



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: 20

Report For 06:00 AM 05-Jul-17

| | | | | | | | | | |
|-----------------------|------------------|-----------------------|---------------|---------------------|--------------------|------------------------|----------------|-------------|----------|
| Operator: | SEM | Rig: | H&P 467 | Spud Date: | | Daily Cost / Mud (\$): | 61,190 / 5,405 | | |
| Measured Depth (ft): | 16438 | Drilling Days (act.): | 20 | Well Bore: | Original Well Bore | AFE No. | AFE (\$) | Actual (\$) | |
| Vertical Depth (ft): | 8195 | Drilling Days (plan): | | RKB Elevation (ft): | 0.00 | 041517 | 6,063,125 | 1,666,708 | |
| Proposed TD (ft): | | Days On Location: | 20 | Last BOP Test: | 26-Jun-17 | | | | |
| Hole Made (ft) / Hrs: | 0 / 0.0 | Last Casing: | 9.63 at 7,526 | | | Totals: | 6,063,125 | 1,666,708 | |
| Average ROP (ft/hr): | | Next Casing: | | Working Interest: | | Well Cost (\$): | | 1,666,708 | |
| Pers/Hrs: | Operator: 2 / 24 | Contractor: | 11 / 132 | Service: | 7 / 84 | Other: | 9 / 216 | Total: | 29 / 456 |

SafetySummary: No incidents or events reported. 19 days since LTI. Conducted Crown Check, Safety Meeting.

Current Operations: RUNNING 51/2 CASING

Planned Operations: LAND CASING, BURP PIPE AND CEMENT

Toolpusher: JUAN CANTU

Wellsite Supervisors: GUY EMBRY, TONY KARL

Tel No.:

Operations Summary

| From | To | Elapsed | End MD(ft) | Code | Operations Description | Non-Prod |
|-------|-------|---------|------------|--------|---|----------|
| 6:00 | 9:00 | 3.00 | 16,438 | DPLD | TOOH L/DN DRILL PIPE AND AIM DIRECTIONAL BHA | |
| 9:00 | 10:30 | 1.50 | 16,438 | OTHER | CLEAN OFF RIG FLOOR PREPARE TO RIG UP CASING TOOLS TO RUN 5.5" PROD CASING | |
| 10:30 | 12:00 | 1.50 | 16,438 | SAFETY | HELD SAFETY MEETING WITH EXPRESS ENERGY CASING CREW AND RIG CREW RIG UP CASING TOOLS | |
| 12:00 | 6:00 | 18.00 | 16,438 | CASE | M-UP SHOE TRACK CHK FLOATS OK INSTALL TRIGGER TOE SUB PICK UP AND RIH WITH 5.5" , 20# HCP-110 CASING INSTALL CENTRALIZERS MARKER JTS. AND FLOTATION COLLAR A.P.P. | |

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 | |

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 | 5,404.80 | 128,954.41 | 61,189.80 | 1,666,707.51 | 27.49 % |
| Totals \$: | | 6,063,125.00 | 5,405.00 | 128,954.00 | 61,190.00 | 1,666,708.00 | 27.49 % |

Mud Information

| % | | | | | | | | | | | | | | Gels | | | Temp | | Mud | |
|---|------|------|------|-------|------|-------|--------|------|-------|------|-----|-------|----|-------|-----|-----|------|-------|-------|------|
| Dens. | Vis | PV | YP | Filt. | Cake | pH/ES | Solids | Oil | Water | Sand | LGS | Cl | Ca | CaCl | 10s | 10m | 30m | In | Out | Loss |
| 04-Jul-17 22:00 at Depth 16,438 ft Mud Pits, Type: Oil Base Mud | | | | | | | | | | | | | | | | | | | | |
| 10.60 | 8.00 | 4.00 | 5.00 | 7 | 2 | | 8.7 | 58.8 | 24.4 | | | 51000 | | 25000 | 12 | 19 | | 89.00 | 89.00 | |

Mud Consumables

| Item Description | Qty. | Cost | Item Description | Qty. | Cost |
|-----------------------|------|----------|---------------------|------|--------|
| Barite (Bulk) - EA | 340 | 3,729.80 | ENGINEER - EA | 1 | 750.00 |
| ENGINEERING diem - EA | 1 | 50.00 | Restocking Fee - EA | 250 | 125.00 |
| Trucking - EA | 1 | 750.00 | | | |

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 | | | |
| 3 | 1 | ULTERI | U616M | 8.75 | 8516 | 7,922 | 80.5 | | | | | | | | | | | | | | |
| Jets: 22 22 22 22 22 22 | | | | | Out: 16438 | Grade: Cutter: | 1 / 1 | Dull: NO / NO | Wear: A | Brgs: X | Gge: 0 | Pull: TD | | | | | | | | | |
| BHA - No. 3 - BIT, MMTR, UBHO, NMDC, NMFLEX, XO = 96.06 | | | | | | | | | | | | | | | | | | | | | |

Rig Information

Equipment Problems: NONE

Location Condition:

Transport:

Bulk Inventory

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Bulk Inventory

| Item Type | Units | Beginning | Used | Received | On Hand | Net |
|--------------------------|-------|-----------|------|----------|---------|-----|
| Fuel | GALS | 5,402 | 753 | | 4,649 | |
| Office trailer generator | GALS | 252 | 40 | | 212 | |
| Mud | GALS | 3,859 | 0 | | 3,859 | |

Safety Information

| Meetings/Drills | Time | Description |
|-----------------------------------|------|---|
| Safety | 30 | L/D DP, RUN CASING |
| First Aid Treatments: | | Medical Treatments: |
| <input type="checkbox"/> BOP Test | | <input checked="" type="checkbox"/> Crownamatic Check |
| | | Lost Time Incidents: |
| | | Days Since LTI: 19 |

Weather Information

| | |
|------------------------------------|-----------------------|
| Sky Condition: CLEAR | Visibility: 10 |
| Air Temperature: 90.00 degF | Bar. Pressure: |
| Wind Speed/Dir: 15 / SSE | Wind Gusts: 25 |

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 | | |