS DRILLING WITH TWO PUMPS MUD WT 9.2 VIS 43 PH 11 SAFETY BREAK : PINCH POINTS PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60 |
| 10:00 | 14:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 7935', TO 8125' , 190 ' AVG ROP 47.5 FPH WOB 20-25K . TD RPM 80+TOTAL BIT RPM 186, FLOW RATE 564GPM, PUMP PSI 2450. TORQUE 8K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.2 VIS 43 PH 11 SAFETY BREAK: STAYING HYDRATED PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60 |
| 14:00 | 17:30 | 3.50 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 8125', TO 8251' , 126 ' AVG ROP 36 FPH WOB 20-25K . TD RPM 80+TOTAL BIT RPM 186, FLOW RATE 564GPM, PUMP PSI 2450. TORQUE 8K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.2 VIS 43 PH 11 SAFETY BREAK: SLIPS TRIPS AND FALLS PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60 |
| 17:30 | 18:00 | 0.50 | 31PRDR | RIGMT | SRVRIG | P | RIG SERVICE |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/23/2012
 Report No: 9

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|--|
| 18:00 | 22:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 8251', TO 8496' , 245 ' AVG ROP 61 FPH WOB 20-25K . TD RPM 80+TOTAL BIT RPM 186, FLOW RATE 564GPM, PUMP PSI 2450. TORQUE 8K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.2 VIS 43 PH 11 SAFETY BREAK: PINCH POINTS PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60 |
| 22:00 | 0:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 8496', TO 8595' , 99 ' AVG ROP 49 FPH WOB 20-25K . TD RPM 80+TOTAL BIT RPM 186, FLOW RATE 564GPM, PUMP PSI 2450. TORQUE 8K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.3 VIS 42 PH 11 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 169.00 Weather Comments:

Environ Incident? N Days since Last LTA: 532.00

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. Travel 1.5mi headed east on lease road and turn right immediately after caliche pit. Travel .8mi headed South on lease road. Turn right when road dead ends and travel west .2mi. to location (University Chloe#8).

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32 21'15.73" N, LONGITUDE 102°23' 23'.08.78 "W, NAD 27

NOTIFIED TRRC : AUDREY OPERATOR #2 AT 23:45, 6/15/12, INTENTION TO SPUD 12 1/4" HOLE, RUN & CEMENT 9 5/8" SURFACE CASING JOB #

SAFETY TOPIC OF THE DAY: STAYING HYDRATED

DAYS WORKED WITH NO LTA: 532

DAYS SINCE LAST RI: 169

TOTAL DAILY SAFETY MEETINGS:5

TOTAL DAILY NEAR MISSES: 0

TOTAL DAILY STOP CARDS: 2

TOTAL DAILY JSA'S REVIEWED: 15

TOTAL PERMITS TO WORK: 0

TOTAL LOTO'S: 0

PRE-SPUD RIG INSPECTIONS:0

POWER LINE CHECK LIST: 0

TOTAL SWA'S : 0

DAY CREW SHORT 0 MAN

NIGHT CREW SHORT 0MAN

TOTAL NPT TIME = 167.5 HOURS

BEST STOP CARD: OBSERVED EMPLOYEE NOT WEARING PROPER PPE WHILE MIXING CAUSTIC STOPPED HIM AND WARNED HIM OF THE HAZARDS, HE COMPLIED AND JOB CONTINUED WITHOUT INCIDENT

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
USA

Date: 06/24/2012
Report No: 10

Wellbore / Top MD: 00 @ 55 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,071.80ft DFS: 8.25
Today's MD: 8785 ft Progress: 190 ft Ground Elev: 3,056.40 ft Daily Cost: \$46,606
Prev MD: 8595 ft Rot Hrs Today: 5.50 hr AFE MD/Days: 11,450.0 / 13.6 days Cum Cost: \$641,660
PBMD: Avg ROP Today: 34.5 ft/hr AFE Number: 1141068#0402 AFE Cost: \$1,224,234

Current Formation: SPRABERRY@8,550.0

Lithology:

Current Ops:

24-Hr Summary: DRILLED 8 3/4" PRODUCTION HOLE TO 8709', TOH TO P/U BHA # 3, TIH AND DRILLED 7 7/8" PRODUCTION HOLE TO 8785'

24-Hr Forecast: RR 6/28/2012 ROL 6/29/2012 DRILL 7 7/8" PRODUCTION HOLE TO TD

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|------------------|-------------|-------|---------|-----|-----|
| Last Casing: | 9.625in @ 1,844ft | Str Wt Up/Dn: | 167.0/ 162.0 kip | Pump Rate: | 263.8 | Conn: | 38 | 40 |
| Next Casing: | 5.500in @ 11,450ft | Str Wt Rot: | 165.0 kip | Pump Press: | 2100 | Trip: | 38 | 40 |
| Last BOP Press Test: | 06/19/2012 | Torq Off Btm: | 4,000.0 ft-lbf | | | Backgr: | 36 | 36 |
| Form Test/EMW: | FIT / 12.16 ppg | Torq On Btm: | 9,500.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|----------|-------|-----|-------|------|-------|
| Supervisor 1: | BILL LORANCE | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS | Build |
| Supervisor 2: | DARRELL WERTHER | 8,645.0 | 0.90 | 0.00 | 8,643.62 | 134.7 | 0.0 | 134.7 | 0.17 | -0.17 |
| Engineer: | IVAN OTERO | 7,885.0 | 2.20 | 0.00 | 7,883.92 | 114.2 | 0.0 | 114.2 | 0.19 | 0.19 |
| Geologist: | | 7,189.0 | 0.90 | 0.00 | 7,188.19 | 95.3 | 0.0 | 95.3 | 0.05 | 0.05 |
| Oxy Personnel: | 2 | 6,238.0 | 0.40 | 0.00 | 6,237.25 | 84.6 | 0.0 | 84.6 | 0.06 | -0.06 |
| Contractor Personnel: | 11 | 5,221.0 | 1.00 | 0.00 | 5,220.33 | 72.1 | 0.0 | 72.1 | 0.02 | 0.02 |
| Total on Site: | 13 | 4,395.0 | 0.80 | 0.00 | 4,394.43 | 59.2 | 0.0 | 59.2 | 0.01 | -0.01 |

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 | 15318 | M423 | 6x16 | 8709 | | -- | -- |
| 2 | 8.750 | ULTERRA DRILLING T | U616M | 14875 | M323 | 6x13 | 1844 | 8709 | 1-1-BT-N | 1-I-CT-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 | 1.50 | 1.50 | 76 | 76 | 50.7 | 50.7 | 20.0/25.0 | 45/60 | 1.178 | 202 | 154.9 | 1.4 |
| 2 | 4.00 | 97.00 | 114 | 6865 | 28.5 | 70.8 | 18.0/25.0 | 40/55 | 0.778 | 463 | 234.6 | 2.6 |

MUD DATA - M-I SWACO

Engineer: Brandon Smith MBT: 10.5 lbm/bbl
Sample From: In pH: 10.0
Mud Type: Spud Mud Pm / Pom: 0.00
Time / MD: 15:00 / 8,709.0 Pf / Mf: 0.4 / 0.8
Density @ Temp: 9.40 / 90 Chlorides: 38,000
Rheology Temp: 120 Ca+ / K+: 320 / 0
Viscosity: 41.00 CaCl2: 0.00
PV / YP: 8 / 25 Clom: 0.00
Gels 10s/10m/30m: 22 / 24 / 25 Lime: 0.00
API WL: 45.00 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: 1.80 / 0.00 Carbonate: 8 ppm
Oil / Water: 0.0 / 94.5 Bicarbonate: 0 ppm
Sand: 0.02 Form Loss: 0.0 / 30.0
Water Added: 32.0 bbl Fluid Disch: /
Oil Added:
LGS: 5.50 / 49.80

VG Meter: 22@3 / 25@6 / 28@100 / 30@200 / 33@300 / 41@600

Comments: Last 24 hrs: Drilled 8.75" hole from 8092" to 8709" and
TOOH to Change bit to 7.625" Ulterra bit. Currently TIH.

LAST OR CURRENT BHA

| | | | | |
|-----------------------------|-----------|----------------|-----|--------|
| BHA No: 3 | Bit No: 3 | MD In: 8709 ft | | |
| Purpose: | MD Out: | | | |
| Component | OD | ID | Jts | Length |
| HWDP | 4.500 | 2.870 | 5 | 151.35 |
| DRILLING JAR | 6.500 | 2.810 | 1 | 32.64 |
| HWDP | 4.500 | 2.810 | 8 | 243.53 |
| DRILL COLLAR | 6.310 | 2.870 | 12 | 352.57 |
| MWD TOOL | 6.500 | 2.870 | 1 | 4.28 |
| WIRED ROLLER REAMER | 6.750 | 2.870 | 1 | 6.54 |
| DRILL COLLAR | 6.250 | 2.370 | 1 | 30.51 |
| WIRED ROLLER REAMER | 6.560 | 2.370 | 1 | 6.86 |
| POSITIVE DISPLACEMENT MOTOR | 6.500 | 3.260 | 1 | 32.12 |
| PDC BIT | 8.750 | | 1 | 1.00 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Total Length: 861.40 ft Wt below Jars:

MUD PRODUCTS

| Product | Units | Qty Used |
|---------------------|------------|----------|
| Air Comp Rent | Each | 1.00 |
| Caustic Soda | Bag, 50 lb | 3.00 |
| Engineering Service | Each | 1.00 |
| Lime | Bag, 50 lb | 13.00 |
| MF-55 | Can, 5 gal | 4.00 |
| Premix Pit | each | 1.00 |
| Soda Ash | Bag, 50 lb | 10.00 |
| | | |
| | | |
| | | |
| | | |
| | | |

OXY USA INC
DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
USA

Date: 06/24/2012
Report No: 10

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|--|
| 0:00 | 4:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 8 3/4" PRODUCTION HOLE FROM 8595', TO 8709 , 114 ' AVG ROP 28 FPH WOB 20-25K . TD RPM 80+TOTAL BIT RPM 186, FLOW RATE 564GPM, PUMP PSI 2450. TORQUE 8K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.3 VIS 42 PH 11 NOTE: FLO DRIFT TECH ON LOCATION TRYING TO RETRIEVE SURVEYS PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-60' |
| 4:00 | 5:00 | 1.00 | 31PRDR | CIRC | CNDHOL | P | CIRCULATE AND PREPARE FOR TOH TO P/U BHA # 2 |
| 5:00 | 6:00 | 1.00 | 31PRDR | TRIP | BHA | P | HOLD PJSM AND TOH WELL STATIC |
| 6:00 | 10:30 | 4.50 | 31PRDR | TRIP | BHA | P | CONTINUE TO PULL OUT HOLE |
| 10:30 | 13:00 | 2.50 | 31PRDR | TRIP | BHA | P | LAY DOWN REAMERS, FLOW DRIFT TOOL, MOTOR AND BIT SAFETY BREAK: P/U & L/D DOWN BHA |
| 13:00 | 17:00 | 4.00 | 31PRDR | TRIP | BHA | P | PICK UP BHA # 3 AS FOLLOWS AND TRIP IN HOLE: ? 7 7/8" PDC bit ? 1 – 6.5" Baker motor XL/LS (0.16 rev/gal) ? Roller Reamer (1/8" UG) ? 1 – 6.5" DC ? Roller Reamer (1/8" UG) ? NOV FLO-DRIFT ? 12 – 6 1/2" Spiral DC ? 8 - 4 1/2" HWDP ? 1 X Jar (To be run in Tension) ? 5 - 4 1/2" HWDP |
| 17:00 | 18:00 | 1.00 | 31PRDR | OTHR | OTHER | P | SLIP AND CUT DRILL LINE AT SHOE SAFETY BREAK: SLIP AND CUT DRILL LINE |
| 18:00 | 22:00 | 4.00 | 31PRDR | TRIP | BHA | P | CONTINUE TO TRIP IN HOLE WITH BHA # 3 HOLE GIVING PROPER DISPLACEMENT |
| 22:00 | 22:30 | 0.50 | 31PRDR | TRIP | BHA | P | BREAK CIRCULATION AND WASH LAST TWO STANDS TO BOTTOM |
| 22:30 | 0:00 | 1.50 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 8709', TO 8785 , 76 ' AVG ROP 50 FPH WOB 20-25K . TD RPM 80+TOTAL BIT RPM 186, FLOW RATE 564GPM, PUMP PSI 2100. TORQUE 8K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.3 VIS 42 PH 11 SAFETY BREAK: GOOD HOUSE KEEPING PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90' |

