



Daily Drilling Report

Well ID: 42-383-39868

Field: Impossible

SEM Operating Company, LLC

Well Name: University 9 2901WB

Sect: 29 County: Reagan State: TX

Report No: 15

Report For 06:00 AM 30-Jun-17

| | | | | | | | |
|-----------------------|------------------|-----------------------|---------------|---------------------|--------------------|------------------------|----------------------|
| Operator: | SEM | Rig: | H&P 467 | Spud Date: | | Daily Cost / Mud (\$): | 70,095 / 5,060 |
| Measured Depth (ft): | 9851 | Drilling Days (act.): | 15 | Well Bore: | Original Well Bore | AFE No. | AFE (\$) Actual (\$) |
| Vertical Depth (ft): | 8213 | Drilling Days (plan): | | RKB Elevation (ft): | 0.00 | 041517 | 6,063,125 1,402,113 |
| Proposed TD (ft): | | Days On Location: | 15 | Last BOP Test: | 26-Jun-17 | | |
| Hole Made (ft) / Hrs: | 1,335 / 12.0 | Last Casing: | 9.63 at 7,526 | | | Totals: | 6,063,125 1,402,113 |
| Average ROP (ft/hr): | 111.25 | Next Casing: | | Working Interest: | | Well Cost (\$): | 1,402,113 |
| Pers/Hrs: | Operator: 2 / 24 | Contractor: | 11 / 132 | Service: | 7 / 84 | Other: | 0 / 0 |
| | | | | | | Total: | 20 / 240 |

SafetySummary: No incidents or events reported. 14 days since LTI. Conducted Crown Check, Safety Meeting.

Current Operations: DRILLING LATERAL @ 9851'

Planned Operations: ROTATE DRILL SLIDE WHEN NEEDED MWD SURVEYS SERVICE RIG.

Toolpusher: JUAN CANTU

Wellsite Supervisors: GUY EMBRY, RICKY POINDEXTER

Tel No.:

Operations Summary

| From | To | Elapsed | End MD(ft) | Code | Operations Description | Non-Prod |
|-------|-------|---------|------------|-------|--|----------|
| 6:00 | 10:00 | 4.00 | 8,516 | TRPO | TOOH FROM 8081' FOR BHA CHANGE | |
| 10:00 | 12:00 | 2.00 | 8,516 | BHAOP | LAY DOWN CURVE BHA PICK UP LATERAL BHA AND SURFACE TEST SAME OK | |
| 12:00 | 12:30 | 0.50 | 8,516 | OTHER | CLEAN OBM OFF OF RIG FLOOR | |
| 12:30 | 17:00 | 4.50 | 8,516 | TRPI | TIH SLM WITH LATERAL ASSY FILL EVERY 30 STDS | |
| 17:00 | 17:30 | 0.50 | 8,516 | SERV | SERVICE RIG. | |
| 17:30 | 18:00 | 0.50 | 8,516 | CIRC | CIRCULATE AND STAGE UP PUMPS FOR MWD | |
| 18:00 | 19:00 | 1.00 | 8,556 | DRILS | SLIDE DRILL FROM 8,516' TO 8,556' TF HS, GPM 350, PSI 1650, DIFF 400, WOB 20. | |
| 19:00 | 19:30 | 0.50 | 8,594 | DRILR | ROTATE DRILL FROM 8,556' TO 8,594', WOB 25, RPM 40, TORQ 10, GPM 500, PSI 3050, DIFF 800. | |
| 19:30 | 20:30 | 1.00 | 8,625 | DRILS | SLIDE DRILL FROM 8,594' TO 8,625' TF HS, GPM 550, PSI 3000, DIFF 400, WOB 22.. | |
| 20:30 | 21:00 | 0.50 | 8,657 | DRILR | ROTATE DRILL FROM 8,625' TO 8,657', WOB 28, RPM 50, TORQ 11, GPM 600, PSI 3650, DIFF 700. | |
| 21:00 | 21:30 | 0.50 | 8,672 | DRILS | SLIDE DRILL FROM 8,657' TO 8,672' TF 11R, GPM 600, PSI 3300, DIFF 300, WOB 22.. | |
| 21:30 | 23:00 | 1.50 | 8,878 | DRILR | ROTATE DRILL FROM 8,672' TO 8,878', WOB 28, RPM 70, TORQ 13, GPM 600, PSI 3650, DIFF 700. | |
| 23:00 | 23:30 | 0.50 | 8,888 | DRILS | SLIDE DRILL FROM 8,878' TO 8,888' TF 160R, GPM 600, PSI 3300, DIFF 400, WOB 24.. | |
| 23:30 | 2:30 | 3.00 | 9,453 | DRILR | ROTATE DRILL FROM 8,888' TO 9,453', WOB 28, RPM 70, TORQ 13, GPM 600, PSI 3650, DIFF 700. | |
| 2:30 | 3:00 | 0.50 | 9,463 | DRILS | SLIDE DRILL FROM 9,453' TO 9,463' TF 90R, GPM 600, PSI 3300, DIFF 400, WOB 24.. | |
| 3:00 | 3:30 | 0.50 | 9,544 | DRILR | ROTATE DRILL FROM 9,463' TO 9,544', WOB 28, RPM 67, TORQ 13, GPM 600, PSI 3650, DIFF 700 | |
| 3:30 | 4:00 | 0.50 | 9,559 | DRILS | SLIDE DRILL FROM 9,544' TO 9,559' TF 90R, GPM 600, PSI 3300, DIFF 400, WOB 28.. | |
| 4:00 | 4:30 | 0.50 | 9,644 | DRILR | ROTATE DRILL FROM 9,559' TO 9,644, WOB 28, RPM 67, TORQ 13, GPM 600, PSI 3650, DIFF 700 | |
| 4:30 | 5:00 | 0.50 | 9,659 | DRILS | SLIDE DRILL FROM 9,644' TO 9,659' TF 90R, GPM 600, PSI 3300, DIFF 400, WOB 28.. | |
| 5:00 | 6:00 | 1.00 | 9,851 | DRILR | ROTATE DRILL FROM 9,659' TO 9,851, WOB 28, RPM 67, TORQ 13, GPM 600, PSI 3650, DIFF 700 SURVEY @ 9670, 91.38, 1.61, 1.1' LOW, 38' LEFT | |

Management Summary

LAST SURVEY @ 9670' , 91.38 DEG, 1.61 AZM, 8213.13 TVD

Casing/Tubular Information

| Type | Size (ins) | Top MD (ft) | Top TVD (ft) | Bottom MD (ft) | Bottom TVD (ft) | Hole Section | OH Diam. (ins) | Nom. Wgt. (lbs) | Nominal Grade | LOT (lbs/gal) |
|------|------------|-------------|--------------|----------------|-----------------|--------------|----------------|-----------------|---------------|---------------|
| FULL | 13.38 | 0 | | 745 | | SURF | 17.50 | 54.50 | J-55 | |
| FULL | 9.63 | 0 | | 7,526 | | | 12.25 | 40.00 | L-80 | |



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Cost/AFE Information

| AFE No | AFE Description | AFE Amount | Daily Mud | Well Mud | Daily Total | Well Total | % Spent |
|------------|-----------------------------------|--------------|-----------|-----------|-------------|--------------|---------|
| 041517 | D & C 7500' lateral horizontal we | 6,063,125.00 | 5,059.69 | 77,507.81 | 70,094.69 | 1,402,112.52 | 23.13 % |
| Totals \$: | | 6,063,125.00 | 5,060.00 | 77,508.00 | 70,095.00 | 1,402,113.00 | 23.13 % |

