

**University Lands 13 # 1**

**Location: 2,980' FEL and 1,980' FSL of Section 13, Block 35,  
University Lands Survey, Terrell County, Texas. Elev. 2,327'.  
Permit 686227. API 42-443-31331. RRC 7C, 325-657-7450.**

Date

01-25-10 Pulled 12 loads of drilling fluid out of burn pit & 3 <sup>rd</sup> reserve. Daily Cost \$ 6,000	Cum Costs \$ 2,804,065
01-26-10 Plumb surface casing to ground level, fill cellar with pea gravel & back-drag location. RU Gray Wireline, RIH with Cement Bond log & tag @ 13,138'. Pressure up on casing to 1,000 psig, & ran Gamma/CBL to 8,100'. RD Gray & SDFD. Started building 200' X 175' X 7' Frac pond. Daily Cost \$10,000	Cum Costs \$ 2,814,065
01-27-10 Continue building frac pond.	
01-28-10 Continue building frac pond, prep to line and start filling in the morning. Daily Cost \$ 2,500	Cum Costs \$ 2,826,565
01-29-10 Lined frac pond, started filling pond & covered 1 <sup>st</sup> reserve pit, SDFD Daily Cost 9,000	Cum Costs \$ 2,835,565
01-30-10 Continue filling frac pond Daily Cost \$ 200	Cum Costs \$ 2,835,765
01-31-10 Continue filling frac pond Daily Cost \$ 200	Cum Costs \$ 2,835,965
02-01-10 Continue filling frac pond Daily Cost \$ 200	Cum Costs \$ 2,836,165
Date	
01-23-10 Replaced 3 bad gates on lease road going into location. Rig moved Out yesterday (tore up gates). Daily Cost \$ 2,000	Cum Costs \$ 2,798,065
01-24-10 Attempt to de-water pits but could not due to rain. Daily 02-02-10 Continue filling frac pond & fenced with 3 stand barbed wire. Daily Cost 2,200	Cum Costs \$ 2,838,365
02-03-10 Continue filling frac pond & started setting frac tanks. Daily Cost \$ 2,000	Cum Costs \$ 2,840,365
02-04-10 to 02-09-10 Continue filling frac pond.	
02-10-10 Back drag location & set anchors.	
02-11-10 MI WTG Services PU. Daily Cost \$ 5,000	Cum Costs \$ 2,845,365
02-12-10 Rack 13,200'+ 2 3/8" tubing, set rig mats & RUPU. Tally tubing in hole & tag @ 13,134'. SWI&SDFD. Daily Cost \$ 70,000	Cum Costs \$ 2,915,365
02-13-10 RU AST. Pull tubing to 12,610'. Spot 1,000 gallons 10% acetic acid. RD AST. Will lay down tubing and RDMO PU Monday. SWI & SDFD. Daily Cost \$ 8,000	Cum Costs \$ 2,923,365
02-14-10 LD 76 joints of tubing & SDFD (Rig problems). Daily Cost \$ 1,000	Cum Costs \$ 2,924,365
02-15-10 SDFWE.	
02-16-10 Finished LD tubing, ND BOP & install 5K frac valve. RD PU&MO. Daily Cost \$ 5,000	Cum Costs \$2,929,365
02-17-10 Drove rig to entrance gate. Daily Cost \$ 2,000	Cum Costs \$2,931,365

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02-18-10 Rig moved out.

03-03-10 MU & RU Stinger's isolation tool, RU B & K trucking & test casing to 5,000 psig (good). RU WSI & run CCL log from PBSD to 11,300'. Perf as follows: 12,450-12,454, 12,536-12,540, 12,580-12,584 & 12,606-12,610 (3 SPF) SWI & SDFD. MI sand handler.

