

Cambrian Management Daily Drilling Report

Well Name	State of Texas CX #£			Date:	4/4/2012	Report #	1	Planned TD	9,600'		
Spud Date:				Rig Name:	JW Rig #1	Rig Phone:	432-213-4517				
Present	Waiting on Permit							Deviation Surveys			
Depth	Footage	Consultant:			Donald Holsenbeck/Jerry Thompson				Depth	Angle	
Mud Engineer				Mud Co:	Buckeye						
Type	MW	ECD	Vis	PV	YP	Gel-Initial	Gel-10 min	Cake			
WL	Solids	% Oil	% Water	Mud Losses	pH	Pm	Pf	Mf			
CL	CA	LCM	Washout(% vol)		Hole Vol	Pit Vol	Stored Vol	Min To Bit	Btms Up	Full Circ	
WOB Mn/Mx	RPM Mn/Mx		GPS	SPM	GPM	Pressure	DC wt/mud	Rot wt	PU wt	SO wt	
From	To	Hours	Activity for Previous 24 Hours								
7:00 AM	2:00 AM	19.00	MIRU. Derrick standing @ 18:00 04/04/2012								
2:00 AM	7:00 AM	5.00	Wait on drilling permit.								
TOTAL HOURS		24.00									
Accident/Safety Info: (record name of any individual involved in an incident + details)											
Bit No	Size	Mfg	Type	SN	Jets	In	Out	Ftg	Hrs	ROP	
1						0					
2											
3											
4											
5											
6											
7											
8											
Bit No. Grading	Inner	Outer	Dull Char	Location	Bearings	Other	Gauge	Rson Pld	Comments		
BHA											
		Size	Wt.	Grade	Conn.	Jts	Length	Jts/Loc	String Volume		
Drill Pipe (bottom)									bbls		
Drill Pipe (middle)											
Drill Pipe (top)											
Assumed Pump Eff		90	Pump No.	90			Pump No. 2	Slow Pump Rate			
	Type	Liner OD	Length	GPS (100%)	SPM	GPM	Pressure	Depth	SPM	Pressure	
Pump No. 1											
Pump No. 2											
	# of Jts	Length (ft)	OD	Weight	Grade	Joint	Thread	Class	Date Set		
Conductor											
Surface											
Intermediate											
Production											
LOADS FRESH WATER HAULED:				LOADS BRINE WATER HAULED:							
VOLUME F WATER HAULED (bbls)				VOLUME B WATER HAULED (bbls)							
Expense Category		Vendor			Description			Cost			
CONTRACT DRLG DAY RATE		JW Rig #1			Drilling Rig Day Rate			\$ 14,500			
RIG SUPERVISION		Ervin Wellsite Consultants			Site Supervision Day Rate			\$ 1,400			
HOT SHOT FORK LIFT DELIVERY		Sanjuan Hot shot & Transport			Trucking cost to deliver fork lift from li			\$ 550			
SURFACE RENTAL		Lighthouse Energy Solutions			8000# extenda boom fork lift rental			\$ 150			
WELL HEAD		J&W Services & Equipment			C-22 13 5/8" well head			\$ 6,870			
SUB SURFACE RENTALS		Drilling Pro			17 1/2" Bit & stabilization tools			\$ 11,053			
BUILD ROADS, LOCATIONS, PITS		Weaver Construction			Building Location			\$ 55,000			
BUILD ROADS, LOCATIONS, PITS		Express Energy Services			Reserve Pit Liner			\$ 6,840			
BUILD ROADS, LOCATIONS, PITS		Butch's Rathole			Rathole, Mousehole			\$ 10,000			
Daily Mud Cost:					Cumulative Mud Cost:			\$0			
Daily Well Cost:		\$106,363			Cumulative Well Cost:			\$106,363			
AFE Cost Estimate:					AFE \$ Remaining						

Cambrian Management Daily Drilling Report

Well Name	State of Texas CX #5		Date:	4/5/2012	Report #	2	Planned TD	9,600'			
Spud Date:	04/05/2012 @ 9:30 am		Rig Name:	JW Rig #1	Rig Phone:	432-213-4517					
Present Ops:	Cementing 13 3/8" surface casing							Deviation Surveys			
Depth	331	Footage	291	Consultant:				Donald Holsenbeck/Jerry Thompsor			
Mud Engineer:	Chris Brantley			Mud Co:	Buckeye				Depth	250	
Type	MW	ECD	Vis	PV	YP	Gel-Initial	Gel-10 min	Cake			
Native	8.4	8.4	28	1	1						
WL	Solids	% Oil	% Water	Mud Losses	pH	Pm	Pf	Mf			
	0.1		99		7						
CL	CA	LCM	Washout(% vol)		Hole Vol	Pit Vol	Stored Vol	Min To Bit	Btms Up	Full Circ	
3,000					28	400			3	52	
WOB Mn/Mx	RPM Mn/Mx	GPS	SPM	GPM	Pressure	DC wt/mud	Rot wt	PU wt	SO wt		
20/55	85	110	3.3	110	345	350					
From	To	Hours	Activity for Previous 24 Hours								
7:00 AM	9:30 AM	2.50	Wait on drilling permit. Notify TX RRC & ULS of intent to spud well.								
9:30 AM	3:30 PM	6.00	Spud well 04/05/2012 @ 9:30 am and drill from 40' - 250' (210') @ avg 35 fph								
3:30 PM	3:45 PM	0.25	Run wireline deviation survey @ 250' = 1.5'								
3:45 PM	5:30 PM	1.75	Drilling from 250' - 331' (81') @ 46.28 fph								
5:30 PM	5:45 PM	0.25	Circulate to TOH								
5:45 PM	7:30 PM	1.75	SLM out of hole and LD 17 1/2" bit and IBS to run 13 3/8" surface casing								
7:30 PM	8:30 PM	1.00	RU casing crew and hold PJSM								
8:30 PM	#####	1.50	Run guide shoe, 1 jt 13 3/8" 48# H-40 casing, float collar and 7 jts 13 3/8" 48# H-40 casing @ 331'								
10:00 PM	#####	0.50	RD casing crew								
10:30 PM	#####	0.50	RU cementers and hold PJSM								
11:00 PM	1:00 AM	2.00	Pump 130 sx of class C cement, Pump truck plugged. Had to circ cement out of hole into reserve								
1:00 AM	6:00 AM	5.00	Circ and wait on pump truck and bulk truck to cement 13 3/8" casing.								
6:00 AM	7:00 AM	1.00	Cement 13 3/8" 48# csg w/ 350 sxs of class C+2% CaCl2+1/4#Sk Celloflake+.004 gps CF-41L								
TOTAL HOURS		24.00									
Accident/Safety Info: (record name of any individual involved in an incident + details)											
Bit No	Size	Mfg	Type	SN	Jets	In	Out	Ftg	Hrs	ROP	
1	17 1/2	Dowco	XT156	10420748	22-Mar	40	331	291	7.75	37.5	
2											
3											
4											
5											
6											
7											
8											
Bit No. Grading	Inner	Outer	Dull Char	Location	Bearings	Other	Gauge	Rson Pld	Comments		
1	1	1	worn teeth	all rows	1		in	TD			
BHA	Bit, Bit Sub, IBS, 3 8" DC's,XO sub, 6 6" DC's							BHA Lngth	293.49		
	Size	Wt.	Grade	Conn.	Jts	Length	Jts/Loc	String Volume			
Drill Pipe (bottom)	0	0	0	0	0	0	0	bbls			
Drill Pipe (middle)	0	0	0	0	0	0	0				
Drill Pipe (top)	0	0	0	0	0	0	0				
Assumed Pump Eff	Pump No. 1		95%	Pump No. 2		95%	Slow Pump Rate				
	Type	Liner OD	Length	GPS (100%)	SPM	GPM	Pressure	Depth	SPM	Pressure	
Pump No. 1	GD Triplex	6	9	3.3	110	345	350	0	0	0	
Pump No. 2	GD Triplex	6	9	3.3	0	0	0	0	0	0	
	# of Jts	Length (ft)	OD	Weight	Grade	Joint	Thread	Class	Date Set		
Conductor	1	40	20"								
Surface	8	331.61	13.375"	48	H-40		8RD	R-3	4/5/12		
Intermediate											
Production											
LOADS FRESH WATER HAULED:				LOADS BRINE WATER HAULED:							
VOLUME F WATER HAULED (bbls):				VOLUME B WATER HAULED (bbls):							
Expense Category		Vendor			Description				Cost		
CONTRACT DRLG DAY RATE		JW Rig #1			Drilling Rig Day Rate				\$ 14,500		
RIG SUPERVISION		Ervin Wellsite Consultants			Site Supervision Day Rate				\$ 1,400		
OTHER RENTALS		Lighthouse Energy Solutions			8000# extenda boom fork lift rental				\$ 150		
ENVIRONMENTAL & SAFETY		ASI			Day Rent H2S Equipment				\$ 65		
SUPERVISION ACCOMADATIONS		Select Energy Services			Supervisor Camp Accommodations				\$ 390		
SUPERVISION ACCOMADATIONS		RigNet			Communication & Internet				\$ 135		
CASING CREW & TOOLS		Permian Power Tong			Casing crew and tools to run 13 3/8 su				\$ 4,700		
CASING & TUBING INSPECTIONS		Down Hole Inspection			Inspect clean and strap 9 jnts 13 3/8 4				\$ 1,015		
CASING - FLOAT EQ		SK Supply Co.			Float EQ for 13 3/8" and 8 5/8" casing				\$ 3,643		
CASING		KC Pipe			9 jts 13 3/8" 48# H-40 casing				\$ 12,542		
Daily Mud Cost:		\$1,746			Cumulative Mud Cost:				\$1,746		
Daily Well Cost:		\$40,286			Cumulative Well Cost:				\$146,650		
AFE Cost Estimate:					AFE \$ Remaining						

Cambrian Management Daily Drilling Report

Well Name	State of Texas CX #5			Date:	4/6/2012	Report #	3	Planned TD	9,600'	
Spud Date:	04/05/2012 @ 9:30 am			Rig Name:	JW Rig #1	Rig Phone:	432-213-4517			
Present	Test BOP							Deviation Surveys		
Depth	331	Footage	0	Consultant:	Donald Holsenbeck/Jerry Thompson					
Mud Engineer	Chris Brantly			Mud Co:	Buckeye					
Type	MW	ECD	Vis	PV	YP	Gel-Initial	Gel-10 min	Cake		
WL	Solids	% Oil	% Water	Mud Losses	pH	Pm	Pf	Mf		
CL	CA	LCM	Washout(% vol)	Hole Vol	Pit Vol	Stored Vol	Min To Bit	Btms Up	Full Circ	
WOB Mn/Mx	RPM Mn/Mx	GPS	SPM	GPM	Pressure	DC wt/mud	Rot wt	PU wt	SO wt	
From	To	Hours	Activity for Previous 24 Hours							
7:00 AM	7:30 AM	0.50	Cement 13 3/8" casing with 350 sxs class C w/ 2% CaCl2+.25 #sk celloflake+.004 gps CF-41L mixed at 14.8 ppg yielding 1.34 plug down @ 07:30 AM 04/06/2012							
7:30 AM	8:00 AM	0.50	RD cementers							
8:00 AM	12:00 PM	4.00	WOC							
12:00 PM	2:30 PM	2.50	Cut off conductor and 13 3/8" casing to weld on wellhead							
2:30 PM	4:30 PM	2.00	Install and weld on 13 3/8" C-22 3M X 13 3/8" SOW w/2-2" lpo casing head test to 500 psi ok							
4:30 PM	11:00 PM	6.50	NU BOP and choke manifold							
11:00 PM	7:00 AM	8.00	Test BOP, annular & choke manifold to stand pipe @ 250 low 2000 hi, test stand pipe @ 250 low 2500 high							
TOTAL HOURS		24.00								
Accident/Safety Info: (record name of any individual involved in an incident + details)										
Bit No	Size	Mfg	Type	SN	Jets	In	Out	Ftg	Hrs	ROP
1										
2										
3										
4										
5										
6										
7										
8										
Bit No. Grading	Inner	Outer	Dull Char	Location	Bearings	Other	Gauge	Rson Pld	Comments	
BHA		Size	Wt.	Grade	Conn.	Jts	Length	Jts/Loc	BHA Lngth	
Drill Pipe (bottom)		0	0	0	0	0	0	0		bbls
Drill Pipe (middle)		0	0	0	0	0	0	0		
Drill Pipe (top)		0	0	0	0	0	0	0		
Assumed Pump Eff	Pump No. 1				Pump No. 2	Slow Pump Rate				
Type	Liner OD	Length	GPS (100%)	SPM	GPM	Pressure	Depth	SPM	Pressure	
Pump No. 1	GD Triplex	6	9	3.3	0	0	0	0	0	0
Pump No. 2	GD Triplex	6	9	3.3	0	0	0	0	0	0
	# of Jts	Length (ft)	OD	Weight	Grade	Joint	Thread	Class	Date Set	
Conductor	1	40	20"							
Surface	8	331.61	13.375"	48	H-40		8RD	R-3	4/5/12	
Intermediate										
Production										
LOADS FRESH WATER HAULED:				LOADS BRINE WATER HAULED:						
VOLUME F WATER HAULED (bbls):				VOLUME B WATER HAULED (bbls):						
Expense Category	Vendor		Description				Cost			
CONTRACT DRLG DAY RATE	JW Rig #1		Drilling Rig Day Rate				\$ 14,500			
RIG SUPERVISION	Ervin Wellsite Consultants		Site Supervision Day Rate				\$ 1,400			
OTHER RENTALS	Lighthouse Energy Solutions		8000# extenda boom fork lift rental				\$ 150			
ENVIRONMENTAL & SAFETY	ASI		Day Rent H2S Equipment				\$ 65			
SUPERVISION ACCOMADATIONS	Select Energy Services		Supervisor Camp Accommodations				\$ 390			
SUPERVISION ACCOMADATIONS	RigNet		Communication & Internet				\$ 135			
CEMENTING SURFACE / INTERME	O-Tex Pumping		Cement surface casing				\$ 11,282			
Daily Mud Cost:					Cumulative Mud Cost:	\$1,746				
Daily Well Cost:	\$27,922				Cumulative Well Cost:	\$174,572				
AFE Cost Estimate:					AFE \$ Remaining					

Cambrian Management Daily Drilling Report

Well Name:	State of Texas CX #E			Date:	4/14/2012		Report #:	11		Planned TD:	9,600'			
Spud Date:	04/05/2012 @ 9:30 am			Rig Name:	JW Rig #1		Rig Phone:	432-213-4517						
Present Ops:	Ope DV Tool & Circulate									Deviation Surveys				
Depth:	4789	Footage:	0	Consultant:	Donald Holsenbeck/Jerry Thompson						Depth:	4789	Angle:	0.5°
Mud Engineer:	Chris Brantley			Mud Co.:	Buckeye						4789	0.5°		
Type:	MW	ECD	Vis	PV	YP	Gel-Initial	Gel-10 min	Cake						
Brine:	10	10	29	1	1									
WL:	Solids	% Oil	% Water	Mud Losses	pH	Pm	Pf	Mf						
		0	99		10									
CL:	CA	LCM	Washout(% vol)		Hole Vol	Pit Vol	Stored Vol	Min To Bit	Btms Up	Full Circ				
184,000	2,200		125		638	1000		5	60	187				
WOB Mn/Mx	RPM Mn/Mx	GPS	SPM	GPM	Pressure	DC wt/mud	Rot wt	PU WT	SO wt					
		3.1												
From	To	Hours	Activity for Previous 24 Hours											
7:00 AM	7:30 AM	0.50	Circ to TOH											
7:30 AM	9:00 AM	1.50	TOH to run 8 5/8" 32# HCK-55 & J-55 32# casing											
9:00 AM	9:30 AM	0.50	Repair draw works oiler pump											
9:30 AM	10:30 AM	1.00	TOH to 1,700'											
10:30 AM	12:00 PM	1.50	PU Kelly and run fluid caliper											
12:00 PM	3:00 PM	3.00	Finish TOH & LD 3" DC's											
3:00 PM	4:00 PM	1.00	RU casing crew											
4:00 PM	12:00 AM	8.00	Run shoe, one jt 8 5/8" HCK-55, float collar, 7 jts 8 5/8" HCK-55, 30 jts J-55 32#, DV Tool, 69 jts J-55 32# set at 4,789', DV Tool set @ 1,709'											
12:00 AM	2:00 AM	2.00	Circ 8 5/8" & RD casing crew. RU O-Tex for cement job											
2:00 AM	3:45 AM	1.75	Cement 1st Stage w/ 800 sx 50:50 Class C + 10% Gel + 5% Salt + 1/4#sk Celoflake + .004 gps CF-411 mixed at 11.8 ppg Lead & 200 sx Class C + 1% CaCl2 mixed at 14.8 ppg Tail.											
3:45 AM	7:00 AM	3.25	Drop bomb, open DV tool & circulate											
TOTAL HOURS		24.00												
Accident/Safety Info: (record name of any individual involved in an incident + details)														
Bit No	Size	Mfg	Type	SN	Jets	In	Out	Ftg	Hrs	ROP				
1	17 1/2	DB Bits	XT156	10420748	3 x 22	40	331	291	7.75	37.5				
2	11	DB Bits	KX613D	AN23508A	6 x 18	331	4,458	4,127	127.5	32.4				
3	11	DB Bits	D616DD	D-3646	6 x 15	4,458	4,789	331	13.25	24.98				
4														
5														
6														
7														
8														
Bit No. Grading	Inner	Outer	Dull Char	Location	Bearings	Other	Gauge	Rson Pld	Comments					
3	1	1	None		F/C		In	TD						
BHA										BHA Lngth				
		Size	Wt.	Grade	Conn.	Jts	Length	Jts/Loc	String Volume					
Drill Pipe (bottom)		4.5	16.6	E	0	0	0	0	bbls					
Drill Pipe (middle)		0	0	0	0	0	0	0						
Drill Pipe (top)		0	0	0	0	0	0	0						
Assumed Pump Eff			Pump No. 1	95%	Pump No. 2	95%	Slow Pump Rate							
	Type	Liner OD	Length	GPS (100%)	SPM	GPM	Pressure	Depth	SPM	Pressure				
Pump No. 1	GD Triplex	6	9	3.3	130	429	1250	0	0	0				
Pump No. 2	GD Triplex	6	9	3.3	0	0	0	0	0	0				
	# of Jts	Length (ft)	OD	Weight	Grade	Joint	Thread	Class	Date Set					
Conductor	1	40	20"											
Surface	8	331.61	13.375"	48	H-40		8RD	R-3	4/5/12					
Intermediate	107	4789	8 5/8	32	CK-55 & J-55	LTC		R-3	4/14/12					
Production														
LOADS FRESH WATER HAULED:				7	LOADS BRINE WATER HAULED:									
VOLUME F WATER HAULED (bbls):				720	VOLUME B WATER HAULED (bbls):									
Expense Category			Vendor			Description			Cost					
CONTRACT DRLG DAY RATE			JW Rig #1			Drilling Rig Day Rate			\$ 14,500					
RIG SUPERVISION			Ervin Wellsite Consultants			Site Supervision Day Rate			\$ 1,400					
OTHER RENTALS			Lighthouse Energy Solutions			8000# extenda boom fork lift rental			\$ 150					
ENVIRONMENTAL & SAFETY			ASI			Day Rent H2S Equipment			\$ 65					
SUPERVISION ACCOMADATIONS			Select Energy Services			Supervisor Camp Accommodations			\$ 390					
SUPERVISION ACCOMADATIONS			RigNet			Communication & Internet			\$ 135					
TANK			Key Energy			Frac Tank Rental for fresh water			\$ 65					
MUD LOGGING			Geo Tech			Mud Logging Services			\$ 1,050					
CASING			KC Pipe LP			4800' 8 5/8 32# casing			\$ 102,785					
CASING CREW & TOOLS			Express Energy Services			Casing crew & tools for 8 5/8 casing			\$ 6,680					
TRUCKING			Jonezy Hot Shot Service			Haul 6" Tele Drift To Rig & 8" To Yard			\$ 525					
MISC CONTRACT SERVICES			Ellison Fluid Calipers			Run Fluid Caliper @ TD & 1700'			\$ 3,019					
COMPANY LABOR			Man on Fire Welding			Weld Shoe, Float Collar and 2nd Joint c			\$ 375					
FUEL & POWER			SC Fuels			7,459 Gals Rig Fuel			\$ 25,800					
Daily Mud Cost:						Cumulative Mud Cost:			\$17,692					
Daily Well Cost:			\$156,939			Cumulative Well Cost:			\$497,977					
AFE Cost Estimate:						AFE \$ Remaining								