Total Time 24.00

| | | | | |
|---|---|-----------------------------|--------|--------------------------|
| Safety Incident? | N | Days since Last RI: | 170.00 | Weather Comments: |
| Environ Incident? | N | Days since Last LTA: | 533.00 | |
| Incident Comments: No incidents reported last 24 hours. | | | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
USA

Date: 06/24/2012
Report No: 10

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. Travel 1.5mi headed east on lease road and turn right immediately after caliche pit. Travel .8mi headed South on lease road. Turn right when road dead ends and travel west .2mi. to location (University Chloe#8).

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32 21'15.73" N, LONGITUDE 102°23' 23'.08.78 "W, NAD 27

NOTIFIED TRRC : AUDREY OPERATOR #2 AT 23:45, 6/15/12, INTENTION TO SPUD 12 1/4" HOLE, RUN & CEMENT 9 5/8" SURFACE CASING JOB #

SAFETY TOPIC OF THE DAY: STAYING HYDRATED

DAYS WORKED WITH NO LTA: 533

DAYS SINCE LAST RI: 170

TOTAL DAILY SAFETY MEETINGS: 4

TOTAL DAILY NEAR MISSES: 0

TOTAL DAILY STOP CARDS: 2

TOTAL DAILY JSA'S REVIEWED: 13

TOTAL PERMITS TO WORK: 0

TOTAL LOTO'S: 0

PRE-SPUD RIG INSPECTIONS:0

POWER LINE CHECK LIST: 0

TOTAL SWA'S : 0

DAY CREW SHORT 0 MAN

NIGHT CREW SHORT 0MAN

TOTAL NPT TIME = 167.5 HOURS

BEST STOP CARD: OBSERVED EMPLOYEE RUNNING DOWN STAIRS WITHOUT 3 PT CONTACT STOPPED HIM AND WARNED HIM OF THE HAZARDS, HE COMPLIED AND JOB CONTINUED WITHOUT INCIDENT

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
USA

Date: 06/25/2012
Report No: 11

Wellbore / Top MD: 00 @ 55 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,071.80ft DFS: 9.25
Today's MD: 10,166 ft Progress: 1381 ft Ground Elev: 3,056.40 ft Daily Cost: \$46,710
Prev MD: 8785 ft Rot Hrs Today: 24.00 hr AFE MD/Days: 11,450.0 / 13.6 days Cum Cost: \$688,370
PBMD: Avg ROP Today: 57.5 ft/hr AFE Number: 1141068#0402 AFE Cost: \$1,224,234
Current Formation: WOLFCAMP@9,900.0 Lithology: LIMESTONE/SHALE

Current Ops:

24-Hr Summary: DRILLED 7 7/8" PRODUCTION HOLE TO 10166'

24-Hr Forecast: (RR 6/28/2012 ROL 6/30/2012) DRILL 7 7/8" PRODUCTION HOLE TO TD AND LDDP TO RUN 5.5" CASING

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|-------------------|-------------|-------|---------|-----|-----|
| Last Casing: | 9.625in @ 1,844ft | Str Wt Up/Dn: | 185.0 / 178.0 kip | Pump Rate: | 562.8 | Conn: | 16 | 16 |
| Next Casing: | 5.500in @ 11,450ft | Str Wt Rot: | 183.0 kip | Pump Press: | 2600 | Trip: | 0 | 0 |
| Last BOP Press Test: | 06/19/2012 | Torq Off Btm: | 4,000.0 ft-lbf | | | Backgr: | 12 | 12 |
| Form Test/EMW: | FIT / 12.16 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: | DARRELL WERTHER | 9,596.0 | 0.40 | 0.00 | 9,594.92 | 132.0 | 0.0 | 132.0 | 0.05 |
| Engineer: | IVAN OTERO | 8,645.0 | 0.90 | 0.00 | 9,982.44 | 127.2 | 0.0 | 127.2 | 0.17 |
| Geologist: | | 8,645.0 | 0.90 | 0.00 | 8,643.98 | 121.2 | 0.0 | 121.2 | 0.00 |
| Oxy Personnel: | 2 | 7,885.0 | 2.20 | 0.00 | 9,222.74 | 106.6 | 0.0 | 106.6 | 0.19 |
| Contractor Personnel: | 11 | 7,189.0 | 0.90 | 0.00 | 7,188.16 | 98.3 | 0.0 | 98.3 | 0.05 |
| Total on Site: | 13 | 7,189.0 | 0.90 | 0.00 | 8,527.01 | 87.8 | 0.0 | 87.8 | 0.05 |

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 | 15318 | M423 | 6x16 | 8709 | | -- | -- |
| 2 | 8.750 | ULTERRA DRILLING T | U616M | 14875 | M323 | 6x13 | 1844 | 8709 | 1-1-BT-N | 1-I-CT-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 | 24.00 | 25.50 | 138 | 1457 | 57.5 | 57.1 | 20.0/25.0 | 65/40 | 1.178 | 198 | 153.3 | 1.3 |

MUD DATA - M-I SWACO

Engineer: Brandon Smith MBT: 12.5 lbm/bbl
Sample From: In pH: 10.0
Mud Type: Spud Mud Pm / Pom: 0.00
Time / MD: 18:30 / 9,858.0 Pf / Mf: 0.5 / 1.0
Density @ Temp: 9.40 / 90 Chlorides: 40,000
Rheology Temp: 120 Ca+ / K+: 320 / 0
Viscosity: 46.00 CaCl2: 0.00
PV / YP: 8 / 29 Clom: 0.00
Gels 10s/10m/30m: 25 / 27 / 29 Lime: 0.00
API WL: 45.00 ES: 0.00
HTHP WL: 0.00 ECD: 9.95
Cake API / HTHP: 2.0 / .0 n / K: 0.00 / 0.000
Solids / Sol Corr: 1.90 / 0.00 Carbonate: 10 ppm
Oil / Water: 0.0 / 94.7 Bicarbonate: 0 ppm
Sand: 0.02 Form Loss: 0.0 / 30.0
Water Added: 55.0 bbl Fluid Disch: /
Oil Added:
LGS: 5.30 / 48.60

VG Meter: 25@3 / 27@6 / 30@100 / 33@200 / 37@300 / 45@600

Comments: Last 24 hrs: TIH to bottom at 8709". Drilled 7.625" hole from 8709" to 9858". Currently Drilling ahead with 22;500 lbs

LAST OR CURRENT BHA

| | | | | |
|-----------------------------|-----------|----------------|-----|--------|
| BHA No: 3 | Bit No: 3 | MD In: 8709 ft | | |
| Purpose: | MD Out: | | | |
| Component | OD | ID | Jts | Length |
| HWDP | 4.500 | 2.870 | 5 | 151.35 |
| DRILLING JAR | 6.500 | 2.810 | 1 | 32.64 |
| HWDP | 4.500 | 2.810 | 8 | 243.53 |
| DRILL COLLAR | 6.310 | 2.870 | 12 | 352.57 |
| MWD TOOL | 6.500 | 2.870 | 1 | 4.28 |
| WIRED ROLLER REAMER | 6.750 | 2.870 | 1 | 6.54 |
| DRILL COLLAR | 6.250 | 2.370 | 1 | 30.51 |
| WIRED ROLLER REAMER | 6.560 | 2.370 | 1 | 6.86 |
| POSITIVE DISPLACEMENT MOTOR | 6.500 | 3.260 | 1 | 32.12 |
| PDC BIT | 8.750 | | 1 | 1.00 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Total Length: 861.40 ft Wt below Jars:

MUD PRODUCTS

| Product | Units | Qty Used |
|-------------------------|------------|----------|
| Air Comp Rent | Each | 1.00 |
| Caustic Soda | Bag, 50 lb | 8.00 |
| Engineering Service | Each | 1.00 |
| Hubercarb M200 (Medium) | Bag, 50 lb | 7.00 |
| Lime | Bag, 50 lb | 7.00 |
| Premix Pit | each | 1.00 |
| Soda Ash | Bag, 50 lb | 13.00 |
| | | |
| | | |
| | | |
| | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/25/2012
 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 | DRILL 7 7/8" PRODUCTION HOLE FROM 8785', TO 9018' , 233 ' AVG ROP 58 FPH WOB 20-25K . TD RPM 80+TOTAL BIT RPM 186, FLOW RATE 564GPM, PUMP PSI 2100. TORQUE 10K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.3 VIS 42 PH 11 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| 4:00 | 6:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 9018', TO 9140' , 122 ' AVG ROP 61 FPH WOB 20-25K . TD RPM 80+TOTAL BIT RPM 186, FLOW RATE 564GPM, PUMP PSI 2100. TORQUE 10K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.3 VIS 42 PH 11 SAFETY BREAK: STAYING FOCUSED LAST TWO HRS OF TOUR PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| 6:00 | 10:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 9140', TO 9400' , 260 ' AVG ROP 65 FPH WOB 20-25K . TD RPM 80+TOTAL BIT RPM 186, FLOW RATE 564GPM, PUMP PSI 2800. TORQUE 10K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.3 VIS 42 PH 10 SAFETY BREAK: MAKING CONNECTION PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| 10:00 | 14:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 9400', TO 9655' , 255 ' AVG ROP 64 FPH WOB 20-25K . TD RPM 70+TOTAL BIT RPM 148, FLOW RATE 520GPM, PUMP PSI 2800. TORQUE 8- 10K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.3 VIS 42 PH 10 SAFETY BREAK: STAY HYDRATED PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90' |
| 14:00 | 18:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 9655', TO 9850' , 195 ' AVG ROP 48 FPH WOB 20-25K . TD RPM 70+TOTAL BIT RPM 148, FLOW RATE 520GPM, PUMP PSI 2700. TORQUE 8- 10K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.2 VIS 45 PH 10 SAFETY BREAK: GOOD HOUSEKEEPING PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90' |
| 18:00 | 22:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 9850', TO 10056' , 206 ' AVG ROP 51 FPH WOB 20-25K . TD RPM 70+TOTAL BIT RPM 148, FLOW RATE 520GPM, PUMP PSI 2700. TORQUE 8- 10K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.2 VIS 45 PH 10 SAFETY BREAK: FORKLIFT SAFETY PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/25/2012
 Report No: 11

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|------|-------|----------|---------|--------|---------|--|
| 22:00 | 0:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 10056', TO 10166' , 110 ' AVG ROP 55 FPH WOB 20-25K . TD RPM 70+TOTAL BIT RPM 148, FLOW RATE 520GPM, PUMP PSI 2700. TORQUE 8- 10K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.2 VIS 45 PH 10 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 171.00 Weather Comments:

Environ Incident? N Days since Last LTA: 534.00

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. Travel 1.5mi headed east on lease road and turn right immediately after caliche pit. Travel .8mi headed South on lease road. Turn right when road dead ends and travel west .2mi. to location (University Chloe#8).

