



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 5th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	410' at 00 hrs.	1	410'	---	Lw. Basal Salina (main) Up. Basal Salina (secondary)	8600' 8016'	9607'

24 Hours Summary: M/U & TIH 17" BHA to 392 ft. Ran 18" conductor from 392 to 403 ft. Well spudded on December 4th. Drilled with 17" tricone bit to 410 ft. Washed up/down, 18" conductor slide 7 ft, from 403 to 410 ft.

PO: Drill with 17" tricone bit & running 18" conductor at 432 ft.

Next: Drill & run 18" conductor to 470 ft. Circulate pump pill, install 21 1/4" diverter, cement 18" conductor.

LO6-26XD

Exploratory well

Datum: WGS-84 UTM System

Target Coordinates: 9°508,662.12 mN 459,045.17 mE

Water Depth & Kelly Bushing: 335 ft - 50 ft

Main Objective: Lower Basal Salina Fm.

Secondary Objective: Upper Basal Salina Fm.

Geological Summary:

- The San Matteo (LO6-26XD) exploratory well has been recommended to test potential resources of 4.4 MMBO in the Lower Basal Salina reservoir.
- LO6-26XD will be a directional well, drilled from LO6 platform with a total depth of 9607' MD (-8730' VSS).
- Main objective of this well is the Lower Basal Salina formation; secondary objective is the Upper Basal Salina formation.
- Expected formation tops are as follow:

	MD	TVD	VSS
Talara	At surface		
Chacra	1930'	1840'	-1790'
Rio Bravo	4185'	3726'	-3676'
Palegredda	5787'	5066'	-5016'
Mogollon	6701'	5894'	-5844'
San Cristobal	7210'	6387'	-6337'
Upper Basal Salina	8016'	7189'	-7139' (Secondary Objective)
Lower Basal Salina	8600'	7773'	-7723' (Main Objective)
Balcones	9300'	8473'	-8423'
Total Depth	9607'	8780'	-8730'

WELL COST:

AFE (\$): 5'402,740

Daily (\$): 43,025

Cumulated (\$): 1'102,767

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 6th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	456' at 00 hrs.	2	456'	---	Lw. Basal Salina (main) Up. Basal Salina (secondary)	8600' 8016'	9607'

24 Hours Summary: RIH 17" BHA with tricone bit to 424 ft. Drill from 424 to 439 ft. Wash up/down to slide 18" conductor to 432 ft. Drill and wash from 439 to 444 ft. Pooh 17" BHA. M/U and weld conductor #11. Drill and wash from 444 to 456 ft. Wash up/down, conductor no slide. Apply top drive weight, slide to 448 ft. Pooh BHA with tricone bit to surface. Cut 18" conductor and bevel on 1st level.

PO: N/U 21 1/4" diverter.

Next: Finish N/U 21 1/4" diverter, cement 18" conductor. M/U 17" tricone bit, drill tag TOC and drill cement.

WELL COST:

AFE (\$): 5'402,740
Daily (\$): 44,464
Cumulated (\$): 1'147,231

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM
GCH..... December 06 (02) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 7th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	456' at 00 hrs.	3	---	---	Lw. Basal Salina (main) Up. Basal Salina (secondary)	8600' 8016'	9607'

24 Hours Summary: Installed 21 1/4" diverter. TIH 5" cement DP to 448 ft. M/U cement lines. Performed cement job. Circ to clean pipe. Closed diverter, displace with 7 bbls water. Close well with 10 psi. WOC. R/D Halliburton lines. L/D 5" cement DP & sent to barge.

PO: M/U 5" DP in stands in derrick.

Next: M/U & RIH directional BHA with 17" tricone bit, tag cement, drill out cement, displace sea water by 8.9 ppg mud. Drill 17" hole.

MW: 8.4 ppg

VISC: --

FIL: --

WELL COST:

AFE (\$): 5'402,740
Daily (\$): 61,825
Cumulated (\$): 1'209,056

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/CMC
GCH..... December 07 (03) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 10th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	573' at 00 hrs.	6	117'	18" Conductor @448'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

Weekend Summary: Drilled rotating from 456 to 465 ft MD. High torque, possible debris at bottom. POOH to surface. RIH 11 3/4" magnet, work on bottom. Directional BHA to 467 ft. Performed gyro survey. POOH BHA. M/U & calibrate gyro survey tool. RIH 17" tricone bit, with directional BHA. Took gyro survey at 413 ft. Directional drill sliding from 467 to 573 ft.

PO: Directional drilling sliding to 612 ft. Take gyro survey.

Next: : Drill ahead 17" directional hole.

Lithology

Interval Feet	ROP ft/hr	CGL %	Clyst %	Sltst %	Sst %	Sd %	Fluor %	Description
460'-590'	9.1		50		30	20	NF	CLYST: Oliv gy, Brn'sh gy, loc dk gy, occ mddk gy, loc sub tab, mod frm-frm, mic mic, mic carb, mic carb, non calc. Sst: Md gy, Md Lt gy, f - vf gr Qtz sa-sr, w srted, arg mtx, fri/sl fri, calc cmt, w/glauc & dk frag inc SD: Hy, Transl, f-vf, gr, Qtz sa/sr, w srted, w lit. TG: 0.70u; C1: 70,

FORMATION: Talara Fm. @ Surface.

MW: 9 ppg

VISC: 46 sec

WELL COST:

AFE (\$):	5'402,740
Daily (\$):	54,445
Cumulated (\$):	1'377,402

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

EGT/CMC
GCH..... December 10 (04) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 11th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	743' at 00 hrs.	7	170'	18" Conductor @448'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Drilled from 573 to 743 ft (170 ft total). Took Gyro survey. Resume drilling.

PO: Drill to 798 ft MD. Take Gyro survey.

Next: POOH Dir BHA install mule shoe -MWD, change tri-cone bit by 17" PDC bit. RIH and continue drilling 17" hole to csg point.

Lithology

Interval Feet	RO P ft/hr	CGL %	Clyst %	Sltst %	Sst %	Sd %	Fluor %	Description
590'-770'	15.2		20		30	50	NF	CLYST: Oliv gy, Brn'sh gy, loc dk gy, occ mddk gy, loc sub tab, mod frm-frn, mic mic, mic carb, mic carb, non calc. Sst: Md gy, Md Lt gy, f – vf gr Qtz sa-sr, w srted, arg mtx, fri/sl fri, calc cmt, w/glauc & dk frag inc SD: Hy, Transl, 60%f-vf, 40% m gr, Qtz sa/sr, w srted, w lit. gn'sh. TG: 1.69u; C1: 169,

FORMATION: Talara Fm. @ Surface.

MW: 9.1 ppg **VISC:** 46 sec **FIL:** 6.0 ml

WELL COST:

AFE (\$): 5'402,740
Daily (\$): 60,608
Cumulated (\$): 1'438,010

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/CMC
GCH..... December 11 (05) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 12th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	986' at 00 hrs.	8	243'	18" Conductor @448'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Drilled from 743 to 986 ft. Took Gyro survey. Circulated bottoms up. POOH BHA with 17" tricone bit to surface. M/U & RIH 11 3/4" magnet. Recover 1/4 kg of debris.

PO: Run 11 3/4" magnet.

Next: M/U & RIH 17" PDC bit with directional BHA install mule shoe -MWD. RIH and continue drillig 17" hole to csg point.