Cambrian Management Daily Drilling Report

Well Name:	State of Texas CX #E			Date:	4/16/2012		Report #:	13		Planned TD:	9,600'			
Spud Date:	04/05/2012 @ 9:30 am			Rig Name:	JW Rig #1		Rig Phone:	432-213-4517						
Present Ops:	Drilling ahead at 5,662'									Deviation Surveys				
Depth:	5,662	Footage:	873	Consultant:	Donald Holsenbeck/Jerry Thompson					Depth:	5,246		Angle:	0.5°
Mud Engineer:	Chris Brantley			Mud Co:	Buckeye									
Type:	MW	ECD:	Vis	PV:	YP	Gel-Initial:	Gel-10 min	Cake:						
Fresh:	8.7	8.7	28	1	1									
WL:	Solids:	% Oil:	% Water:	Mud Losses:	pH:	Pm:	Pf:	Mf:						
	1	0	99		9.5									
CL:	CA	LCM:	Washout(% vol):	Hole Vol:	Pit Vol:	Stored Vol:	Min To Bit:	Btms Up:	Full Circ:					
20,000				222	1,000		4	17	144					
WOB Mn/Mx:	RPM Mn/Mx:	GPS:	SPM:	GPM:	Pressure:	DC wt/mud:	Rot wt:	PU wt:	SO wt:					
1/20	60	65	3.1	130	403	1,000	60/8.5	155	157	153				
From:	To:	Hours:	Activity for Previous 24 Hours											
7:00 AM	8:00 AM	1.00	Drilling cement and shoe											
8:00 AM	8:30 AM	0.50	Circulate to TOH											
8:30 AM	11:30 AM	3.00	TOH to PU 7 7/8" PDC											
11:30 AM	2:00 PM	2.50	CO Bit											
2:00 PM	10:30 PM	8.00	Drilling from 4,789' - 5,289' (500') @ 62.5 FPH											
10:30 PM	10:45 PM	0.25	Deviation survey @ 5,246'; 0.5°											
10:45 PM	7:00 AM	8.25	Drilling from 5,289' - 5,662' (373') @ 45.2 FPH Lithology, 60% shaly lime, 25% shale, 15% limestone 23 units back ground gas, 184 units max gas, 130 units conn. Gas											
TOTAL HOURS:		24.00												
Accident/Safety Info: (record name of any individual involved in an incident + details)														
Bit No:	Size:	Mfg:	Type:	SN:	Jets:	In:	Out:	Ftg:	Hrs:	ROP:				
1	17 1/2	DB Bits	XT156	10420748	3 x 22	40	331	291	7.75	37.5				
2	11	DB Bits	KX613D	AN23508A	6 x 18	331	4,458	4,127	127.5	32.4				
3	11	DB Bits	D616DD	D-3646	6 x 15	4,458	4,789	331	13.25	24.98				
4	7 7/8	DB Bits	D3586	D-6135D	6 x 15	4,789		873	16.25	53.72				
5														
6														
7														
8														
Bit No. Grading:	Inner:	Outer:	Dull Char:	Location:	Bearings:	Other:	Gauge:	Rson Pld:	Comments:					
BHA:	7 7/8 D3586 , 1 Mud MTR, 1Tele Drift, 1 7 7/8 IBS, 1 6" DC, 1 7 7/8 IBS, 17 6" DCs, Kelly 48'								BHA Lngth:	647.89				
	Size:	Wt:	Grade:	Conn:	Jts:	Length:	Jts/Loc:	String Volume:						
Drill Pipe (bottom):	4.5	16.6	E	XH	162	5,019.34	244	71	bbls					
Drill Pipe (middle):	0	0	0	0	0	0	0							
Drill Pipe (top):	0	0	0	0	0	0	0							
Assumed Pump Eff:	Pump No. 1:		95%	Pump No. 2:		95%	Slow Pump Rate:							
	Type:	Liner OD:	Length:	GPS (100%):	SPM:	GPM:	Pressure:	Depth:	SPM:	Pressure:				
Pump No. 1:	GD Triplex	6	9	3.3	0	0	0	0	0	0				
Pump No. 2:	GD Triplex	6	9	3.3	130	403	1000	0	0	0				
	# of Jts:	Length (ft):	OD:	Weight:	Grade:	Joint:	Thread:	Class:	Date Set:					
Conductor:	1	40	20"											
Surface:	8	331.61	13.375"	48	H-40		8RD	R-3	4/5/12					
Intermediate:	107	4789	8 5/8	32	CK-55 & J-5	LTC		R-3	4/14/12					
Production:														
LOADS FRESH WATER HAULED:						LOADS BRINE WATER HAULED:								
VOLUME F WATER HAULED (bbls):						VOLUME B WATER HAULED (bbls):								
Expense Category:	Vendor:			Description:					Cost:					
CONTRACT DRLG DAY RATE	JW Rig #1			Drilling Rig Day Rate					\$ 14,500					
RIG SUPERVISION	Ervin Wellsite Consultants			Site Supervision Day Rate					\$ 1,400					
OTHER RENTALS	Lighthouse Energy Solutions			8000# extenda boom fork lift rental					\$ 150					
ENVIRONMENTAL & SAFETY	ASI			Day Rent H2S Equipment					\$ 65					
SUPERVISION ACCOMADATIONS	Select Energy Services			Supervisor Camp Accommodations					\$ 390					
SUPERVISION ACCOMADATIONS	RigNet			Communication & Internet					\$ 135					
TANK	Key Energy			Frac Tank Rental for fresh water					\$ 65					
MUD LOGGING	Geo Tech			Mud Logging Services					\$ 1,050					
WATER	Key Energy			Water for rig tanks					\$ 803					
Daily Mud Cost:	\$634			Cumulative Mud Cost:	\$21,062									
Daily Well Cost:	\$19,192			Cumulative Well Cost:	\$610,065									
AFE Cost Estimate:	AFE \$ Remaining													

Cambrian Management Daily Drilling Report

Well Name	State of Texas CX #5			Date:	4/30/2012	Report #	27	Planned TD	9,600'	
Spud Date:	04/05/2012 @ 9:30 am			Rig Name:	JW Rig #1	Rig Phone:	432-213-4517			
Present Ops:	SLM out of hole to PU fishing tools and DCs								Deviation Surveys	
Depth	10,011	Footage	0	Consultant:	Donald Holsenbeck/Jerry Thompsor				Depth	Angle
Mud Engineer:	Charlie Vaughn			Mud Co:	Buckeye					
Type	MW	ECD	Vis	PV	YP	Gel-Initial	Gel-10 min	Cake		
Starch, Salt Ge	9.4+									
WL	Solids	% Oil	% Water	Mud Losses	pH	Pm	Pf	Mf		
CL	CA	LCM	Washout(% vol)		Hole Vol	Pit Vol	Stored Vol	Min To Bit	Btms Up	
WOB Mn/Mx	RPM Mn/Mx	GPS	SPM	GPM	Pressure	DC wt/mud	Rot wt	PU wt	SO wt	
From	To	Hours	Activity for Previous 24 Hours							
7:00 AM	12:00 PM	5.00	Work stuck pipe and wait on free point							
12:00 PM	8:00 PM	8.00	Try to run free point shearing pins in free point too							
8:00 PM	9:30 PM	1.50	WO more free point tools							
9:30 PM	11:30 PM	2.00	RU and run new free point tool; pipe 50% stuck @ 6,967' 90% stuck @ 6,975, 100% stuck @ 6,987							
11:30 PM	12:30 AM	1.00	Pull out with free point, LD & RU back off tool & RIH							
12:30 AM	1:00 AM	0.50	Back off at 6,926' POOH w/ wireline							
1:00 AM	5:30 AM	4.50	Circulate and condition mud on top of fish							
5:30 AM	7:00 AM	1.50	SLM out of hole to PU fishing tools and DCs							
TOTAL HOURS		24.00								
Accident/Safety Info: (record name of any individual involved in an incident + details)										
Bit No	Size	Mfg	Type	SN	Jets	In	Out	Ftg	Hrs	ROP
1	17 1/2	DB Bits	XT156	10420748	3 x 22	40	331	291	7.75	37.5
2	11	DB Bits	KX613D	AN23508A	6 x 18	331	4,458	4,127	127.5	32.4
3	11	DB Bits	D616DD	D-3646	6 x 15	4,458	4,789	331	13.25	24.98
4	7 7/8	DB Bits	D3586	D-6135D	6 x 15	4,789	6895	873	16.25	53.72
5	7 7/8	HTC	Gx-E35C	5210436	3 X 15	6,895	7554	505	34.5	14.63
6	7 7/8	SEC	FX-65DM	11877876	6 x 15	7,554	9,471	1,917	57	33.63
7	7 7/8	DB Bits	SL513XD	D-3578	7 x 13	9,471	10,011	540	30.75	17.56
8										
BHA										
	Size	Wt.	Grade	Conn.	Jts	Length	Jts/Loc	String Volume		
Drill Pipe (bottom)	0	0	0	0	0	0	0	bbls		
Drill Pipe (middle)	0	0	0	0	0	0	0			
Drill Pipe (top)	0	0	0	0	0	0	0			
Assumed Pump Eff		Pump No. 1			Pump No. 2			Slow Pump Rate		
	Type	Liner OD	Length	GPS (100%)	SPM	GPM	Pressure	Depth	SPM	Pressure
Pump No. 1	GD Triplex	6	9	3.3	130	429	1250	0	0	0
Pump No. 2	GD Triplex	6	9	3.3	0	0	0	0	0	0
	# of Jts	Length (ft)	OD	Weight	Grade	Joint	Thread	Class	Date Set	
Conductor	1	40	20"							
Surface	8	331.61	13.375"	48	H-40		8RD	R-3	4/5/12	
Intermediate	107	4789	8 5/8	32	CK-55 & J-5	LTC		R-3	4/14/12	
Production										
LOADS FRESH WATER HAULED:					LOADS BRINE WATER HAULED:					
VOLUME F WATER HAULED (bbls):					VOLUME B WATER HAULED (bbls):					
Expense Category		Vendor			Description			Cost		
CONTRACT DRLG DAY RATE		JW Rig #1			Drilling Rig Day Rate			\$ 14,500		
RIG SUPERVISION		Ervin Wellsite Consultants			Site Supervision Day Rate			\$ 1,400		
OTHER RENTALS		Lighthouse Energy Solutions			8000# extenda boom fork lift rental			\$ 150		
ENVIRONMENTAL & SAFETY		ASI			Day Rent H2S Equipment			\$ 65		
SUPERVISION ACCOMADATIONS		Select Energy Services			Supervisor Camp Accommodations			\$ 390		
SUPERVISION ACCOMADATIONS		RigNet			Communication & Internet			\$ 135		
TANK		Key Energy			Frac Tank Rental for fresh water			\$ 65		
MUD LOGGING		Geo Tech			Mud Logging Services			\$ 1,050		
TRUCKING		Bully Trucking			Deliver NOV jars and back haul to NO			\$ 527		
OPEN HOLE LOGGING		Schlumberger			Open Logging			\$ 39,785		
Wireline		WSI			Free point/back off			\$ 13,996		
Daily Mud Cost:					Cumulative Mud Cost:			\$53,751		
Daily Well Cost:		\$72,063			Cumulative Well Cost:			\$979,807		
AFE Cost Estimate:					AFE \$ Remaining					

Cambrian Management Daily Drilling Report

Well Name	State of Texas CX #5			Date:	5/4/2012	Report #	31	Planned TD	9,600'	
Spud Date:	04/05/2012 @ 9:30 am			Rig Name:	JW Rig #1	Rig Phone:	432-213-4517			
Present Ops:	LD wash pipe, PU jars & screw in sub							Deviation Surveys		
Depth	10,011	Footage	0	Consultant:	Donald Holsenbeck/Jerry Thompsor					
Mud Engineer:	Chris Brantley			Mud Co:	Buckeye					
Type	MW	ECD	Vis	PV	YP	Gel-Initial	Gel-10 min	Cake		
Starch, Salt Ge	9.4	9.94	45	8	22	8	12	1		
WL	Solids	% Oil	% Water	Mud Losses	pH	Pm	Pf	Mf		
7.6	3	0	97	75	8	0	0	0.1		
CL	CA	LCM	Washout(% vol)		Hole Vol	Pit Vol	Stored Vol	Min To Bit	Btms Up	Full Circ
82.000	2,700				377	400		16	47	130
WOB Mn/Mx	RPM Mn/Mx	GPS	SPM	GPM	Pressure	DC wt/mud	Rot wt	PU wt	SO wt	
5/10	25	30	3.1	80	251	750	30/9.4	150	152	146
From	To	Hours	Activity for Previous 24 Hours							
7:00 AM	9:00 AM	2.00	TOH to PU 3 more jts of wash pipe.							
9:00 AM	#####	1.00	PU wash pipe							
10:00 AM	2:30 PM	4.50	TIH w/ wash pipe							
2:30 PM	#####	8.00	Wash over fish from 7,044 - 7,140. Started losing returns @ 7,115'; lost 75 bbls. Fish didn't fall.							
10:30 PM	#####	1.50	Circulate & TOH w/ WP							
12:00 AM	5:00 AM	5.00	TOH to LD wash pipe, PU jars & screw in sut							
5:00 AM	7:00 AM	2.00	LD wash pipe, PU jars & screw in sut							
TOTAL HOURS		24.00								
Accident/Safety Info: (record name of any individual involved in an incident + details)										
Bit No	Size	Mfg	Type	SN	Jets	In	Out	Ftg	Hrs	ROP
1	17 1/2	DB Bits	XT156	10420748	3 x 22	40	331	291	7.75	37.5
2	11	DB Bits	KX613D	AN23508A	6 x 18	331	4,458	4,127	127.5	32.4
3	11	DB Bits	D616DD	D-3646	6 x 15	4,458	4,789	331	13.25	24.98
4	7 7/8	DB Bits	D3586	D-6135D	6 x 15	4,789	6895	873	16.25	53.72
5	7 7/8	HTC	Gx-E35C	5210436	3 X 15	6,895	7554	505	34.5	14.63
6	7 7/8	SEC	FX-65DM	11877876	6 x 15	7,554	9,471	1,917	57	33.63
7	7 7/8	DB Bits	SL513XD	D-3578	7 x 13	9,471	10,011	540	30.75	17.56
8										
BHA										BHA Lngth
	Size	Wt.	Grade	Conn.	Jts	Length	Jts/Loc	String Volume		
Drill Pipe (bottom)	4.5	16.6	E	XH	179	5,620.65	275	79.93		
Drill Pipe (middle)										
Drill Pipe (top)										
Assumed Pump Eff		Pump No. 1			95%	Pump No. 2		95%	Slow Pump Rate	
	Type	Liner OD	Length	GPS (100%)	SPM	GPM	Pressure	Depth	SPM	Pressure
Pump No. 1	GD Triplex	6	9	3.3	80	251	400			
Pump No. 2	GD Triplex	6	9	3.3						
	# of Jts	Length (ft)	OD	Weight	Grade	Joint	Thread	Class	Date Set	
Conductor	1	40	20"							
Surface	8	331.61	13.375"	48	H-40		8RD	R-3	4/5/12	
Intermediate	107	4789	8 5/8	32	CK-55 & J-5	LTC		R-3	4/14/12	
Production										
LOADS FRESH WATER HAULED:					LOADS BRINE WATER HAULED:					2
VOLUME F WATER HAULED (bbls)					VOLUME B WATER HAULED (bbls):					180
Expense Category			Vendor			Description			Cost	
CONTRACT DRLG DAY RATE			JW Rig #1			Drilling Rig Day Rate			\$ 14,500	
RIG SUPERVISION			Ervin Wellsite Consultants			Site Supervision Day Rate			\$ 1,400	
OTHER RENTALS			Lighthouse Energy Solutions			8000# extenda boom fork lift renta			\$ 150	
ENVIRONMENTAL & SAFETY			ASI			Day Rent H2S Equipment			\$ 65	
SUPERVISION ACCOMADATIONS			Select Energy Services			Supervisor Camp Accommodations			\$ 390	
SUPERVISION ACCOMADATIONS			RigNet			Communication & Internet			\$ 135	
TANK			Key Energy			Frac Tank Rental for fresh water			\$ 65	
TRUCKING			Bully Trucking			Delivered Cougar duel action jars			\$ 400	
FUEL & POWER			SC Fuels			Delivered 4,947 gals Fuel for rig			\$ 18,200	
Daily Mud Cost:			\$3,384			Cumulative Mud Cost:			\$77,774	
Daily Well Cost:			\$38,689			Cumulative Well Cost:			\$1,099,638	
AFE Cost Estimate:						AFE \$ Remaining				

Cambrian Management Daily Drilling Report

Well Name	State of Texas CX #5			Date:	5/7/2012		Report #	34		Planned TD	9,600'		
Spud Date:	04/05/2012 @ 9:30 am			Rig Name:	JW Rig #1		Rig Phone:	432-213-4517					
Present Ops:	Jarring on fish, set jars off @ 300,000										Deviation Surveys		
Depth	10,011	Footage	0	Consultant:	Donald Holsenbeck/Jerry Thompsor							Depth	Angle
Mud Engineer:	Chris Brantley			Mud Co:	Buckeye								
Type	MW	ECD	Vis	PV	YP	Gel-Initial	Gel-10 min	Cake					
Starch, Salt Ge	9.3	9.89	49	12	25	10	18	1					
WL	Solids	% Oil	% Water	Mud Losses	pH	Pm	Pf	Mf					
9	3	0	97		7	0	0	0.05					
CL	CA	LCM	Washout(% vol)		Hole Vol	Pit Vol	Stored Vol	Min To Bit	Btms Up	Full Circ			
69,000	2,800				458	400		20	57	251			
WOB Mn/Mx	RPM Mn/Mx	GPS	SPM	GPM	Pressure	DC wt/mud	Rot wt	PU wt	SO wt				
5/10	25	30	3.1	90	279	875	30/9.3	160	162	155			
From	To	Hours	Activity for Previous 24 Hours										
7:00 AM	9:30 AM	2.50	TIH w/ wash pipe to wash over fish										
9:30 AM	10:00 AM	0.50	Break circulation										
10:00 AM	1:30 PM	3.50	Wash over fish from 8,264 - 8,507'; tag fish 12' low										
1:30 PM	3:00 PM	0.50	Circulate & condition hole										
3:00 PM	7:30 PM	4.00	TOH w/ wash pipe										
7:30 PM	9:30 PM	2.00	PU fishing tools & TIH w/ BHA										
9:30 PM	11:30 PM	2.00	Slip & cut 250' of drilling line										
11:30 PM	3:00 AM	3.50	TIH w/ fishing tools										
3:00 AM	7:00 AM	4.00	Jarring on fish, set jars off @ 300,000										
TOTAL HOURS		24.00											
Accident/Safety Info: (record name of any individual involved in an incident + details)													
Bit No	Size	Mfg	Type	SN	Jets	In	Out	Ftg	Hrs	ROP			
1	17 1/2	DB Bits	XT156	10420748	3 x 22	40	331	291	7.75	37.5			
2	11	DB Bits	KX613D	AN23508A	6 x 18	331	4,458	4,127	127.5	32.4			
3	11	DB Bits	D616DD	D-3646	6 x 15	4,458	4,789	331	13.25	24.98			
4	7 7/8	DB Bits	D3586	D-6135D	6 x 15	4,789	6895	873	16.25	53.72			
5	7 7/8	HTC	Gx-E35C	5210436	3 X 15	6,895	7554	505	34.5	14.63			
6	7 7/8	SEC	FX-65DM	11877876	6 x 15	7,554	9,471	1,917	57	33.63			
7	7 7/8	DB Bits	SL513XD	D-3578	7 x 13	9,471	10,011	540	30.75	17.56			
8													
BHA	Screw in sub, Bumper Sub, Jars , X/O, 9 6" DCs, X/O, Energizer, X/O, X/C									BHA Lngth	315.79		
	Size	Wt.	Grade	Conn.	Jts	Length	Jts/Loc	String Volume					
Drill Pipe (bottom)	4.5	16.6	E	XH	179	5,620.65	275	79.93					
Drill Pipe (middle)													
Drill Pipe (top)													
Assumed Pump Eff		Pump No. 1			95%	Pump No. 2			95%	Slow Pump Rate			
	Type	Liner OD	Length	GPS (100%)	SPM	GPM	Pressure	Depth	SPM	Pressure			
Pump No. 1	GD Triplex	6	9	3.3	80	251	1000						
Pump No. 2	GD Triplex	6	9	3.3									
	# of Jts	Length (ft)	OD	Weight	Grade	Joint	Thread	Class	Date Set				
Conductor	1	40	20"										
Surface	8	331.61	13.375"	48	H-40		8RD	R-3	4/5/12				
Intermediate	107	4789	8 5/8	32	CK-55 & J-5	LTC		R-3	4/14/12				
Production													
LOADS FRESH WATER HAULED:				LOADS BRINE WATER HAULED:									
VOLUME F WATER HAULED (bbls):				VOLUME B WATER HAULED (bbls):									
Expense Category		Vendor			Description				Cost				
CONTRACT DRLG DAY RATE		JW Rig #1			Drilling Rig Day Rate				\$ 14,500				
RIG SUPERVISION		Ervin Wellsite Consultants			Site Supervision Day Rate				\$ 1,400				
OTHER RENTALS		Lighthouse Energy Solutions			8000# extenda boom fork lift rental				\$ 150				
ENVIRONMENTAL & SAFETY		ASI			Day Rent H2S Equipment				\$ 65				
SUPERVISION ACCOMADATIONS		Select Energy Services			Supervisor Camp Accommodations				\$ 390				
SUPERVISION ACCOMADATIONS		RigNet			Communication & Internet				\$ 135				
TANK		Key Energy			Frac Tank Rental for fresh water				\$ 65				
TRUCKING		Acme Truck Line			Haul Jars to Cougars Yarc				\$ 450				
Daily Mud Cost:		\$7,669			Cumulative Mud Cost:				\$97,744				
Daily Well Cost:		\$24,824			Cumulative Well Cost:				\$1,182,476				
AFE Cost Estimate:					AFE \$ Remaining								