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32 21'15.73" N, LONGITUDE 102°23' 23'.08.78 "W, NAD 27

NOTIFIED TRRC : AUDREY OPERATOR #2 AT 23:45, 6/15/12, INTENTION TO SPUD 12 1/4" HOLE, RUN & CEMENT 9 5/8" SURFACE CASING JOB #

SAFETY TOPIC OF THE DAY: STAYING HYDRATED

DAYS WORKED WITH NO LTA: 534

DAYS SINCE LAST RI: 171

TOTAL DAILY SAFETY MEETINGS: 5

TOTAL DAILY NEAR MISSES: 0

TOTAL DAILY STOP CARDS: 2

TOTAL DAILY JSA'S REVIEWED: 14

TOTAL PERMITS TO WORK: 0

TOTAL LOTO'S: 0

PRE-SPUD RIG INSPECTIONS:0

POWER LINE CHECK LIST: 0

TOTAL SWA'S : 0

DAY CREW SHORT 0 MAN

NIGHT CREW SHORT 0MAN

TOTAL NPT TIME = 167.5 HOURS

BEST STOP CARD: OBSERVED EMPLOYEE STANDING IN BUFFER ZONE WHILE HOISTING PIPE INTO MOUSE HOLE STOPPED HIM AND WARNED HIM OF THE HAZARDS, HE COMPLIED AND JOB CONTINUED WITHOUT INCIDENT

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/26/2012
 Report No: 12

Wellbore / Top MD: 00 @ 55 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,071.80ft DFS: 10.25
 Today's MD: 11,268 ft Progress: 1102 ft Ground Elev: 3,056.40 ft Daily Cost: \$42,530
 Prev MD: 10,166 ft Rot Hrs Today: 24.00 hr AFE MD/Days: 11,450.0 / 13.6 days Cum Cost: \$730,900
 PBMD: Avg ROP Today: 45.9 ft/hr AFE Number: 1141068#0402 AFE Cost: \$1,224,234
 Current Formation: STRAWN@11,000.0 Lithology: LIMESTONE/SHALE/CHERT

Current Ops:
 24-Hr Summary: DRILLED 7 7/8" PRODUCTION HOLE TO 11268'
 24-Hr Forecast: (RR 6/28/2012 ROL 6/30/2012) TD 7 7/8" PRODUCTION HOLE @ 11461', LDDP, R/U CASING CREW & RUN 5.5" CASING TO 11461'

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|-------------------|-------------|-------|---------|-----|-----|
| Last Casing: | 9.625in @ 1,844ft | Str Wt Up/Dn: | 220.0 / 200.0 kip | Pump Rate: | 556.9 | Conn: | | |
| Next Casing: | 5.500in @ 11,450ft | Str Wt Rot: | 215.0 kip | Pump Press: | 2500 | Trip: | | |
| Last BOP Press Test: | 06/19/2012 | Torq Off Btm: | 5,000.0 ft-lbf | | | Backgr: | | |
| Form Test/EMW: | FIT / 12.16 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: | DARRELL WERTHER | 11,059.0 | 1.00 | 0.00 | 13,629.54 | 153.3 | 0.0 | 153.3 | 0.07 |
| Engineer: | IVAN OTERO | 10,298.0 | 0.50 | 0.00 | 12,868.61 | 143.3 | 0.0 | 143.3 | 0.55 |
| Geologist: | | 10,116.0 | 1.50 | 0.00 | 12,686.64 | 140.2 | 0.0 | 140.2 | 0.21 |
| Oxy Personnel: | 2 | 9,596.0 | 0.40 | 0.00 | 12,166.72 | 131.5 | 0.0 | 131.5 | 0.05 |
| Contractor Personnel: | 11 | 8,645.0 | 0.90 | 0.00 | 9,982.44 | 127.2 | 0.0 | 127.2 | 0.17 |
| Total on Site: | 13 | 8,645.0 | 0.90 | 0.00 | 11,215.78 | 120.7 | 0.0 | 120.7 | 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 |
| 3 | 7.875 | ULTERRA DRILLING T | U616M | 15318 | M423 | 6x16 | 8709 | | -- | -- |
| | | | | | | | | | | |

| BIT OPERATING PARAMETERS TODAY | | | | | | | | | | | | |
|--------------------------------|---------|-------------|------|----------|------|---------|-------------|-------------|-------|------------|---------|-------|
| Bit No | Rot Hrs | Cum Rot Hrs | Prog | Cum Prog | ROP | Cum ROP | WOB min/max | RPM min/max | TFA | P Drop Bit | Noz Vel | HHPSI |
| 3 | 24.00 | 49.50 | 1102 | 2559 | 45.9 | 51.7 | 20.0/28.0 | 45/65 | 1.178 | 187 | 151.7 | 1.2 |

| MUD DATA - M-I SWACO | | | | | LAST OR CURRENT BHA | | | | |
|--|--------------|--------------|-----------|-----------|---------------------|--|--|--|---------|
| Engineer: Brandon Smith | MBT: | 0.0 lbm/bbl | BHA No: 3 | Bit No: 3 | MD In: 8709 ft | | | | |
| Sample From: In | pH: | 0.0 | Purpose: | | | | | | MD Out: |
| Mud Type: Spud Mud | Pm / Pom: | 0.00 | | | | | | | |
| Time / MD: 16:30 / 11,005.0 | Pf / Mf: | 0.0 / 0.0 | | | | | | | |
| Density @ Temp: 9.10 / 95 | Chlorides: | 0 | | | | | | | |
| Rheology Temp: 120 | Ca+ / K+: | 0 / 0 | | | | | | | |
| Viscosity: 42.00 | CaCl2: | 0.00 | | | | | | | |
| PV / YP: 7 / 27 | Clom: | 0.00 | | | | | | | |
| Gels 10s/10m/30m: 21 / 23 / 26 | Lime: | 0.00 | | | | | | | |
| API WL: 0.00 | ES: | 0.00 | | | | | | | |
| HTHP WL: 0.00 | ECD: | 9.58 | | | | | | | |
| Cake API / HTHP: .0 / .0 | n / K: | 0.00 / 0.000 | | | | | | | |
| Solids / Sol Corr: 0.00 / 0.00 | Carbonate: | 0 ppm | | | | | | | |
| Oil / Water: 0.0 / 0.0 | Bicarbonate: | 0 ppm | | | | | | | |
| Sand: 0.00 | Form Loss: | 0.0 / 30.0 | | | | | | | |
| Water Added: 9.0 bbl | Fluid Disch: | / | | | | | | | |
| Oil Added: | | | | | | | | | |
| LGS: 5.80 / 52.60 | | | | | | | | | |
| VG Meter: 21@3 / 23@6 / 26@100 / 30@200 / 34@300 / 41@600 | | | | | | | | | |
| Comments: Last 24 hrs: Drilled from 9858" to 11005". Dumped 700 bbls to maintain MW and replaced with prebuilt Gel Mud from Frac T | | | | | | | | | |

| MUD PRODUCTS | | |
|---------------------|------------|----------|
| Product | Units | Qty Used |
| Air Comp Rent | Each | 1.00 |
| Caustic Soda | Bag, 50 lb | 17.00 |
| Defoam A | Can, 5 gal | 6.00 |
| Engineering Service | Each | 1.00 |
| M-I Gel Bulk | Ton | 20.48 |
| Poly-Plus | Can, 5 gal | 4.00 |
| Premix Pit | each | 1.00 |
| Soda Ash | Bag, 50 lb | 8.00 |
| | | |
| | | |
| | | |

| | | | |
|---------------|-----------|----------------|--|
| Total Length: | 861.40 ft | Wt below Jars: | |
| | | | |
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| | | | |
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| | | | |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/26/2012
 Report No: 12

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|---|
| 0:00 | 4:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 10166', TO 10444', 278 ' AVG ROP 69 FPH WOB 20-25K . TD RPM 70+TOTAL BIT RPM 148, FLOW RATE 520GPM, PUMP PSI 2700. TORQUE 10-12K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.2 VIS 45 PH 11 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| 4:00 | 6:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 10444', TO 10580', 136 ' AVG ROP 68 FPH WOB 20-25K . TD RPM 70+TOTAL BIT RPM 148, FLOW RATE 520GPM, PUMP PSI 2700. TORQUE 10-12K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.2 VIS 45 PH 11 SAFETY BREAK: STAYING FOCUSED LAST TWO HOURS OF TOUR PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| 6:00 | 10:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 10570', TO 10781', 211 ' AVG ROP 53 FPH WOB 20-25K . TD RPM 70+TOTAL BIT RPM 148, FLOW RATE 520GPM, PUMP PSI 2700. TORQUE 10-12K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.3 VIS 44 PH 11 SAFETY BREAK: FORKLIFTS AND TAG LINES PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| 10:00 | 14:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 10781', TO 10917', 136 ' AVG ROP 34 FPH WOB 20-25K . TD RPM 45+TOTAL BIT RPM 105, FLOW RATE 377GPM, PUMP PSI 1500. TORQUE 10-12K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.3 VIS 44 PH 11 SAFETY BREAK: SIGNS OF HEAT STROKE PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| 14:00 | 18:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 10917', TO 11060', 143 ' AVG ROP 36 FPH WOB 20-25K . TD RPM 45+TOTAL BIT RPM 105, FLOW RATE 508GPM, PUMP PSI 2350. TORQUE 10-12K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.3 VIS 44 PH 11 SAFETY BREAK: MIXING MUD PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| 18:00 | 22:00 | 4.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 11060', TO 11190' 130' ' AVG ROP 32 FPH WOB 20-25K . TD RPM 45+TOTAL BIT RPM 105, FLOW RATE 508GPM, PUMP PSI 2350. TORQUE 10-12K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.3 VIS 44 PH 11 SAFETY BREAK: USING PROPER TOOLS FOR THE JOB PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/26/2012
 Report No: 12

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|------|-------|----------|---------|--------|---------|--|
| 22:00 | 0:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 11190', TO 11268' 78' ' AVG ROP 39 FPH WOB 20-25K . TD RPM 45+TOTAL BIT RPM 105, FLOW RATE 508GPM, PUMP PSI 2350. TORQUE 10-12K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.3 VIS 44 PH 11 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| Total Time | | 24.00 | | | | | |

Safety Incident? N Days since Last RI: 172.00 Weather Comments:

Environ Incident? N Days since Last LTA: 535.00

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. Travel 1.5mi headed east on lease road and turn right immediately after caliche pit. Travel .8mi headed South on lease road. Turn right when road dead ends and travel west .2mi. to location (University Chloe#8).