Mud Information

| % | | | | | | | | | | | | | | Gels | | | Temp | | Mud |
|--|-------|------|------|-------|------|-------|--------|-----|-------|------|-----|-------|--------|------|-----|-----|------|-------|------|
| Dens. | Vis | PV | YP | Filt. | Cake | pH/ES | Solids | Oil | Water | Sand | LGS | Cl | Ca | CaCl | 10s | 30m | In | Out | Loss |
| 29-Jun-17 22:00 at Depth 8,743 ft Mud Pits, Type: Oil Base Mud | | | | | | | | | | | | | | | | | | | |
| 10.00 | 76.00 | 2.00 | 5.00 | 5 | 2 | | 11.9 | 61 | 25 | | 7.6 | 53000 | 49.494 | | 12 | 18 | | 23.00 | |

Mud Consumables

| Item Description | | | Qty. | Cost | Item Description | | | Qty. | Cost |
|--------------------|--|--|------|----------|-----------------------|--|--|------|----------|
| Barite (Bulk) - EA | | | 97 | 1,064.09 | CaCL2 - 50#SK | | | 9 | 131.67 |
| ENGINEER - EA | | | 1 | 800.00 | ENGINEERING diem - EA | | | 1 | 50.00 |
| Lime - 50#SK | | | 8 | 57.12 | Trucking (CWT) - EA | | | 449 | 1,347.00 |

Bit/BHA/Workstring Information

| | | | | | Depth | This Run | | R.O.P. | | | | Mud | | Pump | | | | | | | |
|---|-----|-------|--------|------|-----------|----------|----------------|--------|-------|-----|---------------|--------|---------|------|---------|--------|--------|-----|-----------|--|--|
| No | Run | Make | Model | Diam | In | Dist | Hrs | Avg | Max | WOB | RPM | Torque | Wt | Flow | Press | J. Vel | P. Drp | HHP | JIF | | |
| 2 | 1 | BAKER | VG-20M | 8.75 | 7526 | 990 | 64 | | | | | | | | | | | | | | |
| Jets: 18 18 18 | | | | | Out: 8516 | | Grade: Cutter: | | 2 / 2 | | Dull: FC / WT | | Wear: A | | Brgs: 1 | | Gge: 1 | | Pull: BHA | | |
| 3 | 1 | ULTER | U616M | 8.75 | 8516 | 1,335 | 12 | 111.2 | | | | | 10 | 600 | 3700 | 86 | 67 | 24 | 271 | | |
| Jets: 22 22 22 22 22 22 | | | | | Out: | | Grade: Cutter: | | / | | Dull: / | | Wear: | | Brgs: | | Gge: | | Pull: | | |
| BHA - No. 3 - BIT, MMTR, UBHO, NMDC, NMFLEX, XO = 96.06 | | | | | | | | | | | | | | | | | | | | | |

Drilling Parameters

| Depth (ft) | | ROP (ft/hr) | | WOB (lbs) | | RPM | | Torque (ft lbs) | | Flow (gals/min) | | Pressure | |
|----------------------------------|-------|-------------|-------|-----------|-------------|-----|-----|-----------------|---------|-----------------|--------|----------|--|
| From | To | Avg | Max | Avg | Max | Avg | Max | Avg | Max | Avg | Max | (psi) | |
| 8,516 | 9,851 | 150.0 | 280.0 | 28.00 | 32.00 | 65 | 68 | 8,300.00 | 13,800. | 600.00 | 600.00 | 2,900.00 | |
| Annular Velocity: Drill Collars: | | | | 192.1 | Drill Pipe: | | | | 192.1 | | | | |

Miscellaneous Drilling Parameters

| | | | | | | | | | | | | | |
|------------------------|--|--------------------|---------|--------|----------|--------|---------|------------|--|--------|---------------|--|---------|
| Hook Loads (lbs): | | Off Bottom Rotate: | | 191.00 | Pick Up: | | 208.00 | Slack Off: | | 180.00 | Drag Avg/Max: | | 20 / 11 |
| Slow Circulation Data: | | | | | | | | | | | | | |
| Pump 1: | | 30 spm | 500 psi | 40 spm | 560 psi | 50 spm | 630 psi | | | | | | |
| Pump 2: | | 30 spm | 470 psi | 40 spm | 540 psi | 50 spm | 620 psi | | | | | | |
| Pump 3: | | 30 spm | 40 spm | | 50 spm | | | | | | | | |
| Hours on BHA: | | Since Inspection: | | 12 | Total: | | Jars: | | | | | | |



