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.: 202
Report date: 29/04/2014

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:	0	KB Elev:	2232 (ft)
Elev Ref:	Floreña IP10 @2.231,5ft (above Mean Sea Level)			Cum. Mud:	1.956.371	Wellbore Max Angle:	28,46
Geologist:	Jairo Montaña			Daily Well:	146.522		
Engineer:	Didier Alberto Muñoz Pinzón			Cum. Well:	45.864.078	Est Days:	238,00 days
Day WSL:	Alexander Cuellar					Rig. Days:	365,00 days
Night WSL:	Hernando Abril					Days ahead:	31,50 days
Weather:	Sunny					Cost ahead:	3,984,399.00 USD

Current Status: Reaming with 5" Liner at 16,602 ft.
24 Hr Summary: Reamed from 16,581 ft to 16,625 ft experienced torque and pressure increments continuously while reaming, Working string up POOH to 16,578 ft. Reamed from 16,578 ft to 16,597 ft. Experienced pack off event.
24 Hr Forecast: Continue reaming 5" Liner to bottom.
Update at 06:00: reestablished circulation. ciorculated and Reamed from 16,564 ft to 16,600 ft, observed hard reaming.
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	$ 45,864,077.60	$ 5,200,756.04	89,82
Total		$ 55,464,833.64	$ 50,879,275.90	$ 4,585,557.74	

HSE / Performance Measure and Well Control

Days Since Last DAFW:	5,643 (days)							
No. Recordables:	0 / 0 (day/cum)	No. Stop Cards:	50 / 12,110 (day/cum)	No. JSA's :	0 / 0 (day/cum)			
No. First Aid Cases:	0 / 4 (day/cum)	No. Permit to Work:	13 / 3,460 (day/cum)					
Near Misses:	0 / 65 (day/cum)	No. Contacto Cards:	24 / 3,236 (day/cum)	Kick Tolerance (ppg)	9,8			
Last Csg Test Press:	5.200,00 (psi)	Audit to PTW:	1 / 245 (day/cum)	Kick Volume (bbls)	156			
Incident Details:								
Last BOP Pressure Test :	22/04/2013 12:00:00a.m.	Last Rescue in the Pits Drill:		Last Height Rescue D				
Next BOP Pressure Test :	06/05/2013 12:00:00a.m.	Last Safety Tour:	27/04/2014 12:00:00a.m.	Last General Alarm Test:	18/04/2014 12:00:00a.m.			
Last Fire Drill:	26/04/2014 12:00:00a.m.	Last Safety Inspection:	29/04/2014 12:00:00a.m.	Last Trip Drill (D1):	20/04/2014 12:00:00a.m.			
Last Drop Object Inspection	29/04/2014 12:00:00a.m.	Last Safety Meeting:	26/04/2014 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 :	23/04/2014 12:00:00a.m.	Last Emergency Medical Drill:	28/04/2014 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) Top	MD(ft) Base	Hole section start date/time	Hole section end date/time
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:		Cum Prog :	(ft)	Daily Bit Hours:	(hr)
Avg ROP :	0,00 (ft/hr)	Rotating Weight:	(kip)	Daily Drilling Hrs:	0,00 (hr)
ROP Cum:		Pick Up Wt:	(kip)	Cum Bit Hrs:	(hr)
WOB (min):		Slack Off Wt:	(kip)		
WOB (max):					
Min RPM:		Circ Rate Hole:	(gpm)	Ann. Vel. DC:	167,12 (ft/min)
Max RPM:		Circ On Bottom:		Ann. Vel. DP:	140,86 (ft/min)
Torque on Bottom:		Torque off Bottom:		Jar Hrs since Inspect:	24,00 (hr)

Pump Status - Drilling

No.	Operation Type	Efficiency (%)	SPM (spm)	Liner size (in)	Cric. Rate (gpm)
1	D	95,00	25,00	6,000	96

Drilling Fluid

Mud Type:	**Oil**	10 sec Gels:	9,00	Ca:	0,00	ES:	1.718,0 (Volts)
Time:	29/04/2014 11:59:00p.m.	10 min Gels:	22,00	K+:	0,00	Solids :	19,80 (%)
Depth:	17.167,00 (ft)	Fluid Loss:	0,0 (cc/30min)	CaCl2:	9,20	Oil :	72,00 (%)
FL Temp:	130,00 (°F)	HTHP Temp:	250,00 (°F)	NaCl:	0,00	Water :	8,00 (%)
Density:	9,80 (ppg)	HTHP WL:	3,60 (cc/30mins)	Cl-:	0,00	Oil/Water:	90,00/10,00
Funnel Visc:	101,00 (s/qt)	Cake:	0,00	Sand :	0,10	Lost Downhole (bbl):	
ECD:		MBT:	0,00	HGS:	0,00	Lost Surface (bbl):	15,00
PV:	22,00 (cp)	Lime:	4,40	LGS:	208,17 (lbm/bbl)		
YP:	28,00 (Lbf/100ft2)	PM :	0,00	Pf/Mf :	0,00 / 0,00		
WB Daily Cuttings:		OB Daily Cuttings:					
Cum:	0,0 (bbl)	Cum:	0,0 (bbl)				

