

## EP WELLS DAILY OPERATIONS REPORT

Report 15

09/08/2017

|               |                          |
|---------------|--------------------------|
| 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 | 12.10 |
| Objective  | Drill - Wolfcamp B1 Shale | Original Spud Date | 06/19/2017 | Days Since Spud  | 11.85 |
| Est. Days  | 21.00                     | Contractor         | ENSIGN     |                  |       |
| Work Unit  | ENSIGN 775                | Days To Release    |            |                  |       |
|            |                           | Rig Phone/FAX No.  |            |                  |       |

## Well Status

|                                    |                          |                          |                     |
|------------------------------------|--------------------------|--------------------------|---------------------|
| Supervisor                         | BIM JOHNSON              | Measured Depth(ft)       | 17,510.00           |
| Engineer                           | BRANDON FOOTE            | TVD(ft)                  | 11,649.79           |
| Other Supervisor                   | TANNER MANUEL            | 24 Hr Progress(ft)       | 1,915.00            |
| Depth Ref/Grd Elev/Water Depth(ft) | DFE: 2,799.10 / 2,771.10 | Hole size(in)            | 6.125               |
| THF Datum                          |                          |                          |                     |
| Daily NPT(hr/%)                    | 0/0                      | Last Casing MD           | 7.000in@11,925.00ft |
| Days Ahd(-) Bhnd(+)(50/50)         |                          | Next Casing MD           | 4.500in@18,415.00ft |
| Actual cost to date/AFE            | 1,416,707/2,503,951.00   | Current MW / BH EMW(ppg) | 13.40/              |
| Actual divided by AFE              | 0.57                     | LOT/FIT EMW(ppg)         |                     |
| Daily Cost                         | 54,807                   | 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 | 06/23/2017 |      | 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 | 710  | TRCF<br>LWCF<br>Safety Cards - Safe<br>Safety Card - Unsafe<br>SSE%<br>Last casing pressure(psi) | 1500 |
| Safety Comments:                                      |            |      |  |            |      |  |      |
| MAN HRS: 237  |            |      |  |            |      |  |      |

## HSE Drills

| Drills/Tests            | Date       | Days Since Last |                       |    |
|-------------------------|------------|-----------------|-----------------------|----|
| Last Derrick Inspection | 07/11/2017 | 59              | JSA's/Toolbox Talks   | 14 |
| Last BOP function test  | 06/28/2017 | 72              | Days Since Last Drill |    |
| Last BOP Test           | 07/19/2017 |                 |                       |    |
| Next BOP Test           |            |                 |                       |    |

## Operations Summary

|   |
|---|
| 24 Hour Summary   |
| ROTATE & SLIDE F/ 15595' - T/ 17510'.                             |
| Update Since Report Time  |
| ROTATE F/ 17510' - T/ 17951'.                                     |
| 24 Hour Forecast  |
| DRILL LATERAL TO TD. PUMP CLEAN UP CYCLE. POOH TO RUN 4.5" LINER. |

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Wellbore UNIVERSITY 19 D 0904H