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32 21'15.73" N, LONGITUDE 102°23' 23'.08.78 "W, NAD 27

NOTIFIED TRRC : AUDREY OPERATOR #2 AT 23:45, 6/15/12, INTENTION TO SPUD 12 1/4" HOLE, RUN & CEMENT 9 5/8" SURFACE CASING JOB #

SAFETY TOPIC OF THE DAY: STAYING HYDRATED

DAYS WORKED WITH NO LTA: 535

DAYS SINCE LAST RI: 172

TOTAL DAILY SAFETY MEETINGS: 5

TOTAL DAILY NEAR MISSES: 0

TOTAL DAILY STOP CARDS: 2

TOTAL DAILY JSA'S REVIEWED: 14

TOTAL PERMITS TO WORK: 0

TOTAL LOTO'S: 0

PRE-SPUD RIG INSPECTIONS:0

POWER LINE CHECK LIST: 0

TOTAL SWA'S : 0

DAY CREW SHORT 0 MAN

NIGHT CREW SHORT 0MAN

TOTAL NPT TIME = 167.5 HOURS

BEST STOP CARD: OBSERVED EMPLOYEE NOT WEARING SEATBELT WHILE OPERATING FORKLIFT STOPPED HIM AND WARNED HIM OF THE HAZARDS, HE COMPLIED AND JOB CONTINUED WITHOUT INCIDENT

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/27/2012
 Report No: 13

Wellbore / Top MD: 00 @ 55 ft Rig: SAVANNA 643 Ref Datum: Original KB @3,071.80ft DFS: 11.25
 Today's MD: 11,465 ft Progress: 197 ft Ground Elev: 3,056.40 ft Daily Cost: \$38,777
 Prev MD: 11,268 ft Rot Hrs Today: 6.00 hr AFE MD/Days: 11,450.0 / 13.6 days Cum Cost: \$769,677
 PBMD: Avg ROP Today: 32.8 ft/hr AFE Number: 1141068#0402 AFE Cost: \$1,224,234
 Current Formation: STRAWN@11,000.0 Lithology: LIMESTONE/SHALE/CHERT

Current Ops:
 24-Hr Summary: DRILLED 7 7/8" PRODUCTION HOLE TO TD, LDDP & RAN CASING TO 1350'
 24-Hr Forecast: (RR 6/28/2012 ROL 6/30/2012) RUN CASING TO 11461', CEMENT AS PER PROG, INSTALL WELLHEAD & TEST, R/D AND RELEASE RIG

| CASING/WELL CONTROL | | HOOKLOAD & TORQUE | | HYDRAULICS | | MUD GAS | Avg | Max |
|----------------------|--------------------|-------------------|-------------------|-------------|-------|---------|-----|-----|
| Last Casing: | 9.625in @ 1,844ft | Str Wt Up/Dn: | 220.0 / 200.0 kip | Pump Rate: | 542.3 | Conn: | | |
| Next Casing: | 5.500in @ 11,461ft | Str Wt Rot: | 215.0 kip | Pump Press: | 2500 | Trip: | | |
| Last BOP Press Test: | 06/19/2012 | Torq Off Btm: | 5,000.0 ft-lbf | | | Backgr: | | |
| Form Test/EMW: | FIT / 12.16 ppg | Torq On Btm: | 12,000.0 ft-lbf | | | | | |

| PERSONNEL | | SURVEY DATA (LAST 6) | | | | | | | |
|-----------------------|-----------------|----------------------|------|------|-----------|-------|-----|-------|------|
| Supervisor 1: | BILL LORANCE | MD | Incl | Azi | TVD | N-S | E-W | VS | DLS |
| Supervisor 2: | DARRELL WERTHER | 11,059.0 | 1.00 | 0.00 | 11,057.74 | 153.7 | 0.0 | 153.7 | 0.07 |
| Engineer: | IVAN OTERO | 10,298.0 | 0.50 | 0.00 | 10,296.81 | 143.8 | 0.0 | 143.8 | 0.55 |
| Geologist: | | 10,116.0 | 1.50 | 0.00 | 10,114.84 | 140.6 | 0.0 | 140.6 | 0.21 |
| Oxy Personnel: | 2 | 9,596.0 | 0.40 | 0.00 | 9,594.92 | 132.0 | 0.0 | 132.0 | 0.05 |
| Contractor Personnel: | 15 | 8,645.0 | 0.90 | 0.00 | 9,982.44 | 127.2 | 0.0 | 127.2 | 0.17 |
| Total on Site: | 17 | 8,645.0 | 0.90 | 0.00 | 8,643.98 | 121.2 | 0.0 | 121.2 | 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 |
| 3 | 7.875 | ULTERRA DRILLING T | U616M | 15318 | M423 | 6x16 | 8709 | 11,465 | 1-1-CT-S | 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 |
| 3 | 6.00 | 55.50 | 197 | 2756 | 32.8 | 49.7 | 20.0/28.0 | 45/60 | 1.178 | 181 | 147.7 | 1.2 |

| MUD DATA - M-I SWACO | | | LAST OR CURRENT BHA | | | | | |
|--|--------------|--------------|--|-----------|---------|-----------|-----|--------|
| Engineer: Brandon Smith | MBT: | 10.0 lbm/bbl | BHA No: 3 | Bit No: 3 | MD In: | 8709 ft | | |
| Sample From: In | pH: | 10.0 | Purpose: | | MD Out: | 11,465 ft | | |
| Mud Type: Spud Mud | Pm / Pom: | 0.00 | Component | | OD | ID | Jts | Length |
| Time / MD: 12:30 / 11,465.0 | Pf / Mf: | 0.5 / 0.7 | HWDP | | 4.500 | 2.870 | 5 | 151.35 |
| Density @ Temp: 9.20 / 95 | Chlorides: | 36,000 | DRILLING JAR | | 6.500 | 2.810 | 1 | 32.64 |
| Rheology Temp: 120 | Ca+ / K+: | 360 / 0 | HWDP | | 4.500 | 2.810 | 8 | 243.53 |
| Viscosity: 39.00 | CaCl2: | 0.00 | DRILL COLLAR | | 6.310 | 2.870 | 12 | 352.57 |
| PV / YP: 8 / 23 | Clom: | 0.00 | MWD TOOL | | 6.500 | 2.870 | 1 | 4.28 |
| Gels 10s/10m/30m: 17 / 18 / 20 | Lime: | 0.00 | WIRED ROLLER REAMER | | 6.750 | 2.870 | 1 | 6.54 |
| API WL: 45.00 | ES: | 0.00 | DRILL COLLAR | | 6.250 | 2.370 | 1 | 30.51 |
| HTHP WL: 0.00 | ECD: | 9.20 | WIRED ROLLER REAMER | | 6.560 | 2.370 | 1 | 6.86 |
| Cake API / HTHP: 2.0 / .0 | n / K: | 0.00 / 0.000 | POSITIVE DISPLACEMENT MOTOR | | 6.500 | 3.260 | 1 | 32.12 |
| Solids / Sol Corr: 1.80 / 0.00 | Carbonate: | 10 ppm | PDC BIT | | 8.750 | | 1 | 1.00 |
| Oil / Water: 0.0 / 95.9 | Bicarbonate: | 0 ppm | | | | | | |
| Sand: 0.02 | Form Loss: | 0.0 / 30.0 | | | | | | |
| Water Added: 13.0 bbl | Fluid Disch: | / | | | | | | |
| Oil Added: | | | | | | | | |
| LGS: 4.10 / 37.00 | | | | | | | | |
| VG Meter: 17@3 / 19@6 / 23@100 / 27@200 / 31@300 / 39@600 | | | Total Length: 861.40 ft Wt below Jars: | | | | | |
| Comments: Circ Steel pits. Dump and Dilute to maintain Mud Weight below 9.4. Maintain pH with Caustic 10-11. Add 5 -7 sx Soda Ash per tour to maintain Hardness below 400. | | | | | | | | |

| MUD PRODUCTS | | |
|-----------------------|-------------|----------|
| Product | Units | Qty Used |
| Air Comp Rent | Each | 1.00 |
| Aluminum Stearate | Bag, 25 lb | 1.00 |
| Caustic Soda | Bag, 50 lb | 1.00 |
| Engineering Service | Each | 1.00 |
| Federal Barite | Bag, 100 lb | 88.00 |
| M-I X II Medium | Bag, 25 lb | 17.00 |
| Mica Fine | Bag, 50 lb | 13.00 |
| Pecan Nut Plug CSE | Bag, 50 lb | 10.00 |
| Pecan Nut Plug Medium | Bag, 50 lb | 7.00 |
| Premix Pit | each | 1.00 |
| Spersene | Bag, 50 lb | 2.00 |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
 USA

Date: 06/27/2012
 Report No: 13

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|-------|------|----------|---------|--------|---------|--|
| 0:00 | 3:00 | 3.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 11268', TO 11366' 98' ' AVG ROP 32 FPH WOB 20-25K . TD RPM 45+TOTAL BIT RPM 105, FLOW RATE 508GPM, PUMP PSI 2350. TORQUE 10-12K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.3 VIS 44 PH 11 PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| 3:00 | 4:00 | 1.00 | 31PRDR | DRILL | MTRVER | PT | DRILL 7 7/8" PRODUCTION HOLE FROM 11366', TO 11391' 25' ' AVG ROP 25 FPH WOB 20-25K . TD RPM 45+TOTAL BIT RPM 105, FLOW RATE 508GPM, PUMP PSI 2350. TORQUE 10-12K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.3 VIS 44 PH 11 DRILLING WITH ONE PUMP PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| 4:00 | 6:00 | 2.00 | 31PRDR | DRILL | MTRVER | P | DRILL 7 7/8" PRODUCTION HOLE FROM 11391', TO 11465 63' ' AVG ROP 35 FPH WOB 20-25K . TD RPM 45+TOTAL BIT RPM 105, FLOW RATE 508GPM, PUMP PSI 2350. TORQUE 10-12K ON BOTTOM CIRCULATING STEEL PIT MUD WT 9.3 VIS 44 PH 11 SAFETY BREAK: STAYING FOCUSED LAST TWO HRS OF TOUR PUMP 20 BBL 60+ VIS GEL & LCM SWEEP EVERY 60-90 |
| 6:00 | 8:00 | 2.00 | 31PRDR | CIRC | CNDHOL | P | CIRCULATE HOLE CLEAN |
| 8:00 | 12:00 | 4.00 | 31PRDR | TRIP | DRILL | P | PULL 10 STANDS CHECK FOR FLOW SLUG DRILL PIPE AND TRIP OUT OF HOLE LAYING DOWN DRILL PIPE FROM 11461-7808 SAFETY BREAK: LAYING DOWN DRILL PIPE |
| 12:00 | 16:00 | 4.00 | 31PRDR | TRIP | DRILL | P | CONTINUE TO LDDP FROM 7808'FT.- T/ 3119'FT. SAFETY BREAK: DRINKING PLENTY OF FLUIDS (STAYING HYDRATED) |
| 16:00 | 20:00 | 4.00 | 31PRDR | TRIP | DRILL | P | CONTINUE TO LDDP FROM 3119'- T/ 200" SAFETY BREAK: HANDLING BHA |
| 20:00 | 20:30 | 0.50 | 31PRDR | TRIP | DRILL | P | L/D BHA FROM 200-0' |
| 20:30 | 21:30 | 1.00 | 31PRDR | TRIP | DRILL | P | PULL WEAR BUSHING, L/D MOUSE HOLE & CLEAN OFF FLOOR |
| 21:30 | 22:00 | 0.50 | 31PRDR | SAFE | PJSM | P | HOLD PJSM AND REVIEW JSA WITH ALL CREWS AND DSM |

