

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/13/2011
 Report No: 3

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	
Today's MD:	120 ft	Progress:	0 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$27,487
Prev MD:	120 ft	Rot Hrs Today:	0.00 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$148,097
PBMD:		Avg ROP Today:	0.0 ft/hr	AFE Number:	NEEDS UPDATED	AFE Cost:	\$2,421,387

Current Formation: @ Lithology:

Current Ops: WAITING ON DAYLIGHT TO CONTINUE MOVE AND RIG UP

24-Hr Summary: BREAK DOWN DERRICK & MAKE REPAIRS ON SAME. MOVE ALL SUBSTRUCTURE PIECES TO DRONE BEE LOCATION AND SPOT OVER V

24-Hr Forecast: CONTINUE MOVING PIONEER 14 & RIG UP

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	26.000in @ 120ft	Str Wt Up/Dn:	/	Pump Rate:	0.0	Conn:			
Next Casing:	13.375in @ 350ft	Str Wt Rot:		Pump Press:	0	Trip:			
Last BOP Press Test:	08/23/2011	Torq Off Btm:				Backgr:			
Form Test/EMW:		Torq On Btm:							

PERSONNEL		SURVEY DATA (LAST 6)									
Supervisor 1:	JARON SIMON	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 2:	DEAN NELSON										
Engineer:	DOUGLAS MUIR										
Geologist:											
Oxy Personnel:	5										
Contractor Personnel:	33										
Total on Site:	38										

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
									--	--

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI

MUD DATA - M-I SWACO	
Engineer: Shane Pitts	MBT:
Sample From: IN	pH: 9.0
Mud Type: FRESH WATER	Pm / Pom:
Time / MD: 0:01 / .0	Pf / Mf: 0.2 / 0.5
Density @ Temp: 8.40 / 0	Chlorides: 3,500
Rheology Temp: 120	Ca+ / K+: /
Viscosity: 26.00	CaCl2:
PV / YP: 1 / 1	Clom:
Gels 10s/10m/30m: 1 / 1 / 1	Lime:
API WL: 0.00	ES:
HTHP WL: 0.00	ECD: 8.40
Cake API / HTHP: .0 / .0	n / K: 0.00 / 0.000
Solids / Sol Corr: /	Carbonate:
Oil / Water: 0.0 / 99.0	Bicarbonate:
Sand: 0.00	Form Loss: 0.0 / 0.0
Water Added:	Fluid Disch: /
Oil Added:	
LGS: 0.30 / 2.40	
VG Meter: 1@3 / 1@6 / 1@100 / 1@200 / 2@300 / 3@600	
Comments: Move rig.	

LAST OR CURRENT BHA				
Component	OD	ID	Jts	Length

MUD PRODUCTS		
Product	Units	Qty Used
ENGINEERING SERVICE	EACH	1.00

DAILY OPERATIONS PARTNER REPORT

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DRONE BEE SOUTH 001
 USA

Date: 09/13/2011
 Report No: 3

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	6:00	6.00	01MIRU	LOCMOV	MOVE	P	WAITING ON DAYLIGHT TO CONTINUE MOVING PIONEER 14
6:00	7:00	1.00	01MIRU	LOCMOV	MOVE	P	HELD PJSM WITH 5J, PIONEER CREW & OXY SAFETY PERSONEL ON DRONE BEE SOUTH #1 LOCATION.
7:00	7:30	0.50	01MIRU	LOCMOV	MOVE	P	HELD PJSM AT HONEY BEE #4 LOCATION. DISCUSS REMOVING DERRICK FROM SUB, BREAKING DOWN DERRICK AND SUB. WAIT FOR GOOD LIGHT. .
7:30	12:00	4.50	01MIRU	LOCMOV	MOVE	P	LOAD OUT DRAWWORKS, FIRST LOAD OFF LOCATION AT 08:00 HRS. REMOVE DERRICK FROM SUB AT 09:00 HRS. 2- CRANES, 5 TRUCKS, 1 FORKLIFT ON HONEY BEE LOC 1-CRANE, 2 POLE TRUCKS, 1 WINCH TRUCK ON DRONE BEE LOC SAFETY BREAK - DISCUSS DUSTY CONDITIONS ON LOCATION, POOR VISIABILITY, MOVE EQUIPMENT ON SMALLER LOCATION AND WHAT TO WATCH OUT FOR.
12:00	18:00	6.00	01MIRU	LOCMOV	MOVE	P	BREAK DERRICK INTO 3 PIECES TO MOVE DOWN HWY. WHILE BREAKING DOWN DERRICK IT WAS FOUND THAT ONE OF THE A-FRAME GUIDES HAD A NEW CRACK IN IT POSSIBLY CAUSED BY CRANE OPERATOR YESTERDAY. OXY SAFETY MEN ON LOCATION NOTIFIED OFFICE AND IT WAS DETERMINED THAT IT MUST BE WELDED AND INSPECTED BEFORE RIGGING BACK UP. WELDER ON DRONE BEE LOC SENT TO DERRICK TO PERFORM WELD SO IT COULD HAVE TIME TO COOL FOR INSPECTION. CONTINUE RIGGING DOWN DERRICK AND SUB PIECES. LOAD OUT SUB AND BEGIN TAKING TO NEW LOCATION.
18:00	0:00	6.00	01MIRU	LOCMOV	MOVE	P	BREAK TOUR AND WAIT ON DAYLIGHT TO CONTINUE RIG MOVE.

Total Time 24.00

Safety Incident? N Days since Last RI: 42.00 Weather Comments:

Environ Incident? N Days since Last LTA: 42.00

Incident Comments:

No incidents reported last 24 hours.

Other Remarks:

FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
 X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT XXXX HRS 09/XX/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO XXXXX OPERATOR #X JOB NUMBER # XXXX

SAFETY TOPIC OF THE DAY: TRANSPORTATION & TRUCKS ON RIG MOVES

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS. : NONE

NEXT RIG MOVE DATE: 09-13-11

DAYS SINCE LAST LTI: 42
 DAYS SINCE LAST RECORDABLE: 42
 TOTAL JSA REVIEWED: 12
 TOTAL STOP CARDS: 1
 TOTAL LO/TO: 0
 TOTAL SAFETY MEETINGS:10
 NEAR MISSES: 0
 HOT WORK PERMIT: 1
 CONFINED SPACE PERMIT: 0

BEST STOP CARD: WHILE BREAKING RIG DERRICK DOWN IT WAS NOTICED THAT A PIN GUIDE WAS CRACKED. STOPPED JOB & HAD WELDER MAKE NECESSARY REPAIRS & INSPECTOR CHECK WELDS. JOB WAS COMPLETED WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/14/2011
 Report No: 4

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	0.00
Today's MD:	120 ft	Progress:	0 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$155,652
Prev MD:	120 ft	Rot Hrs Today:	0.00 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$303,749
PBMD:		Avg ROP Today:	0.0 ft/hr	AFE Number:	NEEDS UPDATED	AFE Cost:	\$2,421,387

Current Formation: @ Lithology:

Current Ops: WAITING ON DAYLIGHT TO RIG UP PIONEER 14

24-Hr Summary: MOVE & INSTALL DERRICK, ROTAR TABLE, DRAW WORKS & MOTORS. MOVE ALL FINAL EQUIPMENT FROM HONEY BEE #4

24-Hr Forecast: CONTINUE RIG UP OF PIONEER RIG 14

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	26.000in @ 120ft	Str Wt Up/Dn:	/	Pump Rate:	0.0	Conn:			
Next Casing:	13.375in @ 350ft	Str Wt Rot:		Pump Press:	0	Trip:			
Last BOP Press Test:	08/23/2011	Torq Off Btm:				Backgr:			
Form Test/EMW:		Torq On Btm:							

PERSONNEL		SURVEY DATA (LAST 6)									
Supervisor 1:	JARON SIMON	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 2:	DEAN NELSON										
Engineer:	DOUGLAS MUIR										
Geologist:											
Oxy Personnel:	2										
Contractor Personnel:	13										
Total on Site:	15										

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
									--	--

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI

MUD DATA - M-I SWACO	
Engineer: Shane Pitts	MBT:
Sample From: IN	pH: 9.0
Mud Type: FRESH WATER	Pm / Pom:
Time / MD: 0:01 / .0	Pf / Mf: 0.2 / 0.3
Density @ Temp: 8.40 /	Chlorides: 3,500
Rheology Temp: 120	Ca+ / K+: /
Viscosity: 26.00	CaCl2:
PV / YP: 1 / 1	Clom:
Gels 10s/10m/30m: 1 / 1 / 1	Lime:
API WL: 0.00	ES:
HTHP WL: 0.00	ECD: 8.40
Cake API / HTHP: .0 / .0	n / K: 0.00 / 0.000
Solids / Sol Corr: /	Carbonate:
Oil / Water: 0.0 / 99.0	Bicarbonate:
Sand: 0.00	Form Loss: 0.0 / 0.0
Water Added:	Fluid Disch: /
Oil Added:	
LGS: 0.30 / 2.40	
VG Meter: 1@3 / 1@6 / 1@100 / 1@200 / 2@300 / 3@600	
Comments: Move Rig and rig up.	

LAST OR CURRENT BHA				
Component	OD	ID	Jts	Length

MUD PRODUCTS		
Product	Units	Qty Used
ENGINEERING SERVICE	EACH	1.00

DAILY OPERATIONS PARTNER REPORT

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 Report No: 4

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
0:00	6:00	6.00	01MIRU	LOCMOV	MOVE	P	WAITING ON DAYLIGHT TO CONTINUE RIG MOVE AND RIG UP.	
6:00	7:00	1.00	01MIRU	SAFE	PJSM	P	WAIT FOR GOOD DAYLIGHT PJSM - 5J TRUCKING AND PIONEER RIG PERSONEL. DISCUSS GAME PLAN GOING FORWARD AND PROPER PROCEDURES FOR GETTING JOB DONE. 2-CRANES 1-POLE TRUCK 1-TANDEM 1-FORK LIFT	
7:00	12:00	5.00	01MIRU	LOCMOV	RU	P	PU ROTARY TABLE IN PIN TO SUB. BEGIN ADDING IN WEBBING ON SUB PIECES. CENTER SUB OVER HOLE. DSM WITNESS PLUMB BOB. GATHER ALL HANDS ON LOCATION FOR SAFETY BREAK. PU AND SET DRAWWORKS/MOTOR SKID ON SUB. INSTALL V-DOOR AND CATWALK. 11:00HRS SAFETY MEETING BEFORE LIFTING DRAWWORKS SKID. ASSIGN POSITIONS AND DISCUSS PROPER USE OF TAG LINES AND TIE OFF 100%.	
12:00	16:30	4.50	01MIRU	LOCMOV	RU	P	BRING IN DERRICK AND RE-ASSEMBLE (3 PIECES). CONTINUE RIGGING UP MISC IN BACKYARD. WELDER INSTALL SECONDARY GROUNDS AS PER OXY REQUEST. RAISE A-FRAMES AND MAKE UP STANDPIPE.	
16:30	17:00	0.50	01MIRU	SAFE	PJSM	P	SAFETY MEETING - DISCUSS PU DERRICK AND PINNING TO SUB, REVIEW PIONEER JSA, GUSTING WINDS AND VISIABILITY	
17:00	18:00	1.00	01MIRU	LOCMOV	RU	P	RIG CRANES TO DERRICK AND RAISE. PIN TO SUB. SPOT ST-80 & AIR HOISTS ON FLOOR.	
18:00	0:00	6.00	01MIRU	LOCMOV	RU	P	BREAK TOUR UNTIL DAYLIGHT TO CONTINUE RIGGING UP.	
Total Time		24.00						

Safety Incident?	N	Days since Last RI:	43.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	43.00	
Incident Comments: No incidents reported last 24 hours.				

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
 X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT XXXX HRS 09/XX/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO XXXXX OPERATOR #X JOB NUMBER # XXXX

SAFETY TOPIC OF THE DAY: TRANSPORTATION & TRUCKS ON RIG MOVES

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS. : NONE

NEXT RIG MOVE DATE: 09-13-11

DAYS SINCE LAST LTI: 42
 DAYS SINCE LAST RECORDABLE: 42
 TOTAL JSA REVIEWED: 10
 TOTAL STOP CARDS: 2
 TOTAL LO/TO: 0
 TOTAL SAFETY MEETINGS: 10
 NEAR MISSES: 0
 HOT WORK PERMIT: 0
 CONFINED SPACE PERMIT: 0

BEST STOP CARD: OBSERVED HAND WORKING IN LAYED OVER DERRICK WITH HARD HAT REMOVED. ADVISED HAND OF POLICIES AND HAZARDS. HAND DONNED HARD HAT AND CONTINUED WORKING WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/15/2011
 Report No: 5

Wellbore / Top MD: 00 @ 0 ft Rig: PIONEER 14 Ref Datum: ORIGINAL KB @3,232.10ft DFS: 0.00
 Today's MD: 120 ft Progress: 0 ft Ground Elev: 3,211.10 ft Daily Cost: \$29,984
 Prev MD: 120 ft Rot Hrs Today: 0.00 hr AFE MD/Days: 10,018.6 / 25.1 days Cum Cost: \$333,733
 PBMD: Avg ROP Today: 0.0 ft/hr AFE Number: NEEDS UPDATED AFE Cost: \$2,421,387

Current Formation: @ Lithology:

Current Ops: RIGGING UP PIONEER 14

24-Hr Summary: RIG UP DERRICK, FLOOR, STANDPIPE & TOP DRIVE & TRACKS

24-Hr Forecast: CONTINUE RIGGING UP PIONEER 14 & FUNCTION ALL SURFACE EQUIPMENT, CHANGE OUT LINERS IN BOTH PUMPS.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	26.000in @ 120ft	Str Wt Up/Dn:	/	Pump Rate:	0.0	Conn:			
Next Casing:	13.375in @ 350ft	Str Wt Rot:		Pump Press:	0	Trip:			
Last BOP Press Test:	08/23/2011	Torq Off Btm:				Backgr:			
Form Test/EMW:		Torq On Btm:							

PERSONNEL		SURVEY DATA (LAST 6)									
Supervisor 1:	JARON SIMON	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 2:	DEAN NELSON										
Engineer:	DOUGLAS MUIR										
Geologist:											
Oxy Personnel:	2										
Contractor Personnel:	13										
Total on Site:	15										

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
									--	--

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI

MUD DATA - M-I SWACO					LAST OR CURRENT BHA					
Engineer:	Shane Pitts				MBT:					
Sample From:	IN				pH:	9.0				
Mud Type:	FRESH WATER				Pm / Pom:					
Time / MD:	0:01 / .0				Pf / Mf:	0.2 / 0.3				
Density @ Temp:	8.40 / 0				Chlorides:	3,500				
Rheology Temp:	120				Ca+ / K+:	/				
Viscosity:	26.00				CaCl2:					
PV / YP:	1 / 1				Clom:					
Gels 10s/10m/30m:	1 / 1 / 1				Lime:					
API WL:	0.00				ES:					
HTHP WL:	0.00				ECD:	8.40				
Cake API / HTHP:	.0 / .0				n / K:	0.00 / 0.000				
Solids / Sol Corr:	/				Carbonate:					
Oil / Water:	0.0 / 99.0				Bicarbonate:					
Sand:	0.00				Form Loss:	0.0 / 0.0				
Water Added:					Fluid Disch:	/				
Oil Added:										
LGS:	0.30 / 2.40									
VG Meter:	1@3 / 1@6 / 1@100 / 1@200 / 2@300 / 3@600									
Comments:	Rig up.									

MUD PRODUCTS		
Product	Units	Qty Used
ENGINEERING SERVICE	EACH	1.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/15/2011
 Report No: 5

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
0:00	6:00	6.00	01MIRU	LOCMOV	RU	P	WAITING ON DAYLIGHT TO CONTINUE RIG UP OF PIONEER 14	
6:00	7:00	1.00	01MIRU	LOCMOV	RU	P	START UP DRAWWORKS MOTORS AND WAIT FOR GOOD LIGHT.	
7:00	11:00	4.00	01MIRU	LOCMOV	RU	P	INSTALL ALL MISC DERRICK LINES AND CONFIRM STRING UP. SPOOL DRAWWORKS AND CLAMP DOWN DEAD MAN. SAFETY BREAK - REVIEW PIONEER JSA WITH RIG CREW OVER RAISING DERRICK. ASSIGN POSITIONS. RAISE DERRICK AT 10:30 HRS. PIN TO A-FRAME.	
11:00	15:30	4.50	01MIRU	LOCMOV	RU	P	BEGIN RIGGING UP RIG FLOOR, INSTALL FLOOR PLATES. WELDER ON LOCATION REPLACING FLOOR PLATES ON STAIRS. INSTALL HAND RAILS ON RIG FLOOR. PLACE TOP DRIVE ON CAT WALK WITH CRANE. ATTEMPT TO SPOT FRAC TANKS, WINCH TRUCK STUCK IN SAND. OXY LOC BUILDER ON LOC, DISCUSS RIG PLAT MODIFICATIONS FOR FUTURE WELLS. SAFETY BREAK - DROPPED OBJECTS	
15:30	18:00	2.50	01MIRU	LOCMOV	RU	P	CONTINUE RIGGING UP FLOOR PLATES AND STANDPIPE. RU UP ALL RIG LIGHTS. OFF LOAD 13 3/8" SURFACE CASING. WELDER WORKING ON SLIDES FOR BOTH SHAKERS. BREAK TOWERS WITH CREWS CALL TXRRC AND GIVE SPUD NOTIFICATION. JOB #10590 SPOKE WITH AMY. SAFETY BREAK - SURSPENDED LOADS	
18:00	22:00	4.00	01MIRU	LOCMOV	RU	P	RIG UP TOP DRIVE TRACKS & INSTALL TOP DRIVE SAFETY BREAK: DISCUSSED WORKING IN DERRICK	
22:00	0:00	2.00	01MIRU	LOCMOV	RU	P	CONTINUE RIGGING UP TOP DRIVE & SERVICE LOOP	
Total Time		24.00						

Safety Incident?	N	Days since Last RI:	44.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	44.00	
Incident Comments: No incidents reported last 24 hours.				

Other Remarks:

FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
 X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

SAFETY TOPIC OF THE DAY: AIR HOIST SAFETY

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS. : NONE

NEXT RIG MOVE DATE: XXXXX

DAYS SINCE LAST LTI: 43
 DAYS SINCE LAST RECORDABLE: 43
 TOTAL JSA REVIEWED: 8
 TOTAL STOP CARDS: 2
 TOTAL LO/TO: 0
 TOTAL SAFETY MEETINGS: 10
 NEAR MISSES: 0
 HOT WORK PERMIT: 2
 CONFINED SPACE PERMIT: 0

BEST STOP CARD: OBSERVED 3RD PARTY TRUCK TRYING TO SET FRAC TANKS AND STUCK IN THE SAND. STOPPED DRIVER AND TOLD HIM TO QUIT BURNING UP HIS CLUTCH AND WAIT FOR FORKLIFT TO HELP PULL HIM OUT. BE PATIENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/16/2011
 Report No: 6

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	
Today's MD:	120 ft	Progress:	0 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$27,944
Prev MD:	120 ft	Rot Hrs Today:	0.00 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$361,677
PBMD:		Avg ROP Today:	0.0 ft/hr	AFE Number:	NEEDS UPDATED	AFE Cost:	\$2,421,387

Current Formation: @ Lithology:

Current Ops: STRAP & CALIPER BHA & PICK UP

24-Hr Summary: COMPLETE RIG UP OF PIONEER 14, WELD ON CONDUCTOR, CUT & INSTALL FLOW LINE, CHANGE PUMP LINERS, RIG UP JET LINES, RE

24-Hr Forecast: SPUD IN AND DRILL 17.5" SURFACE HOLE

CASING/WELL CONTROL	HOOKLOAD & TORQUE	HYDRAULICS	MUD GAS	Avg	Max
Last Casing: 26.000in @ 120ft	Str Wt Up/Dn: /	Pump Rate: 0.0	Conn:		
Next Casing: 13.375in @ 350ft	Str Wt Rot:	Pump Press: 0	Trip:		
Last BOP Press Test: 08/23/2011	Torq Off Btm:		Backgr:		
Form Test/EMW:	Torq On Btm:				

PERSONNEL	SURVEY DATA (LAST 6)									
Supervisor 1: JARON SIMON	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 2: DEAN NELSON										
Engineer: DOUGLAS MUIR										
Geologist:										
Oxy Personnel: 2										
Contractor Personnel: 13										
Total on Site: 15										

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
									--	--

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI

MUD DATA - M-I SWACO	
Engineer: Shane Pitts Sample From: IN Mud Type: FRESH WATER Time / MD: 0:01 / .0 Density @ Temp: 8.40 / 0 Rheology Temp: 120 Viscosity: 26.00 PV / YP: 1 / 1 Gels 10s/10m/30m: 1 / 1 / 1 API WL: 0.00 HTHP WL: 0.00 Cake API / HTHP: .0 / .0 Solids / Sol Corr: / Oil / Water: 0.0 / 99.0 Sand: 0.00 Water Added: Oil Added: LGS: 0.30 / 2.40	MBT: pH: 9.0 Pm / Pom: Pf / Mf: 0.2 / 0.3 Chlorides: 3,500 Ca+ / K+: / CaCl2: Clom: Lime: ES: ECD: 8.40 n / K: 0.00 / 0.000 Carbonate: Bicarbonate: Form Loss: 0.0 / 0.0 Fluid Disch: /
VG Meter: 1@3 / 1@6 / 1@100 / 1@200 / 2@300 / 3@600 Comments: Rig up.	

LAST OR CURRENT BHA				
Component	OD	ID	Jts	Length

MUD PRODUCTS		
Product	Units	Qty Used
ENGINEERING SERVICE	EACH	1.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/16/2011
Report No: 6

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	6:00	6.00	01MIRU	LOCMOV	RU	P	CONTINUE RIGGING UP TOP DRIVE & SERVICE LOOP SAFETY BREAK: ELECTRICAL LINES & HAZARDS
6:00	11:30	5.50	01MIRU	LOCMOV	RU	P	CONTINUE TO FINISH RUNNING SERVICE LOOPS IN DERRICK TO SCR HOUSE. START TOP DRIVE GEN AND POWER UP SYSTEM. BEGIN BREAKING DOWN SAVER SUB, MANUAL BOP, IBOP. PIONEER MECH ON LOCATION TO REPLACE IBOP IN TOP DRIVE. RIG UP 10" DUMP LINES ON PITS TO RESERVE AND TRASH PUMPS WITH 4" HOSES. SAFETY BREAK - BUFFER ZONES AND WERE THEY ARE
11:30	15:00	3.50	01MIRU	LOCMOV	RU	P	PIONEER MECH ON LOCATION CHANGING OUT IBOP. WELDER FINISH FABING SLIDES ON SHAKERS AND V-DOOR STOP. MECH WORKING ON RIG MOTOR ON FLOOR. SAFETY BREAK - HOT WORK PERMITS
15:00	18:00	3.00	01MIRU	LOCMOV	RU	P	BRING UP TOOLS TO FLOOR. RU 10" DUMP LINES ON STEEL PITS, TRASH PUMPS. PERFORM PRE SPUD RIG INSPECTION. CORRECTIVE ACTIONS NEEDED: HOUSE KEEPING, GERANAMO LINE, FRONT GATE, SIGN IN BOX, AND HYDROMATIC LEAKING. SAFETY BREAK - COOL WEATHER IS OVER, START DRINKING WATER
18:00	22:00	4.00	01MIRU	LOCMOV	RU	P	CONTINUE RIGGING UP PIONEER 14. WELD ON CONDUCTOR, CUT & INSTALL FLOW LINE AND ASSEMBLE. SIMOPS: CHANGE OUT PUMP LINERS SAFETY BREAK: HOT WORK
22:00	0:00	2.00	01MIRU	LOCMOV	RU	P	CONTINUE RIGGING UP FLOOR, & CHANGING OUT PUMP LINERS. INSTALL TURN BUCKLES ON CONDUCTOR. RIG UP TRASH PUMPS. FILL STEEL TANKS & BUILD SPUD MUD. ACCEPT RIG AT 23:00

Total Time 24.00

Safety Incident?	N	Days since Last RI:	45.00
Environ Incident?	N	Days since Last LTA:	45.00
Incident Comments:			
No incidents reported last 24 hours.			

Weather Comments:

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/16/2011
Report No: 6

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

SAFETY TOPIC OF THE DAY: AIR HOIST SAFETY

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS. : NONE

NEXT RIG MOVE DATE: XXXXX

DAYS SINCE LAST LTI: 44
DAYS SINCE LAST RECORDABLE: 44
TOTAL JSA REVIEWED: 10
TOTAL STOP CARDS: 1
TOTAL LO/TO: 0
TOTAL SAFETY MEETINGS: 10
NEAR MISSES: 0
HOT WORK PERMIT: 1
CONFINED SPACE PERMIT: 1

BEST STOP CARD: OBSERVED 3RD PARTY WALKING AROUND RIG LOCATION OUTSIDE BUFFER ZONE WITHOUT HARD HAT ON. STOPPED HAND AND EXPLAINED BUFFER ZONE POLICY. HAND RETRIEVED HAT AND CONTINUED WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/17/2011
Report No: 7

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	0.75
Today's MD:	372 ft	Progress:	252 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$38,755
Prev MD:	120 ft	Rot Hrs Today:	3.50 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$400,432
PBMD:		Avg ROP Today:	72.0 ft/hr	AFE Number:	NEEDS UPDATED	AFE Cost:	\$2,421,387

Current Formation:	@	Lithology:	
Current Ops:	INSTALLING WELLHEAD & N/U STACK		
24-Hr Summary:	STRAP 17.5" BHA, PU BIT AND SPUD WELL AT 10:00HRS. DRILL 17.5" HOLE FROM 120' TO 372', CIRC SWEEP OUT OF THE HOLE. TOH, RL		
24-Hr Forecast:	CONTINUE N/U STACK, TEST BOPE, & PICK UP 12.25" BHA		

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	26.000in @ 120ft	Str Wt Up/Dn:	56.0/ 43.0 kip	Pump Rate:	700.1	Conn:	0	0	
Next Casing:	13.375in @ 350ft	Str Wt Rot:	53.0 kip	Pump Press:	1700	Trip:	0	0	
Last BOP Press Test:	08/23/2011	Torq Off Btm:				Backgr:	0	0	
Form Test/EMW:		Torq On Btm:							

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	JARON SIMON	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2:	DEAN NELSON / CLIFFORD MARS	369.0	0.50	0.00	369.00	1.6	0.0	1.6	0.14	0.14
Engineer:	DOUGLAS MUIR	0.0	0.00	0.00	0.00	0.0	0.0	0.0	0.00	0.00
Geologist:										
Oxy Personnel:	2									
Contractor Personnel:	12									
Total on Site:	14									

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
1	17.500	SMITH	XR+	PS-2014	NA	3x15	120	372	0-1-WT-A	E-I-WT-TD

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
1	3.50	3.50	252	252	72.0	72.0	10.0/25.0	60/100	0.518	1448	433.8	2.5

MUD DATA - M-I SWACO				LAST OR CURRENT BHA					
Engineer:	Shane Pitts	MBT:		BHA No:	1	Bit No:	1	MD In:	120 ft
Sample From:	IN	pH:	9.0	Purpose:	17.5" SURFACE HOLE				
Mud Type:	WBM DRILL-IN FLUIDS	Pm / Pom:		MD Out:	372 ft				
Time / MD:	0:01 / 372.0	Pf / Mf:	0.1 / 0.2	Component		OD	ID	Jts	Length
Density @ Temp:	8.40 / 121	Chlorides:	3,500	DRILL COLLAR	6.500	2.750	3	92.64	
Rheology Temp:	120	Ca+ / K+:	/	CROSSOVER	6.375	3.500	1	2.32	
Viscosity:	29.00	CaCl2:		DRILL COLLAR	8.000	3.000	6	176.31	
PV / YP:	1 / 3	Clom:		SHOCK SUB	8.000	7.875	1	12.47	
Gels 10s/10m/30m:	2 / 2 / 2	Lime:		BIT SUB	8.000	3.000	1	3.44	
API WL:	0.00	ES:		TRI-CONE BIT	17.500		1	1.43	
HTHP WL:	0.00	ECD:	8.40						
Cake API / HTHP:	.0 / .0	n / K:	0.00 / 0.000						
Solids / Sol Corr:	/	Carbonate:							
Oil / Water:	0.0 / 99.0	Bicarbonate:							
Sand:	0.00	Form Loss:	/ 0.0						
Water Added:		Fluid Disch:	/						
Oil Added:									
LGS:	0.30 / 2.40								
VG Meter:	1@3 / 1@6 / 2@100 / 3@200 / 4@300 / 5@600			Total Length:	288.61 ft		Wt below Jars:		
Comments:	Drill surface hole TD @ 372". POOH to run csg. Rig up csg crew. Running csg								

MUD PRODUCTS		
Product	Units	Qty Used
ENGINEERING SERVICE	EACH	1.00
FEDERAL BENTONITE	BG,100 LB	33.00
M-I BAR	100 LBS/SK	3.00
PECAN NUT PLUG MEDIUM	BG,50 LB	10.00
POLY-PLUS	CAN,5 GA	2.00
SOAP STICK	EACH	20.00
SODA ASH	BG,50 LB	4.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/17/2011
Report No: 7

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	4:00	4.00	01MIRU	LOCMOV	RU	P	MOVE SPUD BHA TO CATWALK. STRAP & CALIPER 17.5" BHA. R/U DRILLING BELLS AND ELEVATORS, MOVE ALL NEEDED EQUIPMENT TO FLOOR TO SPUD. INSTALL GUARD GATE TO LOCATION SAFETY BREAK: PICKING UP BHA
4:00	6:00	2.00	01MIRU	TRIP	BHA	P	INSTALL MOUSE HOLE P/U & MAKE UP 17.5" SURFACE BHA PICKED UP BHA AS FOLLOWS: 1- 17.5" SMITH TRI CONE 1- BIT SUB 1- SHOCK SUB 6- 8" DC'S 1- XO SUB 3- 6.5" DC'S
6:00	8:30	2.50	01MIRU	OTHR	OTHER	PT	PRESSURE UP ON KELLY HOSE AND FIND TRANSDUCER NOT READING CORRECTLY, BREAK OFF AND CLEAN TRANSDUCER, STILL NOT READING CORRECTLY, CALL OUT TOTCO. MAKE UP BIT AND FIND HPU NOT WORKING PROPERLY, DRILLER IS HAVING TO HOLD DOWN HPU SWITCH TO OPERATE ST-80. ST-80 LINK ARM FROM CONTROL LEVERS BROKEN. FIX SAME.
8:30	10:00	1.50	01MIRU	TRIP	DRILL	P	CONTINUE TO TROUBLE SHOOT ST-80 PROBLEMS/HPU. COLLAR SAFETY CLAMP MISSING PROPER KEEPERS. FIX SAME. TAG UP AND DRILL 10' DOWN ON KELLY. PU BACK INTO CONDUCTOR AND REPLACE LINK ARM ON ST-80
10:00	11:00	1.00	01MIRU	OTHR	OTHER	PT	REPLACE LEVER, CABLE, AND LINK ARM ON ST-80. TOP CLAMP WILL NOT BREAK OUT PROPERLY. MARKED CODE 8 IADC.
11:00	14:30	3.50	14SUDR	DRILL	ROTVR	P	TAG BOTTOM @ 120FT & DRILL 17.5" SURFACE HOLE FROM 120' FT TO 372' AT 72 FPH AVG. WOB = 25-30K RPM = 100 SPM = 223 GPM = 700 PUMP PRESSURE = 1700 PSI
14:30	15:30	1.00	14SUDR	CIRC	CNDHOL	P	PUMP 60 BBL HIGH VIS SWEEP AND CIRC OUT OF HOLE. SAFETY BREAK - BUFFER ZONES, WHERE THEY ARE WHILE TRIPPING PIPE.
15:30	17:00	1.50	14SUDR	TRIP	DRILL	P	TOH FROM 372' TO 0'. STANDING BACK BACK COLLARS. BREAK SHOCK SUB, BIT SUB, BIT
17:00	17:30	0.50	14SURC	SAFE	PJSM	P	HELD PJSM WITH CREW COMING ON TOUR. HELD PJSM WITH RIG CREW & B&L CASING ON CASING JOB.
17:30	20:00	2.50	14SURC	CSG	RIGUP	P	RIG UP B & L CASING CREW & BUCKET TRUCK
20:00	22:00	2.00	14SURC	CSG	RUNCSG	P	PU UP FIRST JOINT AND MAKE UP SHOE AND FLOAT. THREAD LOC BOTH. PUMP THROUGH FLOATS AND CHECK (OK). RIH WITH 13-3/8" 48# J-55 STC CASING AS FOLLOWS: 13-3/8" TEXAS PATTERN SHOE 372.00' TO 371.45' 1 JT 13-3/8" CASING 371.45' TO 329.80' WEATHERFORD FLOAT COLLAR 329.80' TO 328.70' 8 JTS 13-3/8" CASING 328.70' TO -6.19' NOTE: AFTER MAKING UP SHOE TRACK AND TIME TO TEST FLOAT EQUIPMENT B & L DID NOT HAVE FILL UP EQUIPMENT ON FLOOR RIGGED UP AND READY FOR FILLING. 30MINS TO RIG UP FILL UP LINE AND BEGIN TO FILL. INSTALLED SWEDGE & WASHED LAST JOINT TO BOTTOM

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/17/2011
 Report No: 7

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
22:00	23:00	1.00	14SURC	CSG	RIGUP	P	CIRCULATE CASING WHILE RIGGING DOWN CASING EQUIPMENT & BUCKET TRUCK. HALLIBURTON & CAMERON ON LOCATION @ 22:00.
23:00	0:00	1.00	14SURC	CMT	RIGUP	P	RIG UP HALLIBURTON & PREP FOR CEMENT JOB. MONAHANS AND WALSH WELDING ON LOCATION @ 23:00 HOLD PJSM WITH PIONEER CREW AND HALLIBURTON
Total Time		24.00					

Safety Incident? N Days since Last RI: 46.00 Weather Comments:

Environ Incident? N Days since Last LTA: 46.00

Incident Comments:

No incidents reported last 24 hours.

Other Remarks:

FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
 X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2

SAFETY TOPIC OF THE DAY: TRIPPING PIPE

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS. : NONE

NEXT RIG MOVE DATE: XXXXX

DAYS SINCE LAST LTI: 45
 DAYS SINCE LAST RECORDABLE: 45
 TOTAL JSA REVIEWED: 12
 TOTAL STOP CARDS: 1
 TOTAL LO/TO: 0
 TOTAL SAFETY MEETINGS: 12
 NEAR MISSES: 0
 HOT WORK PERMIT: 0
 CONFINED SPACE PERMIT: 0

BEST STOP CARD: OBSERVED TWO 3RD PARTY HANDS WEARING COVERALLS UNZIPPED. INFORMED HANDS OF THE "NO LOOSE CLOTHING" POLICY, HAD THEM ZIP UP COVERALLS. JOB CONTINUED WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/18/2011
Report No: 8

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	1:00	1.00	14SURC	CMT	PRIM	P	RIG UP CEMENT EQUIPMENT AND PUMP SURFAC PRIMARY JOB AS FOLLOWS: TEST LINES TO 250 LOW, 2500 HIGH FOR 5 MINUTES PUMP 20 BBLs FRESH WATER SPACER 400 SACKS/ 96 BBLs PREIUM PLUS (14.8 PPG, 1.35 YIELD, 6.35 MIX H2O) LEAD, AT 6 BPM WITH 154 PSI DROP TOP PLUG, WASHED UP ON TOP OF PLUG. DISPLACED CEMENT WITH, 52.5 BBLs FRESH WATER AT 3 BPM WITH 143 PSI FINAL DISPLACEMENT PRESSURE. BUMPED PLUG WITH 500 PSI OVER TP 948 PSI. HELD PRESSURE 5 MINUTES. BLEED OFF 1 BBL, FLOAT EQUIPMENT HOLDING. FULL RETURNS THRU OUT CEMENT JOB CIRCULATE 22 BBL (94 SX) CEMENT TO SURFACE. PLUG DOWN AT 01:00 HRS, ON 09/18/2011.
1:00	2:00	1.00	14SURC	CMT	RIGUP	P	FLUSH OUT CONDUCTOR RISER AND FLUSH OUT CEMENT FROM ALL SURFACE EQUIPMENT. RD CEMENTING HEAD AND HALLIBURTON IRON.
2:00	5:00	3.00	14SURC	WLHD	RWH	P	SAFETY MEETING WITH WELDER, CAMERON, REMOVE FLOWLINE AND TURNBUCKLES, ROUGH CUT CONDUCTOR AND 13.375" SURFACE CASING, FINAL CUT CASING, INSTALL 13.625" 5K CAMERON UNIHEAD WELLHEAD, AND TEST WELD TO 540 PSI WITH NITROGEN - GOOD TEST SAFETY BRAKE- LIGHTNING SAFETY, FIRE WATCH
5:00	5:30	0.50	14SURC	SAFE	PJSM	P	PRE-JOB SAFETY MEETING WITH MONAHANS NIPPLE UP CREW, POLE TRUCK OPERATORS, AND PIONEER HANDS.
5:30	10:30	5.00	14SURC	BOP	RUBOP	P	INSTALL CROSS OVER SPOOL 13-5/8" x 5M TO 13-5/8" 10M; MOVE IN AND NIPPLE UP 13-5/8" 5M RAMS & HYDRILL. INSTALL 31" 13-5/8" SPOOL & 24" 13-5/8" SPOOL & ROTATING HEAD. RU EXPRO POWER CHOKE AND PANEL. MAKE MODIFICATONS TO FLARE LINE AND FINISH RU. SAFETY BREAK - BUFFER ZONE AROUND BOP'S WHILE SETTING IN PLACE.
10:30	11:30	1.00	14SURC	BOP	RUBOP	P	CONTINUE NU UP. MAKE UP CHOKE LINE AND TORQUE ALL BOLTS.
11:30	12:00	0.50	14SURC	BOP	RUBOP	P	NOTE: WHILE INSTALLING BOLTS ON ROTATING HEAD HAND DROPPED NUT DOWN INTO BOP'S. BOTH THE PIPE RAMS AND BLINDS WHERE CLOSED. AFTER INSPECTION BOLT IS SITTING ON TOP OF PIPE RAMS. HAND THAT DROPPED NUT WAS HONEST AND TOLD DRILLER WHEN HAPPENED.
12:00	13:00	1.00	14SURC	BOP	RUBOP	PT	OPEN DOORS ON PIPE RAMS TO RETRIEVE NUT FROM TOP OF RAMS.
13:00	14:00	1.00	14SURC	BOP	RUBOP	P	INSTALL KOMEY LINES AND POWER UP UNIT. FUNCTION TEST BOP'S. INSTALL DRILLING BELLS AND ELEVATORS.
14:00	14:30	0.50	14SURC	BOP	TSTBOP	P	PJSM WITH TESTER AND RIG CREW, DISCUSS BUFFER ZONES AROUND TEST LINES AND HIGH PRESSURE LINES. PU TEST PLUG INSTALL
14:30	15:30	1.00	14SURC	BOP	TSTBOP	P	TEST #1 AGAINST BLINDS FIND LEAK ON CHOKE MANIFOLD BETWEEN POWER CHOKE AND MANUAL VALVE, BOLTS HANDY LOSE. BRACE HOLDING MANIFOLD TO SKID IN WAY, WELDER ON LOCATION CUT OUT SADDLE, TIGHTEN BOLT, RETEST GOOD.
15:30	19:30	4.00	14SURC	BOP	TSTBOP	P	CONTINUE TESTING BOP'S, 250 LOW 5000 HIGH ON RAMS AND VALVES. 250 LOW 3500 HIGH ON ANNULAR, STANDPIPE BACK TO MUD PUMPS. FIND CHECK VALVE ON KILL LINE LEAKING, OPEN AND CLEAN OUT GUTS, REPLACE GOOD TEST. PJSM WITH PIONEER CREW: DISCUSSED FORWARD GAME PLANS AND PRESSURE TESTING.
19:30	21:00	1.50	14SURC	BOP	TSTBOP	P	TEST TOP DRIVE BACK TO MUD PUMPS 3500 PSI. TESTMUD LINES, STAND PIPE, TOP DRIVE MANUAL VALVE, DART VALVE. GOOD TESTS.
21:00	0:00	3.00	14SURC	BOP	TSTBOP	P	P/U BELLS & ELEVATORS. INSTALL WEAR BUSHING. INSTALL TURN BUCKLES ON STACK. INSTALL MOUSE HOLE. PREP FOR PICKING UP BHA.
Total Time		24.00					

Safety Incident?	N	Days since Last RI:	47.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	47.00	
Incident Comments: No incidents reported last 24 hours.				

