EQUION ENERGIA LIMITED

Daily Operations Report (Drilling Onshore)

Operator: EQUION ENERGIA LIMITED
Well/Wellbore No. : Floreña Ip-10/01
Site: Florena I

Event Type: DRILLING ONSHORE
Event Objective: DEVELOPMENT
Well Type : DEVELOPMENT
Job Number :
Rig Name/No.: H&P/152

Report no.: 193
Report date: 20/04/2014

Current Well Status

Depth MD:	17.167,0 (ft)	Casing Size:	7,000(in)	AFE No.:	E.DD1.12/06	Rig Accept:	04:43:00p.m. 10/10/2013
Est TVD:	16.940,3 (ft)	Casing(MD):	15.341,0(ft)	AFE Cost:	51.064.834	Rig Release:	11/05/2014
Progress:		Next Casing Size:	5,000 (in)	Cost in:	USD	Spud Date:	28/09/2013
Auth Depth:	17.272,1 (ft)	Next Casing(MD):	17.126,0 (ft)	Exchange Rate:	1800	Ground Elevation:	2.195,1 (ft)
Hole Size:	6.000 (in)	Next Casing(TVD):		Daily Mud:	4399	KB Elev:	2232 (ft)
Elev Ref:	Floreña IP10 @2.231,5ft (above Mean Sea Level)			Cum. Mud:	1.932.064	Wellbore Max Angle:	28,46
Geologist:	Jairo Montaña			Daily Well:	162.262		
Engineer:	Didier Alberto Muñoz Pinzón			Cum. Well:	43.804.069	Est Days:	238,00 days
Day WSL:	Alexander Cuellar					Rig. Days:	356,00 days
Night WSL:	Henry Bastos					Days ahead:	35,40 days
Weather:	Sunny					Cost ahead:	4,967,873.00 USD

Current Status: Reestablishing circulation with 23 stks / min - 88 gpm - 1,000 psi. (Normal parameters)
24 Hr Summary: RIH BHA # 42 from 6,616 ft to 15,235 ft. 7" shoe. RIH to 15,508 ft and took check shoot read O.k. RIH on elevators to 16,285 ft. Washed down to 16,367 ft. Worked pack off event. Re-stablished normal conditions ,Reamed to 16,566 ft. Worked Pack off event.
24 Hr Forecast: Continue RIH BHA # 42 to bottom, drilling ahead through los Cuervos Formation.
Update at 06:00: Worked pack off event, observed normal string PU weight. Attempting reestablish normal circulation.
Comments:

Cost and AFE Summary by AFE

Event Type	AGSP	Afe Total	Cum Cost	Difference	Expenditure (%)
MOBILIZATION	E.DD1.12/06	$ 2,700,000.00	$ 3,333,969.38	$-633,969.38	123,48
MOBILIZATION	E.DD1.12/06	$ 1,700,000.00	$ 1,681,228.92	$ 18,771.08	98,90
DRILLING ONSHORE	E.DD1.12/06	$ 51,064,833.64	$ 43,804,069.11	$ 7,260,764.53	85,78
Total		$ 55,464,833.64	$ 48,819,267.41	$ 6,645,566.23	