Daily Cost \$ 10,000

Cum Cost \$ 2,941,365

03-04-10 MI 7 RU AST & frac 1<sup>st</sup> stage as follows:

1. Pump 2,000 gal 10# linear gel
2. Pump 3,000 gal 15% HCl acid as spearhead.
3. Pump 14,000 gal 10# linear gel (did not shut down)
4. Pump 2,000 gal 10# linear gel with 1.0 ppg 30/50 Sinter-Lite
5. Pump 14,000 gal 10# spacer.
6. Pump 12,000 gal 16# Borate x-linked gel as pad
9. Pump 2,000 gal 16# Borate x-linked gel w/1.5ppg 30/50 Sinter-Lite
10. Pump 12,000 gal 16# Borate x-linked gel as spacer.
11. pump 2,500 gal 16# Borate x-linked gel with 2.0 ppg 30/50 Sinter-Lite
12. Pump 12,000 gal 16# Borate x-linked gel as spacer/pad.
13. Pump 10,000 gal 16# Borate x-linked gel with 0.5 ppg 30/50 Sinter-Lite
14. Pump 15,000 gal 16# Borate x-linked gel with 0.8 ppg 30/50 Sinter-Lite
15. Pump 30,000 gal 16# Borate x-linked gel with 1.0 ppg 30/50 Sinter-Lite
16. Pump 15,000 gal 16# Borate x-linked gel as spacer.
17. Pump 10,000 gal 16# Borate x-linked gel w/0.5 ppg 30/50 Sinter-Lite
18. Pump 15,000 gal 16# Borate x-linked gel w/0.8 ppg 30/50 Sinter-Lite
19. Pump 24,000 gal 16# Borate x-linked gel w/1.0 ppg 30/50 Sinter-Lite
20. Pump 10,000 gal 16# Borate x-linked gel w/1.5 ppg 30/50 Sinter-Lite
21. Pump 6,000 gal 16# Borate x-linked gel w/2.0 ppg 30/50 Sinter-Lite
22. Flush with 320 bbls – 10# linear gel.

Max rate = 40 bpm, Avg rate = 34.3 bpm, Max pressure = 8,392 psi, Avg pressure = 8,014 psi, ISIP = 7,345 psi. FLTR = 5,341 bbls

RIH with composite plug & gun would not fire, TOH. RIH with composite plug & got stuck @ 12,372. Pulled out of rope socket & retrieved all but 2,400' of wireline. Cut wire line with Stingers valve & RD AST. Top of live guns at 12,330'

Daily Cost \$ 270,000

Cum Cost \$ 3,211,365

03-05-10 Opened well on a 16/64" choke with 6,800 psig, 100 bbl/hr rate. Flowed down to 40 psig, 40 bbl/hr rate (all slick water) on a full open choke. Recovered 1,143 bbls, FLTR = 4,198 bbls.

Daily Cost \$ 20,000

Cum Cost \$ 3,231,365

03-06-10 MI&RU WTG Services PU. Pick up 2 3/8" tubing & wire line spear. TIH to 10,142'. Found top of wireline fish & SDFD.

Daily Cost \$ 4,000

Cum Cost \$ 3,218,365

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03-07-10 SDFWE. Flowing well with Well Test at 20 BLW/hr. Prep to POOH with fish.

Daily Cost \$ 2,000

Cum Cost \$ 3,220,365

03-08-10 SDFWE.

03-09-10 Fished wire line out of hole. PU 3 1/8" overshot & TIH to 10,488' with tubing when well started flowing. Flowed well down on a full open choke in 2 hrs then it died. Recovered 427 BLW over Sunday & Monday. LWTR = 3,771 bbls.

Daily Cost \$ 6,000

Cum Cost \$ 3,224,365

03-10-10 TIH to top of fish, pulled 20K over string weight & TOH. Had no fish in overshot, prep to run was pipe & circulate over fish in the morning. SWI & SDFD

Daily Cost \$ 8,000

Cum Cost \$ 3,232,365

03-11-10 SICP = 600 psig, blow well down in 10 min. PU 40' of 4 1/2" wash pipe & RIH to top of fish. Wash sand off of fish to 12,672', could not make any more footage. TOH to 7,000', will inspect to see if we have fish in the morning. SWI & SDFD.

Daily Cost \$ 8,200

Cum Cost \$ 3,241,565

03-12-10 SITP = 100 psig, SICP = 300 psig. TOH finding fish in wash pipe, TIH with wash pipe and wait on WSI. While waiting on wireline crew, well kicked, TOOH finding fish had fallen out of wash pipe. LD wash pipe, PU overshot & RIH with 174 joints of tubing. SWI & SDFD.