Cambrian Management Daily Drilling Report

Well Name	State of Texas CX #5			Date:	5/10/2012	Report #	37	Planned TD	9,600'		
Spud Date:	04/05/2012 @ 9:30 am			Rig Name:	JW Rig #1	Rig Phone:	432-213-4517				
Present Ops:	Washing over fish @ 8784'							Deviation Surveys			
Depth	10,011	Footage	0	Consultant:	Jerry Thompson					Depth	Angle
Mud Engineer:	Chris Brantley			Mud Co:	Buckeye						
Type	MW	ECD	Vis	PV	YP	Gel-Initial	Gel-10 min	Cake			
C/B	9.4		44	44	11			1			
WL	Solids	% Oil	% Water	Mud Losses	pH	Pm	Pf	Mf			
7	2				7						
CL	CA	LCM	Washout(% vol)		Hole Vol	Pit Vol	Stored Vol	Min To Bit	Btms Up	Full Circ	
70,000	2,400				471	750			59	146	
WOB Mn/Mx	RPM Mn/Mx	GPS	SPM	GPM	Pressure	DC wt/mud	Rot wt	PU wt	SO wt		
5/6	60	65	3.3	85	251	800	20	150			
From	To	Hours	Activity for Previous 24 Hours								
7:00AM	7:30AM	0.50	Jar on stuck pipe								
7:30AM	8:30AM	1.00	PJSM. RU Gray Wireline Services truck								
8:30AM	10:00AM	1.50	Run free point; shows free @ 8712', 50% stuck @ 8747', 100% stuck @ 8760'								
10:00AM	11:00AM	1.00	Ran back off shot @ 8728' to retrieve 6 jts DP & 1 DC								
11:00AM	4:30PM	5.50	TOH with jarring assembly. Chain out of hole								
4:30PM	5:30PM	1.00	LD jarring assembly, 6 jts of DP & 1 DC								
5:30PM	6:30PM	1.00	PU & make up wash pipe assembly								
6:30PM	7:30PM	1.00	TIH								
7:30PM	10:00PM	2.50	Rig had an accident. (see info below) Stand down.								
10:00PM	3:00AM	5.00	TIH with wash pipe assembly (full hydromatic)								
3:00AM	4:30AM	1.50	LD 9 jts DP. TIH with 3 stands out of derrick								
4:30AM	7:00AM	2.50	Circulate top of fish and wash over fish from 8728' - 8784'								
TOTAL HOURS		24.00	Diesel Reading 21'								
Accident/Safety Info: (record name of any individual involved in an incident + details)			One accident. Evening tour lead tong hand (Julian Segura) was hit with tongs while TIH. Driller grabbed wrong lever engaging break out tongs & knocking Julian in to draw works. Ambulance was called to take Julian to the hospital. Julian was x-rayed & released, Cambrian Management company man went to hospital to check on Julian, He is sore but uninjured. Accident report has been filled out by JW's safety man & Cambrian Management company man has incident report & has taken driller's statement on what happened.								
Bit No	Size	Mfg	Type	SN	Jets	In	Out	Ftg	Hrs	ROP	
1	17 1/2	DB Bits	XT156	10420748	3 x 22	40	331	291	7.75	37.5	
2	11	DB Bits	KX613D	AN23508A	6 x 18	331	4,458	4,127	127.5	32.4	
3	11	DB Bits	D616DD	D-3646	6 x 15	4,458	4,789	331	13.25	24.98	
4	7 7/8	DB Bits	D3586	D-6135D	6 x 15	4,789	6895	873	16.25	53.72	
5	7 7/8	HTC	Gx-E35C	5210436	3 X 15	6,895	7554	505	34.5	14.63	
6	7 7/8	SEC	FX-65DM	11877876	6 x 15	7,554	9,471	1,917	57	33.63	
7	7 7/8	DB Bits	SL513XD	D-3578	7 x 13	9,471	10,011	540	30.75	17.56	
8											
BHA	Shoe, Wash Pipe, Canfield, Jars, X/O, 9 6" DCs, X/O, Energizer sub, X/O,							BHA Length	535.81		
	Size	Wt.	Grade	Conn.	Jts	Length	Jts/Loc	String Volume			
Drill Pipe (bottom)	4.5	16.6	E	XH	179	5,620.65	275	79.93			
Drill Pipe (middle)											
Drill Pipe (top)											
Assumed Pump Eff		Pump No. 1		95%	Pump No. 2		95%	Slow Pump Rate			
	Type	Liner OD	Length	GPS (100%)	SPM	GPM	Pressure	Depth	SPM	Pressure	
Pump No. 1	GD Triplex	6	9	3.3	80	251	1000				
Pump No. 2	GD Triplex	6	9	3.3							
	# of Jts	Length (ft)	OD	Weight	Grade	Joint	Thread	Class	Date Set		
Conductor	1	40	20"								
Surface	8	331.61	13.375"	48	H-40		8RD	R-3	4/5/12		
Intermediate	107	4789	8 5/8	32	CK-55 & J-5	LTC		R-3	4/14/12		
Production											
LOADS FRESH WATER HAULED:				LOADS BRINE WATER HAULED:							
VOLUME F WATER HAULED (bbls)				VOLUME B WATER HAULED (bbls):							
Expense Category		Vendor			Description			Cost			
CONTRACT DRLG DAY RATE		JW Rig #1			Drilling Rig Day Rate			\$ 14,500			
RIG SUPERVISION		Ervin Wellsite Consultants			Site Supervision Day Rate			\$ 1,400			
OTHER RENTALS		Lighthouse Energy Solutions			8000# extenda boom fork lift renta			\$ 150			
ENVIRONMENTAL & SAFETY		ASI			Day Rent H2S Equipment			\$ 65			
SUPERVISION ACCOMADATIONS		Select Energy Services			Supervisor Camp Accommodations			\$ 390			
SUPERVISION ACCOMADATIONS		RigNet			Communication & Internet			\$ 135			
TANK		Key Energy			Frac Tank Rental for fresh water			\$ 65			
OTHER RENTALS		Select Energy Services			Trash trailer			\$ 50			
WATER		Peak Oilfield Services			Camp water/ 3000 gals			\$ 500			
WIRE LINE TRUCK		Gray Wire line			Free point & back off			\$ 13,029			
TRUCKING		Acme Hotshot svcs.			2- Del 7 5/8 WP Shoe			\$ 530			
FISHING		Energy Fishing & rental Co.			Daily cost to date			\$ 125,000			
Daily Mud Cost:		\$1,371			Cumulative Mud Cost:			\$106,939			
Daily Well Cost:		\$157,185			Cumulative Well Cost:			\$1,402,209			
AFE Cost Estimate:					AFE \$ Remaining						

Cambrian Management Daily Drilling Report

Well Name	State of Texas CX #5			Date:	5/12/2012	Report #	39	Planned TD	9,600'		
Spud Date:	04/05/2012 @ 9:30 am			Rig Name:	JW Rig #1	Rig Phone:	432-213-4517				
Present Ops:	Washing over stuck pipe							Deviation Surveys			
Depth	10,011	Footage	0	Consultant:	Jerry Thompson						
Mud Engineer:	Chris Brantley			Mud Co:	Buckeye						
Type	MW	ECD	Vis	PV	YP	Gel-Initial	Gel-10 min	Cake			
C/B	9.4		44	44	11			1			
WL	Solids	% Oil	% Water	Mud Losses	pH	Pm	Pf	Mf			
7	2				7						
CL	CA	LCM	Washout(% vol)		Hole Vol	Pit Vol	Stored Vol	Min To Bit	Btms Up	Full Circ	
70,000	2,400				471	750			59	146	
WOB Mn/Mx	RPM Mn/Mx	GPS	SPM	GPM	Pressure	DC wt/mud	Rot wt	PU wt	SO wt		
						20	150	154	148		
From	To	Hours	Activity for Previous 24 Hours								
7:00 AM	11:00AM	4.00	Jar on suck pipe								
11:00AM	1:30PM	2.50	Free point shows 8956' 100% free; 8970' is 40% stuck and 9000' is 100% stuck (Dialog Wireline Co)								
1:30PM	2:30PM	1.00	Ran back off shot @ 8876'								
2:30PM	6:30PM	4.00	TOH with jarring assembly. Hit tight spot on first stand off top of fish (there & gone 30k over)								
6:30PM	8:00PM	1.50	LD jarring assembly & 5-DC's (recovered 5-6" DC's)								
8:00PM	10:00PM	2.00	PU & make up wash pipe assembly								
10:00PM	4:00AM	6.00	TIH with wash pipe & BHA assembly								
4:00AM	4:30AM	0.50	LD 9 jts DP to get stand out of derrick								
4:30AM	5:00AM	0.50	TIH with 3 stands out of derrick								
5:00AM	7:00AM	2.00	Wash over stuck pipe from 8876' - 8956' with 7 5/8" wash over pipe								
			Note: connection broke 1- DC higher than it was suppose to on back off. While washing to bottom								
			Did not tag anything from 8876' -8956'. Started taking weight @ 8956'								
TOTAL HOURS		24.00									
Accident/Safety Info: (record name of any individual involved in an incident + details)			No Accidents or Incidents Reported								
Bit No	Size	Mfg	Type	SN	Jets	In	Out	Ftg	Hrs	ROP	
1	17 1/2	DB Bits	XT156	10420748	3 x 22	40	331	291	7.75	37.5	
2	11	DB Bits	KX613D	AN23508A	6 x 18	331	4,458	4,127	127.5	32.4	
3	11	DB Bits	D616DD	D-3646	6 x15	4,458	4,789	331	13.25	24.98	
4	7 7/8	DB Bits	D3586	D-6135D	6 x 15	4,789	6895	873	16.25	53.72	
5	7 7/8	HTC	Gx-E35C	5210436	3 X 15	6,895	7554	505	34.5	14.63	
6	7 7/8	SEC	FX-65DM	11877876	6 x15	7,554	9,471	1,917	57	33.63	
7	7 7/8	DB Bits	SL513XD	D-3578	7 x13	9,471	10,011	540	30.75	17.56	
8											
BHA	Shoe, Wash Pipe, Canfield, Jars, X/O, 9 6" DCs, X/O, Energizer sub, X/O,								BHA Length	536.23	
	Size	Wt.	Grade	Conn.	Jts	Length	Jts/Loc	String Volume			
Drill Pipe (bottom)	4.5	16.6	E	XH	179	5,620.65	275	79.93			
Drill Pipe (middle)											
Drill Pipe (top)											
Assumed Pump Eff		Pump No. 1		95%	Pump No. 2		95%	Slow Pump Rate			
	Type	Liner OD	Length	GPS (100%)	SPM	GPM	Pressure	Depth	SPM	Pressure	
Pump No. 1	GD Triplex	6	9	3.3	80	251	1000				
Pump No. 2	GD Triplex	6	9	3.3							
	# of Jts	Length (ft)	OD	Weight	Grade	Joint	Thread	Class	Date Set		
Conductor	1	40	20"								
Surface	8	331.61	13.375"	48	H-40		8RD	R-3	4/5/12		
Intermediate	107	4789	8 5/8	32	CK-55 & J-5	LTC		R-3	4/14/12		
Production											
LOADS FRESH WATER HAULED:				LOADS BRINE WATER HAULED:							
VOLUME F WATER HAULED (bbls):				VOLUME B WATER HAULED (bbls):							
Expense Category		Vendor			Description			Cost			
CONTRACT DRLG DAY RATE		JW Rig #1			Drilling Rig Day Rate			\$ 14,500			
RIG SUPERVISION		Ervin Wellsite Consultants			Site Supervision Day Rate			\$ 1,400			
OTHER RENTALS		Lighthouse Energy Solutions			8000# extenda boom fork lift renta			\$ 150			
ENVIRONMENTAL & SAFETY		ASI			Day Rent H2S Equipment			\$ 65			
SUPERVISION ACCOMADATIONS		Select Energy Services			Supervisor Camp Accommodations			\$ 390			
SUPERVISION ACCOMADATIONS		RigNet			Communication & Internet			\$ 135			
TANK		Key Energy			Frac Tank Rental for fresh water			\$ 65			
OTHER RENTALS		Select Energy Services			Trash trailer			\$ 50			
FISHING		Energy Fishing & tool renta			Fisherman & Tools			\$ 8,790			
WIRE LINE TRUCK		Dialog wire line svcs.			Ran Free point & back off shot			\$ 15,852			
FUEL & POWER		S.C Fuel			Del 5000 gals			\$ 17,513			
Daily Mud Cost:		\$1,371			Cumulative Mud Cost:			\$108,310			
Daily Well Cost:		\$60,281			Cumulative Well Cost:			\$1,490,845			
AFE Cost Estimate:					AFE \$ Remaining						

Cambrian Management Daily Drilling Report

Well Name	State of Texas CX #5			Date:	5/19/2012	Report #	46	Planned TD	9,600'		
Spud Date:	04/05/2012 @ 9:30 am			Rig Name:	JW Rig #1	Rig Phone:	432-213-4517				
Present Ops:	Running 5 1/2" Casing							Deviation Surveys			
Depth	10,011	Footage	0	Consultant:	Jerry Thompson						
Mud Engineer:	Chris Brantley			Mud Co:	Buckeye						
Type	MW	ECD	Vis	PV	YP	Gel-Initial	Gel-10 min	Cake			
C/B	9.3	9.97	62	18	25	17	28	1			
WL	Solids	% Oil	% Water	Mud Losses	pH	Pm	Pf	Mf			
8	3				10						
CL	CA	LCM	Washout(% vol)		Hole Vol	Pit Vol	Stored Vol	Min To Bit	Btms Up	Full Circ	
54,000	3,200				535	725			67	156	
WOB Mn/Mx	RPM Mn/Mx	GPS	SPM	GPM	Pressure	DC wt/mud	Rot wt	PU wt	SO wt		
			102	320	1,200	25	180	182	178		
From	To	Hours	Activity for Previous 24 Hours								
7:00 AM	9:00 AM	2.00	Circ & cond mud								
9:00 AM	11:00AM	2.00	Circ bottoms up after mud meets specs, 9.3 wt, 62 vis, 8 WL, PV/YP 18/25								
11:00AM	1:00PM	2.00	LD 42 jts w/ kelly from 9868' to 8544'								
1:00PM	2:00PM	1.00	TOH standing back 20 stds in derrick								
2:00PM	3:00PM	1.00	PU kelly & circ while RU LD machine. PJSM.								
3:00PM	8:00PM	5.00	LD DP to DCs								
8:00PM	8:30PM	0.50	TIH with 20 stds out of derrick								
8:30PM	9:15PM	0.75	Break kelly & subs								
9:15 PM	1:00AM	3.75	LD DP & BHA								
1:00AM	1:30AM	0.50	PJSM w/ rig crew, casing crew & Express Laydownr								
1:30PM	7:00AM	5.50	RU casing crew & begin running 5 1/2" 17# N-80 LTC casing								
TOTAL HOURS		24.00	5/18/12 @ 1:30pm Job # 4090								
Accident/Safety Info: (record name of any individual involved in an incident + details)		No Accidents or Incidents Reported									
Bit No	Size	Mfg	Type	SN	Jets	In	Out	Ftg	Hrs	ROP	
1	17 1/2	DB Bits	XT156	10420748	3 x 22	40	331	291	7.75	37.5	
2	11	DB Bits	KX613D	AN23508A	6 x 18	331	4,458	4,127	127.5	32.4	
3	11	DB Bits	D616DD	D-3646	6 x15	4,458	4,789	331	13.25	24.98	
4	7 7/8	DB Bits	D3586	D-6135D	6 x 15	4,789	6895	873	16.25	53.72	
5	7 7/8	HTC	Gx-E35C	5210436	3 X 15	6,895	7554	505	34.5	14.63	
6	7 7/8	SEC	FX-65DM	11877876	6 x15	7,554	9,471	1,917	57	33.63	
7	7 7/8	DB Bits	SL513XD	D-3578	7 x13	9,471	10,011	540	30.75	17.56	
8	7.7/8 RR	Hughes	tri-cone	51812	3X16	9239	9868	629	9.25	68	
BHA	Bit, Bit sub, 7 - 6", ! - DrlgJar, 5 - 6"								BHA Length	394.39	
	Size	Wt.	Grade	Conn.	Jts	Length	Jts/Loc	String Volume			
Drill Pipe (bottom)	4.5	16.6	E	XH	298	9,434.00	275	79.93			
Drill Pipe (middle)											
Drill Pipe (top)											
Assumed Pump Eff		Pump No. 1		95%	Pump No. 2		95%	Slow Pump Rate			
	Type	Liner OD	Length	GPS (100%)	SPM	GPM	Pressure	Depth	SPM	Pressure	
Pump No. 1	GD Triplex	6	9	3.3	102	320	1200				
Pump No. 2	GD Triplex	6	9	3.3							
	# of Jts	Length (ft)	OD	Weight	Grade	Joint	Thread	Class	Date Set		
Conductor	1	40	20"								
Surface	8	331.61	13.375"	48	H-40		8rd	R-3	4/5/12		
Intermediate	107	4789	8 5/8	32	CK-55 & J-5	LTC	8rd	R-3	4/14/12		
Production			5.5	17	N - 80	LTC	8rd				
LOADS FRESH WATER HAULED:				LOADS BRINE WATER HAULED:							
VOLUME F WATER HAULED (bbls):				VOLUME B WATER HAULED (bbls):							
Expense Category		Vendor			Description			Cost			
CONTRACT DRLG DAY RATE		JW Rig #1			Drilling Rig Day Rate			\$ 14,500			
RIG SUPERVISION		Ervin Wellsite Consultants			Site Supervision Day Rate			\$ 1,400			
OTHER RENTALS		Lighthouse Energy Solutions			8000# extenda boom fork lift renta			\$ 150			
ENVIRONMENTAL & SAFETY		ASI			Day Rent H2S Equipment			\$ 65			
SUPERVISION ACCOMADATIONS		Select Energy Services			Supervisor Camp Accommodations			\$ 390			
SUPERVISION ACCOMADATIONS		RigNet			Communication & Internet			\$ 135			
TANK		Key Energy			Frac Tank Rental for fresh water			\$ 65			
OTHER RENTALS		Select Energy Services			Trash trailer			\$ 50			
Daily Mud Cost:		\$526			Cumulative Mud Cost:			\$128,435			
Daily Well Cost:		\$17,281			Cumulative Well Cost:			\$1,788,570			
AFE Cost Estimate:					AFE \$ Remaining						