HSE / Performance Measure and Well Control

Days Since Last DAFW:	5,634 (days)							
No. Recordables:	0 / 0 (day/cum)	No. Stop Cards:	38 / 11,540 (day/cum)	No. JSA's :	0 / 0 (day/cum)			
No. First Aid Cases:	0 / 4 (day/cum)	No. Permit to Work:	14 / 3,319 (day/cum)					
Near Misses:	0 / 65 (day/cum)	No. Contacto Cards:	15 / 3,087 (day/cum)	Kick Tolerance (ppg)	9,6			
Last Csg Test Press:	5.200,00 (psi)	Audit to PTW:	1 / 242 (day/cum)	Kick Volume (bbls)	156			
Incident Details:								
Last BOP Pressure Test :	09/04/2014 12:00:00a.m.	Last Rescue in the Pits Drill:		Last Height Rescue D				
Next BOP Pressure Test :	23/04/2014 12:00:00a.m.	Last Safety Tour:	20/04/2014 12:00:00a.m.	Last General Alarm Test:	18/04/2014 12:00:00a.m.			
Last Fire Drill:	05/04/2014 12:00:00a.m.	Last Safety Inspection:	13/04/2014 12:00:00a.m.	Last Trip Drill (D1):	20/04/2014 12:00:00a.m.			
Last Drop Object Inspection	20/04/2014 12:00:00a.m.	Last Safety Meeting:	19/04/2014 12:00:00a.m.	Last Diverter Drill (D3):				
Last Weekly Rig Check:	13/04/2014 12:00:00a.m.	Last Guerrilla Attack Drill:	25/03/2014 12:00:00a.m.	Last Accum. Drill (D4):	08/03/2014 12:00:00a.m.			
Last Spill Drill :	05/04/2014 12:00:00a.m.	Last Emergency Medical Drill:	25/03/2014 12:00:00a.m.	Last H2S Drill:				
Last Table Top:	08/03/2014 12:00:00a.m.	Last Confined Space Rescue Drill:		Evironmental Drill:	05/04/2014 12:00:00a.m.			
Last While Drill (D2):	20/04/2014 12:00:00a.m.	Last Well Kill Drill (D5):	05/03/2014 12:00:00a.m.	Last Stripping Drill (D6):	29/10/2013 12:00:00a.m.			

LOT TVD: BHP: @ MAASSP: 0,00 (psi)
LOT EMW: 0,00 Test Pressure:

No.	Slow Pump Rates (Circ)		Slow Pump Rates (Choke)		Slow Pump Rates (Kill)	
	Stroke Rate	Pressure (psi)	Stroke Rate	Pressure (psi)	Stroke Rate	Pressure (psi)

No Pump Operations with Slow Pump Rates

Hole Section

Section Name	Section type	Effective hole diameter (in)	MD(ft)		Hole section start date/time	Hole section end date/time
			Top	Base		
8 1/2" Hole Section	Open Hole	8,500	13.579	15.345	19/01/2014 12:00a.m.	06/03/2014 05:15p.m.
6" Hole Section	Open Hole	6,000	15.345	17.167	06/03/2014 05:15p.m.	

Operational Parameters

ROP Daily:	0,00 (ft/hr)	Cum Prog :	0,00 (ft)	Daily Bit Hours:	0,00 (hr)		
Avg ROP :	0,00 (ft/hr)	Rotating Weight:	370,00 (kip)	Daily Drilling Hrs:	0,00 (hr)		
ROP Cum:	0,00 (ft/hr)	Pick Up Wt:	380,00 (kip)	Cum Bit Hrs:	0,00 (hr)		
WOB (min):	0 (kip)	Slack Off Wt:	360,00 (kip)				
WOB (max):	0 (kip)						
Min RPM:	100 (rpm)	Circ Rate Hole:	250,00 (gpm)	Ann. Vel. DC:	454,00 (ft/min)		
Max RPM:	120 (rpm)	Circ On Bottom:	0 (psi)	Ann. Vel. DP:	107,54 (ft/min)		
Torque on Bottom:	0 (ft-lbf)	Torque off Bottom:	7.000 (ft-lbf)	Jar Hrs since Inspect:	41,20 (hr)		

Pump Status - Drilling

No.	Operation Type	Efficiency (%)	SPM (spm)	Liner size (in)	Cric. Rate (gpm)
1	D	95,00	65,00	6,000	249

Bit Details

Bit No	Run-No	Size	Manuf.	Model	Type	Serial #	Nozzles	TFA	Depth In(ft)	Depth Out(ft)
34	1	6,000	SMITH BITS	MDSiR613	Polycrystalline Diamond Bit	JJ0082	3X11, 3X15	0.800	17.167,0	

