

## EP WELLS DAILY OPERATIONS REPORT

Report 3

06/21/2017

|               |                          |
|---------------|--------------------------|
| Company       | PERMIAN                  |
| Well Type     | Development              |
| Well          | UNIVERSITY 19 D 0904H    |
| Wellbore      | UNIVERSITY 19 D 0904H    |
| WBS No/API No | 30265147 / 4230133226.00 |

## Event Summary

|            |                           |                    |            |                  |      |
|------------|---------------------------|--------------------|------------|------------------|------|
| Event Type | Drilling only             | Event Start Date   | 06/19/2017 | Days on Location | 2.56 |
| Objective  | Drill - Wolfcamp B1 Shale | Original Spud Date | 06/19/2017 | Days Since Spud  | 2.19 |
| Est. Days  | 21.00                     | Contractor         | ENSIGN     |                  |      |
| Work Unit  | ENSIGN 775                | Days To Release    |            |                  |      |
|            |                           | Rig Phone/FAX No.  |            |                  |      |

## Well Status

|                                    |                          |                          |                    |
|------------------------------------|--------------------------|--------------------------|--------------------|
| Supervisor                         | STEVE SLOOP              | Measured Depth(ft)       | 4,912.00           |
| Engineer                           | POWER CHARLES            | TVD(ft)                  | 4,879.63           |
| Other Supervisor                   | TREVOR KELLEY            | 24 Hr Progress(ft)       | 576.00             |
| Depth Ref/Grd Elev/Water Depth(ft) | DFE: 2,799.10 / 2,771.10 | Hole size(in)            | 12.250             |
| THF Datum                          |                          |                          |                    |
| Daily NPT(hr/%)                    | 3.00/12.50               | Last Casing MD           | 20.000in@150.00ft  |
| Days Ahd(-) Bhnd(+)(50/50)         |                          | Next Casing MD           | 9.625in@4,912.00ft |
| Actual cost to date/AFE            | 293,914/2,503,951.00     | Current MW / BH EMW(ppg) | /                  |
| Actual divided by AFE              | 0.12                     | LOT/FIT EMW(ppg)         |                    |
| Daily Cost                         | 199,450                  | Lithology                |                    |
|                                    |                          | Formation/MD Top         |                    |

## HSE Summary

| Last Incident   | Date | Days | Last Incident  | Date       | Days | KPI's  |  |
|---|------|------|--|------------|------|--|--|
| LWC<br>RWC<br>MTC<br>FAC<br>Last casing pressure test |      |      | PSI<br>NII<br>HPI<br><b>GOAL ZERO DAYS</b><br><b>PS BARRIER EVENT</b><br><b>PS barrier bowtie review</b> | 09/29/2015 | 631  | TRCF<br>LWCF<br>Safety Cards - Safe<br>Safety Card - Unsafe<br>SSE%<br>Last casing pressure(psi) |  |
| Safety Comments:                                      |      |      |  |            |      |  |  |
| 300 MAN HOURS   |      |      |  |            |      |  |  |

## HSE Drills

| Drills/Tests  | Date | Days Since Last |  |   |
|---|------|-----------------|--|---|
| Last Derrick Inspection<br>Last BOP function test<br>Last BOP Test<br>Next BOP Test |      |                 | JSA's/Toolbox Talks<br>Days Since Last Drill | 2 |

## Operations Summary

|  |
|--|
| 24 Hour Summary  |
| DRILL F/4336' T/4912'. CIRC. POOH. C/O BHA & R/B. R/U EXPRESS. TROUBLESHOOT CHOPPER BLOWER. RUN 9 5/8" 40# J55 LTC CSG T/4879'. WASH DOWN LAST JOINT & CIRC 1 CSG VOL. |
| Update Since Report Time   |
| R/D EXPRESS & L/D LANDING JT. RELEASE @0300. WALK T/ UNIVERSITY 19 PW UNIT 1403H   |
| 24 Hour Forecast   |
| OFFLINE CMT  |