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/18/2011
Report No: 8

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

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NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2

SAFETY TOPIC OF THE DAY: TRIPPING PIPE

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS. : NONE

NEXT RIG MOVE DATE: XXXXX

DAYS SINCE LAST LTI: 46
DAYS SINCE LAST RECORDABLE: 46
TOTAL JSA REVIEWED: 10
TOTAL STOP CARDS: 1
TOTAL LO/TO: 0
TOTAL SAFETY MEETINGS:12
NEAR MISSES: 0
HOT WORK PERMIT: 1
CONFINED SPACE PERMIT: 1

BEST STOP CARD: NOTICED THIRD PARTY HAND DIDNT HAVE SAFETY GLASSED. STOPPED HIM AND TOLD HIM SAFETY GLASSES ARE REQUIRED. SAID HE DIDNT HAVE ANY. DSM PROVIDED HIM WITH PPE. JOB CONTINUED WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/19/2011
Report No: 9

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	2:00	2.00	21INDR	TRIP	BHA	P	<p>FUNCTION TEST BOP'S & INSTALL TRIP NIPPLE.</p> <p>PICK UP 12.25" INTERMEDIATE BHA AS FOLLOWS:</p> <p>12.25" MI616 WITH 6 x 15's 9.625" WEATHERFORD MOTOR 1- STABILIZER 1/8" UNDER GAUGE 8" SHOCK SUB UBHO 1 - 8" MONEL DRILL COLLAR 1 - STABILIZER 1/8" UNDER GAUGE CROSS OVER 6 - 8" DRILL COLLARS CROSS OVER 3 - 6.5" DRILL COLLARS 6 - 4.5" HWDP 1 - JAR 11 - 4.5" HWDP 1 - 6.75" CROSSOVER DRILL PIPE</p>
2:00	4:00	2.00	21INDR	WAIT	WOEQ	PT	<p>WEATHERFORD UBHO SUB WILL NOT MAKE UP TO SHOCK SUB. WHEN ATTEMPTING TO MAKE UP 3/4" OF THREADS STILL SHOWING WITH 20K OF TORQUE. BACK OUT SUB AND FOUND THREADS TO BE OUT OF ROUND AND GAULDED.</p> <p>SOFT BREAK UPPER CONN OF UBHO SUB, LAY OUT MONEL COLLAR, MWD, AND UBHO SUB.</p> <p>WAIT ON WEATHERFORD TO BRING OUT NEW UBHO SUB.</p>
4:00	5:30	1.50	21INDR	WAIT	WOEQ	PT	<p>WEATHERFORD HAND ARRIVED ON LOCATION WITH UBHO SUB @04:00.</p> <p>TEST FIT SUB INTO SHOCK SUB. CONNECTION MADE UP AS DESIGNED WITH EASE. REMOVE AND REPLACE UBHO SUB & MULE SHOE SLEEVE ON BOTTOM OF MONEL MWD COLLAR.</p>
5:30	6:30	1.00	21INDR	TRIP	BHA	P	<p>CONTINUE PICK UP 12.25" INTERMEDIATE BHA AS FOLLOWS:</p> <p>12.25" MI616 WITH 6 x 15's 9.625" WEATHERFORD MOTOR 1- STABILIZER 1/8" UNDER GAUGE 8" SHOCK SUB UBHO 1 - 8" MONEL DRILL COLLAR 1 - STABILIZER 1/8" UNDER GAUGE CROSS OVER 6 - 8" DRILL COLLARS 3 - 6.5" DRILL COLLARS 6 - 4.5" HWDP 1 - JAR 11 - 4.5" HWDP DRILL PIPE</p>
6:30	7:00	0.50	21INDR	TRIP	DRILL	P	<p>TIH TO 274' TAG CEMENT, LAYOUT 1 COLLAR AND STAND PU 1 JNT DRILL PIPE. SCREW INTO TOP DRIVE AND ATTEMPT TO SHALLOW TEST MWD. W</p>
7:00	9:30	2.50	21INDR	OTHR	OTHER	PT	<p>NO PRESSURE READING ON MWD COMPUTER, TROUBLE SHOOT TRANSDUCER, CHANGE OUT TRANSDUCER AND CABLE. WFT MWD TECH ON LOCATION, WFT SUGGEST TO DRILL 500 FT AND ATTEMPT SURVEY THERE. CALL FDS AND DISCUSS.</p>
9:30	10:00	0.50	21INDR	DRLOUT	DOCMT	P	<p>PERFORM CHOKE DRILL WITH PUSHER, DRILLER, DSM ON RIG FLOOR. FIND 10" HAMMER UNION ON GAS BUSTER LEAKING, TIGHTEN SAME.</p>
10:00	10:30	0.50	21INDR	DRLOUT	DOCMT	P	<p>TEST CASING TO 1215 PSI FOR 30 MIN. GOOD TEST.</p>

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/19/2011
Report No: 9

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
10:30	15:00	4.50	21INDR	DRILL	MTRVER	P	DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 274FT TO 607FT USING 700 GPM, 1175 PSI OFF BTM, 1300 PSI ON BOTTOM. 40 RPM SURFACE + 112 MTR RPM = 152 BIT RPMS 20-25K WOB 2K TORQUE OFF BOTTOM, 4K TORQUE ON BOTTOM AVG ROP 74 FPH CIRCULATING 10.0 PPG BRINE FROM INNER RESERVE PIT PUMPING HIGH VIS SWEEPS (50/60 VIS WITH SALT GEL) EVERY 100' OR AS NEEDED PUMP 2 SOAP STICK EVERY 100' ADDING POLY PLUS EACH CONN. NOTE: INSTALL ROTATING HEAD ON FIRST JOINT OF HWDP ONCE DRILLED DOWN. NOTE: SECOND WFT TECH ON LOCATION AT 11:30HRS, TOOL TOOK GOOD SURVEY AT 280FT, 0.75 INC, 33 AZM. TECH INFORMED DSM THAT HE THOUGHT PUMPS WHERE PRODUCING NOISE AND SHOWED DRILLER HOW TO FORCE COMPUTER TO DECODE 3 PULSE. SAFETY BREAK - BUFFER ZONES	
15:00	18:00	3.00	21INDR	DRILL	MTRVER	P	DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 607 FT TO 871 FT USING 700 GPM, 1400 PSI OFF BTM, 1600 PSI ON BOTTOM. 80 RPM SURFACE + 112 MTR RPM = 192 BIT RPMS 20-25K WOB 2K TORQUE OFF BOTTOM, 6K TORQUE ON BOTTOM AVG ROP 88 FPH CIRCULATING 10.0 PPG BRINE FROM INNER RESERVE PIT PUMPING HIGH VIS SWEEPS (50/60 VIS WITH SALT GEL) EVERY 100' OR AS NEEDED PUMP 2 SOAP STICK EVERY 100' ADDING POLY PLUS EACH CONN. SAFETY BREAK - LAST FEW HOURS OF HITCH, STAY FOCUSED.	
18:00	22:00	4.00	21INDR	DRILL	MTRVER	P	DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 871 FT TO 1160 FT USING 700 GPM, 1600 PSI OFF BTM, 1800 PSI ON BOTTOM. 80 RPM SURFACE + 112 MTR RPM = 192 BIT RPMS 20-25K WOB 2K TORQUE OFF BOTTOM, 6K TORQUE ON BOTTOM AVG ROP 72 FPH CIRCULATING 10.0 PPG BRINE FROM INNER RESERVE PIT PUMPING HIGH VIS SWEEPS (50/60 VIS WITH SALT GEL) EVERY 100' OR AS NEEDED PUMP 2 SOAP STICK EVERY 100' ADDING POLY PLUS EACH CONN. SAFETY BREAK - NEW HANDS ON RIG. WATCH OUT FOR THEM AND TRAIN THEM	
22:00	0:00	2.00	21INDR	DRILL	MTRVER	P	DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 1160 FT TO 1420 FT USING 700 GPM, 1700 PSI OFF BTM, 1900 PSI ON BOTTOM. 80 RPM SURFACE + 112 MTR RPM = 192 BIT RPMS 20-25K WOB 3K TORQUE OFF BOTTOM, 7K TORQUE ON BOTTOM AVG ROP 130 FPH CIRCULATING 10.0 PPG BRINE FROM INNER RESERVE PIT PUMPING HIGH VIS SWEEPS (50/60 VIS WITH SALT GEL) EVERY 100' OR AS NEEDED PUMP 2 SOAP STICK EVERY 100' ADDING POLY PLUS EACH CONN.	
Total Time		24.00						

Safety Incident? N **Days since Last RI:** 48.00

Environ Incident? N **Days since Last LTA:** 48.00

Incident Comments:

No incidents reported last 24 hours.

Weather Comments:

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/19/2011
Report No: 9

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2

SAFETY TOPIC OF THE DAY: LAST DAY OF HITCH

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS. : NONE

NEXT RIG MOVE DATE: 10/08/11

DAYS SINCE LAST LTI: 47
DAYS SINCE LAST RECORDABLE: 47
TOTAL JSA REVIEWED:10
TOTAL STOP CARDS: 2
TOTAL LO/TO: 0
TOTAL SAFETY MEETINGS:10
NEAR MISSES: 0
HOT WORK PERMIT: 0
CONFINED SPACE PERMIT:0

BEST STOP CARD: OBSERVED PRESSURE SENSOR ON CHOKE PANEL NOT READING CORRECTLY. INSPECT AND FIND TRANSDUCER NOT PLUGGED IN ON CASING PRESSURE SIDE. FIX SAME.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/20/2011
Report No: 10

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	3.75
Today's MD:	3092 ft	Progress:	1672 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$57,000
Prev MD:	1420 ft	Rot Hrs Today:	23.50 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$557,517
PBMD:		Avg ROP Today:	71.1 ft/hr	AFE Number:	NEEDS UPDATED	AFE Cost:	\$2,421,387

Current Formation:	@	Lithology:	
Current Ops:	DRILLING 12.25" INTERMEDIATE HOLE		
24-Hr Summary:	DRILL 12.25" INTERMEDIATE HOLE FROM 1,420' TO 3092' AVG ROP=71.1FT/HR.		
24-Hr Forecast:	COMPLETE 12.25" INTERMEDIATE SECTION, RUN CASING, AND CEMENT.		

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	13.375in @ 372ft	Str Wt Up/Dn:	135.0/ 115.0 kip	Pump Rate:	753.5	Conn:	0	0	0
Next Casing:	9.625in @ 3,850ft	Str Wt Rot:	125.0 kip	Pump Press:	2200	Trip:	0	0	0
Last BOP Press Test:	09/18/2011	Torq Off Btm:				Backgr:	0	0	0
Form Test/EMW:		Torq On Btm:							

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	JARON SIMON	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2:	DEAN NELSON	3,037.0	2.00	214.00	3,036.22	-54.2	-18.9	-54.2	0.36	0.27
Engineer:	RON ROVENKO	2,943.0	1.75	207.00	2,942.27	-51.6	-17.3	-51.6	0.13	0.00
Geologist:		2,754.0	1.75	199.00	2,753.36	-46.3	-15.1	-46.3	0.14	0.13
Oxy Personnel:	2	2,565.0	1.50	197.00	2,564.43	-41.2	-13.4	-41.2	0.08	0.00
Contractor Personnel:	12	2,185.0	1.50	209.00	2,184.56	-32.1	-9.5	-32.1	0.22	0.00
Total on Site:	14	2,091.0	1.50	217.00	2,090.60	-30.0	-8.2	-30.0	0.03	0.00

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
1	12.250	SMITH	MI616	JE8193	M223	6x15	372		--	--

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
1	23.50	37.00	1672	2720	71.1	73.5	10.0/25.0	90/100	1.035	501	235.5	1.9

MUD DATA - M-I SWACO				LAST OR CURRENT BHA					
Engineer:	Barry Maillet	MBT:	0.0 lbm/bbl	BHA No:	2	Bit No:	1	MD In:	372 ft
Sample From:	In	pH:	8.0	Purpose:	DRILL 12 1/4" INTERMEDIATE HOLE				
Mud Type:	Brine Water	Pm / Pom:	0.00					MD Out:	
Time / MD:	18:00 / 2,963.0	Pf / Mf:	0.1 / 0.2	Component		OD	ID	Jts	Length
Density @ Temp:	10.00 / 95	Chlorides:	165,000	PDC BIT	12.250	2.750	1	1.50	
Rheology Temp:	120	Ca+ / K+:	1,900 / 0	POSITIVE DISPLACEMENT MOTOR	8.125	2.620	1	33.83	
Viscosity:	26.00	CaCl2:	0.00	INTEGRAL BLADE STABILIZER	8.000	2.750	1	7.37	
PV / YP:	1 / 1	Clom:	0.00	SHOCK SUB	8.125	3.000	1	12.47	
Gels 10s/10m/30m:	2 / 2 / 2	Lime:	0.00	UBHO SUB	8.000	2.250	1	2.40	
API WL:	60.00	ES:	0.00	NON-MAG DRILL COLLAR	8.000	3.000	1	29.37	
HTHP WL:	0.00	ECD:	10.02	INTEGRAL BLADE STABILIZER	8.375	2.625	1	5.67	
Cake API / HTHP:	1.0 / .0	n / K:	0.59 / 0.056	DRILL COLLAR	8.000	3.000	6	176.24	
Solids / Sol Corr:	9.40 / 2.60	Carbonate:	2 ppm	CROSSOVER	6.375	3.000	1	2.33	
Oil / Water:	0.0 / 98.0	Bicarbonate:	2 ppm	DRILL COLLAR	6.500	2.750	3	92.64	
Sand:	0.10	Form Loss:	0.0 / 0.0	HWDP	6.562	2.750	7	212.36	
Water Added:	0.0 bbl	Fluid Disch:	/	DRILLING JAR	6.625	2.750	1	32.41	
Oil Added:				HWDP	6.562	2.750	10	306.13	
LGS:	2.60 / 23.50								
VG Meter:	1@3 / 1@6 / 1@100 / 1@200 / 2@300 / 3@600								
Comments:	Drilled from 1037"MD to 2963"MD. Sweeping hole every connection; drlg. ahead @ rpt. time.			Total Length:	914.72 ft	Wt below Jars:	75.0 kip		

MUD PRODUCTS		
Product	Units	Qty Used
ENGINEERING SERVICE	EACH	1.00
MF-55	CAN,5 GA	10.00
POLY-PLUS	CAN,5 GA	1.00
SALT GEL	BG,50 LB	34.00
SODA ASH	BG,50 LB	10.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/20/2011
 Report No: 10

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	4:00	4.00	21INDR	DRILL	MTRVER	P	DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 1420 FT TO 1650 FT USING 700 GPM, 1700 PSI OFF BTM, 1900 PSI ON BOTTOM. 80 RPM SURFACE + 112 MTR RPM = 192 BIT RPMS 20-25K WOB 3K TORQUE OFF BOTTOM, 7K TORQUE ON BOTTOM AVG ROP 58 FPH CIRCULATING 10.0 PPG BRINE FROM INNER RESERVE PIT PUMPING HIGH VIS SWEEPS (50/60 VIS WITH SALT GEL) EVERY 100' OR AS NEEDED PUMP 2 SOAP STICK EVERY 100' ADDING POLY PLUS EACH CONN. SAFETY BREAK: RIG FLOOR HOUSE KEEPING & TRIP HAZARDS
4:00	6:00	2.00	21INDR	DRILL	MTRVER	P	DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 1650 FT TO 1830 FT USING 700 GPM, 1700 PSI OFF BTM, 1900 PSI ON BOTTOM. 90 RPM SURFACE + 112 MTR RPM = 202 BIT RPMS 20-25K WOB 4K TORQUE OFF BOTTOM, 8K TORQUE ON BOTTOM AVG ROP 90 FPH MWI & MWO = 9.9PPG CIRCULATING 10.0 PPG BRINE FROM INNER RESERVE PIT PUMPING HIGH VIS SWEEPS (50/60 VIS WITH SALT GEL) EVERY 100' OR AS NEEDED PUMP 2 SOAP STICK EVERY 100' ADDING POLY PLUS EACH CONN.
6:00	10:00	4.00	21INDR	DRILL	MTRVER	P	DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 1830 FT TO 2196 FT USING 750 GPM, 1880 PSI OFF BTM, 2040 PSI ON BOTTOM. 90 RPM SURFACE + 120 MTR RPM = 210 BIT RPMS 20-25K WOB 4K TORQUE OFF BOTTOM, 8K TORQUE ON BOTTOM AVG ROP 92 FPH MUD WT IN 10PPG CIRCULATING 10.0 PPG BRINE FROM INNER RESERVE PIT PUMPING HIGH VIS SWEEPS (50/60 VIS WITH SALT GEL) EVERY 100' OR AS NEEDED PUMP 2 SOAP STICK EVERY 100' ADDING POLY PLUS EACH CONN, ADDED MF-55 AT FLOW LINE TO DROP SOLIDS. NOTE: CALLED CALL CENTER FOR BRINE WATER @ 20:00. NO TRUCKS AVAILABLE. SAFETY BREAK - BUFFER ZONES
10:00	14:00	4.00	21INDR	DRILL	MTRVER	P	DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 2196 FT TO 2618 FT USING 750 GPM, 2010 PSI OFF BTM, 2180 PSI ON BOTTOM. 90 RPM SURFACE + 120 MTR RPM = 210 BIT RPMS 20-25K WOB 1K TORQUE OFF BOTTOM, 5K TORQUE ON BOTTOM AVG ROP 105.5 FPH MUD WT IN 10PPG CIRCULATING 10.0 PPG BRINE FROM INNER RESERVE PIT PUMPING HIGH VIS SWEEPS (50/60 VIS WITH SALT GEL) EVERY 100' OR AS NEEDED PUMP 2 SOAP STICK EVERY 100' ADDING POLY PLUS EACH CONN, ADDED MF-55 AT FLOW LINE TO DROP SOLIDS. SAFETY BREAK - FIRST DAY BACK

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/20/2011
Report No: 10

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
14:00	16:00	2.00	21INDR	DRILL	MTRVER	P	DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 2618 FT TO 2713 FT USING 750 GPM, 2100 PSI OFF BTM, 2250 PSI ON BOTTOM. 90 RPM SURFACE + 120 MTR RPM = 210 BIT RPMS 20-25K WOB 1K TORQUE OFF BOTTOM, 5.8K TORQUE ON BOTTOM AVG ROP 47.5 FPH MUD WT IN 10PPG CIRCULATING 10.0 PPG BRINE FROM INNER RESERVE PIT PUMPING HIGH VIS SWEEPS (50/60 VIS WITH SALT GEL) EVERY 100' OR AS NEEDED PUMP 2 SOAP STICK EVERY 100' ADDING POLY PLUS EACH CONN, ADDED MF-55 AT FLOW LINE TO DROP SOLIDS. NOTE: CONTROL DRILL 45 MINS WHILE WORKING ON MP #1. BAD GASKET REPLACE SAME. SAFETY BREAK - H2S AWARENESS
16:00	16:30	0.50	21INDR	RIGMT	SRVRIG	P	RIG SERVICE. LUBE TOP DRIVE.
16:30	20:30	4.00	21INDR	DRILL	MTRVER	P	DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 2713 FT TO 2905 FT USING 750 GPM, 2100 PSI OFF BTM, 2250 PSI ON BOTTOM. 90 RPM SURFACE + 120 MTR RPM = 210 BIT RPMS 20-25K WOB 1K TORQUE OFF BOTTOM, 5.8K TORQUE ON BOTTOM AVG ROP 50 FPH MUD WT IN 10PPG CIRCULATING 10.0 PPG BRINE FROM INNER RESERVE PIT PUMPING HIGH VIS SWEEPS (50/60 VIS WITH SALT GEL) EVERY 100' OR AS NEEDED PUMP 2 SOAP STICK EVERY 100' ADDING POLY PLUS EACH CONN, ADDED MF-55 AT FLOW LINE TO DROP SOLIDS. HOLD PJSM WITH CREW: DISCUSSED WELL CONTROL
20:30	0:00	3.50	21INDR	DRILL	MTRVER	P	DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 2713 FT TO 3092 FT USING 750 GPM, 2100 PSI OFF BTM, 2250 PSI ON BOTTOM. 100 RPM SURFACE + 120 MTR RPM = 220 BIT RPMS 20-25K WOB 2K TORQUE OFF BOTTOM, 5K TORQUE ON BOTTOM AVG ROP 108 FPH MUD WT IN 10.1 PPG CIRCULATING 10.0 PPG BRINE FROM INNER RESERVE PIT PUMPING HIGH VIS SWEEPS (50/60 VIS WITH SALT GEL) EVERY 100' OR AS NEEDED PUMP 2 SOAP STICK EVERY 100' ADDING POLY PLUS EACH CONN, ADDED MF-55 AT FLOW LINE TO DROP SOLIDS.

Total Time 24.00

Safety Incident? N **Days since Last RI:** 49.00
Environ Incident? N **Days since Last LTA:** 49.00

Weather Comments:

Incident Comments:

No incidents reported last 24 hours.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/20/2011
Report No: 10

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2

SAFETY TOPIC OF THE DAY: FIRST DAY BACK

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS. : NONE

NEXT RIG MOVE DATE: 10/08/11

DAYS SINCE LAST LTI: 48
DAYS SINCE LAST RECORDABLE: 48
TOTAL JSA REVIEWED: 8
TOTAL STOP CARDS: 1
TOTAL LO/TO: 0
TOTAL SAFETY MEETINGS:10
NEAR MISSES: 0
HOT WORK PERMIT: 0
CONFINED SPACE PERMIT:0

BEST STOP CARD: DERRICK HAND WASNT WEARING SAFETY GLASSES. INFORMED HIM HE NEEDED ALL PPE. HE THEN DONNED DARK GLASSES. INFORMED HIM HE NEEDS CLEAR GLASSES AT NIGHT. DERRICK HAND RETRIEVED CLEAR GLASSES AND CONTINUED WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/21/2011
Report No: 11

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	4.75
Today's MD:	3847 ft	Progress:	755 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$65,392
Prev MD:	3092 ft	Rot Hrs Today:	24.00 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$622,909
PBMD:		Avg ROP Today:	31.5 ft/hr	AFE Number:	NEEDS UPDATED	AFE Cost:	\$2,421,387

Current Formation:	QUEEN@3,600.0	Lithology:	DOLOMITE, ANHY, SALT AND SAND
Current Ops:	TRIPPING OUT OF HOLE AT 2,810' FOR 9 5/8" INTERMEDIATE CASING		
24-Hr Summary:	DRILL 12.25" INTERMEDIATE HOLE FROM 3,092' TO 3,847' AVG ROP= 31.5 FT/HR.		
24-Hr Forecast:	COMPLETE 12.25" INTERMEDIATE SECTION TO T.D. AT 3,853'. CIRCULATE AND TOH, PJSM, LAYING DOWN 8" DRILL COLLARS. RUN 9 5/8"		

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	13.375in @ 372ft	Str Wt Up/Dn:	140.0/ 130.0 kip	Pump Rate:	690.7	Conn:	0	0	
Next Casing:	9.625in @ 3,850ft	Str Wt Rot:	135.0 kip	Pump Press:	2550	Trip:	0	0	
Last BOP Press Test:	08/23/2011	Torg Off Btm:	1,500.0 ft-lbf			Backgr:	0	0	
Form Test/EMW:		Torg On Btm:	9,000.0 ft-lbf						

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	JARON SIMON/GILBERT ZAPATA	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2:	DEAN NELSON/MIKE BARRY	3,699.0	2.75	249.00	3,697.69	-72.9	-36.5	-72.9	0.45	0.13
Engineer:	RON ROVENKO	3,323.0	2.25	211.00	3,322.02	-63.3	-24.3	-63.3	0.04	0.00
Geologist:		3,226.0	2.25	212.00	3,225.10	-60.1	-22.3	-60.1	0.33	0.27
Oxy Personnel:	4	3,132.0	2.00	207.00	3,131.16	-57.1	-20.6	-57.1	0.26	0.00
Contractor Personnel:	12	3,037.0	2.00	214.00	3,036.22	-54.2	-18.9	-54.2	0.36	0.27
Total on Site:	16	2,943.0	1.75	207.00	2,942.27	-51.6	-17.3	-51.6	0.13	0.00

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
1	12.250	SMITH	MI616	JE8193	M223	6x15	372		--	--

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
1	24.00	61.00	755	3475	31.5	57.0	20.0/26.0	95/100	1.035	443	214.0	1.5

MUD DATA - M-I SWACO				LAST OR CURRENT BHA																																																																											
Engineer:	Barry Maillet	MBT:	0.0 lbm/bbl	BHA No:	2	Bit No:	1	MD In:	372 ft																																																																						
Sample From:	In	pH:	8.0	Purpose:	DRILL 12 1/4" INTERMEDIATE HOLE																																																																										
Mud Type:	Brine Water	Pm / Pom:	0.00					MD Out:																																																																							
Time / MD:	18:00 / 3,795.0	Pf / Mf:	0.2 / 0.2	<table border="1"> <thead> <tr> <th>Component</th> <th>OD</th> <th>ID</th> <th>Jts</th> <th>Length</th> </tr> </thead> <tbody> <tr><td>PDC BIT</td><td>12.250</td><td>2.750</td><td>1</td><td>1.50</td></tr> <tr><td>POSITIVE DISPLACEMENT MOTOR</td><td>8.125</td><td>2.620</td><td>1</td><td>33.83</td></tr> <tr><td>INTEGRAL BLADE STABILIZER</td><td>8.000</td><td>2.750</td><td>1</td><td>7.37</td></tr> <tr><td>SHOCK SUB</td><td>8.125</td><td>3.000</td><td>1</td><td>12.47</td></tr> <tr><td>UBHO SUB</td><td>8.000</td><td>2.250</td><td>1</td><td>2.40</td></tr> <tr><td>NON-MAG DRILL COLLAR</td><td>8.000</td><td>3.000</td><td>1</td><td>29.37</td></tr> <tr><td>INTEGRAL BLADE STABILIZER</td><td>8.375</td><td>2.625</td><td>1</td><td>5.67</td></tr> <tr><td>DRILL COLLAR</td><td>8.000</td><td>3.000</td><td>6</td><td>176.24</td></tr> <tr><td>CROSSOVER</td><td>6.375</td><td>3.000</td><td>1</td><td>2.33</td></tr> <tr><td>DRILL COLLAR</td><td>6.500</td><td>2.750</td><td>3</td><td>92.64</td></tr> <tr><td>HWDP</td><td>6.562</td><td>2.750</td><td>7</td><td>212.36</td></tr> <tr><td>DRILLING JAR</td><td>6.625</td><td>2.750</td><td>1</td><td>32.41</td></tr> <tr><td>HWDP</td><td>6.562</td><td>2.750</td><td>10</td><td>306.13</td></tr> </tbody> </table>						Component	OD	ID	Jts	Length	PDC BIT	12.250	2.750	1	1.50	POSITIVE DISPLACEMENT MOTOR	8.125	2.620	1	33.83	INTEGRAL BLADE STABILIZER	8.000	2.750	1	7.37	SHOCK SUB	8.125	3.000	1	12.47	UBHO SUB	8.000	2.250	1	2.40	NON-MAG DRILL COLLAR	8.000	3.000	1	29.37	INTEGRAL BLADE STABILIZER	8.375	2.625	1	5.67	DRILL COLLAR	8.000	3.000	6	176.24	CROSSOVER	6.375	3.000	1	2.33	DRILL COLLAR	6.500	2.750	3	92.64	HWDP	6.562	2.750	7	212.36	DRILLING JAR	6.625	2.750	1	32.41	HWDP	6.562	2.750	10	306.13
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Density @ Temp:	10.80 / 105	Chlorides:	155,000	Total Length: 914.72 ft Wt below Jars: 75.0 kip																																																																											
Rheology Temp:	120	Ca+ / K+:	1,900 / 0																																																																												
Viscosity:	35.00	CaCl2:	0.00																																																																												
PV / YP:	7 / 8	Clom:	0.00																																																																												
Gels 10s/10m/30m:	4 / 6 / 7	Lime:	0.00																																																																												
API WL:	8.50	ES:	0.00																																																																												
HTHP WL:	0.00	ECD:	10.87																																																																												
Cake API / HTHP:	1.0 / .0	n / K:	0.55 / 0.510																																																																												
Solids / Sol Corr:	8.70 / 3.30	Carbonate:	4 ppm																																																																												
Oil / Water:	0.0 / 97.0	Bicarbonate:	4 ppm																																																																												
Sand:	0.10	Form Loss:	0.0 / 0.0																																																																												
Water Added:	0.0 bbl	Fluid Disch:	/																																																																												
Oil Added:																																																																															
LGS:	3.30 / 29.70																																																																														
VG Meter:	4@3 / 5@6 / 8@100 / 10@200 / 15@300 / 22@600																																																																														
Comments:	Drilled from 2963"MD to 3834"MD. Returned to steel pits @ 3600"; slightly mudded up; lowered API to 8.5 cc"s w/starch.																																																																														

MUD PRODUCTS		
Product	Units	Qty Used
DEFOAM A	CAN,5 GA	15.00
ENGINEERING SERVICE	EACH	1.00
MF-55	CAN,5 GA	14.00
MY LO JEL	BG,50 LB	50.00
PECAN NUT PLUG MEDIUM	BG,50 LB	5.00
POLY-PLUS	CAN,5 GA	1.00
SALT GEL	BG,50 LB	87.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/21/2011
Report No: 11

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	4:00	4.00	21INDR	DRILL	MTRVER	P	<p>DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 3092 FT TO 3315 FT USING 750 GPM, 2100 PSI OFF BTM, 2250 PSI ON BOTTOM. 100 RPM SURFACE + 120 MTR RPM = 220 BIT RPMS 20-25K WOB 2K TORQUE OFF BOTTOM, 5K TORQUE ON BOTTOM AVG ROP 56 FPH</p> <p>MUD WT IN 10.2 PPG</p> <p>CIRCULATING 10.0 PPG BRINE FROM INNER RESERVE PIT PUMPING HIGH VIS SWEEPS (50/60 VIS WITH SALT GEL) EVERY 100' OR AS NEEDED PUMP 2 SOAP STICK EVERY 100' ADDING POLY PLUS EACH CONN, ADDED MF-55 AT FLOW LINE TO DROP SOLIDS.</p> <p>SAFETY BREAK: DISCUSSED SAFE DRILLING PRACTICES</p> <p>NOTE: OUT OF BRINE WATER. NO TRUCKS AVAILABLE AS PER CALL CENTER.</p>
4:00	6:00	2.00	21INDR	DRILL	MTRVER	P	<p>DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 3315 FT TO 3450 FT USING 750 GPM, 2100 PSI OFF BTM, 2250 PSI ON BOTTOM. 100 RPM SURFACE + 120 MTR RPM = 220 BIT RPMS 20-25K WOB 2K TORQUE OFF BOTTOM, 5K TORQUE ON BOTTOM AVG ROP 68FPH</p> <p>MUD WT IN 10.3 PPG</p> <p>CIRCULATING 10.0 PPG BRINE FROM INNER RESERVE PIT PUMPING HIGH VIS SWEEPS (50/60 VIS WITH SALT GEL) EVERY 100' OR AS NEEDED PUMP 2 SOAP STICK EVERY 100' ADDING POLY PLUS EACH CONN, ADDED MF-55 AT FLOW LINE TO DROP SOLIDS.</p>
6:00	9:00	3.00	21INDR	DRILL	MTRVER	P	<p>DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 3450 FT TO 3600 FT USING 750 GPM, 2100 PSI OFF BTM, 2250 PSI ON BOTTOM. 100 RPM SURFACE + 120 MTR RPM = 220 BIT RPMS 20-25K WOB 2K TORQUE OFF BOTTOM, 5K TORQUE ON BOTTOM AVG ROP 50 FPH</p> <p>MUD WT IN 10.6 PPG</p> <p>CIRCULATING 10.0 PPG BRINE FROM INNER RESERVE PIT PUMPING HIGH VIS SWEEPS (50/60 VIS WITH SALT GEL) EVERY 100' OR AS NEEDED PUMP 2 SOAP STICK EVERY 100' ADDING POLY PLUS EACH CONN, ADDED MF-55 AT FLOW LINE TO DROP SOLIDS.</p>
9:00	13:00	4.00	21INDR	DRILL	MTRVER	P	<p>DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 3,600 FT TO 3,735 FT USING 392 GPM, 1150 PSI OFF BTM, 1300 PSI ON BOTTOM. 100 RPM SURFACE + 63 MTR RPM = 163 BIT RPMS 20-25K WOB 2K TORQUE OFF BOTTOM, 5K TORQUE ON BOTTOM AVG ROP 34 FPH</p> <p>MUD CHECKS MUD WT IN/OUT 10.6 PPG MUD WT IN/OUT 10.7, VIS 34</p> <p>NOTE:AT 3600' BRING MUD BACK AND CIRCULATING IN STEEL PITS, MUDDING UP SLIGHTLY WITH STARCH BEFORE TD AS PER MUD PROGRAM.</p> <p>NOTE : CONTROL DRILLING WITH REDUCED GPMS. FOUND MP#2 CHAIN KNOCKING, INSPECT AND FIND CHAIN LOOSE CAUSING SLIP, TAKE OUT LINK(S) TO TIGHTEN.</p>

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/21/2011
Report No: 11

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
13:00	16:00	3.00	21INDR	DRILL	MTRVER	P	<p>DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 3,735 FT TO 3,767 FT USING 392 GPM, 1150 PSI OFF BTM, 1300 PSI ON BOTTOM. 95 RPM SURFACE + 63 MTR RPM = 158 BIT RPMS 25K WOB 2K TORQUE OFF BOTTOM, 5K TORQUE ON BOTTOM AVG ROP 11 FPH</p> <p>MUD CHECKS MUD WT IN/OUT 10.6 PPG MUD WT IN/OUT 10.7, VIS 34</p> <p>CIRCULATING IN STEEL PITS, MUDDERED UP WITH STARCH BEFORE TD AS PER MUD PROGRAM.</p> <p>NOTE : CONTINUE DRILLING WITH ONE MUD PUMP. CHANGING OUT VALVES, SEATS AND SPRINGS ON # 2 MUD PUMP.</p> <p>16:00 HOURS SAFETY BRAKE: DISCUSS LOCK OUT / TAG OUT WHEN SERVICING MUD PUMPS.</p>
16:00	18:00	2.00	21INDR	DRILL	MTRVER	P	<p>DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 3,767 FT TO 3,795 FT USING 690 GPM, 2500 PSI OFF BTM, 2550 PSI ON BOTTOM. 95 RPM SURFACE + 110 MTR RPM = 205 BIT RPMS 25K WOB 2K TORQUE OFF BOTTOM, 8K TORQUE ON BOTTOM AVG ROP 14 FPH</p> <p>MUD CHECKS MUD WT IN/OUT 10.9 PPG, WL 8 MUD WT IN/OUT 10.9, VIS 34, WL 8</p> <p>CIRCULATING IN STEEL PITS, MUDDERED UP WITH STARCH BEFORE TD AS PER MUD PROGRAM.</p> <p>18:00 HOURS CREW CHANGE</p>
18:00	22:00	4.00	21INDR	DRILL	MTRVER	P	<p>DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 3,795 FT TO 3,831 FT USING 690 GPM, 2500 PSI OFF BTM, 2550 PSI ON BOTTOM. 95 RPM SURFACE + 110 MTR RPM = 205 BIT RPMS 25K WOB 2K TORQUE OFF BOTTOM, 8.5K TORQUE ON BOTTOM AVG ROP 9 FPH</p> <p>MUD CHECKS MUD WT IN/OUT 10.7 PPG, VIS 30, WL 8 MUD WT IN/OUT 10.8 PPG, VIS 30, WL 8</p> <p>CIRCULATING IN STEEL PITS, MUDDERED UP WITH STARCH BEFORE TD AS PER MUD PROGRAM.</p>
22:00	22:30	0.50	21INDR	DRILL	MTRVER	P	<p>DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 3,831 FT TO 3,839 FT USING 690 GPM, 2400 PSI OFF BTM, 2490 PSI ON BOTTOM. 95 RPM SURFACE + 110 MTR RPM = 205 BIT RPMS 25K WOB 2K TORQUE OFF BOTTOM, 9K TORQUE ON BOTTOM AVG ROP 16 FPH</p> <p>MUD CHECKS MUD WT IN/OUT 10.8 PPG, VIS 30, WL 8</p> <p>CIRCULATING IN STEEL PITS, MUDDERED UP WITH STARCH BEFORE TD AS PER MUD PROGRAM.</p> <p>OBSERVED PUMP PRESSURE DECLINING OVER TIME.</p>

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/21/2011
Report No: 11

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
22:30	23:00	0.50	21INDR	DRILL	MTRVER	P	DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 3,839 FT TO 3,842 FT USING 349 GPM, 1200 PSI OFF BTM, 1250 PSI ON BOTTOM. 95 RPM SURFACE + 56 MTR RPM = 151 BIT RPMS 25K WOB 2K TORQUE OFF BOTTOM, 9.5K TORQUE ON BOTTOM AVG ROP 6 FPH MUD CHECKS MUD WT IN/OUT 10.8 PPG, VIS 30 CIRCULATING IN STEEL PITS, MUDDERED UP WITH STARCH BEFORE TD AS PER MUD PROGRAM. NOTE : CONTINUE DRILLING WITH ONE MUD PUMP. CHANGING OUT VALVE ON # 1 MUD PUMP / POD #1.
23:00	23:30	0.50	21INDR	DRILL	MTRVER	P	DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 3,842 FT TO 3,845 FT USING 690 GPM, 2500 PSI OFF BTM, 2600 PSI ON BOTTOM. 95 RPM SURFACE + 110 MTR RPM = 205 BIT RPMS 25K WOB 1.5K TORQUE OFF BOTTOM, 9K TORQUE ON BOTTOM AVG ROP 6 FPH MUD CHECKS MUD WT IN/OUT 10.8 PPG, VIS 30, WL 8 CIRCULATING IN STEEL PITS, MUDDERED UP WITH STARCH BEFORE TD AS PER MUD PROGRAM. OBSERVED PUMP PRESSURE DECLINING OVER TIME. 23:15 HOURS SAFETY BRAKE: DISCUSSED OXY'S STOP WORK AUTHORITY.
23:30	0:00	0.50	21INDR	DRILL	MTRVER	P	DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 3,845 FT TO 3,847 FT USING 349 GPM, 1050 PSI OFF BTM, 1100 PSI ON BOTTOM. 95 RPM SURFACE + 56 MTR RPM = 151 BIT RPMS 25K WOB 1.5K TORQUE OFF BOTTOM, 8.5K TORQUE ON BOTTOM AVG ROP 4 FPH MUD CHECKS MUD WT IN/OUT 10.8 PPG, VIS 30 CIRCULATING IN STEEL PITS, MUDDERED UP WITH STARCH BEFORE TD AS PER MUD PROGRAM. NOTE : CONTINUE DRILLING WITH ONE MUD PUMP. CHANGING OUT VALVE & SEAT ON # 1 MUD PUMP / POD #1.

Total Time 24.00

Safety Incident?	N	Days since Last RI:	50.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	50.00	
Incident Comments: No incidents reported last 24 hours.				

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/21/2011
Report No: 11

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2

SAFETY TOPIC OF THE DAY: OXY'S STOP WORK AUTHORITY

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS. : NONE

NEXT RIG MOVE DATE: 10/08/11

DAYS SINCE LAST LTI: 50
DAYS SINCE LAST RECORDABLE: 50
TOTAL JSA REVIEWED: 9
TOTAL STOP CARDS: 2
TOTAL LO/TO: 0
TOTAL SAFETY MEETINGS: 6
NEAR MISSES: 0
HOT WORK PERMIT: 0
CONFINED SPACE PERMIT:0

BEST STOP CARD: OBSERVED EMPLOYEES LEAVING TOOLS LAYING AROUND MUD PUMP AREA. STOPPED THE JOB AND CORRECTED THE ISSUE THAT WAS CREATING POOR HOUSEKEEPING AND TRIP HAZARDS. EMPLOYEES UNDERSTOOD AND CLEANED UP WORKING AREA.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/22/2011
Report No: 12

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	5.75
Today's MD:	3853 ft	Progress:	6 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$39,001
Prev MD:	3847 ft	Rot Hrs Today:	2.50 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$661,910
PBMD:		Avg ROP Today:	2.4 ft/hr	AFE Number:	NEEDS UPDATED	AFE Cost:	\$2,421,387

Current Formation:	@ Lithology:
Current Ops: CIRCULATING INTERMEDIATE HOLE CLEAN WITH 9-5/8" CASING LANDED. RIGGING DOWN B & L CASING; HALLIBURTON STANDING BY.	
24-Hr Summary: DRILL 12.25" INTERMEDIATE HOLE FROM 3,847' TO 3,853' AVG ROP= 2.4 FT/HR. CIRCULATE SWEEP OUT OF THE HOLE, AND TOH TO RL	
24-Hr Forecast: RIG UP HALLIBURTON & CEMENT 9-5/8" CASING IN PLACE. DRAIN AND FLUSH THE BOP STACK. INSTALL CASING PACK OFF AND PRES;	

CASING/WELL CONTROL	HOOKLOAD & TORQUE	HYDRAULICS	MUD GAS	Avg	Max
Last Casing: 13.375in @ 372ft	Str Wt Up/Dn: 140.0/ 130.0 kip	Pump Rate: 392.4	Conn:	0	0
Next Casing: 9.625in @ 3,843ft	Str Wt Rot: 135.0 kip	Pump Press: 1060	Trip:	0	0
Last BOP Press Test: 08/23/2011	Torg Off Btm: 1,500.0 ft-lbf		Backgr:	0	0
Form Test/EMW:	Torg On Btm: 9,000.0 ft-lbf				

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N/-S	E/-W	VS	DLS	Build	
Supervisor 1: GILBERT ZAPATA	3,796.0	3.00	217.00	3,794.57	-75.8	-40.2	-75.8	1.65	0.26	
Supervisor 2: MIKE BARRY	3,699.0	2.75	249.00	3,697.69	-72.9	-36.5	-72.9	0.45	0.13	
Engineer: RON ROVENKO	3,323.0	2.25	211.00	3,322.02	-63.3	-24.3	-63.3	0.04	0.00	
Geologist:	3,226.0	2.25	212.00	3,225.10	-60.1	-22.3	-60.1	0.33	0.27	
Oxy Personnel: 2	3,132.0	2.00	207.00	3,131.16	-57.1	-20.6	-57.1	0.26	0.00	
Contractor Personnel: 21	3,037.0	2.00	214.00	3,036.22	-54.2	-18.9	-54.2	0.36	0.27	
Total on Site: 23										

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
1	12.250	SMITH	MI616	JE8193	M223	6x15	372	3853	6-6-CR-N	D-I-BT-TD

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
1	2.50	63.50	6	3481	2.4	54.8	25.0/27.0	100/100	1.035	144	121.5	0.3

MUD DATA - M-I SWACO	LAST OR CURRENT BHA																																																																						
Engineer: Barry Maillet Sample From: In Mud Type: Brine Water Time / MD: 18:00 / 3,853.0 Density @ Temp: 10.90 / 0 Rheology Temp: 120 Viscosity: 33.00 PV / YP: 5 / 9 Gels 10s/10m/30m: 3 / 4 / 6 API WL: 17.00 HTHP WL: 0.00 Cake API / HTHP: 1.0 / .0 Solids / Sol Corr: 8.10 / 3.10 Oil / Water: 0.0 / 97.0 Sand: 0.10 Water Added: 0.0 bbl Oil Added: LGS: 3.10 / 28.30	MBT: 0.0 lbm/bbl pH: 8.0 Pm / Pom: 0.00 Pf / Mf: 0.1 / 0.3 Chlorides: 145,000 Ca+ / K+: 1,900 / 0 CaCl2: 0.00 Clom: 0.00 Lime: 0.00 ES: 0.00 ECD: 10.96 n / K: 0.44 / 0.957 Carbonate: 2 ppm Bicarbonate: 2 ppm Form Loss: 0.0 / 0.0 Fluid Disch: /																																																																						
VG Meter: 4@3 / 5@6 / 7@100 / 8@200 / 14@300 / 19@600 Comments: TD"d interval; 3853"MD. Pumped Hi Vis sweep; circulated it around; pulled 10 stands; pumped slug; POOH; L/D DC. R/U Cs	BHA No: 2 Bit No: 1 MD In: 372 ft Purpose: DRILL 12 1/4" INTERMEDIATE HOLE MD Out: 3853 ft <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Component</th> <th>OD</th> <th>ID</th> <th>Jts</th> <th>Length</th> </tr> </thead> <tbody> <tr><td>PDC BIT</td><td>12.250</td><td>2.750</td><td>1</td><td>1.50</td></tr> <tr><td>POSITIVE DISPLACEMENT MOTOR</td><td>8.125</td><td>2.620</td><td>1</td><td>33.83</td></tr> <tr><td>INTEGRAL BLADE STABILIZER</td><td>8.000</td><td>2.750</td><td>1</td><td>7.37</td></tr> <tr><td>SHOCK SUB</td><td>8.125</td><td>3.000</td><td>1</td><td>12.47</td></tr> <tr><td>UBHO SUB</td><td>8.000</td><td>2.250</td><td>1</td><td>2.40</td></tr> <tr><td>NON-MAG DRILL COLLAR</td><td>8.000</td><td>3.000</td><td>1</td><td>29.37</td></tr> <tr><td>INTEGRAL BLADE STABILIZER</td><td>8.375</td><td>2.625</td><td>1</td><td>5.67</td></tr> <tr><td>DRILL COLLAR</td><td>8.000</td><td>3.000</td><td>6</td><td>176.24</td></tr> <tr><td>CROSSOVER</td><td>6.375</td><td>3.000</td><td>1</td><td>2.33</td></tr> <tr><td>DRILL COLLAR</td><td>6.500</td><td>2.750</td><td>3</td><td>92.64</td></tr> <tr><td>HWDP</td><td>6.562</td><td>2.750</td><td>7</td><td>212.36</td></tr> <tr><td>DRILLING JAR</td><td>6.625</td><td>2.750</td><td>1</td><td>32.41</td></tr> <tr><td>HWDP</td><td>6.562</td><td>2.750</td><td>10</td><td>306.13</td></tr> </tbody> </table>	Component	OD	ID	Jts	Length	PDC BIT	12.250	2.750	1	1.50	POSITIVE DISPLACEMENT MOTOR	8.125	2.620	1	33.83	INTEGRAL BLADE STABILIZER	8.000	2.750	1	7.37	SHOCK SUB	8.125	3.000	1	12.47	UBHO SUB	8.000	2.250	1	2.40	NON-MAG DRILL COLLAR	8.000	3.000	1	29.37	INTEGRAL BLADE STABILIZER	8.375	2.625	1	5.67	DRILL COLLAR	8.000	3.000	6	176.24	CROSSOVER	6.375	3.000	1	2.33	DRILL COLLAR	6.500	2.750	3	92.64	HWDP	6.562	2.750	7	212.36	DRILLING JAR	6.625	2.750	1	32.41	HWDP	6.562	2.750	10	306.13
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	Total Length: 914.72 ft Wt below Jars: 75.0 kip																																																																						