Cum Prog (ft)	RPM Min/Max	WOB Min/Max	Daily Hrs.	Hours Cum	ROP Cum	Condition							
						0	1	BT	S	X	I	WT	BHA
0,0	100/120	0/0	0,00	0,00	0,00								

BHA

BHA No.: 42 | Wash Pipe Hrs 410,60 | TMD In: 17.167,0 (ft) | BHA Weight: 28 / 19

Workstring Purpose: DRILLING | Saver Sub Hrs: 54,40 | TMD Out: 17.167,0 (ft) | BHA Hrs: 24,70

Component	Component Type	Component Detail	Jts	Length (ft)	Cum Length (ft)	OD (in)	ID (in)	Blade OD (in)	Bend Angle (°)	Connection		P/B
										Size (in)	Type	
Bit	Polycrystalline Diamond Bit	6" PDC Smith Bit Model Onyx 360 (Nozzles: 3 X 11 ; 3 X 14 Fixed; TFA : 0.729)	1	0,57	0,57	6,000	1,500			3,500	REG	
MWD	Auto Track	4 3/4 AutoTrack 3 1/2" Reg Box x T2 Box	1	10,32	10,89	4,750	1,188			3,500	T2	BB
Stabilizer	Non-Mag Integral Blabe Stabilizer	Modular Stab with 5 7/8" blades T2 Pin x Box.	1	3,30	14,19	4,750	1,500	5,875		3,500	T2	PB
MWD	Ontrak	4 3/4 Azitrak T2 Pin x Box.	1	23,47	37,66	4,750	1,312			3,500	T2	PB
Stabilizer	Non-Mag Integral Blabe Stabilizer	Modular Stab with 5 5/8" blades T2 Pin x Box.	1	3,30	40,96	4,750	1,500	5,625		3,500	T2	PB
MWD	BCPM	4 3/4 BCPM T2 Pin x NC38 Box.	1	11,09	52,05	4,750	1,375			3,500	T2	PB
Sub	Receiver Sub	4 3/4" Stop Sub NC38 Pin x Box.	1	3,00	55,05	4,750	1,312			3,500	NC38	PB
Sub	Float Sub	4 3/4" Float Sub NC38 Pin x Box.	1	2,66	57,71	4,750	2,250			3,500	NC38	PB
Sub	Filter Sub	4 3/4" Filter Sub NC38 Pin x Box.	1	5,68	63,39	4,750	2,688			3,500	NC38	PB
Drill Collar	Drill Collar	12 x 4 3/4" Drill Collar Spiral x 20 ft NC38 Pin x Box.	12	365,26	428,65	4,750	2,312			3,500	NC38	PB
Sub	Cross Over	Crossover NC38 Pin x XT39 Box.	1	3,91	432,56	4,750	2,250			3,500	XT39	PB
Heavy Weight	Heavy Weight Drill Pipe	17 x 4" HWDP XT39 Pin x Box.	17	517,03	949,59	4,750	2,562			3,500	XT39	PB
Sub	Cross Over	Crossover XT39 Pin x NC38 Box.	1	3,63	953,22	4,750	2,625			3,500	NC38	PB
Jar	Hydraulic Jar	4 3/4" Hydraulic Jar NC38 Pin x Box	1	30,45	983,67	4,750	3,000			3,500	NC38	PB
Sub	Cross Over	Crossover NC38 Pin x XT39 Box.	1	3,68	987,35	4,750	2,250			3,500	XT39	PB
Heavy Weight	Heavy Weight Drill Pipe	18 x 4" HWDP XT39 Pin x Box.	18	555,96	1.543,31	4,750	2,625			3,500	XT39	PB
Sub	Cross Over	Crossover XT39 Pin x NC38 Box.	1	3,33	1.546,64	4,750	2,625			3,500	NC38	PB
Accelerator	Accelerator	4 3/4" Accelerator NC38 Pin x Box	1	31,45	1.578,09	4,750	2,188			3,500	NC38	PB

