SD WE 23 FED P25 #2H 30-025-43461

DRILLED NEW OIL WELL AS FOLLOWS:

01/23/2017: SPUD WELL. Drill 143-755'.

Surface Casing 01/23/2017: TD 17 ½" hole. Run 13 3/8" 54.5# J-55 STC surface casing & set @ 745'. Schlumberger CEMENTED w/TAIL 920 sx Class C. DENSITY: 14.80, YIELD:1.35, FLUID MIX RATIO 6.57. Returns throughout entire job. 110 bbls back to surface.

01/29/2017: Install test plug. Fill stack & choke manifold. Test BOPE 250 psi low/5000 psi high. 01/30/2017: Tag TOC @ 695'. Test 13 3/8" csg to 1634 psi for 30 minutes. Good test. Drill 10' new formation to 765'.

01/30/2017 through 02/01/2017: Drill 765 - 4510'.

Intermediate Casing

02/01/2017: **TD 12 1/4" hole.**

RUN 9 5/8" 40#, HCK-55 & J-55 LTC casing & set @ 4500'

Schlumberger CEMENTED w/LEAD 1015 sx CLASS C. DENSITY:11.90, YIELD:2.38, FLUID MIX RATIO:13.68 & TAIL 460 Sx CLASS C. DENSITY: 14.80, YIELD:1.33, FLUID MIX RATIO:6.37 Displace w/335 bbls OBM. Pump plug w/500 psi over final circ pressure. 165 bbls cmt to surface. Full returns throughout job. Plug bumped at calculated displacement. Install pack-off. Test to 5000 psi for 15 mins.

03/05/2017: Test BOPE to 250 psi low/5000 psi high. 03/06/2017: Tag TOC @ 4411. Test 9 5/8" csg to 2971 for 30 minutes. Good test. Drill 10' new formation to 4520.

03/06/2017 through 03/20/2017: Drill 4520 - 19,157' TD

Production Casing

03/20/2017: TD 8 ¾" hole.

03/21/2017: RUN 5 1/2" 20# HCP-110 TXP-BTC-S & set @ 19,147'.

Broke circulation every 2500'. Marker joint @ 8358. Install packoff. Test to 5000 psi for 15 mins. Good test. Circulate while waiting on Schlumberger cement slurry delivery.

03/23/2017: Schlumberger CEMENTED w/LEAD 1 cement – 614 sacks. DENSITY: 11.5, YIELD: 2.77. LEAD 2 cement – 2162 sacks. DENSITY: 12.5, YIELD: 1.57. TAIL cement – 121 sacks. DENSITY: 15, YIELD: 2.18.

HOBBS OCD

AUG 2 4 2017

RECEIVED

Displace cement w/422 bbls FW. Bump plug. Hold 500 psi over. Cement to surface: 0 bbls cmt. 30 bbls spacer. Full returns until 338 bbls into displacement. Lost circ 338 bbls into displacement. Plug bumped on calculated displacement. Conduct 30 minute inflow/negative test.

03/23/2017: RELEASE RIG @ 12:00 hrs.

COMPLETED NEW DRILL AS FOLLOWS:

TOC @ 2042' by CBL. PBTD @ 19,053'.

05/02/2017: MIRU. 05/04/2017: TIH w/GR/JB to 9144'. TIH w/CBL to 9107'. 05/06/2017: Test 5 1/2" casing to 9800 psi for 30 mins. Good test.

05/06/2017 through 06/10/2017: Perf & frac 49 stages Upper Bone Spring from 9144 – 18,921'. Frac w/Total Proppant 15,732,554 lbs.

*SEE ATTACHED DETAILED PERF & FRAC REPORT

07/01/2017: Place well on production.

07/13/2017: Ran 2 7/8" tubing set @ 8556'. Packer @ 8542'. Circulate 190 bbls packer fluid.

07/24/2017: Release Rig.

08/05/2017: On 24 hr OPT. Flowing 461 oil, 782 gas, & 1373 water. GOR – 1696 Tbg press: 953 psi Csg press: 260 psi Choke: 48/64