

**MORNING DRILLING REPORT**

**SOUTHWIND DRILLING, INC.**

For: Concorde Resources Corp.

RIG No. 1

Well Name: McDaniel #5-12  
 Location: 1772' FNL & 2297' FWL  
 Section: 12-15S-34W  
 County: Logan  
 API: 15-109-21443-00-00

GL Elevation: 2850'  
 KB: 2860'  
 Est. TD: 4700'  
 Conductor String: N/A

Rig No. 1 (Pusher Doug Roberts) 620-617-6023  
 Rig No. 1 (Doghouse) 620-617-3167  
 Southwind Drilling Office 620 564-3800



Surface Casing: Ran 7 joints of new 23#, 8 5/8" casing, Tally @ 295.13', Set @ 308', used 200 sacks of Class A, 2% gel, 3% cc, cement circulated, by Quality (Ticket #1771), plug down @ 9:45 pm on 09.10.16.

Plugging Info: Plugged well with 255 sacks of 60/40 Poz, 4% gel, 1/4# Flo-seal; 1st plug @ 2244' w/ 50 sacks, 2nd plug @ 1050' w/ 100 sacks, 3rd plug @ 360' w/ 50 sacks, 4th plug @ 40' w/ 10 sacks and wiper plug, 30 sacks for Rat hole, 15 sacks for Mouse hole, cemented by Quality (Ticket #3009), job complete @ 1:45 am on 09.20.16.

Rotary Total Depth: 4560'  
 Log Total Depth: 4558'

Geologist: Richard Bell

**7:00 A.M. Depth: 4560' 7:00 A.M. Current Operation: TEAR DOWN**

Spud Date & Time:	09/10/16	09/11/16	09/12/16	09/13/16	09/14/16	09/15/16	09/16/16	09/17/16	09/18/16	09/19/16	09/20/16	Total
09/10/2016 @ 1:30 PM	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Day 8	Day 9	Day 10	Day 11	
Total Depth (7:00am)	0	310	1521	2322	3103	3666	4015	4190	4320	4535	4560	
Daily Progress	310	1211	801	781	563	349	175	130	215	25	0	4560
Ft. Per Hr.	112.73	69.20	49.29	39.05	30.85	20.84	17.95	12.09	13.87	11.11	0.00	35.14
Current Operation (7:00am)	Rig Up	TIWC	Drilling	Drilling	Drilling	Drilling	Drilling	TIWB	DST #2	Drilling	Tear Down	
Formation	Surface	Shale	Lime / Shale	Lime / Shale	Lime / Shale	Topeka	Lansing	Kansas City	Fort Scott	Lime / Shale		
Fuel Used (39.6 Gal/Inch)	316.80	237.60	316.80	435.60	396.00	316.80	316.80	316.80	396.00	79.20		3128.40
Survey (degree & depth)	3/4" @ 310'						Misrun @ 4190'	1 1/2" @ 4320'		3/4" @ 4560'		

Mud Cost	\$0.00	\$0.00	\$3,893.58	\$2,744.18	\$2,059.64	\$1,241.06	\$684.06	\$574.74	\$0.00	\$548.30		\$11,745.56
Weight (# / Gal)			9.5	9.7	9.1	9.2			9.5	9.5		
Vis (Funnel)			31	31		50			56	58		
Water Loss (cc)										8.8		

Bit #1													
Bit Make / Type	JZ ReTip RR												
Bit Size	12 1/4												
Bit Hours	2.75												2.75

Bit #2													
Bit Make / Type	JZ HA20Q	JZ HA20Q	JZ HA20Q	JZ HA20Q	JZ HA20Q	JZ HA20Q	JZ HA20Q	JZ HA20Q	JZ HA20Q	JZ HA20Q	JZ HA20Q		
Bit Size	7 7/8	7 7/8	7 7/8	7 7/8	7 7/8	7 7/8	7 7/8	7 7/8	7 7/8	7 7/8	7 7/8		
Bit Hours	17.50	16.25	20.00	18.25	16.75	9.75	10.75	15.50	2.25				127.00
Bit Cumulative Hours	2.75	17.50	16.25	20.00	18.25	16.75	9.75	10.75	15.50	2.25	0.00		129.75
Weight on Bit (WOB)	18,000	18,000	25,000	35,000	38,000	35,000	35,000	35,000	35,000	35,000			
RPM	1250	1250	80	70	70	70	70	70	80	70			
Pump Pressure	450	450	750	750	750	850	800	850	800	800			
Drilling (Rotating) Hours	2.75	17.50	16.25	20.00	18.25	16.75	9.75	10.75	15.50	2.25	0.00		129.75

