



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

 Report for: 3/1/2011
 Report #: 29.0, DFS: 22.94
 Depth Progress: 0.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date 2/23/2011	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Calm	Temperature (°C) -39	Road Condition Good	Hole Condition Cased
Operations at 6 am Waiting on Daylight		Operations Next 24 hrs Haul remainder of rental loads and camp units to Norman Wells. Clean location	

24 hr Summary

Wait on Daylight. Wait on Mullen supervisors and bed trucks to load tractor trailers. Load and haul rig and rental loads. Rig down camp and wellsite units. Rig out all communications. Dig out and remove cellar cribbing. Cut and cap well at 1.1m. Cut mousehole and rathole. Weld on well identification sign. Backfill cellar with soil material from cuttings pit. Pull in sides on cuttings freeze pad and put dirty ice material on sump sides. Level out all snow and cuttings freeze pad.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	08:00	8.00	8.00	1	RIGUP & TEARDOWN	Wait on Daylight
08:00	20:00	12.00	20.00	1	RIGUP & TEARDOWN	Load out 11 tractor trailers. Rig down camp and remove all dry goods. Rig down last remaining wellsite unit.
20:00	00:00	4.00	24.00	1	RIGUP & TEARDOWN	Wait on Daylight

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	

String Components

Comment

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq

Casing Components

Set Depth (mKB)

 19.00
 407.00
 1,292.98
 407.00
 1,292.98
 407.00
 1,292.98
 407.00
 1,292.98
 1,292.98
 1,292.98
 1,292.98
 1,292.98

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 51,540.00	Cum Cost To Date 5,549,251.59
Daily Mud Cost	Mud Cum To Date 30,847.51
Depth Start (mKB) 1,300.00	Depth End (mKB) 1,300.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00

 Last Casing String
 Production, 1,292.98mKB

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm)	Stroke (mm) 216.0	Vol/Stk OR (m...)
Pres (kPa)	Slow Spd No	Strokes (s... Eff (%)

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm)	Stroke (mm) 216.0	Vol/Stk OR (m...)
Pres (kPa)	Slow Spd No	Strokes (s... Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consu...

Safety Checks

Time	Type	Description

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

 Report for: 3/1/2011
 Report #: 29.0, DFS: 22.94
 Depth Progress: 0.00

Cheryl Ptak

From: Paul Price [Paul.Price@mgmenergy.com]
Sent: March 10, 2011 11:36 AM
To: 'Richard.Fontaine@NRCan-RNCan.gc.ca'
Cc: Cheryl Ptak; Dick Heenan; 'IAN ANDREWS'
Subject: Bulk and Viald samples from MGM et al Windy Island J-39

Hi Richard...

Hope you are well...

This is a heads up that we are getting ready to ship to you the following material from our Windy Island J-39 well that we drilled in February...

- 1) 1 complete set of unwashed bulk samples at 5m intervals from 20 to 1300m (TD)
- 2) 2 sets of washed vials (sampled from 20 m to TD at a 5 m interval)....

The shipment will be coming from New Horizon Core Storage in Calgary... The samples have been stored there so that they could thaw and dry out.....

As soon as we get the shipment all organized I will give you another heads up

Best wishes...

Paul R. Price, P.Geol(Ab) P.Geo(NWT and Nunavut)
Chief Geologist
MGM Energy Corp.
4100, 350-7th Ave. S.W.,
Calgary, Alberta
Canada T2P 3N9
Office (403) 781-7817
FAX (403) 781-7802
Cell (403) 651-3426

From: Dick Heenan [Dick.Heenan@mgmenergy.com]
Sent: March 03, 2011 10:06 AM
To: z-MailList J-39 Drilling Reports
Subject: J-39 20110302 Report - Removing Pipeline X-ing

J-39 well cut & capped
Wellsite cleaned up.
Removing last 2 loads & pipeline X-ing today.

A final report with costs & abandonment details will be submitted at the end of the week.

Regards,

Dick

*The first time you go North for the adventure.
The second time for the money.
After that, it's because you can't imagine working anywhere else.
(After an anonymous polar adventurer.)*

Dick Heenan
Drilling Manager
MGM Energy Corp
Office 403 781-7819
Cell 403 818-4408
Home 403 256-4173

DM 482444 V.22



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/28/2011
Report #: 28.0, DFS: 21.94
Depth Progress: 0.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date 2/23/2011	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather	Temperature (°C)	Road Condition Good	Hole Condition Cased
Operations at 6 am Waiting on Daylight		Operations Next 24 hrs Wait on Daylight. Load and haul 11 rig and rental loads off location. Rig out camp and release catering company. Welder to complete well capping, remove cellar cribbing and install well identification marker.	

24 hr Summary

Haul rig loads and rental loads off location. Water truck to location at 09:00 hr. Camp operational until tomorrow after breakfast. Removed rig matting and protective liner. Excavator mixed, buried, and covered cuttings pit. Two wellsite units rigged out. Truck that was contracted to haul MGM rental equipment to Norman Wells was diverted to assist with Mullen Trucking incident (substructure roll over) at Steep Creek (Km 816). Bed trucks, truck push, Notified Enbridge of intent to remove pipeline crossing on Thursday March 03/11. There were 11 tractor trailers arrived on location at 19:45 hr.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	08:00	8.00	8.00	1	RIGUP & TEARDOWN	Wait on Daylight
08:00	20:00	12.00	20.00	1	RIGUP & TEARDOWN	Load out rig and rental loads. Lift and stack all rig matting. Roll up and package used enviro liner. Mix, bury, and cover cuttings pit. Mobilize and dispatch recovery crew for Mullen incident at Steep Creek (Km 816)
20:00	00:00	4.00	24.00	1	RIGUP & TEARDOWN	Wait on Daylight. (Took delivery of 11 tractor trailer units over the night)

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	

String Components

Comment

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq
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Casing Components

Set Depth (mKB)
19.00
407.00
1,292.98
407.00
1,292.98
407.00
1,292.98
407.00
1,292.98
1,292.98
1,292.98

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 57,427.00	Cum Cost To Date 5,261,784.59
Daily Mud Cost	Mud Cum To Date 30,847.51
Depth Start (mKB) 1,300.00	Depth End (mKB) 1,300.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00

Last Casing String

Production, 1,292.98mKB

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor	Rig Number
Akita Drilling	51
Rig Supervisor	Phone Mobile
Rick Parker	403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm)	Stroke (mm)	Vol/Stk OR (m...)
	216.0	
Pres (kPa)	Slow Spd No	Strokes (s...)
		Eff (%)

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm)	Stroke (mm)	Vol/Stk OR (m...)
	216.0	
Pres (kPa)	Slow Spd No	Strokes (s...)
		Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consu...
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Safety Checks

Time	Type	Description
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Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

Report for: 2/28/2011
Report #: 28.0, DFS: 21.94
Depth Progress: 0.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/28/2011
Report #: 28.0, DFS: 21.94
Depth Progress: 0.00

Casing Components

Set Depth (mKB)

1,292.98

1,292.98

Report for: 2/28/2011
Report #: 28.0, DFS: 21.94
Depth Progress: 0.00

From: Dick Heenan [Dick.Heenan@mgmenergy.com]
Sent: February 28, 2011 9:25 AM
To: z-MailList J-39 Drilling Reports
Cc: Savage, Jason (Contractor); Iftinca, Mariana
Subject: J-39 20010228 Drilling Report - Comms down (again) & rigging/digging out slowly

Continued trouble with satellite communication (due apparently to solar flares) means intermittent communication with J-39.