Cambrian Management Daily Drilling Report

Well Name:	State of Texas CX #			Date:	5/20/2012		Report #:	47		Planned TD:	9,600'				
Spud Date:	04/05/2012 @ 9:30 am			Rig Name:	JW Rig #1		Rig Phone:	432-213-4517							
Present Ops:	RD & release rig @ 7 am 5/21/12 CST										Deviation Surveys				
Depth:	10,011	Footage:	0	Consultant:	Jerry Thompson							Depth:		Angle:	
Mud Engineer:	Chris Brantley			Mud Co:	Buckeye										
Type:	MW	ECD:	Vis	PV:	YP	Gel-Initial:	Gel-10 min	Cake:							
C/B:	9.3	9.97	62	18	25	17	28	1							
WL:	Solids:	% Oil:	% Water:	Mud Losses:	pH:	Pm:	Pf:	Mf:							
8:	3				10										
CL:	CA	LCM	Washout(% vol)		Hole Vol	Pit Vol	Stored Vol	Min To Bit	Btms Up	Full Circ					
WOB Mn/Mx:	RPM Mn/Mx	GPS	SPM	GPM	Pressure	DC wt/mud	Rot wt	PU wt	SO wt						
From:	To:	Hours:	Activity for Previous 24 Hours												
7:00 AM	12:00PM	6.00	Ran 270 Jts of 5 1/2" 17# N80 LTC set @ 9865'. String wt on btm = 144k												
12:00PM	1:00PM	1.00	Circ & RD LD machine												
1:00PM	3:15PM	2.25	Cement 1st stage w/ 425 sx class H. Drop bomb & open DV Tool												
3:15PM	7:15PM	4.00	Circ with rig pump, no cement circulated												
7:15PM	8:30PM	1.00	Cement 2nd stage w/ 450 sx class H. Lead 250 sx & tail w/ 200sx.												
8:30PM	11:00PM	2.50	ND BOP. Set slips & cut off 5 1/2" casing. Load on slips = 115,000.												
11:00PM	1:30AM	2.50	LD BOP & install "C" section. Tested @ 1500# (OK)												
1:30AM	6:00AM	4.50	RD clean & jet pits & release rig @ 7:00 am CST												
			Diesel Reading @ end of well = 18"												
			1st - 425 sx 50/50 Class H w/ 2% Gel + 9/10% C-16A+2/10 C-35+3/10 C44+2/10%c-20+3#skKoise												
			2nd - lead (250 sx) 50:50 CH w/ 10%gel+3#sk Koise+1/4#sk Celloflake+5% Salt												
			2nd - tail (200 sx) 50:50 CH w/ 10%gel+3#sk Koise+1/4#sk Celloflake+5% Salt												
TOTAL HOURS:		24.00	Note Bit #8 was junk bit out of JW rig1 Junk box used on clean out run = No cost												
Accident/Safety Info: (record name of any individual involved in an incident + details)			No Accidents or Incidents Reported												
Bit No	Size	Mfg	Type	SN	Jets	In	Out	Ftg	Hrs	ROP					
1	17 1/2	DB Bits	XT156	10420748	3 x 22	40	331	291	7.75	37.5					
2	11	DB Bits	KX613D	AN23508A	6 x 18	331	4,458	4,127	127.5	32.4					
3	11	DB Bits	D616DD	D-3646	6 x 15	4,458	4,789	331	13.25	24.98					
4	7 7/8	DB Bits	D3586	D-6135D	6 x 15	4,789	6895	873	16.25	53.72					
5	7 7/8	HTC	Gx-E35C	5210436	3 X 15	6,895	7554	505	34.5	14.63					
6	7 7/8	SEC	FX-65DM	11877876	6 x 15	7,554	9,471	1,917	57	33.63					
7	7 7/8	DB Bits	SL513XD	D-3578	7 x 13	9,471	10,011	540	30.75	17.56					
8	7.7/8 RR	Hughes	tri-cone	51812	3X16	9239	9868	629	9.25	68					
BHA											BHA Lngth				
	Size	Wt.	Grade	Conn.	Jts	Length	Jts/Loc	String Volume							
Drill Pipe (bottom)															
Drill Pipe (middle)															
Drill Pipe (top)															
Assumed Pump Eff			Pump No. 1			Pump No. 2			Slow Pump Rate						
	Type	Liner OD	Length	GPS (100%)	SPM	GPM	Pressure	Depth	SPM	Pressure					
Pump No. 1															
Pump No. 2															
	# of Jts	Length (ft)	OD	Weight	Grade	Joint	Thread	Class	Date Set						
Conductor	1	40	20"												
Surface	8	331.61	13.375"	48	H-40		8rd	R-3	4/5/12						
Intermediate	107	4789	8 5/8	32	CK-55 & J-5	LTC	8rd	R-3	4/14/12						
Production	270	9868	5.5	17	N - 80	LTC	8rd		5/20/12						
LOADS FRESH WATER HAULED:				LOADS BRINE WATER HAULED:											
VOLUME F WATER HAULED (bbls):				VOLUME B WATER HAULED (bbls):											
Expense Category		Vendor			Description					Cost					
CONTRACT DRLG DAY RATE		JW Rig #1			Drilling Rig Day Rate					\$ 14,500					
RIG SUPERVISION		Ervin Wellsite Consultants			Site Supervision Day Rate					\$ 1,400					
OTHER RENTALS		Lighthouse Energy Solutions			8000# extenda boom fork lift rental					\$ 150					
ENVIRONMENTAL & SAFETY		ASI			Day Rent H2S Equipment					\$ 65					
SUPERVISION ACCOMADATIONS		Select Energy Services			Supervisor Camp Accommodations					\$ 390					
SUPERVISION ACCOMADATIONS		RigNet			Communication & Internet					\$ 135					
TANK		Key Energy			Frac Tank Rental for fresh water					\$ 65					
OTHER RENTALS		Select Energy Services			Trash trailer					\$ 50					
LAY DOWN MACHINE		Express Energy			Lay dn. Drill string & run casing/ 46hrs.					\$ 9,500					
DOWN HOLE TOOL RENTAL		Cougar rental			DHT/ Jars / 395 a day+ 1200 redress					\$ 3,175					
CASING & TOOLS		Express Energy			Ran 9868' 5.5 17# N-80 LTC					\$ 8,500					
TRUCKING		Acme Trucking			Pick up Cougar Drilling Jars 5/20/12					\$ 385					
Float EQUIP		S&K Supply			Casing Shoe, Float, 28 CENT					\$ 3,500					
DV- TOOL		S&K Supply			Dv - tool & tool hand					\$ 6,820					
CEMENT		OTex			Total sacks pumped 425 sx 1st stage					\$ 41,195					
CEMENT		OTex			Total sacks pumped 875 sx 2nd stage					\$ 19,550					
DRILL STRING INSPECTION		Joe's Inspection svcs.			Inspect 27 DC's & 15 jts DP					\$ 2,300					
WELL HEAD		JW Services & Equip Company			Labor on setting slips on 5 1/2" casing					\$ 890					
Daily Mud Cost:					Cumulative Mud Cost:					\$128,435					
Daily Well Cost:		\$112,570			Cumulative Well Cost:					\$1,901,140					
AFE Cost Estimate:					AFE \$ Remaining										

Daily Completion Report

Well Service Contractor: Mesa Well Service **Rig No:** 13 **Days:** 2

Date: 06/04/12 **On-Site Supervisor:** K Putty **Circ Fluid:** _____ **Wt(ppg):** _____

Well Name & No: State of Texas CX # 5 **PBTD:** 9829'

Perforated Interval: None **Field / Formation:** Emma (Strawn)

Present Operations This Morning: Prepare to drill out DV tool

On Location Time: 7:00am Hours **Off Location Time:** 6:30 PM Hours
Mileage _____

Start setting & moving equipment in. Set rig mats, pipe racks, cat walk. RU well service unit, NUBOPE, & unload 2-7/8 tubing. Unload 303 jts 2-7/8 L80 6.5# EUE 8rd tubing. MIRU reverse unit. Talley & caliber drill collars & tubing. TIH with 4-3/4 skirted bit, bit sub, (6) 3-1/2" drill collars, xover & tubing to DV tool. Tag DV tool @ 8,025'. RU power swivel, & stripper & prepare to drill. Close well in. SDFN.

Kenneth Putty, 432-254-6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, priority pkr Andrews Tx, Abel Delacruz, 432-631-1340
Trucking & fraq tanks, RD Trucking, Andrews Tx, 432-413-9277
Pipe Racks, Cat walk. Rig Mats, Hammer Head, Odessa Tx, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	<u>Intangible Costs</u>				<u>Tangible Costs</u>		
	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,000	\$800	\$4,800	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$0	\$0
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$0	\$0	\$0	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)		\$0	\$0
Racks, Reverse Unit	\$2,000	\$0	\$2,000		\$0	\$0	\$0
BOPE (5 Day Minimum)	\$500	\$0	\$500	Artificial Lift Equip	\$0	\$0	\$0
Trash Tr & Generator	\$0	\$0	\$0	Tank Battery	\$0	\$0	\$0
TIW, Scraper, Treesaver	\$0	\$0	\$0	Other (Supplies)		\$0	\$0
Transportation (Estimate)	\$4,000	\$0	\$4,000	Credit	\$0	\$0	\$0
Misc Supplies	\$0	\$0	\$0				
Backhoe		\$0	\$0	Intangible Cost	\$15,000	\$800	\$15,800
Cased Hole Services	\$0	\$0	\$0	Tangible Cost	\$0	\$0	\$0
Water / Mud	\$3,000	\$0	\$3,000				
Supervision	\$1,500	\$0	\$1,500	Total Cost	\$15,000	\$800	\$15,800
Other (Tubing testers)	\$0	\$0	\$0				

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service **Rig No:** 13 **Days:** 3

Date: 06/05/12 **On-Site Supervisor:** K Putty **Circ Fluid:** 4% KCL Water **Wt(ppg):** 8.8

Well Name & No: State of Texas CX # 5 **PBTD:** 9829'

Perforated Interval: None **Field / Formation:** _____

Present Operations This Morning: RU wireline to run CBL

On Location Time: 7:00am Hours **Off Location Time:** 6:30 PM Hours
Mileage _____

Open & check well, Prepare to drill out DV tool. Tag 8,025' & break circ & start drilling. Drill 4' ft cmt to 8,029', tag & drill out DV tool-Took 1 hr to drill. Reamed & worked up & down thru DV tool, circ hole clean, TIH 2 jts & did not tag anything. RD drilling equipment. Pressure test casing 1,000 psi & held fine. FIH with tubing to PBTD, picking up tubing off of pipe racks. Tag @ 9,820', Rig up to circ & displace w/ clean 4% kcl. Pumped a total of 200 bbls. Pooh, lay down 12 jts (total of 20 jts out) to the bottom of first perfs at 9,299' to 9,374', RU pump truck to pump acetic acid & pumped 200 gals of 10% acetic & flushed w/ 54 bbls 4% KCL water. RD pump truck. POH w/tubing & drilling assembly (lay down same). Close well in & SDFN.
Wireline set up for 7 am.

Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,500	\$4,000	\$8,500	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing		\$0	\$0
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$3,500	\$0	\$3,500	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$0	\$0
Racks, Reverse Unit	\$4,100	\$2,000	\$6,100		\$0	\$0	\$0
BOPE (5 Day Minimum)	\$500	\$0	\$500	Artificial Lift Equip	\$0	\$0	\$0
Trash Tr & Generator	\$0	\$0	\$0	Tank Battery	\$0	\$0	\$0
TIW, Scraper, Treesaver	\$0	\$0	\$0	Other (Supplies)		\$0	\$0
Transportation (Estimate)	\$4,000	\$0	\$4,000	Credit	\$0	\$0	\$0
Misc Supplies	\$0	\$0	\$0				
Backhoe		\$0	\$0	Intangible Cost	\$21,100	\$7,500	\$28,600
Cased Hole Services	\$0	\$0	\$0				
Water / Mud	\$3,000	\$0	\$3,000	Tangible Cost	\$0	\$0	\$0
Supervision	\$1,500	\$1,500	\$3,000				
Other (Tubing testers)	\$0	\$0	\$0	Total Cost	\$21,100	\$7,500	\$28,600

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service Rig No: 13 Days: 4

Date: 06/06/12 On-Site Supervisor: K Putty Circ Fluid: _____ Wt(ppg): _____

Well Name & No: State of Texas CX # 5 PBTD: 9829'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) Field / Formation: Emma (Strawn)

Present Operations This Morning: \ Prepare to Acidize

On Location Time: 7:00am Hours Off Location Time: 6:30 PM Hours
Mileage _____

Open & check well - dead. RU wireline, make gauge ring/junk basket run & RU & run CBL/CCL/VDL/GR/Map.
Run bond log at 0 psi up 1,000' & make final pass at 600 psi. No cement below DV tool at 8,030' - 8,310' on first stage. TOC on second stage at 4,816'. RU & perforate as above. RD wireline unit. TIH with HD packer, seating nipple & tubing. Set packer at 9,234'. Test packer to 500 psi - good. Close well in & SDFN.

Appolo perforators, Odessa
Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,500	\$8,500	\$13,000	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing		\$0	\$0
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$3,500	\$0	\$3,500	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)		\$0	\$0
Racks, Reverse Unit	\$4,100	\$6,100	\$10,200		\$0	\$0	\$0
BOPE (5 Day Minimum)	\$500	\$0	\$500	Artificial Lift Equip	\$0	\$0	\$0
Trash Tr & Generator	\$0	\$0	\$0	Tank Battery	\$0	\$0	\$0
TIW, Scraper, Treesaver	\$0	\$0	\$0	Other (Supplies)		\$0	\$0
Transportation (Estimate)		\$4,000	\$4,000	Credit	\$0	\$0	\$0
Misc Supplies	\$0	\$0	\$0				
Backhoe		\$0	\$0	Intangible Cost	\$17,100	\$21,600	\$38,700
Cased Hole Services	\$0	\$0	\$0	Tangible Cost	\$0	\$0	\$0
Water / Mud	\$3,000	\$0	\$3,000	Total Cost	\$17,100	\$21,600	\$38,700
Supervision	\$1,500	\$3,000	\$4,500				
Other (Tubing testers)	\$0	\$0	\$0				

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service **Rig No:** 13 **Days:** 5

Date: 06/07/12 **On-Site Supervisor:** K Putty **Circ Fluid:** 4% KCL Water **Wt(ppg):** 8.8

Well Name & No: State of Texas CX # 5 **PBTD:** 9829'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) **Field / Formation:** Emma (Strawn)

Present Operations This Morning: Swabbing - no shows of oil or gas Friday morning

On Location Time: 7:00am Hours **Off Location Time:** 6:30 PM Hours
Mileage _____

Check well for pressure - 0 psi. MIRU BJ Services. Break formation down using 4% KCL water at 2 bpm & 2,700 psi. Formation broke with 11 bbls of water pumped. Pump an additional 20 bbls of water to establish consistent rate at 5 bpm. Started pumping 15% NEFE acid, dropping (5) balls every 6 bbls. With acid on on perfs formation breaking. Increased pump rate to 5 bpm @ 3,200 psi. Had good ball action. Balled out perfs at 3,700 psi. Flushed to bottom perfs with KCL water. TLTR 180 bbls. 15 min shut in - vacuum. RD BJ & RU to swab. Initial fluid level 3,000' & final fluid level 5,500'. Made total of 14 runs & recovered 90 blw. Last 5 runs fluid level was constant at 5,500'. Recovery 100% load water & acid gas. Close well in & SDFN.

Total 15% NEFE acid pumped - 4,100 gals

Appolo perforaters, Odessa
Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,500	\$13,000	\$17,500	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing		\$0	\$0
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$10,700	\$3,500	\$14,200	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$0	\$0
Racks, Reverse Unit	\$2,400	\$6,100	\$8,500		\$0	\$0	\$0
BOPE (5 Day Minimum)		\$0	\$0	Artificial Lift Equip	\$0	\$0	\$0
Trash Tr & Generator	\$0	\$0	\$0	Tank Battery	\$0	\$0	\$0
TIW, Scraper, Treesaver	\$0	\$0	\$0	Other (Supplies)		\$0	\$0
Transportation (Estimate)		\$4,000	\$4,000	Credit	\$0	\$0	\$0
Misc Supplies	\$0	\$0	\$0				
Backhoe		\$0	\$0	Intangible Cost	\$22,100	\$46,100	\$68,200
Cased Hole Services	\$0	\$15,000	\$15,000	Tangible Cost	\$0	\$0	\$0
Water / Mud	\$3,000	\$0	\$3,000	Total Cost	\$22,100	\$46,100	\$68,200
Supervision	\$1,500	\$4,500	\$6,000				
Other (Tubing testers)	\$0	\$0	\$0				

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service **Rig No:** 13 **Days:** 7

Date: 06/08/12 **On-Site Supervisor:** K Putty **Circ Fluid:** 4% KCL Water **Wt(ppg):** 8.8

Well Name & No: State of Texas CX # 5 **PBTD:** 9,829'
CIBP @ 9,285'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) **Field / Formation:** Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92'

Present Operations This Morning: \ Dump balling cement on CIBP at 9,285'

On Location Time: 7:00am Hours **Off Location Time:** 7:30 PM Hours
Mileage _____

Check well for pressure - 0 psi. Open with small blow. Blew down immediately. Swab well. IFL 4,200' & FFL 5,300'. Recovered 36 bw with oil show on first run (5%). Remainder of runs had no show of oil or gas. Lay swab down, unset pkr, pull out of hole. Rig up wireline to set CIBP & set at 9,285'. Perforate Penn interval as follows: 9,230' - 48', 9,204'-20', 9,184'-92'. Had to make three runs, had 1 misfire. Prep to dump cmt on top of CIBP. Truck having mechanical problems - appears to be clutch. Rig wireline down unit. Close well in & SDFN. Recovered 264 bw since acid job. -84 blwtr.

Apollo perforaters, Odessa
Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$5,000	\$22,000	\$27,000	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$54,700	\$0	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$0	\$14,200	\$14,200	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)		\$0	\$0
Racks, Reverse Unit	\$2,400	\$8,500	\$10,900		\$0	\$0	\$0
BOPE (5 Day Minimum)	\$50	\$500	\$550	Artificial Lift Equip	\$0	\$0	\$0
Frac Tanks	\$0	\$0	\$0	Tank Battery	\$0	\$0	\$0
Packer Rental	\$0	\$0	\$0	Other (Supplies)	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000	Credit	\$0	\$0	\$0
Misc Supplies	\$0	\$0	\$0				
Backhoe	\$0	\$1,500	\$1,500	Intangible Cost	\$9,700	\$76,200	\$85,900
Cased Hole Services	\$0	\$15,000	\$15,000				
Water / Mud	\$750	\$3,000	\$3,750	Tangible Cost	\$54,700	\$0	\$54,700
Supervision	\$1,500	\$7,500	\$9,000				
Other (Tubing testers)	\$0	\$0	\$0	Total Cost	\$64,400	\$76,200	\$140,600

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service Rig No: 13 Days: 8

Date: 06/12/12 On-Site Supervisor: K Putty Circ Fluid: 4% KCL Water Wt(ppg): 8.8

Well Name & No: State of Texas CX # 5 PBDT: 9,829'
CIBP @ 9,285'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) Field / Formation: Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92'

Present Operations This Morning: \ Swabbing

On Location Time: 7:00am Hours Off Location Time: 7:30 PM Hours
Mileage _____

SITP 0 psi. RU wireline truck & dump bail 10' cement on CIBP at 9,285'. New PBDT 9,275'. RD wireline unit. TIH with HD packer & set at 9,136'. RU swab equipment & make 11 swab runs. IFL 3,000' & FFL 4,800. Recovered 66 bw (54 bbls tubing capacity). No show of hydrocarbons. RD swab equipment & RU Rising Star. Load & test packer to 500 psi. Tested lines to 4,000 psi. Loaded tubing with 4% KCL water & established 4-1/2 bpm at 1,500 psi. Acidized interval 9,184' - 9,248' (OA) using 6,300 gals of 15% NEFE acid at average 5 bpm & 2,200 psi. Dropped (135) 1.2 sg ball sealers throughout job. Had very little ball action. Flushed acid with 54 bbls of KCL water. ISIP 1,259 psi & 15 min 0 psi. Close well in RD Rising Star. 271 blwtr.

Apollo perforators Odessa Tx Rising Star acid Odessa Tx.
Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$5,000	\$27,000	\$32,000	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$54,700	\$0	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$22,120	\$14,200	\$36,320	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$0	\$0
Racks, Reverse Unit	\$200	\$10,900	\$11,100	Artificial Lift Equip	\$0	\$0	\$0
BOPE (5 Day Minimum)	\$50	\$550	\$600	Tank Battery	\$0	\$0	\$0
Frac Tanks	\$0	\$0	\$0	Other (Supplies)	\$0	\$0	\$0
Packer Rental	\$1,800	\$0	\$1,800	Credit	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000	Intangible Cost	\$47,420	\$85,150	\$132,570
Misc Supplies	\$0	\$0	\$0	Tangible Cost	\$54,700	\$0	\$54,700
Backhoe	\$0	\$1,500	\$1,500	Total Cost	\$102,120	\$85,150	\$187,270
Cased Hole Services	\$16,000	\$15,000	\$31,000				
Water / Mud	\$750	\$3,000	\$3,750				
Supervision	\$1,500	\$9,000	\$10,500				
Other (Tubing testers)	\$0	\$0	\$0				

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service **Rig No:** 13 **Days:** 9

Date: 06/13/12 **On-Site Supervisor:** K Putty **Circ Fluid:** 4% KCL Water **Wt(ppg):** 8.8

Well Name & No: State of Texas CX # 5 **PBTD:** 9,829'
CIBP @ 9,285'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) **Field / Formation:** Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92'

Present Operations This Morning: Swabbing

On Location Time: 7:00 Hrs **Off Location Time:** 19:30 Hrs
Mileage _____

SITO 0 psi - on vacuum. Swab well all day. IFL 4,200' & FFL 5,300'. Made 27 runs for day. Recovered 170 blw - no oil or gas show. 110 blwtr (total load 280 bbls). Close well in & SDFN.