Daywork Hrs. (Operator's time)												
Rat Hole (>.75 Hrs)	0.25											0.25
Wait on Cement												0.00
Trip						2.50	6.00	4.75	3.00	5.25		21.50
Circulate						2.50	3.00	4.25	2.50	2.00		14.25
Tool							1.00	0.50	0.50			2.00
Testing							3.25	2.50	0.50			6.25
Wait on tester												0.00
Clean Floor after DST												0.00
Logging										3.00		3.00
Wait on Orders												0.00
LDDP / LDDC / Plug well										5.25		5.25
Run Casing / Circ / Cement	2.25											2.25
Jet Cellar										0.50		0.50
Survey (Operator Request)												0.00
Nipple Down										0.50		0.50
Billable Hours	2.50	0.00	0.00	0.00	0.00	5.00	13.25	12.00	6.50	16.50	0.00	55.75

Non-Billable Hours (Southwind's time)												
Rig Up / Tear Down	5.50									4.25		9.75
Wait on Cement (NB)	8.00											8.00
Drill Rat Hole (<.75 hrs)	0.75											0.75
Drill Plug		0.25										0.25
Circulate / Trip (Surface)	1.00											1.00
Rig Repair		0.50	3.00	0.50	1.50	0.75						6.25
Connections	2.00	3.00	2.00	2.00	1.50	1.00	0.25	0.50	1.25			13.50
Jet/Displace		0.75	0.75	1.00	2.00		0.25		0.25			5.00
Surveys	0.25						0.25	0.25		0.25		1.00
Rig Check		0.75	0.50	0.50	0.75	0.50	0.25	0.50	0.50	0.25		4.50
Surface time (NB)	1.25	0.25										1.50
Trip Time for repairs			1.50									1.50
Trip Time (plugged bit)												0.00
Lost Circulation (< 2 hrs)		1.00										1.00
Lay Down Kelly / MH & RH										0.50		0.50
Non-Billable Hrs.	18.75	6.50	7.75	4.00	5.75	2.25	1.00	1.25	2.00	5.25	0.00	54.50

Footage Cost	\$ 3,410.00	\$ 13,321.00	\$ 8,811.00	\$ 8,591.00	\$ 6,193.00	\$ 3,839.00	\$ 1,925.00	\$ 1,430.00	\$ 2,365.00	\$ 165.00	\$ -	\$ 50,050.00
Daywork Cost	\$ 837.50	\$ -	\$ -	\$ -	\$ -	\$ 1,675.00	\$ 4,438.75	\$ 4,020.00	\$ 2,177.50	\$ 5,527.50	\$ -	\$ 18,676.25
Combined Est. Cost*	\$ 4,247.50	\$ 13,321.00	\$ 8,811.00	\$ 8,591.00	\$ 6,193.00	\$ 5,514.00	\$ 6,363.75	\$ 5,450.00	\$ 4,542.50	\$ 5,692.50	\$ -	\$ 68,726.25