Lithology

Interval Feet	ROP ft/hr	CGL %	Clyst %	Sltst %	Sst %	Sd %	Fluor %	Description
770'-800'	18		20		30	50	NF	CLYST: Oliv gy, Brn'sh gy, loc dk gy, occ mddk gy, loc sub tab, mod frm-frm, mic mic, mic carb, non calc. Sst: Md gy, Md Lt gy, f – vf gr Qtz sa-sr, w srted, arg mtz, fri/sl fri, calc cmt, w/glauc & dk frag inc SD: Hy, Transl, 60%vf, 40% m gr, Qtz sa/sr, w srted, w lit. gn'sh. TG: 1.94u; C1: 194,
800'-980'	23.8		90		10		NF	CLYST: Oliv blk, Oliv gy, Brn'sh blk, loc Brn'sh gy, loc sub tab, ea, mod frm-mod sft, occ frm, mic mic, mic carb, calc. Sst: Md gy, Md Lt gy, f – vf gr Qtz sa-sr, w srted, arg mtz, fri/sl fri, calc cmt, w/glauc & dk frag inc. TG: 5.24u; C1: 524,

Micropaleontology:

Interval	Determination	Formation
450'-680'	Traces	Helico
680'-800'	Barren	Helico
800'-920'	V poor to poor	Lobitos

FORMATION: Talara Fm. @ Surface.

MW: 9.2 ppg **VISC:** 47 sec **FIL:** 6.0 ml

WELL COST:

AFE (\$): 5'402,740
Daily (\$): 89,374
Cumulated (\$): 1'527,384

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

EGT/CMC
GCH..... December 12 (06) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 13th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	1358' at 00 hrs.	9	372'	18" Conductor @448'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: RIH 17" PDC bit with directional BHA, install MWD RIH to bottom (986"). Directional drill from 986 to 1358 ft. Took MWD surveys. Resumed drilling sliding & rotating from 1358 to 1600 ft.

PO: Drilling 17" hole at 1600 ft.

Next: Drill ahead 17" hole to csg point. Circulate, POOH dirc BHA to surface. M/U & RIH slick BHA, condition hole. Run 13 3/8" csg.

Lithology

Interval Feet	ROP ft/hr	CGL %	Clyst %	Sltst %	Sst %	Sd %	Fluor %	Description
980'-1070'	82		90			10	NF	CLYST: Oliv blk, Oliv gy, Brn'sh blk, loc Brn'sh gy, loc sub tab, ea,mod frm-mod sft, occ frm, mic mic, mic carb, calc. SD: Hy, Transl, f-vf, gr, Qtz sa/sr, w srted, w lit. gn'sh. TG: 12.32u; C1: 1232,
1070'-1130'	73		50		40	10	NF	CLYST: Oliv blk, Oliv gy, Brn'sh blk, loc Brn'sh gy, loc sub tab, ea,mod frm-mod sft, occ frm, mic mic, mic carb, calc. Sst: Md gy, Md Lt gy, f-vf gr Qtz sa-sr, w srted, arg mtb, fri/sl fri, calc cmt, w/glauc & dk frag inc.,pvis por. SD: Hy, Transl, f-vf, gr, Qtz sa/sr, w srted, w lit. gn'sh. TG: 11.81u; C1: 11.81,
1130'-1550'	87		80		20		NF	CLYST: Oliv blk, Oliv gy, Brn'sh blk, loc Brn'sh gy, loc sub tab, ea,mod frm-mod sft, occ frm, mic mic, mic carb, calc. Sst: Md gy, Md Lt gy, f-vf gr Qtz sa-sr, w srted, arg mtb, fri/sl fri, calc cmt, w/glauc & dk frag inc.,pvis por. TG: 8.48u; C1: 831; C2: 6; C3: 2

Micropaleontology:

Interval	Determination	Formation
920'-980'	Common	Lobitos
980'-1220'	Common	Terebratula

Surveys:

Depth (ft)	Incl (deg)	Azimuth (deg)	TVD (ft)	VSS (ft)	HD (ft)	NS (ft)	EW (ft)
1462.00	25.20	257.60	1430.65	1380.65	198.82	0.81	-207.07

FORMATION: Talara Fm. @ Surface.

MW: 9.4 ppg

VISC: 46 sec

FIL: 6.0 ml

WELL COST:

AFE (\$):	5'402,740
Daily (\$):	60,935
Cumulated (\$):	1'588,319

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

EGT/CMC

GCH..... December 13 (07) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 14th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	1896' at 00 hrs.	10	538'	18" Conductor @448'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Drilled from 1358 to 1896 ft. Circulated, pump vis pills, circulated bottoms up, shakers show caving, increase mud weight from 9.4 to 9.8 ppg. Shakers clean, ok. POOH directional BHA with 17" PDC bit.

PO: POOH slick BHA at 1350 ft.

Next: L/D slick BHA, run 13 3/8" surface csg, cement csg, WOC, N/D 21 1/4" diverter, NU 13 5/8" x 3M BOP.

Lithology

Interval Feet	RO P ft/hr	CG L %	Clyst %	Slst %	Sst %	Sd %	Fluor %	Description
1550'-1700'	100		100				NF	CLYST: Oliv blk, Oliv gy, Brn'sh blk, loc Brn'sh gy, loc sub tab, ea, mod frm-mod sft, occ frm, mic mic, mic carb, calc. TG: 17.09u; C1: 1664; C2: 18; C3: 5,
1700'-1896'	108		90	10			NF	CLYST: Med Dk gy, Dk gy, loc sub tab, ea, blkly/sub blkly, mod frm- frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blkly, sub tab, mod frm, mic mic, mic carb, sl calc. TG: 32.27u; C1: 3168; C2: 37; C3: 8,

Micropaleontology:

Interval	Determination	Formation
1220'-1400'	Common	Terebratula
1400'-1700'	Poor to very poor	Terebratula
1700'-1880'	Poor to very poor	Chacra

Surveys:

Depth (ft)	Incl (deg)	Azimuth (deg)	TVD (ft)	VSS (ft)	HD (ft)	NS (ft)	EW (ft)
1825.00	32.10	254.00	1748.04	-1698.04	374.43	-42.46	-377.34

FORMATION: CHACRA Fm. @ 1700' MD (-1591' VSS)

MW: 9.8 ppg **VISC:** 52 sec **FIL:** 6.0 ml

WELL COST:

AFE (\$):	5'402,740
Daily (\$):	62,489
Cumulated (\$):	1'650,808

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 17th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	1896' at 00 hrs.	13	---	13 3/8" Csg @1894'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

Weekend Summary: POOH slick BHA to surface, ran 13 3/8" casing to 1896', performed cement job, N/U 13 5/8" BOP and tested, MU & RIH Directional BHA with 12 1/4" PDC bit, tagged cement at 1854', drill out cement, performed casing and formation integrity test, resume drilling to 2060'.

PO: Drilling at 2060' in Chacra fm.

Next: Drill ahead 12 1/4" hole.

Lithology

Interval Feet	RO P ft/hr	Cgl %	Clyst %	Slst %	Sst %	Sd %	Fluor %	Description
1896'-2000'	126	10	80	10			NF	DOL: Dk yell'sh Brn, occ Brn'sh gy, ea, blk/sub blk, sub tab in pt, mod frm/mod hd, mic carb. CLYST: Med dk gy, Dk gy, min Oliv blk, ea, blk/sub blk, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. TG: 2.97u; C1: 283; C2: 5; C3: 2,

Surveys:

Depth (ft)	Incl (deg)	Azimuth (deg)	TVD (ft)	VSS (ft)	HD (ft)	NS (ft)	EW (ft)
1964.00	31.40	253.80	1866.23	-1816.23	447.57	-42.46	-447.62

FORMATION: CHACRA Fm. @ 1700' MD (-1591' VSS)

MW: 9.8 ppq

VISC: 44 sec

FIL: 6.0 ml

WELL COST:

AFE (\$):	5'402,740
Daily (\$):	61,881
Cumulated (\$):	1'964,915

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 18th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	2942' at 00 hrs.	14	1046'	13 3/8" Csg @1894'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Drilling out cement from 1874' to 1896'. Directional drill rotate from 2060' to 3170', drilling with 12 1/4" hole at 3170'.