MUD PRODUCTS		
Product	Units	Qty Used
DEFOAM A	CAN,5 GA	10.00
ENGINEERING SERVICE	EACH	1.00
M-I BAR	100 LBS/SK	64.00
SALT GEL	BG,50 LB	40.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/22/2011
Report No: 12

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	0:30	0.50	21INDR	DRILL	MTRVER	P	<p>DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 3,847 FT TO 3,850 FT USING 349 GPM, 1050 PSI OFF BTM, 1100 PSI ON BOTTOM. 95 RPM SURFACE + 56 MTR RPM = 151 BIT RPMS 25K WOB 1.5K TORQUE OFF BOTTOM, 8.5K TORQUE ON BOTTOM AVG ROP 6 FPH</p> <p>MUD CHECKS MUD WT IN/OUT 10.8 PPG, VIS 30</p> <p>CIRCULATING IN STEEL PITS, MUDDERED UP WITH STARCH BEFORE TD AS PER MUD PROGRAM.</p> <p>NOTE : CONTINUE DRILLING WITH ONE MUD PUMP. CHANGING OUT VALVE & SEAT ON # 1 MUD PUMP / POD #1.</p>
0:30	1:00	0.50	21INDR	DRILL	MTRVER	P	<p>DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 3,850 FT TO 3,851 FT USING 690 GPM, 2450 PSI OFF BTM, 2530 PSI ON BOTTOM. 95 RPM SURFACE + 110 MTR RPM = 205 BIT RPMS 25K WOB 1.5K TORQUE OFF BOTTOM, 9K TORQUE ON BOTTOM AVG ROP 2 FPH</p> <p>MUD CHECKS MUD WT IN/OUT 10.8 PPG, VIS 30, WL 8</p> <p>CIRCULATING IN STEEL PITS, MUDDERED UP WITH STARCH BEFORE TD AS PER MUD PROGRAM.</p> <p>OBSERVED PUMP PRESSURE DECLINING OVER TIME.</p>
1:00	2:30	1.50	21INDR	DRILL	MTRVER	P	<p>DRILL 12.25" VERTICAL INTERMEDIATE HOLE FROM 3,851 FT TO 3,853 FT USING 349 GPM, 1050 PSI OFF BTM, 1100 PSI ON BOTTOM. 95 RPM SURFACE + 56 MTR RPM = 151 BIT RPMS 25K WOB 1.5K TORQUE OFF BOTTOM, 8.5K TORQUE ON BOTTOM AVG ROP 1.5 FPH</p> <p>MUD CHECKS MUD WT IN/OUT 10.8 PPG, VIS 30</p> <p>CIRCULATING IN STEEL PITS, MUDDERED UP WITH STARCH BEFORE TD AS PER MUD PROGRAM.</p> <p>CALL DRILLING ENGINEER TO DISCUSS ROP, DEPTH, AND PROBLEM WITH MUD PUMPS. DECIDE TO CALL 3,853 FT TOTAL DEPTH FOR 12.25" HOLE.</p> <p>T.D. 12 1/4" INTERMEDIATE HOLE AT 02:30 HOURS ON 09/22/2011.</p> <p>NOTE : CONTINUE DRILLING WITH ONE MUD PUMP. REPAIRING LINER RETAINER ON # 1 MUD PUMP / POD #1; DISCOVER PROBLEM WITH MODULE AND LINER.</p>
2:30	4:30	2.00	21INDR	CIRC	CNDHOL	P	<p>PUMP 50 BBLs VISCOUS SWEEP AT 125 SPM, AND CIRCULATE HOLE CLEAN.</p> <p>SURVEY 3,796 FT: 3.00 INC, 217 AZI</p> <p>4:15 HOURS SAFETY BRAKE: DISCUSS SAFE TRIPPING PRACTICES.</p>
4:30	6:00	1.50	21INDR	TRIP	DRILL	P	<p>CHECK FOR FLOW, WELL STATIC.</p> <p>TRIP OUT OF HOLE FROM 3,853 FT TO 2,810 FT. PULLED AND WORKED THROUGH TIGHT SPOT FROM 3,020 FT TO 3,013 FT.</p> <p>HOLE TAKING PROPER FILL.</p> <p>PUMPED 12.5 PPG SLUG AFTER PULLING 10 STANDS.</p> <p>06:00 HOURS CREW CHANGE.</p>

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/22/2011
Report No: 12

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
6:00	8:30	2.50	21INDR	TRIP	DRILL	P	CONTINUE TRIPPING OUT OF HOLE (SLM) FROM 2,810' TO 914' WITH PROPER HOLE FILL. DRAG OF 20 TO 50k AT 1,473' TO 1,199'. NO OTHER HOLE PROBLEMS. HOLE TAKING PROPER FILL. DRILL PIPE STRAP 0.60' DIFFERENT (DEEPER) 08:00 HOURS SAFETY BRAKE: HANDPLACEMENT AND GOOD COMMUNICATION WITH ALL PERSONNEL.	
8:30	9:00	0.50	21INDR	SRFEQ	RIGUP	P	REMOVE ROTATING HEAD AND INSTALL TRIP NIPPLE.	
9:00	10:00	1.00	21INDR	TRIP	DRILL	P	TRIP OUT OF HOLE FROM 914' TO 273' WITH PROPER HOLE FILL.	
10:00	10:30	0.50	21INDR	SAFE	PJSM	P	CONDUCT PRE-JOB SAFETY MEETING WITH RIG CREW, B&L LAYDOWN MACHINE, OXY DSM AND SAFETY MAN. NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.	
10:30	11:30	1.00	21INDR	SRFEQ	RIGUP	P	RIG UP LAYDOWN MACHINE FROM B&L CASING SERVICE.	
11:30	14:30	3.00	21INDR	TRIP	PULD	P	LAYDOWN 8" DRILLCOLLARS, IBS, SHOCK SUB, WEATHERFORD MUD MOTOR AND BIT. GRADED BIT AN 6 - 6 - CR - N - D - I - BT - TD	
14:30	15:30	1.00	21INDR	WLHD	RWH	P	RETRIEVE WEAR BUSHING FROM WELLHEAD.	
15:30	16:00	0.50	21INRC	SAFE	PJSM	P	CONDUCT A PRE-JOB SAFETY MEETING WITH RIG CREW, B&L, LAYDOWN MACHINE CREW AND OXY DSM ON RUNNING 9 5/8" CASING. 15:00 HOURS SAFETY BRAKE: RIGGING UP 9 5/8" CASING TOOLS. PINCH POINTS AND PLACES TO NOT BE CAUGHT IN BETWEEN.	
16:00	17:30	1.50	21INRC	CSG	RIGUP	P	CHANGE OUT DRILLING BAILS TO CASING RUNNING BAILS. RIG UP B&L 9 5/8" CASING TOOLS.	
17:30	18:00	0.50	21INRC	CSG	RUNCSG	P	MADE UP 9-5/8" FLOAT SHOE, 2 JTS, 9-5/8" 40# J-55 LTC CASING AND 9-5/8" FLOAT COLLAR, THREAD LOCKED CONNECTIONS THRU TOP OF FLOAT COLLAR, CHECKED FLOATS ON SHOE TRACK. 18:00 HOURS CREW CHANGE.	
18:00	18:30	0.50	21INRC	CSG	RUNCSG	P	FINISH MAKING UP UP 9-5/8" FLOAT SHOE, 2 JTS, 9-5/8" 40# J-55 LTC CASING AND 9-5/8" FLOAT COLLAR, THREAD LOCKED CONNECTIONS THRU TOP OF FLOAT COLLAR, CHECKED FLOATS ON SHOE TRACK.	
18:30	21:00	2.50	21INRC	CSG	RUNCSG	P	RUN 9 5/8", 40#, J-55, LTC CASING AS FOLLOWS, TORQUE CASING TO 5610 FT-LBS MADE UP 21 ADDITIONAL JOINTS OF 9 5/8", 40#, J-55, LTC CASING AND RAN IN THE HOLE TO A DEPTH OF 924'. CASING STRING TOOK WEIGHT; UNABLE TO RUN THE PIPE INTO THE HOLE. INSTALLED WEATHERFORD BOW SPRING CENTRALIZERS AS FOLLOWS: 1 BOW SPRING ON COLLAR STOP 10' ABOVE SHOE, 1 BOW SPRING ON COUPLING 40' ABOVE SHOE, 1 BOW SPRING ON COUPLING ABOVE FLOAT COLLAR, AND THEN 1 ON THE COLLAR OF EVERY THIRD JOINT.	
21:00	22:30	1.50	21INRC	CSG	RUNCSG	P	UNABLE TO RUN CASING DUE TO TIGHT HOLE. BACK OUT JOINT # 23, AND LAY DOWN DUE TO GALLED THREADS ON THE PIN; THE BOX ON JOINT #22 OK. PICK UP JOINT #96 TO REPLACE JOINT #23, AND MAKE UP 9-5/8" CIRCULATING SWAGE. MAKE UP JOINT #96, AND HOOK UP 2" HIGH PRESSURE CIRCULATING HOSE.	
22:30	23:30	1.00	21INRC	CSG	RUNCSG	P	CIRCULATE WITH ONE MUD PUMP AT 125 SPM AND 400 PSI. WASH THE CASING IN THE HOLE FROM 924' TO 954'. CIRCULATE 800 STROKES AT 954' FOR BOTTOMS UP.	
23:30	0:00	0.50	21INRC	CSG	RUNCSG	P	RUN 7 JOINTS OF 9 5/8", 40#, J-55, LTC CASING AS FOLLOWS, TORQUE CASING TO 5610 FT-LBS. INSTALL BOW SPRING CENTRALIZERS AS PER PROGRAM. MADE UP ADDITIONAL JOINTS OF CASING AND RIH TO 1,263'; NO TIGHT HOLE ENCOUNTERED. FILL CASING ON THE FLY; MONITOR RETURNS.	
Total Time		24.00						

Safety Incident?	N	Days since Last RI:	51.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	51.00	
Incident Comments: No incidents reported last 24 hours.				

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/22/2011
Report No: 12

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2

NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

SAFETY TOPIC OF THE DAY: TRIPPING PIPE AND RUNNING CASING WITH 3RD PARY PERSONNEL.

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS. : NONE

NEXT RIG MOVE DATE: 10/08/11

DAYS SINCE LAST LTI: 51
DAYS SINCE LAST RECORDABLE: 51
TOTAL JSA REVIEWED: 14
TOTAL STOP CARDS: 3
TOTAL LO/TO: 0
TOTAL SAFETY MEETINGS: 8
NEAR MISSES: 0
HOT WORK PERMIT: 0
CONFINED SPACE PERMIT:0

BEST STOP CARD: OBSERVED A RIG HAND HAMMERING & WORKING ON MUD PUMP WITHOUT HIS SAFETY GLASSES. ASKED THE HAND TO RETRIEVE HIS EYE PROTECTION WHICH HE DID, AND HE RESUMED WORK SAFELY.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/23/2011
Report No: 13

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	6.75
Today's MD:	3853 ft	Progress:	0 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$219,451
Prev MD:	3853 ft	Rot Hrs Today:	0.00 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$881,361
PBMD:		Avg ROP Today:	0.0 ft/hr	AFE Number:	NEEDS UPDATED	AFE Cost:	\$2,421,387

Current Formation: QUEEN@3,600.0 **Lithology:** DOLOMITE, ANHY, SALT AND SAND

Current Ops: PICKING UP 8 3/4" MUD MOTOR WITH WEATHERFORD DIRECTIONAL PERSONNEL.

24-Hr Summary: RUN 9.625" INTERMEDIATE CASING TO 3843', CIRCULATE, CEMENT CASING, ATTEMPT TO INSTALL CAMERON PACK OFF ON HANGER. I

24-Hr Forecast: TEST PACKOFF. SHELL TEST BOP AND TEST CASING. PICK UP 8 3/4" BHA. RIH AND TAG CEMENT INSIDE 9-5/8" CASING. CHOKE DRILL.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	13.375in @ 372ft	Str Wt Up/Dn:	/	Pump Rate:	627.9	Conn:	0	0	0
Next Casing:	9.625in @ 3,843ft	Str Wt Rot:		Pump Press:	600	Trip:	0	0	0
Last BOP Press Test:	08/23/2011	Torq Off Btm:				Backgr:	0	0	0
Form Test/EMW:		Torq On Btm:							

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	GILBERT ZAPATA	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2:	MIKE BARRY	3,700.0	2.95	219.24	3,698.71	-78.5	-36.7	-78.5	0.33	0.33
Engineer:	RON ROVENKO	3,600.0	2.62	219.58	3,598.82	-74.7	-33.6	-74.7	0.13	0.12
Geologist:		3,500.0	2.50	220.80	3,498.92	-71.3	-30.7	-71.3	0.16	0.15
Oxy Personnel:	2	3,400.0	2.35	219.69	3,399.01	-68.1	-28.0	-68.1	0.23	0.18
Contractor Personnel:	34	3,300.0	2.17	215.95	3,299.09	-65.0	-25.6	-65.0	0.09	0.06
Total on Site:	36	3,200.0	2.11	217.79	3,199.16	-62.0	-23.4	-62.0	0.22	0.10

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
1	12.250	SMITH	MI616	JE8193	M223	6x15	372	3853	6-6-CR-N	D-I-BT-TD

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI

MUD DATA - M-I SWACO				LAST OR CURRENT BHA				
Engineer: Barry Maillet	MBT:	0.0 lbm/bbl	BHA No: 2	Bit No: 1	MD In: 372 ft			
Sample From: In	pH:	7.5	Purpose: DRILL 12 1/4" INTERMEDIATE HOLE	MD Out: 3853 ft				
Mud Type: Fresh Water	Pm / Pom:	0.00	Component		OD	ID	Jts	Length
Time / MD: 12:00 / 3,853.0	Pf / Mf:	0.1 / 0.2	PDC BIT	12.250	2.750	1	1.50	
Density @ Temp: 8.40 / 0	Chlorides:	5,800	POSITIVE DISPLACEMENT MOTOR	8.125	2.620	1	33.83	
Rheology Temp: 120	Ca+ / K+:	2,200 / 0	INTEGRAL BLADE STABILIZER	8.000	2.750	1	7.37	
Viscosity: 27.00	CaCl2:	0.00	SHOCK SUB	8.125	3.000	1	12.47	
PV / YP: 1 / 1	Clom:	0.00	UBHO SUB	8.000	2.250	1	2.40	
Gels 10s/10m/30m: 1 / 1 / 1	Lime:	0.00	NON-MAG DRILL COLLAR	8.000	3.000	1	29.37	
API WL: 45.00	ES:	0.00	INTEGRAL BLADE STABILIZER	8.375	2.625	1	5.67	
HTHP WL: 0.00	ECD:	0.00	DRILL COLLAR	8.000	3.000	6	176.24	
Cake API / HTHP: 1.0 / .0	n / K:	0.59 / 0.056	CROSSOVER	6.375	3.000	1	2.33	
Solids / Sol Corr: 0.30 / 0.10	Carbonate:	2 ppm	DRILL COLLAR	6.500	2.750	3	92.64	
Oil / Water: 0.0 / 99.0	Bicarbonate:	2 ppm	HWDP	6.562	2.750	7	212.36	
Sand: 0.00	Form Loss:	0.0 / 0.0	DRILLING JAR	6.625	2.750	1	32.41	
Water Added: 0.0 bbl	Fluid Disch:	/	HWDP	6.562	2.750	10	306.13	
Oil Added:								
LGS: 0.10 / 0.90								
VG Meter: 1@3 / 1@6 / 1@100 / 1@200 / 2@300 / 3@600								
Comments: Ran 9 5/8" csg. and cemented w/ no issues. Nipple down @ rpt. time.			Total Length:	914.72 ft	Wt below Jars:	75.0 kip		

MUD PRODUCTS		
Product	Units	Qty Used
ENGINEERING SERVICE	EACH	1.00
MY LO JEL	BG,50 LB	25.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/23/2011
Report No: 13

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	3:30	3.50	21INRC	CSG	RUNCSG	P	RUN 60 JOINTS OF 9 5/8", 40#, J-55, LTC CASING TO 3,815', TORQUE CASING TO 5610 FT-LBS. INSTALL BOW SPRING CENTRALIZERS AS PER PROGRAM.
3:30	5:30	2.00	21INRC	CSG	RUNCSG	P	PICK UP & MAKE UP THE CAMERON 9-5/8" MANDREL HANGER, RUNNING TOOL AND LANDING JOINT. INSTALL RIGID CENTRALIZER OVER COLLAR. RIG UP HIGH PRESSURE CIRCULATING HOSE. WASH AND WORK THE 9-5/8" LANDING JOINT DOWN TO THE LOAD SHOULDER OF THE CASING HEAD. CIRCULATE AT 200 SPM TO CLEAN 15 FT OF FILL OFF BOTTOM OF HOLE.
5:30	6:00	0.50	21INRC	CIRC	CNDHOL	P	CONTINUE TO CIRCULATE HOLE CLEAN AT 155 SPM. PUMP TWO TIMES BOTTOMS UP WHILE B & L CASING CREW AND LAYDOWN MACHINE RIGS DOWN. 06:00 HOURS CREW CHANGE
6:00	7:00	1.00	21INRC	CIRC	CNDHOL	P	FINISH CIRCULATING 2 BOTTOMS UP WHILE RIGGING DOWN B&L LAYDOWN MACHINE.
7:00	7:30	0.50	21INRC	SAFE	PJSM	P	CONTINUE CIRCULATING WHILE CONDUCTING A PRE - JOB SAFETY MEETING WITH HALLIBURTON, RIG CREW AND OXY DSM.
7:30	10:00	2.50	21INRC	CMT	PRIM	P	RIG UP CEMENT HEAD & LINES ON FLOOR. TESTED CEMENTING LINES TO 250 PSI LOW AND 4000 PSI HIGH PRESSURE HOLDING ALL TEST FOR 5 MINUTES. CEMENTED 9.625" INTERMEDIATE CASING IN PLACE AS FOLLOWS: PUMP 20 BBLs FRESH WATER SPACER AHEAD AT 8 BPM WITH 420 PSI 1010 SACKS (333 BBLs) OF LEAD WITH 2 LBM/SK PHENO SEAL MEDIUM, 3 LBM/SK SALT (LIGHT PREMIUM PLUS, 12.9 PPG, YIELD 1.85, MIX WATER @ 9.87 GAL / SACK) AT 8 BPM WITH 440 PSI 400 SACKS (95 BBL) OF TAIL WITH 1 LBM/SK PHENO SEAL MEDIUM (PREMIUM PLUS CLASS C, 14.8 PPG, YIELD 1.33, MIX WATER @ 6.30 GAL / SACK) AT 8 BPM WITH 590 PSI. DROPPED TOP PLUG AT 09:15 HOURS WITNESSED BY DSM, WASH OUT CEMENTING LINES USING HALLIBURTON PUMP TRUCK ON TOP OF PLUG WITH 10 BBL FRESH WATER. DISPLACED CEMENT USING HALLIBURTON PUMPS WITH 284.5 BBLs FRESH WATER AT 10 BPM, AT 1400 PSI FINAL DISPLACEMENT PRESSURE. BUMPED PLUG TO 1900 PSI (500 PSI OVER). HELD PRESSURE FOR 5 MINUTES, BLEED OFF PRESSURE BLEED BACK 2 BBL TO DISPLACEMENT TUBS ON CEMENT TRUCK. FLOAT EQUIPMENT HOLDING. CIRCULATED 97 BBLs (294 SX) OF CEMENT TO SURFACE. PLUG DOWN & CEMENT IN PLACE AT 10:00 HOURS ON 09/23/11.
10:00	10:30	0.50	21INRC	CMT	RIGUP	P	FLUSH OUT BOP AND DRAIN THROUGH WELLHEAD WHILE RIGGING DOWN HALLIBURTON.
10:30	12:00	1.50	21INRC	WLHD	RWH	P	CONTINUE WASH OUT STACK FROM CASING VALVE. THEN WASH FROM TOP. BACK OFF LANDING JOINT AND LAY OUT SAME. 11:00 HOURS SAFETY BRAKE: REVIEW JSA ON BACKING OUT LANDING JOINT WITH CAMERON TECH.
12:00	16:00	4.00	21INRC	WLHD	RWH	PT	PICK UP JOINT OF DRILL PIPE WITH PACK OFF RUNNING TOOL. HAVING TROUBLE SEATING PACKER AROUND HANGER. WASH OUT STACK FROM CASING VALVE AND USING WATER HOSE THROUGH CENTER OF STACK WASHING AROUND MANDREL. TRY SETTING PACKER AND COULD NOT SET DOWN. PULL BOLT PINS OUT OF WELL HEAD AND WASH THROUGH HOLES. CONTINUE ATTEMPTING TO SET PACKER AND WOULD NOT SET ALL THE WAY DOWN LACKING A 1/4" SIMOPS: WORKING ON RIG PUMPS SWAPPING OUT 6" LINERS TO 5.5" LINERS. RIG UP MWD EQUIPMENT. GATHER, CALIPER & STRAP 8.75" BHA 16:00 HOURS SAFETY BRAKE: REVIEWED JSA ON WORKING ON MUD PUMPS.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/23/2011
Report No: 13

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
16:00	18:00	2.00	21INRC	BOP	RDBOP	PT	HOLD PRE-JOB SAFETY MEETING & REVIEW JSA'S ON BREAKING DOWN BOP'S WITH RIG CREW & CAMERON, RIG MANAGER & DSM'S. DUE TO PACKOFF NOT SEATING, BREAK DOWN WELL HEAD CONNECTION ON BOP STACK. 18:00 HOURS CREW CHANGE.
18:00	20:00	2.00	21INRC	BOP	RDBOP	PT	REVIEW JSA, AND DISCUSS LIFTING HEAVY LOADS. RIG UP BOP LIFTING LINES. UNFLANGE FLOW LINE AT POSSUM BELLY. LIFT THE BOP STACK 2 FT ABOVE THE 13-5/8" WELLHEAD. CAMERON HANDS, USING A HAMMER AND CHISEL, CLEANED OUT SET CEMENT FROM AROUND THE OUTSIDE OF THE 9-5/8" CASING HANGER MANDREL. CLEANED OUT APPROXIMATELY 6" OF SET CEMENT LOCATED BETWEEN THE HANGER MANDREL AND THE 13-5/8" WELLHEAD. WASHED OUT THE AREA BEHIND THE MANDREL AND THE WELLHEAD. CLEANED THE WELLHEAD FLANGE AND INSTALLED A NEW API RING.
20:00	21:00	1.00	21INRC	BOP	RDBOP	PT	LOWER THE BOP STACK BACK ONTO THE 13-5/8" 5M CASING WELLHEAD. MONHANS NIPPLE UP CREW TIGHTENED BOLTS ON THE 13-5/8" FLANGE. REMOVE LIFTING LINES FROM THE BOP STACK.
21:00	21:30	0.50	21INRC	LOG	RIGUP	PT	RIG UP TO RUN SCIENTIFIC DRILLING GYRO INSIDE THE 9-5/8" CASING.
21:30	22:30	1.00	21INRC	LOG	CHLOG	PT	RUN GYRO TO 3,700'. PARALLEL ACTIVITY; JET AND CLEAN OUT THE MUD PITS AND SAND TRAP.
22:30	23:00	0.50	21INRC	LOG	RIGUP	PT	RIG DOWN SCIENTIFIC DRILLING GYRO TOOLS & TRUCK. PARALLEL ACTIVITY; CONTINUE CLEANING MUD PITS.
23:00	0:00	1.00	21INRC	WLHD	RWH	PT	CLEAN AND MAKE UP THE CAMERON 13-5/8" MBS PACKOFF SUPPORT BUSHING ON THE RUNNING TOOL AND A JOINT OF DRILL PIPE. LOWER THE PACKOFF BUSHING INTO PLACE, AND SEAT WITH 3,200 LBS DOWN WEIGHT. INJECT PLASTIC SEAL INTO WELLHEAD BETWEEN PACKOFF BUSHING SEALS. PARALLEL ACTIVITY; CONTINUE CLEANING MUD PITS.
Total Time		24.00					

Safety Incident?	N	Days since Last RI:	52.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	52.00	
Incident Comments: No incidents reported last 24 hours.				

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/23/2011
Report No: 13

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2

NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

SAFETY TOPIC OF THE DAY: CEMENTING OPERATIONS AND BOP TESTING OPERATIONS

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS. : NONE

NEXT RIG MOVE DATE: 10/08/11

DAYS SINCE LAST LTI: 52
DAYS SINCE LAST RECORDABLE: 52
TOTAL JSA REVIEWED: 16
TOTAL STOP CARDS: 2
TOTAL LO/TO: 2
TOTAL SAFETY MEETINGS: 7
NEAR MISSES: 0
HOT WORK PERMIT: 2
CONFINED SPACE PERMIT: 2

BEST STOP CARD: OBSERVED A HAND SMOKING A CIGARETTE NEAR WIRELINE LOGGING UNIT AT THE END OF THE CATWALK. ASKED THE HAND TO USE THE DESIGNATED SMOKING AREA FOR ALL SMOKING RELATED ACTIVITY IN THE FUTURE. HE AGREED TO DO SO.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/24/2011
Report No: 14

Wellbore / Top MD: 00 @ 0 ft Rig: PIONEER 14 Ref Datum: ORIGINAL KB @3,232.10ft DFS: 7.75
Today's MD: 4033 ft Progress: 180 ft Ground Elev: 3,211.10 ft Daily Cost: \$97,533
Prev MD: 3853 ft Rot Hrs Today: 10.00 hr AFE MD/Days: 10,018.6 / 25.1 days Cum Cost: \$978,894
PBMD: Avg ROP Today: 18.0 ft/hr AFE Number: NEEDS UPDATED AFE Cost: \$2,421,387

Current Formation: QUEEN@3,625.0 Lithology: DOLOMITE AND ANHYDRITE
Current Ops: TROUBLE SHOOT WEATHERFORD MWD, AND ATTEMPT TO SURVEY AT 4,128'.
24-Hr Summary: TEST PACKOFF. SHELL TEST BOP AND TEST CASING. PICK UP 8 3/4" BHA. RIH AND TAG CEMENT INSIDE 9-5/8" CASING @ 3,732'. CHOK
24-Hr Forecast: CONTINUE TO DRILL VERTICAL 8-3/4" PRODUCTION HOLE

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	13.375in @ 372ft	Str Wt Up/Dn:	146.0/ 126.0 kip	Pump Rate:	554.0	Conn:	0	0	
Next Casing:	9.625in @ 3,843ft	Str Wt Rot:	134.0 kip	Pump Press:	1920	Trip:	0	0	
Last BOP Press Test:	09/24/2011	Torq Off Btm:	1,500.0 ft-lbf			Backgr:	0	0	
Form Test/EMW:	FIT / 13.50 ppg	Torq On Btm:	5,000.0 ft-lbf						

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	GILBERT ZAPATA	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2:	MIKE BARRY	3,970.0	2.08	228.98	3,968.32	-88.8	-46.7	-88.8	2.63	-2.59
Engineer:	RON ROVENKO	3,938.0	2.91	225.67	3,936.35	-87.8	-45.7	-87.8	0.78	-0.78
Geologist:		3,906.0	3.16	225.81	3,904.40	-86.6	-44.4	-86.6	0.21	-0.21
Oxy Personnel:	2	3,858.0	3.26	226.01	3,856.47	-84.8	-42.5	-84.8	0.30	0.20
Contractor Personnel:	19	3,700.0	2.95	219.24	3,698.71	-78.5	-36.7	-78.5	0.00	0.00
Total on Site:	21	3,700.0	2.95	219.24	3,698.71	-78.5	-36.7	-78.5	0.33	0.33

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
3	8.750	HUGHES CHRISTENS	Q507FX	7134133	M423	7x10	3853		--	--

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
3	6.00	6.00	180	180	30.0	30.0	2.0/26.0	55/65	0.537	824	331.1	4.4

MUD DATA - M-I SWACO					LAST OR CURRENT BHA								
Engineer:	Barry Maillet	MBT:	0.0 lbm/bbl	BHA No:	3	Bit No:	3	MD In:	3853 ft				
Sample From:	In	pH:	7.5	Purpose:	DRILL 8 3/4" VERTICAL PRODUCTIN HOLE MD Out:								
Mud Type:	Fresh Water	Pm / Pom:	0.00	Component						OD	ID	Jts	Length
Time / MD:	18:00 / 3,920.0	Pf / Mf:	0.1 / 0.2	PDC BIT	8.750	3.000	1	1.00					
Density @ Temp:	8.40 / 85	Chlorides:	5,700	POSITIVE DISPLACEMENT MOTOR	6.750	2.000	1	27.78					
Rheology Temp:	120	Ca+ / K+:	2,400 / 0	UNDERGAUGE INTEGRAL BLADE STABILIZ	6.500	2.250	1	4.42					
Viscosity:	27.00	CaCl2:	0.00	UBHO SUB	6.062	3.187	1	3.62					
PV / YP:	1 / 1	Clom:	0.00	NON-MAG DRILL COLLAR	6.875	3.250	1	31.10					
Gels 10s/10m/30m:	1 / 1 / 1	Lime:	0.00	UNDERGAUGE INTEGRAL BLADE STABILIZ	6.500	2.250	1	6.43					
API WL:	45.00	ES:	0.00	CROSSOVER	6.375	3.000	1	1.45					
HTHP WL:	0.00	ECD:	8.41	DRILL COLLAR	6.375	2.875	10	306.49					
Cake API / HTHP:	1.0 / .0	n / K:	0.59 / 0.056	HWDP	6.250	2.625	6	181.86					
Solids / Sol Corr:	0.30 / 0.10	Carbonate:	2 ppm	DRILLING JAR	6.500	2.750	1	32.41					
Oil / Water:	0.0 / 99.0	Bicarbonate:	2 ppm	HWDP	6.250	2.625	11	336.63					
Sand:	0.00	Form Loss:	0.0 / 0.0	DRILL PIPE	4.500	3.826		4,264.81					
Water Added:	0.0 bbl	Fluid Disch:	/										
Oil Added:													
LGS:	0.10 / 1.00												
VG Meter:	1@3 / 1@6 / 1@100 / 1@200 / 2@300 / 3@600												
Comments:	Finished logging; P/U BHA; TIH w/same; drilled through cmt. and 10 ft. of new formation. Performed FIT to 13.5 ppg EMW.				Total Length:	933.19 ft	Wt below Jars:	70.0 kip					

MUD PRODUCTS		
Product	Units	Qty Used
DEFOAM A	CAN,5 GA	1.00
ENGINEERING SERVICE	EACH	1.00
FEDERAL BENTONITE	BG,100 LB	8.00
M-I-X II MEDIUM	BG,25 LB	40.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/24/2011
Report No: 14

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	2:00	2.00	21INRC	WLHD	RWH	PT	<p>RUN IN THE LOWER MOST LOCKSCREWS ON THE UPPER MBS SPOOL.</p> <p>DRILLING PROGRAM CALLED FOR TESTING THE MSB PACKOFF BUSHING TO 1,800 PSI, BUT CAMERON HAND INSISTED THE PACKOFF SHOULD BE TESTED TO 5,000 PSI. CALLED DRILLING ENGINEER, AND CONFIRMED THE CORRECT TESTING PRESSURE. PRESSURE TEST THE PACKOFF BUSHING TO 5,000 PSI; TEST WITNESSED BY DSM - GOOD TEST.</p> <p>PARALLEL ACTIVITY; CONTINUE CLEANING MUD PITS.</p>
2:00	2:30	0.50	21INRC	BOP	TSTBOP	P	<p>O2:00 SAFETY BRAKE; REVIEW HIGH PRESSURE BOP TESTING PROCEDURES AND RELATED SAFETY ISSUES.</p> <p>RIH WITH MONAHANS 9-5/8" TEST PLUG ON A JOINT OF DRILL PIPE. SEAT INSIDE THE TOP OF THE 9-5/8" CASING.</p>
2:30	3:30	1.00	21INRC	BOP	TSTBOP	P	<p>CLOSE THE PIPE RAMS, AND MONAHANS UNIT PRESSURE TEST THE BOP TO 250 PSI LOW AND 3,500 PSI HIGH PRESSURE FOR 5 MINUTES - NO LEAKS. TEST WITNESSED BY DSM - GOOD TEST.</p> <p>PULLED TEST PLUG OUT OF THE WELL, BROKE AND LAYED DOWN SAME.</p> <p>CLOSE BLIND RAMS, AND MONAHANS UNIT PRESSURE TEST THE 9-5/8", 40 PPF CASING TO 3,300 PSI FOR 30 MINUTES. NO LEAKS. TEST WITNESSED BY DSM - GOOD TEST.</p> <p>FINISHED CLEANING THE MUD PITS AT 03:00 HOURS. START TO FILL PITS WITH FRESH WATER.</p>
3:30	4:00	0.50	21INRC	BOP	TSTBOP	P	<p>BLEED PRESSURE OFF THE 9-5/8" CASING. RIG DOWN THE MONAHANS TESTING UNIT.</p> <p>PARALLEL ACTIVITY; CONTINUE TO FILL MUD PITS WITH FRESH WATER. GATHER AND LAY OUT 8-3/4" BIT, DIRECTIONAL TOOLS, AND BHA ITEMS ON PIPE RACK AND CATWALK.</p>
4:00	5:30	1.50	21INRC	OTHR	OTHER	P	<p>INSTALL AND ADJUST TURNBUCKLES ON THE 13-5/8" BOP STACK. INSTALL WEAR BUSHING.</p> <p>CONTINUE FILLING MUD PITS WITH FRESH WATER.</p>
5:30	6:00	0.50	21INRC	TRIP	BHA	P	<p>PICKING UP 8 3/4" MUD MOTOR WITH WEATHERFORD DIRECTIONAL PERSONNEL.</p>
6:00	10:00	4.00	21INRC	TRIP	BHA	P	<p>PICK UP 8 3/4" PRODUCTION HOLE BHA AS FOLLOWS :</p> <p>1 - PDC BIT=HUGHES CHRISTENSEN Q507FX 7 BLADED, 16 MM CUTTERS, JETTED W/ 7/10'S TFA=0.537 1 - WEATHERFORD FRONTLINE 6 3/4" LE 7830 (7/8 LOBE 3.0 STAGE) 0.15 REV/GPM 1 - IBS STABILIZER (1/4" UNDER GAUGE) 1 - UBHO SUB 1 - NON MAGNETIC DRILL COLLAR WITH POSITIVE PULSE MWD 1 - IBS STABILIZER (1/4" UNDER GAUGE) 1 - CROSSOVER 10 - 6 1/2" DC 6 - 4 1/2" HWDP 1 - DRILLING JARS 11 - 4 1/2" HWDP</p> <p>SURFACE TESTED MUDMOTOR AND MWD.</p> <p>PICK UP ADDITIONAL 7 - 6 1/2" DRILL COLLARS.</p> <p>BHA WEIGHTS WITH 8.5 PPG MUD: 6 1/2" DC = 32k 6 1/2" DC + 6 HWTDP = 37k TOTAL BHA = 50k</p> <p>08:00 HOURS SAFETY BRAKE: DISCUSS HANDPLACEMENT AND REVIEW JSA PRIOR TO PICKING UP ADDITIONAL 6 1/2" DRILL COLLARS.</p>
10:00	11:30	1.50	21INRC	TRIP	DRILL	P	<p>CONTINUE TO TRIP IN HOLE WITH 8 3/4" PRODUCTION DRILLING ASSEMBLY FROM 933' TO 3,300'.</p>
11:30	12:00	0.50	21INRC	SRFEQ	RIGUP	P	<p>REMOVE TRIP NIPPLE AND INSTALL ROATING HEAD.</p> <p>12:00 HOURS SAFETY BRAKE: REVIEW JSA ON HANDLING ROTATING HEAD ASSEMBLY.</p>

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/24/2011
Report No: 14

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
12:00	12:30	0.50	21INRC	TRIP	DRILL	P	FINISH TRIPPING IN HOLE FROM 3,300' TO TOP OF CEMENT AT 3,732'.
12:30	13:00	0.50	21INRC	DRLOUT	DOCMT	P	BREAK CIRCULATION AND PERFORM CHOKE DRILL WITH OXY DSM AND RIG CREW.
13:00	15:00	2.00	21INRC	DRLOUT	DOCMT	P	DRILL FIRM CEMENT & FLOAT EQUIPMENT + 10' NEW FORMATION FROM 3,732' TO 3,863' USING 10K AVERAGE WOB, 400 GPM, 60 MRPM + 20 SRPM = 80 BRPM, 1050 PSI OFF BOTTOM, 1100 PSI ON BOTTOM.
15:00	15:30	0.50	21INRC	DRLOUT	FST	P	CIRCULATED BOTTOMS UP, SPOT 20 BBLs GEL PILL ON BOTTOM AND PERFORMED FIT TEST TO 1024 PSI @ 3,861' TVD USING 8.4 PPG MUD. EQUIVALENT MUD WEIGHT = 13.5 PPG.
15:30	17:00	1.50	31PRDR	DRILL	MTRDIR	P	DRILL 8 3/4" PRODUCTION HOLE FROM 3,863' TO 3,918' ROTATED 55', SLIDE 0' AVG 0' USING 550 GPM, 2,000 PSI OFF BTM, 2,250 PSI ON BOTTOM, 50 SRPM + 82 MRPM = 132 BRPM, 25K WOB AND 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM. TOTAL AVG ROP 37 FPH CIRCULATING OUTER RESERVE PITS. 16:00 HOURS SAFETY MEETING: DISCUSS WEARING PPE WHEN MIXING CHEMICALS AND HANDLING HEAVY OBJECTS.
17:00	17:30	0.50	31PRDR	SURV	INCL	P	TROUBLESHOOT MWD WITH VARIOUS FLOW RATES. SURVEY @ 3,858' 3.26° 226.01 AZIMUTH
17:30	18:30	1.00	31PRDR	DRILL	MTRDIR	P	DRILL 8 3/4" PRODUCTION HOLE FROM 3,918' TO 3,929' ROTATED 0', SLIDE 11' AVG 0' USING 325 GPM, 700 PSI OFF BTM, 860 PSI ON BOTTOM, 0 SRPM + 49 MRPM = 49 BRPM, 10K WOB AND 1K TORQUE OFF BOTTOM AND 2.5K TORQUE ON BOTTOM. TOTAL AVG ROP 11 FPH 1 HOUR SLIDE FROM 3,918' TO 3,929' (11') MAGNETIC TOOLFACE 45 MUD WT - 8.4 PPG, 20 VIS CIRCULATING OUTER RESERVE PITS. 18:00 HOURS CREW CHANGE
18:30	20:00	1.50	31PRDR	DRILL	MTRDIR	P	DRILL 8 3/4" PRODUCTION HOLE FROM 3,929' TO 3,964' ROTATED 35', SLIDE 0' USING 550 GPM, 1,890 PSI OFF BTM, 1,980 PSI ON BOTTOM, 55 SRPM + 82 MRPM = 137 BRPM, 18K WOB AND 1.5K TORQUE OFF BOTTOM AND 5K TORQUE ON BOTTOM. TOTAL AVG ROP 24 FPH SURVEY @ 3,906', 3.16° 225.81 AZIMUTH MUD WT - 8.4 PPG, 20 VIS CIRCULATING OUTER RESERVE PITS.
20:00	21:30	1.50	31PRDR	DRILL	MTRDIR	P	DRILL 8 3/4" PRODUCTION HOLE FROM 3,964' TO 3,999' ROTATED 20', SLIDE 15' USING 555 GPM, 1,890 PSI OFF BTM, 1,990 PSI ON BOTTOM, 58 SRPM + 83 MRPM = 141 BRPM, 17K WOB AND 1.5K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM. TOTAL AVG ROP 23 FPH 1 HOUR SLIDE FROM 3,964' TO 3,979' (15') MAGNETIC TOOLFACE 45 SURVEY @ 3,938', 2.91° 225.67 AZIMUTH MUD WT IN / OUT - 8.4 PPG, 26 VIS CIRCULATING OUTER RESERVE PITS.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/24/2011
Report No: 14

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
21:30	23:00	1.50	31PRDR	DRILL	MTRDIR	P	DRILL 8 3/4" PRODUCTION HOLE FROM 3,999' TO 4,009' ROTATED 0', SLIDE 10' USING 558 GPM, 1,800 PSI OFF BTM, 1,920 PSI ON BOTTOM, 0 SRPM + 83 MRPM = 83 BRPM, 9 - 26K WOB AND 0K TORQUE OFF BOTTOM AND 2.5K TORQUE ON BOTTOM. TOTAL AVG ROP 6.7 FPH 1.5 HOUR SLIDE FROM 3,999' TO 4,009' (10') MAGNETIC TOOLFACE 45 MUD WT IN / OUT - 8.4 PPG, 26 VIS CIRCULATING OUTER RESERVE PITS. 22:00 HOURS SAFETY BRAKE; DISCUSSED OXY'S STOP WORK AUTHORITY WITH NEW HANDS, AND AIM FOR WORKING STEADY WITHOUT RUSHING.	
23:00	23:30	0.50	31PRDR	DRILL	MTRDIR	P	DRILL 8 3/4" PRODUCTION HOLE FROM 4,009' TO 4,029' ROTATED 20', SLIDE 0' USING 580 GPM, 1,990 PSI OFF BTM, 2,100 PSI ON BOTTOM, 59 SRPM + 87 MRPM = 146 BRPM, 17K WOB AND 1.5K TORQUE OFF BOTTOM AND 5.5K TORQUE ON BOTTOM. TOTAL AVG ROP 40 FPH SURVEY @ 3,970, 2.08° 228.98 AZIMUTH CIRCULATING OUTER RESERVE PITS.	
23:30	0:00	0.50	31PRDR	DRILL	MTRDIR	P	WORK FOR 19 MINUTES TO RESTORE SIGNAL FROM THE MWD TOOL. DRILL 8 3/4" PRODUCTION HOLE FROM 4,029' TO 4,033' ROTATED 0', SLIDE 4' USING 552 GPM, 1,800 PSI OFF BTM, 1,910 PSI ON BOTTOM, 0 SRPM + 83 MRPM = 83 BRPM, 14K WOB AND 0.5K TORQUE OFF BOTTOM AND 2.5K TORQUE ON BOTTOM. 11 MINUTE SLIDE FROM 4,029' TO 4,033' (4') MAGNETIC TOOLFACE 45 TOTAL AVG ROP 8 FPH. MUD WT IN / OUT 8.4 PPG, 26 VIS CIRCULATING OUTER RESERVE PITS.	
Total Time		24.00						

Safety Incident?	N	Days since Last RI:	53.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	53.00	
Incident Comments: No incidents reported last 24 hours.				

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/24/2011
Report No: 14

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2

NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

SAFETY TOPIC OF THE DAY: PRESSURE TESTING BOPE AND CASING / SAFE HANDLING OF DRILL COLLARS & BHA.