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

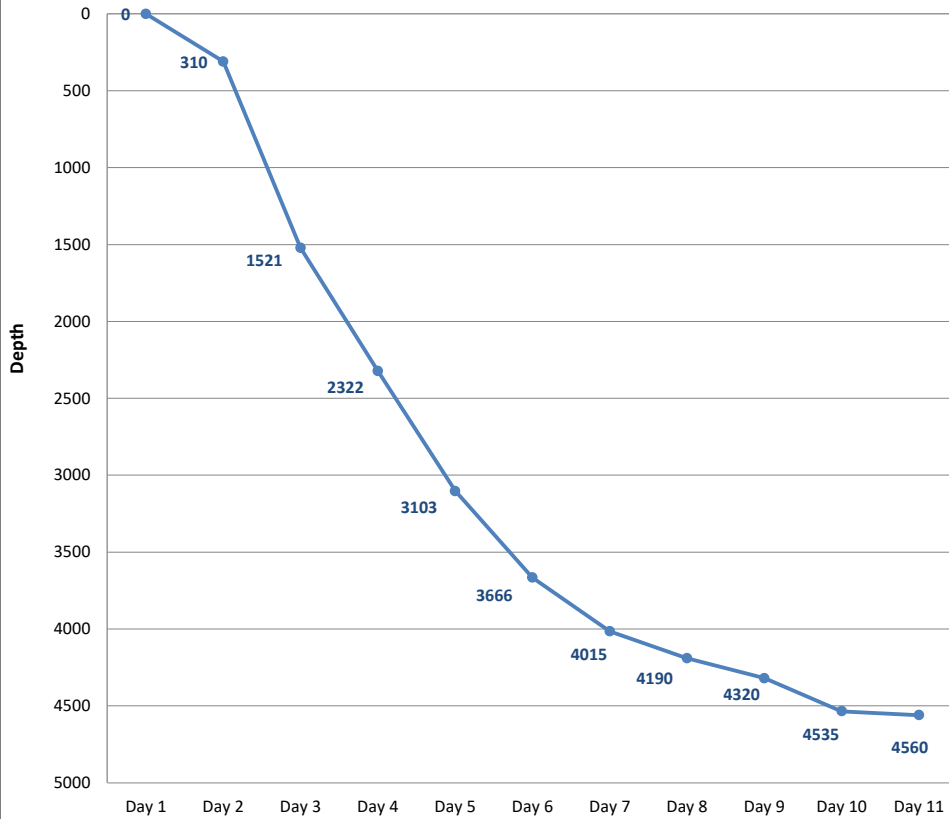
<b>DST #1 Info -</b>	Footage Interval: 4069' - 4190' LKC "L" & Altamont "A"	<b>DST #2 Info -</b>	Footage Interval: 4274' - 4320' "Myrick / Fort Scott"
	Recovery: 30' Mud with Oil Spots		Recovery: 2' Mud