Apollo perforaters Odessa Tx, Rising Star acid Odessa Tx.
Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,500	\$32,000	\$36,500	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$54,700	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$0	\$36,320	\$36,320	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$0	\$0
Racks, Reverse Unit	\$200	\$11,100	\$11,300	Artificial Lift Equip	\$0	\$0	\$0
BOPE (5 Day Minimum)	\$50	\$600	\$650	Tank Battery	\$0	\$0	\$0
Frac Tanks	\$0	\$0	\$0	Other (Supplies)	\$0	\$0	\$0
Packer Rental	\$0	\$0	\$0	Credit	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000				
Misc Supplies	\$0	\$0	\$0	Intangible Cost	\$6,250	\$130,770	\$137,020
Backhoe	\$0	\$1,500	\$1,500				
Cased Hole Services	\$0	\$31,000	\$31,000	Tangible Cost	\$0	\$54,700	\$54,700
Water / Mud	\$0	\$3,750	\$3,750				
Supervision	\$1,500	\$10,500	\$12,000	Total Cost	\$6,250	\$185,470	\$191,720
Other (Tubing testers)	\$0	\$0	\$0				

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service **Rig No:** 13 **Days:** 10

Date: 06/14/12 **On-Site Supervisor:** K Putty **Circ Fluid:** 4% KCL Water **Wt(ppg):** 8.8

Well Name & No: State of Texas CX # 5 **PBTD:** 9,829'
CIBP @ 9,285'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) **Field / Formation:** Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92'

Present Operations This Morning: Swabbing - This morning had 20% oil cut on first run

On Location Time: 0700 Hours **Off Location Time:** 1800 Hours
Mileage _____

SITP 30 psi. Open well & bled down immediately. RU & swab well all day. IFL 4,300' & FFL 5,000'. Made total of 26 runs for the day. Recovered 166 blw for day. First run of day showed a 10% oil cut with the next 20 runs showing all water. The last 5 runs started showing a trace of oil (maybe 1%). Close well in & SDFN.

Apollo perforaters Odessa Tx, Rising Star acid Odessa Tx.
Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,500	\$36,500	\$41,000	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$54,700	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation		\$36,320	\$36,320	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)		\$0	\$0
Racks, Reverse Unit	\$200	\$11,300	\$11,500		\$0	\$0	\$0
BOPE (5 Day Minimum)	\$50	\$650	\$700	Artificial Lift Equip	\$0	\$0	\$0
Frac Tanks	\$100	\$0	\$100	Tank Battery	\$0	\$0	\$0
Packer Rental		\$0	\$0	Other (Supplies)	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000	Credit	\$0	\$0	\$0
Misc Supplies	\$0	\$0	\$0				
Backhoe	\$0	\$1,500	\$1,500	Intangible Cost	\$7,050	\$137,020	\$144,070
Cased Hole Services		\$31,000	\$31,000				
Water / Mud	\$700	\$3,750	\$4,450	Tangible Cost	\$0	\$54,700	\$54,700
Supervision	\$1,500	\$12,000	\$13,500				
Other (Tubing testers)	\$0	\$0	\$0	Total Cost	\$7,050	\$191,720	\$198,770

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service **Rig No:** 13 **Days:** 11
Date: 06/15/12 **On-Site Supervisor:** K Putty **Circ Fluid:** 4% KCL Water **Wt(ppg):** 8.8
Well Name & No: State of Texas CX # 5 **PBTD:** 9,829'
CIBP @ 9,285'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) **Field / Formation:** Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92' (2 JSPF)

Present Operations This Morning: Swabbing - will send wtr sample in to Martin labs Monday morning

On Location Time: 0700 Hours **Off Location Time:** 1800 Hours
Mileage _____

SITP 30 psi+/- . Open well & bled down immediately. RU & swab well. IFL 4,200' & FFL 5,000'. First run had 10-20% oil cut. Remaining runs had a trace of oil. Operator pulled into the lubricator while POH with swab - pulled out of rope socket & dropped swab assembly in hole. Decided to leve assembly in hole until we pull the packer. RU new swab assembly & continue swabbing. Lost 4 hrs (1- am to 2 pm). IFL after downtime 4,600'. Made a total of 18 runs for day. FFL 5,000'. Recovered 118 bw for day. 454 bw recovered since acid job. Estimated 280 blw from acid job. Close well in & SDFN.

Apollo perforaters Odessa Tx, Rising Star acid Odessa Tx.
Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	<u>Intangible Costs</u>			<u>Tangible Costs</u>		
	Daily	Previous Cum	To Date Cum	Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,500	\$41,000	\$45,500	Production Casing	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0
Stimulation	\$0	\$36,320	\$36,320	Wellhead Equip	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:		
Rentals:				Pump (Laydown)	\$0	\$0
Racks, Reverse Unit	\$200	\$11,500	\$11,700		\$0	\$0
BOPE (5 Day Minimum)	\$50	\$700	\$750	Artificial Lift Equip	\$0	\$0
Frac Tanks	\$100	\$1,000	\$1,100	Tank Battery	\$0	\$0
Packer Rental	\$0	\$0	\$0	Other (Supplies)	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000	Credit	\$0	\$0
Misc Supplies	\$0	\$0	\$0			
Backhoe	\$0	\$1,500	\$1,500	Intangible Cost	\$7,050	\$144,970
Cased Hole Services	\$0	\$31,000	\$31,000	Tangible Cost	\$0	\$54,700
Water / Mud	\$700	\$4,450	\$5,150	Total Cost	\$7,050	\$206,720
Supervision	\$1,500	\$13,500	\$15,000			
Other (Tubing testers)	\$0	\$0	\$0			

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service **Rig No:** 13 **Days:** 12

Date: 06/16/12 **On-Site Supervisor:** K Putty **Circ Fluid:** 4% KCL Water **Wt(ppg):** 8.8

Well Name & No: State of Texas CX # 5 **PBTD:** 9,829'
CIBP @ 9,285'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) **Field / Formation:** Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92' (2 JSPF)

Present Operations This Morning: POH with tubing

On Location Time: 7:00am Hours **Off Location Time:** 6:00pm Hours
Mileage _____

SITP +/-30 psi. Open well & bled down immediately. RU swab & make 18 swab runs. IFL 4,300' & FFL +/-5,000'. First run had +/-20% oil cut with a trace of oil on remaining runs. On 19th swab run could not get below 4,800'. POH with swab tools, remove cups, PU sinker bar & RIH to obstruction - still could not get past 4,800'. Close well in & SDFN.

Recovered 120 bw for day making it 574 bw since acid job. 394 bw over load.

Having water analysis expedited this morning

Apollo perforaters Odessa Tx, Rising Star acid Odessa Tx.
Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,500	\$45,500	\$50,000	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$54,700	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$0	\$36,320	\$36,320	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$0	\$0
Racks, Reverse Unit	\$200	\$11,700	\$11,900	Artificial Lift Equip	\$0	\$0	\$0
BOPE (5 Day Minimum)	\$50	\$750	\$800	Tank Battery	\$0	\$0	\$0
Frac Tanks	\$100	\$1,200	\$1,300	Other (Supplies)	\$0	\$0	\$0
Packer Rental	\$0	\$0	\$0	Credit	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000				
Misc Supplies	\$0	\$0	\$0	Intangible Cost	\$7,050	\$150,720	\$157,770
Backhoe	\$0	\$1,500	\$1,500	Tangible Cost	\$0	\$54,700	\$54,700
Cased Hole Services	\$0	\$31,000	\$31,000	Total Cost	\$7,050	\$205,420	\$212,470
Water / Mud	\$700	\$3,750	\$4,450				
Supervision	\$1,500	\$15,000	\$16,500				
Other (Tubing testers)	\$0	\$0	\$0				

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service **Rig No:** 13 **Days:** 13

Date: 06/18/12 **On-Site Supervisor:** K Putty **Circ Fluid:** 4% KCL Water **Wt(ppg):** 8.8

Well Name & No: State of Texas CX # 5 **PBTD:** 9,829'
CIBP @ 9,285'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) **Field / Formation:** Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92' (2 JSPF)

Present Operations This Morning: Unset pkr, pull tubing

On Location Time: 7:00am Hours **Off Location Time:** 11:00am Hours
Mileage _____

SITP +/-30 psi. Open well & bled down immediately. Release packer & POH with tubing. After (5) stands notice tubing line had a bad spot in it (frayed). Pusher decided to replace line & ordered out same to be done in the morning. Ran sinker bar on sandline through tubing - no obstruction. Probably had frac ball/s or some other BS in tubing keeping us from getting down & probably flushed out when opened packer by-pass when unsetting packer. Close well in & SD for day early. Crew off location at 11 am.

Water analysis on 9,184' - 9248' is: Rw=.059 o-m & Cl=119,820 ppm (drilling fluid 50-70,000 ppm)
Water shows to be from the Penn formation based on Martin Labs catalog for area.

Apollo perforators Odessa Tx, Rising Star acid Odessa Tx.
Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	<u>Intangible Costs</u>			<u>Tangible Costs</u>		
	<u>Daily</u>	<u>Previous Cum</u>	<u>To Date Cum</u>	<u>Daily</u>	<u>Previous Cum</u>	<u>To Date Cum</u>
Well Service Unit	\$2,000	\$50,000	\$52,000	Production Casing	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0
Stimulation	\$0	\$36,320	\$36,320	Wellhead Equip	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:		
Rentals:				Pump (Laydown)	\$0	\$0
Racks, Reverse Unit	\$200	\$11,900	\$12,100		\$0	\$0
BOPE (5 Day Minimum)	\$50	\$800	\$850	Artificial Lift Equip	\$0	\$0
Frac Tanks	\$100	\$1,300	\$1,400	Tank Battery	\$0	\$0
Packer Rental	\$630	\$4,400	\$5,030	Other (Supplies)	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000	Credit	\$0	\$0
Misc Supplies	\$0	\$0	\$0			
Backhoe	\$0	\$1,500	\$1,500	Intangible Cost	\$4,480	\$147,320
Cased Hole Services	\$0	\$31,000	\$31,000			
Water / Mud	\$0	\$4,450	\$4,450	Tangible Cost	\$0	\$54,700
Supervision	\$1,500	\$1,650	\$3,150			
Other (Tubing testers)	\$0	\$0	\$0	Total Cost	\$4,480	\$202,020
						\$206,500

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service **Rig No:** 13 **Days:** 14

Date: 06/19/12 **On-Site Supervisor:** K Putty **Circ Fluid:** 4% KCL Water **Wt(ppg):** 8.8

Well Name & No: State of Texas CX # 5 **PBTD:** 9,130'
CIBP @ 9,140'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) **Field / Formation:** Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92' (2 JSPF)
9,048'-70' (4 JSPF)

Present Operations This Morning: Swabbing

On Location Time: 0700 Hours **Off Location Time:** 1945 Hours
Mileage _____

Change out bad tubing line. New line on & begin POH with tubing at 9:00am. POH with tubing setting.
Recover wireline tools lost earlier. RU wireline & set CIBP at 9,140' & perforate Penn interval 9,048' - 9,070'
at 2 JSPF. Dump bail 10' of cement on top of CIBP. New PBTD 9,130'. RD wireline unit. PU packer, SN,
2-7/8" tubing & TIH. Set packer at 9,006'. Close well in & SDFN.

Corrected Costs

Apollo perforators Odessa Tx, Rising Star acid Odessa Tx.
Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,000	\$52,000	\$56,000	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$54,700	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$0	\$36,320	\$36,320	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)		\$0	\$0
Racks, Reverse Unit	\$200	\$12,100	\$12,300		\$0	\$0	\$0
BOPE (5 Day Minimum)	\$50	\$850	\$900	Artificial Lift Equip	\$0	\$0	\$0
Frac Tanks	\$100	\$1,400	\$1,500	Tank Battery	\$0	\$0	\$0
Packer Rental	\$2,100	\$5,030	\$7,130	Other (Supplies)	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000	Credit	\$0	\$0	\$0
Misc Supplies	\$0	\$0	\$0				
Backhoe	\$0	\$1,500	\$1,500	Intangible Cost	\$20,950	\$165,150	\$186,100
Cased Hole Services	\$12,200	\$31,000	\$43,200				
Water / Mud	\$800	\$4,450	\$5,250	Tangible Cost	\$0	\$54,700	\$54,700
Supervision	\$1,500	\$16,500	\$18,000				
Other (Tubing testers)	\$0	\$0	\$0	Total Cost	\$20,950	\$219,850	\$240,800

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service **Rig No:** 13 **Days:** 15

Date: 06/20/12 **On-Site Supervisor:** K Putty **Circ Fluid:** 4% KCL Water **Wt(ppg):** 8.8

Well Name & No: State of Texas CX # 5 **PBTD:** 9,130'
CIBP @ 9,140'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) **Field / Formation:** Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92' (2 JSPF)
9,048'-70' (2 JSPF)

Present Operations This Morning: Swabbing - RU to acidize

On Location Time: 0700 Hours **Off Location Time:** 1330 Hours
Mileage _____

Well dead this am. RU & made 6 swab runs for day. IFL 3,000' & FFL 9,000'. Dried up well in 3 runs.
Recovered 36 bw for day with a trace of oil. Close well in & SDFD.

Will make swab run in am & then do acid job.

Apollo perforaters Odessa Tx, Rising Star acid Odessa Tx.
Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$2,000	\$56,000	\$58,000	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$54,700	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$0	\$36,320	\$36,320	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)		\$0	\$0
Racks, Reverse Unit	\$200	\$12,300	\$12,500		\$0	\$0	\$0
BOPE (5 Day Minimum)	\$50	\$900	\$950	Artificial Lift Equip	\$0	\$0	\$0
Frac Tanks	\$100	\$1,500	\$1,600	Tank Battery	\$0	\$0	\$0
Packer Rental	\$2,100	\$7,130	\$9,230	Other (Supplies)	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000	Credit	\$0	\$0	\$0
Misc Supplies	\$0	\$0	\$0				
Backhoe	\$0	\$1,500	\$1,500	Intangible Cost	\$18,950	\$173,900	\$192,850
Cased Hole Services	\$12,200	\$31,000	\$43,200	Tangible Cost	\$0	\$54,700	\$54,700
Water / Mud	\$800	\$5,250	\$6,050				
Supervision	\$1,500	\$18,000	\$19,500	Total Cost	\$18,950	\$228,600	\$247,550
Other (Tubing testers)	\$0	\$0	\$0				

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service **Rig No:** 13 **Days:** 16

Date: 06/21/12 **On-Site Supervisor:** K Putty **Circ Fluid:** 4% KCL Water **Wt(ppg):** 8.8

Well Name & No: State of Texas CX # 5 **PBTD:** 9,130'
CIBP @ 9,140'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) **Field / Formation:** Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92' (2 JSPF)
9,048'-70' (2 JSPF)

Present Operations This Morning: Swabbing

On Location Time: 0800 **Off Location Time:** 1945 Hours
Mileage _____

Well dead this am. Made 1 swab run - no fluid entry overnight. RU & acidize Penn interval 9,048'-70' using 3,300 gals of 15% NEFE acid. Broke formation at 2,700 psi. ATP 1,060 psi at 5-1/2 bpm. With balls on perfs formation broke to 980 psi. Had good ball action & balled out. Surged balls - no luck & then waited 30 mins & balls fell off. Finished displacing acid left in tubing at ball-out. ISIP vacuum. RD acid equipment, RU to swab & made 14 swab runs remainder of day. IFL 6,200' & FFL 7,000'. 130 bbls of total load with 75 blwtr. Had some acid gas & swab samples show 5-10% oil cut on every run. Close well in & SDFN.

This morning IFL at 6,500' & first run was what appeared to be about 100% oil.

Apollo perforators Odessa Tx, Rising Star acid Odessa Tx.
Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,000	\$58,000	\$62,000	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$54,700	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$13,200	\$36,320	\$49,520	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$0	\$0
Racks, Reverse Unit	\$200	\$12,500	\$12,700		\$0	\$0	\$0
BOPE (5 Day Minimum)	\$50	\$950	\$1,000	Artificial Lift Equip	\$0	\$0	\$0
Frac Tanks	\$100	\$1,600	\$1,700	Tank Battery	\$0	\$0	\$0
Packer Rental	\$600	\$9,230	\$9,830	Other (Supplies)	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000	Credit	\$0	\$0	\$0
Misc Supplies	\$0	\$0	\$0				
Backhoe	\$0	\$1,500	\$1,500	Intangible Cost	\$19,650	\$194,350	\$214,000
Cased Hole Services	\$0	\$43,200	\$43,200				
Water / Mud	\$0	\$6,050	\$6,050	Tangible Cost	\$0	\$54,700	\$54,700
Supervision	\$1,500	\$21,000	\$22,500				
Other (Tubing testers)	\$0	\$0	\$0	Total Cost	\$19,650	\$249,050	\$268,700

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service **Rig No:** 13 **Days:** 17

Date: 06/22/12 **On-Site Supervisor:** K Putty **Circ Fluid:** 4% KCL Water **Wt(ppg):** 8.8

Well Name & No: State of Texas CX # 5 **PBTD:** 9,829'
CIBP @ 9,285'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) **Field / Formation:** Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92' (2 JSPF)
9,048'-70' (2 JSPF)

Present Operations This Morning: Swabbing

On Location Time: 0700 Hours **Off Location Time:** 1730 Hours
Mileage _____

SITP +/-20 psi. Swab well all day. Made 21 runs for day. IFL 6,900' & FFL 7,500'. First run showed 90% oil cut. Each run had oil cut ranging from 2-20%. Final run had +/-15-20% oil cut. Recovered +/-126 blw for day. 67 bw over load. Close well in & SDFN.

Monday morning SITP 90-100 psi. First run 100% oil.

Kenneth Putty consultant, 432- 254- 6264

Mesa well service, Yard Manager, Charles Yaws, 575-390-8478

Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340

RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560

Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,000	\$62,000	\$66,000	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$54,700	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$0	\$49,520	\$49,520	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$0	\$0
Racks, Reverse Unit	\$200	\$12,700	\$12,900	Artificial Lift Equip	\$0	\$0	\$0
BOPE (5 Day Minimum)	\$50	\$1,000	\$1,050	Tank Battery	\$0	\$0	\$0
Frac Tanks	\$100	\$1,700	\$1,800	Other (Supplies)	\$0	\$0	\$0
Packer Rental	\$600	\$9,830	\$10,430	Credit	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000				
Misc Supplies	\$0	\$0	\$0	Intangible Cost	\$6,450	\$200,250	\$206,700
Backhoe	\$0	\$1,500	\$1,500	Tangible Cost	\$0	\$54,700	\$54,700
Cased Hole Services	\$0	\$31,000	\$31,000	Total Cost	\$6,450	\$254,950	\$261,400
Water / Mud	\$0	\$4,500	\$4,500				
Supervision	\$1,500	\$22,500	\$24,000				
Other (Tubing testers)	\$0	\$0	\$0				

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service **Rig No:** 13 **Days:** 18

Date: 06/25/12 **On-Site Supervisor:** K Putty **Circ Fluid:** 4% KCL Water **Wt(ppg):** 8.8

Well Name & No: State of Texas CX # 5 **PBTD:** 9,130'
CIBP @ 9,140'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) **Field / Formation:** Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92' (2 JSPF)
9,048'-70' (2 JSPF)

Present Operations This Morning: RU wireline to perforate

On Location Time: 0700 Hours **Off Location Time:** 1945 Hours
Mileage _____

SITP 100 psi. Made 6 swab runs. IFL 5,700' & FFL 6,200'. Recovered 36 bbls of oil & water for day. First run was 90% oil & remainder between 2% & 20%. RD swab equipment, unset packer & POH. LD packer, PU RBP w/ball-catcher & TIH. Set RBP at 9,045'. Test RBP & Casing to 1,000 psi. Lost +/-90 bw to formation when releasing packer. POH with RBP retrieving/setting tool. Close well in & SDFN.