No hard copy report received today – will forward when available.

Here is a summary:

Essentially all roads & airports closed in NWT over the weekend by winter storm.

Wrigley to N Wells Road just opened this AM

Still slow going @ Tulita Xing due to snow clearance/drifts.

Got some loads out to N Wells Sunday PM, but unable to lift mats etc due to high winds.

Weather appears to be improving.

Anticipate rig move trucks in today & better progress

Regards,

Dick

The first time you go North for the adventure.

The second time for the money.

After that, it's because you can't imagine working anywhere else.

(After an anonymous polar adventurer.)

Dick Heenan
Drilling Manager
MGM Energy Corp
Office 403 781-7819
Cell 403 818-4408
Home 403 256-4173



mgm
ENERGY
CORP.

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/27/2011
Report #: 27.0, DFS: 20.94
Depth Progress: 0.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date 2/23/2011	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Winds to 60 Km dropping to 25 km	Temperature (°C) -23	Road Condition Good	Hole Condition Cased
Operations at 6 am Wait on Daylight		Operations Next 24 hrs Wait on Daylight. Load up and move out Akita rig and rental loads	

24 hr Summary

Wait on Daylight. Loaded out and hauled 4 unit camp to Norman Wells. Road to Norman Wells drifted badly, instructed truckers to stay in Norman Wells until road cleared. Released 4 Akita personnel to Norman Wells. Arranged transport to Tulita via snow machine for stranded security personl. Rigged out security trailer and generator. Loaded three Mullen trucks with rig equipment for trip south. The ice bridge to Tulita remained closed all day due to high winds and blowing snow. Additional food supplies were transported to camp by way of snow machine. Camp is continued on water rations. Sufficient water until March 01 noon. Communications restored for 1 hr then lost again. Road from Tulita opened at 20:00. Pilot vehicles and tractor trailers arrived on location at 20:30 hr

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	08:00	8.00	8.00	1	RIGUP & TEARDOWN	Wait on Daylight
08:00	20:00	12.00	20.00	1	RIGUP & TEARDOWN	Load out four unit camp, security shack and security generator. Loaded A-Leg derrick section on trailer. Loaded monkey board and boiler. Moved pipe tubs off location.
20:00	21:00	1.00	21.00	1	RIGUP & TEARDOWN	Road from Tulita opened at 20:00hr. Trucks and pilot vehicles arrived
21:00	00:00	3.00	24.00	1	RIGUP & TEARDOWN	Wait on Daylight

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	
String Components					
Comment					

[illegible]

Casing Components

Set Depth (mKB)
19.00
407.00
1,292.96
407.00
1,292.96
407.00
1,292.96
407.00
1,292.96
407.00
1,292.96

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 74,864.00	Cum Cost To Date 5,204,357.59
Daily Mud Cost	Mud Cum To Date 30,847.51
Depth Start (mKB) 1,300.00	Depth End (mKB) 1,300.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00

Last Casing String	Production, 1.292.98mKB
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Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number	Pwr (kW)	Rod Dia (mm)	
1	800.0		
Liner Size (mm)	Stroke (mm)	Vol/Stk OR (m.)	
	216.0		
Pres (kPa)	Slow Spd	Strokes (s...	Eff (%)
	No		

2, National Supply, 8-P-80

Pump Number	Pwr (kW)	Rod Dia (mm)	
2	800.0		
Liner Size (mm)	Stroke (mm)	Vol/Stk OR (m.)	
	216.0		
Pres (kPa)	Slow Spd	Strokes (s...	Eff (%)
	No		

Mud Additive Amounts

Description	Cost (/unit)	Consu...
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Safety Checks

Time	Type	Description

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

www.peloton.com

Report for: 2/27/2011
Report #: 27.0, DFS: 20.94
Depth Progress: 0.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/27/2011
Report #: 27.0, DFS: 20.94
Depth Progress: 0.00

Casing Components

Set Depth (mKB)

1,292.98
1,292.98
1,292.98

Report for: 2/27/2011
Report #: 27.0, DFS: 20.94
Depth Progress: 0.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

 Report for: 2/26/2011
 Report #: 26.0, DFS: 19.94
 Depth Progress: 0.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date 2/23/2011	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Extreme Wind 90km Gusts	Temperature (°C) -20	Road Condition Good	Hole Condition Cased
Operations at 6 am Waiting on daylight		Operations Next 24 hrs Load and move out rig	

24 hr Summary

Wait on daylight. Winds to 90 km. GNWT Highways closed ice bridge from Tulita to all traffic. Rig move trucks trapped on Tulita side of river. Hodgson trucks loaded and hauled MGM 45' container, 3 ea 400Bbl tanks, MDSRC container, sleeper unit, and two Akita loads to Norman Wells. Akita rig crews Wait on Weather due high winds. Loader cleared access road to winter road. Camp with kitchen scheduled to be rigged out tomorrow has been postponed one day. Complete communications failure from 10:00 hr, unable to repair. Camp placed on water rationing at road closure notice. Shut down security trailer due to generator failure. Security personnel moved to camp. Camp POB at maximum.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	08:00	8.00	8.00	1	RIGUP & TEARDOWN	Wait on Daylight
08:00	20:00	12.00	20.00	1	RIGUP & TEARDOWN	High winds. GNWT closed the ice bridge at Tulita. Wait on Weather. Rig move trucks trapped on Tulita side of river. Hauled 4 loads of rentals and 2 Akita loads from location to Norman Wells
20:00	00:00	4.00	24.00	1	RIGUP & TEARDOWN	Wait on Daylight

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pl (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	

String Components

Comment

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq
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Casing Components

Set Depth (mKB)

 19.00
 407.00
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AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 71,357.00	Cum Cost To Date 5,129,493.59
Daily Mud Cost	Mud Cum To Date 30,847.51
Depth Start (mKB) 1,300.00	Depth End (mKB) 1,300.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00
Last Casing String Production, 1,292.98mKB	

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm)	Stroke (mm)	Vol/Stk OR (m...)
	216.0	

Pres (kPa)	Slow Spd No	Strokes (s...)	Eff (%)
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2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm)	Stroke (mm)	Vol/Stk OR (m...)
	216.0	

Pres (kPa)	Slow Spd No	Strokes (s...)	Eff (%)
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Mud Additive Amounts

Description	Cost (/unit)	Consu...
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Safety Checks

Time	Type	Description
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Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

 Report for: 2/26/2011
 Report #: 26.0, DFS: 19.94
 Depth Progress: 0.00

From: Dick Heenan [Dick.Heenan@mgmenergy.com]
Sent: February 27, 2011 8:28 AM
To: z-MailList J-39 Drilling Reports
Subject: J-39 20110227 Winter Storm

A major winter storm has shut down most of NWT including all operations @ J-39.
High winds up to 90km, blowing snow, & drifts on road are preventing further rig moving.
Roads to Tulita, Norman Wells, Wrigley are all closed.
Only 2 rig move trucks made it in before roads closed.
High winds have knocked both sat dishes out of alignment (no formal report)
Poor communication by handheld satphone indicates all personnel are safe.
Camp on water rations as road to Tulita is closed.
No planes into N Wells Friday - doubtful for Saturday or Sunday.
Forecast for improving conditions this PM - will likely be sometime tomorrow before roads open to N Wells & communication is restored.