PO: Drilling with 12 1/4" hole at 3170' in Chacra fm.

Next: Drill ahead 12 1/4" hole.

Lithology

Interval Feet	ROP ft/hr	Dol %	Clyst %	Sltst %	Sst %	Sd %	Fluor %	Description
2000'-2420'	165		70	10	10	10	NF	CLYST: Med dk gy, Dk gy, min Oliv blk, ea, blk/sub blk, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md dk gy, Oliv gy, occ Med gy, f - vf gr Qtz sa-sr, w srted, arg mtx, fri/sl fri, calc cmt, w/gn & dk frag inc, p vis por. SD: Wh Hy, trans,, f-vf, gr Qtz sa/sr, w srted. TG: 7.57u; C1: 722; C2: 11; C3: 6;
2420'-2570'	158		30		60	10	10-NF	CLYST: Med dk gy, Dk gy, min Oliv blk, ea, blk/sub blk, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srted, fri/sl fri, calc cmt, w/gn & dk frag inc, fr vis por. SD: Wh Hy, trans,, f-vf, gr Qtz sa/sr, w srted. TG: 15.27u; C1: 1334; C2: 37; C3: 31; C4: 5; C5: 2
2570'-3140'	115		90	10			NF	CLYST: Med dk gy, Brn'sh gy, occ Oliv blk, ea, blk/sub blk, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. TG: 17.89u; C1: 1676; C2: 24; C3: 11; C4: 2; C5: 1,

Micropaleontology:

Interval	Determination	Formation
1880'-2300'	Very poor	Chacra
2300'-2600'	Poor to very poor	Chacra
2600'-2780'	Abundant	Chacra

Surveys:

Depth (ft)	Incl (deg)	Azimuth (deg)	TVD (ft)	VSS (ft)	HD (ft)	NS (ft)	EW (ft)
3008.00	33.70	253.10	2741.54	-2691.54	1016.10	-230.86	-990.85

FORMATION: CHACRA Fm. @ 1700' MD (-1591' VSS)

MW: 10.1 ppg **VISC:** 47 sec **FIL:** 8.0 ml

WELL COST:

AFE (\$):	5'402,740
Daily (\$):	113,446
Cumulated (\$):	2'078,361

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 19th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	3736' at 00 hrs.	15	794'	13 3/8" Csg @1894'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Directional drill from 3170' to 3736'. Circulate, made short trip to 1894' without problems.

PO: RIH to bottom without problems; drilled (rotating and sliding) from 3736' to 3880'.

Next: Drill ahead 12 1/4" hole.

Lithology

Interval Feet	ROP ft/hr	Dol %	Clyst %	Slst %	Sst %	Sd %	Fluor %	Description
3140'-3290'	82		90	10			NF	CLYST: Med dk gy, Dk gy, min Oliv blk, ea, blk/sub blk, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. TG: 12.06u; C1: 1107; C2: 19; C3: 8; C4: 2; C5: 2,
3290'-3320'	70		60	10	20	10	NF	CLYST: Med dk gy, Dk gy, min Oliv blk, ea, blk/sub blk, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srted, fri/sl fri, calc cmt, w/gn & dk frag inc, fr vis por. SD: Wh Hy, trans,, f-vf, gr Qtz sa/sr, w srted. TG: 27.22u; C1: 2563; C2: 39; C3: 16; C4: 2; C5: 2
3320'-3740'	104		80	20			NF	CLYST: Med dk gy, Brn'sh gy, occ Oliv blk, ea, blk/sub blk, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. TG: 24.05u; C1: 2239; C2: 40; C3: 18; C4: 3; C5: 1,
3740'-3830'	64		40	20	10	30	NF	CLYST: Med dk gy, Brn'sh gy, occ Oliv blk, ea, blk/sub blk, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srted, fri/sl fri, calc cmt, w/gn & dk frag inc, fr vis por. SD: Wh Hy, trans,, 50% f-50% vf, trc m, gr Qtz sa/sr, w srted. TG: 7.76u; C1: 680; C2: 14; C3: 9; C4: 2; C5: 1,

Micropaleontology:

Interval	Determination	Formation
2780'-2960'	Common to abdt	Chacra
2960'-3200'	Poor to very poor	Chacra
3200'-3740'	Cc vp to p w/Pg Rwk vp	Chacra

Surveys:

Depth (ft)	Incl (deg)	Azimuth (deg)	TVD (ft)	VSS (ft)	HD (ft)	NS (ft)	EW (ft)
3767.00	33.90	252.70	3375.55	-3325.55	1433.14	-358.49	-1388.10

FORMATION: Poss. Rio Bravo Fm. @ 3740' MD (-3303' VSS)

MW: 10.3 ppg **VISC:** 52 sec **FIL:** 8.0 ml

WELL COST:

AFE (\$):	5'402,740
Daily (\$):	75,764
Cumulated (\$):	2'154,125

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 20th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	4244' at 00 hrs.	16	508'	13 3/8" Csg @1894'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Directional drill from 3736' to 4377'.

PO: Drilling 12 1/4" hole at 4377 ft.

Next: Drill ahead 12 1/4" hole.

Lithology

Interval Feet	ROP ft/hr	Dol %	Clyst %	Slst %	Sst %	Sd %	Fluor %	Description
3830'-3920'	61		30	20	10	40	NF	CLYST: Med dk gy, Brn'sh gy, occ Oliv blk, ea, blkly/sub blkly, mod sft-sft, occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blkly, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srtd, fri/sl fri, calc cmt, w/gn & dk frag inc, p vis por. SD: Wh Hy, trans., 50% f-50% vf, trc m, gr Qtz sa/sr, w srtd. TG: 9.96u; C1: 895; C2: 21; C3: 8; C4: 2; C5: 1,
3920'-4130'	54		40	40	20		NF	CLYST: Med dk gy, Dk gy, min Oliv blk, ea, blkly/sub blkly, mod sft-sft, occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blkly, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srtd, fri/sl fri, calc cmt, w/gn & dk frag inc, p vis por. TG: 9.15u; C1: 817; C2: 20; C3: 7; C4: 2; C5: 2
4130'-4340'	42		10	20	20	50	10-35	CLYST: Med dk gy, Dk gy, occ Oliv blk, ea, blkly/sub blkly, mod sft-sft, occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blkly, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srtd, fri/sl fri, calc cmt, w/gn & dk frag inc, fr vis por. SD: Wh Hy, trans., 60% f-40% vf, trc m, gr Qtz sa/sr, w srtd. Fluorescence: 10% -35% pin point pale yellow natural fluor, slow, weak, pale, even, yellowish white cut fluor, milky white residual ring under U.V. light; non residual ring at natural light. TG: 24.88u; C1: 1845; C2: 82; C3: 71; C4: 25; C5: 9,

Micropaleontology:

Interval	Determination	Formation
3740'-3860'	Cc vp w/Pg Rwk vp	Rio Bravo
3860'-4100'	Barren	Rio Bravo

Surveys:

Depth (ft)	Incl (deg)	Azimuth (deg)	TVD (ft)	VSS (ft)	HD (ft)	NS (ft)	EW (ft)
4241.00	33.10	251.50	3769.15	-3719.15	1697.09	-439.55	-1639.44.

FORMATION: Rio Bravo Fm. @ 3740' MD (-3303' VSS)

MW: 10.5 ppg **VISC:** 49 sec **FIL:** 8.0 ml

WELL COST:

AFE (\$):	5'402,740
Daily (\$):	70,974
Cumulated (\$):	2'225,099

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/vd
EMB..... December 20 (12) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 21th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	4408' at 00 hrs.	17	164'	13 3/8" Csg @1894'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Pooh to surface by change MWD battery and inspection bit. M/U new 12 1/4" PDC bit with new PDM and new battery for MWD. Rih to 1894ft (Casing shoe). Circulate. Continue RIH and set hard at 3850 ft. Circulate. Reaming and washing down to 4000 ft. At 24:00 hrs, Trip in progress.