Daily Cost \$ 8,000

Cum Cost \$ 3,249,565

03-13-10 SICP = 800 psig, TIH to top of fish & latch on. Pull wet string of tubing finding fish. Bridge plug was left in hole. RU WSI, set flow thru plug @ 12,330'. PU guns a perf as follows, 12,310' - 313', 12,280' - 281', 12,275' - 276', 12,231' - 235', 12,201' - 203', 11,975' - 981', 11,949' - 954', 11,920' - 921', 11,892' - 894', 11,869' - 871', 11,840' - 841', 11,773' - 774' (1 spf) & test plug to 2,000 psig (good).

Daily Cost \$ 10,000

Cum Cost \$ \$ 3,259,565

03-14-10 SICP = 1,000 psig, RIH with 2 3/8" tubing to 12,310'. Break circulation with 196 bbls of 2% KCl water & spot 1,000 gal of 10% acetic acid. Pull 100 joint of tubing & SDFD.

Daily Cost \$ 6,000

Cum Cost \$ 3,265,565

03-15-10 SICP = 500 psig, LD rest of tubing. RD WTG services & move rig off location.

Daily Cost \$ 3,000

Cum Cost \$ 3,268,565

03-16-10 RU AST Service Company to frac via 5 1/2", 17# N-80 casing. Casing pressure was monitored with a transducer. Installed an inline densiometer close to the well head. Installed flow back- line to a pit. All lines were tested to 9,200 psig. At the start of the job the casing and 9 5/8" annulus was pressured to 875 psig. The frac was pumped via 5 1/2" casing as follows:

03-16-10 continued

Pumped 3 bbl to load.

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1. Pumped 35 bbl of 10# slick water spacer at about 5 to 11 BPM at 4,972 to 5,360 psi – to load hole and establish rate.
2. Pumped 190 bbl of 15% HCl acid spearhead at 16 to 30 BPM at about 7,000 psi.
3. Pumped 476 bbl of 10 # linear gel as pre pad with 110 gal of scale inhibitor, at 34 BPM at 7,100 psi.
4. Pumped 25 bbl of 10 # linear gel slurry with 1.0 ppg 30/50 SinterLite slug, 35 BPM and 7,599 psi
5. Pumped 476 bbl of 10 # linear gel slurry as prepad, at 41 BPM and 7,940 psi.
6. Pumped 476 bbl of 16 # crosslinked slurry as pad, at 41 BPM and 8,020 psi.
7. Pumped 50 bbl of 16 # crosslinked slurry with 1.5 ppg 30/50 SinterLite slug, at 41 BPM and 7,962 psi.
8. Pumped 476 bbl of 16 # crosslinked slurry as pad, at 41 BPM and 8,260 psi.
9. Pumped 52 bbl of 16 # crosslinked slurry with 2.5 ppg 30/50 SinterLite slug, at 41 BPM and 8,207 psi.
10. Pumped 476 bbl of 16 # crosslinked slurry as pad, at 41 BPM and 8,509 psi.
11. Pumped 195 bbl of 16 # crosslinked slurry with 0.5 ppg 30/50 SinterLite at 41 BPM and 8,361 psi.
12. Pumped 450 bbl of 16 # crosslinked slurry with 0.8 ppg 30/50 SinterLite at 41 BPM and 8,314 psi.
13. Pumped 650 bbl of 16 # crosslinked slurry with 1.0 ppg 30/50 SinterLite at 40 BPM and 8,155 psi.
14. Pumped 400 bbl of 16 # crosslinked slurry with 1.5 ppg at SinterLite at 40 BPM and 8,293 psi.
15. Pumped 240 bbl of 16 # crosslinked slurry with 2.0 ppg 30/50 SinterLite at 40 BPM and 8,424 psi. Decided to go to flush as net pressure was coming up – Pressured out. Called flush at 0.0 ppg at inline densiometer
16. Flushed with 280 bbl of base gel, called flush when inline densiometer got down to 0.0 ppg. Avg. rate was 40 to 37, to 20 BPM and pressure from 8,710 psi to 8,590 psi.
17. Shut down ISIP = 7,450 psi. (Max pressure 8,710 psi). Frac gradient calculated to 1.058 psi/ft. Frac gradient is not considered to be representative since the zone had built up substantial net pressure.  
5 min SIP = 7,136 psi, 10 min SIP = 7,108 psi, 15 min SIP = 7,085 psi.  
Closure pressure = 7,050 psi estimated + 5,200 psi = 12,250 psi.  
Max. Casing Trt. Pressure = 8,710 psi Avg. Casing Trt. Pressure = 8,150 psi  
Avg. Slurry Rate = 41 BPM.  
Fracturing Gel used is a 16 # Slurried Guar crosslinked

03-16-10 continued

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Total Load to recover = 144 bbl acid + 4,900 bbl water + casing cap. 270 bbl = 5,314 bbl. Total proppant pumped in this zone = 92,300 lb.