At least we are going out in style :-)

Dick Heenan
Drilling Manager - MGM Energy
Office: (403) 781-7819
Cell: (403) 818-4408

482444 V.19



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/25/2011
Report #: 25.0, DFS: 18.94
Depth Progress: 0.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date 2/23/2011	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather High Winds	Temperature (°C) -13	Road Condition Good	Hole Condition Cased
Operations at 6 am Waiting on daylight		Operations Next 24 hrs Load out Akita 51. Load out rental equipment to Norman Wells. Load out Baker wireline unit.	

24 hr Summary

Broke tour to daylight. Two crew members stayed on to look after the boilers. Shut off light plant and boiler. Rig down, move buildings, remove derrick and separate, moved substructure off hole center. Hauled 56m3 of floc water and 9 m3 of solids contaminated fluid. Total liquids removed from J-39 is 147m3 of floc water and 21m3 of solids contaminated fluid. All drilling fluids off location. Sleeper unit and four unit camp rigged out and ready for transport. Hodgson hauled one shale bin today. Two trucks arrived from the south to move Akita rig.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	19:00	19.00	19.00	1	RIGUP & TEARDOWN	Run boilers to keep fluid in 400Bbl tanks warm. Shut down power and drain boilers. Rig down and remove derrick and split. Remove buildings and substructure off hole center. Wait on picker operator and picker truck to remove centrifuges and lower stands. Hauled all drilling fluids off location
19:00	00:00	5.00	24.00	1	RIGUP & TEARDOWN	Wait on daylight and trucks

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	

String Components

Comment

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq

Casing Components

Set Depth (mKB)
19.00
407.00
1,292.98
407.00
1,292.98
407.00
1,292.98
407.00
1,292.98
1,292.98
1,292.98
1,292.98
1,292.98

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 154,403.00	Cum Cost To Date 5,028,149.59
Daily Mud Cost	Mud Cum To Date 30,847.51
Depth Start (mKB) 1,300.00	Depth End (mKB) 1,300.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00

Last Casing String
Production, 1,292.98mKB

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm)	Stroke (mm) 216.0	Vol/Stk OR (m...)
Pres (kPa)	Slow Spd No	Strokes (s... Eff (%)

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm)	Stroke (mm) 216.0	Vol/Stk OR (m...)
Pres (kPa)	Slow Spd No	Strokes (s... Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consu...

Safety Checks

Time	Type	Description

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

Report for: 2/25/2011
Report #: 25.0, DFS: 18.94
Depth Progress: 0.00

DM 482444 V.18



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

 Report for: 2/24/2011
 Report #: 24.0, DFS: 17.94
 Depth Progress: 0.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date 2/23/2011	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Calm / Clear	Temperature (°C) -3	Road Condition Good	Hole Condition Cased
Operations at 6 am Waiting on daylight		Operations Next 24 hrs Break tower, one Akita crew on daylight, Continue to move loads off location.	

24 hr Summary

Rig out and prepare to move off location. Move out 2 - 400 bbl tanks, cement silo, shale bin, 32 - 177.8mm LTC L-80 casing joints. 5 - LTC to BTC cross overs. Completed stripping gel chemical mud, generated 110m3 of floc water. Four body job tanker trucks removed 60m3 of floc water. One vacuum truck removed 12m3 of liquid solids.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	00:00	24.00	24.00	1	Rig out	Rig out and prepare to move off location. Move out 2 - 400 bbl tanks, cement silo, shale bin, 32 - 177.8mm LTC L-80 casing joints. 5 - LTC to BTC cross overs. Completed stripping gel chemical mud, generated 110m3 of floc water. Four body job tanker trucks removed 60m3 of floc water. One vacuum truck removed 12m3 of liquid solids.

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	

String Components

Comment

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq
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Casing Components

Set Depth (mKB)												
												19.00
												407.00
												1,292.98
												407.00
												1,292.98
												407.00
												1,292.98
												1,292.98
												1,292.98
												1,292.98
												1,292.98

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 145,781.30	Cum Cost To Date 4,737,432.59
Daily Mud Cost	Mud Cum To Date 30,847.51
Depth Start (mKB) 1,300.00	Depth End (mKB) 1,300.00
Target Formation Bear Rock / Amica	Target Depth (mKB) 1,500.00

Last Casing String

Production, 1,292.98mKB

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor	Rig Number 51
Akita Drilling	Phone Mobile
Rig Supervisor	403-723-2599
Rick Parker	

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm)	Stroke (mm) 216.0	Vol/Stk OR (m...)
Pres (kPa)	Slow Spd No	Strokes (s... Eff (%)

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm)	Stroke (mm) 216.0	Vol/Stk OR (m...)
Pres (kPa)	Slow Spd No	Strokes (s... Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consu...
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Safety Checks

Time	Type	Description
06:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation
18:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

 Report for: 2/24/2011
 Report #: 24.0, DFS: 17.94
 Depth Progress: 0.00

DM 482444 V.17



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

 Report for: 2/23/2011
 Report #: 23.0, DFS: 16.94
 Depth Progress:

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date 2/23/2011	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Calm, Clear	Temperature (°C) -20	Road Condition Good	Hole Condition Good
Operations at 6 am Rig out to move off location.		Operations Next 24 hrs Rig out to move off location.	

24 hr Summary

Rig out cement equipment, hoist casing sting to 52daN to free casing slips, (62daN string wt). Drain BOP stack to confirm the absence of cement, flush B.O.P. though kill line with fresh water. Fill BOP with water to monitor level drop, (no visible losses). Remove 45m of water from 177.8mm casing, add inhibited water. Prepare to nipple down BOP. Vacuum antifreeze from choke line and disassemble. Rig out rig floor, pason, power cords, tarps/skeleton. Set Rag plug inside production casing at 40m, drop dry cement on rag plug, mix and top fill 200L of cement on top of rag plug. Lift BOP, cut casing, Lay down BOP, remove casing bowl, final cut casing. Lay down swivel, kelly and kelly sock. Prepare derrick for layover. Conduct derrick inspection. Lay down derrick, continue to rig out to move. Rig release @ 24:00