PO: Drilling 12 1/4" hole at 4545 ft.

Next: Drill ahead 12 1/4" hole.

Lithology:

Interval Feet	ROP ft/hr	DoI %	Clyst %	Sltst %	Sst %	Sd %	Fluor %	Description
4340'-4370'	34		20		20	60	10	CLYST: Med dk gy, Brn'sh gy, occ Oliv blk, ea, blk/sub blk, mod sft-sft, occ frm, slty in pt, mic mic, mic carb, non calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srted, fri/sl fri, calc cmt, w/gn & dk frag inc, fr vis por. SD: Wh Hy, trans., 60% f-40% vf, trc m, gr Qtz sa/sr, w srted. Fluorescence: 10% pin point pale yellow natural fluor, slow, weak, pale, even, yellowish white cut fluor, milky white residual ring under U.V. light; non residual ring at natural light. TG: 9.65u; C1: 816; C2: 22; C3: 16; C4: 6; C5: 2,
4370'-4490'	58		20	20	30	30	NF	CLYST: Med dk gy, Dk gy, min Oliv blk, ea, blk/sub blk, mod sft- sft, occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srted, fri/sl fri, calc cmt, w/gn & dk frag inc, p vis por. SD: Wh Hy, trans., 60% f-40% vf, trc m, gr Qtz sa/sr, w srted. TG: 11.50u; C1: 1023; C2: 22; C3: 11; C4: 3; C5: 2

Micropaleontology:

Interval	Determination	Formation
4100'-4400'	Barren	Rio Bravo

Surveys:

Depth (ft)	Incl (deg)	Azimuth (deg)	TVD (ft)	VSS (ft)	HD (ft)	NS (ft)	EW (ft)
4431.00	34.00	251.30	3928.09	-3878.09	1801.12	-471.81	-1738.42

FORMATION: Rio Bravo Fm. @ 3740' MD (-3303' VSS)

MW: 10.5 ppg **VISC:** 48 sec **FIL:** 8.0 ml

WELL COST:

AFE (\$): 5'402,740
Daily (\$): 63,773
Cumulated (\$): 2'288,872

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/vd

EMB..... December 21 (13) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 22, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	4408' at 00 hrs.	18	586'	13 3/8" Csg @1894'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Directional drill rotate from 4545' to 5250'.

PO: Drilling 12 1/4" hole at 5250 ft. in Rio Bravo Fm.

Next: Drill ahead 12 1/4" directional hole.

Lithology:

Interval Feet	ROP ft/hr	Dol %	Clyst %	Slst %	Sst %	Sd %	Fluor %	Description
4490'-4670'	49		50	30	20		NF	CLYST: Med dk gy, Brn'sh gy, occ Oliv blk, ea, blk/sub blk, mod sft-sft, occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srted, fri/sl fri, calc cmt, w/gn & dk frag inc, fr vis por. TG: 9.66u; C1: 857; C2: 20; C3: 10; C4: 2; C5: 2,
4670'-4730'	39		20	20	30	30	20-Tr	CLYST: Med dk gy, Dk gy, min Oliv blk, ea, blk/sub blk, mod sft-sft, occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srted, fri/sl fri, calc cmt, w/gn & dk frag inc, p vis por. SD: Wh Hy, trans., 60% f-40% vf, trc m, gr Qtz sa/sr, w srted. Fluorescence: 20% pin point pale yellow natural fluor, slow, weak, pale, even, yellowish white cut fluor, milky white residual ring under U.V. light; non residual ring at natural light. TG: 4.52u; C1: 368; C2: 11; C3: 6; C4: 2; C5: 2
4730'-5080'	47		50	20	10	20	NF	CLYST: Med dk gy, Brn'sh gy, occ Oliv blk, ea, blk/sub blk, mod sft-sft, occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srted, fri/sl fri, calc cmt, w/gn & dk frag inc, fr vis por. SD: Wh Hy, trans., 60% f-40% vf, gr Qtz sa/sr, w srted. TG: 4.65u; C1: 402; C2: 7; C3: 3; C4: 1; C5: 2,
5080'-5200'	67		30	10	30	30	NF	CLYST: Med dk gy, Brn'sh gy, occ Oliv blk, ea, blk/sub blk, mod sft-sft, occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srted, fri/sl fri, calc cmt, w/gn & dk frag inc, fr vis por. SD: Wh Hy, trans., 60% f-40% vf, gr Qtz sa/sr, w srted. TG: 10.72u; C1: 991; C2: 12; C3: 6; C4: 1; C5: 2,

Micropaleontology:

Interval	Determination	Formation
4520'-4880'	Barren	Rio Bravo

Surveys:

Depth (ft)	Incl (deg)	Azimuth (deg)	TVD (ft)	VSS (ft)	HD (ft)	NS (ft)	EW (ft)
5095.00	31.70	251.40	4483.84	-4433.84	2163.87	-588.29	-2082.38

FORMATION: Rio Bravo Fm. @ 3740' MD (-3303' VSS)

MW: 10.6 ppg

VISC: 46 sec

FIL: 8.0 ml

WELL COST:

AFE (\$): 5'402,740

Daily (\$): 104,477

Cumulated (\$): 2'393,349

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/vD

VD..... December 22 (14) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 23, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	5898' at 00 hrs.	19	904'	13 3/8" Csg @1894'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Directional drill rotate from 5250' to 5898'. Circulate. POOH 12 1/4" PDC bit with dir BHA.
PO: L/D 12 1/4" PDC bit.

Next: MU & RIH Slick BKA with Tricone bit, circulate, POOH slick BHA. Run 9 5/8" csg.

Lithology:

Interval Feet	ROP ft/hr	Dol %	Clyst %	Sltst %	Sst %	Sd %	Fluor %	Description
5200'-5500'	77		60	10	10	20	NF	CLYST: Med dk gy, Brn'sh gy, occ Oliv blk, ea, blk/sub blk, mod sft-sft, occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srted, fri/sl fri, calc cmt, w/gn & dk frag inc, p vis por. SD: Wh Hy, trans., 60% f-40% vf, trc m, gr Qtz sa/sr, w srted. TG: 14.33u; C1: 1350; C2: 12; C3: 6; C4: 2; C5: 1,
5500'-5810'	111		80	20			NF	CLYST: Med dk gy, Dk gy, min Oliv blk, ea, blk/sub blk, mod sft-sft, occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. TG: 11.20u; C1: 1036; C2: 13; C3: 6; C4: 2; C5: 2
5810'-5899'	64		20	10	10	60	NF	CLYST: Med dk gy, Dk gy, occ Gy'sh blk, ea, blk/sub blk, mod frm-frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srted, fri/sl fri, calc cmt, w/gn & dk frag inc, p vis por. SD: Wh Hy, trans., 50% f-50% vf, gr Qtz sa/sr, w srted. TG: 9.45u; C1: 847; C2: 17; C3: 8; C4: 1; C5: 2,

Micropaleontology:

Interval	Determination	Formation
4880'-5480'	Barren	Rio Bravo
5480'-5840'	Pg fauna vp	Palegreda
5840'-5899'	Barren	Mogollon

Surveys:

Depth (ft)	Incl (deg)	Azimuth (deg)	TVD (ft)	VSS (ft)	HD (ft)	NS (ft)	EW (ft)
5830.00	30.50	254.00	5115.30	-5065.30	2539.88	-706.07	-2442.53

FORMATION: PALEGREDA Fm. @ 5500' MD (-4781' VSS) MOGOLLON Fm. @ 5810' MD (5048' VSS)

MW: 10.7 ppg **VISC:** 45 sec **FIL:** 8.0 ml

WELL COST:

AFE (\$): 5'402,740

Daily (\$): 75,223

Cumulated (\$): 2'468,572

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 24th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	5898' at 00 hrs.	20	---	13 3/8" Csg @1894'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: M/U 12 1/4" tricone bit and slick BHA, RIH, restrictions at 4240', worked string reaming and cleaning from 4200' to 4290', RIH to bottom (5898'), conditioned hole, POOH with circulation and rotation from 5898' to 5500' (tight hole), POOH to 3600', RIH to bottom, increased MW to 10.8 ppg, POOH to 4200' (normal drag).