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## Time Summary

| Start        | Hours        | PH   | OPN | Detail | Drilled Depth (ft) | NPT level | Rig Rate | Description   |
|--------------|--------------|------|-----|--------|--------------------|-----------|----------|---|
| 0:00         | 4.50         | SRF1 | DRL |        | 4,912.00           | 0         |          | ROTARY DRILL F/4336' T/4912' (576' @ 128 FPH)<br>WOB: 45-50K<br>RPM: SURF 70 MOTOR 200 BIT 270<br>PSI & FLOW: SPP 2600 GPM 800 DIFF 600-800<br>STRING WT: P/U 210, S/O 190, ROT 200<br>TORQUE: ON BTM 10-11 OFF BTM 4-5<br>MW: 10 PPG<br>MOTOR: .25 REV/GAL |
| 4:30         | 1.00         | SRF1 | CBU |        | 4,912.00           | 0         |          | CIRC CALIPER SWEEP 21% WASHOUT 127 BBLS   |
| 5:30         | 0.50         | SRF1 | CBU |        | 4,912.00           | 0         |          | PUMP SURVEY, PUMP SLUG & L/D SINGLE.  |
| 6:00         | 1.50         | SRF1 | TOH |        | 4,912.00           | 0         |          | POOH F/4912 T/941'  |
| 7:30         | 0.50         | SRF1 | TOH |        | 4,912.00           | 0         |          | PULL ROT HEAD   |
| 8:00         | 1.50         | SRF1 | TOH |        | 4,912.00           | 0         |          | R/B 6.5 DC  |
| 9:30         | 2.50         | SRF1 | BHA |        | 4,912.00           | 0         |          | L/O BHA & P/U M/U NEW BHA & R/B IN DERRICK<br><br>BIT GRADE: 3-2-BT-N-X-I-LT-TD   |
| 12:00        | 1.00         | SRF1 | RIC |        | 4,912.00           | 0         |          | PJSM & R/U EXPRESS. N/D CONDUCTOR   |
| 13:00        | 1.00         | SRF1 | CLR |        | 4,912.00           | 0         |          | RIH W/ CSG T/180'   |
| 14:00        | 3.00         | SRF1 | CLR |        | 4,912.00           | 1         |          | TROUBLESHOOT CHOPPER BLOWER   |
| 17:00        | 0.50         | SRF1 | CLR |        | 4,912.00           | 0         |          | P/U BREAK MWD TOOL & L/O  |
| 17:30        | 5.00         | SRF1 | CLR |        | 4,912.00           | 0         |          | RIH W/ 9 5/8" 40# J55 LTC CSG T/4879'   |
| 22:30        | 1.50         | SRF1 | CLR |        | 4,912.00           | 0         |          | R/U LANDING JOINT, FILL CSG. CIRC 1 CSG VOL & WASH DOWN.  |
| <b>Total</b> | <b>24.00</b> |      |     |        |                    |           |          |   |

## NPT Summary

| Start Date/Time                                 | Responsible Company               | NPT Code           | Failure MD (ft) | Ops Code | Type* | Equipment Type                            | Net time (hr) | Gross time (hr) | Severity | Status |
|---|-----------------------------------|--------------------|-----------------|----------|-------|---|---------------|-----------------|----------|--------|
| 06/21/2017 14:00                                | ENSIGN UNITED STATES DRILLING INC | Rig/Work Unit Misc | 4,912.00        | CLR      | N     |   | 3.00          | 3.00            |          | OPEN   |
| <b>Description:</b> TROUBLESHOOT CHOPPER BLOWER |                                   |                    |                 |          |       | <b>Title:</b> TROUBLESHOOT CHOPPER BLOWER |               |                 |          |        |
| <b>Total</b>                                    |                                   |                    |                 |          |       |   | <b>3.00</b>   | <b>3.00</b>     |          |        |