This morning will perforate Phase IV per 6/25/12 email

Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$5,000	\$66,000	\$71,000	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$54,700	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$0	\$49,520	\$49,520	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$0	\$0
Racks, Reverse Unit	\$200	\$12,900	\$13,100		\$0	\$0	\$0
BOPE (5 Day Minimum)	\$50	\$1,050	\$1,100	Artificial Lift Equip	\$0	\$0	\$0
Frac Tanks	\$100	\$1,800	\$1,900	Tank Battery	\$0	\$0	\$0
Packer Rental	\$0	\$10,430	\$10,430	Other (Supplies)	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000	Credit	\$0	\$0	\$0
Misc Supplies	\$0	\$0	\$0				
Backhoe	\$0	\$1,500	\$1,500	Intangible Cost	\$8,650	\$206,700	\$215,350
Cased Hole Services	\$0	\$31,000	\$31,000				
Water / Mud	\$1,800	\$4,500	\$6,300	Tangible Cost	\$0	\$54,700	\$54,700
Supervision	\$1,500	\$24,000	\$25,500				
Other (Tubing testers)	\$0	\$0	\$0	Total Cost	\$8,650	\$261,400	\$270,050

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service **Rig No:** 13 **Days:** 19

Date: 06/26/12 **On-Site Supervisor:** K Putty **Circ Fluid:** 4% KCL Water **Wt(ppg):** 8.8

Well Name & No: State of Texas CX # 5 **PBTD:** 9,130'
CIBP @ 9,140'
RBP @ 9,045'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) **Field / Formation:** Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92' (2 JSPF)
9,048'-70' (2 JSPF)
9,024'-28', 8,991'-96', 8,985'-89', 8,965'-69', 8,955'-61' (2 JSPF)

Present Operations This Morning: RU to acidize

On Location Time: 0700 Hours **Off Location Time:** 1800 Hours
Mileage _____

Well dead this am. RU wireline & perforate Penn interval 9,028' - 8,955' (OA) in 2 runs at 2 JSPF.
RD wireline, PU HD packer & TIH. Set packer at 8,902' in 19 pts compression. RU & swab well.
IFL 0' & FFL SN. Well swabbed right down - very little feed-in if any. No oil show. Recovered 54 blw for day.
Close well in & SDFN.

Will acidize in the morning

Apollo wireline, Odessa
Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,500	\$71,000	\$75,500	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$54,700	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$0	\$49,520	\$49,520	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)		\$0	\$0
Racks, Reverse Unit	\$200	\$13,100	\$13,300		\$0	\$0	\$0
BOPE (5 Day Minimum)	\$50	\$1,100	\$1,150	Artificial Lift Equip	\$0	\$0	\$0
Frac Tanks	\$100	\$1,900	\$2,000	Tank Battery	\$0	\$0	\$0
Packer Rental	\$1,800	\$10,430	\$12,230	Other (Supplies)	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000	Credit	\$0	\$0	\$0
Misc Supplies	\$0	\$0	\$0				
Backhoe	\$0	\$1,500	\$1,500	Intangible Cost	\$17,450	\$215,350	\$232,800
Cased Hole Services	\$7,500	\$31,000	\$38,500				
Water / Mud	\$1,800	\$6,300	\$8,100	Tangible Cost	\$0	\$54,700	\$54,700
Supervision	\$1,500	\$25,500	\$27,000				
Other (Tubing testers)	\$0	\$0	\$0	Total Cost	\$17,450	\$270,050	\$287,500

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service Rig No: 13 Days: 20

Date: 06/27/12 On-Site Supervisor: K Putty Circ Fluid: 4% KCL Water Wt(ppg): 8.8

Well Name & No: State of Texas CX # 5 PBDT: 9,130'
CIBP @ 9,140'
9,045'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) Field / Formation: Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92' (2 JSPF)
9,048'-70' (2 JSPF)
9,024'-28', 8,991'-96', 8,985'-89', 8,965'-69', 8,955'-61' (2 JSPF)

Present Operations This Morning: Swabbing

On Location Time: 0700 Hours Off Location Time: 1830 Hours
Mileage _____

Well dead this am. Make swab run - no fluid entry over night. Wait on acid trucks 1-1/2 hours. RU acid equipment. Test packer to 500 psi. Acidize 9,028' - 8,955' (OA) using 2,500 gals of 15% NEFE acid. Broke formation down at 2,380 psi. ATP 1,900 psi at 5 bpm. Dropped (36) 1.3 sg ball sealers. Had good ball action but no ball out. 120 blwtr. RD acid equipment & move out. RU to swab & swab remainder of day. IFL 4,500' & FFL 4,700'. On the 6th run fluid came up 500' & then went back down to 4,700' slowly for remainder of the day. Average oil cut by swab samples 20% for day. Color cut tank & will get a good gauge of production today. Made 22 swab runs for day. Estimate recovered +/-98 bw & 20 bo for day. Close well in & SDFN.

Will get water sample to Martin Labs this afternoon.

Apollo wireline odessa tx
Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,500	\$75,500	\$80,000	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$54,700	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$10,820	\$49,520	\$60,340	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$0	\$0
Racks, Reverse Unit	\$200	\$13,300	\$13,500		\$0	\$0	\$0
BOPE (5 Day Minimum)	\$50	\$1,150	\$1,200	Artificial Lift Equip	\$0	\$0	\$0
Frac Tanks	\$100	\$2,000	\$2,100	Tank Battery	\$0	\$0	\$0
Packer Rental	\$1,800	\$12,230	\$14,030	Other (Supplies)	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000	Credit	\$0	\$0	\$0
Misc Supplies	\$0	\$0	\$0				
Backhoe	\$0	\$1,500	\$1,500	Intangible Cost	\$18,970	\$232,800	\$251,770
Cased Hole Services	\$0	\$38,500	\$38,500				
Water / Mud	\$0	\$8,100	\$8,100	Tangible Cost	\$0	\$54,700	\$54,700
Supervision	\$1,500	\$27,000	\$28,500				
Other (Tubing testers)	\$0	\$0	\$0	Total Cost	\$18,970	\$287,500	\$306,470

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service Rig No: 13 Days: 21

Date: 06/28/12 On-Site Supervisor: K Putty Circ Fluid: 4% KCL Water Wt(ppg): 8.8

Well Name & No: State of Texas CX # 5 PBDT: 9,130'
CIBP @ 9,140'
RBP @ 9,045'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) Field / Formation: Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92' (2 JSPF)
9,048'-70' (2 JSPF)
9,024'-28', 8,991'-96', 8,985'-89', 8,965'-69', 8,955'-61' (2 JSPF)

Present Operations This Morning: Swab well

On Location Time: 0700 Hours Off Location Time: 1800 Hours
Mileage _____

SITP 160 psi - bled down to tank. Swab well all day. IFL 4,700' & FFL 5,700'. Made 22 runs for day.
First run showed 90% oil. Average oil cut for day 10-20%. Total recovery for day 135 bbls. Had show of
gas. Water very dirty. Recovered 14 bo for day. Close well in & SDFN.

Will get water sample to Martin Labs this morning.

Apollo wireline odessa tx
Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,500	\$80,000	\$84,500	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$54,700	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$0	\$60,340	\$60,340	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)		\$0	\$0
Racks, Reverse Unit	\$200	\$13,500	\$13,700		\$0	\$0	\$0
BOPE (5 Day Minimum)	\$50	\$1,200	\$1,250	Artificial Lift Equip	\$0	\$0	\$0
Frac Tanks	\$100	\$2,100	\$2,200	Tank Battery	\$0	\$0	\$0
Packer Rental	\$0	\$14,030	\$14,030	Other (Supplies)	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000	Credit	\$0	\$0	\$0
Misc Supplies	\$0	\$0	\$0				
Backhoe	\$0	\$1,500	\$1,500	Intangible Cost	\$6,350	\$251,770	\$258,120
Cased Hole Services	\$0	\$38,500	\$38,500				
Water / Mud	\$0	\$8,100	\$8,100	Tangible Cost	\$0	\$54,700	\$54,700
Supervision	\$1,500	\$28,500	\$30,000				
Other (Tubing testers)	\$0	\$0	\$0	Total Cost	\$6,350	\$306,470	\$312,820

Credits / Notes: _____

Daily Completion Report

Well Service Contractor: Mesa Well Service **Rig No:** 13 **Days:** 22

Date: 06/29/12 **On-Site Supervisor:** K Putty **Circ Fluid:** 4% KCL Water **Wt(ppg):** 8.8

Well Name & No: State of Texas CX # 5 **PBTD:** 9,130'
CIBP @ 9,140'
RBP @ 9,045'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) **Field / Formation:** Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92' (2 JSPF) 8965'-69
9,048'-70' (2 JSPF)
9,024'-28', 8,991'-96', 8,985'-89', 8,965'-69', 8,955'-61' (2 JSPF)

Present Operations This Morning: Release packer & POH

On Location Time: 0700 Hours **Off Location Time:** 1800 Hours
Mileage _____

SITP 160 psi - bled down to tank. RU & swab well all day. IFL 5,300' & FFL 5,700'. Made 22 runs for day.
Recovered 122 bbls total for day (10 bo & 112 bw). First & second run had 90 % oil cut. Had 10-20% swab
oil cut rest of day. Had a slight show of gas. Close well in & SDFN.

Preparing to set well for production this morning.

- _____ Apollo wireline odessa tx
- _____ Kenneth Putty consultant, 432- 254- 6264
- _____ Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
- _____ Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
- _____ RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
- _____ Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,500	\$84,500	\$89,000	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$54,700	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$0	\$60,340	\$60,340	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)		\$0	\$0
Racks, Reverse Unit	\$200	\$13,700	\$13,900		\$0	\$0	\$0
BOPE (5 Day Minimum)	\$50	\$1,250	\$1,300	Artificial Lift Equip	\$0	\$0	\$0
Frac Tanks	\$100	\$2,200	\$2,300	Tank Battery	\$0	\$0	\$0
Packer Rental	\$0	\$14,030	\$14,030	Other (Supplies)	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000	Credit	\$0	\$0	\$0
Misc Supplies	\$0	\$0	\$0				
Backhoe	\$0	\$1,500	\$1,500	Intangible Cost	\$7,250	\$258,120	\$265,370
Cased Hole Services	\$0	\$38,500	\$38,500				
Water / Mud	\$900	\$8,100	\$9,000	Tangible Cost	\$0	\$54,700	\$54,700
Supervision	\$1,500	\$30,000	\$31,500				
Other (Tubing testers)	\$0	\$0	\$0	Total Cost	\$7,250	\$312,820	\$320,070

Daily Completion Report

Well Service Contractor: Mesa Well Service Rig No: 13 Days: 23

Date: 07/02/12 On-Site Supervisor: K Putty Circ Fluid: 4% KCL Water Wt(ppg): 8.8

Well Name & No: State of Texas CX # 5 PBTB: 9,130'
CIBP @ 9,140'
RBP @ 9,045'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) Field / Formation: Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92' (2 JSPF)
9,048'-70' (2 JSPF)
9,024'-28', 8,991'-96', 8,985'-89', 8,965'-69', 8,955'-61' (2 JSPF)

Present Operations This Morning: RU to run pump / rod setting

On Location Time: 0700 Hours Off Location Time: 1900 Hours
Mileage _____

SITP 250 psi. Bled down to tank - all gas. Made 3 swab runs. First & second runs 90% oil cut with 3rd run showing 20% cut. IFL 3,700' & FFL 4,700'. Recovered 18 bbls fluid for day. RD swab equipment, RU to run tubing setting, unset pkr, TIH, retrieve RBP & POH with packer & plug. Run production setting as follows: (1) jt of 2-7/8" N-80 6.5# EUE 8rd tbg as mud anchor (bull-plugged), 4' perforated sub, SN, (2) jts of same tbg, TAC & (272) jts of same tbg. Set TAC at 8,861' in 18,000# tension. SN at 8,930' & EOT at 8,967'. ND BOPE, NU wellhead, pack off well head, build pumping T & install & prepare to run pump / rod setting in morning. Close well in & SDFN.

Apollo wireline odessa tx
Kenneth Putty consultant, 432- 254- 6264
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,500	\$8,900	\$13,400	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$54,700	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$0	\$60,340	\$60,340	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)		\$0	\$0
Racks, Reverse Unit	\$200	\$13,900	\$14,100		\$0	\$0	\$0
BOPE (5 Day Minimum)	\$50	\$1,300	\$1,350	Artificial Lift Equip	\$0	\$0	\$0
Frac Tanks	\$100	\$2,300	\$2,400	Tank Battery	\$0	\$0	\$0
Packer Rental	\$1,800	\$14,030	\$15,830	Other (Supplies)	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000	Credit	\$0	\$0	\$0
Misc Supplies	\$0	\$0	\$0				
Backhoe	\$0	\$1,500	\$1,500	Intangible Cost	\$9,050	\$185,270	\$194,320
Cased Hole Services	\$0	\$38,500	\$38,500				
Water / Mud	\$900	\$9,000	\$9,900	Tangible Cost	\$0	\$54,700	\$54,700
Supervision	\$1,500	\$31,500	\$33,000				
Other (Tubing testers)	\$0	\$0	\$0	Total Cost	\$9,050	\$239,970	\$249,020

Daily Completion Report

Well Service Contractor: Mesa Well Service **Rig No:** 13 **Days:** 24

Date: 07/03/12 **On-Site Supervisor:** K Putty **Circ Fluid:** 4% KCL Water **Wt(ppg):** 8.8

Well Name & No: State of Texas CX # 5 **PBTD:** 9,130'
CIBP @ 9,140'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) **Field / Formation:** Emma (Strawn)
9,230'-48', 9,204'-20', 9,184'-92' (2 JSPF)
9,048'-70' (2 JSPF)
9,024'-28', 8,991'-96', 8,985'-89', 8,965'-69', 8,955'-61' (2 JSPF)

Present Operations This Morning: Rig released

On Location Time: 0700 Hours **Off Location Time:** 1800 Hours
Mileage _____

SITP 140 psi. Bled well down to tank - all gas. Run pump / rod setting as follows: 2-1/2 x 1-1/2 x 24 RHBC pump with 1" x 6' gas anchor, 7/8" x 2' lift sub, 26K shear tool, (160) 7/8" "97" rods, (128) 1" FG rods (with 7/8" couplings), 2' x 4' x 4' x4' x 6' x 8' 7/8" "97" pony rods & 1-1/2" x 26' polish rod with 1-3/4" x 16' liner. Space out & seat pump, long stroke pump & had good pump action. RD well service unit clean location. SDFN with rig ready to move in the morning.

Final Report	Zones to be produced 9,048' - 70;
Apollo wireline odessa tx	8,955' - 9,028'
Kenneth Putty consultant, 432- 254- 6264	(Overall)
Mesa well service, Yard Manager, Charles Yaws, 575-390-8478	
Rev unit, Priorty Packers, Andrews Tx, Abel Delacruz. 432-631-1340	
RD trucking, Andrews, 432-413-9277; TyCo Trucking, Odessa, Roger McDonald, 432-530-6560	
Pipe Racks, Cat walk, Rig Matts-Hammer Head, Odessa, Richie Journey, 432-557-4423	

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,500	\$93,500	\$98,000	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$54,700	\$54,700
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$40,000	\$0	\$40,000
Stimulation	\$0	\$60,340	\$60,340	Wellhead Equip	\$4,000	\$0	\$4,000
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump, PR, etc	\$10,000	\$0	\$10,000
Racks, Reverse Unit	\$200	\$14,100	\$14,300		\$0	\$0	\$0
BOPE (5 Day Minimum)	\$50	\$1,350	\$1,400	Artificial Lift Equip	\$0	\$0	\$0
Frac Tanks	\$100	\$2,400	\$2,500	Tank Battery	\$0	\$0	\$0
Packer Rental	\$1,800	\$15,830	\$17,630	Other (Supplies)	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$4,000	\$4,000	Credit	\$0	\$0	\$0
Misc Supplies	\$0	\$0	\$0				
Backhoe	\$0	\$1,500	\$1,500	Intangible Cost	\$9,950	\$270,220	\$280,170
Cased Hole Services	\$0	\$38,500	\$38,500				
Water / Mud	\$1,800	\$7,200	\$9,000	Tangible Cost	\$54,000	\$54,700	\$108,700
Supervision	\$1,500	\$31,500	\$33,000				
Other (Tubing testers)	\$0	\$0	\$0	Total Cost	\$63,950	\$324,920	\$388,870

Credits / Notes: _____

State of Texas Tank Battery # 1
Removing flow lines and fills lines.
July 10, 2012

Equipment on location at 8:30 am. Transferred fluid from two 500 bbls tanks and put into water tank. Roustabouts removed plates from back of 500 bbl tanks. Pump truck and vacuum truck cleaned out tank bottom. Crew Backhoe on location at 10:30 am. Removed firewall from around tank battery and heater treater. Dirt hauled to State of Texas #5. Shut crew down at 7:30 pm.

July 11, 2012

Roustabout crew and backhoe on location at 8:30 am. Crew finished removing flow lines and fill lines. Disconnected flow lines from heater treater. Picked up junk iron on location and removed all metal fence post and barbed wire. Stacked on edge of location for removal later. Backhoe back dragging location. Sent crew home at 7 pm.

July 12, 2012

Roustabout crew and backhoe on the State of Texas #5 at 9 am. Load of chat was hauled in to build pad for a 456 pumping unit. Pea gravel hauled in to build pad for tank battery. Crew building firewall for tank battery. Shut crew down at 2 pm.

July 13, 2012

Crew on location at 830 am removed stairs and landing off tank battery. Trucks on location and moved two 500 bbl tanks and heater from State of Texas tank battery # 1 to State of Texas # 5. Shut down for the day.

July 14, 2012

Tesco installing poles and electrical lines to location from State of Texas # 3 to the # 5 well.

July 15, 2012

Crews are off today.

July 16, 2012

Roustabout crew is on location cleaning up by removing pipe and trash from location State of Texas # 4. The pumping unit arrived at 11:00 am to be assembled and installed.

July 17, 2012

Roustabout crew on State of Texas # 5 location hooking up tank battery. Pumping unit service on location finish setting pumping unit and hung rods on. Sandblasters on location sand blasting heater treater. Pulled fluid out of water tank and cleaned out the tank. Tank movers moved the tank from State of Texas #4 to State of Texas #5 and set. They installed the catwalk and stairs. Shut down for the day.

July 18, 2012

Roustabout crew on location hooking up tank battery and circulating pump ,Roustabout crew also built well head and laid flow line from well head to treater .Welder on location working on treater have to replace nipples on water leg and replace inspection plate. Crew on location sand blasting inside of oil tanks so they can be coated .

July 19, 2012

Roustabout finished hooking up tank battery and sand blasters on location sand blasting inside of tanks .Welder finished repairing heater treater. A few holes were found in bottom of oil tanks that will have to be patched before we coat tanks.

July 20 ,2012

Roustabouts hooking up lines to treater .Sand blasters blasting out side of oil tanks and water tanks.

July 21,2012

Sandblasters started to put primer on water tank and oil tanks.

July 22 ,2012

Sandblasters painting tank battery and treater.

July 23, 2012

Roustabout finished running flow lines to treater and installed oil dump.Waiting on fire tube and water leg to be delivered so it can be installed. Started up pumping unit to check amps on motor .Had to shut unit down will have to lower rods .

July 24,2012

Roustabout worked on heater and installed fire tube. Replaced circulating pump at no charge to us.

July 25 ,2012

Roustabout installed water leg on treater and installed supply lines to oil and water dump.Circulated water through treater to make sure there were no leaks.Pumping unit service installed guard over belts and lowered rods in well.Pump in well is not seated will have to bring in work over rig to space out rods

July 26, 2012

Roustabout installed burner in treater and set anchors under load lines..Battery is completed except for fire wall around battery waiting on back hole .Pumping unit down waiting on work over rig. Cleaned location and shut down.

July 27.2012

Waiting on work over rig

July 28, 2012

Waiting on work over rig

July 29, 2012

Waiting on work over rig

July 30, 2012

Waiting on work over rig

Kimbrough Engineering Company

Daily Workover Report

Well Service Contractor: MESA well Service Rig No: 11 Days: 1

Date: 08/29/12 On-Site Supervisor: JRD Circ Fluid: 3& KCL Wt(ppg):

Well Name & No: State of Texas CX-#5 PBTD: 8950'

Perforated Interval: 9,367'-74', 9,332'-44', 9,294'-99' (2JSPF) Field / Formation: Cisco
9,230'-48', 9,204'-20', 9,184'-92' (2 JSPF)
9,048'-70' (2 JSPF)
9,024'-28', 8,991'-96', 8,985'-89', 8,965'-69', 8,955'-61' (2 JSPF)

Present Operations This Morning: POH with tubing setting

Rig Crew On Location Time: 1400 Hours Crew Off Location Time: 1730 Hours

Summary of Operations Last 24 Hours

MIRU well service unit. Unhung well, unseat pump & POH with rod setting (had trouble unseating pump).
 POH w/ 1-2', 2-4', 2-6' x 7/8" steel pony rod, (128) 1" FG rods, (160) 7/8" '97' rods, 2' x 7/8" lift sub, 26K shear tool,
 2-1/2 x 1-1/2 RHBC pump w/ 1" X 6' gas anchor. Shop pump. ND wellhead, released TAC & NU BOPE. CWI &
 SDFN.