PO: POOH slick BHA at 4200'.

Next: POOH slick BHA to surface, Run 9 5/8" csg, cement job, WOC.

FORMATION: MOGOLLON Fm. @ 5810' MD (-5048' VSS)

MW: 10.8 ppg **VISC:** 48 sec **FIL:** 8.0 ml

WELL COST:

AFE (\$): 5'402,740
Daily (\$): 60,936
Cumulated (\$): 2'529,508

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 25th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	5898' at 00 hrs.	21	---	13 3/8" Csg @1894'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: POOH to 1788', waited on mechanics and crane cable to tender crane, RIH to 5898', conditioned hole, POOH to surface, R/U csg tools, Run 9 5/8" csg.

PO: Running 9 5/8" csg at 192'.

Next: Finish run 9 5/8" csg, cement job, WOC.

FORMATION: MOGOLLON Fm. @ 5810' MD (-5048' VSS)

MW: 10.8 ppg **VISC:** 46 sec **FIL:** 8.0 ml

WELL COST:

AFE (\$): 5'402,740
Daily (\$): 47,322
Cumulated (\$): 2'576,830

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/FPA

FPA..... December 25 (17) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 26th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	5898' at 00 hrs.	22	---	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Ran 9 5/8" csg to 5898', M/U cement lines, performed cement job, WOC.

PO: Cutting 9 5/8" csg.

Next: Install csg head, N/U 13 3/8" BOP, M/U directional BHA.

FORMATION: MOGOLLON Fm. @ 5810' MD (-5048' VSS)

MW: 10.8 ppg **VISC:** 46 sec **FIL:** 8.0 ml

WELL COST:

AFE (\$):	5'402,740
Daily (\$):	262,894
Cumulated (\$):	2'839,724

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/FPA

FPA..... December 26 (18) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 27th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	5898' at 00 hrs.	23	---	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: M/U BOP. BOP test. M/U new BHA directional with 8 ½ " PDC bit.

PO: M/U dir. BHA w/ 8 1/2" PDC bit.

Next: P7U & M/U 5" DP 7 stands. RIH with 8 1/2" PDC bit with directional BHA to drilling ahead

FORMATION: MOGOLLON Fm. @ 5810' MD (-5048' VSS)

MW: 10.8 ppg **VISC:** 45 sec **FIL:** 8.0 ml

WELL COST:

AFE (\$):	5'402,740
Daily (\$):	98,819
Cumulated (\$):	2'938,543

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/CMC

CMC..... December 27 (19) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 28th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	5898' at 00 hrs.	24	---	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Install MWD tool & continue RIH from 300' to 5802' (TOC). Drillout from 5802' to 5870'. Circulate at 5870'. Perform CIT w/1500 psi by 10 min, ok. Drillout cement from 5870' to 5885' (9 5/8" csg shoes). Circulate. Continue rotary drilling new formation from 5885' to 5983'.

PO: Rotary drilling at 5983 ft.

Next: Directional drilling ahead.

Remark: No sample gas due chromatograph problems.

Lithology

Interval Feet	ROP ft/hr	Dol %	Clyst %	Sltst %	Sst %	Sd %	Fluor %	Description
5899'-5960'			20	10	30	40	NF-20	CLYST: Med dk gy, Dk gy, occ Oliv gy, ea, blk/sub blk, mod sft- sft, occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Dk gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md lt gy, Lt gy, f - vf gr Qtz sa-sr, w srtd, fri/sl fri, abdt calc cmt in pt, occ mod consol, w/dk min inc, p to fr vis por. SD: Wh Hy, trans., 50% f-50% vf, trc m, gr Qtz sa/sr, w srtd. Fluorescence: 5% -20% pin point yellowish white natural fluor, slow, weak, pale, even, yellowish white cut fluor, milky white residual ring under U.V. light; non residual ring at natural light. TG: ; C1: ; C2: ; C3: ; C4: ; C5:

FORMATION: MOGOLLON Fm. @ 5810' MD (-5048' VSS)

MW: 10.7 ppg **VISC:** 48 sec **FIL:** 5.0 ml

WELL COST:

AFE (\$): 5'402,740
Daily (\$): 100,642
Cumulated (\$): 3'039,185

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 29th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	6737' at 00 hrs.	25	839'	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Drilling rotating & sliding from 5983' to 6926'.

PO: Drilling sliding at 6926 ft.

Next: Continue drilling ahead.

Remark: No sample gas due chromatograph problems.

Lithology

Interval Feet	ROP ft/hr	Dol %	Clyst %	Slst %	Sst %	Sd %	Fluor %	Description
5960'-6660'			30	10	40	20	NF-50	CLYST: Med dk gy, Dk gy, occ Oliv gy, ea, blk/sub blk, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Dk gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md lt gy, Lt gy, f - vf gr Qtz sa-sr, w srted, fri/sl fri, abdt calc cmt in pt, occ mod consol, w/dk min inc, p to fr vis por. SD: Wh Hy, trans., 50% f-50% vf, trc m, gr Qtz sa/sr, w srted. Fluorescence: 10% -50% pin point yellowish white natural fluor, slow, weak, pale, even, yellowish white cut fluor, milky white residual ring under U.V. light; non residual ring at natural light. TG: ; C1: ; C2: ; C3: ; C4: ; C5:
6660'-6720'			20	10	10	60	NF	CLYST: Med dk gy, Dk gy, occ Oliv gy, ea, blk/sub blk, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Dk gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md lt gy, Lt gy, f - vf gr Qtz sa-sr, w srted, fri/sl fri, abdt calc cmt in pt, occ mod consol, w/dk min inc, p to fr vis por. SD: Wh Hy, trans., 50% f-50% vf, trc m, gr Qtz sa/sr, w srted. TG: ; C1: ; C2: ; C3: ; C4: ; C5:
6720'-6850'			90	10			NF	CLYST: Med dk gy, Dk gy, occ Oliv gy, ea, blk/sub blk, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Dk gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. TG: ; C1: ; C2: ; C3: ; C4: ; C5:
6850'-6920'			30	10	10	50	NF	CLYST: Med dk gy, Dk gy, occ Oliv gy, ea, blk/sub blk, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Dk gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md lt gy, Lt gy, f - vf gr Qtz sa-sr, w srted, fri/sl fri, abdt calc cmt in pt, occ mod consol, w/dk min inc, p to fr vis por. SD: Wh Hy, trans., 60% f-30% vf, 10% m, gr Qtz sa/sr, w srted. TG: ; C1: ; C2: ; C3: ; C4: ; C5:

Micropaleontology:

Interval
5899'-6670'

Determination
Barren

Formation
Mogollon

Surveys:

Depth (ft)	Incl (deg)	Azimuth (deg)	TVD (ft)	VSS (ft)	HD (ft)	NS (ft)	EW (ft)
6850.00	17.60	247.90	6041.39	-5991.39	2959.99	-829.63	-2841.39

FORMATION: MOGOLLON Fm. @ 5810' MD (-5048' VSS)

MW: 10.9 ppg **VISC:** 49 sec **FIL:** 5.0 ml

WELL COST:

AFE (\$): *5'402,740*

Daily (\$): *97,065*

Cumulated (\$): *3'136,250*

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/CMC

CMC..... December 29 (21) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 30th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	7569' at 00 hrs.	26	832'	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Drilling rotating & sliding from 6926' to 7680'.