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS. : NONE

NEXT RIG MOVE DATE: 10/08/11

DAYS SINCE LAST LTI: 53
DAYS SINCE LAST RECORDABLE: 53
TOTAL JSA REVIEWED: 26
TOTAL STOP CARDS: 2
TOTAL LO/TO: 1
TOTAL SAFETY MEETINGS: 8
NEAR MISSES: 0
HOT WORK PERMIT: 0
CONFINED SPACE PERMIT: 1

BEST STOP CARD: OBSERVED A VAC TRUCK DRIVER OFFLOADING WATER INTO FRAC TANKS; HE WAS NOT WEARING A HARD HAT. STOPPED THE DRIVER, AND ASKED HIM TO COMPLY WITH THE PPE POLICY WHEN WORKING ON OXY SITES. HE COMPLIED.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/25/2011
Report No: 15

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	8.75
Today's MD:	5198 ft	Progress:	1165 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$56,288
Prev MD:	4033 ft	Rot Hrs Today:	18.00 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$1,035,182
PBMD:		Avg ROP Today:	64.7 ft/hr	AFE Number:	NEEDS UPDATED	AFE Cost:	\$2,421,387

Current Formation:	SA@	Lithology:	100% DOLOMITE @ 5,150'
Current Ops:	DRILLING VERTICAL 8-3/4" PRODUCTION HOLE @ 5,458' - ROP AT 24 FT/HR.		
24-Hr Summary:	DRILL VERTICAL 8-3/4" PRODUCTION HOLE FROM 4,033' TO 4,535'. SERVICE RIG. DRILL VERTICAL 8-3/4" PRODUCTION HOLE FROM 4,53		
24-Hr Forecast:	CONTINUE TO DRILL VERTICAL 8-3/4" PRODUCTION HOLE		

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.625in @ 3,843ft	Str Wt Up/Dn:	164.0/ 144.0 kip	Pump Rate:	580.4	Conn:	14	14	16
Next Casing:	5.500in @ 10,000ft	Str Wt Rot:	154.0 kip	Pump Press:	2350	Trip:	0	0	0
Last BOP Press Test:	09/24/2011	Torq Off Btm:	1,500.0 ft-lbf			Backgr:	10	10	10
Form Test/EMW:	FIT / 13.50 ppg	Torq On Btm:	7,000.0 ft-lbf						

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	GILBERT ZAPATA	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2:	MIKE BARRY	4,570.0	2.20	28.54	4,568.10	-77.4	-47.1	-77.4	0.79	0.29
Engineer:	RON ROVENKO	5,139.0	1.30	36.26	5,136.83	-63.3	-37.8	-63.3	0.01	0.01
Geologist:		5,045.0	1.29	36.23	5,042.86	-65.1	-39.0	-65.1	0.08	-0.02
Oxy Personnel:	2	4,949.0	1.31	39.31	4,946.88	-66.8	-40.4	-66.8	0.19	-0.17
Contractor Personnel:	16	4,854.0	1.47	35.60	4,851.91	-68.6	-41.8	-68.6	0.64	-0.62
Total on Site:	18	4,760.0	2.05	30.30	4,757.95	-71.0	-43.3	-71.0	0.29	-0.29

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
3	8.750	HUGHES CHRISTENS	Q507FX	7134133	M423	7x10	3853		--	--

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
3	14.75	20.75	1165	1345	79.0	64.8	20.0/25.0	55/65	0.537	903	346.6	5.1

MUD DATA - M-I SWACO					LAST OR CURRENT BHA					
Engineer:	Barry Maillet	MBT:	0.0 lbm/bbl	BHA No:	3	Bit No:	3	MD In:	3853 ft	
Sample From:	In	pH:	10.0	Purpose:	DRILL 8 3/4" VERTICAL PRODUCTIN HOLE MD Out:					
Mud Type:	Fresh Water	Pm / Pom:	0.00	Component		OD	ID	Jts	Length	
Time / MD:	18:00 / 4,645.0	Pf / Mf:	0.4 / 1.0	PDC BIT	8.750	3.000	1	1.00		
Density @ Temp:	8.40 / 90	Chlorides:	3,200	POSITIVE DISPLACEMENT MOTOR	6.750	2.000	1	27.78		
Rheology Temp:	120	Ca+ / K+:	2,000 / 0	UNDERGAUGE INTEGRAL BLADE STABILIZ	6.500	2.250	1	4.42		
Viscosity:	26.00	CaCl2:	0.00	UBHO SUB	6.062	3.187	1	3.62		
PV / YP:	1 / 1	Clom:	0.00	NON-MAG DRILL COLLAR	6.875	3.250	1	31.10		
Gels 10s/10m/30m:	1 / 1 / 1	Lime:	0.00	UNDERGAUGE INTEGRAL BLADE STABILIZ	6.500	2.250	1	6.43		
API WL:	45.00	ES:	0.00	CROSSOVER	6.375	3.000	1	1.45		
HTHP WL:	0.00	ECD:	8.41	DRILL COLLAR	6.375	2.875	10	306.49		
Cake API / HTHP:	1.0 / .0	n / K:	0.59 / 0.056	HWDP	6.250	2.625	6	181.86		
Solids / Sol Corr:	0.20 / 0.30	Carbonate:	8 ppm	DRILLING JAR	6.500	2.750	1	32.41		
Oil / Water:	0.0 / 99.0	Bicarbonate:	4 ppm	HWDP	6.250	2.625	11	336.63		
Sand:	0.10	Form Loss:	0.0 / 0.0	DRILL PIPE	4.500	3.826		4,264.81		
Water Added:	0.0 bbl	Fluid Disch:	/							
Oil Added:										
LGS:	0.30 / 2.60									
VG Meter:	1@3 / 1@6 / 1@100 / 1@200 / 2@300 / 3@600									
Comments:	Drilled from 4036"MD to 5008"MD. Drlg. ahead @ rpt. time w/no issues.				Total Length:	933.19 ft	Wt below Jars:	70.0 kip		

MUD PRODUCTS		
Product	Units	Qty Used
DEFOAM A	CAN,5 GA	5.00
ENGINEERING SERVICE	EACH	1.00
FEDERAL BENTONITE	BG,100 LB	41.00
LIME	BG,50 LB	5.00
M-I-X II FINE	BG,25 LB	27.00
SODA ASH	BG,50 LB	2.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/25/2011
Report No: 15

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	0:30	0.50	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 4,033' TO 4,041' ROTATED 0', SLIDE 8' USING 553 GPM, 1,800 PSI OFF BTM, 1,910 PSI ON BOTTOM, 0 SRPM + 83 MRPM = 83 BRPM, 15K WOB AND 0.5K TORQUE OFF BOTTOM AND 2.0K TORQUE ON BOTTOM.</p> <p>0.5 HOUR SLIDE FROM 4,033' TO 4,041' (8') MAGNETIC TOOLFACE 45</p> <p>TOTAL AVG ROP 16 FPH.</p> <p>MUD WT IN / OUT 8.4 PPG, 26 VIS</p> <p>CIRCULATING OUTER RESERVE PITS.</p>
0:30	1:00	0.50	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 4,041' TO 4,061' ROTATED 20', SLIDE 0' USING 580 GPM, 1,720 PSI OFF BTM, 1,830 PSI ON BOTTOM, 59 SRPM + 83 MRPM = 142 BRPM, 17K WOB AND 1.5K TORQUE OFF BOTTOM AND 5.0K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 40 FPH</p> <p>MUD WT IN / OUT 8.4 PPG, 26 VIS</p> <p>CIRCULATING OUTER RESERVE PITS.</p>
1:00	1:30	0.50	31PRDR	DRILL	MTRVER	P	<p>MAKE MULTIPLE ATTEMPTS TO OBTAIN SURVEY READING FROM MWD TOOL. TROUBLESHOOT MWD; SIGNAL NOISE SEEMS TO BE A PROBLEM.</p> <p>SURVEY @ 4,001', 1.39° 237.83 AZIMUTH</p>
1:30	4:00	2.50	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 4,061' TO 4,155' ROTATED 94', SLIDE 0' USING 540 GPM, 1,865 PSI OFF BTM, 1,990 PSI ON BOTTOM, 55 SRPM + 81 MRPM = 136 BRPM, 20K WOB. 1.5K TORQUE OFF BOTTOM AND 6.5K TORQUE ON BOTTOM. PUMP 20 BBL VISCOUS SWEEP.</p> <p>TOTAL AVG ROP 37.6 FPH</p> <p>MUD WT IN / OUT 8.4 PPG, 24 VIS</p> <p>CIRCULATING OUTER RESERVE PITS.</p> <p>02:00 HOURS SAFETY BRAKE - DISCUSSED WEARING PROPER PPE, AND WORKING SAFELY DURING THE EARLY MORNING HOURS.</p>
4:00	4:30	0.50	31PRDR	DRILL	MTRDIR	PT	<p>ATTEMPT TO SURVEY THE 8-3/4" HOLE AT 4,095'. CYCLED MWD TOOL FOUR TIMES, BUT UNABLE TO GATHER A FULL READING DUE TO SIGNAL NOISE IN THE SYSTEM, POSSIBLY FROM MUD PUMPS. DECIDE TO DRILL AN ADDITIONAL 30' WHILE RELOCATING THE MWD TRANSDUCER.</p>
4:30	5:00	0.50	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 4,155' TO 4,188' ROTATED 33', SLIDE 0' USING 540 GPM, 1,865 PSI OFF BTM, 1,990 PSI ON BOTTOM, 55 SRPM + 81 MRPM = 136 BRPM, 20K WOB. 1.5K TORQUE OFF BOTTOM AND 6.5K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 66 FPH</p> <p>MUD WT IN / OUT 8.4 PPG, 24 VIS</p> <p>CIRCULATING OUTER RESERVE PITS.</p>
5:00	6:00	1.00	31PRDR	SURV	INCL	PT	<p>TROUBLE SHOOT WEATHERFORD MWD TOOLS AND MAKE MULTIPLE ATTEMPTS TO SURVEY 8-3/4" HOLE AT 4,128'. INSTALL A SECOND TRANSDUCER ON THE STANDPIPE, AND STILL UNABLE TO RETRIEVE FULL SURVEY DATA.</p> <p>06:00 HOURS CREW CHANGE.</p>
6:00	6:30	0.50	31PRDR	SURV	INCL	PT	<p>CONTINUE TROUBLESHOOT MWD RECYCLING MUD PUMPS.</p> <p>SURVEY @ 4,128' 0.62° 313.24 AZIMUTH.</p>

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/25/2011
Report No: 15

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
6:30	10:30	4.00	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 4,188' TO 4,345' ROTATED 136' AVG 54' HR, SLIDE 21' AVG 14' HR, USING 550 GPM, 1,850 PSI OFF BTM, 1,950 PSI ON BOTTOM, 55 SRPM + 82 MRPM = 137 BRPM, 22/25K WOB 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 40 FPH</p> <p>1.0 HOUR SLIDE FROM 4,188' TO 4,200' (12') MAGNETIC TOOLFACE 45 0.5 HOUR SLIDE FROM 4,249' TO 4,258' (9') MAGNETIC TOOLFACE 45</p> <p>SURVEY @ 4,192' 0.93° 350.69 AZIMUTH SURVEY @ 4,222' 1.30° 3.70 AZIMUTH</p> <p>CIRCULATING OUTER RESERVE PITS AND PUMPING 20 BBLs HI VIS SWEEPS EVERY 200'.</p> <p>MUD WT IN - 8.4 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.4 PPG, 28 VIS, PH 10.0.</p> <p>08:00 HOURS SAFETY BRAKE: DISCUSS GENERAL HOUSEKEEPING. DITCHES CLEANED UP AND WATER HOSES ROLLED UP ON STEEL PITS TO ELIMINATE TRIP HAZARDS.</p>
10:30	11:00	0.50	31PRDR	SURV	INCL	P	SURVEY WITH MWD AT 4,285' 1.80° 10.62 AZIMUTH.
11:00	13:30	2.50	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 4,345' TO 4,535' ROTATED 190' AVG 76' HR, SLIDE 0' AVG 0' HR, USING 550 GPM, 1,875 PSI OFF BTM, 2,080 PSI ON BOTTOM, 60 SRPM + 82 MRPM = 142 BRPM, 25K WOB 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 76 FPH</p> <p>SURVEY @ 4,345' 1.85° 12.29 AZIMUTH SURVEY @ 4,476' 1.93° 9.22 AZIMUTH</p> <p>CIRCULATING OUTER RESERVE PITS AND PUMPING 20 BBLs HI VIS SWEEPS EVERY 200'.</p> <p>MUD WT IN - 8.4 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.4 PPG, 28 VIS, PH 10.0.</p> <p>12:00 HOURS SAFETY BRAKE: HONORING THE BUFFER ZONE AREAS.</p>
13:30	14:00	0.50	31PRDR	RIGMT	SRVRIG	P	RIG SERVICE.
14:00	18:00	4.00	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 4,535' TO 4,819' ROTATED 268' AVG 77' HR, SLIDE 16' AVG 32' HR, USING 550 GPM, 1,900 PSI OFF BTM, 2,200 PSI ON BOTTOM, 60 SRPM + 82 MRPM = 142 BRPM, 25K WOB 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 76 FPH</p> <p>0.25 HOUR SLIDE FROM 4,535' - 4,543' (8') MAGNETIC TOOLFACE 90 0.25 HOUR SLIDE FROM 4,723' - 4,731' (8') MAGNETIC TOOLFACE 211</p> <p>SURVEY @ 4,570' 2.20° 28.54 AZIMUTH SURVEY @ 4,663' 2.33° 31.42 AZIMUTH</p> <p>CIRCULATING OUTER RESERVE PITS AND PUMPING 20 BBLs HI VIS SWEEPS EVERY 200'.</p> <p>MUD WT IN - 8.4 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.4 PPG, 28 VIS, PH 10.0.</p> <p>16:00 HOURS SAFETY BRAKE: DISCUSS WEARING SEAT BELT WHILE OPERATING FORKLIFT AND NO RUNNING ON LOCATION.\</p> <p>18:00 HOURS CREW CHANGE.</p>
18:00	18:30	0.50	31PRDR	DRILL	MTRDIR	P	<p>SURVEY @ 4,760', 2.10° 30.30 AZIMUTH - HAD TO CYCLE THE MWD 3 TIMES TO OBTAIN SURVEY DATA.</p> <p>WORK STRING TO ORIENT DIRECTIONAL TOOL FACE TO 210.0°</p>

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/25/2011
Report No: 15

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
18:30	19:30	1.00	31PRDR	DRILL	MTRDIR	P	DRILL 8 3/4" PRODUCTION HOLE FROM 4,819' TO 4,913' ROTATED 86' AVG 114' HR, SLIDE 8' AVG 32' HR, USING 580 GPM, 1,880 PSI OFF BTM, 2,150 PSI ON BOTTOM, 60 SRPM + 87 MRPM = 147 BRPM, 25K WOB, 2K TORQUE OFF BOTTOM AND 7.5K TORQUE ON BOTTOM. TOTAL AVG ROP 94 FPH 0.25 HOUR SLIDE FROM 4,819' - 4,827' (8') MAGNETIC TOOLFACE 210 CIRCULATING OUTER RESERVE PITS AND PUMPING 20 BBLS HI VIS SWEEPS EVERY 200'. MUD WT IN - 8.4 PPG, 25 VIS, PH 10.0 MUD WT OUT - 8.4 PPG, 25 VIS, PH 10.0.
19:30	21:00	1.50	31PRDR	DRILL	MTRDIR	P	DRILL 8 3/4" PRODUCTION HOLE FROM 4,913' TO 5,008' ROTATED 95' AVG 114' HR, SLIDE 0' AVG 0' HR, USING 580 GPM, 1,880 PSI OFF BTM, 2,150 PSI ON BOTTOM, 60 SRPM + 87 MRPM = 147 BRPM, 25K WOB, 2K TORQUE OFF BOTTOM AND 7.5K TORQUE ON BOTTOM. TOTAL AVG ROP 63.3 FPH WITH SURVEY & CONNECTION SURVEY @ 4,854', 1.47° 35.6 AZIMUTH CIRCULATING OUTER RESERVE PITS AND PUMPING 20 BBLS HI VIS SWEEPS EVERY 200'. MUD WT IN - 8.4 PPG, 25 VIS, PH 10.0 MUD WT OUT - 8.4 PPG, 25 VIS, PH 10.0. WEATHERFORD MUD LOGGERS BEGAN TAKING SAMPLES FROM 5,000 FT.
21:00	22:30	1.50	31PRDR	DRILL	MTRDIR	P	DRILL 8 3/4" PRODUCTION HOLE FROM 5,008' TO 5,103' ROTATED 95' AVG 95' HR, SLIDE 0' AVG 0' HR, USING 580 GPM, 1,860 PSI OFF BTM, 2,260 PSI ON BOTTOM, 60 SRPM + 87 MRPM = 147 BRPM, 25K WOB, 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM. TOTAL AVG ROP 63 FPH WITH 2 SURVEYS & CONNECTION SURVEY @ 4,949', 1.31° 39.31 AZIMUTH - ONE ATTEMPT SURVEY @ 5,045', 1.29° 36.23 AZIMUTH - TWO ATTEMPTS CIRCULATING OUTER RESERVE PITS AND PUMPING 30 BBLS HI VIS SWEEPS EVERY 200'. MUD WT IN - 8.4 PPG, 25 VIS, PH 10.0 MUD WT OUT - 8.4 PPG, 25 VIS, PH 10.0. 22:00 HOURS SAFETY BRAKE; DISCUSSED HOUSEKEEPING ON THE RIG AND THE DRILL SITE.
22:30	0:00	1.50	31PRDR	DRILL	MTRDIR	P	DRILL 8 3/4" PRODUCTION HOLE FROM 5,103' TO 5,198' ROTATED 95' AVG 81' HR, SLIDE 0' AVG 0' HR, USING 580 GPM, 2,100 PSI OFF BTM, 2,350 PSI ON BOTTOM, 60 SRPM + 87 MRPM = 147 BRPM, 25K WOB, 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM. TOTAL AVG ROP 63 FPH WITH SURVEY & CONNECTION SURVEY @ 5,139', 1.30° 36.26 AZIMUTH CIRCULATING OUTER RESERVE PITS AND PUMPING 30 BBLS HI VIS SWEEPS EVERY 200'. MUD WT IN - 8.4 PPG, 25 VIS, PH 10.0 MUD WT OUT - 8.4 PPG, 25 VIS, PH 10.0.

Total Time 24.00

Safety Incident? N **Days since Last RI:** 54.00
Environ Incident? N **Days since Last LTA:** 54.00

Weather Comments:

Incident Comments:
 No incidents reported last 24 hours.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/25/2011
Report No: 15

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2

NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

SAFETY TOPIC OF THE DAY: GENERAL HOUSEKEEPING AND FORKLIFT OPERATIONS.

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS. : NONE

NEXT RIG MOVE DATE: 10/08/11

DAYS SINCE LAST LTI: 54
DAYS SINCE LAST RECORDABLE: 54
TOTAL JSA REVIEWED: 21
TOTAL STOP CARDS: 3
TOTAL LO/TO: 0
TOTAL SAFETY MEETINGS: 6
NEAR MISSES: 0
HOT WORK PERMIT: 0
CONFINED SPACE PERMIT: 0

BEST STOP CARD: OBSERVED A HAND DRIVING A FORKLIFT WITHOUT HIS SEAT BELT ON. STOPPED THE HAND, AND EXPLAINED SAFE OPERATION PROCEDURES FOR THE FORKLIFT. HE SECURED HIS SEAT BELT AND CONTINUED WORK.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/26/2011
Report No: 16

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	9.75
Today's MD:	5903 ft	Progress:	705 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$42,831
Prev MD:	5198 ft	Rot Hrs Today:	19.50 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$1,078,013
PBMD:		Avg ROP Today:	36.2 ft/hr	AFE Number:	NEEDS UPDATED	AFE Cost:	\$2,421,387

Current Formation: CLEARFORK@ Lithology: 100% CHERTY DOLOMITE @ 5,900'
 Current Ops: TOH @ 2,060' TO PICK UP NEW 8-3/4" PDC BIT AND MUD MOTOR.
 24-Hr Summary: DRILL VERTICAL 8-3/4" PRODUCTION HOLE FROM 5,198' TO 5,674'. SERVICE RIG. DRILL VERTICAL 8-3/4" PRODUCTION HOLE FROM 5,674' TO 5,903'.
 24-Hr Forecast: TOH, LAY DOWN 8-3/4" BIT & MOTOR. MAKE UP NEW BIT AND MOTOR. RIH AND DRILL 8-3/4" VERTICAL PRODUCTION HOLE.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.625in @ 3,843ft	Str Wt Up/Dn:	175.0/ 155.0 kip	Pump Rate:	580.4	Conn:	35		113
Next Casing:	5.500in @ 10,000ft	Str Wt Rot:	165.0 kip	Pump Press:	2480	Trip:	0		0
Last BOP Press Test:	09/24/2011	Torq Off Btm:	1,500.0 ft-lbf			Backgr:	50		383
Form Test/EMW:	FIT / 13.50 ppg	Torq On Btm:	6,000.0 ft-lbf						

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	GILBERT ZAPATA	MD	Incl	Azi	TVD	N/-S	E/-W	VS	DLS	Build
Supervisor 2:	MIKE BARRY	5,803.0	1.00	24.18	5,800.77	-54.9	-35.2	-54.9	0.17	0.08
Engineer:	RON ROVENKO	5,614.0	0.84	6.53	5,611.79	-57.7	-36.0	-57.7	0.30	0.23
Geologist:		5,519.0	0.62	351.86	5,516.80	-59.0	-36.0	-59.0	0.19	0.02
Oxy Personnel:	2	5,327.0	0.58	26.19	5,324.81	-60.9	-36.3	-60.9	0.27	-0.27
Contractor Personnel:	16	5,234.0	0.83	28.22	5,231.81	-61.9	-36.8	-61.9	0.52	-0.49
Total on Site:	18	4,570.0	2.20	28.54	4,568.10	-77.4	-47.1	-77.4	0.79	0.29

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
3	8.750	HUGHES CHRISTENS	Q507FX	7134133	M423	7x10	3853		--	--

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
3	21.25	42.00	705	2050	33.2	48.8	20.0/30.0	55/65	0.537	935	346.6	5.3

MUD DATA - M-I SWACO				LAST OR CURRENT BHA							
Engineer:	Barry Maillet	MBT:	0.0 lbm/bbl	BHA No:	3	Bit No:	3	MD In:	3853 ft		
Sample From:	In	pH:	10.0	Purpose:	DRILL 8 3/4" VERTICAL PRODUCTIN HOLE MD Out:						
Mud Type:	Fresh Water	Pm / Pom:	0.00	Component							
Time / MD:	18:00 / 5,680.0	Pf / Mf:	0.4 / 0.8	OD	ID	Jts	Length				
Density @ Temp:	8.70 / 85	Chlorides:	40,000	PDC BIT	8.750	3.000	1	1.00			
Rheology Temp:	120	Ca+ / K+:	2,000 / 0	POSITIVE DISPLACEMENT MOTOR	6.750	2.000	1	27.78			
Viscosity:	27.00	CaCl2:	0.00	UNDERGAUGE INTEGRAL BLADE STABILIZ	6.500	2.250	1	4.42			
PV / YP:	1 / 1	Clom:	0.00	UBHO SUB	6.062	3.187	1	3.62			
Gels 10s/10m/30m:	1 / 1 / 1	Lime:	0.00	NON-MAG DRILL COLLAR	6.875	3.250	1	31.10			
API WL:	45.00	ES:	0.00	UNDERGAUGE INTEGRAL BLADE STABILIZ	6.500	2.250	1	6.43			
HTHP WL:	0.00	ECD:	8.71	CROSSOVER	6.375	3.000	1	1.45			
Cake API / HTHP:	1.0 / .0	n / K:	0.59 / 0.056	DRILL COLLAR	6.375	2.875	10	306.49			
Solids / Sol Corr:	2.00 / 0.70	Carbonate:	8 ppm	HWDP	6.250	2.625	6	181.86			
Oil / Water:	0.0 / 98.0	Bicarbonate:	4 ppm	DRILLING JAR	6.500	2.750	1	32.41			
Sand:	0.10	Form Loss:	0.0 / 0.0	HWDP	6.250	2.625	11	336.63			
Water Added:	0.0 bbl	Fluid Disch:	/	DRILL PIPE	4.500	3.826		4,969.81			
Oil Added:											
LGS:	0.70 / 6.40										
VG Meter:	1@3 / 1@6 / 1@100 / 1@200 / 2@300 / 3@600										
Comments:	Drilled from 5008"MD to 5836"MD. Sweeping hole every 200 ft.; circulating through outside reserve. Drlg. ahead @ rpt.			Total Length:	933.19 ft	Wt below Jars:	70.0 kip				

MUD PRODUCTS		
Product	Units	Qty Used
ENGINEERING SERVICE	EACH	1.00
FEDERAL BENTONITE	BG,100 LB	14.00
MF-55	CAN,5 GA	7.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/26/2011
Report No: 16

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	0:30	0.50	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 5,198' TO 5,206'. SLIDE 8' AVG ROP 32 FPH USING 580 GPM, 2,000 PSI OFF BTM, 2,200 PSI ON BOTTOM, 0 SRPM + 87 MRPM = 87 BRPM, 12K WOB, 0.5K TORQUE OFF BOTTOM AND 1.8K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 32 FPH</p> <p>0.25 HOUR SLIDE FROM 5,198 - 5,206' (8') MAGNETIC TOOLFACE 210</p> <p>CIRCULATING OUTER RESERVE PITS AND PUMPING 30 BBLS HI VIS SWEEPS EVERY 200'.</p> <p>MUD WT IN - 8.4 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.4 PPG, 28 VIS, PH 10.0.</p>
0:30	3:30	3.00	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 5,206' TO 5,387' ROTATED 181' AVG ROP 64 FPH USING 580 GPM, 2,200 PSI OFF BTM, 2,350 PSI ON BOTTOM, 60 SRPM + 87 MRPM = 147 BRPM, 25K WOB, 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 60.3 FPH WITH SURVEY & CONNECTION</p> <p>SURVEY @ 5,234', 0.83°, 28.22 AZIMUTH</p> <p>CIRCULATING OUTER RESERVE PITS AND PUMPING 30 BBLS HI VIS SWEEPS EVERY 200'.</p> <p>MUD WT IN - 8.4 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.4 PPG, 28 VIS, PH 10.0.</p> <p>02:00 HOURS SAFETY BRAKE; DISCUSSED THE PROPER RESPONSE & RESPONSIBILITIES SHOULD H2S ALARMS BE SOUNDED.</p>
3:30	4:30	1.00	31PRDR	DRILL	MTRVER	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 5,387' TO 5,428' ROTATED 41' AVG ROP 50 FPH USING 580 GPM, 1,850 PSI OFF BTM, 2,050 PSI ON BOTTOM, 60 SRPM + 87 MRPM = 147 BRPM, 25K WOB, 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 41 FPH WITH SURVEY & CONNECTION</p> <p>SURVEY @ 5,327', 0.58°, 26.19 AZIMUTH</p> <p>CIRCULATING OUTER RESERVE PITS AND PUMPING 30 BBLS HI VIS SWEEPS EVERY 200'.</p> <p>MUD WT IN - 8.4 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.4 PPG, 28 VIS, PH 10.0.</p> <p>OBSERVE SLOW DECLINE IN THE STANDPIPE PRESSURE AND DIFFERENTIAL PRESSURE. INSPECT MUD PUMPS FOR MALFUNCTION.</p>
4:30	5:30	1.00	31PRDR	DRILL	MTRVER	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 5,428' TO 5,448' ROTATED 20' AVG ROP 40 FPH USING 332 GPM, 650 PSI OFF BTM, 875 PSI ON BOTTOM, 75 SRPM + 50 MRPM = 125 BRPM, 25K WOB, 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM.</p> <p>DRILLING WITH PUMP #1 WHILE WORKING ON PUMP #2. FOUND A WORK GLOVE UNDERNEATH SUCTION SIDE VALVE.</p> <p>TOTAL AVG ROP 40 FPH</p> <p>CIRCULATING OUTER RESERVE PITS AND PUMPING 30 BBLS HI VIS SWEEPS EVERY 200'.</p> <p>MUD WT IN - 8.5 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.5 PPG, 28 VIS, PH 10.0.</p>

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/26/2011
 Report No: 16

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
5:30	6:00	0.50	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 5,448' TO 5,458' ROTATED 10' AVG ROP 20 FPH USING 580 GPM, 1,920 PSI OFF BTM, 2,070 PSI ON BOTTOM, 60 SRPM + 87 MRPM = 147 BRPM, 25K WOB, 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 20 FPH</p> <p>CIRCULATING OUTER RESERVE PITS AND PUMPING 30 BBLS HI VIS SWEEPS EVERY 200'.</p> <p>MUD WT IN - 8.5 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.5 PPG, 28 VIS, PH 10.0.</p> <p>06:00 HOURS CREW CHANGE</p>
6:00	10:00	4.00	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 5,458' TO 5,567' ROTATED 109' AVG ROP 27 FPH USING 580 GPM, 1,950 PSI OFF BTM, 2,350 PSI ON BOTTOM, 60 SRPM + 87 MRPM = 147 BRPM, 25/28K WOB, 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 27 FPH</p> <p>100% CHERTY DOLOMITE @ 5,470'</p> <p>CIRCULATING OUTER RESERVE PITS AND PUMPING 30 BBLS HI VIS SWEEPS EVERY 200'.</p> <p>MUD WT IN - 8.5 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.5 PPG, 28 VIS, PH 10.0.</p> <p>NOTE: ADDING BRINE TO SYSTEM TO INCREASE MUD WEIGHT UP TO 9.1 PPG AT 5,550'.</p> <p>08:00 HOURS SAFETY BRAKE: DISCUSS HONORING BUFFER ZONES WHILE MOVING, HOISTING, USING TAGLINES AND SUSPENDED LOADS.</p>
10:00	14:30	4.50	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 5,567' TO 5,674' ROTATED 100' AVG 25 FPH, SLIDE 7' AVG 14 FPH USING 580 GPM, 2,200 PSI OFF BTM, 2,550 PSI ON BOTTOM, 60 SRPM + 87 MRPM = 147 BRPM, 25/28K WOB, 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 24 FPH</p> <p>SURVEY @ 5,519' 0.62° 351.86 AZIMUTH SURVEY @ 5,614' 0.84° 6.53 AZIMUTH</p> <p>0.5 HOUR SLIDE FROM 5,577 - 5,584' (7') MAGNETIC TOOLFACE 90</p> <p>CIRCULATING OUTER RESERVE PITS AND PUMPING 30 BBLS HI VIS SWEEPS EVERY 200'.</p> <p>MUD WT IN - 8.7 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.7 PPG, 28 VIS, PH 10.0.</p> <p>12:00 HOURS SAFETY BRAKE: DISCUSS LOCK OUT / TAG OUT OF EQUIPMENT BEFORE SERVICING. REVIEWING JSA'S BEFORE STARTING EACH TASK.</p>
14:30	15:00	0.50	31PRDR	RIGMT	SRVRIG	P	RIG SERVICE.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/26/2011
Report No: 16

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
15:00	18:00	3.00	31PRDR	DRILL	MTRDIR	P	DRILL 8 3/4" PRODUCTION HOLE FROM 5,674' TO 5,750' ROTATED 66' AVG 33 FPH, SLIDE 10' AVG 10 FPH USING 580 GPM, 2,200 PSI OFF BTM, 2,650 PSI ON BOTTOM, 60 SRPM + 87 MRPM = 147 BRPM, 25/30K WOB, 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM. TOTAL AVG ROP 25 FPH 1.0 HOUR SLIDE FROM 5,674 - 5,684' (10') MAGNETIC TOOLFACE 100 CIRCULATING OUTER RESERVE PITS AND PUMPING 30 BBLS HI VIS SWEEPS EVERY 200'. MUD WT IN - 8.7+ PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.7+ PPG, 28 VIS, PH 10.0. 16:00 HOURS SAFETY BRAKE: DISCUSS WORKING WITH NEW EMPLOYEES WATCHING OUT FOR 3RD PARTY PERSONNEL. 18:00 HOURS CREW CHANGE
18:00	21:30	3.50	31PRDR	DRILL	MTRDIR	P	DRILL 8 3/4" PRODUCTION HOLE FROM 5,750' TO 5,863' ROTATED 113' AVG 39 FPH, SLIDE 0' AVG 0 FPH USING 580 GPM, 2,400 PSI OFF BTM, 2,580 PSI ON BOTTOM, 60 SRPM + 87 MRPM = 147 BRPM, 25/30K WOB, 1.5K TORQUE OFF BOTTOM AND 6K TORQUE ON BOTTOM. TOTAL AVG ROP 32.3 FPH SURVEY @ 5,803' 1.00° 24.18 AZIMUTH FORMATION @ 5,760' - 90% DOLOMITE, 10% CHERT CIRCULATING OUTER RESERVE PITS AND PUMPING 30 BBLS HI VIS SWEEPS EVERY 200'. MUD WT IN - 8.7+ PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.7+ PPG, 28 VIS, PH 10.0.
21:30	23:00	1.50	31PRDR	DRILL	MTRVER	P	DRILL 8 3/4" PRODUCTION HOLE FROM 5,750' TO 5,903' ROTATED 26' AVG FPH, SLIDE 0' AVG 0 FPH USING 580 GPM, 2,380 PSI OFF BTM, 2,490 PSI ON BOTTOM, 60 SRPM + 87 MRPM = 147 BRPM, 25/30K WOB, 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM. TOTAL AVG ROP 26.6 FPH ROP WAS BELOW 20 FPH FOR 39 MINUTES, AND HAD DECLINED TO 7 FPH. CALLED FIELD SUPERINTENDENT AND DISCUSSED ROP & FORMATIONS. DECIDED TO TOH FOR NEW BIT. FORMATION @ 5,900' - 100% CHERTY DOLOMITE CIRCULATING OUTER RESERVE PITS AND PUMPING 30 BBLS HI VIS SWEEPS EVERY 200'. MUD WT IN - 8.7+ PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.7+ PPG, 28 VIS, PH 10.0 22:00 HOURS SAFETY BRAKE; DISCUSSED WORKING SAFE AND STEADY WHILE DRILLING. ALSO, TAKING PRECAUTION WHILE HANDLING ELECTRIC LINES AND CABLES.
23:00	0:00	1.00	31PRDR	WLCNTL	CRCND	PT	THE H2S ALARMS SOUNDED. DRILLER PICKED UP 10 FT OFF BOTTOM FROM 5,903', AND CLOSED ANNULAR PREVENTER. ALL HANDS ON LOCATION MUSTERED AT SOUTH SIDE MUSTER POINT. COUNTED PERSONNEL; ALL HANDS ACCOUNTED FOR AT MUSTER POINT. CALLED BOOTS & COOTS FOR H2S TECH . THE TECH ARRIVED ON SITE AT 24:00 HOURS.
Total Time		24.00					

Safety Incident? N **Days since Last RI:** 55.00
Environ Incident? N **Days since Last LTA:** 55.00

Weather Comments:
Incident Comments:
 No incidents reported last 24 hours.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/26/2011
Report No: 16

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2

NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

SAFETY TOPIC OF THE DAY: WORKING SAFELY AROUND POTENTIAL H2S EXPOSURE.

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS. : NONE

NEXT RIG MOVE DATE: 10/08/11

DAYS SINCE LAST LTI: 55
DAYS SINCE LAST RECORDABLE: 55
TOTAL JSA REVIEWED: 9
TOTAL STOP CARDS: 2
TOTAL LO/TO: 0
TOTAL SAFETY MEETINGS: 7
NEAR MISSES: 0
HOT WORK PERMIT: 0
CONFINED SPACE PERMIT: 0

BEST STOP CARD: OBSERVED A HAND WORKING WITH OAKLEY GLASSES, STOPPED THE HAND, EXPLAINED OXY'S PPE POLICY CONCERNING EYE PROTECTION, AND PROVIDED THE EMPLOYEE WITH PAIR OF SAFETY GLASSES. HE RESUMED WORKING SAFELY.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/27/2011
 Report No: 17

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	10.75
Today's MD:	6226 ft	Progress:	323 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$57,753
Prev MD:	5903 ft	Rot Hrs Today:	6.00 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$1,135,767
PBMD:		Avg ROP Today:	53.8 ft/hr	AFE Number:	NEEDS UPDATED	AFE Cost:	\$2,421,387

Current Formation: SA@ Lithology: 100% CHERTY DOLOMITE @ 6,160'
 Current Ops: DRILLING VERTICAL 8-3/4" PRODUCTION HOLE @ 6,456' - ROP AT 65 FT/HR.
 24-Hr Summary: SHUT DOWN 2 HRS FOR H2S. PUMP SLUG; TOH FROM 5,903'. MU NEW MOTOR & 8-3/4" BIT & TIH. WASHED FROM 5,865' TO 5,903'. DRILL
 24-Hr Forecast: DRILL VERTICAL 8-3/4" PRODUCTION HOLE TO ~8,000'. TRIP OUT OF HOLE FOR SCHLUMBERGER POWER-V.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.625in @ 3,843ft	Str Wt Up/Dn:	176.0/ 156.0 kip	Pump Rate:	554.0	Conn:	15	15	20
Next Casing:	5.500in @ 10,000ft	Str Wt Rot:	166.0 kip	Pump Press:	2350	Trip:	112	112	112
Last BOP Press Test:	09/24/2011	Torq Off Btm:	1,500.0 ft-lbf			Backgr:	15	15	23
Form Test/EMW:	FIT / 13.50 ppg	Torq On Btm:	6,500.0 ft-lbf						

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	GILBERT ZAPATA	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2:	MIKE BARRY	6,088.0	0.96	19.87	6,085.73	-50.4	-33.7	-50.4	0.04	0.01
Engineer:	RON ROVENKO	5,897.0	0.94	15.20	5,894.75	-53.4	-34.6	-53.4	0.17	-0.06
Geologist:		5,803.0	1.00	24.18	5,800.77	-54.9	-35.2	-54.9	0.17	0.08
Oxy Personnel:	2	5,614.0	0.84	6.53	5,611.79	-57.7	-36.0	-57.7	0.30	0.23
Contractor Personnel:	17	5,519.0	0.62	351.86	5,516.80	-59.0	-36.0	-59.0	0.19	0.02
Total on Site:	19	5,327.0	0.58	26.19	5,324.81	-60.9	-36.3	-60.9	0.27	-0.27

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
4	8.750	SMITH	MSI 813	JE 9250	M423	1x10, 5x11	5903		--	--
3	8.750	HUGHES CHRISTENS	Q507FX	7134133	M323	7x10	3853	5903	6-4-RO-N	D-I-CT-PR

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
4	6.00	6.00	323	323	53.8	53.8	10.0/25.0	50/75	0.541	838	326.3	4.5

MUD DATA - M-I				LAST OR CURRENT BHA								
Engineer:	Harry Mankel	MBT:	0.0 lbm/bbl	BHA No:	4	Bit No:	4	MD In:	5903 ft			
Sample From:	In	pH:	10.5	Purpose:	DRILL 8 3/4" VERTICAL PRODUCTIN HOLE			MD Out:				
Mud Type:	Cut Brine	Pm / Pom:	0.00									
Time / MD:	23:00 / 6,168.0	Pf / Mf:	0.1 / 2.0									
Density @ Temp:	8.80 / 85	Chlorides:	49,000									
Rheology Temp:	120	Ca+ / K+:	2,160 / 0									
Viscosity:	26.00	CaCl2:	0.00									
PV / YP:	1 / 1	Clom:	0.00									
Gels 10s/10m/30m:	1 / 1 / 1	Lime:	0.00									
API WL:	55.00	ES:	0.00									
HTHP WL:	0.00	ECD:	8.89									
Cake API / HTHP:	.0 / .0	n / K:	0.00 / 0.000									
Solids / Sol Corr:	2.50 / 0.00	Carbonate:	1 ppm									
Oil / Water:	0.0 / 99.0	Bicarbonate:	0 ppm									
Sand:	0.00	Form Loss:	0.0 / 0.0									
Water Added:	101.0 bbl	Fluid Disch:	/									
Oil Added:												
LGS:	0.50 / 4.20											
VG Meter:	1@3 / 1@6 / 1@100 / 1@200 / 2@300 / 3@600											
Comments:	Circulate bottoms up at 5903". Flow check well (well flowing) perform hard shut in and monitor well with no pressure on											
				Total Length:	933.36 ft			Wt below Jars:	70.0 kip			

MUD PRODUCTS		
Product	Units	Qty Used
ENGINEERING SERVICE	EACH	1.00
LIME	BG,50 LB	23.00
MF-55	CAN,5 GA	12.00
M-I BAR	100 LBS/SK	40.00
POLY-PLUS	CAN,5 GA	5.00
SALT GEL	BG,50 LB	70.00
SHRINK WRAPPING	EACH	27.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/27/2011
Report No: 17

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	0:30	0.50	31PRDR	WLCNTL	CRCCND	PT	BOOTS & COOTS H2S TECHNICIAN PUT ON SCBA. SNIFFED PITS AND RIG SITE FOR H2S GAS. NO GAS WAS DETECTED. THE #4 H2S SENSOR LOCATED IMMEDIATELY BEHIND THE SHAKER POSSUM BELLY WAS FOUND HANGING FROM THE BRACKET AND HAD GOTTEN WET. THE ALARM WAS SOUNDED DUE TO MOISTURE ON THE SENSOR.
0:30	2:00	1.50	31PRDR	CIRC	CNDHOL	P	CIRCULATED BOTTOMS FROM 5,893' AT 580 GPM WHILE BOOTS & COOTS TECH MONITORED THE POSSUM BELLY AREA FOR H2S GAS. NO GAS WAS DETECTED AT BOTTOMS UP. BOOTS & COOTS DECLARED THE AREA SAFE FOR WORK. CONTINUED TO CIRCULATE AND WORK THE PIPE WHILE BUILDING A 10.2 PPG SLUG IN THE SLUG TANK.
2:00	3:00	1.00	31PRDR	WLCNTL	CRCCND	P	HELD PRE-TRIP SAFETY BRAKE IN DOGHOUSE AND PREPARED TO TOH TO CHANGE BIT & MOTOR. PULLED FROM 5,893' TO 5,850', AND STOOD THE TOP STAND BACK. PERFORMED A STATIC CHECK ON THE WELL. THE WELL WAS OBSERVED TO HAVE A SMALL FLOW COMING FROM THE FLOW LINE FOR OVER 5 MINUTES. MAKE UP TOP DRIVE TO THE DRILL STRING, AND PERFORM A HARD SHUT-IN. CHECK CHOKE MANIFOLD VALVES AND HCR. OBSERVED NO PRESSURE ON THE STANDPIPE OR THE CHOKE MANIFOLD. WATCHED FOR 10 MINUTES TO SEE IF PRESSURE WOULD INCREASE; NO PRESSURE OBSERVED. CHECK MUD WEIGHT IN PITS - 8.8 PPG. DISCUSSED THE SITUATION WITH SENIOR DSM, AND DECIDED THAT FLOW WAS DUE TO BALLOONING. PUMP A WEIGHTED SLUG AND TOH. RE-OPENED PIPE RAMS, AND PUMPED 47 BBLs OF 10.2 PPG SLUG FROM PITS FOLLOWED BY 38.9 BBLs OF 8.8 PPG MUD. ALLOWED SLUG TO EQUALIZE IN PIPE DOWNHOLE.
3:00	4:00	1.00	31PRDR	TRIP	DRILL	P	TOH FROM 5,850' TO 5,002' WHILE FILLING WELLBORE FROM TRIP TANK; HOLE TAKING CORRECT AMOUNT OF FILL. STOP TRIPPING AND PERFORM STATIC CHECK FOR 5 MINUTES; WELL STATIC, NOT FLOWING.
4:00	5:00	1.00	31PRDR	TRIP	DRILL	P	TOH FROM 5,002' TO 3,140'; HOLE TAKING PROPER FILL. STOP AND PERFORMED ADDITIONAL STATIC CHECK ON WELL; WELL STATIC, NO FLOW.
5:00	6:00	1.00	31PRDR	TRIP	DRILL	P	TOH FROM 3,140' TO 2,060'; HOLE TAKING PROPER FILL. 06:00 HOURS CREW CHANGE.
6:00	8:00	2.00	31PRDR	TRIP	DRILL	P	FINISH TRIPPING OUT OF HOLE FROM 2,060' TO SURFACE WITH HOLE TAKING PROPER FILL. 08:00 HOURS SAFETY BRAKE: DISCUSS GOOD COMMUNICATION WITH AIR HOIST OPERATOR WHEN LIFTING BREAK OUT OR MAKE UP TONGS.
8:00	9:30	1.50	31PRDR	TRIP	BHA	P	BREAK BIT, MUD MOTOR AND LAYDOWN SAME. MAKE UP NEW BIT AND MUD MOTOR. GRADED BIT AN 6 - 4 - RO - N - D - I - CT - PR
9:30	11:30	2.00	31PRDR	TRIP	DRILL	P	TRIP IN THE HOLE WITH 8 3/4" BHA # 4 1 - 8 3/4" SMITH MSI 813 JETTED WITH 1/10 X 5/11'S (0.541 TFA) 1 - WEATHERFORD FRONTLINE 6 3/4" LE 7830 (7/8 LOBE 3.0 STAGE) 0.15 REV/GPM 1 - IBS STABILIZER (1/4" UNDER GAUGE) 1 - UBHO SUB 1 - NON MAGNETIC DRILL COLLAR WITH POSITIVE PULSE MWD 1 - IBS STABILIZER (1/4" UNDER GAUGE) 1 - CROSSOVER 10 - 6 1/2" DC 6 - 4 1/2" HWDP 1 - DRILLING JARS 11 - 4 1/2" HWDP SURFACE TESTED MUDMOTOR AND MWD TRIP IN HOLE FROM 75' TO 3,850' WITH PROPER HOLE DISPLACEMENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/27/2011
Report No: 17