Well notes:

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$2,630	\$0	\$2,630	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$0	\$0
Cmt & Cmt Services	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$0	\$0	\$0	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$0	\$0
Racks, Reverse Unit	\$0	\$0	\$0		\$0	\$0	\$0
BOPE, Rig Mat	\$900	\$0	\$900	Artificial Lift Equip	\$0	\$0	\$0
Trash Tr & Generator	\$0	\$0	\$0	Tank Battery	\$0	\$0	\$0
TIW, Scraper, Treesaver	\$0	\$0	\$0	Other	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$0	\$0	Credit	\$0	\$0	\$0
Misc Supplie:(subs)	\$0	\$0	\$0				
Backhoe	\$0	\$0	\$0	Intangible Cost	\$3,890	\$0	\$3,890
Cased Hole Services	\$0	\$0	\$0				
Water / Mud	\$0	\$0	\$0	Tangible Cost	\$0	\$0	\$0
Supervision	\$360	\$0	\$360				
Other (Tubing testers)	\$0	\$0	\$0	Total Cost	\$3,890	\$0	\$3,890

Credits / Notes: _____

Kimbrough Engineering Company

Daily Workover Report

Well Service Contractor: MESA well Service Rig No: 11 Days: 2

Date: 08/30/12 On-Site Supervisor: JRD Circ Fluid: _____ Wt(ppg): _____

Well Name & No: State of Texas CX-#5 PBTD: 8950'

Perforated Interval: 8,900' - 8,714' (OA) Field / Formation: Cisco

Present Operations This Morning: Swabbing

Rig Crew On Location Time: 630 Hours Crew Off Location Time: 2030 Hours

Summary of Operations Last 24 Hours

SITP 50 psi. Bled off pressure. Poh with tubing setting as follows: (171) jts 2 7/8" tbg, TAC, (2) jts 2 7/8" tbg, SN, 4' perf sub & 2-7/8" BPMA. MIRU Gray W/L & set CIBPat 8,950'. Perforated Cisco formation w/ 1 JSPF (LDT/CNL) using .4" holes & 180 phasing as follows: 8,896' - 8900' (4 shots), 8,872' - 76' (4 shots), 8,842' - 48' (6 shots), 8,820' - 28 (8 shots), 8,803' - 15' (12 shots), 8,774' - 94', (20 shots), 8,753' - 57' (4 shots) & 8,714' - 32' (18 shots). RU & run bailer. Dump bail 10' cmt on top of CIBP at 8,950'. RD Gray Wireline. CWI & SDFN.

Well notes:

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,852	\$2,630	\$7,482	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$0	\$0
Packer Service Chg	\$875	\$0	\$875	Rods	\$0	\$0	\$0
Stimulation	\$0	\$0	\$0	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$0	\$0
Racks, Reverse Unit	\$0	\$0	\$0		\$0	\$0	\$0
BOPE, Rig Mat	\$0	\$900	\$900	Artificial Lift Equip	\$0	\$0	\$0
Trash Tr & Generator	\$0	\$0	\$0	Tank Battery	\$0	\$0	\$0
TIW, Scraper, Treesaver	\$0	\$0	\$0	Other	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$0	\$0	Credit	\$0	\$0	\$0
Misc Supplies (subs)	\$0	\$0	\$0				
Backhoe	\$0	\$0	\$0	Intangible Cost	\$21,279	\$3,890	\$25,169
Cased Hole Services	\$14,612	\$0	\$14,612				
Water / Mud	\$0	\$0	\$0	Tangible Cost	\$0	\$0	\$0
Supervision	\$940	\$360	\$1,300				
Other (Tubing testers)	\$0	\$0	\$0	Total Cost	\$21,279	\$3,890	\$25,169

Credits / Notes: _____

Kimbrough Engineering Company

Daily Workover Report

Well Service Contractor: MESA well Service Rig No: 11 Days: 3

Date: 08/31/12 On-Site Supervisor: JRD Circ Fluid: 3% KCL Wt(ppg): _____

Well Name & No: State of Texas CX-#5 PBDT: 8950'

Perforated Interval: 8,900' - 8,714' (OA) Field / Formation: Cisco

Present Operations This Morning: Swabbing

Rig Crew On Location Time: 0700 Hours Crew Off Location Time: 2030 Hours

Summary of Operations Last 24 Hours

TIH with Versital Crest III packer on (236) jts of 2 7/8' tbg & set at 8,604'. Held Tailgate Safety Meeting w/ CUDD Services. RU & pressure test lines to 6,000 psi. Loaded csg w/ 60 bbls of 3% KCL wtr & Pressure csg to 600 psi. Pumped 10 bbls of 3% KCL wtr, switched to acid & acidized well w/ 9,000 gals of 15% double inhibited NeFe acid using (130) 1.1 sg ball sealers. Initial inj rate at 5.2 bpm at psi. Avg inj rate 8.3 bpm at 4600 psi. Balled-out with all acid pumped while on flush at 226 bbls in formation. Surged balls & finished pumping 49 bbls of flush. ISIP at 2,223 psi, 5 min 1,954 psi, 10 min at 1,729 psi, 15 min at 1,504 psi. Shut well in & RD CUDD. Shut well in for 1 hr. Ru swab equip & tie in to frac tank. Opened up well with tubing on vacuum. Made 10 swab runs for day. IFL at 3,600' & FFL at 5,228'. Recovered 38 bbls. On 5th run had 10% oil cut. On 6th run swab set down at 4,897'. Worked swab madrel down to 5,297'. POH with swab & TIH with sinker bar. Tagged obstruction at 5,228'. Worked thru obstruction & through obstruction, TIH to 7,269' & POH with sinker bar. In 10 runs recovered 58 bbls showing 5% oil cut last runs. No acid gas or natural gas show. Total Load: 275 bbls, Total load recovered: 58 bbls & TLTR: 217 bbls. SDFN.

Plans are to reverse out frac balls that are causing obstruction Monday morning.

Intangible Costs

Tangible Costs

	<u>Intangible Costs</u>				<u>Tangible Costs</u>		
	<u>Daily</u>	<u>Previous Cum</u>	<u>To Date Cum</u>		<u>Daily</u>	<u>Previous Cum</u>	<u>To Date Cum</u>
Well Service Unit	\$4,200	\$7,482	\$11,682	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$0	\$0
Packer Service Chg	\$1,905	\$875	\$2,780	Rods	\$0	\$0	\$0
Stimulation	\$31,611	\$0	\$31,611	Wellhead Equip	\$320	\$0	\$320
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$0	\$0
Racks, Frac Tank	\$400	\$0	\$400		\$0	\$0	\$0
BOPE, Rig Mat	\$0	\$900	\$900	Artificial Lift Equip	\$0	\$0	\$0
Trash Tr & Generator	\$0	\$0	\$0	Tank Battery	\$0	\$0	\$0
TIW, Scraper, Treesaver	\$0	\$0	\$0	Other	\$0	\$0	\$0
Transportation (Estimate)	\$675	\$0	\$675	Credit	\$0	\$0	\$0
Misc Supplies (subs)	\$0	\$0	\$0				
Backhoe	\$0	\$0	\$0	Intangible Cost	\$38,791	\$25,169	\$63,960
Cased Hole Services	\$0	\$14,612	\$14,612	Tangible Cost	\$320	\$0	\$320
Water / Mud	\$0	\$0	\$0				
Supervision	\$0	\$1,300	\$1,300	Total Cost	\$39,111	\$25,169	\$64,280
Other (Tubing testers)	\$0	\$0	\$0				

Credits / Notes: _____

Kimbrough Engineering Company

Daily Workover Report

Well Service Contractor: MESA well Service Rig No: 11 Days: 4

Date: 09/01/12 On-Site Supervisor: JRD Circ Fluid: _____ Wt(ppg): _____

Well Name & No: State of Texas CX-#5 PBTD: 8950'

Perforated Interval: 8,900' - 8,714' (OA) Field / Formation: Cisco

Present Operations This Morning: Reverse out frac balls

Rig Crew On Location Time: 7:00 Hours Crew Off Location Time: 1500 Hours

Summary of Operations Last 24 Hours

SITP 50 psi. Ru swab equip & swab well 7 hrs. IFL at 5,428'. Had to worked swab down to 5,687' thru ball sealers on 1st run. Recovered 5 bbls on 1st run. Make sinker bar & tagged ball sealers (obstruction) at 5,896'. Worked sinker bar through balls down to 7,286'. Poh & LD sinker bar. Opened unloader on Crest III packer attempting to allow fluid in csg to equalize with tbg to flow ball sealers out of tbg. Closed unloader on packer & made swab run, tagged up at 5,396' & worked swab down to 5,919'. Recovered 4 bbls on run (running slow). Run sinker bar & worked sinker thru ball sealers to 8,265'. POH with sinker bar & LD same. Make swab run & tagged up at 4,847'. Worked down to 5,364' & recovered 4 bbls. Made run with single cups & tagged up at 5,318'. Worked swab down to 6,406' & recoverd 3 bbls. RD swab equipment, CWI & SD until to 9/4/12. Total load: 275 bbls. Total load recovered: 74 bbls. TLTR: 201 bbls.

Plans are to reverse out frac balls that are causing obstruction Monday morning.

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$2,700	\$11,682	\$14,382	Production Casing	\$0	\$0	\$0
Pump / Hot Oil Truck	\$0	\$0	\$0	Tubing	\$0	\$0	\$0
Packer Service Chg	\$875	\$2,780	\$3,655	Rods	\$0	\$0	\$0
Stimulation	\$0	\$31,611	\$31,611	Wellhead Equip	\$0	\$320	\$320
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$0	\$0
Racks, Frac Tank	\$0	\$400	\$400		\$0	\$0	\$0
BOPE, Rig Mat	\$0	\$900	\$900	Artificial Lift Equip	\$0	\$0	\$0
Trash Tr & Generator	\$0	\$0	\$0	Tank Battery	\$0	\$0	\$0
TIW, Scraper, Treesaver	\$0	\$0	\$0	Other	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$675	\$675	Credit	\$0	\$0	\$0
Misc Supplies (subs)	\$0	\$0	\$0				
Backhoe	\$0	\$0	\$0	Intangible Cost	\$4,550	\$63,960	\$68,510
Cased Hole Services	\$0	\$14,612	\$14,612	Tangible Cost	\$0	\$320	\$320
Water / Mud	\$0	\$0	\$0				
Supervision	\$975	\$1,300	\$2,275	Total Cost	\$4,550	\$64,280	\$68,830
Other (Tubing testers)	\$0	\$0	\$0				

Credits / Notes: _____

Kimbrough Engineering Company

Daily Workover Report

Well Service Contractor: MESA well Service Rig No: 11 Days: 5

Date: 09/04/12 On-Site Supervisor: JRD Circ Fluid: _____ Wt(ppg): _____

Well Name & No: State of Texas CX-#5 PBDT: 8950'

Perforated Interval: 8,900' - 8,714' (OA) Field / Formation: Cisco

Present Operations This Morning: Release packer & circulate out ball sealers

Rig Crew On Location Time: 0700 Hours Crew Off Location Time: 1830 Hours

Summary of Operations Last 24 Hours

SITP 70 psi. Bled down press to frac tank. Ru swab equipment & make 13 swab runs. IFL 5428' & FFL 6,406'. Tagged ball sealers 5932'. Make sinker bar run to 8,200' - dislodging ball sealers. POH w/ sinker bar, release packer & RU pump truck. Reverse Circulate w/ 200 bbls of 3% kcl wtr to recover ball sealers. Reset packer & RU swab. Continue swabbing (FL at 1,500' after circulating). Recovered a total of 8 BO & 141 BLW for day (by cut sample). Gauged frac tank & total fluid recovery thus far is 265 bbls of which 36 BO & 229 BLW. Have 52 BLWTR. Not seeing any gas.

Well notes:

Intangible Costs

Tangible Costs

	<u>Daily</u>	<u>Previous Cum</u>	<u>To Date Cum</u>		<u>Daily</u>	<u>Previous Cum</u>	<u>To Date Cum</u>
Well Service Unit	\$2,700	\$11,682	\$14,382	Production Casing	\$0	\$0	\$0
Pump / Vac Truck	\$1,850	\$0	\$1,850	Tubing	\$0	\$0	\$0
Packer Service Chg	\$875	\$3,655	\$4,530	Rods	\$0	\$0	\$0
Stimulation	\$0	\$31,611	\$31,611	Wellhead Equip	\$0	\$320	\$320
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$0	\$0
Racks, Frac Tank	\$0	\$400	\$400		\$0	\$0	\$0
BOPE, Rig Mat	\$0	\$900	\$900	Artificial Lift Equip	\$0	\$0	\$0
Trash Tr & Generator	\$0	\$0	\$0	Tank Battery	\$0	\$0	\$0
TIW, Scraper, Treesaver	\$0	\$0	\$0	Other	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$675	\$675	Credit	\$0	\$0	\$0
Misc Supplies (subs)	\$0	\$0	\$0				
Backhoe	\$0	\$0	\$0	Intangible Cost	\$6,313	\$65,810	\$72,123
Cased Hole Services	\$0	\$14,612	\$14,612	Tangible Cost	\$0	\$320	\$320
Water / Mud	\$0	\$0	\$0	Total Cost	\$6,313	\$66,130	\$72,443
Supervision	\$888	\$2,275	\$3,163				
Other (Tubing testers)	\$0	\$0	\$0				

Credits / Notes:

Kimbrough Engineering Company

Daily Workover Report

Well Service Contractor: MESA well Service Rig No: 11 Days: 6

Date: 09/05/12 On-Site Supervisor: JRD Circ Fluid: 3% KCL Wt(ppg): _____

Well Name & No: State of Texas CX-#5 PBDT: 8950'

Perforated Interval: 8,900' - 8,714' (OA) Field / Formation: Cisco

Present Operations This Morning: RU to run pump/rod setting

Rig Crew On Location Time: 7:30 Hours Crew Off Location Time: 1830 Hours

Summary of Operations Last 24 Hours

SITP 60 psi. Releasid packer, RU pump truck to casing & reversed circulated out with 3% KCL wtr. POH with Verstal Crest III packer. Run tubing setting as follows: 2 7/8" L80 6.5# EUE 8rd tubing as mud anchor (bull-plugged), 4' perf sub, SN, (4) jts of same tubing. TAC & (266) jts of same 2-7/8" tubing. ND BOPE, flanged up wellhead & set TAC in 18 pts of tension. SDFN.

Bottom of mud anchor at 8,844'

Perforated sub at 8,812'

SN at 8,808'

TAC at 8,677'

Intangible Costs

Tangible Costs

	<u>Daily</u>	<u>Previous Cum</u>	<u>To Date Cum</u>		<u>Daily</u>	<u>Previous Cum</u>	<u>To Date Cum</u>
Well Service Unit	\$4,091	\$11,682	\$15,773	Production Casing	\$0	\$0	\$0
Pump / Vac Truck	\$1,638	\$18,500	\$20,138	Tubing	\$0	\$0	\$0
Packer Service Chg	\$875	\$4,530	\$5,405	Rods	\$0	\$0	\$0
Stimulation	\$0	\$31,611	\$31,611	Wellhead Equip	\$0	\$320	\$320
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$2,000	\$0	\$2,000
Racks, Frac Tank	\$0	\$400	\$400	TAC	\$700	\$0	\$700
BOPE, Rig Mat	\$100	\$900	\$1,000	Artificial Lift Equip	\$0	\$0	\$0
Trash Tr & Generator	\$0	\$0	\$0	Tank Battery	\$0	\$0	\$0
TIW, Scraper, Treesaver	\$0	\$0	\$0	Other	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$675	\$675	Credit	\$0	\$0	\$0
Misc Supplies (subs)	\$0	\$0	\$0				
Backhoe	\$0	\$0	\$0	Intangible Cost	\$7,578	\$86,073	\$93,651
Cased Hole Services	\$0	\$14,612	\$14,612	Tangible Cost	\$2,700	\$320	\$3,020
Water / Mud	\$0	\$0	\$0	Total Cost	\$10,278	\$86,393	\$96,671
Supervision	\$874	\$3,163	\$4,037				
Other (Tubing testers)	\$0	\$0	\$0				

Credits / Notes: _____

Kimbrough Engineering Company

Daily Workover Report

Well Service Contractor: Basic Well Service Rig No: _____ Days: 1

Date: 10/11/12 On-Site Supervisor: MD Circ Fluid: _____ Wt(ppg): _____

Well Name & No: State of Texas CX-#5 PBTD: 8640'

Perforated Interval: 5976'-5990' Field / Formation: Clearfork

Present Operations This Morning: Finish out of hole with tubing setting

Rig Crew On Location Time: 0900 Hours Crew Off Location Time: 1930 Hours

Summary of Operations Last 24 Hours

MIRUwell service unit. POH w/ 2-1/2" x 1-1/2" x 24' RHBC pump w/1" x 6' gas anchor, 2-7/8" x 2' lift sub, 7/8" x 26K shear tool, (159) 7/8" "97" rods, (127) 1" (7/8"couplings) fiberglass rods, 1-1/2" x 26' polish rod with liner. No pony rods. ND Wellhead, NU BOPE, unset TAC & POH w/ 270 jts. 2-7/8", 6.5#, L-80, EUE, 8rd, (total = 8791.44') . Rig up Apollo Wireline & run 5-1/2" CIBP & set at 8,640'. Lay down 88 jts. Of tbg. 65 jts left to laydown In the A.M. Closed BOPE. SDFN at 1930 hrs.

Don-Nan
Priority Packers
Appollo Wireline
PetroPlex
Mike DeMarco, consultant

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$4,167	\$0	\$4,167	Production Casing	\$0	\$0	\$0
Pump / Vac Truck	\$0	\$0	\$0	Tubing	\$0	\$0	\$0
Packer Service Chg	\$0	\$0	\$0	Rods	\$0	\$0	\$0
Stimulation	\$0	\$0	\$0	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$2,000	\$2,000
Racks, Frac Tank	\$400	\$0	\$400	TAC	\$0	\$700	\$700
BOPE, Rig Mat	\$100	\$0	\$100	Artificial Lift Equip	\$0	\$0	\$0
Trash Tr & Generator	\$0	\$0	\$0	Tank Battery	\$0	\$0	\$0
TIW, Scraper, Treesaver	\$0	\$0	\$0	Other	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$0	\$0	Credit	\$0	\$0	\$0
Misc Supplies (subs)	\$0	\$0	\$0				
Backhoe	\$0	\$0	\$0	Intangible Cost	\$5,712	\$0	\$5,712
Cased Hole Services	\$0	\$0	\$0	Tangible Cost	\$0	\$2,700	\$2,700
Water / Mud	\$0	\$0	\$0	Total Cost	\$5,712	\$2,700	\$8,412
Supervision	\$1,045	\$0	\$1,045				
Other (Tubing testers)	\$0	\$0	\$0				

Credits / Notes: _____

Kimbrough Engineering Company

Daily Workover Report

Well Service Contractor: Basic Well Service Rig No: _____ Days: 2

Date: 10/12/12 On-Site Supervisor: MJD Circ Fluid: _____ Wt(ppg): _____

Well Name & No: State of Texas CX #5 PBTD: 8,640'

Perforated Interval: 5,976' - 5,990' Field / Formation: Clearfork

Present Operations This Morning: LD excess tubing & prepare to perforate Clearfork.

Rig Crew On Location Time: 0700 Hours Crew Off Location Time: 1500 Hours

Summary of Operations Last 24 Hours

LD 23 jts of tbg leaving 182 jts in the derrick (5,930'). RU Apollo Wireline & perforate Clearfork 5,976' - 5,990' at 2 JSPF & 0.4"holes w/ 180 degree phasing. After POH with gun - perf holes showed oil residue. LD 1 jt of additional tubing & attempt to TIH w/5-1/2" HD pkr. Well started flowing. Turned well to battery. FTP 25 psi. Left well flowing to the battery over the weekend - will monitor over weekend. Rig crew off location at 1500 hrs. SDFN.

Friday: Filled up treater & well flowed +/-55 bo to stock tanks & 147 bw. The oil cut decreased from 100% to 0% in 3 hrs. Last several hours made 100% water. Water is Clear - looks like drinking water

Saturday to Sunday: Made +/-300 bw & 0 bo in 24 hrs. Now flowing up casing at 15 psi FCP.

This zone is over-pressured. I cannot find an injector in this block pumping into this interval

Apollo Wireline: 563-0891(Greg Vickrey: cell: 553-9810)

Basic Well Service: Joe Trevino: 557-9238

BOP's.: 523-4251

Frac Tank 523-2445

Called John Ervin w/ John Crane for Fiberglass rod designs to be sent to office.

