



State of Colorado Oil and Gas Conservation Commission



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1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303)894-2100 Fax:(303)894-2109

WELL CONTROL REPORT

As Required by Rule 327

1. OGCC Operator Number: 77330
2. Name of Operator: SG Interests I Ltd
3. Address: 1485 Florida Road, C202
City: Durango State: CO Zip: 81301
4. Contact Name & Phone: Catherine Dickert
Ph: 970-385-0696
Email: cdickert@sginterests.com
Report taken by: DAVE ANDREWS

WELL LOCATION INFORMATION

5. API Number: 05-051-06106
6. County: Gunnison
7. Well Name: Hughes 11-90-26
8. Well Number: 2
9. Unit Name (if appl.): Bull Mountain
10. Unit No: COC67120X
11. QtrQtr: Lot 6 Sec: 26 Twn: 11S Rng: 90W Meridian: 6th
12. Footage From Exterior Section Lines: 1642 FSL and 1473 FWL
13. Field Name: Bull Mountain
14. Field Number: 7815

CASING INFORMATION

15. Surface Casing Size: 9-5/8" / Weight per Foot: 40 Grade: J-55 True Vertical Setting Depth: 415'
16. Intermed. Casing Size: / Weight per Foot: Grade: True Vertical Setting Depth:

KICK INFORMATION

17. True Vertical Depth at Kick: 4642'
18. Formation at Kick: Corcoran
19. Formation Code: CRCRN
20. Shut-in Drill Pipe Pressure (SIDPP): 100 psi
21. Shut-in Casing Pressure (SICP): unknown psi
22. Mud weight at Time of Kick: 10.3 ppg
23. Pit Gain: 15 BBL bbls
24. Time and Date Shut In: 1800 hrs 10/16/2012
25. Mud Weight Required to Control Well: 11.2 ppg
26. Type of Kick: Gas Oil Water
27. Comments (describe actions to control in detail):

We took a 15 bbl kick @ 4,642' on 10-16-2012 at 1800 hours and shut the well in with the BOP. The shut in drill pipe pressure was 100 psi and the mud weight at the time of the kick was 10.3 ppg. We circulated kill weight mud of 10.7 ppg but did not kill well. We ended up circulating 11.2 ppg mud weight to kill well.