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	06:45	6.75	6.75	13	WOC	Rig out cement equipment, hoist casing sting to 52daN to free casing slips, (62daN string wt). drain BOP stack to confirm the absence of cement, flush B.O.P. though kill line with fresh water. Fill BOP with water to monitor level drop, (no visible losses). Remove 45m of water from 177.8mm casing, add inhibited water. Clean mud tanks and strip mud.
06:45	07:00	0.25	7.00	21	Pre-Tour Meeting	Review J.S.A.'s and stop cards, discuss procedure for rigging out
07:00	11:00	4.00	11.00	13	WOC	Prepare to nipple down BOP. Vacuum antifreeze from choke line and disassemble. Rig out rig floor, pason, power cords, tarps/skeleton.
11:00	12:00	1.00	12.00	12	Cement Plug Casing	Set Rag plug inside production casing at 40m, drop dry cement, mix and top fill 200L of cement on top of rag plug.
12:00	18:45	6.75	18.75	14	Nipple down BOP	Lift BOP, cut casing, Lay down BOP, remove casing bowl, final cut casing.
18:45	19:00	0.25	19.00	21	Pre-Tour Meeting	Review J.S.A.'s and stop cards, discuss procedure for rigging out derrick
19:00	21:45	2.75	21.75	1	Rig out Derrick	Prepare derrick for layover, conduct inspection,
21:45	22:00	0.25	22.00	21	Safety Meeting	Review J.S.A.'s discuss procedure for laying down derrick.
22:00	23:00	1.00	23.00	12	Laydown Derrick	Lay derrick on crown stand.
23:00	00:00	1.00	24.00	12	Cement Top Fill Casing	Top fill 177.8/ 244.5 casing annulus with cement. Rig Released

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	
String Components					
Comment					

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 216,519.45	Cum Cost To Date 4,621,126.29
Daily Mud Cost 2,357.04	Mud Cum To Date 28,402.71
Depth Start (mKB)	Depth End (mKB)
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00
Last Casing String Production, 1,292.98mKB	

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m... 0.018
Pres (kPa)	Slow Spd No	Strokes (s... Eff (%)

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m... 0.018
Pres (kPa)	Slow Spd No	Strokes (s... Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consu...
ENVIROFLOC	38.43	40.0
ALKAPAM A1103D	136.64	6.0

Safety Checks

Time	Type	Description
06:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation
20:...	Derrick Inspection	Inspected Derrick Prior To Layover

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

 Report for: 2/23/2011
 Report #: 23.0, DFS: 16.94
 Depth Progress:



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/22/2011

Report #: 22.0, DFS: 15.94

Depth Progress:

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Windy	Temperature (°C) -20	Road Condition Good	Hole Condition Good
Operations at 6 am WOC - Prepare to lift BOP to cut casing		Operations Next 24 hrs Run 1" pipe inside the casing to 20m and pump a 10m linear cement plug. Rig out Schlumberger cements. WOC - Lift BOP Stack and cut casing. Nipple down BOP stack. Clean mud tanks.	

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 75,357.53	Cum Cost To Date 4,386,450.31
Daily Mud Cost 280.53	Mud Cum To Date 22,111.49
Depth Start (mKB)	Depth End (mKB)
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00
Last Casing String Production, 1,292.98mKB	

24 hr Summary

Lay down BHA, Rig up to run casing, hold safety meeting with Total Depth power tongs, Make up shoe and float (test). Run, 177.8mm casing to 1292m. Break circulation @ 584m, 898m, 1292m. Circulate to condition mud. Held safety meeting with Schlumberger cementing crew. Head up to casing. Pump 4m3 1400kg/m3 scavenger cement, 25m3 1740kg/m3 slurry cement, drop plug, displace 25.8m3 water, bump plug at 10,000kpa, bleed back 100L, check floats, pressure test casing 15,000kpa for 10 min. Returns reduced to 60% 15m3 into displacement. No cement to surface.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	03:30	3.50	3.50	6	Lay Down Drill String	Laydown BHA, flow check @ surface. Hole fill data - calculated - 7.04m3 measured - 8.0m3.
03:30	03:45	0.25	3.75	7	Rig Service	Function blind rams (4sec to close), clean rig floor.
03:45	04:00	0.25	4.00	21	Safety Meeting	Review J.S.A.'s and planned procedure with Total Depth Power Tongs regarding running casing.
04:00	05:15	1.25	5.25	12	Prepare to Run Casing.	Rig up casing equipment, Pick up tongs, install elevators, make up shoe and float collar, test floats.
05:15	05:30	0.25	5.50	21	Pre-Tour Meeting	Review J.S.A.'s and stop cards, discuss procedure for running casing.
05:30	11:45	6.25	11.75	12	Run 177.8 Production Casing.	Run 177.8mm casing to 584m at 15-20m/min. Top Fill every ten joints, no recordable losses.
11:45	12:45	1.00	12.75	5	Break Circulation	Circulate bottoms up @ 584m. Density - 1090kg/m3 Viscosity - 67sec/L
12:45	18:45	6.00	18.75	12	Run 177.8 Production Casing.	Run 177.8mm casing 584m - 1292m at 15-20m/min. Top Fill every ten joints, break circulation @ 898m and 1292m. Casing reached bottom with no excessive hole drag and no recordable losses. Casing string wt - 62,000 daN.
18:45	19:00	0.25	19.00	21	Pre-Tour Meeting	Review J.S.A.'s and stop cards, discuss procedure for running casing.
19:00	21:45	2.75	21.75	5	Circulate to Condition Mud	Mix Desco II CF to reduce yield and viscosity prior to cement job. Density - 1085kg/m3, viscosity - 67-->42sec/L, yield 14--> 5.5Pa. Annular discharge free of cuttings.
21:45	22:00	0.25	22.00	21	Safety Meeting	Review J.S.A.'s and procedure with Schlumberger regarding cementing operations.
22:00	00:00	2.00	24.00	12	Cement 177.8mm Production String	Head up to casing. Unable to reciprocate casing, cement head assembly too long for bales. Pump 4m3 1400kg/m3 scavenger cement, 25m3 RFC 1740kg/m3 slurry cement, drop plug, displace 25.8m3 water, final circulating pressure - 7,000kpa. Returns reduced to 60% 15m3 into displacement. No cement to surface. Bump plug to 10,000kpa, bleed back 100L, check floats, pressure test casing 15,000kpa for 10 min.

1,292.00mKB, 2/22/2011 20:00

Type Gel-Chem	Time 20:00	Depth (mKB) 1,292.00	Density (kg/m³) 1085.0	Vis (s/L) 42	PV Override (cp) 15.0	YP Override (Pa) 5.500
Gel 10 sec (Pa) 2.000	Gel 10 min (Pa) 5.000	Filtrate (mL/30min) 7.0	Filter Cake (mm) 1.0	pH 9.5	Sand (%) 0.0	Solids (%) 5.3
MBT (kg/m³) 45	Alkalinity (mL/mL)	Chlorides (mg/L) 450.000	Calcium (mg/L) 60.000	Pf (mL/mL) 0.950	Pm (mL/mL)	Gel 30 min (Pa)
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³) 40.80		

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa) 475	Slow Spd Yes	Strokes (s...) 65
		Eff (%) 98

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa) 800	Slow Spd No	Strokes (s...) 75
		Eff (%) 98

Mud Additive Amounts

Description	Cost (/unit)	Consu...
DESCO II CF	87.14	2.0
BARITE 41	21.25	5.0

Safety Checks

Time	Type	Description
06:...	Safety Meeting	Discussed our planned procedure running casing
18:...	Safety Meeting	Discussed our planned procedure during cementing

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

Report for: 2/22/2011

Report #: 22.0, DFS: 15.94

Depth Progress:



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/22/2011
Report #: 22.0, DFS: 15.94
Depth Progress:

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...							
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)								
String Components												
Comment												
Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq

Casing Components

Set Depth (mKB)

19.00
407.00
1,292.98
407.00
1,292.98
407.00
1,292.98
407.00
1,292.98
1,292.98
1,292.98
1,292.98
1,292.98

DM 485000 V.12

FINAL

WELLSITE MORNING REPORT

ATTENTION: Mr. Paul Price **Date** Mon 21 Feb 11 **Report #** 12
Operator MGM Energy Corp. **Spud Date** 07 Feb 11 @ 01:15 hrs.
Well Name MGM et al Windy Island J-39 **Days from Spud** 14 days
Surface Location 300/J-39-6500-12530/0 **Btm Hole Location** Vertical Well
Rig Akita Sahtu Drilling - Rig 51 **Surveyed G.L.** 191.00m
Geologist Ian Andrews **Measured K.B.** 196.15
MGM Sat # : 403-723-2594 **Weather:** -17C, fog
www.weatheroffice.gc.ca

00:00 hrs 1300 **7:00 hrs** 1300m **Progress** 21.00 **Avg. ROP** 3.23

Operation (07:00) Open Hole Logging /w Baker **Formation** Devonian - Bear Rock
Next 24 Hour Plan Run open hole logs, RIH, Cln to btm, Circ & Cond mud, POOH, LDDP & DC for Csg run

				<u>Surveys</u>			
<u>Mud Type</u>	<u>Gel Chem</u>	<u>Hrs drilling</u>	<u>6.50</u>	<u>Depth</u>	<u>Incl</u>	<u>Depth</u>	<u>Incl</u>
DENS	<u>1075kg/m3 (1210m)</u>	cum	<u>29.00</u>	<u>1187</u>	<u>8.0</u>		
VIS	<u>39 sec.</u>	Bit #	<u>4</u>				
PH	<u>10.0</u>	Make/Type	<u>HW/GX35DX</u>				
WL	<u>7.5 cc</u>	Hole Size	<u>216mm</u>				

Formation Tops & Markers	PROGNOSIS			SAMPLE TOPS		
	SS	TVD	MD	MD	TVD	SS
** Devonian - Hume	-822.5	1018.7			909.0	-712.9
** Middle Hume					917.0	-764.4
Headless	-761.0	957.2			960.5	-782.9
** Landry	-780.0	976.2			979	-782.9
*Bear Rock	-838.0	1034.2			1014	-817.9
Fort Norman	-858.0	1054.2		Ft. Norman evaporates not present		
Ordovician - Franklin Mtn	-1074.5	1270.7			1280	-1083.9
						-1083.9
TOTAL DEPTH	-1103.8	1300.0			1300	-1103.9

Comments:

Rig up Logs @ 21:15 hrs. Logs on btm @ 02:30am this morning. Loggers TD = 1298.0m
 Strap out = 1289.2 Tally = 1289.42m Diff = -0.22

Drilling Foreman is John Williams (403-723-2598)



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/21/2011

Report #: 21.0, DFS: 14.94

Depth Progress: 0.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Windy	Temperature (°C) -15	Road Condition Good	Hole Condition Good
Operations at 6 am Prepare to run 177.8mm casing		Operations Next 24 hrs Rig in Power Tongs and prepare drill floor to run casing. Run 177.8 mm casing. Circulate and Condition mud for Cementing. Rig in Schlumberger cementers. Pump pre-flush and cement slurry as per the cementing program. Pressure test casing.	

24 hr Summary

Wireline Log 215.9mm hole with quad combo, HDIL, Density, Neutron, Gamma Ray, XMAC, SP, Caliper. Driller monitoring well during logging operations. Rig out wireline logging equipment. Make up BHA, re-run Bit #4 GX-35DX-547. Run in to condition mud and circulate hole clean. Lay down 127mm drill sting, 1300m - 191m, flow check @ 1300m, 1289m, 1233m, 602m.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	06:45	6.75	6.75	11	Wireline Log 215.9mm hole.	Wireline Log 215.9mm hole with quad combo, HDIL, Density, Neutron, Gamma Ray, XMAC, SP, Caliper. Driller monitoring well during logging operations..
06:45	07:00	0.25	7.00	21	Pre-Tour Meeting	Review J.S.A.'s and stop cards, discuss our planed procedure for logging operations.
07:00	09:00	2.00	9.00	6	Wireline Log 215.9mm hole.	Wireline Log 215.9mm hole with quad combo, HDIL, Density, Neutron, Gamma Ray, XMAC, SP, Caliper. Driller monitoring well during logging operations..
09:00	13:00	4.00	13.00	25	Wait on Geology	Wait on geology instruction for log confirmation. Rig out loggers.
13:00	17:00	4.00	17.00	6	Make up BHA/ Run in Hole	Make up BHA, re-run Bit #4 GX-35DX-547. Run in to condition mud and circulate hole clean
17:00	19:15	2.25	19.25	5	Circulate to Condition Mud	Circulate hole until annular discharge is free of cuttings. Mud density - 1090kg/m3.
19:15	00:00	4.75	24.00	6	Lay Down Drill String	Lay down 127mm drill sting, 1300m - 191m, flow check @ 1300m, 1289m, 1233m, 602m.

1,300.00mKB, 2/21/2011 13:00

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	13:00	1,300.00	1090.0	53	16.0	10.500
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
3.500	10.000	7.0	1.0	9.5	0.0	5.6
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
50		450.000	60.000	1.000		
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
119.00	0.00	0.00	0.00	79.20		

BHA #4, Mud Motor LS

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
4	215.9mm, GT-35DX , 5166364	0.28	2-2-FC-G-3-0-BT-TD	127	3.1
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	
12.7	1,241.64	158.7	28.75	28.75	
String Components Hughes GT-35DX , Mud Motor, Drill Collar, Jars, Drill Collar - Pony, Drill Collar, XO Sub, HWDP, Drill Pipe					
Comment T.D. Well @ 1300m					

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq
Original Hole	1,300.00		90.00	28.75		1.300	14	20	4,200	64	64	120.0

Casing Components

Set Depth (mKB)
19.00
407.00
1,300.00
407.00

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 380,435.96	Cum Cost To Date 4,311,092.78
Daily Mud Cost 1,040.76	Mud Cum To Date 21,830.96
Depth Start (mKB) 1,300.00	Depth End (mKB) 1,300.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00

Last Casing String

Surface, 407.00mKB

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa) 530	Slow Spd Yes	Strokes (s...) 55
		Eff (%) 98
Pres (kPa) 3,900	Slow Spd No	Strokes (s...) 110
		Eff (%) 98

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa) 3,900	Slow Spd No	Strokes (s...) 110
		Eff (%) 98
Pres (kPa) 500	Slow Spd Yes	Strokes (s...) 66
		Eff (%) 98

Mud Additive Amounts

Description	Cost (/unit)	Consu...
NATURAL GEL	16.13	7.0
SAWDUST	5.19	15.0
BARITE 41	21.25	40.0

Safety Checks

Time	Type	Description
06:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation
18:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