The casing saver could not be pumped out due to excessive pressure, decided to flow the well via the tool. Well is being flowed back at present via dual choke manifold. Started flowing via 16/64" choke.

Flwd back 1470 BLW after frac.

Daily Cost \$ 50,000

Cum Cost \$ 3,318,565

03-17-10 MI&RU WTG Services PU. RU Graco reverse unit & put 2 3/8" tubing on the rack. Flowed back 510 BLW.

Daily Cost \$ 7,000

Cum Cost \$ 3,325,565

03-18-10 ND Stinger, kill well & NU BOP. PU 4 3/4" bit, bit sub & 25 jts 2 3/8" tubing. Well kicked intermittently. NU tubing stripper, leave well open to pit on 13/64" choke over night & SDFD.

Daily Cost \$ 8,000

Cum Cost \$ 3,333,565

03-19-10 Continue in the hole with bit to CBP (12,330') & push to 12,485' (35' into lower perms) & stopped. Pull bit to 11,726' (check valve @ surface) & SDFD.

Daily Costs \$ 5,000

Cum Costs \$ 3,338,565

03-20-10 Bled well down. RIH & push CBP to 12,705'. Pull bit & bit sub to 11,723', install wrap around & remove tubing check valve. ND BOP & NU well head. SI&SDFD. Tubing detail:

Joints	Description	Footage	Depth
	KB	15.00	15.00
358	2 3/8" L-80, 8rd tubing	11,706.24	11,721.24
1	2 3/8 8rd X 2 3/8 bit sub	1.65	11,722.89
1	4 3/4" bit	0.35	11,723.24

Daily Costs \$ 10,000

Cum Costs \$ 3,348,565

03-21-10 SITP = 1200 psig. SICP = 1200 psig. Open well to pit on 20/64" choke @ 8:00 AM. Flwd well 22 hrs on progressively larger chokes & recovered 398 bbls LW in 22 hrs. **LWTR = 6805 bbls**. This AM well is flwg (18 bbls LW/hr) on 1/2" choke with TP = 180 psig, SICP = 790 psig.

Daily Costs \$ 5,000

Cum Costs \$ 3,353,565

03-22-10 FTP = 0 psig. SICP = 1325 psig. Recovered 262 BLW on 3/4" choke. This a.m. well is dead (died @ 12:00 AM). **LWTR = 6543 bbls**.

Daily Costs \$ 2,000

Cum Costs \$ 3,355,565

03-23-10 SITP = 0 psig. SICP = 1450 psig. RIH with swab. IFL = 2400' pulled from 3,400' & recovered 100% load water. Made @ total of 13 runs & kicked well off flwg @ 3:45 PM on 24/64" choke. Flwd well until 1:00 AM & died. Recovered 150 bbls LW swabbing & flwg. From 1:00 AM until 6:00 AM SICP built from 800 psig to 1100 psig. **LWTR = 6393 bbls**.

Daily Costs \$ 5,000

Cum Costs \$ 3,360,565

03-24-10 SITP = 50 psig. SICP = 1200 psig. Bleed well down. IFL = 5400'. Made 8 runs & kicked well off for 2 hrs. Made 6 more runs & SDFD.

Recovered 79 BLW swabbing & flwg. EFL = 8800'. Final SICP = 650 psig.

SI&SDFD. **LWTR = 6314 bbls**.