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
11:30	12:00	0.50	31PRDR	SRFEQ	RIGUP	P	REMOVE TRIP NIPPLE AND INSTALL ROTATING HEAD. 12:00 HOURS SAFETY BRAKE: REVIEW JSA ON HANDPLACEMENT AND LUBRICATING RIG.
12:00	12:30	0.50	31PRDR	RIGMT	SRVRIG	P	RIG SERVICE.
12:30	13:30	1.00	31PRDR	TRIP	DRILL	P	FINISH TRIPPING IN HOLE FROM 3,850' TO 5,865' WITH PROPER HOLE DISPLACEMENT.
13:30	14:00	0.50	31PRDR	REAM	PRRM	P	BREAK CIRCULATION, PRECAUTIONARY WASH AND REAM TO BOTTOM FROM 5,865' TO 5,903'
14:00	14:30	0.50	31PRDR	DRILL	MTRDIR	P	DRILL 8 3/4" PRODUCTION HOLE FROM 5,903' TO 5,908' ROTATED 5' AVG 50 FPH, SLIDE 0' AVG 0 FPH USING 550 GPM, 2,000 PSI OFF BTM, 2,250 PSI ON BOTTOM, 50 SRPM + 82 MRPM = 132 BRPM, 15K WOB, 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM. TOTAL AVG ROP 50 FPH CIRCULATING OUTER RESERVE PITS MUD WT IN - 8.9 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.8 PPG, 28 VIS, PH 10.0 NOTE: H2S ALARMS SOUNDED WHEN WE CIRCULATED BOTTOMS UP TO SURFACE WITH SULPHUR WATER. DRILLER PICKED UP OFF BOTTOM AND SHUT WELL IN. ALL HANDS MUSTERED TO SAFE BRIEFING AREA AND TOOK HEAD COUNT.
14:30	17:00	2.50	31PRDR	WLCNTL	CRCND	PT	WAIT ON BOOTS & COOTS TO ARRIVE TO CHECK AREAS AROUND RIG AND CLEAR TO GO BACK TO WORK. BOOTS & COOTS ARRIVED AT 15:15 HRS AND CHECKED LOCATION INCLUDING ALL 9 STATIONS LISTED ON "ALL CLEAR SIGN OFF SHEET". LOCATION CLEAR OF ANY H2S AT 15:45 HOURS. AT 15:45 HOURS, BOOTS & COOTS STARTED RIGGING UP CASCADE AIR SYSTEM. HELD SAFETY BRIEFING OF H2S MUSTERING AT 16:00 HOURS WITH ALL PERSONNEL OF FORWARD PLAN AT MUSTER AREA. OXY DSM, RIG MANAGER, DRILLER AND TWO BOOTS & COOTS TECHS MASKED UP UNDER AIR, OPENED UP WELL AND CIRCULATED BOTTOMS UP. DATA LOG SHOWED 27 PPM H2S AT STATION # 11 (RESERVE PITS) AND 17 PPM AT STATION # 4 (SHAKERS). RECHECK ALL AREAS AROUND RIG AND GAVE ALL CLEAR. HELD SAFETY MEETING PRIOR TO GOING BACK TO WORK AND DISCUSSED RESPONSIBILITIES FOR EVACUATING TO MUSTER POINT IN CASE OF ANOTHER H2S ALARM.
17:00	18:30	1.50	31PRDR	DRILL	MTRDIR	P	DRILL 8 3/4" PRODUCTION HOLE FROM 5,908' TO 5,957' ROTATED 49' AVG 45 FPH, SLIDE 0' AVG 0 FPH USING 550 GPM, 2,000 PSI OFF BTM, 2,250 PSI ON BOTTOM, 50 SRPM + 82 MRPM = 132 BRPM, 15K WOB, 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM. TOTAL AVG ROP 32.7 FPH SURVEY @ 5,897', 0.94°, 15.20 AZIMUTH CIRCULATING OUTER RESERVE PITS MUD WT IN - 8.9 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.9 PPG, 28 VIS, PH 10.0 18:00 HOURS CREW CHANGE.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/27/2011
Report No: 17

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
18:30	22:30	4.00	31PRDR	DRILL	MTRDIR	P	DRILL 8 3/4" PRODUCTION HOLE FROM 5,957' TO 6,148' ROTATED 185' AVG 56 FPH, SLIDE 6' AVG 24 FPH USING 550 GPM, 2,050 PSI OFF BTM, 2,300 PSI ON BOTTOM, 60 SRPM + 82 MRPM = 142 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 6.5K TORQUE ON BOTTOM. 0.25 HOUR SLIDE FROM 5,957' - 5,963' (6') MAGNETIC TOOLFACE 105 TOTAL AVG ROP 48 FPH SURVEY @ 6,088', 0.96°, 19.87 AZIMUTH CIRCULATING OUTER RESERVE PITS MUD WT IN - 8.8 PPG, 28 VIS, PH 11.0 MUD WT OUT - 8.8 PPG, 28 VIS, PH 11.0
22:30	23:30	1.00	31PRDR	DRILL	MTRVER	P	DRILL 8 3/4" PRODUCTION HOLE WITH PUMP #2 FROM 6,148' TO 6,177' ROTATED 29' AVG 34 FPH, SLIDE 0' AVG 0 FPH USING 330 GPM, 840 PSI OFF BTM, 990 PSI ON BOTTOM, 75 SRPM + 50 MRPM = 125 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 6.5K TORQUE ON BOTTOM. TOTAL AVG ROP 29 FPH CHANGE OUT 2 SWABS ON MUD PUMP #1 WHILE DRILLING WITH PUMP #2. MI SWACO FINISHED UP RIGGING UP 2 CENTRIFUGES. PUMP 20 BBL SWEEP CIRCULATING OUTER RESERVE PITS MUD WT IN - 8.8 PPG, 28 VIS, PH 11.0 MUD WT OUT - 8.8 PPG, 28 VIS, PH
23:30	0:00	0.50	31PRDR	DRILL	MTRVER	P	DRILL 8 3/4" PRODUCTION HOLE FROM 6,177' TO 6,226' ROTATED 49' AVG 70 FPH, SLIDE 0' AVG 0 FPH USING 550 GPM, 2,100 PSI OFF BTM, 2,350 PSI ON BOTTOM, 60 SRPM + 82 MRPM = 142 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7.5K TORQUE ON BOTTOM. TOTAL AVG ROP 70 FPH CIRCULATING OUTER RESERVE PITS MUD WT IN - 8.8 PPG, 28 VIS, PH 11.0 MUD WT OUT - 8.8 PPG, 28 VIS, PH 11.0 23:30 HOURS SAFETY BRAKE; DISCUSS SAFE FUELING PRACTICES AND THE HAZARD OF STATIC ELECTRICITY.

Total Time 24.00

Safety Incident? N **Days since Last RI:** 56.00 **Weather Comments:**

Environ Incident? N **Days since Last LTA:** 56.00

Incident Comments:
 B&C OK'D AREA FOR SAFE WORK @ 02:00 HOURS
 AFTER A H2S ALARM SOUNDED @ 23:00 HRS ON 9/26/11
 - WET SENSOR; NO GAS. A 2ND H2S ALARM SOUNDED
 @ APPROX 14:15 HRS WHILE DRILLING @ 5,908' UPON
 CBU. CLOSED WELL; WORKED UNDER CASCADE & CBU
 - NO ADD'T GAS DETECTED.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

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Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2

NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

SAFETY TOPIC OF THE DAY: FUELING OPERATIONS & STATIC ELECTRICITY

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS. : H2S ALARM WAS FOUND TO BE CAUSED BY WET SENSOR BY BOOTS & COOTS AT 00:30 HOURS. OPENED THE WELL AND CBU; NO GAS DETECTED. AREA CLEARED FOR SAFE WORK @ 02:00 HOURS.

A SECOND H2S ALARM SOUNDED AT 14:00 HOURS WHILE DRILLING @ 5,908'. CLOSED IN THE WELL, BOOTS & COOTS CHECKED AREA AND DETERMINED THAT H2S AT THE SHAKERS HAD BEEN DETECTED; BLACK WATER WAS SEEN COMING OUT AT BOTTOMS UP. WORKED UNDER THE CASCADE SYSTEM, RE-OPENED THE WELL AND CBU. NO ADDITIONAL GAS DETECTED. RESUMED DRILLING OPERATIONS AT 17:00 HOURS.

NEXT RIG MOVE DATE: 10/08/11

DAYS SINCE LAST LTI: 56
DAYS SINCE LAST RECORDABLE: 56
TOTAL JSA REVIEWED: 20
TOTAL STOP CARDS: 2
TOTAL LO/TO: 0
TOTAL SAFETY MEETINGS: 7
NEAR MISSES: 0
HOT WORK PERMIT: 0
CONFINED SPACE PERMIT: 0

BEST STOP CARD: OBSERVED HAND JUMPING OVER PUMP SUCTION LINES WHILE RUNNING. STOPPED HAND, AND EXPLAINED THE DANGERS OF SLIPPING OR TRIPPING. HAND AGREED TO WORK MORE SAFELY IN THE FUTURE.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/28/2011
 Report No: 18

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	11.75
Today's MD:	7285 ft	Progress:	1059 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$84,749
Prev MD:	6226 ft	Rot Hrs Today:	22.00 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$1,220,516
PBMD:		Avg ROP Today:	48.1 ft/hr	AFE Number:	1137568#0102	AFE Cost:	\$2,421,387

Current Formation:	WITCHITA ALBANY@		Lithology:	100% DOLOMITE @ 7,280'			
Current Ops:	DRILLING VERTICAL 8-3/4" PRODUCTION HOLE @ 7,500' - ROP AT 50 FT/HR.						
24-Hr Summary:	DRILL VERTICAL 8-3/4" PRODUCTION HOLE FORM 6,226' TO 7,004'. SERVICE RIG. DRILL VERTICAL 8-3/4" PRODUCTION HOLE FROM 7,00						
24-Hr Forecast:	DRILL VERTICAL 8-3/4" PRODUCTION HOLE TO ~8,000'; START MUD UP @ 7,600'. TRIP OUT OF HOLE FOR SCHLUMBERGER POWER-V.						

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.625in @ 3,843ft	Str Wt Up/Dn:	195.0/ 175.0 kip	Pump Rate:	554.0	Conn:	29		96
Next Casing:	5.500in @ 10,000ft	Str Wt Rot:	185.0 kip	Pump Press:	2100	Trip:	0		0
Last BOP Press Test:	09/24/2011	Torq Off Btm:	1,500.0 ft-lbf			Backgr:	15		156
Form Test/EMW:	FIT / 13.50 ppg	Torq On Btm:	7,000.0 ft-lbf						

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	GILBERT ZAPATA	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2:	MIKE BARRY	7,130.0	0.71	337.26	7,127.65	-38.3	-30.9	-38.3	0.15	-0.01
Engineer:	RON ROVENKO	6,944.0	0.73	359.39	6,941.66	-40.5	-30.5	-40.5	0.19	-0.07
Geologist:		6,753.0	0.86	24.81	6,750.68	-43.0	-31.0	-43.0	0.20	0.19
Oxy Personnel:	2	6,563.0	0.49	16.83	6,560.69	-45.1	-31.9	-45.1	0.08	-0.05
Contractor Personnel:	16	6,373.0	0.58	30.14	6,370.70	-46.7	-32.6	-46.7	0.19	-0.14
Total on Site:	18	6,184.0	0.84	9.03	6,181.71	-48.9	-33.3	-48.9	0.22	-0.13

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
4	8.750	SMITH	MSI 813	JE 9250	M423	1x10, 5x11	5903		--	--
3	8.750	HUGHES CHRISTENS	Q507FX	7134133	M323	7x10	3853	5903	6-4-RO-N	D-I-CT-PR

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
4	22.00	28.00	1059	1382	48.1	49.4	5.0/25.0	50/75	0.541	85	328.7	4.6

MUD DATA - M-I				LAST OR CURRENT BHA						
Engineer:	Harry Mankel	MBT:	0.0 lbm/bbl	BHA No:	4	Bit No:	4	MD In:	5903 ft	
Sample From:	In	pH:	10.5	Purpose:	DRILL 8 3/4" VERTICAL PRODUCTIN HOLE MD Out:					
Mud Type:	Cut Brine	Pm / Pom:	0.00							
Time / MD:	23:30 / 7,261.0	Pf / Mf:	0.1 / 2.0							
Density @ Temp:	8.80 / 90	Chlorides:	49,000							
Rheology Temp:	120	Ca+ / K+:	2,400 / 0							
Viscosity:	26.00	CaCl2:	0.00							
PV / YP:	1 / 1	Clom:	0.00							
Gels 10s/10m/30m:	1 / 1 / 1	Lime:	0.00							
API WL:	55.00	ES:	0.00							
HTHP WL:	0.00	ECD:	8.90							
Cake API / HTHP:	.0 / .0	n / K:	0.00 / 0.000							
Solids / Sol Corr:	2.50 / 0.00	Carbonate:	1 ppm							
Oil / Water:	0.0 / 99.0	Bicarbonate:	0 ppm							
Sand:	0.00	Form Loss:	0.0 / 0.0							
Water Added:	0.0 bbl	Fluid Disch:	/							
Oil Added:										
LGS:	0.50 / 4.20									
VG Meter:	1@3 / 1@6 / 1@100 / 1@200 / 2@300 / 3@600									
Comments:	Drill 8.75" hole from 6226" to 7285" sliding as needed to stay on corrected path. Pump hi-vis gel/PHPA sweeps every 200			Total Length:	933.36 ft	Wt below Jars:	70.0 kip			

MUD PRODUCTS		
Product	Units	Qty Used
ENGINEERING SERVICE	EACH	1.00
LIME	BG,50 LB	21.00
MF-55	CAN,5 GA	15.00
M-I BAR	100 LBS/SK	76.00
SALT GEL	BG,50 LB	40.00
SHRINK WRAPPING	EACH	9.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/28/2011
Report No: 18

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	0:30	0.50	31PRDR	DRILL	MTRVER	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 6,226' TO 6,244' ROTATED 18', AVG 77 FPH, SLIDE 0' AVG 0 FPH USING 550 GPM, 2,200 PSI OFF BTM, 2,450 PSI ON BOTTOM, 60 SRPM + 82 MRPM = 142 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7.5K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 36 FPH</p> <p>SURVEY @ 6,184', 0.84°, 9.03 AZIMUTH</p> <p>CIRCULATING OUTER RESERVE PITS</p> <p>MUD WT IN - 8.8 PPG, 28 VIS, PH 10.5 MUD WT OUT - 8.8 PPG, 28 VIS, PH 10.5</p>
0:30	1:00	0.50	31PRDR	DRILL	MTRVER	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 6,244' TO 6,252' ROTATED 0', AVG 0 FPH, SLIDE 8' AVG 16 FPH USING 550 GPM, 2,000 PSI OFF BTM, 2,220 PSI ON BOTTOM, 0 SRPM + 82 MRPM = 82 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7.5K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 16 FPH</p> <p>0.5 HOUR SLIDE FROM 6,244' - 6,252' (8') MAGNETIC TOOLFACE 110</p> <p>FORMATION @ 6,250' - 100% DOLOMITE</p> <p>CIRCULATING OUTER RESERVE PITS</p> <p>MUD WT IN - 8.8 PPG, 28 VIS, PH 10.5 MUD WT OUT - 8.8 PPG, 28 VIS, PH 10.5</p>
1:00	3:30	2.50	31PRDR	DRILL	MTRVER	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 6,252' TO 6,339' ROTATED 87', AVG 41 FPH, SLIDE 0' AVG 0 FPH USING 550 GPM, 2,200 PSI OFF BTM, 2,450 PSI ON BOTTOM, 60 SRPM + 82 MRPM = 142 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7.5K TORQUE ON BOTTOM.</p> <p>DRILL WITH MUD PUMP #2 FOR 20 MINUTES WHILE CHANGING SWABS ON PUMP #1.</p> <p>TOTAL AVG ROP 35 FPH</p> <p>PUMP 20 BBL VISCOUS SWEEP.</p> <p>CIRCULATING OUTER RESERVE PITS</p> <p>MUD WT IN - 8.8 PPG, 28 VIS, PH 10.5 MUD WT OUT - 8.8 PPG, 28 VIS, PH 10.5</p> <p>03:00 HOURS SAFETY BRAKE; DISCUSSED WORKING SAFELY ON MUD PUMPS AND WORKING SAFE DURING EARLY HOURS OF THE MORNING.</p>
3:30	5:30	2.00	31PRDR	DRILL	MTRVER	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 6,339' TO 6,433' ROTATED 94', AVG 53 FPH, SLIDE 0' AVG 0 FPH USING 550 GPM, 2,130 PSI OFF BTM, 2,330 PSI ON BOTTOM, 55 SRPM + 82 MRPM = 137 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7.5K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 47 FPH</p> <p>FORMATION @ 6,350' - 100% DOLOMITE</p> <p>SURVEY @ 6,373', 0.58°, 30.14 AZIMUTH</p> <p>CIRCULATING OUTER RESERVE PITS</p> <p>MUD WT IN - 8.8 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.8 PPG, 28 VIS, PH 10.0</p>

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/28/2011
Report No: 18

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
5:30	6:00	0.50	31PRDR	DRILL	MTRVER	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 6,433' TO 6,456 ROTATED 23', AVG 55 FPH, SLIDE 0' AVG 0 FPH USING 550 GPM, 2,120 PSI OFF BTM, 2,310 PSI ON BOTTOM, 50 SRPM + 82 MRPM = 132 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 46 FPH</p> <p>CIRCULATING OUTER RESERVE PITS</p> <p>MUD WT IN - 8.8 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.8 PPG, 28 VIS, PH 10.0</p> <p>06:00 HOURS CREW CHANGE</p>
6:00	10:00	4.00	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 6,456' TO 6,655' ROTATED 191', AVG 55 FPH, SLIDE 8' AVG 16 FPH USING 550 GPM, 2,150 PSI OFF BTM, 2,400 PSI ON BOTTOM, 50 SRPM + 82 MRPM = 132 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 50 FPH</p> <p>0.50 HOURS SLIDE FROM 6,623' TO 6,631' (8') MAGNETIC TOOLFACE 100</p> <p>SURVEY @ 6,563' 0.49° 16.83 AZIMUTH</p> <p>FORMATION @ 6,620': 80% LIMESTONE & 20% DOLOMITE</p> <p>CIRCULATING OUTER RESERVE PITS</p> <p>MUD WT IN - 8.8 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.8 PPG, 28 VIS, PH 10.0</p> <p>08:00 HOURS SAFETY BRAKE: DISCUSS FUELING OPERATIONS AND STATIC ELECTRICITY.</p>
10:00	14:00	4.00	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 6,655' TO 6,870' ROTATED 215', AVG 54 FPH, SLIDE 0' AVG 0 FPH USING 550 GPM, 2,150 PSI OFF BTM, 2,400 PSI ON BOTTOM, 60 SRPM + 82 MRPM = 142 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 54 FPH</p> <p>SURVEY @ 6,753' 0.86° 24.81 AZIMUTH</p> <p>FORMATION @ 6,770': 70% LIMESTONE & 30% DOLOMITE</p> <p>CIRCULATING OUTER RESERVE PITS</p> <p>MUD WT IN - 8.8 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.8 PPG, 28 VIS, PH 10.0</p> <p>12:00 HOURS SAFETY BRAKE: DISCUSS WEARING PROPER PPE WHEN HANDLING CAUSTIC.</p>
14:00	16:30	2.50	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 6,870' TO 7,004' ROTATED 134', AVG 54 FPH, SLIDE 0' AVG 0 FPH USING 550 GPM, 2,150 PSI OFF BTM, 2,350 PSI ON BOTTOM, 70 SRPM + 82 MRPM = 152 BRPM. 27K WOB, 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 54 FPH</p> <p>SURVEY @ 6,944' 0.73° 359.39 AZIMUTH</p> <p>FORMATION @ 6,860': 90% LIMESTONE & 10% DOLOMITE</p> <p>CIRCULATING OUTER RESERVE PITS</p> <p>MUD WT IN - 8.8 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.8 PPG, 28 VIS, PH 10.0</p> <p>16:00 HOURS SAFETY BRAKE: DISCUSS ABOUT FORKLIFT OPERATING IN GOOD CONDITION. REPORTING FAULTY EQUIPMENT TO SUPERVISOR.</p>
16:30	17:00	0.50	31PRDR	RIGMT	SRVRIG	P	RIG SERVICE.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
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Report No: 18

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
17:00	18:00	1.00	31PRDR	DRILL	MTRDIR	P	DRILL 8 3/4" PRODUCTION HOLE FROM 7,004' TO 7,038' ROTATED 26', AVG 52 FPH, SLIDE 8' AVG 16 FPH USING 550 GPM, 2,150 PSI OFF BTM, 2,350 PSI ON BOTTOM, 60 SRPM + 82 MRPM = 142 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7K TORQUE ON BOTTOM. TOTAL AVG ROP 34 FPH 0.50 HOURS SLIDE FROM 7,004' - 7,012' (8') MTF 90 FORMATION @ 7,020'; 70% DOLOMITE, 30% LIMESTONE CIRCULATING OUTER RESERVE PITS AND SWEEPING HOLE EVERY 200'. MUD WT IN - 8.8 PPG, 28 VIS, PH 10.0 MUD WT OUT - 8.8 PPG, 28 VIS, PH 10.0 18:00 HOURS CREW CHANGE.	
18:00	21:00	3.00	31PRDR	DRILL	MTRVER	P	DRILL 8 3/4" PRODUCTION HOLE FROM 7,038' TO 7,190' ROTATED 152', AVG 53 FPH, SLIDE 0' AVG 0 FPH USING 550 GPM, 2,150 PSI OFF BTM, 2,350 PSI ON BOTTOM, 60 SRPM + 82 MRPM = 142 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7.2K TORQUE ON BOTTOM. TOTAL AVG ROP 50.7 FPH FORMATION @ 7,080'; 100% DOLOMITE CIRCULATING OUTER RESERVE PITS AND SWEEPING HOLE EVERY 200'. DRILL WITH ONE PUMP FOR 16 MINUTES; CHANGED A SWAB IN PUMP #2. MUD WT IN - 8.8 PPG, 28 VIS, PH 10.5 MUD WT OUT - 8.8 PPG, 28 VIS, PH 10.5	
21:00	0:00	3.00	31PRDR	DRILL	MTRVER	P	DRILL 8 3/4" PRODUCTION HOLE FROM 7,190' TO 7,285' ROTATED 95', AVG 48.4 FPH, SLIDE 12' AVG 13 FPH USING 550 GPM, 1,780 PSI OFF BTM, 2,150 PSI ON BOTTOM, 60 SRPM + 82 MRPM = 142 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7.2K TORQUE ON BOTTOM. TOTAL AVG ROP 31.7 FPH 1.0 HOURS SLIDE FROM 7,190' - 7,202' (12') MTF 60 SURVEY @ 7,130' 0.71° 337.26 AZIMUTH FORMATION @ 7,180'; 100% DOLOMITE FORMATION @ 7,240'; 100% DOLOMITE FORMATION @ 7,280'; 100% DOLOMITE CIRCULATING OUTER RESERVE PITS AND SWEEPING HOLE EVERY 200'. MUD WT IN - 8.8 PPG, 28 VIS, PH 10.5 MUD WT OUT - 8.8 PPG, 28 VIS, PH 10.5 22:30 HOURS SAFETY BRAKE; DISCUSSED THE NEED FOR USING PROPER PPE WHEN HANDLING OR MIXING DRILLING MUD MATERIALS.	
Total Time		24.00						

Safety Incident?	N	Days since Last RI:	57.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	57.00	
Incident Comments: No incidents reported last 24 hours.				

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/28/2011
Report No: 18

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2

NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

SAFETY TOPIC OF THE DAY: PROPER PPE FOR HANDLING AND MIXING DRILLING MUD MATERIALS.

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS.

NEXT RIG MOVE DATE: 10/08/11

DAYS SINCE LAST LTI: 57
DAYS SINCE LAST RECORDABLE: 57
TOTAL JSA REVIEWED: 12
TOTAL STOP CARDS: 3
TOTAL LO/TO: 0
TOTAL SAFETY MEETINGS: 7
NEAR MISSES: 0
HOT WORK PERMIT: 0
CONFINED SPACE PERMIT: 0

BEST STOP CARD: TRUCK DRIVER MAKING A DELIVERY WAS UNSTRAPPING LOADED TRAILER WITHOUT WEARING SAFETY GLASSES. STOPPED THE DRIVER, EXPLAINED THE HAZARDS OF WORKING WITHOUT EYE PROTECTION. THE DRIVER RETRIEVED HIS PPE AND CONTINUED WORKING SAFELY.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/29/2011
Report No: 19

Wellbore / Top MD: 00 @ 0 ft Rig: PIONEER 14 Ref Datum: ORIGINAL KB @3,232.10ft DFS: 12.75
Today's MD: 7701 ft Progress: 416 ft Ground Elev: 3,211.10 ft Daily Cost: \$84,459
Prev MD: 7285 ft Rot Hrs Today: 11.50 hr AFE MD/Days: 10,018.6 / 25.1 days Cum Cost: \$1,322,693
PBMD: Avg ROP Today: 36.2 ft/hr AFE Number: 1137568#0102 AFE Cost: \$2,421,387

Current Formation: WICHITA ALBANY@ Lithology: 70% CHERTY DOLOMITE, 20% CHERT, 10% LIMESTONE @ 7,700'
Current Ops: TRIPPING IN THE HOLE WITH SCHLUMBERGER POWER-V AT 4,550'.
24-Hr Summary: DRILL 8 3/4" PRODUCTION HOLE FROM 7,285' - 7,701'. ROP FELL TO 7' HOUR. TRIP OUT OF HOLE AND LAYDOWN WEATHERFORD DIREC
24-Hr Forecast: TRIP IN THE HOLE NEW 8-3/4" PDC BIT AND POWER V TO 7701'. DRILL VERTICAL 8-3/4" PRODUCTION HOLE.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.625in @ 3,843ft	Str Wt Up/Dn:	200.0/ 180.0 kip	Pump Rate:	554.0	Conn:	12	12	16
Next Casing:	5.500in @ 10,000ft	Str Wt Rot:	195.0 kip	Pump Press:	2325	Trip:	0	0	0
Last BOP Press Test:	09/24/2011	Torq Off Btm:	2,000.0 ft-lbf			Backgr:	11	11	23
Form Test/EMW:	FIT / 13.50 ppg	Torq On Btm:	7,200.0 ft-lbf						

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	GILBERT ZAPATA	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2:	MIKE BARRY	7,641.0	2.01	25.55	7,638.47	-26.0	-26.9	-26.0	0.28	-0.08
Engineer:	RON ROVENKO	7,604.0	2.04	22.76	7,601.49	-27.2	-27.4	-27.2	0.31	0.31
Geologist:		7,510.0	1.75	24.02	7,507.54	-30.0	-28.6	-30.0	0.30	0.16
Oxy Personnel:	2	7,447.0	1.65	29.31	7,444.57	-31.7	-29.5	-31.7	0.38	0.27
Contractor Personnel:	19	7,319.0	1.31	15.89	7,316.61	-34.7	-30.8	-34.7	0.34	0.12
Total on Site:	21	7,225.0	1.20	2.11	7,222.63	-36.7	-31.1	-36.7	0.66	0.52

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
5	8.750	SMITH	MSI 813	JE9251	M423	1x10, 5x11	7701		--	--
4	8.750	SMITH	MSI 813	JE 9250	M423	1x10, 5x11	5903	7701	6-2-RO-N	D-I-CT-PR

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
4	11.50	39.50	416	1798	36.2	45.5	10.0/25.0	45/60	0.541	875	328.7	4.7

MUD DATA - M-I			
Engineer:	Harry Mankel	MBT:	10.0 lbm/bbl
Sample From:	In	pH:	10.5
Mud Type:	Cut Brine	Pm / Pom:	0.00
Time / MD:	22:00 / 7,600.0	Pf / Mf:	0.1 / 0.7
Density @ Temp:	9.05 / 0	Chlorides:	50,000
Rheology Temp:	120	Ca+ / K+:	2,160 / 0
Viscosity:	35.00	CaCl2:	0.00
PV / YP:	4 / 9	Clom:	0.00
Gels 10s/10m/30m:	5 / 7 / 0	Lime:	0.00
API WL:	9.60	ES:	0.00
HTHP WL:	0.00	ECD:	0.00
Cake API / HTHP:	1.0 / .0	n / K:	0.00 / 0.000
Solids / Sol Corr:	2.50 / 0.00	Carbonate:	1 ppm
Oil / Water:	0.0 / 97.0	Bicarbonate:	0 ppm
Sand:	0.00	Form Loss:	0.0 / 0.0
Water Added:	0.0 bbl	Fluid Disch:	/
Oil Added:			
LGS:	1.90 / 17.70		

LAST OR CURRENT BHA					
BHA No:	5	Bit No:	5	MD In:	7701 ft
Purpose: DRILL VERTICAL 8-3/4" PRODUCTION HOLE MD Out:					
Component		OD	ID	Jts	Length
PDC BIT		8.750	3.000	1	1.00
VERTICAL DRILLING TOOL		6.750	2.000	1	13.42
NON-MAG INTEGRAL BLADE STABILIZER		6.750	2.875	1	5.43
STEERING TOOL		6.750	3.250	1	3.28
CROSSOVER		6.750	2.500	1	2.70
POSITIVE DISPLACEMENT MOTOR		7.000	2.000	1	30.86
NON-MAG INTEGRAL BLADE STABILIZER		6.750	2.875	1	5.15
UBHO SUB		6.750	2.875	1	2.97
MWD TOOL		6.750	3.250	1	29.60
FLOAT SUB		6.750	2.375	1	3.42
NON-MAG INTEGRAL BLADE STABILIZER		6.750	2.500	1	5.08
NON-MAG DRILL COLLAR		6.625	2.812	1	30.92
CROSSOVER		6.500	2.937	1	2.02

VG Meter: 3@3 / 4@6 / 8@100 / 11@200 / 13@300 / 17@600
Comments: Rotary drill from 7285" to 7701" sliding as needed to stay on corrected path. Fill steel pits with cut brine take retur

Total Length: 993.24 ft Wt below Jars: 75.0 kip

MUD PRODUCTS		
Product	Units	Qty Used
CAUSTIC SODA	BG,50 LB	1.00
DEFOAM A	CAN,5 GA	4.00
ENGINEERING SERVICE	EACH	1.00
LIME	BG,50 LB	1.00
M-I BAR	100 LBS/SK	42.00
MY LO JEL	BG,50 LB	149.00
MYACIDE GA25	CAN,5 GA	7.00
POLY-PLUS	CAN,5 GA	1.00
SALT GEL	BG,50 LB	155.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/29/2011
 Report No: 19

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	3:00	3.00	31PRDR	DRILL	MTRVER	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 7,285' TO 7,379' ROTATED 86°, AVG 57.3 FPH, SLIDE 8' AVG 9.6 FPH USING 550 GPM, 2,020 PSI OFF BTM, 2,250 PSI ON BOTTOM, 50 SRPM + 82 MRPM = 132 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7.5K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 31.3 FPH</p> <p>1.0 HOURS SLIDE FROM 7,285' - 7,293' (8') MTF 90</p> <p>SURVEY @ 7,225' 1.20°, 2.11 AZIMUTH</p> <p>FORMATION @ 7,320'; 100% DOLOMITE FORMATION @ 7,360'; 100% DOLOMITE</p> <p>CIRCULATING OUTER RESERVE PITS AND SWEEPING HOLE EVERY 200'.</p> <p>MUD WT IN - 8.8 PPG, 28 VIS, PH 11.5 MUD WT OUT - 8.8 PPG, 28 VIS, PH 11.5</p>
3:00	6:00	3.00	31PRDR	DRILL	MTRVER	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 7,379' TO 7,500' ROTATED 114°, AVG 46 FPH, SLIDE 7' AVG 14 FPH USING 580 GPM, 2,010 PSI OFF BTM, 2,350 PSI ON BOTTOM, 50 SRPM + 87 MRPM = 137 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7.2K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 40 FPH</p> <p>0.5 HOURS SLIDE FROM 7,411' - 7,418' (7') MTF 110</p> <p>SURVEY @ 7,319' 1.31°, 15.89 AZIMUTH</p> <p>FORMATION @ 7,400'; 90% DOLOMITE, 10% CHERT</p> <p>CIRCULATING OUTER RESERVE PITS AND SWEEPING HOLE EVERY 200'. PREPARE TO MUD UP STARTING AT 7,600' DEPTH.</p> <p>MUD WT IN - 8.8 PPG, 28 VIS, PH 11.5 MUD WT OUT - 8.8 PPG, 28 VIS, PH 11.5</p> <p>03:45 HOURS SAFETY BRAKE; DISCUSSED SAFE OPERATING PRACTICES FOR FORKLIFTS, AND OPERATING FORKLIFTS SAFELY AT NIGHT TIME.</p> <p>06:00 HOURS CREW CHANGE</p>
6:00	10:00	4.00	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 7,500' TO 7,664' ROTATED 164°, AVG 41 FPH, SLIDE 7' AVG 14 FPH USING 550 GPM, 2,000 PSI OFF BTM, 2,325 PSI ON BOTTOM, 50 SRPM + 82 MRPM = 132 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7.2K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 41 FPH</p> <p>SURVEY @ 7,447' 1.65° 29.31 AZIMUTH SURVEY @ 7,510' 1.75° 24.02 AZIMUTH</p> <p>FORMATION @ 7,500'; 90% LIMEYDOLOMITE & 10% CHERT.</p> <p>08:00 HOURS SAFETY BRAKE: DISCUSS WORKING ON MUD UP AS PER PROGRAM. WEARING PROPER PPE WHEN HANDLING CHEMICALS</p>

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/29/2011
Report No: 19

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
10:00	12:00	2.00	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 7,664' TO 7,701' ROTATED 27', AVG 22 FPH, SLIDE 10' AVG 13 FPH USING 550 GPM, 2,000 PSI OFF BTM, 2,325 PSI ON BOTTOM, 50 SRPM + 82 MRPM = 132 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7.2K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 18.5 FPH</p> <p>0.45 HOURS SLIDE FROM 7,664' - 7,674' (10') MTF 200</p> <p>SURVEY @ 7,604' 2.04° 22.76 AZIMUTH SURVEY @ 7,701' 2.01° 25.55 AZIMUTH</p> <p>FORMATION @ 7,620'; 90% DOLOMITE & 10% CHERT.</p> <p>NOTE: AT 7,600' SWAPPED OVER TO STEEL PITS; BEGAN TO MIX AND BUILD MUD ACCORDING TO MUD PLAN.</p> <p>ROP WAS DIMINISHING AND HAD DECLINED TO 7 FPH. CALLED ENGINEER, FIELD SUPERINTENDENT AND DISCUSSED ROP. DECISION MADE TO TRIP, LAYDOWN WEATHERFORD DIRECTIONAL TOOLS AND PICK UP SCHLUMBERGER POWER-V.</p> <p>12:00 HOURS SAFETY BRAKE: REVIEW JSA ON TRIPPING PIPE OUT OF HOLE.</p>	
12:00	12:30	0.50	31PRDR	CIRC	CNDHOL	P	<p>FLOW CHECK, WELL STATIC.</p> <p>PUMP 30 BBLS OF 11.0 PPG WEIGHTED SLUG.</p>	
12:30	15:00	2.50	31PRDR	TRIP	DRILL	P	TRIP OUT OF HOLE FROM 7,701' - 1,108 WITH PROPER HOLE FILL.	
15:00	15:30	0.50	31PRDR	SRFEQ	RIGUP	P	<p>REVIEW JSA ON HANDPLACEMENT AND REMOVAL OF ROTATING HEAD.</p> <p>REMOVE ROTATING HEAD AND INSTALL TRIP NIPPLE.</p>	
15:30	16:30	1.00	31PRDR	TRIP	DRILL	P	<p>CONTINUE TRIPPING OUT OF HOLE FROM 1,108' - 75' WITH PROPER HOLE FILL.</p> <p>GRADED BIT AN 6 - 2 - RO - N - D - I - NO - PR</p> <p>16:30 HOURS SAFETY BRAKE: REVIEW JSA'S WITH WEATHERFORD DIRECTIONAL AND RIG CREW PRIOR TO LAYING DOWN TOOLS.</p>	
16:30	17:30	1.00	31PRDR	TRIP	BHA	P	BREAK AND LAYDOWN WEATHERFORD DIRECTIONAL TOOLS.	
17:30	18:00	0.50	31PRDR	RIGMT	SRVRIG	P	<p>RIG SERVICE.</p> <p>18:00 HOURS CREW CHANGE.</p>	
18:00	18:30	0.50	31PRDR	TRIP	BHA	P	FINISH LAYING DOWN WEATHERFORD DIRECTIONAL TOOLS.	
18:30	20:00	1.50	31PRDR	TRIP	BHA	P	<p>PICK UP SCHLUMBERGER DIRECTIONAL SUBS, POWER V, AND MOTOR.</p> <p>MAKE UP STABILIZER, FILTER SUB, AND CROSSOVER ON THE POWER V IN THE MOUSEHOLE. MAKE UP SMITH MSI 813 8-3/4" PDC BIT ON THE POWER V.</p>	
20:00	0:00	4.00	31PRDR	TRIP	BHA	P	<p>RIH WITH THE SCHLUMBERGER DIRECTIONAL TOOLS AS FOLLOWS:</p> <ul style="list-style-type: none"> 1 - 8 3/4" SMITH MSI 813 PDC JETTED WITH 5 X 11'S + 1 X 10 (TFA 0.541) 1 - POWER V 1 - NM SPIRAL NORTRAC (8 5/8") 1 - FILTER SUB 1 - CROSSOVER (PIN X PIN) 1 - VORTEX MUDMOTOR 7:8 GT; .29 REV/GAL 1 - SPIRAL NORTRAC (8.5") 1 - NM UBHO 1 - SCHLUMBERGER SLIM PULSE NMCD - MWD TOOL 1 - FLOW SLEEVE SUB 1 - SPIRAL NORTRAC STAB (8.5") 1 - NMDC 1 - B X P CROSSOVER 3 - 6.5" DRILL COLLAR <p>RIH TO 225', MAKE UP TOP DRIVE TO STRING. PREPARE TO FUNCTION TEST THE MWD TOOLS.</p> <p>23:30 HOURS SAFETY BRAKE; DISCUSSED WORKING SAFELY AROUND TUBULARS RACKED ON PIPE RACKS OR TRUCK TRAILERS.</p>	
Total Time		24.00						

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/29/2011
 Report No: 19

Safety Incident?	N	Days since Last RI:	58.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	58.00	
Incident Comments: No incidents reported last 24 hours.				

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
 X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590
 NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2
 NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

SAFETY TOPIC OF THE DAY: SAFE PIPE HANDLING AND TRIPPING PRACTICES.

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS.