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
USA

Date: 06/27/2012
Report No: 13

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|-------|------|------|----------|---------|--------|---------|---|
| 22:00 | 0:00 | 2.00 | 31PRDR | CSG | RUNCSG | P | <p>RUN CASING FROM 0'-1373'</p> <p>VISUALLY INSPECT FLOAT EQUIPMENT FOR DAMAGE AND PROPER OPERATION; MANUFACTURER MODEL AND NUMBERS MATCH WITH THE DESCRIPTIONS BELOW.</p> <ul style="list-style-type: none"> • FLOAT SHOE – MODEL E303 - THREAD LOCKED TORQUE TO 4260, SET @ 11,373' • 2 JOINTS 5½" 17# L80 LTC CASING-THREAD LOCKED TORQUE TO 4260 • FLOAT COLLAR – MODEL E402 - THREAD LOCKED TORQUE TO 4260, SET @ 11,368.76' • 5½" 17# L80 LTC CASING TO 7000 FT, TORQUE TO 3410 • INCLUDE A FLAG JOINT TO BE LOCATED AT ~8500', TORQUE TO 3410, SET @ 8,513.98' • 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 <p>INSTALL WEATHERFORD SINGLE BOW SPRING CENTRALIZERS (PART NUMBER: B1103651) AS FOLLOWS:</p> <ul style="list-style-type: none"> • 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 <p>FILL UP ON THE FLY AND EVERY 10 JOINTS COMPLETE</p> <p>BREAK CIRCULATION @ 1844' SHOE</p> <p>SAFETY BREAK: POWER TONGS</p> |

Total Time 24.00

Safety Incident? N Days since Last RI: 173.00 Weather Comments:

Environ Incident? N Days since Last LTA: 536.00

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. Travel 1.5mi headed east on lease road and turn right immediately after caliche pit. Travel .8mi headed South on lease road. Turn right when road dead ends and travel west .2mi. to location (University Chloe#8).

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32 21'15.73" N, LONGITUDE 102°23' 23'.08.78 "W, NAD 27

NOTIFIED TRRC : AUDREY OPERATOR #2 AT 23:45, 6/15/12, INTENTION TO SPUD 12 1/4" HOLE, RUN & CEMENT 9 5/8" SURFACE CASING JOB #

SAFETY TOPIC OF THE DAY: STAYING HYDRATED

DAYS WORKED WITH NO LTA: 536

DAYS SINCE LAST RI: 173

TOTAL DAILY SAFETY MEETINGS: 5

TOTAL DAILY NEAR MISSES: 0

TOTAL DAILY STOP CARDS: 2

TOTAL DAILY JSA'S REVIEWED: 14

TOTAL PERMITS TO WORK: 0

TOTAL LOTO'S: 0

PRE-SPUD RIG INSPECTIONS:0

POWER LINE CHECK LIST: 0

TOTAL SWA'S : 0

DAY CREW SHORT 0 MAN

NIGHT CREW SHORT 0MAN

TOTAL NPT TIME = 168.5 HOURS

BEST STOP CARD: OBSERVED 3RD PARTY EMPLOYEE NOT WEARING PROPER PPE, STOPPED HIM AND INFORMED HIM OF OXY POLICY, HE COMPLIED & JOB CONTINUED WITHOUT INCIDENT

DAILY OPERATIONS PARTNER REPORT

Date: 06/28/2012
Report No: 14

[illegible]

OXY USA INC
DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

UNIVERSITY CHLOE 8
USA

Date: 06/28/2012
Report No: 14

OPERATIONS

| From | To | Hrs | Op Phase | Op Code | Op Sub | Op Type | Operation Details |
|------------|-------|-------|----------|---------|--------|---------|--|
| 0:00 | 4:00 | 4.00 | 31PRRC | CSG | RUNCSG | P | CONTINUE TO RUN CASING FROM 1373-5281' SAFETY BREAK: USING PIPE WRANGLER |
| 4:00 | 6:00 | 2.00 | 31PRRC | CSG | RUNCSG | P | RUNNING CASING FROM 5281'-7000' |
| 6:00 | 9:30 | 3.50 | 31PRRC | CSG | RUNCSG | P | FINISH RUNNING CASING F/ 7000' FT.- T/ 11,461' FT. SAFETY BREAK: RIG DOWN CASING CREW |
| 9:30 | 11:30 | 2.00 | 31PRRC | CIRC | CNDHOL | P | CIRCULATE TWO BOTTOMS UP/ RIG UP HALLIBURTON AND CONDUCT SAFETY MEETING WITH RIG CREW, DSM , AND B.J. CASTRO (SAFETY MAN) |
| 11:30 | 14:30 | 3.00 | 31PRRC | CMT | PRIM | P | SWAP LINES OVER TO HALLIBURTON AND CEMENT 5.5" CASING AS FOLLOWS: PUMP SPACER 1: 30 BBLS 10 FRESHWATER/ 20 GEL WATER @ 6 BBL/MIN PUMP LEAD CEMENT: 480 SACKS OF 11.7# CEMENT @ 8 BBL/MIN PUMP TAIL CEMENT: 810 SACKS OF 13.0# CEMENT @ 8 BBL/MIN PUMP DISPLACEMENT: 264 BBLS OF BRINE WATER @ 8 BBL/MIN FINAL LIFT 1990 PSI CHECKED FLOATS @ 2500 PSI |
| 14:30 | 15:00 | 0.50 | 31PRRC | CMT | RIGUP | P | RIG DOWN HALLIBURTON |
| 15:00 | 20:00 | 5.00 | 31PRRC | BOP | RDBOP | P | PJSM WITH MAN WELDING, FMC, RIG CREW, DSM HANG BOP, SET CSG SLIPS & MAKE ROUGH CUT ON 5.5" CASING, NIPPLE DOWN BOP NIPPLE UP TUBING HEAD, TEST TO 4000 PSI, TEST GOOD RELEASE RIG @ 20:00 HRS |
| Total Time | | 20.00 | | | | | |

Safety Incident? N **Days since Last RI:** 174.00 **Weather Comments:**

Environ Incident? N **Days since Last LTA:** 537.00

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. Travel 1.5mi headed east on lease road and turn right immediately after caliche pit. Travel .8mi headed South on lease road. Turn right when road dead ends and travel west .2mi. to location (University Chloe#8).

FLIGHT FOR LIFE DIRECTIONS: LATITUDE 32 21'15.73" N, LONGITUDE 102°23' 23'.08.78 "W, NAD 27

NOTIFIED TRRC : AUDREY OPERATOR #2 AT 23:45, 6/15/12, INTENTION TO SPUD 12 1/4" HOLE, RUN & CEMENT 9 5/8" SURFACE CASING JOB #

SAFETY TOPIC OF THE DAY: RUN & CEMENT 5.5" CASING

DAYS WORKED WITH NO LTA: 537

DAYS SINCE LAST RI: 174

TOTAL DAILY SAFETY MEETINGS: 10

TOTAL DAILY NEAR MISSES: 0

TOTAL DAILY STOP CARDS: 13

TOTAL DAILY JSA'S REVIEWED: 13

TOTAL PERMITS TO WORK: 0

TOTAL LOTO'S: 2

PRE-SPUD RIG INSPECTIONS:0

POWER LINE CHECK LIST: 0

TOTAL SWA'S : 0

DAY CREW SHORT 0 MAN

NIGHT CREW SHORT 0MAN

TOTAL NPT TIME = 168.5 HOURS

BEST STOP CARD: THIRD PARTY HAND NOT PAYING ATTENTION TO BUFFER ZONE WHILE REMOVING BOP, STOPPED JOB AND DISCUSSED THE HAZARDS. THE JOB CONTINUED WITHOUT INCIDENT.

MONTY KEY / AUGIE VELASQUEZ

DSM TRAILER: 713-948-3590

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|---|---------------|---|
| Event | | |
| Waiting on Tour Sheet | | |
| CHLOE-8 Dev Completion - Cased Hole | | |
| 07/02/2012 | | |
| Daily Summary | | 7-2-12 Chloe 8 WOC-Jim Lawson Daily Cost=\$17220 Cum Cost=\$17220 MIRU Schlumberger wireline. RIH and log CNL, CCL, GR, CBL. RDMO wire line. SIW & SDFN PBTD=11333' |
| Total Cost for 07/02/2012 | \$0.00 | |
| 07/03/2012 | | |
| Daily Summary | | 7-3-12 Chloe 8 WOC-Jim Lawson Install 10K frac stack. MIRU kill trk. Psi test csg & frac stack to 5000 psi. Psi test good |
| Total Cost for 07/03/2012 | \$0.00 | |
| 07/06/2012 | | |
| Job Cost Detail Report | | |
| Wireline - Perforate Casing/Liner | | STG 1: Perf Strawn 07:45-08:50 RU Halliburton Wireline. No Plug Set. Perf Strawn 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 Strawn @ 11193, 11150, 11112, 11080. Total shots=42 & fired=42. Net feet =116'. Reference log Halliburton CNL/GR/CCL date 7-2-12. |
| Frac - Sand | | STG 1: Frac Strawn 09:18-10:47 RU Halliburton frac Strawn zone. Break down at 5888 @ 2.3 bpm. Pump 4001 gal 15% Ferchek acid. Pump 10807 gal treated water pre-pad. Pump 17042 gal Hybor G pre-pad. 72609 gal Hybor G Pad. 76432 gal Hybor G w/ 81708# 20/40 Versa Prop, 1030 gal 15% Ferchek acid, 9865 gal treated water flush. Max rate=70 bpm, Avg rate=69 bpm, Max psi=5783 psi, Avg psi=5434 psi, ISIP=3706 psi. Total load=191785 gal. |
| Wireline - Bridge Plug - Composite - Set Wireline | | RU Halliburton Wireline. RIH w/ 5 1/2 " composite plug. Set @ 10995'. |
| Wireline - Perforate Casing/Liner | | STG 2: Perf Lower Wolfcamp 11:00-13:50 Perf 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 @ 10922, 10877, 10838, 10796, 10752. Total shots=47 & fired=47. Net feet =173'. Reference log Halliburton CNL/GR/CCL dated 7-2-12. |
| Frac - Sand | | STG 2: Frac Lower Wolfcamp 13:58-15:06 RU Halliburton frac Lower Wolfcamp zone. Break down at 2806 @ 4.3 bpm. Pump 1512 gal 15% Ferchek acid. Pump 11326 gal treated water pre-pad. Pump 4678 gal Hybor G pre-pad. Pump 62207 gal Hybor G Pad, 79483 gal Hybor G w/ 123430# 20/40 CRC prop, 1041 gal 15% Ferchek acid, 9573 gal treated water flush. Max rate=71 bpm, Avg rate=69 bpm, Max psi=4961 psi, Avg psi=4716 psi, ISIP=3394 psi. Total load=169820 gal. |
| Wireline - Bridge Plug - Composite - Set Wireline | | RU Halliburton Wireline. RIH w/ 5 1/2 " composite plug. Set @ 10710'. |
| Wireline - Perforate Casing/Liner | | STG 3: Perf Middle Wolfcamp 15:30-16:25 Perf Middle Wolfcamp w/ 3 1/8" csg gun perf. using 3319-331T charges 19 gm wt. 0.42" EHD, 42" penetration, 6 SPF, 60 degree phasing. Perforate Middle Wolfcamp @ 10625, 10552, 10513, 10470, 10427. Total shots=48 & fired=48. Net feet =201'. Reference log Halliburton CNL/GR/CCL dated 7-2-12. |

