

**Daily Drilling Report**

Well ID: 42-383-39869

Field: Impossible

SEM Operating Company, LLC

Well Name: University 9 2902WB

Sect: 29 County: Reagan State: TX

Report No: 28

Report For 06:00 AM 01-Aug-17

| | | | | | | | | |
|-----------------------|------------------|-----------------------|----------------|---------------------|--------------------|------------------------|---------------|-----------------|
| Operator: | SEM OPERATING | Rig: | H&P 467 | Spud Date: | | Daily Cost / Mud (\$): | 336,039 / 850 | |
| Measured Depth (ft): | 16531 | Drilling Days (act.): | 28 | Well Bore: | Original Well Bore | AFE No. | AFE (\$) | Actual (\$) |
| Vertical Depth (ft): | 8160 | Drilling Days (plan): | | RKB Elevation (ft): | 0.00 | 041717 | 6,063,125 | 2,535,250 |
| Proposed TD (ft): | | Days On Location: | 28 | Last BOP Test: | 20-Jul-17 | | | |
| Hole Made (ft) / Hrs: | 0 / 0.0 | Last Casing: | 5.50 at 16,526 | | | Totals: | 6,063,125 | 2,535,250 |
| Average ROP (ft/hr): | | Next Casing: | | Working Interest: | | Well Cost (\$): | 2,535,250 | |
| Pers/Hrs: | Operator: 2 / 24 | Contractor: | 11 / 132 | Service: | 5 / 60 | Other: | 0 / 0 | Total: 18 / 216 |

SafetySummary: No incidents or events reported. 25 days since LTI. Conducted Safety Meeting.**Current Operations:** FLUSH BOP WITH SUGAR WATER RIG DOWN CEMENT HEAD**Planned Operations:** NIPPLE DOWN BOPE AND SET SLIPS.**Toolpusher:** LUKE BOYD, CURTIS WELCH**Wellsite Supervisors:** GUY EMBRY, RICKY POINDEXTER

Tel No.:

Operations Summary

| From | To | Elapsed | End MD(ft) | Code | Operations Description | Non-Prod |
|-------|-------|---------|------------|-------|---|----------|
| 6:00 | 18:00 | 12.00 | 16,531 | CASE | RUN 5.5" HCP-110, GBDC, 20# CASING TO 16526' | |
| 18:00 | 19:00 | 1.00 | 16,531 | CMTP | LAY DOWN JOINT CASING AND RIG DOWN CASING TOOLS . | |
| 19:00 | 0:30 | 5.50 | 16,531 | CIRC | RUPTURE FLOATION COLLAR WITH 1900 PSI CONTINUE WORKING AIR OUT CASING DROP 1500 PSI RUPTURE PLUG HAD PRESSURE SPIKES BE CALULATED STROKES SO DROPPED SECOND 1500 PSI RUPTURE PLUG TO MAKE SURE FIRST PLUG DID NOT HANG OK HPJSM | |
| 0:30 | 5:00 | 4.50 | 16,531 | CMTP | TEST LINES TO 4500 PSI OK PUMP 40 BBL OBM SPACER, 310 BBL 9.9# BRINE 40 BBL OTF SPACER, PUMP 303 BBL LEAD @ 11.8 PPG WITH 2.13 YLD TAIL 551 BBL @ 14.2 PPG, YLD 1.3, DROP PLUG DISPLACE WITH 20 BBL SUGAR WATER THEN 345 BBL BIOCIDIE WATER TOTAL DISPLACEMENT 365 BBL BUMP PLUG WITH PSI FOR FIVE MIN CHECK FLOATS OK CIRCULATED 65 BBL CEMENT TO SURFACE. | |
| 5:00 | 6:00 | 1.00 | 16,531 | OTHER | FLUSH BOPE WITH SUGAR WATER. | |

Management Summary

CONTACTED TRRC INFORMED THEM OF PROD CSG. AND CEMENT TALKED TO IVY

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 | | | | |
| FULL | 9.63 | 0 | 0 | 7,522 | 7,460 | INT1 | 12.25 | 40.00 | J-55 | |
| FULL | 5.50 | 0 | 0 | 16,526 | 8,152 | PROD | 9.00 | 20.00 | HCP-110 | |