## Deepest 5 Surveys

| MD (ft)  | Inc. (°) | Azi. (°) | TVD (ft) | N/S (ft) | E/W (ft) | V.Sec (ft) | DLeg (°/100ft) | Tool              |
|----------|----------|----------|----------|----------|----------|------------|----------------|-------------------|
| 3,826.00 | 4.61     | 170.53   | 3,800.49 | -400.61  | -74.80   | 407.50     | 0.51           | PTW MWD+HDGM_2016 |
| 4,005.00 | 6.16     | 182.67   | 3,978.70 | -417.30  | -74.07   | 423.82     | 1.07           | PTW MWD+HDGM_2016 |
| 4,184.00 | 7.48     | 189.18   | 4,156.44 | -438.39  | -76.37   | 445.00     | 0.85           | PTW MWD+HDGM_2016 |
| 4,362.00 | 6.71     | 192.58   | 4,333.07 | -459.98  | -80.48   | 466.97     | 0.49           | PTW MWD+HDGM_2016 |
| 4,541.00 | 6.36     | 187.13   | 4,510.91 | -480.03  | -83.99   | 487.32     | 0.40           | PTW MWD+HDGM_2016 |

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## Fluid Details

|                                       |            |                                      |  |
|---------------------------------------|------------|--------------------------------------|--|
| Mud type                              | NaCl Brine | Oil/Water (%)                        | pH/Pm (cc)<br>Pf/Mf (cc)<br>Ca+ (ppm)<br>Cl- (ppm) |
| MD (ft)                               |            | TS/HGS/LGS (%)                       |  |
| Mud Density (ppg)                     |            | Sand (%)                             |  |
| Vis (s/qt)                            |            | MBT (lbm/bbl)                        |  |
| PV/YP (cp/lbf/100ft <sup>2</sup> )    |            | LCM (lbm/bbl)                        |  |
| Gels 10 s/m (lbf/100ft <sup>2</sup> ) |            | ECD (ppg)                            |  |
| API/HTHP WL (cc/30min)                |            | H2S (gas unit)                       |  |
| FC/HTHP FC (32nd")                    |            | KCl (%)                              | R600/300 (°)<br>R200/100 (°)<br>R6/3 (°)           |
| FL temp. (°F)                         |            | Ditch Magnet in Last 24hrs/Cum. (gm) |  |

## Bit Details

| Bit no. | Size (in) | Manufacturer | Model no. | Class | IADC code | Serial no. | Size (32nd") | MD in (ft) | MD out (ft) | IADC Dull Grade    |
|---------|-----------|--------------|-----------|-------|-----------|------------|--------------|------------|-------------|--------------------|
| 1       | 12.250    | BAKER HUGHES | T606FX    |       |           | 7163440    | 6x18         | 150.00     | 4,912.00    | 3-2-BT-N-X-I-LT-TD |

## Bit Operations

| MD (ft) | WOB Min/Max (kip) | Current RPM (rpm) | Flow rate (gpm) | SPP (psi) | P bit (psi) | % @ Bit | HHP (hp) | Hours (hr) | Footage (ft) | ROP (ft/hr) | Hours cum (hr) | Footage cum. (ft) | ROP cum. (ft/hr) |
|---------|-------------------|-------------------|-----------------|-----------|-------------|---------|----------|------------|--------------|-------------|----------------|-------------------|------------------|
|         |                   |                   |                 |           |             |         |          |            |              |             |                |                   |                  |