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Survey Information

| Survey Type | Meas. Depth | Inc. | Azimuth | TVD | Closure | Vertical Section | Coordinates | | |
|-------------|-------------|-------|---------|---------|---------|------------------|-------------|---------|--------|
| | | | | | | | N-S | E-W | D.L.S. |
| MWD | 8,506.0 | 79.25 | 358.9 | 8,195.5 | 686.9 | 680.4 | N 678.3 | E 108.5 | 6.83 |
| MWD | 8,538.0 | 81.76 | 359.2 | 8,200.7 | 718.0 | 711.9 | N 709.9 | E 108.0 | 7.89 |
| MWD | 8,569.0 | 83.52 | 359.0 | 8,204.7 | 748.4 | 742.6 | N 740.6 | E 107.5 | 5.71 |
| MWD | 8,601.0 | 84.70 | 358.7 | 8,208.0 | 779.8 | 774.4 | N 772.4 | E 106.8 | 3.78 |
| MWD | 8,632.0 | 86.29 | 358.9 | 8,210.4 | 810.3 | 805.3 | N 803.3 | E 106.2 | 5.16 |
| MWD | 8,727.0 | 90.37 | 1.2 | 8,213.2 | 904.5 | 900.2 | N 898.3 | E 106.2 | 4.92 |
| MWD | 8,821.0 | 91.03 | 359.9 | 8,212.1 | 998.0 | 994.2 | N 992.3 | E 107.1 | 1.48 |
| MWD | 8,915.0 | 88.44 | 358.2 | 8,212.5 | 1,091.3 | 1,088.1 | N 1086.2 | E 105.6 | 3.33 |
| MWD | 9,010.0 | 88.66 | 358.8 | 8,214.9 | 1,185.7 | 1,183.0 | N 1181.2 | E 103.1 | 0.69 |
| MWD | 9,104.0 | 91.03 | 1.0 | 8,215.1 | 1,279.3 | 1,277.0 | N 1275.2 | E 102.9 | 3.43 |
| MWD | 9,198.0 | 89.01 | 358.7 | 8,215.1 | 1,373.0 | 1,370.9 | N 1369.1 | E 102.7 | 3.24 |
| MWD | 9,293.0 | 89.45 | 359.1 | 8,216.4 | 1,467.6 | 1,465.9 | N 1464.1 | E 100.8 | 0.59 |
| MWD | 9,387.0 | 90.68 | 359.2 | 8,216.3 | 1,561.3 | 1,559.8 | N 1558.1 | E 99.4 | 1.32 |
| MWD | 9,481.0 | 89.36 | 359.1 | 8,216.3 | 1,655.0 | 1,653.7 | N 1652.1 | E 98.0 | 1.42 |
| MWD | 9,575.0 | 90.42 | 0.1 | 8,216.4 | 1,748.8 | 1,747.7 | N 1746.1 | E 97.4 | 1.59 |
| MWD | 9,670.0 | 91.38 | 1.6 | 8,214.9 | 1,843.7 | 1,842.7 | N 1841.1 | E 98.8 | 1.87 |

Mud Log Information

| Depth (ft) | | TVD (ft) | | Gas (Units) | | | Gas | | Drilling Exp. | Pore Press | Mud Dens. | Shale Dens. | ROP | |
|------------|-------|----------|-------|-------------|--------|----------|----------|------|---------------|------------|-----------|-------------|-------|------|
| From | To | From | To | Avg | Max | at Depth | Connect. | Trip | | | | | Shale | Sand |
| 8,568 | 9,574 | 8,203 | 8,214 | 228.00 | 458.00 | 9534 | 440.00 | 0.00 | | | 10.00 | | 250 | |

Formation Name: WOLFCAMP B

Lithology: 100% SHALE

Rig Information

Equipment Problems: NONE

Location Condition: GOOD

Transport:

Solids Control Information

| Screen Sizes: | Top | Middle 1 | Middle 2 | Bottom | Equipment Usage (Hrs): |
|---------------|-----|----------|----------|--------|-----------------------------------|
| Shaker No 1: | 200 | 200 | 200 | 200 | Centrifuge 1: 12 (Solids Removal) |
| Shaker No 2: | 200 | 200 | 200 | 200 | |
| Shaker No 3: | 200 | 200 | 200 | 200 | |
| Shaker No 4: | 200 | 200 | 200 | 200 | |

Bulk Inventory

| Item Type | Units | Beginning | Used | Received | On Hand | Net |
|--------------------------|-------|-----------|-------|----------|---------|-----|
| Fuel | GALS | 5,592 | 1,496 | | 4,096 | |
| Office trailer generator | GALS | 207 | 30 | | 177 | |
| Mud | GALS | 7,088 | 616 | | 6,472 | |

Safety Information

| Meetings/Drills | Time | Description |
|-----------------------------------|---|-----------------------------|
| Safety | 30 | TRIPPING MAKING CONNECTIONS |
| First Aid Treatments: | | Medical Treatments: |
| Lost Time Incidents: | | Days Since LTI: 14 |
| <input type="checkbox"/> BOP Test | <input checked="" type="checkbox"/> Crownamatic Check | |

Weather Information

| | | | |
|------------------|------------|----------------|----|
| Sky Condition: | CLEAR | Visibility: | 10 |
| Air Temperature: | 81.00 degF | Bar. Pressure: | 29 |
| Wind Speed/Dir: | 18 / S | Wind Gusts: | |



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Rental Tools Information

| Type | Description | Serial No. | Vendor | Acct Code | Today's Cost \$ | Start | End |
|-------------------------------------|------------------|------------|----------|-----------|-----------------|-----------|-----|
| Trailer | HOUSING | | TREND | 9240-01 | 900.00 | 15-Jun-17 | |
| Notes: 4 TRAILERS | | | | | | | |
| Frac Tanks | FRAC TANKS | | THORPE | 9245-01 | 175.00 | 15-Jun-17 | |
| Notes: 7 FRAC TANKS | | | | | | | |
| PVT | RIG SENSE | | TOTCO | 9240-01 | 388.00 | 15-Jun-17 | |
| Light Tower | LIGHT TOWERS | | CACTUS | 9240-01 | 125.00 | 15-Jun-17 | |
| Notes: 5 LIGHT PLANTS | | | | | | | |
| OBM Control | CENTRIFUGES | | DES | 9210-01 | 3,050.00 | 15-Jun-17 | |
| Frac Tanks | OBM STORAGE | | PURITY | 9210-01 | 489.00 | 15-Jun-17 | |
| Notes: 5 TANKS AND MANIFOLD | | | | | | | |
| SPOOLS | BOP SPACER SPOOL | | MONAHANS | 9240-01 | 110.00 | 15-Jun-17 | |
| Trans. Pump | TRANS PUMP | | TIGER | 9240-01 | 255.00 | 15-Jun-17 | |
| Notes: 3 TIGER 4X4 PUMPS | | | | | | | |
| H2S | AMPRO H2S | | AMPRO | 9240-01 | 100.00 | 15-Jun-17 | |
| Rotating Hd. | ROT HEAD | | AIR DRIL | 9240-01 | 120.00 | 15-Jun-17 | |
| Mud Bucket | mud bucket | | STABIL | 9241-01 | 110.00 | 15-Jun-17 | |
| Rig Vac | MUD VACUME | | KSW | 9241-01 | 200.00 | 15-Jun-17 | |
| Notes: MUD VAC/SHAKER WASHER | | | | | | | |
| Containment | KATCH KAN | | KATCH | 9240-01 | 150.00 | 27-Jun-17 | |
| Notes: KATCH KAN | | | | | | | |
| Total Daily Rental Cost \$: | | | | | 6,172.00 | | |