PO: Drilling sliding at 7680 ft.

Next: Continue drilling ahead up to UBS formation top, perform short trip to hole calibrate.

Remark: Chromatograph operating from 6:30pm. (Dec 29, 2012).

Lithology

Interval Feet	ROP ft/hr	Dol %	Clyst %	Sltst %	Sst %	Sd %	Fluor %	Description
6920'-7670'	43		100				NF	CLYST: Med dk gy, Dk gy, occ Oliv gy, ea, blk/sub blk, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. TG: 7.76u ; C1: 500; C2: 29 ; C3: 19 ; C4: 10 ; C5: 13

Micropaleontology:

Interval	Determination	Formation
6670'-6910'	Barren	Mogollon
6910'-7390'	Pg/Sn fauna vp to p	San cristobal

Surveys:

Depth (ft)	Incl (deg)	Azimuth (deg)	TVD (ft)	VSS (ft)	HD (ft)	NS (ft)	EW (ft)
7609.00	8.60	241.20	6781.45	-6731.45	3124.19	-886.04	-2996.03

FORMATION: SAN CRISTOBAL Fm. @ 6910' MD (-6048' VSS)

MW: 11.8 ppg **VISC:** 54 sec **FIL:** 5.0 ml

WELL COST:

AFE (\$):	5'402,740
Daily (\$):	89,969
Cumulated (\$):	3'226,219

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: December 31th, 2012

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	7854' at 00 hrs.	27	285'	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Drilling rotating & sliding from 7680' to 7792'. Short trip. RIH. Drilling rotating & sliding from 7792' to 7977'

PO: Drilling sliding at 7977 ft.

Next: Continue drilling ahead.

Lithology

Interval Feet	ROP ft/hr	Dol %	Clyst %	Sltst %	Sst %	Sd %	Fluor %	Description
7670'-7950'	66		100				NF	CLYST: Med dk gy, Dk gy, occ Brn'sh gy, Blck, ea, blkly/sub blkly, mod sft- sft, occ frm, slty in pt, mic mic, mic carb, non calc. TG: 14.85u ; C1: 1324; C2: 25 ; C3: 13 ; C4: 5.4 ; C5: 3

Micropaleontology:

Interval	Determination	Formation
7390'-7630'	Pg/Sn fauna p to abdt	San cristobal
7630'-7790'	Pg/Sn fauna abdt w/Balc Rwk vp	San cristobal

Surveys:

Depth (ft)	Incl (deg)	Azimuth (deg)	TVD (ft)	VSS (ft)	HD (ft)	NS (ft)	EW (ft)
7893.00	4.70	230.30	7063.42	-7013.42	3156.02	-903.72	-3024.06

FORMATION: SAN CRISTOBAL Fm. @ 6910' MD (-6048' VSS)

MW: 11.8 ppg **VISC:** 54 sec **FIL:** 5.0 ml

WELL COST:

AFE (\$):	5'402,740
Daily (\$):	76,540
Cumulated (\$):	3'302,759

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/CMC
CMC..... December 31 (23) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: January 01th, 2013

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	8423' at 00 hrs.	28	569'	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Drilling rotating & sliding from 7792' to 8613'.

PO: Drilling rotary at 8613 ft.

Next: Continue drilling ahead.

Lithology

Interval Feet	ROP ft/hr	Dol %	Clyst %	Sltst %	Sst %	Sd %	Fluor %	Description
7950'-8160'	39		100				NF	CLYST: Med dk gy, Dk gy, occ Brn'sh gy, Blck, ea, blkly/sub blkly, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. TG: 10.08u ; C1: 966; C2: 12 ; C3: 4 ; C4: 2 ;
8160'-8210'	36		80		20		NF	CLYST: Med dk gy, Dk gy, min Oliv blk, ea, blkly/sub blkly, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srted, fri/sl fri, calc cmt, w/gn & dk frag inc, p vis por. TG: 14.34u; C1: 1378; C2: 16; C3: 6; C4: 2;
8210'-8580'	40		100				NF	CLYST: Med dk gy, Dk gy, occ Gy'sh blk, ea, blkly/sub blkly, mod frm-frm , slty in pt, mic mic, mic carb, non calc. TG: 9.41u; C1: 896; C2: 11; C3: 5; C4: 3;

Micropaleontology:

Interval	Determination	Formation
7790'-8080'	Pg/Sn fauna c to p w/Balc Rwk vp	San cristobal
8080'-8220'	Pg/Sn fauna vp	San cristobal
8220'-8280'	Pg/Sn fauna abdt w/Balc Rwk vp	San Cristobal

Surveys:

Depth (ft)	Incl (deg)	Azimuth (deg)	TVD (ft)	VSS (ft)	HD (ft)	NS (ft)	EW (ft)
8463.00	4.50	234.70	7632.35	-7582.35	3189.00	-921.89	-3053.17

FORMATION: SAN CRISTOBAL Fm. @ 6910' MD (-6048' VSS)

MW: 11.8 ppg

VISC: 52 sec

FIL: 5.0 ml

WELL COST:

<i>AFE (\$):</i>	<i>5'402,740</i>
<i>Daily (\$):</i>	<i>78,302</i>
<i>Cumulated (\$):</i>	<i>3'381,061</i>

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/CMC

CMC..... January 01 (24) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: January 02nd, 2013

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	8994' at 00 hrs.	29	571'	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Drilling rotating & sliding from 8613' to 8994'. Mud loss was observed 50 bbl, Mud Engineers condition mud system with bridge materials. Perform short trip. POOH 8 1/2" directional BHA from 8993 ft to 7700 ft, with back reaming. RIH from 7700' to 8994'. Circulate. Drill rotating from 8994' to 9070'.

PO: Drilling rotary at 9070 ft.

Next: Continue drilling ahead.

Lithology

Interval Feet	ROP ft/hr	Dol %	Clyst %	Slst %	Sst %	Sd %	Fluor %	Description
8580'-8670'	46		100				NF	CLYST: Med dk gy, Dk gy, occ Brn'sh gy, Blck, ea, blkly/sub blkly, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. TG: 17.39u ; C1: 1780; C2: 18 ; C3: 6 ; C4: 2 ;
8670'-8860'	43		70	20	10		NF	CLYST: Med dk gy, Dk gy, min Oliv blk, ea, blkly/sub blkly, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blkly, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srtd, fri/sl fri, calc cmt, w/gn & dk frag inc, p vis por. TG: 10.84u; C1: 1043; C2: 13; C3: 4; C4: 1;
8860'-8990'	34		30		40	30	NF	CLYST: Med dk gy, Dk gy, occ Gy'sh blk, ea, blkly/sub blkly, mod frm-frm , slty in pt, mic mic, mic carb, non calc. SST: Med gy, Med dk gy, occ med lt gy, vf - v gr Qtz sa-sr, w srtd, fri-mod fri, arg mt, calc cmt, w/dk min & glauc inc, p vis por. SD: Wh Hy, trans., 60%f, 30%vf, 10% m, gr Qtz sa/sr, w srtd. TG: 8.28u; C1: 794; C2: 11; C3: 3; C4: 1;
8990'-9030'	21		60	10	10	20	NF	CLYST: Med dk gy, Dk gy, occ Gy'sh blk, ea, blkly/sub blkly, mod frm-frm , slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blkly, sub tab, mod frm, mic mic, mic carb, sl calc. SST: Med gy, Med dk gy, occ med lt gy, vf - v gr Qtz sa-sr, w srtd, fri-mod fri, arg mt, calc cmt, w/dk min & glauc inc, p vis por. SD: Wh Hy, trans., 60%f, 40%vf, tr m, gr Qtz sa/sr, w srtd. TG: 10.72u; C1: 1002; C2: 15; C3: 6; C4: 4;