Report for: 2/21/2011

Report #: 21.0, DFS: 14.94

Depth Progress: 0.00

Report Printed: 2/22/2011



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/21/2011
Report #: 21.0, DFS: 14.94
Depth Progress: 0.00

Casing Components

Set Depth (mKB)

1,300.00
407.00
1,300.00
407.00
1,300.00
1,300.00
1,300.00
1,300.00
1,300.00

DM 485000 V.11

WELLSITE MORNING REPORT

ATTENTION:	<u>Mr. Paul Price</u>	Date	<u>Sun 20 Feb 11</u>	Report #	<u>11</u>
Operator	<u>MGM Energy Corp.</u>	Spud Date	<u>07 Feb 11 @ 01:15 hrs.</u>		
Well Name	<u>MGM et al Windy Island J-39</u>	Days from Spud	<u>13 days</u>		
Surface Location	<u>300/J-39-6500-12530/0</u>	Btm Hole Location	<u>Vertical Well</u>		
Rig	<u>Akita Sahtu Drilling - Rig 51</u>	Surveyed G.L.	<u>191.00m</u>		
Geologist	<u>Ian Andrews</u>	Measured K.B.	<u>196.15</u>		
MGM Sat # :	<u>403-723-2594</u>	Weather:	<u>-15C, light snow</u> <u>www.weatheroffice.gc.ca</u>		

00:00 hrs	<u>1279</u>	7:00 hrs	<u>1300m</u>	Progress	<u>69.00</u>	Avg. ROP	<u>3.07</u>
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Operation (07:00)	<u>Drilling ahead /w NB #4 @ 1300m (TD)</u>	Formation	<u>Devonian - Bear Rock</u>
Next 24 Hour Plan	<u>Circ & cond mud for logging, wiper trip, POOH to log, Log /w Baker</u>		

Mud Type	<u>Gel Chem</u>	Hrs drilling	<u>22.50</u>	Depth	<u>1187</u>	Incl	<u>8.0</u>
DENS	<u>1075kg/m3 (1210m)</u>	cum	<u>22.50</u>				
VIS	<u>37 sec.</u>	Bit #	<u>4</u>				
PH	<u>10.0</u>	Make/Type	<u>HW/GX35DX</u>				
WL	<u>8.0 cc</u>	Hole Size	<u>216mm</u>				

Formation Tops & Markers	PROGNOSIS			SAMPLE TOPS		
	SS	TVD	MD	MD	TVD	SS
** Devonian - Hume	-822.5	1018.7			909.0	-712.9
** Middle Hume					917.0	-764.4
Headless	-761.0	957.2			960.5	-782.9
** Landry	-780.0	976.2			979	-782.9
*Bear Rock	-838.0	1034.2			1014	-817.9
Fort Norman	-858.0	1054.2		Ft. Norman evaporates not present		
Ordovician - Franklin Mtn	-1074.5	1270.7			1280	-1083.9
						-1083.9
TOTAL DEPTH	-1103.8	1300.0			1300	-1103.9

Comments:

Lithology change @ 1280m from light colored vf crystalline dolomites to dark argillaceous vf crystalline dolomites. There were no Ft. Norman anhydrites seen in samples, or detected in drilling fluid checks. There have been no indications of HC presence anywhere in this well, and absolutely no H2S detected.

Drilling Foreman is John Williams (403-723-2598)



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

 Report for: 2/20/2011
 Report #: 20.0, DFS: 13.94
 Depth Progress: 21.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather	Temperature (°C)	Road Condition Good	Hole Condition Good
Operations at 6 am Wireline logging 215.9mm hole. T.D.1298m @ 02:30		Operations Next 24 hrs Continue Logging Run #1 - Quad Combo. Rig out Loggers. Trip in the hole to condition for casing. Trip out of the hole and lay down drill string. Rig in Power Tongs and prepare drill floor to run casing. Run 177.8 mm casing.	

24 hr Summary

Drill 215.9mm hole with motor @ 3-5m/hr. 1279m - 1300m. (T.D.) WOB 13,000 - 14,000 daN, pump 1.3m3/min, 4,100kpa, 200-500kpa diff. 20 surface rpm, 89rpm at bit. Formation - Bear Rock. Wiper trip 1300m. Circulate hole and mix gel chemical until mud reaches desirable properties. Viscosity - 67sec/L, Mud density - 1085kg/m3. Pull out of hole (strap) to wireline log 1300m - 0m. Bit #4 - GX-35DX-547 graded 2-2-FC-G-3-0-BT-TD. Strap - 1289.20m - Tally - 1289.42m, no correction to tally (1300m inc kelly down). Rig up wireline loggers. Run in logging equipment, HDIL, Density, Neutron, Gamma Ray, XMAC, SP, Caliper. Driller monitoring well during logging operations.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	04:15	4.25	4.25	2	Drill 215.9mm Hole with Motor	Drill 215.9mm hole with motor @ 3-5m/hr. 1279m - 1292m. WOB 13,000 - 14,000 daN, pump 1.3m3/min, 4,100kpa, 200-500kpa diff. 20 surface rpm, 89rpm at bit. Formation - Bear Rock.
04:15	04:30	0.25	4.50	7	Rig Service	Function Annular (12sec to close), function remote choke, grease washpipe
04:30	06:45	2.25	6.75	2	Drill 215.9mm Hole with Motor	Drill 215.9mm hole with motor @ 3-5m/hr. 1292m - 1300m. (T.D.) WOB 13,000 - 14,000 daN, pump 1.3m3/min, 4,100kpa, 200-500kpa diff. 20 surface rpm, 89rpm at bit. Formation - Bear Rock.
06:45	07:00	0.25	7.00	21	Pre-Tour Meeting	Review J.S.A.'s and stop cards
07:00	08:00	1.00	8.00	5	Circulate to Clean Hole	Circulate hole until annular discharge is free of cuttings. Mud density - 1080kg/m3.
08:00	13:15	5.25	13.25	6	Wiper Trip	Wiper trip 1300m - 393m. Hole in excellent shape with minimal hole drag. Hole fill data - Calculated - 3.43m3 - Measured - 4.3m3
13:15	16:15	3.00	16.25	5	Circulate to Condition Mud	Circulate hole and mix gel chemical until mud reaches desirable properties. Viscosity - 67sec/L, Mud density - 1085kg/m3.
16:15	18:45	2.50	18.75	6	Pull out off Hole	Pull out of hole (strap) to wireline log, 1300m - 600m Flow check @ 1300, 1288m, 1207m, 600m, Hole in excellent shape.
18:45	19:00	0.25	19.00	21	Pre-Tour Meeting	Review J.S.A.'s and stop cards
19:00	21:00	2.00	21.00	6	Pull out off Hole	Pull out of hole (strap) to wireline log, Flow check @ 140m, 0m. Lay out and flush mud motor, GX-35DX-547 graded 2-2-FC-G-3-0-BT-TD. Hole Fill Data - Calculated - 7.36m3 - Measured - 8.25m3. Strap - 1289.20m - Tally - 1289.42m, no correction to tally.
21:00	21:15	0.25	21.25	21	Safety Meeting	Review J.S.A.'s and planned procedure with Baker Hughes Atlas regarding logging operations.
21:15	00:00	2.75	24.00	11	Wireline Log 215.9mm hole.	Rig up wireline loggers. Run in logging equipment HDIL, Density, Neutron, Gamma Ray, XMAC, SP, Caliper. Driller monitoring well through trip tank during logging operations.