NEXT RIG MOVE DATE: 10/08/11

DAYS SINCE LAST LTI: 58
 DAYS SINCE LAST RECORDABLE: 58
 TOTAL JSA REVIEWED: 18
 TOTAL STOP CARDS: 3
 TOTAL LO/TO: 0
 TOTAL SAFETY MEETINGS: 6
 NEAR MISSES: 0
 HOT WORK PERMIT: 0
 CONFINED SPACE PERMIT: 0

BEST STOP CARD: OBSERVED RIG HAND STANDING ON TOP OF PIPE RACKS WHILE PICKING UP DIRECTIONAL TOOLS. STOPPED THE HAND, EXPLAINED THE HAZARDS AND RESPECTED BUFFER ZONE AROUND THE CATWALK. THE HAND COMPLIED AND AGREED NOT TO DO THAT AGAIN IN THE FUTURE.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/29/2011
Report No: 19

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	12.75
Today's MD:	7701 ft	Progress:	416 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$84,459
Prev MD:	7285 ft	Rot Hrs Today:	11.50 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$1,322,693
PBMD:		Avg ROP Today:	36.2 ft/hr	AFE Number:	1137568#0102	AFE Cost:	\$2,421,387

Current Formation: WICHITA ALBANY@ Lithology: 70% CHERTY DOLOMITE, 20% CHERT, 10% LIMESTONE @ 7,700'
Current Ops: TRIPPING IN THE HOLE WITH SCHLUMBERGER POWER-V AT 4,550'.
24-Hr Summary: DRILL 8 3/4" PRODUCTION HOLE FROM 7,285' - 7,701'. ROP FELL TO 7' HOUR. TRIP OUT OF HOLE AND LAYDOWN WEATHERFORD DIREC
24-Hr Forecast: TRIP IN THE HOLE NEW 8-3/4" PDC BIT AND POWER V TO 7701'. DRILL VERTICAL 8-3/4" PRODUCTION HOLE.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.625in @ 3,843ft	Str Wt Up/Dn:	200.0/ 180.0 kip	Pump Rate:	554.0	Conn:	12	12	16
Next Casing:	5.500in @ 10,000ft	Str Wt Rot:	195.0 kip	Pump Press:	2325	Trip:	0	0	0
Last BOP Press Test:	09/24/2011	Torq Off Btm:	2,000.0 ft-lbf			Backgr:	11	11	23
Form Test/EMW:	FIT / 13.50 ppg	Torq On Btm:	7,200.0 ft-lbf						

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	GILBERT ZAPATA	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2:	MIKE BARRY	7,641.0	2.01	25.55	7,638.47	-26.0	-26.9	-26.0	0.28	-0.08
Engineer:	RON ROVENKO	7,604.0	2.04	22.76	7,601.49	-27.2	-27.4	-27.2	0.31	0.31
Geologist:		7,510.0	1.75	24.02	7,507.54	-30.0	-28.6	-30.0	0.30	0.16
Oxy Personnel:	2	7,447.0	1.65	29.31	7,444.57	-31.7	-29.5	-31.7	0.38	0.27
Contractor Personnel:	19	7,319.0	1.31	15.89	7,316.61	-34.7	-30.8	-34.7	0.34	0.12
Total on Site:	21	7,225.0	1.20	2.11	7,222.63	-36.7	-31.1	-36.7	0.66	0.52

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
5	8.750	SMITH	MSI 813	JE9251	M423	1x10, 5x11	7701		--	--
4	8.750	SMITH	MSI 813	JE 9250	M423	1x10, 5x11	5903	7701	6-2-RO-N	D-I-CT-PR

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
4	11.50	39.50	416	1798	36.2	45.5	10.0/25.0	45/60	0.541	875	328.7	4.7

MUD DATA - M-I			
Engineer:	Harry Mankel	MBT:	10.0 lbm/bbl
Sample From:	In	pH:	10.5
Mud Type:	Cut Brine	Pm / Pom:	0.00
Time / MD:	22:00 / 7,600.0	Pf / Mf:	0.1 / 0.7
Density @ Temp:	9.05 / 0	Chlorides:	50,000
Rheology Temp:	120	Ca+ / K+:	2,160 / 0
Viscosity:	35.00	CaCl2:	0.00
PV / YP:	4 / 9	Clom:	0.00
Gels 10s/10m/30m:	5 / 7 / 0	Lime:	0.00
API WL:	9.60	ES:	0.00
HTHP WL:	0.00	ECD:	0.00
Cake API / HTHP:	1.0 / .0	n / K:	0.00 / 0.000
Solids / Sol Corr:	2.50 / 0.00	Carbonate:	1 ppm
Oil / Water:	0.0 / 97.0	Bicarbonate:	0 ppm
Sand:	0.00	Form Loss:	0.0 / 0.0
Water Added:	0.0 bbl	Fluid Disch:	/
Oil Added:			
LGS:	1.90 / 17.70		

LAST OR CURRENT BHA					
BHA No:	5	Bit No:	5	MD In:	7701 ft
Purpose: DRILL VERTICAL 8-3/4" PRODUCTION HOLE MD Out:					
Component	OD	ID	Jts	Length	
PDC BIT	8.750	3.000	1	1.00	
VERTICAL DRILLING TOOL	6.750	2.000	1	13.42	
NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.875	1	5.43	
STEERING TOOL	6.750	3.250	1	3.28	
CROSSOVER	6.750	2.500	1	2.70	
POSITIVE DISPLACEMENT MOTOR	7.000	2.000	1	30.86	
NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.875	1	5.15	
UBHO SUB	6.750	2.875	1	2.97	
MWD TOOL	6.750	3.250	1	29.60	
FLOAT SUB	6.750	2.375	1	3.42	
NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.500	1	5.08	
NON-MAG DRILL COLLAR	6.625	2.812	1	30.92	
CROSSOVER	6.500	2.937	1	2.02	

VG Meter: 3@3 / 4@6 / 8@100 / 11@200 / 13@300 / 17@600
Comments: Rotary drill from 7285" to 7701" sliding as needed to stay on corrected path. Fill steel pits with cut brine take retur

Total Length: 993.24 ft Wt below Jars: 75.0 kip

MUD PRODUCTS		
Product	Units	Qty Used
CAUSTIC SODA	BG,50 LB	1.00
DEFOAM A	CAN,5 GA	4.00
ENGINEERING SERVICE	EACH	1.00
LIME	BG,50 LB	1.00
M-I BAR	100 LBS/SK	42.00
MY LO JEL	BG,50 LB	149.00
MYACIDE GA25	CAN,5 GA	7.00
POLY-PLUS	CAN,5 GA	1.00
SALT GEL	BG,50 LB	155.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/29/2011
 Report No: 19

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	3:00	3.00	31PRDR	DRILL	MTRVER	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 7,285' TO 7,379' ROTATED 86°, AVG 57.3 FPH, SLIDE 8' AVG 9.6 FPH USING 550 GPM, 2,020 PSI OFF BTM, 2,250 PSI ON BOTTOM, 50 SRPM + 82 MRPM = 132 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7.5K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 31.3 FPH</p> <p>1.0 HOURS SLIDE FROM 7,285' - 7,293' (8') MTF 90</p> <p>SURVEY @ 7,225' 1.20°, 2.11 AZIMUTH</p> <p>FORMATION @ 7,320'; 100% DOLOMITE FORMATION @ 7,360'; 100% DOLOMITE</p> <p>CIRCULATING OUTER RESERVE PITS AND SWEEPING HOLE EVERY 200'.</p> <p>MUD WT IN - 8.8 PPG, 28 VIS, PH 11.5 MUD WT OUT - 8.8 PPG, 28 VIS, PH 11.5</p>
3:00	6:00	3.00	31PRDR	DRILL	MTRVER	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 7,379' TO 7,500' ROTATED 114°, AVG 46 FPH, SLIDE 7' AVG 14 FPH USING 580 GPM, 2,010 PSI OFF BTM, 2,350 PSI ON BOTTOM, 50 SRPM + 87 MRPM = 137 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7.2K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 40 FPH</p> <p>0.5 HOURS SLIDE FROM 7,411' - 7,418' (7') MTF 110</p> <p>SURVEY @ 7,319' 1.31°, 15.89 AZIMUTH</p> <p>FORMATION @ 7,400'; 90% DOLOMITE, 10% CHERT</p> <p>CIRCULATING OUTER RESERVE PITS AND SWEEPING HOLE EVERY 200'. PREPARE TO MUD UP STARTING AT 7,600' DEPTH.</p> <p>MUD WT IN - 8.8 PPG, 28 VIS, PH 11.5 MUD WT OUT - 8.8 PPG, 28 VIS, PH 11.5</p> <p>03:45 HOURS SAFETY BRAKE; DISCUSSED SAFE OPERATING PRACTICES FOR FORKLIFTS, AND OPERATING FORKLIFTS SAFELY AT NIGHT TIME.</p> <p>06:00 HOURS CREW CHANGE</p>
6:00	10:00	4.00	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 7,500' TO 7,664' ROTATED 164°, AVG 41 FPH, SLIDE 7' AVG 14 FPH USING 550 GPM, 2,000 PSI OFF BTM, 2,325 PSI ON BOTTOM, 50 SRPM + 82 MRPM = 132 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7.2K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 41 FPH</p> <p>SURVEY @ 7,447' 1.65° 29.31 AZIMUTH SURVEY @ 7,510' 1.75° 24.02 AZIMUTH</p> <p>FORMATION @ 7,500'; 90% LIMEYDOLOMITE & 10% CHERT.</p> <p>08:00 HOURS SAFETY BRAKE: DISCUSS WORKING ON MUD UP AS PER PROGRAM. WEARING PROPER PPE WHEN HANDLING CHEMICALS</p>

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 09/29/2011
Report No: 19

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
10:00	12:00	2.00	31PRDR	DRILL	MTRDIR	P	<p>DRILL 8 3/4" PRODUCTION HOLE FROM 7,664' TO 7,701' ROTATED 27', AVG 22 FPH, SLIDE 10' AVG 13 FPH USING 550 GPM, 2,000 PSI OFF BTM, 2,325 PSI ON BOTTOM, 50 SRPM + 82 MRPM = 132 BRPM. 25K WOB, 2K TORQUE OFF BOTTOM AND 7.2K TORQUE ON BOTTOM.</p> <p>TOTAL AVG ROP 18.5 FPH</p> <p>0.45 HOURS SLIDE FROM 7,664' - 7,674' (10') MTF 200</p> <p>SURVEY @ 7,604' 2.04° 22.76 AZIMUTH SURVEY @ 7,701' 2.01° 25.55 AZIMUTH</p> <p>FORMATION @ 7,620'; 90% DOLOMITE & 10% CHERT.</p> <p>NOTE: AT 7,600' SWAPPED OVER TO STEEL PITS; BEGAN TO MIX AND BUILD MUD ACCORDING TO MUD PLAN.</p> <p>ROP WAS DIMINISHING AND HAD DECLINED TO 7 FPH. CALLED ENGINEER, FIELD SUPERINTENDENT AND DISCUSSED ROP. DECISION MADE TO TRIP, LAYDOWN WEATHERFORD DIRECTIONAL TOOLS AND PICK UP SCHLUMBERGER POWER-V.</p> <p>12:00 HOURS SAFETY BRAKE: REVIEW JSA ON TRIPPING PIPE OUT OF HOLE.</p>	
12:00	12:30	0.50	31PRDR	CIRC	CNDHOL	P	<p>FLOW CHECK, WELL STATIC.</p> <p>PUMP 30 BBLs OF 11.0 PPG WEIGHTED SLUG.</p>	
12:30	15:00	2.50	31PRDR	TRIP	DRILL	P	TRIP OUT OF HOLE FROM 7,701' - 1,108 WITH PROPER HOLE FILL.	
15:00	15:30	0.50	31PRDR	SRFEQ	RIGUP	P	<p>REVIEW JSA ON HANDPLACEMENT AND REMOVAL OF ROTATING HEAD.</p> <p>REMOVE ROTATING HEAD AND INSTALL TRIP NIPPLE.</p>	
15:30	16:30	1.00	31PRDR	TRIP	DRILL	P	<p>CONTINUE TRIPPING OUT OF HOLE FROM 1,108' - 75' WITH PROPER HOLE FILL.</p> <p>GRADED BIT AN 6 - 2 - RO - N - D - I - NO - PR</p> <p>16:30 HOURS SAFETY BRAKE: REVIEW JSA'S WITH WEATHERFORD DIRECTIONAL AND RIG CREW PRIOR TO LAYING DOWN TOOLS.</p>	
16:30	17:30	1.00	31PRDR	TRIP	BHA	P	BREAK AND LAYDOWN WEATHERFORD DIRECTIONAL TOOLS.	
17:30	18:00	0.50	31PRDR	RIGMT	SRVRIG	P	<p>RIG SERVICE.</p> <p>18:00 HOURS CREW CHANGE.</p>	
18:00	18:30	0.50	31PRDR	TRIP	BHA	P	FINISH LAYING DOWN WEATHERFORD DIRECTIONAL TOOLS.	
18:30	20:00	1.50	31PRDR	TRIP	BHA	P	<p>PICK UP SCHLUMBERGER DIRECTIONAL SUBS, POWER V, AND MOTOR.</p> <p>MAKE UP STABILIZER, FILTER SUB, AND CROSSOVER ON THE POWER V IN THE MOUSEHOLE. MAKE UP SMITH MSI 813 8-3/4" PDC BIT ON THE POWER V.</p>	
20:00	0:00	4.00	31PRDR	TRIP	BHA	P	<p>RIH WITH THE SCHLUMBERGER DIRECTIONAL TOOLS AS FOLLOWS:</p> <ul style="list-style-type: none"> 1 - 8 3/4" SMITH MSI 813 PDC JETTED WITH 5 X 11'S + 1 X 10 (TFA 0.541) 1 - POWER V 1 - NM SPIRAL NORTRAC (8 5/8") 1 - FILTER SUB 1 - CROSSOVER (PIN X PIN) 1 - VORTEX MUDMOTOR 7:8 GT; .29 REV/GAL 1 - SPIRAL NORTRAC (8.5") 1 - NM UBHO 1 - SCHLUMBERGER SLIM PULSE NMCD - MWD TOOL 1 - FLOW SLEEVE SUB 1 - SPIRAL NORTRAC STAB (8.5") 1 - NMDC 1 - B X P CROSSOVER 3 - 6.5" DRILL COLLAR <p>RIH TO 225', MAKE UP TOP DRIVE TO STRING. PREPARE TO FUNCTION TEST THE MWD TOOLS.</p> <p>23:30 HOURS SAFETY BRAKE; DISCUSSED WORKING SAFELY AROUND TUBULARS RACKED ON PIPE RACKS OR TRUCK TRAILERS.</p>	
Total Time		24.00						

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 09/29/2011
Report No: 19

Safety Incident?	N	Days since Last RI:	58.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	58.00	
Incident Comments: No incidents reported last 24 hours.				

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
 X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590
 NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2
 NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

SAFETY TOPIC OF THE DAY: SAFE PIPE HANDLING AND TRIPPING PRACTICES.

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS.

NEXT RIG MOVE DATE: 10/08/11

DAYS SINCE LAST LTI: 58
 DAYS SINCE LAST RECORDABLE: 58
 TOTAL JSA REVIEWED: 18
 TOTAL STOP CARDS: 3
 TOTAL LO/TO: 0
 TOTAL SAFETY MEETINGS: 6
 NEAR MISSES: 0
 HOT WORK PERMIT: 0
 CONFINED SPACE PERMIT: 0

BEST STOP CARD: OBSERVED RIG HAND STANDING ON TOP OF PIPE RACKS WHILE PICKING UP DIRECTIONAL TOOLS. STOPPED THE HAND, EXPLAINED THE HAZARDS AND RESPECTED BUFFER ZONE AROUND THE CATWALK. THE HAND COMPLIED AND AGREED NOT TO DO THAT AGAIN IN THE FUTURE.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 10/01/2011
 Report No: 21

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	14.75
Today's MD:	8405 ft	Progress:	266 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$103,750
Prev MD:	8139 ft	Rot Hrs Today:	12.50 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$1,553,839
PBMD:		Avg ROP Today:	21.3 ft/hr	AFE Number:	1137568#0102	AFE Cost:	\$2,421,387

Current Formation: PENN DETRITAL@ **Lithology:** 90% LIMESTONE, 10% SHALE @ 8,400'
Current Ops: TRIPPING IN HOLE WITH SCHLUMBERGER POWER V @ 3,843'.
24-Hr Summary: DRILL VERTICAL 8-3/4" HOLE WITH POWER V FROM 8,139' TO 8,405'. MUD MOTOR STALLED; UNABLE TO PUMP. TOH FROM 8,405' TO SU
24-Hr Forecast: TIH TO 8,210'; WASH 3 STANDS TO TD. DRILL VERTICAL 8-3/4" HOLE WITH POWER V FROM 8,405'.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.625in @ 3,843ft	Str Wt Up/Dn:	210.0/ 195.0 kip	Pump Rate:	501.2	Conn:	12	12	20
Next Casing:	5.500in @ 10,000ft	Str Wt Rot:	205.0 kip	Pump Press:	2850	Trip:	0	0	0
Last BOP Press Test:	09/24/2011	Torq Off Btm:	3,000.0 ft-lbf			Backgr:	12	12	19
Form Test/EMW:	FIT / 13.50 ppg	Torq On Btm:	6,000.0 ft-lbf						

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	GILBERT ZAPATA	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2:	MIKE BARRY	8,303.0	0.08	226.86	8,300.44	-24.4	-26.1	-24.4	0.16	0.00
Engineer:	RON ROVENKO	8,207.0	0.08	19.38	8,204.44	-24.4	-26.1	-24.4	0.20	-0.03
Geologist:		8,114.0	0.11	207.83	8,111.44	-24.4	-26.1	-24.4	0.05	0.01
Oxy Personnel:	2	8,020.0	0.10	234.98	8,017.44	-24.2	-26.0	-24.2	0.18	0.03
Contractor Personnel:	17	7,925.0	0.07	65.94	7,922.44	-24.2	-25.9	-24.2	0.17	-0.03
Total on Site:	19	7,829.0	0.10	224.12	7,826.44	-24.2	-25.9	-24.2	0.40	-0.19

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
6	8.750	SMITH	MSI 813	JE9777	M423	1x10, 5x11	8405	8974	1-1-NO-A	D-I-NO-PR
5	8.750	SMITH	MSI 813	JE9251	M423	1x10, 5x11	7701	8405	2-2-WT-N	D-I-CT-DMF

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
5	12.50	28.00	266	704	21.3	25.1	22.0/25.0	20/25	0.541	748	296.7	3.6

MUD DATA - M-I					LAST OR CURRENT BHA																																																																										
Engineer:	Harry Mankel	MBT:	10.0 lbm/bbl	BHA No:	6	Bit No:	6	MD In:	8405 ft																																																																						
Sample From:	In	pH:	10.5	Purpose:	DRILL VERTICAL 8-3/4" PRODUCTION HOLE MD Out:																																																																										
Mud Type:	LSND / salt gel	Pm / Pom:	0.00	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Component</th> <th>OD</th> <th>ID</th> <th>Jts</th> <th>Length</th> </tr> </thead> <tbody> <tr> <td>PDC BIT</td> <td>8.750</td> <td>3.000</td> <td>1</td> <td>1.00</td> </tr> <tr> <td>PDC BIT</td> <td>8.750</td> <td>3.000</td> <td>1</td> <td>1.00</td> </tr> <tr> <td>VERTICAL DRILLING TOOL</td> <td>6.750</td> <td>2.000</td> <td>1</td> <td>13.34</td> </tr> <tr> <td>VERTICAL DRILLING TOOL</td> <td>6.750</td> <td>2.000</td> <td>1</td> <td>13.34</td> </tr> <tr> <td>NON-MAG INTEGRAL BLADE STABILIZER</td> <td>6.750</td> <td>2.875</td> <td>1</td> <td>5.43</td> </tr> <tr> <td>NON-MAG INTEGRAL BLADE STABILIZER</td> <td>6.750</td> <td>2.875</td> <td>1</td> <td>5.43</td> </tr> <tr> <td>STEERING TOOL</td> <td>6.750</td> <td>3.250</td> <td>1</td> <td>3.28</td> </tr> <tr> <td>STEERING TOOL</td> <td>6.750</td> <td>3.250</td> <td>1</td> <td>3.28</td> </tr> <tr> <td>CROSSOVER</td> <td>6.750</td> <td>2.500</td> <td>1</td> <td>2.70</td> </tr> <tr> <td>CROSSOVER</td> <td>6.750</td> <td>2.500</td> <td>1</td> <td>2.70</td> </tr> <tr> <td>POSITIVE DISPLACEMENT MOTOR</td> <td>7.000</td> <td>2.000</td> <td>1</td> <td>31.08</td> </tr> <tr> <td>POSITIVE DISPLACEMENT MOTOR</td> <td>7.000</td> <td>2.000</td> <td>1</td> <td>31.08</td> </tr> <tr> <td>NON-MAG INTEGRAL BLADE STABILIZER</td> <td>6.750</td> <td>2.875</td> <td>1</td> <td>5.15</td> </tr> </tbody> </table>						Component	OD	ID	Jts	Length	PDC BIT	8.750	3.000	1	1.00	PDC BIT	8.750	3.000	1	1.00	VERTICAL DRILLING TOOL	6.750	2.000	1	13.34	VERTICAL DRILLING TOOL	6.750	2.000	1	13.34	NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.875	1	5.43	NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.875	1	5.43	STEERING TOOL	6.750	3.250	1	3.28	STEERING TOOL	6.750	3.250	1	3.28	CROSSOVER	6.750	2.500	1	2.70	CROSSOVER	6.750	2.500	1	2.70	POSITIVE DISPLACEMENT MOTOR	7.000	2.000	1	31.08	POSITIVE DISPLACEMENT MOTOR	7.000	2.000	1	31.08	NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.875	1	5.15
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Time / MD:	12:20 / 8,405.0	Pf / Mf:	0.9 / 2.1	Total Length:	993.38 ft		Wt below Jars:	75.0 kip																																																																							
Density @ Temp:	9.50 / 114	Chlorides:	77,000																																																																												
Rheology Temp:	120	Ca+ / K+:	200 / 0																																																																												
Viscosity:	44.00	CaCl2:	0.00																																																																												
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Cake API / HTHP:	1.0 / .0	n / K:	0.00 / 0.000																																																																												
Solids / Sol Corr:	3.90 / 0.00	Carbonate:	18 ppm																																																																												
Oil / Water:	2.0 / 91.0	Bicarbonate:	0 ppm																																																																												
Sand:	0.00	Form Loss:	0.0 / 0.0																																																																												
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LGS:	3.60 / 32.40																																																																														
VG Meter:	8@3 / 9@6 / 17@100 / 22@200 / 26@300 / 35@600																																																																														
Comments:	Drill 8.75" hole from 8139" to 8405". Shut down pumps due to mud motor stalling out and pump pressure increasing dramat																																																																														

MUD PRODUCTS		
Product	Units	Qty Used
ASPHASOL SUPREME	BG,50 LB	50.00
BLACK FURY	EACH	1.50
CAUSTIC SODA	BG,50 LB	3.00
DEFOAM A	CAN,5 GA	2.00
DUO-VIS	BG,25 LB	15.00
ENGINEERING SERVICE	EACH	1.00
M-I BAR	100 LBS/SK	40.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 10/01/2011
 Report No: 21

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	2:00	2.00	31PRDR	DRILL	RSS	P	<p>DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 8,139' TO 8,197' ROTATED 58', USING 500 GPM, 2,400 PSI OFF BTM, 2,800 PSI ON BOTTOM, 20 SRPM + 145 MRPM = 165 BRPM, 25K WOB AND 4K TORQUE OFF BOTTOM AND 6K TORQUE ON BOTTOM.</p> <p>DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL.</p> <p>TOTAL AVG ROP 29 FPH</p> <p>NOTE: ADDING BLACK FURY (2% BY VOLUME) AND ASPHASOL SUPREME (3 PPB) TO MUD SYSTEM.</p> <p>90% DOLOMITE, 10% CHERT @ 8,140" 90% DOLOMITE, 10% CHERT @ 8,150' 60% LIMESTONE, 30% DOLOMITE, 10% SHALE @ 8,180'</p> <p>MUD WT IN - 9.4 PPG, 44 VIS, PH 10.5 WATER LOSS 6.4 CC/30MIN MUD WT OUT - 9.4 PPG, 44 VIS, PH 10.5 WATER LOSS 6.4 CC/30MIN</p>
2:00	6:00	4.00	31PRDR	DRILL	RSS	P	<p>DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 8,197' TO 8,280' ROTATED 83', USING 500 GPM, 2,420 PSI OFF BTM, 2,815 PSI ON BOTTOM, 20 SRPM + 145 MRPM = 165 BRPM, 25K WOB AND 4K TORQUE OFF BOTTOM AND 6K TORQUE ON BOTTOM.</p> <p>DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL.</p> <p>TOTAL AVG ROP 21 FPH</p> <p>SURVEY @ 8,114', 0.11°, 207.83 AZIMUTH</p> <p>60% LIMESTONE, 30% SAND, 10% SHALE @ 8,200' 70% SANDY LIMESTONE, 30% GREEN SHALE @ 8,220' 90% LIMESTONE, 10% SHALE @ 8,240'</p> <p>MUD WT IN - 9.4 PPG, 45 VIS, PH 10.5 WATER LOSS 6.4 CC/30MIN MUD WT OUT - 9.4 PPG, 45 VIS, PH 10.5 WATER LOSS 6.4 CC/30MIN</p> <p>03:00 HOURS SAFETY BRAKE; DISCUSSED CLIMBING OR DESCENDING THE RIG STAIRWAYS SAFELY.</p> <p>06:00 HOURS CREW CHANGE</p>
6:00	10:00	4.00	31PRDR	DRILL	RSS	P	<p>DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 8,280' TO 8,358' ROTATED 78', USING 500 GPM, 2,420 PSI OFF BTM, 2,850 PSI ON BOTTOM, 20 SRPM + 145 MRPM = 165 BRPM, 25K WOB AND 4K TORQUE OFF BOTTOM AND 6K TORQUE ON BOTTOM.</p> <p>DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL.</p> <p>TOTAL AVG ROP 20 FPH</p> <p>SURVEY @ 8,207', 0.08°, 19.38 AZIMUTH</p> <p>90% LIMESTONE, 10% SHALE @ 8,280' 40% LIMESTONE, 40% SHALE & 20% SANDSTONE @ 8,320'</p> <p>MUD WT IN - 9.5 PPG, 43 VIS, PH 10.5 WATER LOSS 6.4 CC/30MIN MUD WT OUT - 9.5 PPG, 43 VIS, PH 10.5 WATER LOSS 6.4 CC/30MIN</p> <p>08:00 HOURS SAFETY BRAKE: DISCUSS GENERAL HOUSEKEEPING AND TRIP HAZARDS ON WORKING PITS.</p>

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 10/01/2011
 Report No: 21

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
10:00	12:30	2.50	31PRDR	DRILL	RSS	P	<p>DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 8,358' TO 8,405' ROTATED 47', USING 500 GPM, 2,420 PSI OFF BTM, 2,850 PSI ON BOTTOM, 20 SRPM + 145 MRPM = 165 BRPM, 25K WOB AND 4K TORQUE OFF BOTTOM AND 6K TORQUE ON BOTTOM.</p> <p>DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL.</p> <p>TOTAL AVG ROP 19 FPH</p> <p>SURVEY @ 8,303', 0.08°, 226.86 AZIMUTH</p> <p>50% LIMESTONE, 30% SANDSTONE & 20% SHALE @ 8,360' 90% LIMESTONE & 10% SHALE @ 8,380'</p> <p>MUD WT IN - 9.5 PPG, 43 VIS, PH 10.5 WATER LOSS 6.4 CC/30MIN MUD WT OUT - 9.5 PPG, 43 VIS, PH 10.5 WATER LOSS 6.4 CC/30MIN</p> <p>12:00 HOURS SAFETY BRAKE: DISCUSS LOCATION OF MSDS FOR MI SWACO MUD PRODUCTS.</p>
12:30	13:00	0.50	31PRDR	CIRC	CNDHOL	PT	<p>WHILE DRILLING AT 8,405', MOTOR STALLED OUT INCREASING PUMP PRESSURE TO 3,700 PSI AND BLOWING A NAIL AT MUD PUMP.</p> <p>INSERTED NEW NAILS, ATTEMPTED TO PUMP AND WERE NOT SUCCESSFUL. LOOKS LIKE WE HAVE A DOWNHOLE MOTOR FAILURE.</p> <p>NOTIFIED FIELD SUPERINTENDENT AND ENGINEER OF THE SITUATION.</p>
13:00	17:00	4.00	31PRDR	TRIP	DRILL	PT	<p>TRIP OUT OF HOLE FROM 8,405 - 1,641' WITH PROPER HOLE FILL.</p> <p>NOTE: PULLING UP TO 30-40K OVER FROM 8,375' - 8,370' AND AGAIN FROM 8,350' - 8,345'.</p>
17:00	17:30	0.50	31PRDR	SRFEQ	RIGUP	PT	<p>REMOVE ROTATING HEAD AND INSTALL TRIP NIPPLE.</p> <p>REVIEW JSA ON HANDPLACEMENT WHEN REMOVING ROTATING HEAD ELEMENT AND INSTALLING TRIP NIPPLE.</p>
17:30	18:00	0.50	31PRDR	TRIP	DRILL	PT	<p>CONTINUE PULLING OUT OF HOLE FROM 1,641' - 999' WITH PROPER HOLE FILL.</p> <p>18:00 HOURS CREW CHANGE.</p>
18:00	20:00	2.00	31PRDR	TRIP	BHA	PT	<p>REVIEW JSA FOR SAFE HANDLING OF DRILL COLLARS WHILE TRIPPING.</p> <p>TRIP OUT OF HOLE FROM 999' TO SURFACE. BREAK AND LAY DOWN SCHLUMBERGER MUD MOTOR, POWER V, AND SMITH 8-3/4" PDC BIT.</p> <p>GRADED BIT AN 2 - 2 - WT - N - D - I - CT - DMF TWO BIT JETS HAD PEICES OF METAL.</p> <p>ON THE POWER V TOOL, A PISTON THAT PUSHES THE PAD (PAD BELLOWS PISTON) WAS LOOSE AND SHOWED DAMAGE; NO METAL APPEARED TO BE MISSING FROM THE TOOL. THE DOWNHOLE FILTER SCREEN FROM THE FILTER SUB CONTAINED PIECES OF METAL FROM AN UNKNOWN SOURCE, AND ALSO A RUBBER SLEEVE OR BOOT FROM AN UNKNOWN SOURCE. BOTH THE DRILL PIPE SCREEN AND THE SUCTION SCREENS ON THE MUD PUMPS WERE INSPECTED, AND FOUND TO BE CLEAN.</p>

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 10/01/2011
Report No: 21

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
20:00	0:00	4.00	31PRDR	TRIP	BHA	PT	<p>CLEAR RIG FLOOR. PICK UP NEW POWER V, SMITH MSI 813 PDC 8-3/4" BIT, AND MUD MOTOR. MAKE UP AND RUN IN THE HOLE WITH THE SCHLUMBERGER POWER V BHA TO 100' AS FOLLOWS:</p> <p>1 - 8 3/4" SMITH MSI 813 PDC JETTED WITH 5 X 11'S + 1 X 10 (TFA 0.541) 1 - POWER V 1 - NM SPIRAL NORTRAC (8 5/8") 1 - FILTER SUB 1 - CROSSOVER (PIN X PIN) 1 - VORTEX MUDMOTOR 7:8 GT; .29 REV/GAL 1 - SPIRAL NORTRAC (8.5") 1 - NM UBHO 1 - SCHLUMBERGER SLIM PULSE NMCD - MWD TOOL 1 - FLOW SLEEVE SUB 1 - SPIRAL NORTRAC STAB (8.5")</p> <p>STOP AND SURFACE TESTED THE POWER V INSIDE THE TOP OF THE TRIP NIPPLE FOR 5 MINUTES - OK. CONTINUE RIH TO 100' AND MADE UP 4-1/2" IF PIN X 4-1/2" XH BOX CROSSOVER SUB ON TOP OF THE NORTRAC STAB SUB. MAKE UP TOP DRIVE, AND PREPARE TO FLOW TEST THE MWD TOOLS.</p> <p>23:30 HOURS SAFETY BRAKE - DISCUSSED SAFETY ON THE RIG FLOOR WHILE TRIPPING IN THE HOLE.</p>
Total Time		24.00					

Safety Incident?	N	Days since Last RI:	60.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	60.00	
Incident Comments: No incidents reported last 24 hours.				

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
 X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590
 NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2
 NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

SAFETY TOPIC OF THE DAY: KNOWING LOCATION OF MSDS AND HANDPLACEMENT WHILE TRIPPING PIPE.

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS.

NEXT RIG MOVE DATE: 10/09/11

DAYS SINCE LAST LTI: 60
 DAYS SINCE LAST RECORDABLE: 60
 TOTAL JSA REVIEWED: 13
 TOTAL STOP CARDS: 2
 TOTAL LO/TO: 0
 TOTAL SAFETY MEETINGS: 6
 NEAR MISSES: 0
 HOT WORK PERMIT: 0
 CONFINED SPACE PERMIT: 0

BEST STOP CARD: OBSERVED EMPLOYEES ABOUT TO START ROLLING CASING ON TOP LAYER TO EDGE OF STRIPPING BOARDS WITHOUT HAVING ANY STOPS ON BOARDS. STOPPED THE JOB, DISCUSSED THE DANGERS AND CORRECTED THE ISSUE BY NAILING PIPE STOPS TO END OF STRIPPING BOARDS.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 10/02/2011
 Report No: 22

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	15.75
Today's MD:	8744 ft	Progress:	339 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$76,069
Prev MD:	8405 ft	Rot Hrs Today:	14.50 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$1,629,908
PBMD:		Avg ROP Today:	23.4 ft/hr	AFE Number:	1137568#0102	AFE Cost:	\$2,421,387

Current Formation: PENN DETRITAL@ **Lithology:** 100% LIMESTONE @ 8,740'
Current Ops: DRILLING VERTICAL 8-3/4" PRODUCTION HOLE WITH POWER V @ 8,840' - ROP AT 18 FT/HR.
24-Hr Summary: TEST MWD. RUN BHA TO 993'. TIH TO 3905'. FILL PIPE & BREAK CIRCULATION. PULL UP TO 3820'. SLIP & CUT 82' DRILL LINE. REMOVE T
24-Hr Forecast: CONTINUE DRILLING VERTICAL 8-3/4" PRODUCTION HOLE WITH POWER V TO T.D. ~10,000'

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.625in @ 3,843ft	Str Wt Up/Dn:	221.0/ 201.0 kip	Pump Rate:	501.2	Conn:	27		33
Next Casing:	5.500in @ 10,000ft	Str Wt Rot:	211.0 kip	Pump Press:	2750	Trip:	0		0
Last BOP Press Test:	09/24/2011	Torq Off Btm:	2,600.0 ft-lbf			Backgr:	12		58
Form Test/EMW:	FIT / 13.50 ppg	Torq On Btm:	6,500.0 ft-lbf						

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	GILBERT ZAPATA	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2:	MIKE BARRY	8,588.0	0.10	222.91	8,585.44	-24.3	-26.0	-24.3	0.19	0.02
Engineer:	RON ROVENKO	8,493.0	0.08	54.49	8,490.44	-24.3	-26.0	-24.3	0.02	0.00
Geologist:		8,398.0	0.08	37.69	8,395.44	-24.4	-26.1	-24.4	0.17	0.00
Oxy Personnel:	2	8,303.0	0.08	226.86	8,300.44	-24.4	-26.1	-24.4	0.16	0.00
Contractor Personnel:	17	8,207.0	0.08	19.38	8,204.44	-24.4	-26.1	-24.4	0.20	-0.03
Total on Site:	19	8,114.0	0.11	207.83	8,111.44	-24.4	-26.1	-24.4	0.05	0.01

BIT RECORD

Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
6	8.750	SMITH	MSI 813	JE9777	M423	1x10, 5x11	8405	8974	1-1-NO-A	D-I-NO-PR
5	8.750	SMITH	MSI 813	JE9251	M423	1x10, 5x11	7701	8405	2-2-WT-N	D-I-CT-DMF

BIT OPERATING PARAMETERS TODAY

Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
6	14.50	14.50	339	339	23.4	23.4	20.0/25.0	10/20	0.541	740	296.7	3.6

MUD DATA - M-I

Engineer: Harry Mankel	MBT: 10.0 lbm/bbl
Sample From: In	pH: 11.0
Mud Type: LSND / salt gel	Pm / Pom: 0.00
Time / MD: 23:00 / 8,733.0	Pf / Mf: 1.0 / 1.5
Density @ Temp: 9.40 / 118	Chlorides: 72,000
Rheology Temp: 120	Ca+ / K+: 280 / 0
Viscosity: 53.00	CaCl2: 0.00
PV / YP: 12 / 21	Clom: 0.00
Gels 10s/10m/30m: 9 / 13 / 15	Lime: 0.00
API WL: 4.80	ES: 0.00
HTHP WL: 0.00	ECD: 9.83
Cake API / HTHP: 1.0 / .0	n / K: 0.00 / 0.000
Solids / Sol Corr: 3.60 / 0.00	Carbonate: 19 ppm
Oil / Water: 2.0 / 91.5	Bicarbonate: 0 ppm
Sand: 0.00	Form Loss: 0.0 / 0.0
Water Added: 180.0 bbl	Fluid Disch: /
Oil Added:	
LGS: 3.50 / 31.80	

LAST OR CURRENT BHA

BHA No: 6	Bit No: 6	MD In: 8405 ft		
Purpose: DRILL VERTICAL 8-3/4" PRODUCTION HOLE MD Out:				
Component	OD	ID	Jts	Length
PDC BIT	8.750	3.000	1	1.00
PDC BIT	8.750	3.000	1	1.00
VERTICAL DRILLING TOOL	6.750	2.000	1	13.34
VERTICAL DRILLING TOOL	6.750	2.000	1	13.34
NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.875	1	5.43
NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.875	1	5.43
STEERING TOOL	6.750	3.250	1	3.28
STEERING TOOL	6.750	3.250	1	3.28
CROSSOVER	6.750	2.500	1	2.70
CROSSOVER	6.750	2.500	1	2.70
POSITIVE DISPLACEMENT MOTOR	7.000	2.000	1	31.08
POSITIVE DISPLACEMENT MOTOR	7.000	2.000	1	31.08
NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.875	1	5.15

VG Meter: 9@3 / 10@6 / 20@100 / 27@200 / 33@300 / 45@600
Comments: Trip in the hole with new BHA on drill pipe to 3843". Hang block and slip & cut 82" of drill line. Lubricate rig and ser

Total Length: 993.38 ft **Wt below Jars:** 75.0 kip

MUD PRODUCTS

Product	Units	Qty Used
BLACK FURY	EACH	0.50
CAUSTIC SODA	BG,50 LB	7.00
DRISPAC REGULAR	BG,50 LB	11.00
DUO-VIS	BG,25 LB	11.00
ENGINEERING SERVICE	EACH	1.00
LIME	BG,50 LB	1.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 10/02/2011
 Report No: 22

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	1:00	1.00	31PRDR	TRIP	BHA	PT	PUMP AT 500 GPM AND TEST THE MWD TOOLS FOR 10 MINUTES. MWD TEST GOOD. BREAK OUT CROSSOVER SUB. PICK UP AND MAKE UP SCHLUMBERGER NMDC. RUN IN HOLE AND CONTINUE RUNNING REMAINDER OF BHA TO 993'.
1:00	2:30	1.50	31PRDR	TRIP	DRILL	PT	TRIP IN HOLE WITH 4-1/2" DRILL PIPE FROM 993' TO 3,905' TO PLACE THE BIT & POWER V OUTSIDE THE CASING SHOE. STOP TO FILL THE DRILL PIPE, AND SLIP & CUT DRILL LINE.
2:30	3:00	0.50	31PRDR	CIRC	CNDHOL	PT	PUMP 15 MINUTES @ 70 SPM TO FILL DRILL PIPE AND BREAK CIRCULATION. PULL FROM 3,905' TO 3,820' TO PLACE THE BIT INSIDE THE CASED HOLE. PREPARE TO CUT & SLIP DRILL LINE.
3:00	3:30	0.50	31PRDR	RIGMT	SRVRIG	PT	HANG BLOCKS IN DERRICK TO CUT DRILLINGLINE.
3:30	5:30	2.00	31PRDR	RIGMT	SRVRIG	PT	SLIP AND CUT 82' OF DRILL LINE. 03:30 SAFETY BRAKE; DISCUSSED SLIPPING & CUTTING DRILL LINE SAFELY.
5:30	6:00	0.50	31PRDR	RIGMT	SRVRIG	PT	RIG SERVICE. 06:00 HOURS CREW CHANGE.
6:00	6:30	0.50	31PRDR	SRFEQ	RIGUP	PT	REMOVE TRIP NIPPLE AND INSTALL ROTATING HEAD.
6:30	8:30	2.00	31PRDR	TRIP	DRILL	PT	FINISH TRIPPING IN THE HOLE FROM 3,820' - 8,293' WITH PROPER HOLE DISPLACEMENT.
8:30	9:30	1.00	31PRDR	REAM	PRRM	PT	BREAK CIRCULATION. WASH AND REAM FROM 8,293' TO BOTTOM AT 8,405' WITH 15' HOLE FILL. 08:30 HOURS SAFETY BRAKE: H2S AWARENESS.
9:30	13:30	4.00	31PRDR	DRILL	RSS	P	DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 8,405' TO 8,483' ROTATED 78', USING 500 GPM, 2,400 PSI OFF BTM, 2,750 PSI ON BOTTOM, 20 SRPM + 145 MRPM = 165 BRPM, 25K WOB AND 4K TORQUE OFF BOTTOM AND 6K TORQUE ON BOTTOM. DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL. TOTAL AVG ROP 20 FPH SURVEY @ 8,398', 0.08°, 37.69 AZIMUTH 90% SHALY LIMESTONE & 10% SHALE @ 8,445' MUD WT IN - 9.5 PPG, 45 VIS, PH 10.0 WL 5.8 CC MUD WT OUT - 9.6 PPG, 45 VIS, PH 10.0 WL 5.8 CC 12:00 HOURS SAFETY BRAKE: DISCUSS WORKING WITH POSITIVE ATTITUDES.
13:30	18:00	4.50	31PRDR	DRILL	RSS	P	DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 8,483' TO 8,615' ROTATED 132', USING 500 GPM, 2,400 PSI OFF BTM, 2,750 PSI ON BOTTOM, 20 SRPM + 145 MRPM = 165 BRPM, 25K WOB AND 4K TORQUE OFF BOTTOM AND 6K TORQUE ON BOTTOM. DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL. TOTAL AVG ROP 29 FPH SURVEY @ 8,398' 0.08° 37.69 AZIMUTH SURVEY @ 8,493' 0.08° 54.49 AZIMUTH 90% LIMESTONE & 10% SHALE @ 8,505' 90% LIMESTONE & 10% SHALE @ 8,560' MUD WT IN - 9.5 PPG, 52 VIS, PH 10.0 WL 5.8 CC MUD WT OUT - 9.6 PPG, 52 VIS, PH 10.0 WL 5.8 CC 16:00 HOURS SAFETY BRAKE: GENERAL HOUSEKEEPING AFTER MAKING BIT TRIP. 18:00 HOURS CREW CHANGE.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 10/02/2011
Report No: 22

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
18:00	20:30	2.50	31PRDR	DRILL	RSS	P	DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 8,615' TO 8,671' ROTATED 56', USING 500 GPM, 2,400 PSI OFF BTM, 2,750 PSI ON BOTTOM, 20 SRPM + 145 MRPM = 165 BRPM, 25K WOB AND 4K TORQUE OFF BOTTOM AND 6K TORQUE ON BOTTOM. DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL. TOTAL AVG ROP 22.5 FPH SURVEY @ 8,588' 0.10° 222.91 AZIMUTH 100% LIMESTONE @ 8,600' 90% LIMESTONE & 10% SHALE @ 8640' MUD WT IN - 9.4 PPG, 52 VIS, PH 10.0 WL 5.8 CC MUD WT OUT - 9.4 PPG, 48 VIS, PH 10.0 WL 5.8 CC	
20:30	0:00	3.50	31PRDR	DRILL	RSS	P	DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 8,671' TO 8,744' ROTATED 73', USING 500 GPM, 2,430 PSI OFF BTM, 2,800 PSI ON BOTTOM, 20 SRPM + 145 MRPM = 165 BRPM, 25K WOB AND 4K TORQUE OFF BOTTOM AND 8.0K TORQUE ON BOTTOM. DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL. TOTAL AVG ROP 21 FPH 100% LIMESTONE, TRACE CHERT @ 8,680' 90% LIMESTONE & 10% CHERT @ 8,700' 100% LIMESTONE, TRACE CHERT @ 8,720' 100% LIMESTONE, TRACE CHERT @ 8,740' MUD WT IN - 9.4 PPG, 50 VIS, PH 10.0 WL 5.8 CC MUD WT OUT - 9.4 PPG, 56 VIS, PH 10.0 WL 5.8 CC 21:00 HOURS SAFETY BRAKE; DISCUSSED STAYING FOCUSED & WORKING SAFELY ON THE LAST NIGHT OF THE CREW HITCH.	
Total Time		24.00						

Safety Incident?	N	Days since Last RI:	61.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	61.00	
Incident Comments: No incidents reported last 24 hours.				

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 10/02/2011
Report No: 22

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2

NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

SAFETY TOPIC OF THE DAY: STAYING FOCUSED AND WORKING SAFELY ON THE LAST DAY OF THE HITCH.