Micropaleontology:

Interval
8280'-8860'
8860'-8980'

Determination
Pg/Sn fauna c to abdt w/Balc Rwk vp
Barren

Formation
San cristobal
Basal Salina

Surveys:

Depth (ft)	Incl (deg)	Azimuth (deg)	TVD (ft)	VSS (ft)	HD (ft)	NS (ft)	EW (ft)
8937.00	6.60	219.30	8104.22	-8054.22	3228.07	-952.97	-3084.90

FORMATION: UPP. BASAL SALINA Fm. @ 8870' MD (-7988' VSS)

MW: 11.8 ppg **VISC:** 50 sec **FIL:** 4.8 ml

WELL COST:

AFE (\$): *5'402,740*

Daily (\$): *79,803*

Cumulated (\$): *3'460,864*

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/CMC

CMC..... January 02 (25) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: January 03rd, 2013

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	9420' at 00 hrs.	30	426'	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Drill rotating from 9070' to 9561'.

PO: Drilling rotary at 9561 ft.

Next: Continue drilling ahead to 9800'.

Lithology

Interval Feet	ROP ft/hr	Dol %	Clyst %	Sltst %	Sst %	Sd %	Fluor %	Description
9030'-9270'	25		90	10			NF	CLYST: Med dk gy, Dk gy, occ Brn'sh gy, Blck, ea, blk/sub blk, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. TG: 8.38u ; C1: 800; C2: 11 ; C3: 4 ; C4: 1 ;
9270'-9400'	28		60	10	30		NF	CLYST: Med dk gy, Dk gy, min Oliv blk, ea, blk/sub blk, mod sft- sft , occ frm, slty in pt, mic mic, mic carb, non calc. SLTST: Md dk gy, Md gy, ea, sub blk, sub tab, mod frm, mic mic, mic carb, sl calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srted, fri/sl fri, calc cmt, w/gn & dk frag inc, p vis por. TG: 9.38u; C1: 905; C2: 10; C3: 3; C4: 1;
9400'-9560'	41		90		10		NF	CLYST: Med dk gy, Dk gy, occ Gy'sh blk, ea, blk/sub blk, mod frm-frm , slty in pt, mic mic, mic carb, non calc. SST: Med gy, Med dk gy, occ med lt gy, vf - v gr Qtz sa-sr, w srted, fri-mod fri, arg mtx, calc cmt, w/dk min & glauc inc, p vis por. TG: 9.03u; C1: 870; C2: 11; C3: 3; C4: 1;

Micropaleontology:

Interval	Determination	Formation
8980'-9100'	Barren	Basal Salina
9100'-9340'	Pg/Sn fauna vp w/Balc Rwk vp	Basal Salina

Surveys:

Depth (ft)	Incl (deg)	Azimuth (deg)	TVD (ft)	VSS (ft)	HD (ft)	NS (ft)	EW (ft)
9506.00	6.40	199.00	8669.78	-8619.78	3274.02	-1005.91	-3117.52

FORMATION: UPP. BASAL SALINA Fm. @ 8870' MD (-7988' VSS)

MW: 11.8 ppg

VISC: 53 sec

FIL: 4.8 ml

WELL COST:

<i>AFE (\$):</i>	<i>5'402,740</i>
<i>Daily (\$):</i>	<i>98,785</i>
<i>Cumulated (\$):</i>	<i>3'559,649</i>

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/CMC
CMC..... January 02 (25) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: January 04th, 2013

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	9800' at 00 hrs.	31	380'	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9607'

24 Hours Summary: Drill rotating from 9561' to 9800'. Circulated on bottom hole. POOH with circulation and rotation from 9800' to 6600'.

PO: POOH 8 1/2" directional BHA to 6600 ft.

Next: Finish POOH and L/D directional BHA and RIH 8 1/2" slick BHA.

Lithology

Interval Feet	ROP ft/hr	Dol %	Clyst %	Sltst %	Sst %	Sd %	Fluor %	Description
9560'-9680'	30		90		10		NF	CLYST: Med dk gy, Dk gy, occ Brn'sh gy, ea, blk/sub blk, mod sft- sft, occ frm, slty in pt, mic mic, mic carb, non calc. Sst: Md dk gy, Med gy, f - vf gr Qtz sa-sr, w srtd, fri/sl fri, calc cmt, w/gn & dk frag inc, p vis por. TG: 9.81u ; C1: 944; C2: 14 ; C3: 3 ; C4: 1 ;
9680'-9800'	35		100				NF	CLYST: Dk gy, Med Dk gy, mnr gn'sh blk, ea, blk/sub blk, mod frm-frm, occ v frm, slty in pt, mic mic, mic carb, non calc. TG: 7.43u; C1: 713; C2: 10; C3: 3; C4: 1;

Micropaleontology:

Interval	Determination	Formation
9340'-9680'	Pg/Sn fauna vp w/Balc Rwk vp	Basal Salina
9680'-9800'	Balcones fauna vp	Balcones

Surveys:

Depth (ft)	Incl (deg)	Azimuth (deg)	TVD (ft)	VSS (ft)	HD (ft)	NS (ft)	EW (ft)
9800.00	7.41	188.95	8961.60	-8911.60	3290.84	-1040.79	-3125.01

FORMATION: BALCONES Fm. @ 9685' MD (-8798' VSS)

MW: 11.8 ppg **VISC:** 52 sec **FIL:** 4.8 ml

WELL COST:

<i>AFE (\$):</i>	<i>5'402,740</i>
<i>Daily (\$):</i>	<i>74,656</i>
<i>Cumulated (\$):</i>	<i>3'634,305</i>

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/CMC

CMC..... January 04 (27) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: January 05th, 2013

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	9800' at 00 hrs.	32	---	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9800'

24 Hours Summary: Continue POOH with circulation and rotation from 6000' to surface. M/U BHA of clean with tricone bit + RIH BHA of clean from surface to 5804' + circulated. Cut off drilling line. Continue RIH BHA of clean from 5804' to 8963'. RIH BHA of clean with rotation and circulation from 8963' to 9754' + pumped pill + circulated. POOH BHA of clean from 9754' to 8000'.

PO: POOH 8 1/2" Slick BHA to 8000 ft.

Next: Finish L/D 8 1/2" slick BHA, Run WTF logging tools, run 5.5" csg.

FORMATION: BALCONES Fm. @ 9685' MD (-8798' VSS)

MW: 11.8 ppg **VISC:** 50 sec **FIL:** 4.8 ml

WELL COST:

AFE (\$):	5'402,740
Daily (\$):	74,631
Cumulated (\$):	3'708,936

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/CMC
CMC..... January 05 (28) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: January 06th, 2013

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	9800' at 00 hrs.	33	---	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9800'

24 Hours Summary: Continue POOH 8 1/2" slick BHA from 7200 ft 5800 ft to surface and L/D slick BHA. Pepesa crew L/D belt nipple & flowline sleeve. R/U 13 5/8" flange and install lubricator. WTF crew R/U equipments. RIH to 6000 ft and log from 6000 ft to 5800 ft, correlate depth, calibrate and check tools. RIH logging tools from 6000 ft and tag at 7160 ft, attempted several times to pass without success. WTF begin log from 7160 ft to 5887 ft & continue POOH logging tool to surface. L/D WFT logging tools & lubricator. M/U & RIH 8 1/2" slick BHA to 4000'.

PO: RIH 8 1/2" Slick BHA to 4000 ft.

