

MORNING DRILLING REPORT

SOUTHWIND DRILLING, INC.
RIG No. 1

K&N Petroleum, Inc.

Well Name: K&K Unit #1
Location: 2480' FSL & 2873' FEL
Section: 7-19S-10W
County: Rice
API: 15-159-22767-00-00

Elevation: GL 1773'
KB 1783'
Est. TD: 3400'

Rig No. 1 (Pusher Larry Beavers) 620 617-3478
Rig No. 1 (Doghouse) 620 794-2075
Southwind Drilling Office 620 564-3800



Rotary Total Depth: 3391'
Log Total Depth: N/A

Geologist: Jim Musgrove

Plugging Info: Plugged well with 215 sacks of 60/40 Poz, 4% gel, 3% cc, 1st plug @ 3370' w/ 35 sacks, 2nd plug @ 1250' w/ 35 sacks, 3rd plug @ 900' w/ 35 sacks, 4th plug @ 420' w/ 35 sacks, 5th plug @ 60' w/ 25 sacks, 30 sacks for Rat hole, 20 sacks for Mouse hole, cemented by Copeland (Ticket #40317), job complete @ 4:45 pm on 02.25.14.

Surface Casing: Ran 9 joints of new 23#, 8 5/8" casing, Tally @ 357.73'; Set @ 370', used 300 sacks of 60/40 Poz, 3% cc, 2% gel, cement circulated, by Copeland (Ticket #40388), plug down @ 1:45 am on 02.20.14.

7:00 A.M. Depth: 3391'

Spud Date & Time:	02/19/14	02/20/14	02/21/14	02/22/14	02/23/14	02/24/14	02/25/14	Total
2/19/14 @ 5:00pm	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Total Depth (7:00am)	0	371	1720	2572	3060	3353	3391	
Daily Progress	371	1349	852	488	293	38	0	3391
Ft. Per Hr.	106.00	81.76	42.07	44.36	23.44	30.40	0.00	52.17
Current Operation (7:00am)	Rig Up	WOC	Drilling	DST #1	Drilling	Plug Well		
Formation	Surface	Surface	Redbud / Shale	Lime /Shale	Lime / Shale	LKC	Arbuckle	
Fuel Used: (39.6 Gall/ Inch)	59.40	475.20	475.20	356.40	316.80	198.00	158.40	2039.40
Survey (degree & depth)	1° @ 371'			1° @ 3060'			1 1/4° @ 3391'	

7:00 A.M. Current Operation: TEAR DOWN

Mud Cost	\$340.85	\$0.00	\$5,709.90	\$171.60	-\$62.20	\$549.60	\$0.00	\$6,709.75
Weight (# / Gall)			10.3	0.0	9.2	0.0	0.0	
Vis (Funnel)			29	0	48	0	0	
Water Loss (cc)				7.6	7.6	0.0		
Bit #1	Reed RR							
Bit Size	7 7/8							
Bit Hours	3.50							3.50
Bit #2								
Bit Make / Type	JZ HA20-Q	JZ HA20-Q	JZ HA20-Q	JZ HA20-Q	JZ HA20-Q	JZ HA20-Q		
Bit Size	7 7/8	7 7/8	7 7/8	7 7/8	7 7/8	7 7/8		
Bit Hours	16.50	20.25	11.00	12.50	1.25	0.00		61.50
Bit Cumulative Hours	3.50	16.50	20.25	11.00	12.50	1.25	0.00	65.00
Weight on Bit (WOB)	15,000	25,000	32,000	32,000	35,000	35,000		
RPM	120	80	80	80	80	80		
Pump Pressure	400	700	800	800	750	750		
Drilling (Rotating) Hours	3.50	16.50	20.25	11.00	12.50	1.25	0.00	65.00

Daywork Hrs. (Operator's time)

Rat Hole (> 75 Hrs)								0.00
Wait on Cement	5.25	2.75						8.00
Bit Trip								0.00
Trip				4.00	2.75	6.75		13.50
Circulate				3.00	5.50	5.25		13.75
Tool				0.50	0.25	1.25		2.00
Tasting				1.50	1.00	3.00		5.50
Clean Floor after DST								0.00
Wait on Tank Truck / Reverse Fluid								0.00
Logging								0.00
LDDP / LDDC / Plug well						4.00		2.00
Run Casing / Circ / Cement	1.75							1.75
Set Slips								0.00
Nipple Down/Jet Cellar								0.50
Billable Hours	7.00	2.75	0.00	9.00	9.50	20.25	2.50	51.00

Non-Billable Hours (Southwind's time)

Rig Up	9.50							5.75
Drill Mouse Hole								0.00
Drill Rat Hole (< 75 hrs)	0.50							0.50
Drill Plug		0.25						0.25
Circulate / Trip (Surface)	1.25							1.25
Rig Repair		0.25		0.50	0.25			1.25
Wait on Parts								0.00
Connections	2.00	3.25	1.75	1.50	1.00			9.50
Jet/Displace		0.50	1.00	1.00				2.50
Surveys	0.25			0.25	0.25			0.75
Rig Check		0.50	0.75	0.75				3.00
Lost Circulation (< 2 hrs)								0.00
Lay Down Kelly / MH & RH							0.75	0.75
Plugging Issues							2.00	9.00
Change Bit								0.00
Trip Time for repair								0.00
Trip Time for Hole in Pipe								0.00
Non-Billable Hrs.	13.50	4.75	3.75	4.00	2.00	2.50	13.50	44.00

Footage Cost	\$ 5,194.00	\$ 18,886.00	\$ 11,928.00	\$ 6,832.00	\$ 4,102.00	\$ 532.00	\$ -	\$ 47,474.00
Daywork Cost	\$ 2,450.00	\$ 962.50	\$ -	\$ 3,150.00	\$ 3,325.00	\$ 7,087.50	\$ 875.00	\$ 17,850.00
Combined Est. Cost*	\$ 7,644.00	\$ 19,848.50	\$ 11,928.00	\$ 9,982.00	\$ 7,427.00	\$ 7,619.50	\$ 875.00	\$ 65,324.00

Please note that this is estimated footage & daywork cost only. Additional charges will apply on invoice (fuel surcharge, water transfer pump, etc)

DST #1 Info -

Footage Interval: 3023' - 3065
Recovery: 120' Oil Spot Mud

DST #2 Info -

Footage Interval: 3288' - 3391'
Recovery: 75' Mud

Anhydrite @ 1355' - 1373'

Displaced @ 2600' - 2639'