BHA No.: 42	Wash Pipe Hrs 410,60	TMD In: 17.167,0 (ft)	BHA Weight: 28 / 19			
Workstring Purpose: DRILLING	Saver Sub Hrs: 54,40	TMD Out: 17.167,0 (ft)	BHA Hrs: 24,70			

Component	Component Type	Component Detail	Jts	Length (ft)	Cum Length (ft)	OD (in)	ID (in)	Blade OD (in)	Bend Angle (°)	Connection Size (in)	Connection Type	P/B
Sub	Cross Over	Crossover NC38 Pin x XT39 Box.	1	3,60	1.581,69	4,750	2,312			3,500	XT39	PB
Heavy Weight	Heavy Weight Drill Pipe	3 x 4" HWDP XT39 Pin x Box	3	9,24	1.590,93	4,000	2,250			3,500	XT39	PB
Drill Pipe	Drill Pipe	4" DP XT39 Pin x Box.	207	6.555,39	8.146,32	4,000	2,812			3,500	XT39	PB
Sub	Cross Over	Crossover XT39 Pin x NC50 Box.	1	4,00	8.150,32	5,875	2,812			4,500	NC50	PB
Drill Pipe	Drill Pipe	5" DP NC50 Pin x Box.	183	5.770,99	13.921,31	5,000	2,750			4,500	NC50	PB
Sub	Cross Over	Crossover NC50 Pin x XT57 Box.	1	4,00	13.925,31	5,000	2,750			5,875	XT57	PB
Drill Pipe	Drill Pipe		1	3.241,69	17.167,00							

Drilling Fluid

Mud Type: **Oil**
Time: 20/04/2014 11:59:00p.m.
Depth: 17.167,00 (ft)
FL Temp: 150,00 (°F)
Density: 9,60 (ppg)
Funnel Visc: 94,00 (s/qt)
ECD: 10,58
PV: 23,00 (cp)
YP: 28,00 (Lbf/100ft2)
WB Daily Cuttings:
Cum: 0,0 (bbl)

10 sec Gels: 8,00
10 min Gels: 20,00
Fluid Loss: 0,0 (cc/30min)
HTHP Temp: 250,00 (°F)
HTHP WL: 3,40 (cc/30mins)
Cake: 0,00
MBT: 0,00
Lime: 3,00
PM : 0,00
OB Daily Cuttings:
Cum: 0,0 (bbl)

Ca: 0,00
K+: 0,00
CaCl2: 8,90
NaCl: 0,00
Cl-: 0,00
Sand : 0,10
HGS: 0,00
LGS: 197,73(lbm/bbl)
Pf/Mf : 0,00 / 0,00

ES: 1.716,0 (Volts)
Solids : 18,80 (%)
Oil : 73,00 (%)
Water : 8,00 (%)
Oil/Water: 90,00/10,00
Lost Downhole (bbl):
Lost Surface (bbl): 2,00