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| Frac - Sand | | <p>STG 3: Frac Middle Wolfcamp 16:35-17:30 RU Halliburton frac Middle Wolfcamp zone. Breakdown at 2805 psi @ 5.0 bpm. Pump 1514 gal 15% Ferchek acid. Pump 8695 gal treated water pre-pad. Pump 10157 gal Hybor G pre-pad. Pump 33978 gal Hybor G Pad, 58388 gal Hybor G w/ 142015# 20/40 CRC prop, Pump 1044 gal 15% Ferchek acid. Pump 9017 gal treated water flush. Max rate=71 bpm, Avg rate=69 bpm, Max psi=5632 psi, Avg psi=4732 psi, ISIP=2513 psi. Total load=117547 gal.</p> |
| Total Cost for 07/06/2012 | \$49,220.46 | |
| 07/07/2012 | | |
| Job Cost Detail Report | | |
| Daily Summary | | <p>7-7-12 Chloe 8 SouthCap, OSH019GW, 0403, 1141068 WOC: CHRIS EISENBERG Daily Cost= \$ 656,198.67 Cum Cost= \$ 674,283 HP= 13750 NPT= 27.5 STG 4: Perf Upper Wolfcamp Zone 07:00-08:00 RU Halliburton Wireline. RIH w/ 5 1/2 " composite plug. Set @ 10205'. Perf Upper Wolfcamp w/ 3 1/8" csg gun perf. using 3319-331T charges 19 gm wt. 0.42" EHD, 42" penetration, 6 SPF, 60 degree phasing. Perforate Upper Wolfcamp @ 10128, 10090, 10043, 10010, 9962. Total shots=47 & fired=47. Net feet =169'. Reference log Halliburton CNL/GR/CCL dated 7-2-12 STG 4: Frac Upper Wolfcamp 08:23-09:09 RU Halliburton frac Upper Wolfcamp zone. Breakdown at 3176 psi @ 4.7 bpm. Pump 1511gal 15% Ferchek acid. Pump 5794 gal treated water pre-pad. Pump 3150 Hybor G pre-pad. Pump 29951 gal Hybor G Pad, 57266 gal Hybor G w/ 142586# 20/40 CRC prop. Pump 1035 gal 15% Ferchek acid. Pump 8722 gal treated water flush. Max rate=71 bpm, Avg rate=69 bpm, Max psi=4887 psi, Avg psi=4035 psi, ISIP=2409 psi. Total load=107429 gal STG 5: Perf Dean 09:21-10:22 RU Halliburton Wireline. RIH w/ 5 1/2 " composite plug. Set @ 9785'. Perf Dean Formation 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 formation @ 9726, 9659, 9582, 9516, 9454. Total shots=46 & fired=46. Net feet =275'. Reference log Halliburton CNL/GR/CCL dated 7-2-12 STG 5: Frac Dean 10:34-11:25 RU Halliburton frac Dean zone. Breakdown at 1895 psi @ 9.7 bpm. Pump 1026 gal 15% Ferchek acid. Pump 5736 gal treated water pre-pad. Pump 2588 Hybor G pre-pad. Pump 39769 gal Hybor G Pad, 71338 gal Hybor G w/ 182203# 20/40 Ottawa prop, Pump 1001 gal 15% Ferchek acid Pump 8135 gal treated water flush. Max rate=71 bpm, Avg rate=70 bpm, Max psi=4121 psi, Avg psi=3036 psi, ISIP=1626 psi. Total load=129593 gal STG 6: Perf Lower Sprayberry 11:39-12:30 RU Halliburton Wireline. RIH w/ 5 1/2 " composite plug. Set @ 9235'. Perf Lower Sprayberry Formation w/ 3 1/8" csg gun perf. using 3319-331T charges 19 gm wt. 0.42" EHD, 42" penetration, 6 SPF, 60 degree phasing. Perforate Lower Sprayberry formation @ 9152, 9094, 9030, 8972, 8914. Total shots=48 & fired=48. Net feet =241'. Reference log Halliburton CNL/GR/CCL dated 7-2-12 STG 6: Frac Lower Sprayberry 12:55-13:45 RU Halliburton frac Dean zone. Breakdown at 1499 psi @ 13.7 bpm. Pump 1501 gal 15% Ferchek acid. Pump 5676 gal treated water pre-pad. Pump 3758 Hybor G pre-pad. Pump 41998 gal Hybor G Pad, 67903 gal Hybor G w/ 167672# 20/40 Ottawa prop, Pump 8621 gal treated water flush. Max rate=72 bpm, Avg rate=71 bpm, Max psi=2924 psi, Avg psi=2527 psi, ISIP=1281 psi. Total load=129458 gal Field Cost Halliburton FRAC= 577467.29 Halliburton Wireline=47725.02 Tools=18806.30 Water transfer= 10086 Log=16020.46</p> |
| Frac - Sand | | <p>STG 5: Frac Dean 10:34-11:25 RU Halliburton frac Dean zone. Breakdown at 1895 psi @ 9.7 bpm. Pump 1026 gal 15% Ferchek acid. Pump 5736 gal treated water pre-pad. Pump 2588 Hybor G pre-pad. Pump 39769 gal Hybor G Pad, 71338 gal Hybor G w/ 182203# 20/40 Ottawa prop, Pump 1001 gal 15% Ferchek acid Pump 8135 gal treated water flush. Max rate=71 bpm, Avg rate=70 bpm, Max psi=4121 psi, Avg psi=3036 psi, ISIP=1626 psi. Total load=129593 gal</p> |

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| Wireline - Bridge Plug - Composite - Set Wireline | | RU Halliburton Wireline. RIH w/ 5 ½ " composite plug. Set @ 9235'. |
| Wireline - Bridge Plug - Composite - Set Wireline | | RU Halliburton Wireline. RIH w/ 5 ½ " composite plug. Set @ 9785'. |
| Wireline - Bridge Plug - Composite - Set Wireline | | RU Halliburton Wireline. RIH w/ 5 ½ " composite plug. Set @ 10205'. |
| Wireline - Perforate Casing/Liner | | STG 4: Perf Upper Wolfcamp Zone 07:00-08:00 Perf Upper Wolfcamp w/ 3 1/8" csg gun perf. using 3319-331T charges 19 gm wt. 0.42" EHD, 42" penetration, 6 SPF, 60 degree phasing. Perforate Upper Wolfcamp @ 10128, 10090, 10043, 10010, 9962. Total shots=47 & fired=47. Net feet =169'. Reference log Halliburton CNL/GR/CCL dated 7-2-12 |
| Frac - Sand | | STG 4: Frac Upper Wolfcamp 08:23-09:09 RU Halliburton frac Upper Wolfcamp zone. Breakdown at 3176 psi @ 4.7 bpm. Pump 1511gal 15% Ferchek acid. Pump 5794 gal treated water pre-pad. Pump 3150 Hybor G pre-pad. Pump 29951 gal Hybor G Pad, 57266 gal Hybor G w/ 142586# 20/40 CRC prop. Pump 1035 gal 15% Ferchek acid. Pump 8722 gal treated water flush. Max rate=71 bpm, Avg rate=69 bpm, Max psi=4887 psi, Avg psi=4035 psi, ISIP=2409 psi. Total load=107429 gal |
| Wireline - Perforate Casing/Liner | | STG 5: Perf Dean 09:21-10:22 Perf Dean Formation 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 formation @ 9726, 9659, 9582, 9516, 9454. Total shots=46 & fired=46. Net feet =275'. Reference log Halliburton CNL/GR/CCL dated 7-2-12 |
| Wireline - Perforate Casing/Liner | | STG 6: Perf Lower Sprayberry 11:39-12:30 Perf Lower Sprayberry Formation w/ 3 1/8" csg gun perf. using 3319-331T charges 19 gm wt. 0.42" EHD, 42" penetration, 6 SPF, 60 degree phasing. Perforate Lower Sprayberry formation @ 9152, 9094, 9030, 8972, 8914. Total shots=48 & fired=48. Net feet =241'. Reference log Halliburton CNL/GR/CCL dated 7-2-12 |
| Frac - Sand | | STG 6: Frac Lower Sprayberry 12:55-13:45 RU Halliburton frac Dean zone. Breakdown at 1499 psi @ 13.7 bpm. Pump 1501 gal 15% Ferchek acid. Pump 5676 gal treated water pre-pad. Pump 3758 Hybor G pre-pad. Pump 41998 gal Hybor G Pad, 67903 gal Hybor G w/ 167672# 20/40 Ottawa prop, Pump 8621 gal treated water flush. Max rate=72 bpm, Avg rate=71 bpm, Max psi=2924 psi, Avg psi=2527 psi, ISIP=1281 psi. Total load=129458 gal |
| Total Cost for 07/07/2012 | \$653,198.63 | |
| 07/23/2012 | | |
| Daily Summary | | 7/23/12 CUDD 277 CHLOE #8 WOC: JODY IGLEHART CREW ARRIVED ON LOCATION, AND HELD A JSA SAFETY MEETING. CREW SPOTTED, AND RIGGED UP THE COIL EQUIPMENT. RIGGED TO WELL, AND PRESSURE TESTED THE WELL HEAD TO 3000 PSI. OPENED THE WELL, AND RAN IN THE HOLE WITH 2.88" COIL CONNECTOR, 2.88" HYDRAULIC DISCONNECT, 2.88" DUAL CIRCULATING SUB, 2.88" TITAN MOTOR, AND 4.75" FIVE BLADED MILL. CREW STARTED IN THE HOLE, CIRCULATING AT .5 BPM. RAN DOWN TO 600, AND THE COIL UNITS CLUTCH FAN WENT OUT. THEY PULLED OUT OF THE HOLE, BUMPED UP AT SURFACE, AND SECURED THE WELL. WAITING ON MECHANIC TO ARRIVE, AND FIX COIL UNIT. SHUT DOWN CREW. NDP: DRILL OUT 5 PLUGS DAILY COST: \$21,774.00 ACCUMULATIVE COST: \$696,057.00 |
| Rig Crew Travel Time | | CREW DROVE TO THE YARD |
| Shut-in Overnight | | SECURED THE WELL, AND SHUT DOWN |
| Safety Procedure/Equipment | | MECHANIC ARRIVED, AND FIXED COIL UNIT |
| Waiting on Service Provider | | WAITING ON CUDD MECHANIC TO ARRIVE ON LOCATION. |
| Coil Tubing - Cleanout - Other | | OPENED THE WELL, AND RAN IN THE HOLE WITH 2.88" COIL CONNECTOR, 2.88" HYDRAULIC DISCONNECT, 2.88" DUAL |