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 82,654.28	Cum Cost To Date 3,931,856.82
Daily Mud Cost 3,827.28	Mud Cum To Date 20,790.20
Depth Start (mKB) 1,279.00	Depth End (mKB) 1,300.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00
Last Casing String Production, 1,300.00mKB	

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m... 0.018
Pres (kPa) 4,400	Slow Spd No	Strokes (s... 110
		Eff (%) 98
Pres (kPa) 530	Slow Spd Yes	Strokes (s... 55
		Eff (%) 98

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m... 0.018
Pres (kPa) 4,200	Slow Spd No	Strokes (s... 110
		Eff (%) 98
Pres (kPa) 530	Slow Spd Yes	Strokes (s... 66
		Eff (%) 98

Mud Additive Amounts

Description	Cost (/unit)	Consu...
NATURAL GEL	16.13	28.0
BARITE 41	21.25	40.0
FILTRA VIS	235.95	6.0
KELZAN XCD	369.98	3.0

Safety Checks

Time	Type	Description
06:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation
18:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

 Report for: 2/20/2011
 Report #: 20.0, DFS: 13.94
 Depth Progress: 21.00

Report Printed: 2/21/2011



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/20/2011
Report #: 20.0, DFS: 13.94
Depth Progress: 21.00

1,300.00mKB, 2/20/2011 07:00

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	07:00	1,300.00	1070.0	37	10.0	3.500
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
1.500	3.500	8.0	1.0	9.5	0.0	5.0
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
35		400.000	60.000	1.300		
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		

1,300.00mKB, 2/20/2011 16:00

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	16:00	1,300.00	1085.0	67	23.0	14.000
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
6.000	16.000	7.6	1.0	9.5	0.0	5.3
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
45		400.000	60.000	1.100		
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		

BHA #4, Mud Motor LS

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
4	215.9mm, GT-35DX , 5166364	0.28	2-2-FC-G-3-0-BT-TD	127	3.1
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	
12.7	1,241.64	158.7	28.75	28.75	

String Components

Hughes GT-35DX , Mud Motor, Drill Collar, Jars, Drill Collar - Pony, Drill Collar, XO Sub, HWDP, Drill Pipe

Comment

T.D. Well @ 1300m

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq
Original Hole	1,279.00	1,300.00	90.00	28.75	3.2	1.300	14	20	4,200	64	64	120.0

Casing Components

Set Depth (mKB)

19.00
407.00
1,300.00
407.00
1,300.00
407.00
1,300.00
407.00
1,300.00
1,300.00
1,300.00
1,300.00
1,300.00

DM 485000 V.10

WELLSITE MORNING REPORT

ATTENTION:	<u>Mr. Paul Price</u>	Date	<u>Sat 19 Feb 11</u>	Report #	<u>10</u>
Operator	<u>MGM Energy Corp.</u>	Spud Date	<u>07 Feb 11 @ 01:15 hrs.</u>		
Well Name	<u>MGM et al Windy Island J-39</u>	Days from Spud	<u>12 days</u>		
Surface Location	<u>300/J-39-6500-12530/0</u>	Btm Hole Location	<u>Vertical Well</u>		
Rig	<u>Akita Sahtu Drilling - Rig 51</u>	Surveyed G.L.	<u>191.00m</u>		
Geologist	<u>Ian Andrews</u>	Measured K.B.	<u>196.15</u>		
MGM Sat # :	<u>403-723-2594</u>	Weather:	<u>-15C, cloudy</u>		
		<u>www.weatheroffice.gc.ca</u>			

00:00 hrs	<u>1210</u>	7:00 hrs	<u>1234</u>	Progress	<u>48.00</u>	Avg. ROP	<u>5.49</u>
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Operation (07:00)	<u>Drilling ahead /w NB #4 @ 1234m</u>	Formation	<u>Devonian - Bear Rock</u>
Next 24 Hour Plan	<u>Drll ahead to TD (40m into Franklin Mnt), Survey as required</u>		

				<u>Surveys</u>			
				<u>Depth</u>	<u>Incl</u>	<u>Depth</u>	<u>Incl</u>
Mud Type	<u>Gel Chem</u>	Hrs drilling	<u>8.75</u>	<u>1038</u>	<u>3.00</u>	<u>1187</u>	<u>8.0</u>
DENS	<u>1080kg/m3 (1210m)</u>	cum	<u>46.50</u>	<u>1067</u>	<u>3.00</u>		
VIS	<u>37 sec.</u>	Bit #	<u>3</u>	<u>1083</u>	<u>5.50</u>		
PH	<u>10.0</u>	Make/Type	<u>HW/GX35DX</u>				
WL	<u>7.6</u>	Hole Size	<u>216mm</u>				

Formation Tops & Markers	PROGNOSIS			SAMPLE TOPS		
	SS	TVD	MD	MD	TVD	SS
** Devonian - Hume	-822.5	1018.7			909.0	-712.9
** Middle Hume					917.0	-764.4
Headless	-761.0	957.2			960.5	-782.9
** Landry	-780.0	976.2			979	-782.9
*Bear Rock	-838.0	1034.2			1014	-817.9
Fort Norman	-858.0	1054.2				196.2
Ordovician - Franklin Mtn	-1074.5	1270.7				196.2
						196.2
TOTAL DEPTH	-1305.0	1501.2				196.2

Comments:

Trip for bit @ 1210m, back on btm drlg /w NB #4 @ 4:30am this morning.
No Ft Norman anhydrite in samples.

Drilling Foreman is John Williams (403-723-2598)

DM 482444 V.13



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

 Report for: 2/19/2011
 Report #: 19.0, DFS: 12.94
 Depth Progress: 69.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Light Snow/ Calm	Temperature (°C) -11	Road Condition Good	Hole Condition Good
Operations at 6 am Drill to 1297m @ 3.5m/hr		Operations Next 24 hrs Drill to T.D. From 1279m - 1300m. Circulate to condition mud, pull out to wireline log.	