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS: NONE

NEXT RIG MOVE DATE: 10/09/11

DAYS SINCE LAST LTI: 61
DAYS SINCE LAST RECORDABLE: 61
TOTAL JSA REVIEWED: 13
TOTAL STOP CARDS: 2
TOTAL LO/TO: 0
TOTAL SAFETY MEETINGS: 6
NEAR MISSES: 0
HOT WORK PERMIT: 0
CONFINED SPACE PERMIT: 0

BEST STOP CARD: OBSERVED A HAND STANDING BETWEEN THE CATWALK AND PIPE RACKS LOADED WITH CASING. STOPPED THE HAND, EXPLAINED THE DANGERS OF RACKED PIPE AND BUFFER ZONES AROUND SUCH AREAS. THE HAND AGREED TO AVOID THESE ZONES IN THE FUTURE.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 10/03/2011
 Report No: 23

Wellbore / Top MD: 00 @ 0 ft Rig: PIONEER 14 Ref Datum: ORIGINAL KB @3,232.10ft DFS: 16.75
 Today's MD: 8974 ft Progress: 230 ft Ground Elev: 3,211.10 ft Daily Cost: \$100,001
 Prev MD: 8744 ft Rot Hrs Today: 14.50 hr AFE MD/Days: 10,018.6 / 25.1 days Cum Cost: \$1,729,909
 PBMD: Avg ROP Today: 15.9 ft/hr AFE Number: 1137568#0102 AFE Cost: \$2,421,387

Current Formation: WOODFORD@8,870.0 Lithology: 50% LIMESTONE, 30% SHALE, 20% CARB SHALE @ 8,970'
 Current Ops: WASHING AND REAMING TO BOTTOM. CURRENTLY @ 8,960'.
 24-Hr Summary: DRILL 8-3/4" PRODUCTION HOLE WITH POWER V FROM 8,744' TO 8,974'. ROP DECREASED TO 3 FPH. DECIDE TO PULL BIT. CBU AND TC
 24-Hr Forecast: SAFETY WASH & REAM TO TD @ 8,974'. DRILL VERTICAL 8-3/4" PRODUCTION HOLE WITH POWER V TO ~ 10,000'.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.625in @ 3,843ft	Str Wt Up/Dn:	220.0/ 205.0 kip	Pump Rate:	501.2	Conn:	0	0	
Next Casing:	5.500in @ 10,000ft	Str Wt Rot:	215.0 kip	Pump Press:	2450	Trip:	0	0	
Last BOP Press Test:	09/24/2011	Torq Off Btm:	2,000.0 ft-lbf			Backgr:	150	350	
Form Test/EMW:	FIT / 13.50 ppg	Torq On Btm:	4,500.0 ft-lbf						

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	GILBERT ZAPATA	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2:	MIKE BARRY	8,872.0	0.08	103.26	8,869.44	-24.5	-26.1	-24.5	0.17	0.00
Engineer:	RON ROVENKO	8,778.0	0.08	259.13	8,775.44	-24.5	-26.1	-24.5	0.13	0.00
Geologist:		8,683.0	0.08	161.46	8,680.44	-24.4	-26.1	-24.4	0.10	-0.02
Oxy Personnel:	2	8,588.0	0.10	222.91	8,585.44	-24.3	-26.0	-24.3	0.19	0.02
Contractor Personnel:	17	8,493.0	0.08	54.49	8,490.44	-24.3	-26.0	-24.3	0.02	0.00
Total on Site:	19	8,398.0	0.08	37.69	8,395.44	-24.4	-26.1	-24.4	0.17	0.00

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
7	8.750	HUGHES CHRISTENS	Q507FX	7130684	M323	7x10	8974		--	--
6	8.750	SMITH	MSI 813	JE9777	M423	1x10, 5x11	8405	8974	1-1-NO-A	D-I-NO-PR

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
6	14.50	29.00	230	569	15.9	19.6	20.0/25.0	10/20	0.541	744	296.7	3.6

MUD DATA - M-I			
Engineer:	Harry Mankel	MBT:	10.0 lbm/bbl
Sample From:	In	pH:	10.5
Mud Type:	LSND / salt gel	Pm / Pom:	0.00
Time / MD:	13:00 / 8,974.0	Pf / Mf:	0.8 / 1.3
Density @ Temp:	9.45 / 120	Chlorides:	72,000
Rheology Temp:	120	Ca+ / K+:	280 / 0
Viscosity:	54.00	CaCl2:	0.00
PV / YP:	12 / 22	Clom:	0.00
Gels 10s/10m/30m:	9 / 13 / 15	Lime:	0.00
API WL:	4.60	ES:	0.00
HTHP WL:	0.00	ECD:	0.00
Cake API / HTHP:	1.0 / .0	n / K:	0.00 / 0.000
Solids / Sol Corr:	3.60 / 0.00	Carbonate:	16 ppm
Oil / Water:	2.0 / 91.5	Bicarbonate:	0 ppm
Sand:	0.00	Form Loss:	0.0 / 0.0
Water Added:	0.0 bbl	Fluid Disch:	/
LGS:	3.90 / 35.40		

LAST OR CURRENT BHA					
BHA No:	7	Bit No:	7	MD In:	8974 ft
Purpose: DRILL VERTICAL 8-3/4" PRODUCTION HOLE MD Out:					
Component	OD	ID	Jts	Length	
PDC BIT	8.750	3.000	1	1.00	
VERTICAL DRILLING TOOL	6.750	2.000	1	13.34	
NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.875	1	5.43	
STEERING TOOL	6.750	3.250	1	3.28	
CROSSOVER	6.750	2.500	1	2.70	
POSITIVE DISPLACEMENT MOTOR	7.000	2.000	1	31.08	
NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.875	1	5.15	
UBHO SUB	6.750	2.875	1	2.97	
MWD TOOL	6.750	3.250	1	29.60	
FLOAT SUB	6.750	2.375	1	3.42	
NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.500	1	5.08	
NON-MAG DRILL COLLAR	6.625	2.812	1	30.92	
CROSSOVER	6.500	2.938	1	2.02	

VG Meter: 9@3 / 10@6 / 20@100 / 28@200 / 34@300 / 46@600
 Comments: Drill 8.75" hole from 8744" to 8956". Service top drive and continue drilling from 8956" to 8974". Build slug while cir

Total Length: 993.38 ft Wt below Jars: 75.0 kip

MUD PRODUCTS		
Product	Units	Qty Used
CAUSTIC SODA	BG,50 LB	4.00
DRISPAC REGULAR	BG,50 LB	5.00
ENGINEERING SERVICE	EACH	1.00
M-I BAR	100 LBS/SK	40.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 10/03/2011
 Report No: 23

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	3:00	3.00	31PRDR	DRILL	RSS	P	<p>DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 8,744' TO 8,790' ROTATED 46', USING 500 GPM, 2,400 PSI OFF BTM, 2,750 PSI ON BOTTOM, 20 SRPM + 145 MRPM = 165 BRPM, 25K WOB AND 3K TORQUE OFF BOTTOM AND 6K TORQUE ON BOTTOM.</p> <p>ENCOUNTER INTERMITTANT DOWNHOLE TORQUE. ADJUST SUFACE RPM AND WOB UNTIL TORQUE CLEARS UP.</p> <p>DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL.</p> <p>TOTAL AVG ROP 15.3 FPH</p> <p>SURVEY @ 8,683' 0.08° 161.46 AZIMUTH</p> <p>100% LIMESTONE, TRACE CHERT @ 8,760' - 14 UNITS</p> <p>MUD WT IN - 9.4 PPG, 60 VIS, PH 10.0 WL 5.8 CC MUD WT OUT - 9.4 PPG, 44 VIS, PH 10.0 WL 5.8 CC</p> <p>00:15 HOURS SAFETY BRAKE; DISCUSSED WORKING SAFELY THRU HOURS OF DARKNESS, AND DRIVING SAFELY ON THE WAY HOME FROM THE RIG.</p>
3:00	6:00	3.00	31PRDR	DRILL	RSS	P	<p>DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 8,790' TO 8,840' ROTATED 50', USING 500 GPM, 2,380 PSI OFF BTM, 2,730 PSI ON BOTTOM, 20 SRPM + 145 MRPM = 165 BRPM, 25K WOB AND 3K TORQUE OFF BOTTOM AND 6K TORQUE ON BOTTOM.</p> <p>DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL.</p> <p>TOTAL AVG ROP 17 FPH</p> <p>100% LIMESTONE, TRACE CHERT @ 8,780' - 16 UNITS 100% LIMESTONE @ 8,800' - 19 UNITS 100% LIMESTONE @ 8,810' - 14 UNITS</p> <p>MUD WT IN - 9.4 PPG, 50 VIS, PH 10.0 WL 5.8 CC MUD WT OUT - 9.4 PPG, 49 VIS, PH 10.0 WL 5.8 CC</p> <p>03:00 HOURS SAFETY BRAKE; DISCUSSED UNLOADING TRUCKS SAFELY, HOUSECLEANING AND FINISHING THE HITCH SAFELY.</p> <p>06:00 HOURS CREW CHANGE.</p>
6:00	10:00	4.00	31PRDR	DRILL	RSS	P	<p>DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 8,840' TO 8,940' ROTATED 100', USING 500 GPM, 2,380 PSI OFF BTM, 2,730 PSI ON BOTTOM, 20 SRPM + 145 MRPM = 165 BRPM, 25K WOB AND 3K TORQUE OFF BOTTOM AND 6K TORQUE ON BOTTOM.</p> <p>DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL.</p> <p>TOTAL AVG ROP 25 FPH</p> <p>SURVEY @ 8,778' 0.08° 259.13 AZIMUTH</p> <p>100% LIMESTONE @ 8,840' - 13 UNITS 70% SHALE & 30% LIMESTONE @ 8,900' - 70 UNITS TOP OF WOODFORD @ 8,870'</p> <p>MUD WT IN - 9.4 PPG, 54 VIS, PH 10.0 WL 4.8 CC MUD WT OUT - 9.4 PPG, 54 VIS, PH 10.0 WL 4.8 CC</p> <p>08:00 HOURS SAFETY BRAKE: STAYING FOCUSED ON LAST DAY AT WORK.</p>

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 10/03/2011
Report No: 23

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
10:00	14:30	4.50	31PRDR	DRILL	RSS	P	<p>DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 8,940' TO 8,974' ROTATED 34', USING 500 GPM, 2,425 PSI OFF BTM, 2,525 PSI ON BOTTOM, 20 SRPM + 145 MRPM = 165 BRPM, 25K WOB AND 2K TORQUE OFF BOTTOM AND 4K TORQUE ON BOTTOM.</p> <p>DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL.</p> <p>TOTAL AVG ROP 7.5 FPH</p> <p>SURVEY @ 8,872' 0.08° 103.26 AZIMUTH</p> <p>60% CARB. SHALE, 40% LIMESTONE & SLIGHT TRACE CHERT @ 8,950' 50% LIMESTONE, 30% SHALE & 20% CARB SHALE @ 8,970'</p> <p>NOTE: ROP STARTED DIMINISHING DOWN TO 3' HOUR. KEPT IN CONTACT WITH DRILLING ENGINEER, DECISION MADE TO TRIP FOR BIT.</p> <p>MUD WT IN - 9.4 PPG, 54 VIS, PH 10.0 WL 4.8 CC MUD WT OUT - 9.4 PPG, 54 VIS, PH 10.0 WL 4.8 CC</p> <p>12:00 HOURS SAFETY BRAKE: REVIEWING JSA PRIOR TO TRIPPING OUT FOR BIT.</p>	
14:30	15:00	0.50	31PRDR	CIRC	CNDHOL	P	<p>RECIPROCATATE AND CIRCULATE BOTTOMS UP FOR BIT TRIP DUE TO LOW ROP.</p> <p>REVIEW JSA AND PREPARE RIG FLOOR.</p>	
15:00	18:00	3.00	31PRDR	TRIP	DRILL	P	<p>FLOW CHECK, WELL STATIC.</p> <p>PULL OUT OF HOLE FROM 8,974' TO 3,555' WITH PROPER HOLE FILL. 8-3/4" PRODUCTION HOLE IN GOOD SHAPE.</p> <p>PUMP 30 BBLS OF 11.0 PPG WEIGHTED SLUG AFTER PULLING 8 STANDS.</p> <p>18:00 HOURS CREW CHANGE.</p>	
18:00	19:30	1.50	31PRDR	TRIP	DRILL	P	<p>PULL OUT OF HOLE FROM 3,555' TO 993' WITH PROPER HOLE FILL.</p>	
19:30	21:00	1.50	31PRDR	TRIP	BHA	P	<p>PULL OUT OF THE HOLE FROM 993' WITH THE BHA TO SURFACE. 8-3/4" BIT OUT OF THE HOLE @ 20:30 HOURS. BROKE OUT AND LAYED DOWN THE SMITH MSI 813 PDC BIT. INSPECTED THE POWER V & MUD MOTOR; OK.</p> <p>GRADED BIT; 1 - 1 - NO - A - D - I - NO - PR</p>	
21:00	22:00	1.00	31PRDR	TRIP	BHA	P	<p>PICK UP AND MAKE UP NEW 8-3/4" PDC BIT; HUGHES CHRISTENSEN Q507FX 7 BLADE JETTED WITH 7 - 10s. BIT IN THE HOLE @ 21:30 HOURS.</p> <p>RUN IN THE HOLE TO 90' PULL OUT AND LAY DOWN THE MWD TOOL. PICK UP AND INSTALL A NEW MWD TOOL.</p>	
22:00	23:00	1.00	31PRDR	TRIP	BHA	PT	<p>MAKE UP FLOW SUB ON TOP OF THE NMDC CONTAINING THE MWD. ATTEMPT TO INSTALL THE FLOW SLEEVE, BUT UNABLE TO DO SO BECAUSE THE MWD DID NOT SEAT DEEP ENOUGH IN THE UBHO SUB. ATTEMPT TO RESEAT THE MWD TOOL. UNABLE TO CORRECT THE PROBLEM. REMOVE AND LAY DOWN THE MWD TOOL. PULL UP AND BREAK OFF AT THE UBHO SUB. INSPECT THE UBHO; FOUND THE RETAINER SLEEVE WAS MISSING.</p> <p>INSTALLED A RETAINER SLEEVE IN THE UBHO SUB. MADE UP THE NMDC AND RAN IN THE HOLE. RE-INSTALLED THE MWD, MADE UP THE FLOW SUB, AND INSTALLED THE FLOW SLEEVE; OK.</p>	
23:00	0:00	1.00	31PRDR	TRIP	BHA	P	<p>RUN IN THE HOLE WITH SCHLUMBERGER POWER V BHA TO 100'. PICK UP AND MAKE UP A STAND OF 6-1/2" DRILL COLLARS WITH CROSSOVER SUB. RUN IN THE HOLE TO 225'.</p> <p>MAKE UP TOP DRIVE TO THE DRILL COLLARS. PUMP AT 190 SPM AND TEST THE MWD TOOL. TEST WAS GOOD.</p> <p>23:45 HOURS SAFETY BRAKE; DISCUSS WORKING SAFELY THE FIRST NIGHT BACK AT WORK, AND SAFE TRIPPING PRACTICES.</p>	
Total Time		24.00						

Safety Incident?	N	Days since Last RI:	62.00
Environ Incident?	N	Days since Last LTA:	62.00
Incident Comments:			
No incidents reported last 24 hours.			

Weather Comments:

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 10/03/2011
Report No: 23

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590
NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2
NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

SAFETY TOPIC OF THE DAY: WORKING SAFELY THE LAST DAY AND THE FIRST DAY OF CREW CHANGE.

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS: NONE

NEXT RIG MOVE DATE: 10/09/11

DAYS SINCE LAST LTI: 62
DAYS SINCE LAST RECORDABLE: 62
TOTAL JSA REVIEWED: 13
TOTAL STOP CARDS: 3
TOTAL LO/TO:
TOTAL SAFETY MEETINGS: 6
NEAR MISSES: 0
HOT WORK PERMIT: 0
CONFINED SPACE PERMIT: 0

BEST STOP CARD: OBSERVED 3RD PARTY HAND ATTEMPTING TO DRIVE AROUND THE ENTRANCE GATE TO THE LOCATION. STOPPED THE HAND, AND EXPLAINED OXY POLICY REGARDING ENTRANCE & EXITING OF ALL DRILL SITES. THE 3RD PARTY HAND AGREED TO COMPLY WITH OXY POLICY GOING FORWARD.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 10/04/2011
Report No: 24

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	17.75
Today's MD:	9612 ft	Progress:	638 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$69,309
Prev MD:	8974 ft	Rot Hrs Today:	17.00 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$1,799,218
PBMD:		Avg ROP Today:	37.5 ft/hr	AFE Number:	1137568#0102	AFE Cost:	\$2,421,387

Current Formation:	DEVONIAN@9,338.0	Lithology:	LIMESTONE
Current Ops:	DRILLING VERTICAL 8-3/4" PRODUCTION HOLE WITH POWER V @ 9,722' - ROP IS 12 FPH		
24-Hr Summary:	TIH WITH NEW 8-3/4" PDC BIT & POWER V FROM 993' TO 3,850'; REMOVE TRIP NIPPLE; INSTALL ROTATING HEAD RUBBER. TIH TO 8,765		
24-Hr Forecast:	DRILL 8-3/4" HOLE TO TD ~10,000'. TRIP OUT OF THE HOLE FROM TD. LAY DOWN DIRECTIONAL TOOLS. RIG UP AND RUN OPEN HOLE E		

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.625in @ 3,843ft	Str Wt Up/Dn:	235.0/ 220.0 kip	Pump Rate:	501.2	Conn:	384		640
Next Casing:	5.500in @ 10,000ft	Str Wt Rot:	230.0 kip	Pump Press:	2850	Trip:	0		0
Last BOP Press Test:	09/24/2011	Torq Off Btm:	2,500.0 ft-lbf			Backgr:	261		1642
Form Test/EMW:	FIT / 13.50 ppg	Torq On Btm:	7,000.0 ft-lbf						

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	GILBERT ZAPATA	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2:	MIKE BARRY	9,441.0	0.11	153.27	9,438.44	-25.0	-25.8	-25.0	0.07	0.03
Engineer:	RON ROVENKO	9,342.0	0.08	195.21	9,339.44	-24.9	-25.9	-24.9	0.19	-0.04
Geologist:		9,252.0	0.12	78.09	9,249.44	-24.8	-25.9	-24.8	0.24	0.01
Oxy Personnel:	2	9,158.0	0.11	243.65	9,155.44	-24.8	-26.0	-24.8	0.22	-0.01
Contractor Personnel:	17	9,062.0	0.12	108.48	9,059.44	-24.7	-26.0	-24.7	0.15	0.01
Total on Site:	19	8,967.0	0.11	185.44	8,964.44	-24.6	-26.1	-24.6	0.13	0.03

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
7	8.750	HUGHES CHRISTENS	Q507FX	7130684	M323	7x10	8974		--	--
6	8.750	SMITH	MSI 813	JE9777	M423	1x10, 5x11	8405	8974	1-1-NO-A	D-I-NO-PR

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
7	17.00	17.00	638	638	37.5	37.5	15.0/22.0	10/25	0.537	759	298.8	3.7

MUD DATA - M-I				LAST OR CURRENT BHA								
Engineer:	Harry Mankel	MBT:	10.0 lbm/bbl	BHA No:	7	Bit No:	7	MD In:	8974 ft			
Sample From:	In	pH:	11.0	Purpose:	DRILL VERTICAL 8-3/4" PRODUCTION HOLE MD Out:							
Mud Type:	LSND/salt gel	Pm / Pom:	0.00									
Time / MD:	23:30 / 9,603.0	Pf / Mf:	1.1 / 1.8									
Density @ Temp:	9.50 / 120	Chlorides:	75,000									
Rheology Temp:	120	Ca+ / K+:	360 / 0									
Viscosity:	51.00	CaCl2:	0.00									
PV / YP:	12 / 20	Clom:	0.00									
Gels 10s/10m/30m:	9 / 11 / 14	Lime:	0.00									
API WL:	4.00	ES:	0.00									
HTHP WL:	0.00	ECD:	9.90									
Cake API / HTHP:	1.0 / .0	n / K:	0.00 / 0.000									
Solids / Sol Corr:	3.80 / 0.00	Carbonate:	21 ppm									
Oil / Water:	2.0 / 91.0	Bicarbonate:	0 ppm									
Sand:	0.00	Form Loss:	0.0 / 0.0									
Water Added:	140.0 bbl	Fluid Disch:	/									
Oil Added:												
LGS:	4.10 / 37.20											
VG Meter:	8@3 / 9@6 / 19@100 / 27@200 / 32@300 / 44@600											
Comments:	Trip in the hole to 8915". Wash and ream from 8915" to 8974". Work thru tight spots while washing to bottom with 25% inc											
				Total Length:	993.38 ft	Wt below Jars:	75.0 kip					

MUD PRODUCTS		
Product	Units	Qty Used
ASPHASOL SUPREME	BG,50 LB	30.00
CAUSTIC SODA	BG,50 LB	10.00
DEFOAM A	CAN,5 GA	2.00
DRISPAC REGULAR	BG,50 LB	4.00
DUO-VIS	BG,25 LB	4.00
ENGINEERING SERVICE	EACH	1.00
MY LO JEL	BG,50 LB	25.00
MYACIDE GA25	CAN,5 GA	2.00
SALT GEL	BG,50 LB	30.00
SOAP STICK	EACH	90.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 10/04/2011
Report No: 24

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	2:00	2.00	31PRDR	TRIP	DRILL	P	TRIP IN THE HOLE WITH 4-1/2" DRILL PIPE FROM 993' TO 3,850' WITH PROPER HOLE DISPLACEMENT. MONITOR RETURNS IN THE TRIP TANK.
2:00	2:30	0.50	31PRDR	SRFEQ	RIGUP	P	REMOVE TRIP NIPPLE, INSTALL ROTATING HEAD RUBBER. PUMP AND FILL THE DRILL STRING AT 3,850'; BREAK CIRCULATION.
2:30	4:30	2.00	31PRDR	TRIP	DRILL	P	CONTINUE TRIPPING INTO THE 8-3/4" HOLE FROM 3,850' TO 8,765'.
4:30	6:00	1.50	31PRDR	REAM	PRRM	P	MAKE UP TOP DRIVE; SAFETY WASH AND REAM FROM 8,765' TO 8,960'. ENCOUNTERED APPROXIMATELY 65' OF FILL IN THE 8-3/4" HOLE. 06:00 HOURS CREW CHANGE.
6:00	6:30	0.50	31PRDR	REAM	PRRM	P	FINISH WASHING AND REAMING TO BOTTOM FROM 8,960' TO 8,974'. NOTE: THERE WAS A 25% INCREASE IN SAND OVER SHAKERS WHEN CIRCULATED BOTTOMS UP.
6:30	10:30	4.00	31PRDR	DRILL	RSS	P	DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 8,974' TO 9,105' ROTATED 131', USING 500 GPM, 2,550 PSI OFF BTM, 2,900 PSI ON BOTTOM, 20 SRPM + 145 MRPM = 165 BRPM, 18K WOB AND 3K TORQUE OFF BOTTOM AND 7.5K TORQUE ON BOTTOM. DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL. TOTAL AVG ROP 33 FPH SURVEY @ 8,967' 0.11° 185.44 AZIMUTH 90% SHALE & 10% LIMESTONE @ 8,980' 100% SHALE @ 9,050' - 400 UNITS BGG MUD WT IN - 9.5 PPG, 50 VIS, PH 10.0 WL 4.6 CC MUD WT OUT - 9.5 PPG, 50 VIS, PH 10.0 WL 4.6 CC 08:00 HOURS SAFETY BRAKE: STAYING FOCUSED ON FIRST DAY BACK ON HITCH.
10:30	14:30	4.00	31PRDR	DRILL	RSS	P	DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 9,105' TO 9,336' ROTATED 231', USING 500 GPM, 2,425 PSI OFF BTM, 2,900 PSI ON BOTTOM, 25 SRPM + 145 MRPM = 170 BRPM, 18K WOB AND 3K TORQUE OFF BOTTOM AND 7.5K TORQUE ON BOTTOM. DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL. TOTAL AVG ROP 58 FPH SURVEY @ 9,062' 0.12° 108.48 AZIMUTH SURVEY @ 9,158' 0.11° 243.65 AZIMUTH 100% SHALE @ 9,080' - 1200 UNITS BGG 100% SHALE @ 9,140' - 650 UNITS BGG MUD WT IN - 9.5 PPG, 50 VIS, PH 10.0 WL 4.6 CC MUD WT OUT - 9.5 PPG, 50 VIS, PH 10.0 WL 4.6 CC 12:00 HOURS SAFETY BRAKE: DISCUSS TEAM WORK WITH NEW DRILLER. GOOD COMMUNICATION WITH ONE ANOTHER.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 10/04/2011
Report No: 24

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
14:30	16:30	2.00	31PRDR	DRILL	RSS	P	<p>DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 9,336' TO 9,430' ROTATED 94', USING 500 GPM, 2,425 PSI OFF BTM, 2,900 PSI ON BOTTOM, 25 SRPM + 145 MRPM = 170 BRPM, 18/20K WOB AND 3K TORQUE OFF BOTTOM AND 7.5K TORQUE ON BOTTOM.</p> <p>DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL.</p> <p>TOTAL AVG ROP 47 FPH</p> <p>SURVEY @ 9,252' 0.12° 78.09 AZIMUTH</p> <p>100% SHALE @ 9,290' - 550 UNITS BGG 100% SHALE @ 9,310' - 350 UNITS BGG 80% LIMESTONE & 20% SHALE @ 8,360' - 500 UNITS BGG</p> <p>MUD WT IN - 9.5 PPG, 45 VIS, PH 10.0 WL 4.6 CC MUD WT OUT - 9.5 PPG, 44 VIS, PH 10.0 WL 4.6 CC</p> <p>16:00 HOURS SAFETY BRAKE: DISCUSS MIXING CHEMICALS AND WEARING PROPER PPE.</p>
16:30	17:00	0.50	31PRDR	RIGMT	SRVRIG	P	RIG SERVICE.
17:00	18:00	1.00	31PRDR	DRILL	RSS	P	<p>DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 9,430' TO 9,473' ROTATED 43', USING 500 GPM, 2,425 PSI OFF BTM, 2,900 PSI ON BOTTOM, 25 SRPM + 145 MRPM = 170 BRPM, 18/20K WOB AND 3K TORQUE OFF BOTTOM AND 7.5K TORQUE ON BOTTOM.</p> <p>DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL.</p> <p>TOTAL AVG ROP 43 FPH</p> <p>SURVEY @ 9,342' 0.08° 195.21 AZIMUTH</p> <p>80% SHALE & 20% LIMESTONE @ 9,380' - 128 UNITS. TOP OF DEVONIAN @ 9,338'</p> <p>MUD WT IN - 9.5 PPG, 45 VIS, PH 10.0 WL 4.6 CC MUD WT OUT - 9.5 PPG, 44 VIS, PH 10.0 WL 4.6 CC</p> <p>18:00 HOURS CREW CHANGE.</p>
18:00	20:30	2.50	31PRDR	DRILL	RSS	P	<p>DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 9,473' TO 9,526' ROTATED 53', USING 500 GPM, 2,425 PSI OFF BTM, 2,900 PSI ON BOTTOM, 25 SRPM + 145 MRPM = 170 BRPM, 18/20K WOB AND 3K TORQUE OFF BOTTOM AND 7.5K TORQUE ON BOTTOM.</p> <p>DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL.</p> <p>TOTAL AVG ROP 21 FPH</p> <p>SURVEY @ 9,441' 0.11° 195.21 AZIMUTH</p> <p>30% SHALE & 70% LIMESTONE @ 9,460' 30% SHALE & 70% LIMESTONE @ 9,470' - 440 UNITS</p> <p>MUD WT IN - 9.5 PPG, 45 VIS, PH 10.0 WL 4.6 CC MUD WT OUT - 9.5 PPG, 44 VIS, PH 10.0 WL 4.6 CC</p>

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 10/04/2011
Report No: 24

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
20:30	0:00	3.50	31PRDR	DRILL	RSS	P	DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 9,526' TO 9,612' ROTATED 86', USING 510 GPM, 2,400 PSI OFF BTM, 2,850 PSI ON BOTTOM, 25 SRPM + 148 MRPM = 173 BRPM, 15/22K WOB AND 2.5K TORQUE OFF BOTTOM AND 5.5K TORQUE ON BOTTOM. DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL. TOTAL AVG ROP 25 FPH 10% SHALE & 90% LIMESTONE @ 9,520' - 175 UNITS 100% LIMESTONE @ 9,560' - 189 UNITS 10% SHALE & 90% LIMESTONE @ 9,590' - 169 UNITS MUD WT IN - 9.5 PPG, 48 VIS, PH 10.0 WL 4.6 CC MUD WT OUT - 9.5 PPG, 48 VIS, PH 10.0 WL 4.6 CC 22:00 HOURS SAFETY BRAKE; DISCUSS H2S AWARENESS, AND WORKING AT A SAFE, BUT STEADY PACE THROUGHOUT THE NIGHT.
Total Time		24.00					

Safety Incident?	N	Days since Last RI:	63.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	63.00	
Incident Comments: No incidents reported last 24 hours.				

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
 X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590
 NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2
 NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

SAFETY TOPIC OF THE DAY: SAFE TRIPPING PRACTICES & H2S AWARENESS WHILE TRIPPING.

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS: NONE

NEXT RIG MOVE DATE: 10/09/11

DAYS SINCE LAST LTI: 63
 DAYS SINCE LAST RECORDABLE: 63
 TOTAL JSA REVIEWED: 10
 TOTAL STOP CARDS: 2
 TOTAL LO/TO: 0
 TOTAL SAFETY MEETINGS: 6
 NEAR MISSES: 0
 HOT WORK PERMIT: 0
 CONFINED SPACE PERMIT: 0

BEST STOP CARD: OBSERVED A HAND OPERATING A FORKLIFT WITHOUT WEARING THE SEATBELT. STOPPED THE HAND AND EXPLAINED THE DANGERS OF NOT WEARING A SEAT BELT ON A MOVING FORKLIFT. HE PUT ON THE BELT AND CONTINUED WORKING SAFELY.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 10/05/2011
Report No: 25

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	18.75
Today's MD:	9739 ft	Progress:	127 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$128,356
Prev MD:	9612 ft	Rot Hrs Today:	8.00 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$1,927,574
PBMD:		Avg ROP Today:	15.9 ft/hr	AFE Number:	1137568#0102	AFE Cost:	\$2,421,387

Current Formation: @ Lithology:

Current Ops: WASHING TO BOTTOM CONTROLLING LOSSES

24-Hr Summary: DRILL TO 9739FT. ROP DOWN TO 3FT/HR. RON ROVENKO ADVISED TO TOH FOR BIT. TOH FOR BIT. CHANGED BIT AND POWER V TOOL

24-Hr Forecast: CONTINUE TO DRILL TO TD. RUN 5.5" PRODUCTION CASING AND CEMENT IN PLACE.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.625in @ 3,843ft	Str Wt Up/Dn:	230.0/ 210.0 kip	Pump Rate:	501.2	Conn:	300		257
Next Casing:	5.500in @ 10,000ft	Str Wt Rot:	220.0 kip	Pump Press:	1250	Trip:	10		900
Last BOP Press Test:	09/24/2011	Torq Off Btm:	2,300.0 ft-lbf			Backgr:	194		194
Form Test/EMW:	FIT / 13.50 ppg	Torq On Btm:	5,400.0 ft-lbf						

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	GILBERT ZAPATA / JARON SIMON	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2:	MIKE BARRY / DAVID WYLIE / DE	9,632.0	0.11	232.83	9,629.44	-25.3	-25.9	-25.3	0.07	0.00
Engineer:	RON ROVENKO	9,441.0	0.11	153.27	9,438.44	-25.0	-25.8	-25.0	0.07	0.03
Geologist:		9,342.0	0.08	195.21	9,339.44	-24.9	-25.9	-24.9	0.19	-0.04
Oxy Personnel:	2	9,252.0	0.12	78.09	9,249.44	-24.8	-25.9	-24.8	0.24	0.01
Contractor Personnel:	17	9,158.0	0.11	243.65	9,155.44	-24.8	-26.0	-24.8	0.22	-0.01
Total on Site:	19	9,062.0	0.12	108.48	9,059.44	-24.7	-26.0	-24.7	0.15	0.01

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
8	8.750	SMITH	MSI 813	JE7752		1x10, 5x11	9739		--	--
7	8.750	HUGHES CHRISTENS	Q507FX	7130684	M323	7x10	8974	9739	3-3-BT-M	0-I-LT-PR

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
7	9.50	26.50	127	765	13.4	28.9	10.0/25.0	20/25	0.537	0	0.0	0.0

MUD DATA - M-I				LAST OR CURRENT BHA					
Engineer:	Harry Mankel	MBT:	10.0 lbm/bbl	BHA No:	8	Bit No:	8	MD In:	9739 ft
Sample From:	In	pH:	10.5	Purpose:	MD Out:				
Mud Type:	LSND/salt gel	Pm / Pom:	0.00	Component		OD	ID	Jts	Length
Time / MD:	23:00 / 9,739.0	Pf / Mf:	0.2 / 0.8	PDC BIT	8.750	3.000	1	1.00	
Density @ Temp:	9.35 / 0	Chlorides:	62,000	VERTICAL DRILLING TOOL	6.750	2.000	1	14.38	
Rheology Temp:	120	Ca+ / K+:	200 / 0	NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.875	1	5.43	
Viscosity:	52.00	CaCl2:	0.00	STEERING TOOL	6.750	3.250	1	3.28	
PV / YP:	12 / 19	Clom:	0.00	CROSSOVER	6.750	2.500	1	2.70	
Gels 10s/10m/30m:	7 / 9 / 12	Lime:	0.00	POSITIVE DISPLACEMENT MOTOR	7.000	2.000	1	31.08	
API WL:	3.40	ES:	0.00	NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.875	1	5.15	
HTHP WL:	0.00	ECD:	9.73	UBHO SUB	6.750	2.875	1	2.97	
Cake API / HTHP:	1.0 / .0	n / K:	0.00 / 0.000	MWD TOOL	6.750	3.250	1	29.60	
Solids / Sol Corr:	3.10 / 0.00	Carbonate:	4 ppm	FLOAT SUB	6.750	2.375	1	3.42	
Oil / Water:	2.0 / 91.5	Bicarbonate:	0 ppm	NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.500	1	5.08	
Sand:	0.00	Form Loss:	0.0 / 0.0	NON-MAG DRILL COLLAR	6.625	2.812	1	30.92	
Water Added:	265.0 bbl	Fluid Disch:	/	CROSSOVER	6.500	2.938	1	2.02	
Oil Added:									
LGS:	3.80 / 34.20								

VG Meter: 7@3 / 8@6 / 18@100 / 25@200 / 31@300 / 43@600

Comments: Drill from 9612" to 9738" when the hole took an initial 50 bbl drink. Continue losing volume to the hole at a rate of 50

Total Length: 994.42 ft Wt below Jars:

MUD PRODUCTS		
Product	Units	Qty Used
COTTONSEED HULLS	BG,50 LB	3.00
DEFOAM A	CAN,5 GA	2.00
DRISPAC REGULAR	BG,50 LB	4.00
DUO-VIS	BG,25 LB	11.00
ENGINEERING SERVICE	EACH	1.00
G-SEAL PLUS	BG,25 KG	5.00
M-I BAR	100 LBS/SK	40.00
MY LO JEL	BG,50 LB	45.00
MYACIDE GA25	CAN,5 GA	2.00
SALT GEL	BG,50 LB	50.00
SHRINK WRAPPING	EACH	3.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 10/05/2011
Report No: 25

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	3:00	3.00	31PRDR	DRILL	RSS	P	<p>DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 9,612' TO 9,668' ROTATED 56', USING 500 GPM, 2,400 PSI OFF BTM, 2,850 PSI ON BOTTOM, 25 SRPM + 148 MRPM = 173 BRPM, 15/22K WOB AND 2.5K TORQUE OFF BOTTOM AND 5.5K TORQUE ON BOTTOM.</p> <p>DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL.</p> <p>TOTAL AVG ROP 19 FPH</p> <p>SURVEY @ 9,537' 0.10° 160.01 AZIMUTH</p> <p>100% LIMESTONE @ 9,610' - 133 UNITS 100% LIMESTONE @ 9,620' - 162 UNITS</p> <p>MUD WT IN - 9.5 PPG, 48 VIS, PH 10.0 WL 4.6 CC MUD WT OUT - 9.5 PPG, 48 VIS, PH 10.0 WL 4.6 CC</p> <p>03:00 HOURS SAFETY BRAKE; DISCUSS WORKING SAFELY IN THE EARLY HOURS OF THE MORNING AT THE BEGINNING OF THE HITCH.</p>
3:00	6:00	3.00	31PRDR	DRILL	RSS	P	<p>DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 9,668' TO 9,722' ROTATED 54', USING 500 GPM, 2,400 PSI OFF BTM, 2,880 PSI ON BOTTOM, 25 SRPM + 145 MRPM = 170 BRPM, 15/22K WOB AND 2.5K TORQUE OFF BOTTOM AND 6.5K TORQUE ON BOTTOM.</p> <p>DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL.</p> <p>TOTAL AVG ROP 18 FPH</p> <p>SURVEY @ 9,632' 0.11° 232.83 AZIMUTH</p> <p>100% LIMESTONE @ 9,680' - 175 UNITS 100% LIMESTONE @ 9,700' - 200 UNITS</p> <p>MUD WT IN - 9.5 PPG, 48 VIS, PH 10.0 WL 4.6 CC MUD WT OUT - 9.5 PPG, 48 VIS, PH 10.0 WL 4.6 CC</p> <p>06:00 HOURS CREW CHANGE</p>
6:00	8:00	2.00	31PRDR	DRILL	RSS	P	<p>DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 9,722' TO 9,739' ROTATED 17', USING 500 GPM, 2,400 PSI OFF BTM, 2,880 PSI ON BOTTOM, 25 SRPM + 145 MRPM = 170 BRPM, 15/22K WOB AND 2.5K TORQUE OFF BOTTOM AND 6.5K TORQUE ON BOTTOM.</p> <p>DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL.</p> <p>TOTAL AVG ROP 8.5 FPH</p> <p>SURVEY @ 9,632' 0.11° 232.83 AZIMUTH</p> <p>100% LIMESTONE TR. CHERT @ 9,720' - 150 UNITS</p> <p>MUD WT IN - 9.5 PPG, 48 VIS, PH 10.0 WL 4.6 CC MUD WT OUT - 9.5 PPG, 48 VIS, PH 10.0 WL 4.6 CC</p> <p>R.O.P. FELL DRASTICALLY TO 3.5 FPH AVG. P/U OFF BOTTOM</p> <p>NOTE: WELL TOOK 50 BBL.INITIAL LOSS OF FLUID, TOTAL LOSS 130 BBL.</p> <p>SAFETY BREAK: DISCUSS JSA ON TRIPPING PIPE PROPER FILL OF HOLE AND TRIP SHEET</p>
8:00	9:30	1.50	31PRDR	CIRC	CNDHOL	P	<p>BUILDING VOLUME TWO 75 BBL PILL AND TRANSFER TO ACTIVE SYSTEM. SPOKE WITH RON ROVENKO ADVISED TO P.O.O.H. FOR NEW BIT.</p> <p>NOTE: ATTEMPTED TO DRILL WITH NO SUCCESS. ROP WAS STILL DOWN TO 3' HOUR.</p>

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 10/05/2011
Report No: 25

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
9:30	14:00	4.50	31PRDR	TRIP	DRILL	P	RIG UP FLOOR FOR TRIP OUT OF HOLE, P.O.O.H. PULL 6 STANDS WITH NO HOLE DRAG. TOH FROM 9739' TO 2900'. PUMP 30 BBL SLUG, CONTINUE P.O.O.H. HOLE TAKING PROPER FILL AND STAYING FULL.	
14:00	14:30	0.50	31PRDR	SRFEQ	RIGUP	P	PULL ROTATING HEAD. SIMOPS - MONITOR WELL WHILE HOLDING SAFETY BREAK ON RE-FUELING PRACTICE AND STATIC ELECTRICITY. WELL STATIC.	
14:30	17:30	3.00	31PRDR	TRIP	DRILL	P	CONTINUE TOH FROM 2900' TO 0'. MONITOR WELL WITH TRIP TANK. WELL TAKING PROPER DISPLACEMENT. SIMOPS - BUILD SURFACE MUD VOLUME.	
17:30	19:00	1.50	31PRDR	TRIP	DRILL	P	BREAK BIT FROM MOTOR AND BREAK OUT POWER V 2 PADS WORN OUT REPLACE POWER V, MAKE UP SMITH 813 S/N JE7752. CHANGE OUT MWD TOOLS IN MOUSE HOLE.	
19:00	0:00	5.00	31PRDR	TRIP	DRILL	P	TIH FILLING UP EVERY 20 STANDS. BREAK CIRCULATION AT SHOE. TIH TO 6000FT, BREAK CIRCULATION. TIH TO 9632FT TAG FILL AND WASH. SAFETY BREAK: DISCUSS TRIPPING PIPE & H2S ON BOTTOMS UP CIRC.	
Total Time		24.00						

Safety Incident?	N	Days since Last RI:	64.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	64.00	
Incident Comments: No incidents reported last 24 hours.				

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590
NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2
NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

SAFETY TOPIC OF THE DAY: SAFE TRIPPING PRACTICES & H2S AWARENESS WHILE TRIPPING.