Operation Summary

From - To	Md From / Md To(ft)	Dur. (hr)	Phase	Activity	Code	Operation
0:00 — 6:00	6,616.00 — 15,235.00	6.0	DPR2	RTIH	D	Continued RIH BHA # 42 through cased hole from 6,616 ft to 15235 ft. Filled and broke circulation with 250 gpm - 2820 psi every 2,500 ft, Observed directional tools good response. Passed through 7" TOL without any restriction.
6:00 — 8:00	15,235.00 — 15,235.00	2.0	DPR2	RSER	D	Performed rig services, changed TDS hdraulic oil, Lubricated travelling block, dolleys. Tested pump of the hydraulic system of the top drive, did not presurize the system. * Meanwhile circulated with 230 gpm - 2,600 psi.
8:00 — 9:00	15,235.00 — 15,235.00	1.0	DPR2	RREP	D	Checked electrical lines of the hydraulic system and observed a wire loose. Corrected this condition and observed normal pressure in the hydraulic system.
9:00 — 9:45	15,235.00 — 15,235.00	0.8	DPR2	SDME	D	Performed D1 and D2 drills. Held safety meeting and discussed procedures. Observed good response from all personnel.
9:45 — 10:00	15,235.00 — 15,508.00	0.3	DPR2	PUMP	D	Took slow circulating rates and weight parameters.
10:00 — 10:30	15,508.00 — 15,508.00	0.5	DPR2	RTIH	D	RIH BHA # 42 through open hole from 15,235 ft to 15,508 ft with 250 gpm - 2,720 psi. * At 15,508 ft took check shot. Observed good matching with the survey.
10:30 — 12:00	15,508.00 — 16,285.00	1.5	DPR2	RTIH	D	RIH BHA # 42 on elevators through open hole from 15,508 ft to 16,285 ft. At 16,285 ft observed 10 - 20 klbs SO and performed three attempts to get access unsuccesfully. Connected TD and Broke circulation with 230 gpm - 2,830 psi.
12:00 — 14:30	16,285.00 — 16,285.00	2.5	DPR2	RTIH	D	Washed down from 16,285 ft to 16,367 ft with 230 gpm - 2960 psi rocking string as required to get access. At 16,367 ft observed pressure increased to 3350 psi. PU string and reduce flow rate. Lost returns, bleed off pressure. Broke stand and PU one single. PU string working from 16,367 ft o 16,285 ft with 20 klbs OP. At 16,285 ft recovered normal circulating parameters.
14:30 — 21:30	16,285.00 — 16,566.00	7.0	DPR2	REAM	D	Reamed from 16,285 ft to 16,566 ft with 250 gpm - 3,220 psi, 100 / 150 rpm - 6 / 7 klbs ft TQ. Observed several erratic Torque events 8 / 12 klbs ft TQ.
21:30 — 0:00	16,566.00 — 16,566.00	2.5	DPR2	WSPI	D	At 16,566 ft observed 20 klbs SO, pressure increased from 3,060 to 3,270 psi and stopped TD rotary. Reduce flow rate, bleed off pressure to 400 psi. Lost circulation and turn

Operation Summary

From - To	Md From / Md To(ft)	Dur. (hr)	Phase	Activity	Code	Operation
						off pumps. Worked string up down. No progress observed, Attempted gain circulation unsuccesfully. Continue working string up down with max 40 klbs OP.

06:00 Update

From - To	Md From / Md To(ft)	Dur. (hr)	Phase	Activity	Code	Operation
00:00 - 01:30	16,566.00 — 16,555.00	1.5	DPR2	WSPI	D	Continued working string up with 70 klbs OP (Martin Deacker 500 klbs) recovered one stand and set back on derrick, PU one single 5 7/8" to worked pack off at 16555 ft
01:30 - 01:45	16,555.00 — 16,555.00	0.3	DPR2	WSPI	D	Jar down 2 times with 25 klbs SO and Jarring up 2 times with 50 klbs OP (450 klbs Martin Deacker). Observed released pipe with 430 klbs - Normal PU weight.
01:45 - 06:00	16,555.00 — 16,555.00	4.3	DPR2	CIRC	D	Set string at neutral weight and attempted reestablish flow increasing flow in 1 SPM steps every 2 - 5 min. Erratic Pressure from 940 psi to 550 psi, Observed returns.