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| | | CIRCULATING SUB, 2.88" TITAN MOTOR, AND 4.75" FIVE BLADED MILL. CREW STARTED IN THE HOLE, CIRCULATING AT .5 BPM. RAN DOWN TO 600, AND THE COIL UNITS CLUTCH FAN WENT OUT. THEY PULLED OUT OF THE HOLE, BUMPED UP AT SURFACE, AND SECURED THE WELL. |
| Coil Tubing - Cleanout | | CREW SPOTTED, AND RIGGED UP THE COIL EQUIPMENT. RIGGED TO WELL, AND PRESSURE TESTED THE WELL HEAD TO 3000 PSI. |
| Safety Meeting | | HELD JSA SAFETY MEETING |
| Rig Crew Travel Time | | CREW DROVE TO LOCATION |
| Job Cost Detail Report | | |
| Total Cost for 07/23/2012 | \$21,774.00 | |
| 07/24/2012 | | |
| Rig Travel Time | | CREW DROVE EQUIPMENT TO THE CONSTANCE #8 |
| Shut-in Overnight | | THEY SECURED THE WELL, AND SHUT DOWN. |
| Coil Tubing - Cleanout | | BUMPED UP AT SURFACE, RIGGED OFF WELL, AND LAID DOWN TOOLS. THEY BLEW THE REEL DRY, AND RIGGED DOWN THE COIL EQUIPMENT |
| Coil Tubing - Cleanout - Other | | OPENED THE WELL, AND RAN IN THE HOLE WITH THE SAME TOOLS (COIL CONNECTOR, HYDRAULIC DISCONNECT, DUAL CIRCULATING SUB, TITAN MOTOR, AND FIVE BLADED MILL). STARTED IN THE HOLE CIRCULATING AT .5 BPM, AND INCREASING FLUID RATE TO 3 BPM AT 9000. TAGGED THE PLUGS AT 9237, 9786, 10,206, 10,710, 10,995, AND DRILLED UP EACH PLUG IN AN AVERAGE OF 25 MIN. PUMPED A 10 BBL SWEEP BEFORE AND AFTER EACH PLUG. RAN DOWN, TAGGED PBDT AT 11,365, AND CIRCULATED BOTTOMS UP WITH 213 BBLS OF FRESH WATER AT 3 BPM, AND N2 AT 700 SCFM. PULLED UP ABOVE THE PERFS AT 8900, AND CIRCULATED BOTTOMS UP WITH 183 BBLS WITH FRESH WATER AT 3 BPM, AND N2 AT 700 SCFM. PULLED OUT OF THE HOLE |
| Safety Meeting | | HELD SAFETY MEETING, AND JSA |
| Rig Crew Travel Time | | CREW TRAVEL TO LOCATION |
| Job Cost Detail Report | | |
| Daily Summary | | <p>7/24/12 CUDD 277 CHLOE #8 WOC: JODY IGLEHART CREW ARRIVED ON LOCATION, AND HELD A JSA SAFETY MEETING. CREW RETESTED THE WELL HEAD TO 3000 PSI, OPENED THE WELL, AND RAN IN THE HOLE WITH THE SAME TOOLS (COIL CONNECTOR, HYDRAULIC DISCONNECT, DUAL CIRCULATING SUB, TITAN MOTOR, AND FIVE BLADED MILL). STARTED IN THE HOLE CIRCULATING AT .5 BPM, AND INCREASING FLUID RATE TO 3 BPM AT 9000. TAGGED THE PLUGS AT 9237, 9786, 10,206, 10,710, 10,995, AND DRILLED UP EACH PLUG IN AN AVERAGE OF 25 MIN. PUMPED A 10 BBL SWEEP BEFORE AND AFTER EACH PLUG. RAN DOWN, TAGGED PBDT AT 11,365, AND CIRCULATED BOTTOMS UP WITH 213 BBLS OF FRESH WATER AT 3 BPM, AND N2 AT 700 SCFM. PULLED UP ABOVE THE PERFS AT 8900, AND CIRCULATED BOTTOMS UP WITH 183 BBLS WITH FRESH WATER AT 3 BPM, AND N2 AT 700 SCFM. PULLED OUT OF THE HOLE, BUMPED UP AT SURFACE, RIGGED OFF WELL, AND LAID DOWN TOOLS. THEY BLEW THE REEL DRY, AND RIGGED DOWN THE COIL EQUIPMENT. THEY SECURED THE WELL, AND SHUT DOWN. NDP: JOB COMPLETE, AND PLACED IN SUSPENDED STATUS. WELL READY FOR PRODUCTION. DAILY COST: \$60,916.84 ACCUMULATIVE COST: \$756,973.84</p> |
| Total Cost for 07/24/2012 | \$60,916.84 | |
| 08/07/2012 | | |

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| Well Control - Kill Well - Brine | | With revwrse unit bullhead 160 bbls 103 b/w down casing. |
| Rig Crew Travel Time | | Drove crew to llocation. |
| Casing - Check Pressure | | SICP- 50 psi |
| Pulling Unit - Rig Up | | Rig up pulling unit. |
| Safety Meeting | | HTGSM [do jsa on rigging up] LOTO |
| Rig Travel Time | | Road rig to location. |
| Shut-in Overnight | | Secure well sion. |
| Daily Summary | | 8-7-12 CHLOE 8 KEY 191 WOC- Juan Rondan Finish washing rig at Key yard. Road rig to location. HTGSM. LOTO. Rig up pulling unit. SICP- 50 psi. Bullhead 160 bbls b/w down casing. Secure well sion. NDP- Nipple down frac valve. Nipple up bop. Pick up 4 3/4" bit and 2 7/8" L-80 tbg. |
| Job Cost Detail Report | | |
| Total Cost for 08/07/2012 | \$102,800.00 | |
| 08/08/2012 | | |
| Daily Summary | | 8-8-12 CHLOE 8 KEY 191 WOC- Juan Rondan DCTL HTGSM Do jsa [on nipple down frac valve] SICP- 0 psi. Nipple down frac valve. Function test and Nipple up bop. Pick up 4 3/4" bit and 5500' of 2 7/8" L-80 tbg NDP- Rig up foam air unit. Run bit to pbtb and circulate well clean. Daily cost-. 101,900.00 Cum cost-\$ 858,873.84 |
| Rig Crew Travel Time | | Drove crew to location |
| Safety Meeting | | HTGSM do jsa [on niple down frac valve] |
| Tubing - Tally | | Tally and take protecters off 2 7/8" L-80 tbg. |
| Break for Crew | | Lunch break. |
| Tubing - Run | | Pick up 4 3/4" bit, bit sub and 5500' [173 jts] of 2 7/8" L-80. |
| Shut-in Overnight | | Secure well sion. |
| Rig Crew Travel Time | | drove crew home. |
| Casing - Check Pressure | | SICP- 0 psi |
| Frac Valve - Nipple Down | | Nipple down frac valve. |
| BOPE Hydraulic - Nipple Up | | Function test and nipple up 7 /16" 5000# hydraulic bop. |
| Job Cost Detail Report | | |
| Total Cost for 08/08/2012 | \$11,497.02 | |
| 08/09/2012 | | |
| Rig Crew Travel Time | | Drove crew to location. |
| Safety Meeting | | Do jsa [on picking up tubing] |
| Casing - Check Pressure | | SICP- 0 psi |
| Tubing - Check Pressure | | SITP- 0 psi |
| Tubing - Run | | Tally and pick up 120 jts 2 7/8" L-80 |
| Break for Crew | | Lunch break |
| Tubing - Run | | Pick up 62 jts 2 7/8" with 4 3/4" bit tag at 11,350' [called it good] |
| Tubing - Pull | | Pull 100 stands blue |
| Shut-in Overnight | | Secure well sion. |

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| Rig Crew Travel Time | | Drove crew home. |
| Daily Summary | | 8-9-12 CHLOE 8 KEY 191 WOC- Juan Rondan DCTL HTGSM Do jsa [picking up rods] Well was dead. Pick up 182 jts 2 7/8" L-80.. with 4 3/4" bit tag 11,350' POH with 100 stands. Secure well sion. NDP- POH with bit and run RBP and PKR. Daily cost-. 9,693.00 Cum cost-\$ 880,963.84 |
| Job Cost Detail Report | | |
| Total Cost for 08/09/2012 | \$9,743.04 | |
| 08/10/2012 | | |
| Tubing - Run | | RIH with 5 1/2" RBP and PKR with 275 jts 2 7/8" . Leave tools swinging at 8800' |
| Shut-in Overnight | | Secure well sion. |
| Rig Crew Travel Time | | drove crew home. |
| Rig Crew Travel Time | | Drove crew to location. |
| Safety Meeting | | HTGSM Do jsa [on pulling tbq] |
| Tubing - Check Pressure | | SITP- 0 psi |
| Casing - Check Pressure | | SICP- 0 psi. |
| Tubing - Pull | | POH with 70 stands 2 7/8" . Lay down bit and bit sub. |
| Break for Crew | | Lunch break |
| Daily Summary | | 8-10-12 CHLOE 8 KEY 191 WOC- Juan Rondan DCTL HTGSM Do jsa [pulling tbq] Well was dead. POH with 70 stands.Pick up 5 1/2" rbp and packer. and 275 jts 2 7/8" Leave rbp and pkr at 8800' NDP- Do scale squeeze. Daily cost-. 9,693.00 Cum cost-\$ 880,963.84 |
| Job Cost Detail Report | | |
| Total Cost for 08/10/2012 | \$8,575.98 | |
| 08/11/2012 | | |
| Casing - Check Pressure | | DSICP- 0 psi |
| Tubing - Run | | RIH with 70 jts 2 7/8" L-80. |
| Bridge Plug - Retrievable - Set | | Set RBP @ 11,210' |
| Packer - Set | | Pull 36 jts and set pkr @ 10,006' |
| Chemical Treatment - Scale Squeeze | | Pump 75 bbls f/w mixed with 55 gallons EC6490A and start pumping 250 bbls f/w mixed with 6 gallons of EC6106A flush. When 175 bbls were pumped pressure cummunicated aroud casing. Quit pumping. |
| Well Control - Kill Well - Brine | | SITP- 200 psi and SICP- 200 psi. Bled down pressure. Pump 200 bls 10# brine down casinf and 60 bbls b/w down tbq. ISIP- 150 psi. |
| Rig Crew Travel Time | | Drove crew to location. |
| Safety Meeting | | HTGSM Do ja [running tbq] |
| Tubing - Check Pressure | | SITP- 0 psi |
| Shut-in Overnight | | Secure well sion, |
| Rig Crew Travel Time | | Drove crew home. |
| Daily Summary | | 8-11-12 CHLOE 8 KEY 191 DCTL HTGSM Well was dead. Run tbq and set RBP @ 11,210 and pull up and set pkr @ 10,066' do scale squeeze on perfs 11,193' to 10,427' Pump 55 gallons of EC6490A mixed with 75 bbls f/w. And start 250 bbls f/w flush mixed with 6 gallons of EC6106A. Pump 175 bbls of flush and communicated and start to flow out of casing. Qiut pumping. SICP- 200 psi and SITP- 200 psi. Pump 200 bbls down |