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS: NONE

NEXT RIG MOVE DATE: 10/09/11

DAYS SINCE LAST LTI: 64
DAYS SINCE LAST RECORDABLE: 64
TOTAL JSA REVIEWED: 8
TOTAL STOP CARDS: 2
TOTAL LO/TO: 0
TOTAL SAFETY MEETINGS: 10
NEAR MISSES: 0
HOT WORK PERMIT: 0
CONFINED SPACE PERMIT: 0

BEST STOP CARD: OBSERVED DELIVERY TRUCK BACKING UP WITHOUT SPOTTER. EXPLAINED TO DRIVER THAT A SPOTTER IS REQUIRED WHENEVER BACKING A TRANSPORT TRUCK. A RIG HAND WAS UTILIZED AS A SPOTTER AND JOB CONTINUED WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 10/06/2011
Report No: 26

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	19.75
Today's MD:	9980 ft	Progress:	241 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$67,063
Prev MD:	9739 ft	Rot Hrs Today:	10.50 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$1,981,872
PBMD:		Avg ROP Today:	23.0 ft/hr	AFE Number:	1137568#0102	AFE Cost:	\$2,421,387

Current Formation:	DEVONIAN@9,034.0	Lithology:	LIMESTONE/CHERT
Current Ops:	RUNNING WIRELINE LOGS		
24-Hr Summary:	DRILLED 8.75" PRODUCTION HOLE FROM 9739 - 9980FT. TD WELL. CIRCULATE HOLE CLEAN & TOH FOR LOGGING.		
24-Hr Forecast:	CONTINUE LOGGING WELL. MAKE 8.75" CLEAN OUT RUN TO BOTTOM, CIRC HOLE CLEAN, RUN 5.5" PRODUCTION CASING & CEMENT IN		

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.625in @ 3,843ft	Str Wt Up/Dn:	235.0/ 215.0 kip	Pump Rate:	501.2	Conn:	412	412	549
Next Casing:	5.500in @ 10,000ft	Str Wt Rot:	225.0 kip	Pump Press:	2850	Trip:	223	223	876
Last BOP Press Test:	09/24/2011	Torq Off Btm:				Backgr:	300	300	572
Form Test/EMW:	FIT / 13.50 ppg	Torq On Btm:							

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	JARON SIMON	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2:	DAVID WYLIE / DEAN NELSON	9,896.0	0.08	328.93	9,893.44	-25.3	-26.0	-25.3	0.03	-0.03
Engineer:	RON ROVENKO	9,819.0	0.10	325.70	9,816.44	-25.4	-25.9	-25.4	0.18	0.03
Geologist:		9,724.0	0.07	137.80	9,721.44	-25.4	-25.9	-25.4	0.15	-0.04
Oxy Personnel:	2	9,632.0	0.11	232.83	9,629.44	-25.3	-25.9	-25.3	0.07	0.00
Contractor Personnel:	17	9,441.0	0.11	153.27	9,438.44	-25.0	-25.8	-25.0	0.07	0.03
Total on Site:	19	9,342.0	0.08	195.21	9,339.44	-24.9	-25.9	-24.9	0.19	-0.04

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
8	8.750	SMITH	MSI 813	JE7752	M323	1x10, 5x11	9739	9980	1-1-BT-S	1-I-BT-LOG
7	8.750	HUGHES CHRISTENS	Q507FX	7130684	M323	7x10	8974	9739	3-3-BT-M	0-I-LT-PR

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
8	10.50	10.50	24	241	23.0	23.0	17.0/30.0	20/30	0.541	740	296.7	3.6

MUD DATA - M-I			
Engineer:	Harry Mankel	MBT:	10.0 lbm/bbl
Sample From:	In	pH:	10.5
Mud Type:	LSND/salt gel	Pm / Pom:	0.00
Time / MD:	22:00 / 9,980.0	Pf / Mf:	0.2 / 0.6
Density @ Temp:	9.40 / 0	Chlorides:	60,500
Rheology Temp:	120	Ca+ / K+:	320 / 0
Viscosity:	50.00	CaCl2:	0.00
PV / YP:	12 / 18	Clom:	0.00
Gels 10s/10m/30m:	7 / 9 / 11	Lime:	0.00
API WL:	3.60	ES:	0.00
HTHP WL:	0.00	ECD:	9.80
Cake API / HTHP:	1.0 / .0	n / K:	0.00 / 0.000
Solids / Sol Corr:	3.00 / 0.00	Carbonate:	4 ppm
Oil / Water:	2.0 / 91.5	Bicarbonate:	0 ppm
Sand:	0.00	Form Loss:	92.0 / 92.0
Water Added:	150.0 bbl	Fluid Disch:	/
Oil Added:			
LGS:	3.90 / 35.20		

LAST OR CURRENT BHA					
BHA No:	8	Bit No:	8	MD In:	9739 ft
Purpose:	DRILL 8.75" PRODUCTION HOLE		MD Out:	9980 ft	
Component	OD	ID	Jts	Length	
PDC BIT	8.750	3.000	1	1.00	
VERTICAL DRILLING TOOL	6.750	2.000	1	14.38	
NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.875	1	5.43	
STEERING TOOL	6.750	3.250	1	3.28	
CROSSOVER	6.750	2.500	1	2.70	
POSITIVE DISPLACEMENT MOTOR	7.000	2.000	1	31.08	
NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.875	1	5.15	
UBHO SUB	6.750	2.875	1	2.97	
MWD TOOL	6.750	3.250	1	29.60	
FLOAT SUB	6.750	2.375	1	3.42	
NON-MAG INTEGRAL BLADE STABILIZER	6.750	2.500	1	5.08	
NON-MAG DRILL COLLAR	6.625	2.812	1	30.92	
CROSSOVER	6.500	2.938	1	2.02	

VG Meter: 7@3 / 8@6 / 17@100 / 24@200 / 30@300 / 42@600
 Comments: Trip in the hole with new bit to 9631". Pump LCM sweep to stop losses to formation when pumping at drilling rate. Wash d

Total Length: 994.42 ft Wt below Jars:

MUD PRODUCTS		
Product	Units	Qty Used
ASPHASOL SUPREME	BG,50 LB	20.00
DRISPAC REGULAR	BG,50 LB	3.00
DUO-VIS	BG,25 LB	10.00
ENGINEERING SERVICE	EACH	1.00
M-I BAR	100 LBS/SK	40.00
MY LO JEL	BG,50 LB	30.00
MYACIDE GA25	CAN,5 GA	1.00
PECAN NUT PLUG MEDIUM	BG,50 LB	5.00
SAFE-CARB 20	BG,50 LB	15.00
SAFE-CARB 250	BG,50 LB	15.00
SALT GEL	BG,50 LB	50.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 10/06/2011
Report No: 26

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	2:00	2.00	31PRDR	TRIP	DRILL	PT	TAG FILL AT 9632. ATTEMPT TO REAM. HOLE TORQUING UP, COULD NOT TURN TOP DRIVE. BROKE FREE. WASH & REAM TO BOTTOM. LOSING MUD 60BBLS / HR. MIX AND PUMP 75BBL LCM SWEEP. LOST 92BBLS TOTAL
2:00	6:00	4.00	31PRDR	REAM	PRRM	PT	WASH & REAM FILL FROM 9632 - 9739. TIGHT SPOTS ENCOUNTERED FROM 9632 - 9637 / 9720 - 9725. LOSSES CONTAINED. CHANGE SWAB ON #2 PUMP SAFETY BREAK: REVIEWED JSA ON CHANGING SWAB.
6:00	10:00	4.00	31PRDR	DRILL	RSS	P	DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 9,739' TO 9855' ROTATED 116', USING 500 GPM, 2,400 PSI OFF BTM, 2,880 PSI ON BOTTOM, 30 SRPM + 145 MRPM = 175 BRPM, 15/24K WOB AND 2.5K TORQUE OFF BOTTOM AND 6.5K TORQUE ON BOTTOM. DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL. TOTAL AVG ROP 29 FPH SURVEY @ 9,724' 0.07° 137.8 AZIMUTH 100% LIMESTONE @ 9,800' - 188 UNITS MUD WT IN - 9.3+ PPG, 46 VIS, PH 10.0 MUD WT OUT - 9.2 PPG, 45 VIS, PH 10.0 SAFETY BREAK: PINCH ON CONN. WELL CONTROL.
10:00	14:00	4.00	31PRDR	DRILL	RSS	P	DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 9,855 TO 9942' ROTATED 87', USING 500 GPM, 2,400 PSI OFF BTM, 2,880 PSI ON BOTTOM, 30 SRPM + 145 MRPM = 175 BRPM, 15/22K WOB AND 2.5K TORQUE OFF BOTTOM AND 6.5K TORQUE ON BOTTOM. DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL. TOTAL AVG ROP 22 FPH SURVEY @ 9,819' 0.1° 325.7° AZIMUTH 90% LIMESTONE, 10% CHERT @ 9,900' - 250 UNITS MUD WT IN - 9.3 PPG, 44 VIS, PH 10.0 MUD WT OUT - 9.3 PPG, 43 VIS, PH 10.0 SAFETY BREAK: MAKING PREPARATIONS FOR UPCOMING T.O.H @ T.D. WORKING SAFE TOGETHER AS A TEAM, HOUSE KEEPING.
14:00	15:00	1.00	31PRDR	DRILL	RSS	P	DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 9,942' TO 9965' ROTATED 23', USING 500 GPM, 2,350 PSI OFF BTM, 2,850 PSI ON BOTTOM, 30 SRPM + 145 MRPM = 175 BRPM, 15/22K WOB AND 2.5K TORQUE OFF BOTTOM AND 6.2K TORQUE ON BOTTOM. DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL. TOTAL AVG ROP 23 FPH 90% LIMESTONE 10% CHERT @ 9,940' - 150 UNITS MUD WT IN - 9.3 PPG, 46 VIS, PH 10.0 MUD WT OUT - 9.3 PPG, 46 VIS, PH 10.0
15:00	15:30	0.50	31PRDR	RIGMT	REP	PT	BLEW SWAB MP#2 POD #3. CAN NOT DRILL AHEAD DUE TO POWER V HYDRAULICS, CIRC HOLE WORK PIPE, FIX SAME.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 10/06/2011
Report No: 26

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
15:30	16:30	1.00	31PRDR	DRILL	RSS	P	DRILL 8 3/4" VERTICAL PRODUCTION HOLE FROM 9,965' TO 9980' ROTATED 15', USING 500 GPM, 2,350 PSI OFF BTM, 2,850 PSI ON BOTTOM, 30 SRPM + 145 MRPM = 175 BRPM, 20/30K WOB AND 2.5K TORQUE OFF BOTTOM AND 6.2K TORQUE ON BOTTOM. DRILLING WITH 180 GRAVITY TOOLFACE WITH 100% STEERING RATIO ON POWER V TOOL. STEERING STRAIGHT DOWN TO MAINTAIN VERTICAL. TOTAL AVG ROP 23 FPH 100% LIMESTONE @ 9,960' - 550 UNITS MUD WT IN - 9.4 PPG, 48 VIS, PH 10.0 MUD WT OUT - 9.4 PPG, 47 VIS, PH 10.0 RECIEVED CALL FROM ENGR AND GEOLOGIST CALLED TD AT 9980'. CONFIRM DRILL PIPE COUNT AND TALLY. SAFETY BREAK - FUELING PRACTICES
16:30	19:30	3.00	31PRDR	CIRC	CNDHOL	P	CIRCULATE AT 500 GPM TO CLEAN HOLE AND CONDITION THE MUD. PUMP TWO 30 BBL VISCOSUS SWEEPS WITH NUT PLUG, FIVE MINUTES APART, TO CLEAN THE HOLE. CIRC SWEEP OUT, HOLE CLEAN. 00% INCREASE IN FINE CUTTINGS WHEN SWEEP CIRCULATED TO SURFACE. CYCLE PUMPS TAKE FINAL SURVEY ON BOTTOM SURVEY DEPTH 9896' INC - 0.08 AZM - 328.93
19:30	0:00	4.50	31PRDR	TRIP	DRILL	P	PUMP SLUG, FLOW CHECK, WELL STATIC. BEGIN TRIP OUT OF THE HOLE STRAPPING OUT. TIGHT SPOT NOTED AT 9683FT. PULLED 30K OVER STRING WEIGHT. WIPED THROUGH UNTIL SLICK. CONTINUE TOH TO 950FT. HOLE TAKING PROPER FILL AND PULLING SLICK. SAFETY BREAK - DISCUSSED RADIATION SAFETY AND WIRELINE TOOLS

Total Time 24.00

Safety Incident?	N	Days since Last RI:	65.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	65.00	
Incident Comments: No incidents reported last 24 hours.				

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 10/06/2011
Report No: 26

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2

NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

SAFETY TOPIC OF THE DAY: SAFE TRIPPING PRACTICES & H2S AWARENESS WHILE TRIPPING.

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS: NONE

NEXT RIG MOVE DATE: 10/09/11

DAYS SINCE LAST LTI: 65
DAYS SINCE LAST RECORDABLE: 65
TOTAL JSA REVIEWED: 10
TOTAL STOP CARDS: 4
TOTAL LO/TO: 0
TOTAL SAFETY MEETINGS: 10
NEAR MISSES: 0
HOT WORK PERMIT: 0
CONFINED SPACE PERMIT: 0

BEST STOP CARD: SAW HAND OUTSIDE BUFFER ZONE WITHOUT HARD HAT. REMINDED HAND OF BUFFER ZONE AREA. HE RETRIEVED HARD HAT AND CONTINUED WITHOUT INCIDENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 10/07/2011
Report No: 27

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	2:00	2.00	31PRDR	TRIP	DRILL	P	REMOVED ROTATING HEAD & INSTALLED TRIP NIPPLE. CONTINUE TO TRIP OUT TO SURFACE. HOLE TAKING PROPER FILL.
2:00	4:00	2.00	31PRDR	TRIP	BHA	P	BREAK OUT & LAY DOWN DIRECTIONAL BHA. CLEAR FLOOR OF ALL DIR TOOLS. CLEAN FLOOR & PREP FOR WIRELINE. SAFETY BREAK: REVIEW JSA ON RIGGING UP WIRELINE EQUIPMENT & INSTALLING LUBRICATOR.
4:00	6:00	2.00	31PREV	LOG	RIGUP	P	HOLD PJSM WITH SCHLUMBERGER WIRELINE & PIONEER CREWS. RIG UP SCHLUMBERGER WIRELINE EQUIPMENT & INSTALL LUBRICATOR. SIMOPS: LOAD OUT SCHLUMBERGER DIRECTIONAL TOOLS ON TRUCK.
6:00	7:30	1.50	31PREV	LOG	OHLOG	P	RUN IN HOLE WITH LOGGING SUIT #1 AND TAG BTM. NO HOLE PROBLEMS SEEN. ATTEMPT TO LOG AND SLB HAVING ELECT PROBLEMS DOWNHOLE WITH TOOLS. IN CONTACT WITH PROJECT GEOLOGIST GIVEN ORDERS TO LOG 1000 FT WITH NEUTRON/DENSITY ONLY. ATTEMPT TO LOG AND LOSE COMM WITH NEUTRON TOOL. BEGIN POOH TO CHANGE OUT TOOLS, SLB CALL FOR REPLACEMENT TOOLS FROM MIDLAND. NOTIFY FDS OF PROBLEMS.
7:30	12:00	4.50	31PREV	LOG	RIGUP	PT	POOH WITH BAD LOGGING TOOLS AND REPLACE SAME WITH NEW TOOLS FROM TOWN. NO DOWNHOLE COMM WITH TOOLS. GET OUT WITH FIRST RUN TOOLS BREAK DOWN. BEGIN PU 2ND RUN TOOLS, REPLACEMENTS NOT ON LOCATION. MAKE UP 2ND RUN TOOLS AND GO IN HOLE.
12:00	13:30	1.50	31PREV	LOG	OHLOG	PT	GET ON BOTTOM WITH 2ND RUN TOOLS AND SONIC IMAGE TOOL PAD WOULD NOT RESET ITSELF AFTER CALIBRATION. POOH WITH TOOLS, NOTIFY OFFICE OF TOOL FAILURE.
13:30	15:30	2.00	31PREV	LOG	RIGUP	PT	WAS GIVEN ORDERS BY ENGR AND GEOLOGIST TO PU NEW 1ST RUN SUITE OF TOOLS AND SONIC TOOL AND MAKE FINAL LOGGING ATTEMPT. MAKE UP TOOLS AND CALIBRATE ON SURFACE. RU HOLE WITH 3RD LOGGING TOOL SUITE. GET ON BOTTOM AND CHECK TOOLS (OK). NOTE: WELL HAS TAKEN 7 BBLs SINCE 07:00 HRS, NO HOLE PROBLEMS SEEN ON LOGGING PRACTICE RUNS
15:30	19:30	4.00	31PREV	LOG	OHLOG	P	RUN E-LOGS AS FOLLOWS FMI / PEX / CAL / CNL FMI - TD TO 7,800' @ 1800 FPH PEX / CAL / CNL - TD TO 3,843' (CASING SHOE) @ 1800 FPH CNL / CAL - TD TO SURFACE @ 3600 FPH SCHLUMBERGER TD 9994' WLM. CIRC WELL WITH TRIP TANK. WELL BORE STATIC SAFETY BREAK: DISCUSS H2S AWARENESS DURING CIRCULATING BOTTOMS UP ON WIPER TRIP.
19:30	21:00	1.50	31PREV	LOG	RIGUP	P	RIG DOWN SCHLUMBERGER WIRELINE EQUIPMENT.
21:00	22:00	1.00	31PREV	TRIP	COND	P	INSTALL TRIP NIPPLE, PICK UP AND MAKE UP 8.75" CLEAN OUT BIT & BHA AS FOLLOWS: 8.75" BIT BIT SUB 10 - 6.5" DC'S CROSSOVER 6 - 4.5" HWDP JARS 11 - 4.5" HWDP DRILL PIPE
22:00	0:00	2.00	31PREV	TRIP	COND	P	TRIP IN HOLE TO 3889FT. HOLE GIVING BACK PROPER DISPLACEMENT.
Total Time		24.00					

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 10/07/2011
 Report No: 27

Safety Incident?	N	Days since Last RI:	66.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	66.00	
Incident Comments: No incidents reported last 24 hours.				

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
 X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590
 NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2
 NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

SAFETY TOPIC OF THE DAY: SAFE TRIPPING PRACTICES & H2S AWARENESS WHILE TRIPPING.

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS: NONE

NEXT RIG MOVE DATE: 10/09/11

DAYS SINCE LAST LTI: 66
 DAYS SINCE LAST RECORDABLE: 66
 TOTAL JSA REVIEWED: 8
 TOTAL STOP CARDS: 3
 TOTAL LO/TO: 0
 TOTAL SAFETY MEETINGS: 9
 NEAR MISSES: 0
 HOT WORK PERMIT: 0
 CONFINED SPACE PERMIT: 0

BEST STOP CARD: OBSERVED HAND TRYING TO WALK UNDER WIRELINE WHILE LOGGING OPERATIONS WHERE STARTED. STOPPED HIM AND TOLD HIM HE NEEDED TO WALK AROUND THE FRONT OF LOGGING TRUCK. NEVER WALK BELOW SUSPENDED LOADS WITH STORED ENERGY.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 10/08/2011
 Report No: 28

Wellbore / Top MD:	00 @ 0 ft	Rig:	PIONEER 14	Ref Datum:	ORIGINAL KB @3,232.10ft	DFS:	21.75
Today's MD:	9980 ft	Progress:	0 ft	Ground Elev:	3,211.10 ft	Daily Cost:	\$30,506
Prev MD:	9980 ft	Rot Hrs Today:	0.00 hr	AFE MD/Days:	10,018.6 / 25.1 days	Cum Cost:	\$2,122,236
PBMD:		Avg ROP Today:	0.0 ft/hr	AFE Number:	1137568#0102	AFE Cost:	\$2,421,387

Current Formation: DEVONIAN@9,034.0 Lithology:

Current Ops: RUNNING 5.5" PRODUCTION CASING

24-Hr Summary: TIH WITH CLEAN OUT ASSY. CIRCULATE & PUMP SWEEP, CIRCULATE HOLE CLEAN, TOH LAYING DOWN PIPE.

24-Hr Forecast: COMPLETE RUNNING 5.5" PRODUCTION CASING, CEMENT CASING IN PLACE, NIPPLE DOWN, INSTALL PRODUCTION WELL HEAD. PREF

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.625in @ 3,843ft	Str Wt Up/Dn:	235.0/ 215.0 kip	Pump Rate:	490.7	Conn:	0	0	
Next Casing:	5.500in @ 10,000ft	Str Wt Rot:	225.0 kip	Pump Press:	2000	Trip:	0	0	
Last BOP Press Test:	09/24/2011	Torq Off Btm:				Backgr:	0	0	
Form Test/EMW:	FIT / 13.50 ppg	Torq On Btm:							

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1:	JARON SIMON	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2:	DAVID WYLIE / DEAN NELSON	9,896.0	0.08	328.93	9,893.44	-25.3	-26.0	-25.3	0.03	-0.03
Engineer:	RON ROVENKO	9,819.0	0.10	325.70	9,816.44	-25.4	-25.9	-25.4	0.18	0.03
Geologist:		9,724.0	0.07	137.80	9,721.44	-25.4	-25.9	-25.4	0.15	-0.04
Oxy Personnel:	3	9,632.0	0.11	232.83	9,629.44	-25.3	-25.9	-25.3	0.07	0.00
Contractor Personnel:	26	9,441.0	0.11	153.27	9,438.44	-25.0	-25.8	-25.0	0.07	0.03
Total on Site:	29	9,342.0	0.08	195.21	9,339.44	-24.9	-25.9	-24.9	0.19	-0.04

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
9	8.750	SMITH	FH35V	PT3557	N/A	3x15	9980	9980	2-2-WT-M	2-I-NO-BC
8	8.750	SMITH	MSI 813	JE7752	M323	1x10, 5x11	9739	9980	1-1-BT-S	1-I-BT-LOG

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
9	0.00	0.00	0	0	0.0	0.0	0.0/0.0	30/45	0.518	778	304.1	3.7

MUD DATA - M-I				LAST OR CURRENT BHA																																													
Engineer:	Harry Mankel	MBT:	10.0 lbm/bbl	BHA No:	9	Bit No:	9	MD In:	9980 ft																																								
Sample From:	In	pH:	10.0	Purpose:	WIPER TRIP ASSEMBLY			MD Out:	9980 ft																																								
Mud Type:	LSND/salt gel	Pm / Pom:	0.00	<table border="1"> <thead> <tr> <th>Component</th> <th>OD</th> <th>ID</th> <th>Jts</th> <th>Length</th> </tr> </thead> <tbody> <tr> <td>TRI-CONE BIT</td> <td>8.750</td> <td>3.000</td> <td>1</td> <td>1.00</td> </tr> <tr> <td>BIT SUB</td> <td>6.312</td> <td>3.500</td> <td>1</td> <td>1.92</td> </tr> <tr> <td>DRILL COLLAR</td> <td>6.500</td> <td>2.875</td> <td>10</td> <td>306.49</td> </tr> <tr> <td>HWDP</td> <td>4.500</td> <td>2.500</td> <td>6</td> <td>181.86</td> </tr> <tr> <td>DRILLING JAR</td> <td>6.500</td> <td>2.750</td> <td>1</td> <td>32.41</td> </tr> <tr> <td>HWDP</td> <td>4.500</td> <td>2.500</td> <td>11</td> <td>336.63</td> </tr> <tr> <td>DRILL PIPE</td> <td>4.500</td> <td>3.826</td> <td></td> <td>9,119.69</td> </tr> </tbody> </table>						Component	OD	ID	Jts	Length	TRI-CONE BIT	8.750	3.000	1	1.00	BIT SUB	6.312	3.500	1	1.92	DRILL COLLAR	6.500	2.875	10	306.49	HWDP	4.500	2.500	6	181.86	DRILLING JAR	6.500	2.750	1	32.41	HWDP	4.500	2.500	11	336.63	DRILL PIPE	4.500	3.826		9,119.69
Component	OD	ID	Jts	Length																																													
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Time / MD:	12:00 / 9,980.0	Pf / Mf:	0.2 / 0.7																																														
Density @ Temp:	9.40 / 0	Chlorides:	60,500																																														
Rheology Temp:	120	Ca+ / K+:	320 / 0																																														
Viscosity:	49.00	CaCl2:	0.00																																														
PV / YP:	12 / 15	Clom:	0.00																																														
Gels 10s/10m/30m:	7 / 9 / 10	Lime:	0.00																																														
API WL:	3.40	ES:	0.00																																														
HTHP WL:	0.00	ECD:	9.40																																														
Cake API / HTHP:	1.0 / .0	n / K:	0.00 / 0.000																																														
Solids / Sol Corr:	3.00 / 0.00	Carbonate:	4 ppm																																														
Oil / Water:	2.0 / 91.5	Bicarbonate:	0 ppm																																														
Sand:	0.00	Form Loss:	0.0 / 92.0																																														
Water Added:	0.0 bbl	Fluid Disch:	/																																														
Oil Added:																																																	
LGS:	3.90 / 35.20																																																

VG Meter: 7@3 / 8@6 / 16@100 / 23@200 / 27@300 / 39@600

Comments: Slip and cut 85" of drill line. Trip in the hole from 3800" to 9950". Wash and ream from 9950" to 9980". Pump 50 bbl hi-

Total Length: 860.31 ft Wt below Jars:

MUD PRODUCTS		
Product	Units	Qty Used
DRISPAC REGULAR	BG,50 LB	1.00
DUO-VIS	BG,25 LB	1.00
ENGINEERING SERVICE	EACH	1.00
M-I BAR	100 LBS/SK	40.00
PECAN NUT PLUG MEDIUM	BG,50 LB	9.00

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 10/08/2011
Report No: 28

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	2:00	2.00	31PREV	RIGMT	SRVRIG	P	STOP TIH AT SHOE. CUT AND SLIP 85FT OF DRILL LINE
2:00	4:00	2.00	31PREV	TRIP	COND	P	CONTINUE TO TIH TO 6400FT TO CLEAN OUT AND CONDITION HOLE. SAFETY BREAK: WIND & WEATHER, TRIP HAZARDS, DUST, RAIN.
4:00	5:00	1.00	31PREV	TRIP	COND	P	CONTINUE TO TIH FROM 6400 - 9980FT. HOLE SLICK & GIVING BACK PROPER DISPLACEMENT.
5:00	6:00	1.00	31PREV	CIRC	CNDHOL	P	CIRCULATE BOTTOMS UP. PUMP 50BBL HIGH VIS SWEEP. CIRC HOLE CLEAN. CREW CHANGE
6:00	8:00	2.00	31PREV	CIRC	CNDHOL	P	CONTINUE CIRC SWEEP AROUND + BU. MAX GAS SEEN ON BU 1220 UNITS, DROPE OFF TO 50 UNITS. SWEEP BROUGHT AROUND MIN CUTTINGS, HOLE CLEAN. SIMOPS - PJSM WITH LAYDOWN TRUCK CREW, DISCUSS RU AND BEGIN RIGGING UP LAYDOWN TRUCK. BUILD SLUG FOR DP. FLOW CHECK, WELL STATIC. PUMP SLUG AND BEGIN TOH.
8:00	12:30	4.50	31PREV	TRIP	DRILL	P	TOH FROM 9980' TO 6000' ON ELEVATORS LAYING DOWN. MIN DRAG COMING OFF BOTTOM HOLE IN GOOD SHAPE. MONITOR WELL WITH TRIP TANK. WELL TAKING PROPER DISPLACEMENT. NOTE: CALL TXRRC AND GAVE NOTICE RUNNING 5.5" PRODUCTION CSG AND CEMENT 09:30 HRS OPERATOR #15 LISA. 15 MIN SAFETY BREAK WHILE MONITOR WELL AT 6000'
12:30	16:30	4.00	31PREV	TRIP	DRILL	P	TOH FROM 6000' TO 900' ON ELEVATORS. MIN DRAG COMING OFF BOTTOM HOLE IN GOOD SHAPE. MONITOR WELL WITH TRIP TANK. WELL TAKING PROPER DISPLACEMENT. NOTE: CALL TXRRC AND GAVE NOTICE RUNNING 5.5" PRODUCTION CSG AND CEMENT 09:30 HRS OPERATOR #15 LISA. SAFETY BREAK: 15 MIN BREAK BEFORE PULLING ROTATING HEAD. ACCIDENTS ARE CAUSED BY HUMAN ERROR, SO BE ALERT WHILE WORKING W/HWDP & DRILL COLLARS
16:30	18:00	1.50	31PREV	TRIP	DRILL	P	TOH FROM 900' TO 300' ON ELEVATORS. MONITOR WELL WITH TRIP TANK. WELL TAKING PROPER DISPLACEMENT. CREWCHANGE
18:00	20:00	2.00	31PREV	TRIP	DRILL	P	TOH FROM 300' TO 0' ON ELEVATORS. HOLE TAKING PROPER DISPLACEMENT. PULL WEAR BUSHING
20:00	22:00	2.00	31PRRC	CSG	RIGUP	P	HOLD PJSM WITH CASING CREW. RIG UP CASING EQUIPMENT.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 10/08/2011
Report No: 28

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
22:00	0:00	2.00	31PRRC	CSG	RUNCSG	P	RIG UP CASING CREW TO RUN 5.5" PRODUCTION CASING STRING. MAKE UP SHOE AND FLOAT AND PUMP THROUGH. (OK) RUN 5½", 17 #/FT, L80, LTC PRODUCTION CASING FROM SURFACE TO 9980' USING 3410 LB-FT AVERAGE TORQUE AS FOLLOWS: 1 - WEATHERFORD REAMER FLOAT SHOE - THREAD LOCKED FROM 9980' TO 9976' 2 - SHOE JOINTS 5½", 17 #/FT, L80, LTC - THREAD LOCKED FROM 9976' TO 9940' 1 - WEATHERFORD FLOAT COLLAR, MODEL E402 - THREAD LOCKED FROM 9940' TO 9939' 23 - JOINTS 5½", 17 #/FT, L80, LTC CASING FROM 9939' TO 8634' 1 - FLAG JOINT 5½", 17 #/FT, L80, LTC CASING FROM 8634' TO 8590' 26 - JOINTS 5½", 17 #/FT, L80, LTC CASING FROM 8590' TO 7552' 1 - WEATHERFORD STAGE TOOL, MODEL 751E (THREAD LOCKED) FROM 7,552' TO 7,508' 175 - JOINTS 5½", 17 #/FT, L80, LTC CASING FROM 7,508' TO 107' 1 - FLAG JOINT 5½", 17 #/FT, L80, LTC CASING FROM 107' TO 93' 1 - JOINT 5½", 17 #/FT, L80 LTC CASING FROM 93' TO 49' TURBO RIGID CENTRALIZERS RAN 10' ABOVE REAMER SHOE, 40' ABOVE SHOE AND ABOVE FLOAT COLLAR 90' ABOVE SHOE. 1 BOWSPRING EVERY THREE JOINTS TO 7,600' AND ONE BOW SPRING CENTRALIZER EVERY FIVE JOINTS UP TO 9 5/8" CASING SHOE. FOUR BOW SPRINGS CENTRALIZERS FROM 3,806' - 3,462' INSIDE 9 5/8" CASING. 1 RIGID CENTRALIZER AT 93' SAFETY BREAK - PINCH POINTS WHILE RUNNING CASING

Total Time	24.00
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Safety Incident?	N	Days since Last RI:	67.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	67.00	
Incident Comments:				
No incidents reported last 24 hours.				

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 10/08/2011
Report No: 28

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2

NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

NOTIFIED TRRC OF 5 1/2" CASING RUN AND CEMENT JOB 09:30 HRS 10/08/11, SPOKE WITH LISA OPERATOR #15

SAFETY TOPIC OF THE DAY: SAFE TRIPPING PRACTICES & H2S AWARENESS WHILE TRIPPING.

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS: NONE

NEXT RIG MOVE DATE: 10/09/11

DAYS SINCE LAST LTI: 67

DAYS SINCE LAST RECORDABLE: 67

TOTAL JSA REVIEWED: 12

TOTAL STOP CARDS: 5

TOTAL LO/TO: 0

TOTAL SAFETY MEETINGS: 10

NEAR MISSES: 0

HOT WORK PERMIT: 0

CONFINED SPACE PERMIT: 0

BEST STOP CARD: OBSERVED ON RIG FLOOR LOGGING HEAD ADAPTOR FOR ROTATING HEAD WHILE TRIPPING PIPE. TOLD DRILLER THAT IT NEEDED TO BE OFF RIG FLOOR AND THAT THEY SHOULD HAVE DO THAT WHEN THEY RIG DOWN LOGGING TOOLS. WORK ON HOUSE KEEPING.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 10/09/2011
Report No: 29

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	4:00	4.00	31PRRC	CSG	RUNCSG	P	<p>RUN 5½", 17 #/FT, L80, LTC PRODUCTION CASING FROM SURFACE TO 9980' USING 3410 LB-FT AVERAGE TORQUE AS FOLLOWS:</p> <p>1 - WEATHERFORD REAMER FLOAT SHOE - THREAD LOCKED FROM 9980' TO 9976'</p> <p>2 - SHOE JOINTS 5½", 17 #/FT, L80, LTC - THREAD LOCKED FROM 9976' TO 9940'</p> <p>1 - WEATHERFORD FLOAT COLLAR, MODEL E402 - THREAD LOCKED FROM 9940' TO 9939'</p> <p>23 - JOINTS 5½", 17 #/FT, L80, LTC CASING FROM 9939' TO 8634'</p> <p>1 - FLAG JOINT 5½", 17 #/FT, L80, LTC CASING FROM 8634' TO 8590'</p> <p>26 - JOINTS 5½", 17 #/FT, L80, LTC CASING FROM 8590' TO 7552'</p> <p>1 - WEATHERFORD STAGE TOOL, MODEL 751E (THREAD LOCKED) FROM 7,552' TO 7,508'</p> <p>175 - JOINTS 5½", 17 #/FT, L80, LTC CASING FROM 7,508' TO 107'</p> <p>1 - FLAG JOINT 5½", 17 #/FT, L80, LTC CASING FROM 107' TO 93'</p> <p>1 - JOINT 5½", 17 #/FT, L80 LTC CASING FROM 93' TO 49'</p> <p>TURBO RIGID CENTRALIZERS RAN 10' ABOVE REAMER SHOE, 40' ABOVE SHOE AND ABOVE FLOAT COLLAR 90' ABOVE SHOE. 1 BOWSPRING EVERY THREE JOINTS TO 7,600' AND ONE BOW SPRING CENTRALIZER EVERY FIVE JOINTS UP TO 9 5/8" CASING SHOE. FOUR BOW SPRINGS CENTRALIZERS FROM 3,806' - 3,462' INSIDE 9 5/8" CASING. 1 RIGID CENTRALIZER AT 93'</p> <p>SAFETY BREAK - STUCK PIPE</p>
4:00	6:00	2.00	31PRRC	CSG	RUNCSG	P	<p>CONTINUE TO RUN 5½", 17 #/FT, L80, LTC PRODUCTION CASING FROM SURFACE TO 9980' USING 3410 LB-FT AVERAGE TORQUE AS FOLLOWS:</p> <p>1 - WEATHERFORD REAMER FLOAT SHOE - THREAD LOCKED FROM 9980' TO 9976'</p> <p>2 - SHOE JOINTS 5½", 17 #/FT, L80, LTC - THREAD LOCKED FROM 9976' TO 9940'</p> <p>1 - WEATHERFORD FLOAT COLLAR, MODEL E402 - THREAD LOCKED FROM 9940' TO 9939'</p> <p>23 - JOINTS 5½", 17 #/FT, L80, LTC CASING FROM 9939' TO 8634'</p> <p>1 - FLAG JOINT 5½", 17 #/FT, L80, LTC CASING FROM 8634' TO 8590'</p> <p>26 - JOINTS 5½", 17 #/FT, L80, LTC CASING FROM 8590' TO 7552'</p> <p>1 - WEATHERFORD STAGE TOOL, MODEL 751E (THREAD LOCKED) FROM 7,552' TO 7,508'</p> <p>175 - JOINTS 5½", 17 #/FT, L80, LTC CASING FROM 7,508' TO 107'</p> <p>1 - FLAG JOINT 5½", 17 #/FT, L80, LTC CASING FROM 107' TO 93'</p> <p>1 - JOINT 5½", 17 #/FT, L80 LTC CASING FROM 93' TO 49'</p> <p>TURBO RIGID CENTRALIZERS RAN 10' ABOVE REAMER SHOE, 40' ABOVE SHOE AND ABOVE FLOAT COLLAR 90' ABOVE SHOE. 1 BOWSPRING EVERY THREE JOINTS TO 7,600' AND ONE BOW SPRING CENTRALIZER EVERY FIVE JOINTS UP TO 9 5/8" CASING SHOE. FOUR BOW SPRINGS CENTRALIZERS FROM 3,806' - 3,462' INSIDE 9 5/8" CASING. 1 RIGID CENTRALIZER AT 93'</p>
6:00	9:30	3.50	31PRRC	CSG	RUNCSG	P	<p>CONTINUE RUNNING 5.5" PRODUCTION CASING. SWEDGE UP LAST 3 JOINTS. NO FILL ON BOTTOM. CONFIRM CASING TALLY. MAKE UP CIRC IRON AND BEGIN CIRC HOLE.</p>

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 10/09/2011
 Report No: 29

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
9:30	10:30	1.00	31PRRC	CSG	RIGUP	P	RIG DOWN B&L CASING EQUIPMENT AND LAYDOWN TRUCK. SIMOPS - CIRC CASING WITH 400 GPM AND 600 PSI. NOTE: HES HAS NO EQUIPMENT ON LOCATION AT PRESENT TIME. ETA 12:30 HRS.
10:30	11:30	1.00	31PRRC	CIRC	CNDHOL	P	FINISH CIRC DESIGNED 2 CIRC WITH CASING ON BOTTOM.
11:30	18:00	6.50	31PRRC	CIRC	CNDHOL	PT	CIRC 10 BBL EVERY 20 MINS WAITING ON HALLIBURTON TO ARRIVE ON LOCATION. HES PUMP TRUCK AND 1ST STAGE CEMENT ON LOCATION AT 12:30 HRS. FINISH RU AT 14:00 HRS. SPOKE WITH FDS AND DISCUSS THAT ONCE 2ND STAGE CEMENT HAS LEFT THE YARD WE WILL BEGIN FIRST STAGE. SIMOPS - RD DOWN ALL TOOLS AND EQUIPMENT FROM RIG FLOOR NOT NEEDED IN PREP FOR MOVE. SAFETY BREAK 12:00 HRS - RE-FUELING PRACTICE SAFETY BREAK 16:00 HRS - HOUSE KEEPING, WATCHING WELL CONDITIONS, FORWARD THINKING
18:00	19:30	1.50	31PRRC	CMT	PRIM	P	CEMENT ARRIVED ON LOCATION AT 18:00. HOLD PJSM WITH HALLIBURTON & PIONEER CREWS WHILE CIRC BOTTOMS UP TO CLEAN HOLE. INSTALL CEMENT HEAD AND COMPLETE RIGGING UP PUMPING IRON.
19:30	22:00	2.50	31PRRC	CMT	PRIM	P	CEMENT 1ST STAGE 5.5" CASING FROM 9,980' TO 7,508' WITH HALLIBURTON PUMP TRUCK AS FOLLOWS: PUMP 20 BBLs FRESH WATER AHEAD AT 4 BPH WITH 159 PSI. 24 BBLs SUPERFLUSH 102 AT 4 WITH 152 PSI. 20 BBLs FRESH WATER AT 4 BPH WITH 210 PSI. 130 SACKS LEAD HALLIBURTON INTERFILL "H" WITH 0.125 LBM PHENO SEAL & 5 LBM GILSONITE (11.9 PPG, 2.49 YLD, 13.94 GAL/SK H2O) AT 6 BPM WITH 355 PSI 450 SX TAIL SUPER "H" 0.5% LAP-1, 0.4% CFR-3, 5 LBM GILSONITE & 0.25 LBM D-AIR 3000 (13.2 PPG, 1.6 YLD, 7.8 GAL/SK H2O) AT 6 BPM WITH 114 PSI. DROPPED TOP PLUG. DISPLACED CEMENT WITH 70 BBLs BRINE WATER FOLLOWED BY 150.5 BBLs MUD AT 8 BPM WITH 287 PSI . BUMP PLUG AT 21:37 HOURS WITH 287 PSI. PRESSURED UP TO 1444 PSI, BLEED OFF, 1.5 BBL RETURNS. FLOAT EQUIPMENT HOLDING. HAD GOOD RETURNS THROUGH OUT FIRST STAGE CEMENT JOB, NO LOSSES. NOTE: HALLIBURTON 4" LINE FROM MUD TANK TO TRUCK BURST. SHUT DOWN AND REPLACE HOSE.
22:00	23:30	1.50	31PRRC	CMT	PRIM	P	DROP DV OPENING TOOL, LET FALL 38 MINUTES, OPEN DV WITH 622 PSI. CIRC 67 SX/ 30 BBLs CEMENT TO SURFACE OFF TOP OF DV TOOL, PUMPING 7 BPM WITH 320 PSI.
23:30	0:00	0.50	31PRRC	CIRC	CNDHOL	P	CONTINUE CIRCULATING DV TOOL AT 7,508' AT 8 BPM WITH 480 PSI. WITH RIG PUMPS @ 120SPM. SAFETY BREAK - SLIPS, TRIPS, AND FALLS
Total Time		24.00					

Safety Incident? N Days since Last RI: 68.00

Environ Incident? N Days since Last LTA: 68.00

Incident Comments:

No incidents reported last 24 hours.

Weather Comments:

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 10/09/2011
Report No: 29

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
X=393459.11' Y=210165.01'

OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2

NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

NOTIFIED TRRC OF 5 1/2" CASING RUN AND CEMENT JOB 09:30 HRS 10/08/11, SPOKE WITH LISA OPERATOR #15

SAFETY TOPIC OF THE DAY: HIGH PRESSURE LINES, BUFFER ZONES

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS: NONE

NEXT RIG MOVE DATE: 10/09/11

DAYS SINCE LAST LTI: 68

DAYS SINCE LAST RECORDABLE: 68

TOTAL JSA REVIEWED: 12

TOTAL STOP CARDS: 4

TOTAL LO/TO: 0

TOTAL SAFETY MEETINGS:12

NEAR MISSES: 0

HOT WORK PERMIT: 0

CONFINED SPACE PERMIT: 0

BEST STOP CARD: OBSERVED HAND TRYING TO PU 2" LOW TORQUE VALVE BY HIMSELF. STOPPED HIM AND MADE HIM GET SOMEONE TO HELP HIM. NEVER PICK UP TO HEAVY OF A LOAD BY YOURSELF.

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
 Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
 USA

Date: 10/10/2011
 Report No: 30

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	1:30	1.50	31PRRC	CIRC	CNDHOL	P	CIRCULATE HOLE CLEAN WHILE WAITING ON CEMENT TO CURE.
1:30	4:00	2.50	31PRRC	CMT	PRIM	P	HOLD PJSM WITH HALLIBURTON & PIONEER 14 CREWS. CEMENT 2ND STAGE 5.5" CASING FROM 7506' TO SURFACE WITH HALLIBURTON PUMP TRUCK AS FOLLOWS: PUMP 20 BBLs FRESH WATER AHEAD AT 4 BPH WITH 156 PSI. 700 SACKS LEAD / 310 BBLs HALLIBURTON INTERFILL "H" WITH 0.125 LBM PHENO SEAL & 5 LBM GILSONITE (11.9 PPG, 2.49 YLD, 13.94 GAL/SK H2O) AT 6 BPM WITH 191 PSI 700 SX TAIL / 199.5 BBLs SUPER "H" 0.5% LAP-1, 0.4% CFR-3, 5 LBM GILSONITE & 0.25 LBM D-AIR 3000 (13.2 PPG, 1.6 YLD, 7.8 GAL/SK H2O) AT 7 BPM WITH 218 PSI. DROPPED BOTTOM PLUG. DISPLACED CEMENT WITH 174 BBLs BRINE WATER. BUMP PLUG AT 03:30 HOURS WITH 1414 PSI. PRESSURED UP TO 3230 PSI, HELD PRESSURE FOR 10 MINS. BLEED OFF, 1.5 BBL RETURNS. FLOAT EQUIPMENT HOLDING. HAD GOOD RETURNS THROUGH OUT SECOND STAGE CEMENT JOB, NO LOSSES. 45BBLs / 101SKS OF CEMENT BACK TO SURFACE.
4:00	5:00	1.00	31PRRC	CMT	RIGUP	P	FLUSH THROUGH BOPE, AND ALL SURFACE LINES WITH FRESH WATER, AND RIG DOWN HALLIBURTON.
5:00	6:00	1.00	31PRRC	BOP	RDBOP	P	HOLD PJSM WITH MONOHANS, CAMERON & PIONEER CREWS. NIPPLE DOWN STACK.
6:00	8:00	2.00	31PRRC	BOP	RDBOP	P	REMOVE TRIP NIPPLE AND TURNBUCKLES. LIFT STACK AND SET SLIPS IN WELLHEAD. ENERGIZE SLIPS WITH 250K.
8:00	12:00	4.00	31PRRC	BOP	RDBOP	P	MAKE ROUGH CUT AND REMOVE JOINT. ND STACK IN 3 PIECES AND REMOVE FROM SUB. SAFETY BREAK - REVEIW JSA FOR BREAKING OUT AND LOWERING STACK. SIMOPS - JET STEEL PITS, RD H2S PACKAGE AND POWER CHOKE PANEL FROM RIG FLOOR.
12:00	14:00	2.00	31PRRC	WLHD	RWH	P	MAKE FINAL CUT AND INSTALL TUBING HEAD. TEST VOID TO 4400 PSI, DSM WITNESS (OK).
14:00	16:30	2.50	31PRRC	OTHR	OTHER	P	CONTINUE JETTING STEEL PITS. PUMP THROUGH TOP DRIVE TO FLUSH, JET CELLAR, FINISH CLEANING STEEL PITS SAFETY BREAK: DISCUSSED PROPER SAFETY TACTICS FOR RIGGING DOWN INSPECTED 6 1/2" DRILL COLLARS 4 BAD, HWDP, 8 BAD SENDING IN FOR REPAIRS RIG RELEASE 16:30 HOURS

Total Time	16.50	
Safety Incident?	N	Days since Last RI: 69.00
Environ Incident?	N	Days since Last LTA: 69.00
Incident Comments:		Weather Comments:
No incidents reported last 24 hours.		

DAILY OPERATIONS PARTNER REPORT

Event: DEV DRILLING
Prim. Reason: ORIG DRILL VERT

DRONE BEE SOUTH 001
USA

Date: 10/10/2011
Report No: 30

Other Remarks: FROM INTERSECTION OF HWY 302 AND HWY 181. GO NORTH ON HWY 181 FOR 14.3 MILES. TURN RIGHT AT CATTLE GUARD GATE 11 AND GO EAST FOR 1.2 MILES. TURN RT AND GO SOUTH 0.5 MILES, TURN LEFT AND GO EAST 1.2 MILES, TURN RT AND GO 0.2 MILES TO LOCATION.

(LAT/ 32° 08'06.74" N LONG/ 102° 41'30.31" W NAD-27 LIFE FLIGHT DIRECTIONS)
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OXY DSM TRAILER NUMBER 713-948-5258

RIG MANAGER BUNKHOUSE NUMBER 361-816-8745

NOTIFIED TRRC AT 16:30 HRS 09/15/2011 OF INTENT TO SPUD 17-1/2" SURFACE HOLE, SPOKE TO AMY JOB NUMBER # 10590

NOTIFIED TRRC AT 03:30 HRS 09/17/11 OF INTENT TO RUN 13 3/8" CASING AND CEMENT, SPOKE TO AUDREY OPERATOR #2

NOTIFIED TRRC OF UPCOMING 9 5/8" INTERMEDIATE CASING AND CEMENT JOB, CONTACTED DELIA SKINNER AT 10:30 HOURS, 09/22/2011.

NOTIFIED TRRC OF 5 1/2" CASING RUN AND CEMENT JOB 09:30 HRS 10/08/11, SPOKE WITH LISA OPERATOR #15

SAFETY TOPIC OF THE DAY: HIGH PRESSURE LINES, BUFFER ZONES

ACCIDENTS/ INCIDENTS REPORTED LAST 24 HRS: NONE

NEXT RIG MOVE DATE: 10/09/11

DAYS SINCE LAST LTI: 69

DAYS SINCE LAST RECORDABLE: 69

TOTAL JSA REVIEWED: 14

TOTAL STOP CARDS: 5

TOTAL LO/TO: 0

TOTAL SAFETY MEETINGS: 7

NEAR MISSES: 0

HOT WORK PERMIT: 1

CONFINED SPACE PERMIT: 1

BEST STOP CARD:OBSERVED HAND IN PITS WASHING AND DERRICK HAND HAD WALKED DOWN TO THE SIDE, STOPPED JOB INFORMED THE HANDS THAT SOMEONE IS TO BE OBSERVING AT ALL TIMES. THEY UNDERSTOOD AND JOB RESUMED WITHOUT FURTHER INCIDENT.