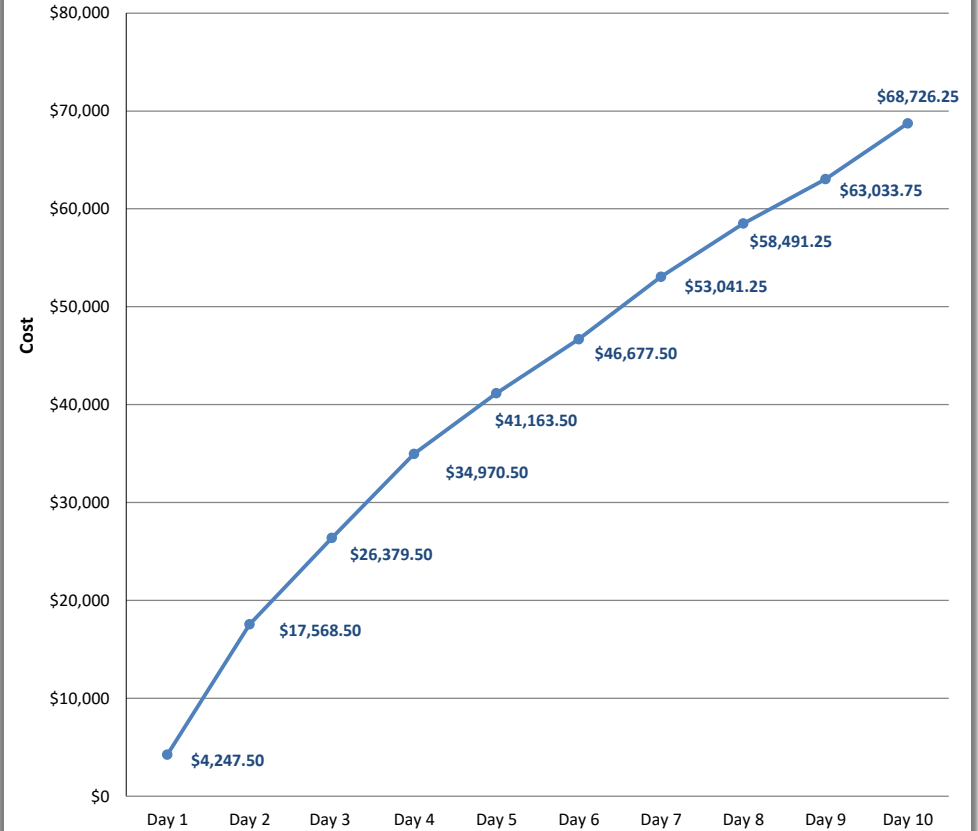
# Job Summary Graphical Report

Southwind Rig No. 1  
McDaniel #5-12

### Days vs Depth



### Days vs Cost



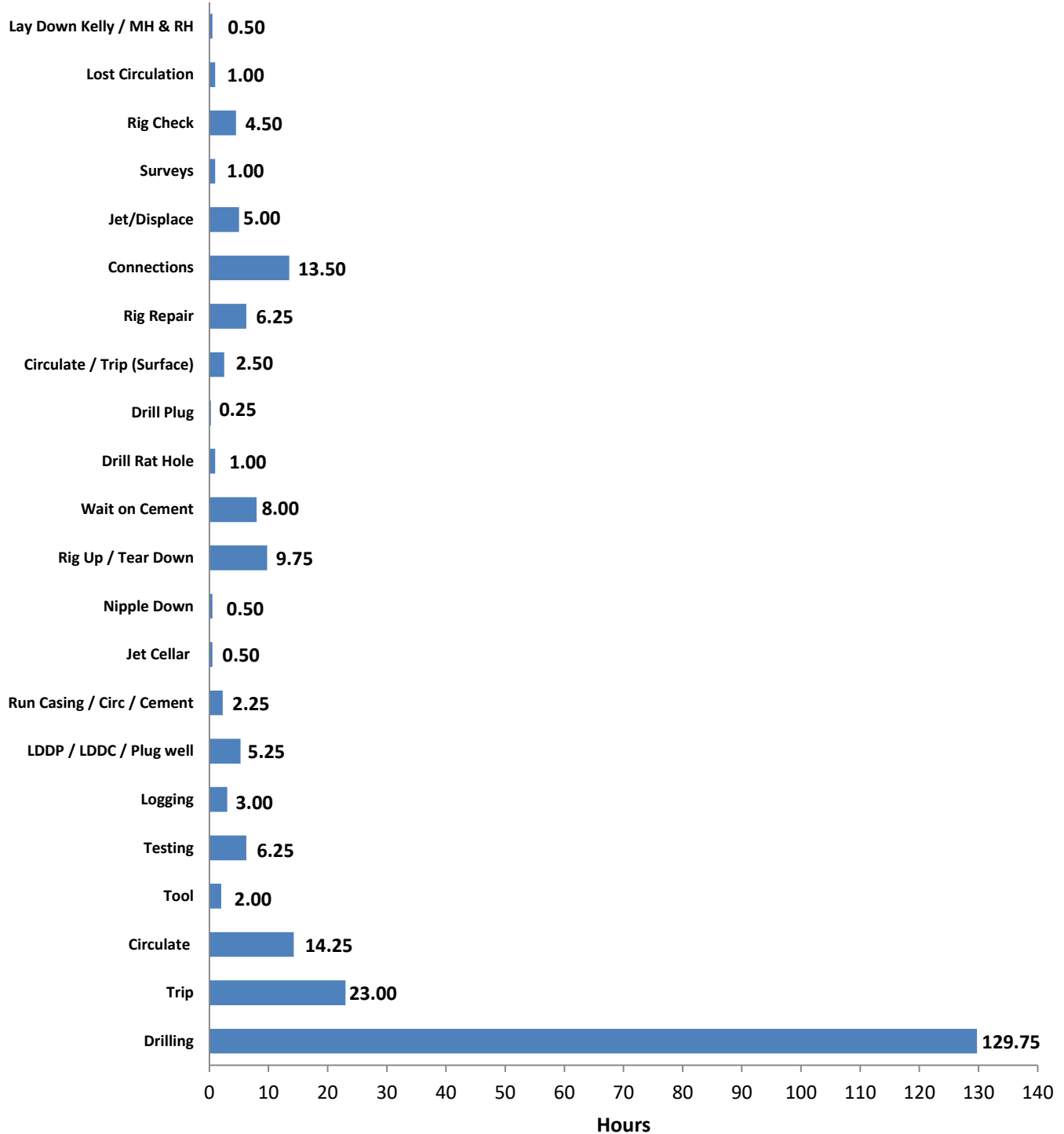


# Job Summary Graphical Report

Southwind Rig No. 1

McDaniel #5-12

## Hours per Operation



Billable Hours:	55.75
Non-Billable Hours:	54.50
Drilling Hours:	129.75
<b>Total Hours on Well:</b>	<b>240.00</b>