Cost/AFE Information

| AFE No | AFE Description | AFE Amount | Daily Mud | Well Mud | Daily Total | Well Total | % Spent |
|-------------------|----------------------------------|--------------|-----------|------------|-------------|--------------|---------|
| 041717 | D & C a 7500' Lateral horizontal | 6,063,125.00 | 850.00 | 223,401.38 | 336,039.00 | 2,535,250.23 | 41.81 % |
| Totals \$: | | 6,063,125.00 | 850.00 | 223,401.00 | 336,039.00 | 2,535,250.00 | 41.81 % |

Mud Consumables

| Item Description | Qty. | Cost | Item Description | Qty. | Cost |
|------------------|------|--------|-----------------------|------|-------|
| ENGINEER - EA | 1 | 800.00 | ENGINEERING diem - EA | 1 | 50.00 |

Bit/BHA/Workstring Information

BHA - No. 7 - BIT, MMTR, UBHO, 2 NMDC, XO = 99.05

Rig Information**Equipment Problems:****Location Condition:****Transport:**

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Solids Control Information

| Screen Sizes: | Top | Middle 1 | Middle 2 | Bottom |
|---------------|-----|----------|----------|--------|
| Shaker No 1: | 200 | 200 | 200 | 200 |
| 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 | 3,915 | 533 | | 3,382 | |
| Office trailer generator | GALS | 300 | 50 | | 250 | |
| Mud | GALS | 0 | | | 0 | |

Safety Information

| Meetings/Drills | Time | Description |
|-----------------------------------|------|--|
| Safety | 30 | RUN CASING AND CEMENT CASING |
| First Aid Treatments: | | Medical Treatments: |
| <input type="checkbox"/> BOP Test | | <input type="checkbox"/> Crownamatic Check |
| | | Lost Time Incidents: |
| | | Days Since LTI: 25 |

Weather Information

| | |
|------------------------------------|--------------------------|
| Sky Condition: CLEAR | Visibility: 10 |
| Air Temperature: 76.00 degF | Bar. Pressure: 29 |
| Wind Speed/Dir: 6 / NE | Wind Gusts: |

Rental Tools Information

| Type | Description | Serial No. | Vendor | Acct Code | Today's Cost \$ | Start | End |
|------------------------------------|---------------|------------|----------|-----------|-----------------|-----------|-----------|
| Trailer | HOUSING | | TREND | 9240-01 | 900.00 | 08-Jul-17 | |
| Frac Tanks | FRAC TANKS | | THORPE | 9240-01 | 175.00 | 08-Jul-17 | |
| PVT | RIG SENSE | | TOTCO | 9240-01 | 388.00 | 08-Jul-17 | |
| Light Tower | LIGHT TOWER | | CACTUS | 9240-01 | 200.00 | 08-Jul-17 | |
| OBM Control | CENTRIFUGES | | DES | 9210-01 | 3,050.00 | 08-Jul-17 | |
| Frac Tanks | OBM STORAGE | | PURITY | 9210-01 | 489.00 | 08-Jul-17 | |
| Trans. Pump | TRANS PUMP | | TIGER | 9240-01 | 185.00 | 08-Jul-17 | |
| H2S | AMPRO H2S | | AMPRO | 9240-01 | 150.00 | 08-Jul-17 | |
| Rig Vac | MUD VAC | | KSW | 9240-01 | 135.00 | 08-Jul-17 | |
| Trans. Pump | TRANSFER PUMP | | KSW | 9240-01 | 185.00 | 11-Jul-17 | |
| SPOOLS | BOP SPACER | | MONAHANS | 9240-01 | 210.00 | 08-Jul-17 | |
| Rotating Hd. | ROT HEAD | | AIR DRIL | 9240-01 | 120.00 | 08-Jul-17 | |
| Mud Bucket | MUD BUCKET | | STABIL | 9240-01 | 110.00 | 08-Jul-17 | 31-Jul-17 |
| Total Daily Rental Cost \$: | | | | | 6,297.00 | | |