## Time Summary

| Start | Hours | PH   | OPN | Detail | Drilled<br>Depth (ft) | NPT<br>level | Rig<br>Rate | Description   |
|-------|-------|------|-----|--------|-----------------------|--------------|-------------|---|
| 0:00  | 1.00  | MNH1 | DRL |        | 15,638.00             | 0            |             | SLIDE DRILL F/15595' T/15638' (43' @ 43 FPH )<br>WOB: 30K<br>RPM: SURF MOTOR 243 BIT 243<br>PSI & FLOW: SPP 4900 GPM 304 DIFF 900<br>STRING WT: P/U 245 S/O 185 ROT<br>TORQUE: ON BTM OFF BTM<br>MW: 13.4 PPG<br>MOTOR: .8 REV/GAL<br>GAS: BG 500 CG 1900                     |
| 1:00  | 0.50  | MNH1 | SVC |        | 15,638.00             | 0            |             | RIG SERVICE   |
| 1:30  | 2.50  | MNH1 | DRL |        | 15,732.00             | 0            |             | SLIDE DRILL F/15638' T/15732' (94' @ 38 FPH )<br>WOB: 30K<br>RPM: SURF MOTOR 243 BIT 243<br>PSI & FLOW: SPP 4900 GPM 304 DIFF 900<br>STRING WT: P/U 245 S/O 185 ROT<br>TORQUE: ON BTM OFF BTM<br>MW: 13.4 PPG<br>MOTOR: .8 REV/GAL<br>GAS: BG 500 CG 1900                     |
| 4:00  | 0.50  | MNH1 | DRL |        | 15,777.00             | 0            |             | ROTARY DRILL F/15732 T/15777' (45' @ 90 FPH )<br>WOB: 30K<br>RPM: SURF 80 MOTOR 243 BIT 323<br>PSI & FLOW: SPP 4900 GPM 304 DIFF 1000<br>STRING WT: P/U 245 S/O 185 ROT 190<br>TORQUE: ON BTM 10-11K OFF BTM 4K<br>MW: 13.4 PPG<br>MOTOR: .8 REV/GAL<br>GAS: BG 600 CG 1800   |
| 4:30  | 1.00  | MNH1 | DRL |        | 15,809.00             | 0            |             | SLIDE DRILL F/15777' T/15809' (32' @ 32 FPH )<br>WOB: 30K<br>RPM: SURF MOTOR 243 BIT 243<br>PSI & FLOW: SPP 4900 GPM 304 DIFF 900<br>STRING WT: P/U 245 S/O 185 ROT<br>TORQUE: ON BTM OFF BTM<br>MW: 13.4 PPG<br>MOTOR: .8 REV/GAL<br>GAS: BG 500 CG 1900                     |
| 5:30  | 4.00  | MNH1 | DRL |        | 16,220.00             | 0            |             | ROTARY DRILL F/15809 T/16220' (411' @ 103 FPH )<br>WOB: 30K<br>RPM: SURF 80 MOTOR 243 BIT 323<br>PSI & FLOW: SPP 4900 GPM 304 DIFF 1000<br>STRING WT: P/U 245 S/O 185 ROT 190<br>TORQUE: ON BTM 10-11K OFF BTM 4K<br>MW: 13.4 PPG<br>MOTOR: .8 REV/GAL<br>GAS: BG 600 CG 1800 |
| 9:30  | 1.50  | MNH1 | DRL |        | 16,248.00             | 0            |             | SLIDE DRILL F/16220' T/16248' (28' @ 19 FPH )<br>WOB: 30K<br>RPM: SURF MOTOR 243 BIT 243<br>PSI & FLOW: SPP 4900 GPM 304 DIFF 900<br>STRING WT: P/U 245 S/O 185 ROT<br>TORQUE: ON BTM OFF BTM<br>MW: 13.4 PPG<br>MOTOR: .8 REV/GAL<br>GAS: BG 500 CG 1900                     |
| 11:00 | 7.50  | MNH1 | DRL |        | 17,011.00             | 0            |             | ROTARY DRILL F/16248 T/17011' (763' @ 102 FPH )<br>WOB: 30K<br>RPM: SURF 80 MOTOR 243 BIT 323<br>PSI & FLOW: SPP 4900 GPM 304 DIFF 1000<br>STRING WT: P/U 245 S/O 185 ROT 190<br>TORQUE: ON BTM 10-11K OFF BTM 4K<br>MW: 13.4 PPG<br>MOTOR: .8 REV/GAL<br>GAS: BG 600 CG 1800 |
| 18:30 | 1.00  | MNH1 | DRL |        | 17,046.00             | 0            |             | SLIDE DRILL F/17011' T/17046' (35' @ 35 FPH )   |

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## Time Summary

| Start        | Hours        | PH   | OPN | Detail | Drilled Depth (ft) | NPT level | Rig Rate | Description   |
|--------------|--------------|------|-----|--------|--------------------|-----------|----------|---|
|              |              |      |     |        |                    |           |          | WOB: 30K<br>RPM: SURF MOTOR 243 BIT 243<br>PSI & FLOW: SPP 4900 GPM 304 DIFF 900<br>STRING WT: P/U 245 S/O 185 ROT<br>TORQUE: ON BTM OFF BTM<br>MW: 13.4 PPG<br>MOTOR: .8 REV/GAL<br>GAS: BG 500 CG 1900  |
| 19:30        | 4.50         | MNH1 | DRL |        | 17,510.00          | 0         |          | ROTARY DRILL F/17046 T/17510' (464' @ 103 FPH )<br>WOB: 30K<br>RPM: SURF 80 MOTOR 243 BIT 323<br>PSI & FLOW: SPP 4900 GPM 304 DIFF 1000<br>STRING WT: P/U 245 S/O 185 ROT 190<br>TORQUE: ON BTM 10-11K OFF BTM 4K<br>MW: 13.4 PPG<br>MOTOR: .8 REV/GAL<br>GAS: BG 600 CG 1800 |
| <b>Total</b> | <b>24.00</b> |      |     |        |                    |           |          |   |