## Drillstring Components

| Item description                                    | # Jts | Length (ft) | OD (in) | Max OD (in) | ID (in) | Connection Name | Weight (ppf) | Grade | Serial no.     |
|---|-------|-------------|---------|-------------|---------|-----------------|--------------|-------|----------------|
| 5" DP   | 126   | 3,969.86    | 5.000   |             | 4.276   |                 |              |       | RIG            |
| (12 JTS) HWDP                                       | 12    | 360.68      | 6.500   |             | 3.250   | 4-1/2 IF        |              |       | RIG            |
| CROSSOVER   | 1     | 2.34        | 6.700   |             | 2.810   | 4 1/2 IF        |              |       | NESXO675548    |
| (15 JTS) DC'S                                       | 15    | 445.77      | 6.500   |             | 2.500   | 4 1/2 XH        |              |       | RIG            |
| CROSSOVER   | 1     | 2.70        | 8.000   |             | 2.875   | 4 1/2 XH        |              |       | NESXO800088    |
| SCREEN SUB  | 1     | 3.37        | 8.000   |             | 2.880   | 6 5/8 REG       |              |       | DR32190        |
| SHOCK SUB   | 1     | 11.37       | 8.000   |             | 2.880   | 6 5/8 REG       |              |       | SD900122       |
| STABILIZER  | 1     | 7.92        | 12.000  |             | 2.875   | 6 5/8 REG       |              |       | DR32990        |
| NON-MAG SLICK COLLAR                                | 1     | 29.35       | 7.750   |             | 3.250   | 6 5/8 REG       |              |       | NESNM800065    |
| STABILIZER  | 1     | 7.31        | 12.000  |             | 2.875   | 6 5/8 REG       |              |       | DR30120        |
| GAP SUB   | 1     | 3.57        | 8.125   |             | 3.250   | 6 5/8 FH        |              |       | VG800031PTS    |
| CENTRALIZER COLLAR                                  | 1     | 8.55        | 8.250   |             | 3.250   | 6 5/8 FH        |              |       | VC800026       |
| LANDING SUB   | 1     | 3.73        | 8.250   |             | 3.250   | 6 5/8 REG       |              |       | VL800020       |
| CROSSOVER SUB                                       | 1     | 1.55        | 8.000   |             | 2.875   | 6 5/8 REG       |              |       | VX800022       |
| NON-MAG PONY SLICK COLLAR                           | 1     | 14.91       | 8.125   |             | 2.875   | 6 5/8 REG       |              |       | NESPC800138    |
| STABILIZER  | 1     | 7.62        | 12.000  |             | 3.000   | 6 5/8 REG       |              |       | DR29402        |
| 7.75" PHOENIX 24X MUD MOTOR. 4/5 LOBE. 5.3 STG. ADJ | 1     | 29.90       | 12.000  |             |         | 6 5/8 REG       |              |       | 24X-775510-PTS |
| BIT #1 RUN #1 BAKER T606FX , SN: 7163440. 6x18's    | 1     | 1.50        | 12.250  | 12.250      |         |                 |              |       | 7163440        |

## Drillstring Details

| Date/Time in     | Date/Time out    | BHA no. | BHA Length (ft) | Min. ID (in) | Purpose                      |
|------------------|------------------|---------|-----------------|--------------|------------------------------|
| 06/19/2017 19:30 | 06/21/2017 07:30 | 1       | 942.14          |              | DRILL 12.25" SURFACE SECTION |

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Wellbore UNIVERSITY 19 D 0904H

PUMP/HYDRAULIC DATA

| Pump No. | Type | Make/Model                   | Stroke (in) | Liner size (in) | Efficiency (%) | Pressure (psi) | SPM (spm) | Output (gpm) | Kill SPM/Pressure/Depth (spm/psi/ft) |
|----------|------|------------------------------|-------------|-----------------|----------------|----------------|-----------|--------------|--------------------------------------|
| 1        |      | GARDENER-DENVER / PZ-11-1600 | 11.00       |                 |                |                |           |              |                                      |
| 2        |      | GARDENER-DENVER / PZ-11-1600 | 11.00       |                 |                |                |           |              |                                      |

Remarks

FUEL ON LOCATION 19504 GAL  
FUEL DELIVERED: 7400 GAL  
FUEL USED:1696 GAL