Mud Logging

Formation:	LOS CUERVOS	Formation top @:	17.060,0 (ft)	Max Background Gas (ppg):	0,00	Max Trip Gas (ppg):	0,00
Lithology:	Mudstone			Max Connection Gas (ppg):	0,00	Pore Press:	7,70 (ppg)

Gas		Volumes	
Avg Conn Gas (%):	0.000	Total String Vol (bbl):	222,0
Max Connection Gas (%):	0.000	Total Annular Vol (bbl):	655,0
Avg Trip Gas (%):	0.000	Total Pit Vol (bbl):	1.672,0
Max Trip Gas (%):	0.000	Lines (bbl):	0,0
Avg Background Gas (%):	0.000	Active volume (bbl):	839,00
Max Background Gas (%):	0.000	Reserve volume (bbl):	
Pore Press (ppg):	7,70	Total System Vol (bbl):	1.716,0

Materials/Consumption

Item	Unit	Usage	On Hand	Item	Unit	Usage	On Hand
DIESEL-RIG	Gal	1.359,00	48.557,00	DIESEL-CAMP	Gal	250,00	3.140,00

Personnel

Total No. of People: 83

Company	No. People	Hours	Company	No. People	Hours
SERDAN	1	12	G4S	1	12
H&P	38	456	TELEMATICA	1	12
BAKER	13	156	COMPASS	12	144
COLVISEG	3	36	PARKO SERVICES	1	12
EQUION	3	36	SAS	2	24
UVC AMBULANCIA	1	12	SIMA	1	12
HALLIBURTON	6	72			

Cumulative Phase Breakdown

Phase	Time											Total Cost
	Estim.	Actual PL	%	Real UI	%	Real UE	%	Real NPT	%	Total	Varia.	
DSUR	88.51	88.00	97.78	0	0.00	0	0.00	2.00	2.22	90.00	-1.49	$ 1,276,245.64
RSCA	132.72	89.50	89.95	0	0.00	0	0.00	10.00	10.05	99.50	33.22	$ 1,781,442.84
DIN1	141.28	49.50	41.08	0	0.00	0	0.00	71.00	58.92	120.50	20.78	$ 1,032,135.27
RIN1	182.98	176.75	88.82	0	0.00	0	0.00	22.25	11.18	199.00	-16.02	$ 3,150,345.01
DIN2	246.59	290.75	100.00	0	0.00	0	0.00	0	0.00	290.75	-44.16	$ 3,117,538.30
RIN2	267.85	150.00	72.38	0	0.00	0	0.00	57.25	27.62	207.25	60.60	$ 3,063,610.64
DPR1	5,078.14	1,102.50	78.88	0	0.00	0	0.00	295.25	21.12	1,397.75	3,680.39	$ 20,973,812.88
RPR1	384.12	241.50	99.18	0	0.00	0	0.00	2.00	0.82	243.50	140.62	$ 1,429,064.47
DPR2	1,389.50	944.75	88.34	0	0.00	0	0.00	124.75	11.66	1,069.50	320.00	$ 6,410,554.35
RPR2	349.44	12.00	66.67	0	0.00	0	0.00	6.00	33.33	18.00	331.44	$ 47,140.04
Grant Total	8,261.13	2,565.50	79.27	0	0.00	0	0.00	671.00	20.73	3,236.50	5,024.63	$ 42,281,889.44

Remarks

CONTACTO BY COMPANY: Equion 4, H&P 2, Baker geologia 2, Baker direccional 3, Compass 2, G4S 2.

- Contacto Card: Was observed a vehicle wich pass behind the fork lift while this was going backward . Talked with the driver and remember the safe driving practices. The person was committed to avoid this situations.

********** WELL INTEGRITY **********

Daily metal shavings: 193 gr.
Total 6" Hole Section Metal Shavings 13,280 grs.
Daily mud losses: 0 bls.
Total 6" mud losses: 0 bls.

- Floreña I-9 Section "A" Pressure: 0 psi.
- Floreña I-9 Section "B" Pressure: 0 psi.
- Floreña I-9 Section "C" Pressure: 0 psi.
- Floreña I-10 Section "A" Pressure: 0 psi.
- Floreña I-10 Section "B" Pressure: 0 psi.

********** DRILLS **********

Last Evacuation Drill: 25/03/2014.