## Deepest 5 Surveys

| MD (ft)   | Inc. (°) | Azi. (°) | TVD (ft)  | N/S (ft) | E/W (ft)  | V.Sec (ft) | DLeg (°/100ft) | Tool              |
|-----------|----------|----------|-----------|----------|-----------|------------|----------------|-------------------|
| 17,101.00 | 89.02    | 339.46   | 11,651.33 | 4,757.02 | -1,665.35 | 5,031.57   | 2.53           | PTW MWD+HDGM_2016 |
| 17,196.00 | 89.45    | 341.25   | 11,652.60 | 4,846.48 | -1,697.29 | 5,126.36   | 1.94           | PTW MWD+HDGM_2016 |
| 17,290.00 | 88.90    | 340.49   | 11,653.95 | 4,935.28 | -1,728.09 | 5,220.21   | 1.00           | PTW MWD+HDGM_2016 |
| 17,384.00 | 91.25    | 341.19   | 11,653.83 | 5,024.06 | -1,758.94 | 5,314.05   | 2.61           | PTW MWD+HDGM_2016 |
| 17,478.00 | 92.30    | 342.13   | 11,650.92 | 5,113.24 | -1,788.50 | 5,407.93   | 1.50           | PTW MWD+HDGM_2016 |

## Fluid Details

|                          |               |                                      |                  |                  |       |
|--------------------------|---------------|--------------------------------------|------------------|------------------|-------|
| Mud type                 | Invermul      | Oil/Water (%)                        | 60.00/13.00      | POM (cc)         |       |
| MD (ft)                  | 16,818.00     | TS/HGS/LGS (%)                       | 25.40/17.40/8.00 | CaCl2 (%)        |       |
| Mud Density (ppg)        | 13.40         | Sand (%)                             | 0.20             | Caom/Clom (ppm)  |       |
| Vis (s/qt)               | 59.00         | Oil/Water Ratio (%)                  | 82.20/17.80      | ACT              |       |
| PV/YP (cp/lbf/100ft²)    | 22.00/10.000  | LCM (lbm/bbl)                        |                  | XS Lime(lbm/bbl) | 3.11  |
| Gels 10 s/m (lbf/100ft²) | 12.000/15.000 | ECD (ppg)                            | 15.340           | ES (Volts)       | 575.0 |
| API/HTHP WL (cc/30min)   | /9.0          | H2S (gas unit)                       |                  | R600/300 (°)     |       |
| FC/HTHP FC (32nd")       | /4.0          | KCl (%)                              |                  | R200/100 (°)     |       |
| WPS (ppm)                | 276,634       |                                      |                  | 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 |
|---------|-----------|--------------|-----------|-------|-----------|------------|--------------|------------|-------------|-----------------|
| 5       | 6.125     | BAKER HUGHES | TD405FX   |       |           | 5271315    | 5x16         | 11,940.00  |             | -----           |

## 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) |
|-----------|-------------------|-------------------|-----------------|-----------|-------------|---------|----------|------------|--------------|-------------|----------------|-------------------|------------------|
| 15,638.00 | 30.0/30.0         | 0                 | 304.0           | 4,900.00  | 118.33      | 2.41    | 20.98    | 1.00       | 43.00        | 43.0        | 46.50          | 3,698.00          | 79.5             |
| 15,732.00 | 30.0/30.0         | 0                 | 304.0           | 4,900.00  | 118.33      | 2.41    | 20.98    | 2.50       | 94.00        | 37.6        | 49.00          | 3,792.00          | 77.4             |
| 15,777.00 | 30.0/30.0         | 80                | 304.0           | 4,900.00  | 118.33      | 2.41    | 20.98    | 0.50       | 45.00        | 90.0        | 49.50          | 3,837.00          | 77.5             |
| 15,809.00 | 30.0/30.0         | 0                 | 304.0           | 4,900.00  | 118.33      | 2.41    | 20.98    | 1.00       | 32.00        | 32.0        | 50.50          | 3,869.00          | 76.6             |
| 16,220.00 | 30.0/30.0         | 80                | 304.0           | 4,900.00  | 118.33      | 2.41    | 20.98    | 4.00       | 411.00       | 102.7       | 54.50          | 4,280.00          | 78.5             |
| 16,248.00 | 30.0/30.0         | 0                 | 304.0           | 4,900.00  | 118.33      | 2.41    | 20.98    | 1.50       | 28.00        | 18.7        | 56.00          | 4,308.00          | 76.9             |
| 17,011.00 | 30.0/30.0         | 80                | 304.0           | 4,900.00  | 118.33      | 2.41    | 20.98    | 7.50       | 763.00       | 101.7       | 63.50          | 5,071.00          | 79.9             |
| 17,046.00 | 30.0/30.0         | 0                 | 304.0           | 4,900.00  | 118.33      | 2.41    | 20.98    | 1.00       | 35.00        | 35.0        | 64.50          | 5,106.00          | 79.2             |
| 17,510.00 | 30.0/30.0         | 80                | 304.0           | 4,900.00  | 118.33      | 2.41    | 20.98    | 4.50       | 464.00       | 103.1       | 69.00          | 5,570.00          | 80.7             |

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Wellbore UNIVERSITY 19 D 0904H