Operation Summary

From - To	Md From / Md To(ft)	Dur. (hr)	Phase	Activity	Code	Operation
0:00 — 1:15	16,632.00 — 16,635.00	1.3	RPR2	WSPI	PL	While down reaming experienced string stalled out, release TQ PU string 3 ft conmfirmed liner free, Once restablished normal circulation and rotation conditions continued reaming down from 16,632 ft to 16,635 ft twith 70 gpm - 990 psi, 40 / 50 rpm - 6 / 7 klbs ft TQ
1:15 — 4:00	16,635.00 — 16,577.00	2.8	RPR2	WSPI	D	while reming At 16,635 ft observed stall out, release TQ PU string 3 ft confirmed liner stuck, working liner between PU and SO and try to recovered rotary no success, working with 20 / 90 Klbs OP. no succes moving strign to neutral weight, Tryed to rotary no succes, observed pressure increased to 1230 psi, reduce flow rate to 10 / 13 stks/min - 1,086 psi, pressure stable. reduce flow rate to 5 stks/ min 470 psi apply 100 klbs OP, observed string free. Parameters PU: 410 klbs ; SO: 375 klbs ; RTW: 385 klbs.
4:00 — 6:00	16,577.00 — 16,581.00	2.0	RPR2	CIRC	PL	Circulated with 42 gpm - 930 psi. try to rotary, observed string stall out. released torque apply 90 klbs OP string free. Continue PU with 30 klbs OP to 16,577 ft. resstablished rotary and continued reaming from 16,577 ft to 16,581 ft.
6:00 — 7:45	16,581.00 — 16,625.00	1.8	RPR2	REAM	PL	Continued reaming from 16,581 ft to 16,625 ft with 46 gpm - 850 psi, 50 rpm - 7 / 10 klbs ft TQ. At 16,625 ft experienced torque peak up to 12 klbs ft and stall out the string and pressure increased from 850 psi to 960 psi.
7:45 — 8:45	16,625.00 — 16,616.00	1.0	RPR2	WSPI	D	Worked string up and down with max 70 klbs OP and 20 klbs SO simultaneusly POOH to 16,616. Reestablished circulation slowly with 59 gpm - 1,010 psi. Once with normal circulating parameters started to rotary,observed pressure increase form 860 psi to 980 psi.
8:45 — 10:00	16,616.00 — 16,635.00	1.3	RPR2	WSPI	D	Worked pack off up with max 50 klbs OP, observed string free. RIH on elevators from 16,625 ft to 16,635 ft working string with max 70 klbs SO lubricating string with 2 stks - 340 psi. Increased flow rate to 57 gpm - 960 psi. While reaming at this point observed suddently pressure increased to 1,050 psi.
10:00 — 10:45	16,635.00 — 16,623.00	0.8	RPR2	WSPI	D	Worked string up and down meanwhile recovered circulation slowly.