Next: Condition Hole with 8 1/2" slick BHA, Run WTF logging tools, run 5.5" csg.

FORMATION: BALCONES Fm. @ 9685' MD (-8798' VSS)

MW: 11.8 ppg **VISC:** 52 sec **FIL:** 4.8 ml

WELL COST:

AFE (\$):	5'402,740
Daily (\$):	72,450
Cumulated (\$):	3'781,386

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/CMC
CMC..... January 06 (29) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: January 07th, 2013

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	9800' at 00 hrs.	34	---	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9800'

24 Hours Summary: Continue RIH from 4000 ft to 8890 ft, work drilling string in several point with rotation & circulation. Circulate to displace 6500 units gas. Continue wash down from 8890 ft to 8940 ft, drilling strig tag at 8940 ft, At 9700 ft TGT Chromatograph record 8800 gas units, circulate to displace. Wash down from 9700 ft to 9800 ft. Circulate. Pump 40 bbl heavy viscosity pill, observed, pump pressure decrease gradually up to 1600 psi. POOH 8 1/2" slick BHA from 9800 ft to 8600 ft. RIH slick BHA from 8600' to 9800'. Circulate. POOH 8 1/2" slick BHA from 9800' to 7580'.

PO: Continue POOH 8 1/2" slick BHA to 7580 ft.

Next: Finish POOH & L/D 8 1/2" slick BHA, Run WTF logging tools, run 5.5" csg.

FORMATION: BALCONES Fm. @ 9685' MD (-8798' VSS)

MW: 11.8 ppg **VISC:** 57 sec **FIL:** 4.8 ml

WELL COST:

AFE (\$): 5'402,740
Daily (\$): 60,405
Cumulated (\$): 3'841,791

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/CMC

CMC..... January 07 (30) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: January 08th, 2013

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	9800' at 00 hrs.	35	---	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9800'

24 Hours Summary: Continue POOH 8 1/2" slick BHA from 9300 ft to surface. R/U 13 5/8" flange with 7 1/16" WTF adapter, install lubricator. M/U WTF logging tools on rig floor and run up to 7715 ft. At 7715 ft tag, attempted several times to pass without success. POOH logging tool to surface. WTF crew change logging tools configuration and run logging tools up to 7723 ft where tag, attempted several times and pass from 7715 ft to 7890 ft. WTF begin log from 7890 ft to 7715 ft & continue POOH logging tool to surface. L/D Logging tools, lubricator, pulleys and equipments. M/U & RIH 5" Mule Shoe, 5" DP to 2700 ft, previously run rabbit (2.6").

PO: RIH mule shoe and 5" DP to 2700 ft.

Next: RIH 5" DP to bottom and POOH at 7890 ft to run WTF logging tools. Run 5.5" csg.

FORMATION: BALCONES Fm. @ 9685' MD (-8798' VSS)

MW: 11.8 ppg **VISC:** 58 sec **FIL:** 4.8 ml

WELL COST:

AFE (\$): 5'402,740
Daily (\$): 40,332
Cumulated (\$): 3'882,123

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/CMC

CMC..... January 08 (31) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: January 09th, 2013

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	9800' at 00 hrs.	36	---	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9800'

24 Hours Summary: Circulate. POOH 5" DP from 9800 ft to 8475 ft . Connect 4 1/2" IF x 7 1/16" adapter to install lubricator. RIH WTF logging tools to 9785 ft & begin logging f/ 9785 ft to 9500 ft. Wireline drum stop due to problems w/ WTF Hydraulic generator logging cabin, attempts to repair the hydraulic generator of logging cabin, without success. WTF, Pepesa and ITS mechanics, continue attempt to repair the hydraulic generator of logging cabin, without success.

PO: Waiting WTF "T" to recover the wireline.

Next: Recover wireline of hole and wait other logging cabin and run logging tools. Run 5.5" csg.

FORMATION: BALCONES Fm. @ 9685' MD (-8798' VSS)

MW: 11.8 ppg **VISC:** 58 sec **FIL:** 4.8 ml

WELL COST:

AFE (\$): 5'402,740
Daily (\$): 42,778
Cumulated (\$): 3'924,901

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/CMC
CMC..... January 09 (32) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: January 10th, 2013

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	9800' at 00 hrs.	37	---	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9800'

24 Hours Summary: WTF, Pepesa and ITS mechanics, continue attempt to repair the hydraulic generator of logging cabin, without success. Arrive to location Ferreyros technician, review WTF generator and find a burned sensor and fuel pump inoperative. WTF & Pepesa organizes rig floor and install "T" to support logging wireline and WTF operator take tension and weight. WTF & Pepesa recover logging wireline from 9760 ft to 8900 ft, Pepesa organize logging wireline on platform.

PO: WTF & Pepesa recover logging wireline to 8900 ft.

Next: Finish Recover wireline and logging tools, condition hole and run 5.5" csg.

FORMATION: BALCONES Fm. @ 9685' MD (-8798' VSS)

MW: 11.8 ppg **VISC:** 57 sec **FIL:** 4.6 ml

WELL COST:

AFE (\$): 5'402,740
Daily (\$): 41,928
Cumulated (\$): 3'966,829

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/CMC
CMC..... January 10 (33) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: January 11th, 2013

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	9800' at 00 hrs.	38	---	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9800'

24 Hours Summary: Continue WTF & Pepesa recover wireline from 8900 ft to 5600 ft. Change maneuver to recover 175 ft of wireline by each run of TD. Continue WTF & Pepesa recover wireline from 5600 ft to surface. L/D logging tools, lubricator, pulleys and equipments. Circulate. Wash down from 8460 ft to 9800 ft .

PO: POOH 5" DP to 8850 ft.

Next: POOH 5" DP to surface and run 5.5" csg.

FORMATION: BALCONES Fm. @ 9685' MD (-8798' VSS)

MW: 11.8 ppg **VISC:** 56 sec **FIL:** 4.6 ml

WELL COST:

AFE (\$):	5'402,740
Daily (\$):	250,435
Cumulated (\$):	4'217,264

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/CMC

CMC..... January 11 (34) SAN MATTEO (LO6-26XD)



Z-2B BLOCK

EXPLORATORY WELL SAN MATTEO (LO6-26XD) - GEOLOGICAL REPORT

Date: January 12th, 2013

RIG	Total Depth	Drig Days	Progress	Last Casing	Objective	MD	FTD
P-40	9800' at 00 hrs.	39	---	9 5/8" Csg @ 5898'	Up. Basal Salina (sec) Lw. Basal Salina (main)	8016' 8600'	9800'

24 Hours Summary: POOH 5" DP from 9800 ft to 1000 ft, Pepesa crew cut and slip 120 ft 1 1/4" drilling lines. Continue POOH 5" DP from 1000 ft to surface, R/U ITS 5 1/2" csg running tools on rig floor. P/U & M/U 5.5" drillable csg float equipment, Run 155 jts 5.5" csg, at 5855 ft. Circulated. Co. ITS installed fill uptoooland spider elevator. Continue RIH 5.5" casing from 5855' to 8900'.

PO: Run 235 jts 5.5" csg, at 8900 ft.

Next: Cement job 5 1/2" csg, WOC, install section "C" of well head, RIH 2 7/8 tbg to change by wo fluid.

FORMATION: BALCONES Fm. @ 9685' MD (-8798' VSS)

MW: 11.8 ppg **VISC:** 53 sec **FIL:** 4.6 ml

WELL COST:

AFE (\$):	5'402,740
Daily (\$):	187,058
Cumulated (\$):	4'404,322

Cc/ JD,JSY,KR,RQ,PA,ChK,JFG,CH,JN,CV,EG,KV,EB,VD,HJ,ChH

PAM/CMC
CMC..... January 12 (35) SAN MATTEO (LO6-26XD)