## Drillstring Components

| Item description                                     | # Jts | Length (ft) | OD (in) | Max OD (in) | ID (in) | Connection Name | Weight (ppf) | Grade | Serial no.    |
|--|-------|-------------|---------|-------------|---------|-----------------|--------------|-------|---------------|
| 4" DP  | 421   | 13,255.83   | 4.000   |             | 3.340   | XT-39           |              |       | RIG           |
| SHOCK SUB  | 1     | 11.15       | 5.000   |             |         | XT-39           |              |       | SHTLO500-0061 |
| (78 JTS) DP  | 78    | 2,459.91    | 5.250   |             | 3.250   | XT-39           |              |       | RIG           |
| AGITATOR 1.40 PLATE & SHOCK SUB                      | 1     | 22.36       | 5.000   |             |         | XT-39           |              |       | W1665958-1    |
| (53 JTS) DP  | 53    | 1,667.63    | 5.250   |             | 3.250   | XT-39           |              |       | RIG           |
| CROSSOVER SUB  | 1     | 1.95        | 5.000   |             | 2.750   | XT-39           |              |       | DR18060       |
| SCREEN SUB   | 1     | 3.98        | 4.880   |             | 2.750   | 3-1/2 IF        |              |       | DR31955       |
| FLOAT SUB  | 1     | 2.96        | 4.750   |             | 2.750   | 4-1/2 XH        |              |       | NESFS475151   |
| NON-MAG SLICK COLLAR                                 | 1     | 29.12       | 4.500   |             | 2.560   | 3-1/2 IF        |              |       | NESNM475445   |
| VELOCITY GAP SUB                                     | 1     | 3.79        | 5.125   |             | 3.250   | 3-1/2 IF        |              |       | VG475120PTS   |
| VELOCITY CENTRALIZER SUB                             | 1     | 8.33        | 5.125   |             | 4.250   | 3-1/2 IF        |              |       | VC475049      |
| VELOCITY LANDING SUB                                 | 1     | 3.42        | 5.000   |             | 3.000   | 3-1/2 IF        |              |       | VL475093      |
| VELOCITY CROSSOVER                                   | 1     | 1.64        | 5.000   |             | 2.750   | 3-1/2 IF        |              |       | X475112       |
| SLICK PONY COLLAR                                    | 1     | 11.01       | 4.630   |             | 2.750   | 3-1/2 IF        |              |       | DR31741       |
| 5" PHOENIX 24XMUD MOTOR, 6/7 LOBES. 6.4 STG. FIXED @ | 1     | 25.92       | 5.375   |             |         | 3-1/2 IF        |              |       | 24XH513010    |
| BIT #5 RUN #1 BAKER TD405FX, SN: 5271315. 5x16's     | 1     | 1.00        | 6.125   | 6.125       |         |                 |              |       | 5271315       |

## Drillstring Details

| Date/Time in     |             | Date/Time out |               | BHA no.    | BHA Length (ft)    | Min. ID (in)        | Purpose                         |
|------------------|-------------|---------------|---------------|------------|--------------------|---------------------|---------------------------------|
| 09/05/2017 15:30 |             |               |               | 5          | 126.63             |                     | DRILL 6.125" PRODUCTION SECTION |
| MD (ft)          | SW Up (kip) | SW Down (kip) | SW Rotn (kip) | Drag (kip) | Tq On Btm (ft-lbf) | Tq Off Btm (ft-lbf) | Footage (ft)                    |
| 15,638.00        | 245.0       | 185.00        | 0.00          | 245.00     | 0.0                | 0.0                 | 43.00                           |
| 15,732.00        | 245.0       | 185.00        | 0.00          | 245.00     | 0.0                | 0.0                 | 94.00                           |
| 15,777.00        | 245.0       | 185.00        | 190.00        | 55.00      | 11,000.0           | 4,000.0             | 45.00                           |
| 15,809.00        | 245.0       | 185.00        | 0.00          | 245.00     | 0.0                | 0.0                 | 32.00                           |
| 16,220.00        | 245.0       | 185.00        | 190.00        | 55.00      | 11,000.0           | 4,000.0             | 411.00                          |
| 16,248.00        | 245.0       | 185.00        | 0.00          | 245.00     | 0.0                | 0.0                 | 28.00                           |
| 17,011.00        | 245.0       | 185.00        | 190.00        | 55.00      | 11,000.0           | 4,000.0             | 763.00                          |
| 17,046.00        | 245.0       | 185.00        | 0.00          | 245.00     | 0.0                | 0.0                 | 35.00                           |
| 17,510.00        | 245.0       | 185.00        | 190.00        | 55.00      | 11,000.0           | 4,000.0             | 464.00                          |

## 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: 15476 GAL  
FUEL DELIVERED: 4196 GAL  
FUEL USED: 4408 GAL