Operation Summary

From - To	Md From / Md To(ft)	Dur. (hr)	Phase	Activity	Code	Operation
10:45 — 11:00	16,623.00 — 16,623.00	0.3	RPR2	WSPI	PL	at 16,625 ft increased flowrate slowly. Once took parameters PU string and observed pressure increase from 980 psi to 1100 psi. Turn off pumps observed 200 psi trapped.
11:00 — 12:30	16,623.00 — 16,595.00	1.5	RPR2	WSPI	D	Picked up string from 16,623 ft to 16,595 ft Working string up and down with max 90 klbs OP and 50 klbs SO, observed string free.
12:30 — 14:00	16,595.00 — 16,574.00	1.5	RPR2	WSPI	D	PU string from 16,595 ft to 16,574 ft with 44 gpm - 800 psi. observed pressure increase from 800 to 983 psi. turn off pumps and attempted recover circulation slowly. Disconnected stand and connected a single.
14:00 — 16:30	16,574.00 — 16,574.00	2.5	RPR2	WSPI	D	Continued working string up and down and recovered circulation slowly, once normal circulation parameters, increase flow rate from 60 gpm to 70 gpm - 885 psi. Attempted RIH reaming but experienced torque spike and circulation lost.
16:30 — 19:00	16,574.00 — 16,578.00	2.5	RPR2	CIRC	D	Recovered normal circulation and circulated bottoms up. Meanwhile reamed form 16,574 ft to 16,578 ft with 100 gpm - 1,150 psi, 50 rpm - 6 / 7 klbs ft TQ. Observed torque peak to 11 klbs ft TQ and pressure increased to 1,200 psi. POOH working string from 16,578 ft to 16,566 ft. Recovered normal circulation
19:00 — 21:30	16,578.00 — 16,597.00	2.5	RPR2	REAM	PL	Reamed from 16,578 ft to 16,596 ft with 91 gpm - 1,010 psi, 50 rpm - 6 / 8 klbs ft TQ. at 16,597 ft observed Torque peak and pressure increase.
21:30 — 0:00	16,597.00 — 16,569.00	2.5	RPR2	WSPI	D	At 16,596 ft observed stall out, release TQ PU string 3 ft confirmed liner stuck, working liner string between PU and S/O. No succes decided connected a single. Worked pack off up with max 30 klbs OP, observed string free. started mud pumps meanwhile PU string very slowly to 16,519 ft, recovered circulation very slowly.

06:00 Update

From - To	Md From / Md To(ft)	Dur. (hr)	Phase	Activity	Code	Operation
00:00 - 01:00	16,564.00 — 16,564.00	1.0	RPR2	CIRC	D	Circulated with 90 gpm - 950 psi. Reciprocating string from 16,571 ft to 16,564 ft. Max Cavings rate: 0.01 bph. Morphology: 40 % RWK , 10 % Blky ; 50 % Tab. Took Slow circulating rates: stks pressure 12 670 14 710 18 820 22 890 24 970
01:00 - 06:15	16,564.00 — 16,590.00	5.3	RPR2	REAM	PL	Reamed from 16,564 ft to 16,590 ft with 90 gpm - 1,010 psi, 50 rpm - 6 / 8 klbs TQ. Experienced erratic torque continuously.

Mud Logging

Formation:	LOS CUERVOS	Formation top @:	17.060,0 (ft)	Max Background Gas (ppg):	0,06	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):	274,0
Max Connection Gas (%):	0.000	Total Annular Vol (bbl):	683,0
Avg Trip Gas (%):	0.000	Total Pit Vol (bbl):	1.643,0
Max Trip Gas (%):	0.000	Lines (bbl):	0,0
Avg Background Gas (%):	0.000	Active volume (bbl):	855,00
Max Background Gas (%):	0.064	Reserve volume (bbl):	
Pore Press (ppg):	7,70	Total System Vol (bbl):	1.812,0

Materials/Consumption

Item	Unit	Usage	On Hand	Item	Unit	Usage	On Hand
DIESEL-RIG	Gal	1.340,00	49.537,00	DIESEL-CAMP	Gal	200,00	3.690,00

Personnel

Total No. of People: 107

Company	No. People	Hours	Company	No. People	Hours
TH HILL	1	12	UVC AMBULANCIA	1	12
TENARIS	1	12	BAKER	17	204
COMPASS	13	156	PARKO SERVICES	1	12
Galqui	3	36	H&P	39	468
SERDAN	1	12	EQUION	6	72
SUPERIOR	3	36	HALLIBURTON	5	60
COLVISEG	3	36	WEATHERFORD	6	72
TELEMATICA	1	12	COLTANQUES	1	12
COLMENA	1	12	G4S	1	12
SAS	2	24	SIMA	1	12

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	965.50	86.48	0	0.00	0	0.00	151.00	13.52	1,116.50	273.00	$ 6,410,554.35
RPR2	349.44	147.50	80.05	0	0.00	0	0.00	36.75	19.95	184.25	165.19	$ 1,406,441.29
Grant Total	8,261.13	2,721.75	78.90	0	0.00	0	0.00	728.00	21.10	3,449.75	4,811.38	$ 43,641,190.69

Remarks

CONTACTO BY COMPANY: Equion 6, Compass 2, Parko 1, H&P 4, SACS 1, Galqui 2, Baker cementing 2, Sima 1, Halliburton 5.

- Contacto Card: Was observed a wash eyes station in bad condition, talked with the company in charge of the station about the condition, they were commintment to repair it.

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

Daily metal shavings: - gr.
Total 6" Hole Section Metal Shavings 17,037 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: 22/04/2014.