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| | | casing SICP- 150 psi. Pump 60 bbls b/w down tbg, Secure well sion. |
| Job Cost Detail Report | | |
| Total Cost for 08/11/2012 | \$12,325.07 | |
| 08/12/2012 | | |
| Rig Crew Travel Time | | Drove crew to location. |
| Safety Meeting | | HTGSM Do jsa [Hand placement |
| Casing - Check Pressure | | SICP- 0 psi |
| Tubing - Check Pressure | | SITP- 30 psi |
| Packer - Pull | | Bled down tbg. Pull 36 jts. Det pkr @ 8837' |
| Chemical Treatment - Scale Squeeze | | Pump 75 bbls f/w mixed with 55 gallons EC6490A into perfs and flush with 350 bbls f/w mixed 9 gallons EC6106A . ISIP- 600 psi. |
| Shut-in Overnight | | Secure well sion. |
| Rig Crew Travel Time | | Drove crew home. |
| Daily Summary | | 8-12-12 CHLOE 8 KEY 191 DCTL HTGSM. SITP- 30 psi and SICP- 0 psi.Bled well down. pull up and set packer at 8837'. Mix 55 gallons of EC6490A with 75 bbls f/w pump into top perfs and flush with flush with 350 bbls mixed with 9 gallons of EC6106A. ISITP- 600 psi. Secure well sion. NDP- Kill well poh with tbg . Daily cost-. 9,693.00 Cum cost-\$ 880,963.84 |
| Job Cost Detail Report | | |
| Total Cost for 08/12/2012 | \$11,136.00 | |
| 08/13/2012 | | |
| Daily Summary | | 8-13-12 Chloe 8 Key 191 Randy Wake 700 psi on the Tbg, bleed well down to 300 psi to the pit, released the packer and continued to bleed well to the pit. pumped 85 bbls of 10# brine down the Tbg and charged the well up. Bleed well to the pit. circulated 160 bbls of 10# brine down the Tbg and out the Csg and finally killed the well. Secure the well and SION NDP: POOH w/ the plug and packer. RIH w/ production Daily cost: \$ 11,000.00 Cum cost: \$ 924,000.84 |
| Rig Crew Travel Time | | drive crew to location |
| Safety Meeting | | tailgate safety meeting |
| Tubing - Check Pressure | | 700 psi on the tbg |
| Well Control - Bleed Well Down | | bleed well down to 300 psi to the pit |
| Packer - Unseat | | released the packer and continued to bleed well to the pit |
| Well Control - Kill Well - Brine | | pumped 85 bbls of 10# brine down the Tbg and charged the well up |
| Well Control - Bleed Well Down | | Bleed well to the pit |
| Well Control - Circulate - Brine | | circulated 160 bbls of 10# brine down the Tbg and out the Csg and finally killed the well |
| Shut-in Overnight | | Secure the well and SION |
| Rig Crew Travel Time | | drive crew to the house |
| Job Cost Detail Report | | |
| Total Cost for 08/13/2012 | \$11,000.07 | |
| 08/14/2012 | | |
| Tubing - Run | | RIH w/ 70 jts of 2 7/8 L-80 Tbg down to RBP at 11210 |

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| Bridge Plug - Retrievable - UnSeat | | Latch onto RBP and release |
| Packer & Plug - Pull | | POOH w/ 352 jts of 2 7/8 L-80 Tbg and plug & packer. Laid down the packer and plug |
| Break for Crew | | LUNCH |
| Tubing - Run | | RIH w/ 2 7/8 bull plug, 2 7/8 12-slot sand screen, 2 7/8 MHD SN, 2 jts of 2 7/8 TK-99, 4 jts of 2 7/8 L-80 Tbg, 2 7/8 x 5 1/2 TAC, 2 jts of 2 7/8 L-80 Tbg, 2 7/8 x 4' L-80 marker sub, 188 jts of 2 7/8 L-80 Tbg |
| Shut-in Overnight | | SECURE THE WELL AND SION |
| Rig Crew Travel Time | | DRICE CREW TO LOCATION |
| Safety Meeting | | TAILGATE SAFETY MEETING |
| Tubing - Check Pressure | | TBG ON A VACUUM |
| Rig Crew Travel Time | | DRIVE CREW TO THE HOUSE |
| Job Cost Detail Report | | |
| Daily Summary | | <p>8-14-12 Chloe 8 Key 191 Randy Wake Tbg on a vacuum. RIH w/ 70 jts of 2 7/8 L-80 Tbg down to RBP at 11210'. Latch onto RBP and release. POOH w/ 352 jts of 2 7/8 L-80 Tbg and plug & packer. Laid down the packer and plug. RIH w/ 2 7/8 bull plug, 2 7/8 12-slot sand screen, 2 7/8 MHD SN, 2 jts of 2 7/8 TK-99, 4 jts of 2 7/8 L-80 Tbg, 2 7/8 x 5 1/2 TAC, 2 jts of 2 7/8 L-80 Tbg, 2 7/8 x 4' L-80 marker sub, 188 jts of 2 7/8 L-80 Tbg. Secure the well and SION NDP: Finish running in the hole w/ Tbg, Change over to RIH w/ rods Daily cost: \$ 11,000.00 Cum cost: \$ 935,000.84</p> |
| Total Cost for 08/14/2012 | \$10,310.32 | |
| 08/15/2012 | | |
| Job Cost Detail Report | | |
| Rig Crew Travel Time | | Drove crew to Location |
| Safety Meeting | | Had a stand down |
| Tubing - Check Pressure | | Tubing was on vacuum |
| Tubing - Run | | RIH with 168 jts 2 7/8" L-80 |
| Break for Crew | | Lunch break |
| Tubing Anchor - Set | | With 244 jts to marker sub. Set tac @ 11,014' |
| BOPE Hydraulic - Nipple Down | | Nipple down 7 1/16 5k hydraulic bop. |
| Wellhead - Nipple Up | | Pull 20 pt tension on tac and flange well up. |
| Equipment - Load/Unload | | Help unload and spot rod string. |
| Shut-in Overnight | | Secure well. SION. |
| Rig Crew Travel Time | | Drove crew home. |
| Daily Summary | | <p>8-15-12 Chloe 8 Key 191 Randy Wake DCTL HTGSM . Well was dead. RIH with 168 jts 2 7/8" L-80. Set tac 11,014 with 20 pt tension. Nipple down bop. Flange well up. Unload rods. Pump hadn't showed up. Secure well sion. NDP- Pick up pump and rods. Daily cost: \$ 11,000.00 Cum cost: \$ 935,000.84</p> |
| Total Cost for 08/15/2012 | \$49,243.00 | |
| 08/16/2012 | | |
| Daily Summary | | <p>8-16-12 Chloe 8 Key 191</p> |

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| | | Juan Rondan DCTL HTGSM . Well was dead, Wait on Wilson pump for 3 1/2 hours' Pick up 2.5" x 1.50" x 24' HVR grooved plunger pump, 3/4" rhr box. 6- 1.50" kbars and 200- 3/4" HD rods. Pick up polish rod. Secure well sion. NDP- Pick up rest of rods. Daily cost: \$ 10,655.00 Cum cost: \$ 994,898.84 |
| Job Cost Detail Report | | |
| Shut-in Overnight | | Pick up polish rod. Secure well sion. |
| Rig Crew Travel Time | | Drove crew home. |
| Rig Crew Travel Time | | Drove crew to location |
| Safety Meeting | | HTGSM Do jsa [on picking up rods] |
| Tubing - Check Pressure | | SITP - 0psi |
| Site Work | | Take thread pprotecters off rods and put rod boxes on. Pick up trash around location. |
| Waiting on Service Provider | | Wait on Wilson to deliver pump. [Wilson was called the day before @ 3 p.m. to be on location at 7: 30 a.m. today] |
| Site Work | | Pick up 2.5" x 1.50" x 24' HVR grooved plunger pump, 3/4" RHR box, 6-1.50" kbars and 20- 3/4" hd rods. |
| Break for Crew | | Lunch break. |
| Site Work | | Pick up 100- 3/4" rods taking thread protecters and putting rod boxe on. |
| Break for Crew | | Water break for crew |
| Site Work | | Pick up 80- 3/4" rods taking thread protecters and putting rod boxe on. |
| Total Cost for 08/16/2012 | \$10,654.92 | |
| 08/17/2012 | | |
| Job Cost Detail Report | | |
| Daily Summary | | 8-17-12 Chloe 8 Key 191 Juan Rondan DCTL HTGSM . Well was dead, Pick up t84-3/4", 155-7/8" Load tbg test to 500 psi. Rig broke down. Will repair on saturday. NDP- Hang well on, Space pump out and rig diwn. Move to Carrie13. Daily cost: \$ 10,200.00 Cum cost: \$ 1,005,098.84 |
| Safety Meeting | | HTGSM Do jsa [on running rods] |
| Tubing - Check Pressure | | SITP- 0 psi |
| Rods - Run | | Lay down polish rod. Pick up 84-3/4" and 55-7/8" HD rods |
| Break for Crew | | Lunch break. |
| Rods - Run | | Pick up 100- 7/8" and polish rod. |
| Tubing - Pressure Test | | Load tbg with 8 bbls and test to 500 psi. Held good. Cluth on rig was loosing pressure. |
| Shut-in Overnight | | Secure well sion |
| Rig Crew Travel Time | | Drove crew home. |
| Safety Meeting | | Went to Oxy weekly safet meeting |
| Rig Crew Travel Time | | Drove crew to location. |
| Total Cost for 08/17/2012 | \$10,199.95 | |
| 08/20/2012 | | |
| Rig Crew Travel Time | | DRIVE CREW TO THE HOUSE |
| Job Cost Detail Report | | |

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|---------------------------|----------------|--|
| Rig Crew Travel Time | | DRIVE CREW TO LOCATION |
| Safety Meeting | | TAILGATE SAFETY MEETING |
| Tubing - Check Pressure | | 0 PSI ON THE TBG |
| Casing - Check Pressure | | 0 PSI ON THE CSG |
| Tubing - Pressure Test | | Load the well w/ 15 bbls of 10# brine. Pressure test the Tbg to 500 psi, held good |
| Pump - Longstroke | | Long stroked the pump and had good pump action |
| Pump - Space Out | | Space out the pump 35" off bottom |
| Pulling Unit - Rig Down | | Rigged down the double derrick pulling unit |
| Daily Summary | | 8-20-12 Chloe 8 Key 191 Randy Wake 0 psi on the well. hung the well on. Load the well w/ 15 bbls of 10# brine. Pressure test the Tbg to 500 psi, held good. Long stroked the pump and had good pump action. Space out the pump 35" off bottom. Rigged down the double derrick pulling unit. SION Daily cost: \$ 9,100.00 Cum cost: \$ 1,014,198.84 |
| Total Cost for 08/20/2012 | \$7,832.74 | |
| Total Cost for CHLOE-8 | \$1,040,428.04 | |
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