Daily Costs \$ 4,000

Cum Costs \$ 3,364,565

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03-25-10 SITP = 1000 psig. SICP = 1250 psig. Open well on ¼" choke & flowed down in 45 min. 1<sup>st</sup> run with swab found FL @ 3000'. Made 9 total runs & kicked well off flwg @ 3:00 PM . Flwd well on ¼" choke for 2 hrs & SI with TP = 300 psig & SICP = 1,000 psig. Recovered 53 bbls LW swabbing & flwg. Last two hours recovered 10 BLW/hour. **LWTR = 6261 bbls.**

Daily Costs \$ 4,000

Cum Costs \$ 3,368,565

03-26-10 SITP = 1,400 psig. SICP = 1,400 psig. Open well to tank on ¼" choke & flwd down in 50 min. Made 14 runs, recovering 36 BLW & kicked well off flwg. Flwd (from 400 psig/1100 psig to 200 psig/900 psig) 2 hrs on ¼" choke & SI. Recovered 18 BLW during time flwg. **LWTR = 6211 bbls.**

Daily Costs \$ 4,000

Cum costs \$ 3,372,565

03-27-10 SITP = 1400 psig. SICP = 1400 psig. Open well to tank on ¼" choke & flwd down in 1 hr. Made 8 runs, recovering 30 BLW & kicked well off flwg. Flwd (from 400 psig/1100 psig to 300 psig/1000 psig) 1 ½ hrs on ¼" choke & SI. Recovered 13 BLW during time flwg. **LWTR = 6168 bbls.**

Daily Costs \$ 5,000

Cum Costs \$ 3,377,565

03-28-10 No report.

03-29-10 No report.

03-30-10 SITP 3,000 psig, SICP 2,100 psig. Flowed well for 45 minutes and caught samples. SWI. RDMOPU.

Daily Costs \$ 2,000

Cum Costs \$ 3,379,565

04-07-10 SITP = 4,300 psig. SICP = 3,300 psig. Preparing to run potential test.

04-15-10 Preparing pad for battery. Scheduled tanks and equipment for delivery. Potential test scheduled for April 19 at 10:00 a.m.

Daily Costs \$ 2,000

Cum Costs \$ 3,381,565

04-20-10 Ran potential test, unloaded tanks and separator.

Daily Costs \$ 2,000

Cum Costs \$ 3,382,565

04-21-10 Wait on dirt contractor to spread pad for tanks.

04-22-10 Start construction on tank battery.

Daily Costs \$ 2,000

Cum Costs \$ 3,384,565

04-27-10 Received test data. Starting completion papers. Wait on gang crew, should start plumbing in tanks in the morning.

04-28-10 Wait on gang crew.

04-29-10 Started plumbing tanks to separator and well head.

Daily Costs \$ 2,500

Cum Costs \$ 3,387,065

04-30-10 Continued construction on tank battery

Daily Costs \$ 2,500

Cum Costs \$ 3,389,065

05-01-10 Continued construction on tank battery

Daily Costs \$ 2,500

Cum Costs \$ 3,391,565

05-02-10 SDFWE

05-03-10 SDFWE

05-04-10 Wait on parts

05-05-10 Continued construction on tank battery

Daily Costs \$ 2,000

Cum Costs \$ 3,391,565

05-06-10 Gang truck broke down, making repairs.

05-07-10 Wait on repairs.

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05-08-10 Continued construction on tank battery  
Daily Costs \$ 1,500 Cum Costs \$3,393,065  
05-09-10 SDFWE  
05-10-10 SDFWE  
05-11-10 Continued construction on tank battery  
Daily Costs \$ 1,000 Cum Costs \$ 3,394,065  
05-12-10 No operations.  
05-13-10 No operations.  
05-14-10 Continued construction on tank battery, finish tomorrow.  
Daily Costs \$ 500 Cum Costs \$ 3,394,565  
05-15-10 Finished construction on tank battery.  
Daily Costs \$ 500 Cum Costs \$ 3,395,065

05-25-10 SITP = 4,600 psig & SICP = 4,700 psig.

08-12-10 SITP = 4,700 psig & SICP = 4,700 psig.

12-10-10 SITP = 4,650 psig & SICP = 4,650 psig.

02-15-11 Meet surveyors & dirt contractor (Mot Cravens) & start surveying in gas line.  
Daily Cost \$ 2,000 Cum Cost \$ 2,000

04-17-12 Finish pipeline construction.  
04-18-12 Complete well hookup & battery construction.  
04-19-12 Open well to battery (8:00 AM 04-18-12) on 20/64" choke with 4,650 psig. Purge sales line & switch through Pioneer Gas meter (10:00 AM 04-18-12). By 3:00 PM 04-18-12 well had sold 114 MCF & had spot rate of 488 MCF/day on 14/64" choke @ 2,500 psig. **First sales date 4/18/12.**