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$3,130	\$4,167	\$7,297	Production Casing	\$0	\$0	\$0
Pump / Vac Truck	\$650	\$0	\$650	Tubing	\$0	\$0	\$0
Packer Service Chg	\$550	\$0	\$550	Rods	\$0	\$0	\$0
Stimulation	\$0	\$0	\$0	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$2,000	\$2,000
Racks, Frac Tank	\$200	\$400	\$600	TAC	\$0	\$700	\$700
BOPE, Rig Mat	\$707	\$100	\$807	Artificial Lift Equip	\$0	\$0	\$0
Trash Tr & Generator	\$0	\$0	\$0	Tank Battery	\$0	\$0	\$0
TIW, Scraper, Treesaver	\$0	\$0	\$0	Other	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$0	\$0	Credit	\$0	\$0	\$0
Misc Supplies (subs)	\$0	\$0	\$0				
Backhoe Forklift	\$345	\$0	\$345	Intangible Cost	\$20,723	\$5,712	\$26,435
Cased Hole Services	\$0	\$0	\$0				
Water / Mud	\$0	\$0	\$0	Tangible Cost	\$0	\$2,700	\$2,700
Supervision	\$1,106	\$1,045	\$2,151				
Other-Wireline	\$14,035	\$0	\$14,035	Total Cost	\$20,723	\$8,412	\$29,135

Credits / Notes: _____

Mike DeMarco

Dinero Operating, Inc

Daily Workover Report

Well Service Contractor: Basic Well Service Rig No: _____ Days: 3

Date: 10/15/12 On-Site Supervisor: Bonham Circ Fluid: _____ Wt(ppg): _____

Well Name & No: State of Texas CX #5 PBTD: 8,640'

Perforated Interval: 5,976' - 5,990' Field / Formation: Clearfork

Present Operations This Morning: Well continuing to flow 100% water

Rig Crew On Location Time: 0700 Hours Crew Off Location Time: 1600 Hours

Summary of Operations Last 24 Hours

Crew to location. Observe well continuing flowing to battery. Flowed 290 bbls water in 24 hours. No Oil.
 Shut well in at 1200 Noon. Pressure increased to 200 psig in 5 minutes. At 4:00 pm pressure at 220 psig.
 Leave well shut in. Secure well and SDFN. Crew had 10 hour minimum

Prepare to set CIBP in the morning.

Apollo Wireline: 563-0891(Greg Vickrey: cell: 553-9810)
 Basic Well Service: Joe Trevino: 557-9238
 BOP's.: 523-4251
 Frac Tank 523-2445
Called John Ervin w/ John Crane for Fiberglass rod designs to be sent to office.
 Larry Bonham

Intangible Costs

Tangible Costs

	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$3,300	\$7,297	\$10,597	Production Casing	\$0	\$0	\$0
Pump / Vac Truck	\$0	\$650	\$650	Tubing	\$0	\$0	\$0
Packer Service Chg	\$0	\$550	\$550	Rods	\$0	\$0	\$0
Stimulation	\$0	\$0	\$0	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$2,000	\$2,000
Racks, Frac Tank	\$0	\$600	\$600	TAC	\$0	\$700	\$700
BOPE, Rig Mat	\$0	\$807	\$807	Artificial Lift Equip	\$0	\$0	\$0
Trash Tr & Generator	\$0	\$0	\$0	Tank Battery	\$0	\$0	\$0
TIW, Scraper, Treesaver	\$0	\$0	\$0	Other	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$0	\$0	Credit	\$0	\$0	\$0
Misc Supplies (subs)	\$0	\$0	\$0				
Backhoe Forklift	\$0	\$345	\$345	Intangible Cost	\$4,300	\$26,435	\$30,735
Cased Hole Services	\$0	\$0	\$0				
Water / Mud	\$0	\$0	\$0	Tangible Cost	\$0	\$2,700	\$2,700
Supervision	\$1,000	\$2,151	\$2,151				
Other-Wireline	\$0	\$14,035	\$14,035	Total Cost	\$4,300	\$29,135	\$33,435

Credits / Notes: _____

Kimbrough Engineering Company

Daily Workover Report

Well Service Contractor: Basic Well Service Rig No: _____ Days: 4

Date: 10/16/12 On-Site Supervisor: Proctor Circ Fluid: _____ Wt(ppg): _____

Well Name & No: State of Texas CX #5 PBTD: 5870'

Perforated Interval: 5,497'-5,514' Field / Formation: Clearfork

Present Operations This Morning: Well continues to flow 100% water

Rig Crew On Location Time: 0700 Hours Crew Off Location Time: 1700 Hours

Summary of Operations Last 24 Hours

This am SICIP 210 psi. Bled down in a few seconds in to frac tank. MIRU wireline. Receive orders & set CIBP at 5,890'. Well was still flowing prior to setting CIBP. After set CIBP well was dead. Perforate 5,497' - 5,514' 4 JSPF at 90 degree phasing (60-.4" holes) Make dump bailer run & dump bail 20' of cement on top of CIBP. New PBTD 5,870'. Well be flowing again after shooting new perforations. Measured well flow at 5 gpm or 7 bph rate. Flowed well to pit until 5 pm then switched to flow to the battery (water tank) overnight. Took water sample in to Martin labs for anaysis. will let well flow over night into tank take water sample and will get water sample in A.M. Crew off location at 5 pm.

This morning: Well flowed about 28 bw yesterday until 5 pm & 66 bw overnight. Total flow back is 95 bw. Well flowing at 4 bwph this morning. Total load water 133 bbls. Should be producing formation fluid this afternoon. There has been no show of oil or gas. Well appears to be wet.

Basic Well Service: Joe Trevino: 557-9238

BOP's.: 523-4251

Frac Tank 523-2445

Apollo Wireline: 563-0891(Greg Vickrey: cell: 553-9810)

Intangible Costs

Tangible Costs

	<u>Daily</u>	<u>Previous Cum</u>	<u>To Date Cum</u>		<u>Daily</u>	<u>Previous Cum</u>	<u>To Date Cum</u>
Well Service Unit	\$3,540	\$10,597	\$14,137	Production Casing	\$0	\$0	\$0
Pump / Vac Truck	\$300	\$650	\$950	Tubing	\$0	\$0	\$0
Packer Service Chg	\$0	\$550	\$550	Rods	\$0	\$0	\$0
Stimulation	\$0	\$0	\$0	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$2,000	\$2,000
Racks, Frac Tank	\$400	\$600	\$1,000	TAC	\$0	\$700	\$700
BOPE, Rig Mat	\$100	\$807	\$907	Artificial Lift Equip	\$0	\$0	\$0
Trash Tr & Generator	\$0	\$0	\$0	Tank Battery	\$0	\$0	\$0
TIW, Scraper, Treesaver	\$0	\$0	\$0	Other	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$0	\$0	Credit	\$0	\$0	\$0
Misc Supplie: (subs)	\$0	\$0	\$0				
Backhoe Forklift	\$0	\$345	\$345	Intangible Cost	\$16,667	\$29,735	\$46,402
Cased Hole Services	\$0	\$0	\$0				
Water / Mud	\$0	\$0	\$0	Tangible Cost	\$0	\$2,700	\$2,700
Supervision	\$1,173	\$2,151	\$3,324				
Other-Wireline	\$11,154	\$14,035	\$25,189	Total Cost	\$16,667	\$32,435	\$49,102

Credits / Notes: _____

Don Proctor

Kimbrough Engineering Company

Daily Workover Report

Well Service Contractor: Basic Well Service Rig No: _____ Days: 5
 Date: 10/17/12 On-Site Supervisor: Proctor Circ Fluid: _____ Wt(ppg): _____
 Well Name & No: State of Texas CX #5 PBTD: 5,870'
 Perforated Interval: 5,497'-5,514' Field / Formation: Glorietta
 Present Operations This Morning: Well continues to flow 100% water
 Rig Crew On Location Time: 700 Hours Crew Off Location Time: 1500 Hours

Summary of Operations Last 24 Hours

Well still flowing water tank with FCP 5-10 psi. Tank guage shows well flowed +/-33 BW overnight making the TLR +/-128 BW. Flow rate decreased to 5 gal. in 2 min & 40 seconds. Flowing 100% black water with no oil or gas in sample. Water appears to contain iron sulfide. Guaged tank between 1 pm & 2 pm. Flow rate has decreased to 1.4 BWPH. Tank guage at 5 pm showed ad additional +/-7 BW in tank, making tank recovery for day of 73 BW. colored water flowing about same amount of fluid. Shut down for today.
This zones water is black & has very sulfur smell to it whereas the Clearfork (previous) zones water was crystal clear with very little odor.
On 10/18/12:
Will TIH with tubing to top plug, LD excess tubing & all of rods. Will truck rods to yard for save keeping. Will then get bids on plugging well while evaluating Grayburg & San Andres formations.
 Apollo Wireline: 563-0891(Greg Vickrey: cell: 553-9810)
 Basic Well Service: Joe Trevino: 557-9238
 BOP's.: 523-4251
 Frac Tank 523-2445

Intangible Costs

Tangible Costs

	Intangible Costs				Tangible Costs		
	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$2,950	\$14,137	\$17,087	Production Casing	\$0	\$0	\$0
Pump / Vac Truck	\$675	\$650	\$1,325	Tubing	\$0	\$0	\$0
Packer Service Chg	\$0	\$550	\$550	Rods	\$0	\$0	\$0
Stimulation	\$0	\$0	\$0	Wellhead Equip	\$0	\$0	\$0
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$2,000	\$2,000
Racks, Frac Tank	\$200	\$1,000	\$1,200	TAC	\$0	\$700	\$700
BOPE, Rig Mat	\$100	\$807	\$907	Artificial Lift Equip	\$0	\$0	\$0
Trash Tr & Generator	\$0	\$0	\$0	Tank Battery	\$0	\$0	\$0
TIW, Scraper, Treesaver	\$0	\$0	\$0	Other	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$0	\$0	Credit	\$0	\$0	\$0
Misc Supplie: (subs)	\$0	\$0	\$0				
Backhoe Forklift	\$0	\$345	\$345	Intangible Cost	\$5,098	\$46,002	\$51,100
Cased Hole Services	\$0	\$0	\$0				
Water / Mud	\$0	\$0	\$0	Tangible Cost	\$0	\$2,700	\$2,700
Supervision	\$1,173	\$3,324	\$4,497				
Other-Wireline	\$0	\$25,189	\$25,189	Total Cost	\$5,098	\$48,702	\$53,800

Credits / Notes: _____

Don Proctor

Kimbrough Engineering Company

Daily Workover Report

Well Service Contractor: Basic Well Service Rig No: _____ Days: 6
 Date: 10/18/12 On-Site Supervisor: Proctor Circ Fluid: _____ Wt(ppg): _____
 Well Name & No: State of Texas CX #5 PBTD: 5870'
 Perforated Interval: 5,497'-5,514' Field / Formation: Clearfork
 Present Operations This Morning: Prepare to RDMO well service unit - Well TA'd
 Rig Crew On Location Time: 700 Hours Crew Off Location Time: 6:30 Hours

Summary of Operations Last 24 Hours

This morning well is still flowing to tank. Flow has slowed to 2/3 of what it originally was. Tank gauge shows well flowed 22 BW overnight. Total flowed +/-140 BW. Original TLW 138 BW. Checked 5-1/2" x 8-5/8" annulus - 490 psi on it. Bled pressure off & flowed back 1-1/2 bbl of dirt water & then died - appears to be water-cut drilling fluid. TIH with BP tbg, perf sub & (178) jts of 2-7/8" tbg (5,812'). ND BOPE, NU wellhead & run alls rods in hole & LD same. LD (127) 1" FG rods & (159) 7/8" "97" rods. NU wellhead leaving 5-1/2" casing valve open to tank. Pipe on racks at well - (123) jts 2-7/8" L80 6.5# EUE 8rd tubing, (127) 1: FG rods & (159) 7/8" "97" rods. Released BOPE & frac tank. Install pressure on 5-1/2" x 8-5/8" annulus valve to monitor backside. SDFN.

Will get bids on turnkey plugging the well while still evaluating San Andre / Grayburg formations

DON PROCTOR 806-777-0061
 Apollo Wireline: 563-0891(Greg Vickrey: cell: 553-9810)
 Basic Well Service: Joe Trevino: 557-9238
 BOP's.: 523-4251
 Frac Tank 523-2445
 BASIC VAC. TRUCK B J DIXON 432-523-2445
 Don-Nan 432-523-2678 All rental equipment released

Intangible Costs

Tangible Costs

	Intangible Costs				Tangible Costs		
	Daily	Previous Cum	To Date Cum		Daily	Previous Cum	To Date Cum
Well Service Unit	\$3,893	\$17,087	\$20,980	Production Casing	\$0	\$0	\$0
Pump / Vac Truck	\$1,110	\$1,325	\$2,435	Tubing	\$0	\$0	\$0
Packer Service Chg	\$0	\$550	\$550	Rods	\$0	\$0	\$0
Stimulation	\$0	\$0	\$0	Wellhead Equip	\$140	\$0	\$140
Tubular Inspect & Test'g	\$0	\$0	\$0	Subsurface Equip:			
Rentals:				Pump (Laydown)	\$0	\$2,000	\$2,000
Racks, Frac Tank	\$200	\$1,200	\$1,400	TAC	\$0	\$700	\$700
BOPE, Rig Mat	\$50	\$957	\$1,007	Artificial Lift Equip	\$0	\$0	\$0
Trash Tr & Generator	\$0	\$0	\$0	Tank Battery	\$0	\$0	\$0
TIW, Scraper, Treesaver	\$0	\$0	\$0	Other	\$0	\$0	\$0
Transportation (Estimate)	\$0	\$0	\$0	Credit	\$0	\$0	\$0
Misc Supplie: (subs)	\$0	\$0	\$0				
Backhoe Forklift	\$0	\$345	\$345	Intangible Cost	\$6,282	\$51,150	\$57,432
Cased Hole Services	\$0	\$0	\$0				
Water / Mud	\$0	\$0	\$0	Tangible Cost	\$140	\$2,700	\$2,840
Supervision	\$1,029	\$4,497	\$5,526				
Other-Wireline	\$0	\$25,189	\$25,189	Total Cost	\$6,422	\$53,850	\$60,272

Credits / Notes: _____

Don Proctor

MAVERICK WELL PLUGGERS
DAILY REPORT

DATE: December 10, 2012
JOB # 333-027 (P&A)
COMPANY: Dinero Operating Co.
WELL NAME & # State of Texas CX # 5

Drove unit from Perkins # 1 to State of Texas CX lease, looked for & found well # 5.
Spot & RU unit, ND BOP, close well in, SDFD.

Estimated Daily Total- \$ 2,600.00
Estimated Accumulated Total-\$ 2,600.00

MAVERICK WELL PLUGGERS
DAILY REPORT

DATE: December 11, 2012
JOB # 333-027 (P&A)
COMPANY: Dinero Operating Co.
WELL NAME & # State of Texas CX # 5

Drove to location, lay down 174Jts of 2 7/8 Tbg. TIH w/ 6- 3 1/2 DC's & drill bit with 2 3/8 Tbg to 5400'. Close well in, SDFD.

Estimated Daily Total- \$ 2,750.00
Estimated Accumulated Total-\$ 5,350.00

MAVERICK WELL PLUGGERS
DAILY REPORT

DATE: December 12, 2012
JOB # 333-027 (P&A)
COMPANY: Dinero Operating Co.
WELL NAME & # State of Texas CX # 5

Drove to location, finish TIH, Tag @ 5879'. RU swivel, broke circulation washed out to 6007'. Had sand & cement in returns, RD swivel TIH to 8400', Circ well clean for 2hrs PUH to 5400', close well in, SDFD.

Estimated Daily Total- \$ 10,614.50
Estimated Accumulated Total-\$ 16,414.50

MAVERICK WELL PLUGGERS
DAILY REPORT

DATE: December 13, 2012
JOB # 333-027 (P&A)
COMPANY: Dinero Operating Co.
WELL NAME & # State of Texas CX # 5

Drove to location, finish POOH, lay down drill collars. RBIH w/ Perf Sub to 8076', RU P&A equipment, Circ well w/ 60sx salt gel, spot 25sx class H cmt, Stand back 5900' of Tbg. Lay down rest of Tbg, close well in, SDFD.

Estimated Daily Total- \$ 5,612.50
Estimated Accumulated Total-\$ 22,027.00

MAVERICK WELL PLUGGERS
DAILY REPORT

DATE: December 14, 2012
JOB # 333-027 (P&A)
COMPANY: Dinero Operating Co.
WELL NAME & # State of Texas CX # 5

Drove to location, RIH with 5 ½ CIBP on WL. Set CIBP @ 5900' POOH w/ WL, lost setting tool in hole. Close well in, SDFD was too windy.

Estimated Daily Total- \$ 5,625.00
Estimated Accumulated Total-\$ 27,652.00

MAVERICK WELL PLUGGERS
DAILY REPORT

DATE: December 17, 2012
JOB # 333-027 (P&A)
COMPANY: Dinero Operating Co.
WELL NAME & # State of Texas CX # 5

Drove to location, RIH with 1 ½ graphel in overshot. Tag @ 5900' & latch onto fish, graphel would slide off POOH w/ overshot. Change graphel to 1 9/16, RBIH could not latch onto fish POOH w/ Tbg. Change out graphel to 1 7/16, RBIH latch onto fish. Pulled up to 70 thousand, setting tool came free. Went down to make sure plug was still there, plug still @ 5900'. PUH w/ setting tool, close well in, SDFD

NO CHARGE

Estimated Daily Total- \$ No Charge
Estimated Accumulated Total-\$ 27,652.00

MAVERICK WELL PLUGGERS
DAILY REPORT

DATE: December 18, 2012
JOB # 333-027 (P&A)
COMPANY: Dinero Operating Co.
WELL NAME & # State of Texas CX # 5

Drove to location, finish POOH w/ tools, RBIH w/ Perf Sub to 5900', Tag CIBP spot 20sx cmt PUH & spot 25sx cmt @ 5400'. Clean up equip POOH stand back 4840' & lay down the rest of Tbg. ND WH to 5 ½ Csg, RUWL RIH to Tag @ 4700' POOH w/ WL. RIH w/ Tbg & 3" notched collar to 5150' TOC, Start POOH, close well in, SDFD.

Estimated Daily Total- \$ 4,982.50
Estimated Accumulated Total-\$ 32,634.50

MAVERICK WELL PLUGGERS
DAILY REPORT

DATE: December 19, 2012
JOB # 333-027 (P&A)
COMPANY: Dinero Operating Co.
WELL NAME & # State of Texas CX # 5

Drove to location, finish POOH, RU WL. RIH & cut 5 ½ Csg @ 4825', picked up on Csg was not free. RU WL again, attempt to cut Csg @ 4700' POOH WL. Picked up on Csg, was not free, called & talk to Mark Carry @ RRC. Okayed to spot 20sx cmt @ 4825' & move on. Started RIH w/ Tbg to 4825', got too windy, close well in & SDFD.

Estimated Daily Total- \$ 6,375.00
Estimated Accumulated Total-\$ 39,009.50

MAVERICK WELL PLUGGERS
DAILY REPORT

DATE: December 20, 2012
JOB # 333-027 (P&A)
COMPANY: Dinero Operating Co.
WELL NAME & # State of Texas CX # 5

Drove to location, finish RIH w/ Tbg. Spot 20sx cmt @ 4825' POOH w/ Tbg, clean up equip. RU for 5 ½ Csg, RU WL, cut Csg @ 4500' RD WL. Picked up on Csg, was free POOH w/ 110 Jts 5 ½ Csg, SDFD.

Estimated Daily Total- \$ 6,595.00
Estimated Accumulated Total-\$ 45,604.50

MAVERICK WELL PLUGGERS
DAILY REPORT

DATE: December 21, 2012
JOB # 333-027 (P&A)
COMPANY: Dinero Operating Co.
WELL NAME & # State of Texas CX # 5

Drove to location, finish POOH w/5 ½ csg. Total 123 jts @ 5 ½ csg. RU for TBG. RIH @ 4,500'. Spot 45sx cmt. POH @ 2,500' spot 40sx cmt. POH @ 1,759', spot 45sx cmt. Clean up equipment. POOH w/TBG. Close well in. SDFD.

Estimated Daily Total- \$ 8,230.00
Estimated Accumulated Total-\$ 53,834.50

MAVERICK WELL PLUGGERS
DAILY REPORT

DATE: December 26, 2012

JOB # 333-027 (P&A)

COMPANY: Dinero Operating Co.

WELL NAME & # State of Texas CX # 5

Drove to location, Tag TOC @ 1,593'. PUH, LD TBG to 1,150', spot 45sx cmt, w/1sx Ca CL. POOH w/TBG. Clean up equip. WOC. RIH to tag, cmt still to green. POOH w/TBG. Close well in. SDFD.

Estimated Daily Total- \$ 3,997.500

Estimated Accumulated Total-\$ 57,832.00

MAVERICK WELL PLUGGERS
DAILY REPORT

DATE: December 27, 2012

JOB # 333-027 (P&A)

COMPANY: Dinero Operating Co.

WELL NAME & # State of Texas CX # 5

Drove to location, Tag TOC @ 1015' PUH, LD Tbg spot 115sx cmt from 380' to Surf.
Clean up equip, cut off well head, and top off well. RD unit and P&A equip, clean up loc,
move off.

Estimated Daily Total- \$ 5,150.00

Estimated Accumulated Total-\$ 62,982.00