24 hr Summary

Ream to Bottom 1200m - 1210m. 0-500 daN, pump 1.3m³/m at 4,000 kpa. No erratic torque or pressure. Pattern bit, Drill 215.9mm hole with motor @ 3-6m/hr. 1210m - 1279m. WOB 13,000 - 14,000 daN, pump 1.3m³/min, 4,000kpa, 200 - 500kpa diff. 20 surface rpm, 89rpm at bit. Formation - Bear Rock. Measured and tally 177.8 production casing.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	00:45	0.75	0.75	3	Ream to Bottom	Ream to Bottom 1200m - 1210m. 0-500 daN, pump 1.3m ³ /m at 4,000 kpa. No erratic torque or pressure.
00:45	04:15	3.50	4.25	2	Drill 215.9mm Hole with Motor	Pattern Bit, Drill 215.9mm hole with motor @ 3-6m/hr. 1210m - 1225m. WOB 13,000 - 14,000 daN, pump 1.3m ³ /min, 4,100kpa, 200-500kpa diff. 20 surface rpm, 89rpm at bit. Formation - Bear Rock.
04:15	04:30	0.25	4.50	7	Rig Service	Function Annular (12sec to close), function remote choke, grease washpipe.
04:30	06:45	2.25	6.75	2	Drill 215.9mm Hole with Motor	Drill 215.9mm hole with motor @ 3-6m/hr. 1225m - 1234m. WOB 13,000 - 14,000 daN, pump 1.3m ³ /min, 4,100kpa, 200-500kpa diff. 20 surface rpm, 89rpm at bit. Formation - Bear Rock.
06:45	07:00	0.25	7.00	21	Pre-Tour Safety Meeting	Review J.S.A.'s and stop cards
07:00	18:30	11.50	18.50	2	Drill 215.9mm Hole with Motor	Drill 215.9mm hole with motor @ 3-6m/hr. 1234m - 1266m. WOB 13,000 - 14,000 daN, pump 1.3m ³ /min, 4,100kpa, 200-500kpa diff. 20 surface rpm, 89rpm at bit. Formation - Bear Rock.
18:30	18:45	0.25	18.75	21	Pre-Tour Safety Meeting	Review J.S.A.'s and stop cards
18:45	19:00	0.25	19.00	7	Rig Service	Function upper pipe ram (4sec to close), function remote choke, grease washpipe and kelly bushings.
19:00	00:00	5.00	24.00	2	Drill 215.9mm Hole with Motor	Drill 215.9mm hole with motor @ 3-6m/hr. 1266m - 1279m. WOB 13,000 - 14,000 daN, pump 1.3m ³ /min, 4,100kpa, 200-500kpa diff. 20 surface rpm, 89rpm at bit. Formation - Bear Rock.

1,231.00mKB, 2/19/2011 05:00

Type Gel-Chem	Time 05:00	Depth (mKB) 1,231.00	Density (kg/m ³) 1075.0	Vis (s/L) 35	PV Override (cp) 9.0	YP Override (Pa) 2.500
Gel 10 sec (Pa) 1.000	Gel 10 min (Pa) 2.500	Filtrate (mL/30min) 8.0	Filter Cake (mm) 1.0	pH 9.5	Sand (%) 0.0	Solids (%) 4.7
MBT (kg/m ³) 35	Alkalinity (mL/mL) 350.000	Chlorides (mg/L) 350.000	Calcium (mg/L) 40.000	Pf (mL/mL) 1.400	Pm (mL/mL)	Gel 30 min (Pa)
Whole Mud Added (m ³) 3.00	Mud Lost to Hole (m ³) 3.60	Mud Lost to Surface (m ³) 0.00	Reserve Mud Volume (m ³) 0.00	Active Mud Volume (m ³) 77.50		

1,247.00mKB, 2/19/2011 11:00

Type Gel-Chem	Time 11:00	Depth (mKB) 1,247.00	Density (kg/m ³) 1075.0	Vis (s/L) 40	PV Override (cp) 12.0	YP Override (Pa) 4.500
Gel 10 sec (Pa) 1.500	Gel 10 min (Pa) 5.500	Filtrate (mL/30min) 7.2	Filter Cake (mm) 1.0	pH 10.0	Sand (%) 0.3	Solids (%) 4.7
MBT (kg/m ³) 35	Alkalinity (mL/mL) 400.000	Chlorides (mg/L) 400.000	Calcium (mg/L) 60.000	Pf (mL/mL) 1.500	Pm (mL/mL)	Gel 30 min (Pa)
Whole Mud Added (m ³) 3.00	Mud Lost to Hole (m ³) 3.60	Mud Lost to Surface (m ³) 0.00	Reserve Mud Volume (m ³) 0.00	Active Mud Volume (m ³) 77.50		

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 107,639.63	Cum Cost To Date 3,849,202.54
Daily Mud Cost 1,885.73	Mud Cum To Date 16,962.92
Depth Start (mKB) 1,210.00	Depth End (mKB) 1,279.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00
Last Casing String Surface, 407.00mKB	

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa) 4,400	Slow Spd No	Strokes (s...) 110
		Eff (%) 98
Pres (kPa) 510	Slow Spd Yes	Strokes (s...) 55
		Eff (%) 98

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa) 4,200	Slow Spd No	Strokes (s...) 110
		Eff (%) 98
Pres (kPa) 530	Slow Spd Yes	Strokes (s...) 66
		Eff (%) 98

Mud Additive Amounts

Description	Cost (/unit)	Consu...
CAUSTIC SODA	47.41	1.0
FILTRA VIS	235.95	4.0
Q PAC REGULAR	183.53	3.0
NATURAL GEL	16.13	20.0
SODA ASH	21.33	1.0

Safety Checks

Time	Type	Description
06:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation
18:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

 Report for: 2/19/2011
 Report #: 19.0, DFS: 12.94
 Depth Progress: 69.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/19/2011
Report #: 19.0, DFS: 12.94
Depth Progress: 69.00

1,262.00mKB, 2/19/2011 17:15

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	17:15	1,262.00	1075.0	37	10.0	2.500
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
1.500	4.500	7.6	1.0	10.0	0.0	4.7
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
38		400.000	40.000	1.500		
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
3.00	3.60	0.00	0.00	77.50		

BHA #4, Mud Motor LS

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
4	215.9mm, GT-35DX , 5166364	0.28	-----	127	3.1
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	
12.7	1,241.64	158.7	22.25	22.25	

String Components

Hughes GT-35DX , Mud Motor, Drill Collar, Jars, Drill Collar - Pony, Drill Collar, XO Sub, HWDP, Drill Pipe

Comment

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq
Original Hole	1,201.00	1,210.00				1.300	1	20	4,000	60	60	120.0
Original Hole	1,210.00	1,279.00	69.00	22.25	3.1	1.300	14	20	4,200	64	64	120.0

Casing Components

Set Depth (mKB)

19.00
407.00
1,300.00
407.00
1,300.00
407.00
1,300.00
407.00
1,300.00
1,300.00
1,300.00
1,300.00
1,300.00
1,300.00

Report for: 2/19/2011
Report #: 19.0, DFS: 12.94
Depth Progress: 69.00

DM 485000 V.9

WELLSITE MORNING REPORT

ATTENTION:	<u>Mr. Paul Price</u>	Date	<u>Fri 18 Feb 11</u>	Report #	<u>09</u>
Operator	<u>MGM Energy Corp.</u>	Spud Date	<u>07 Feb 11 @ 01:15 hrs.</u>		
Well Name	<u>MGM et al Windy Island J-39</u>	Days from Spud	<u>11 days</u>		
Surface Location	<u>300/J-39-6500-12530/0</u>	Btm Hole Location	<u>Vertical Well</u>		
Rig	<u>Akita Sahtu Drilling - Rig 51</u>	Surveyed G.L.	<u>191.00m</u>		
Geologist	<u>Ian Andrews</u>	Measured K.B.	<u>196.15</u>		
MGM Sat # :	<u>403-723-2594</u>	Weather:	<u>-29C, -41C wind chill, clear</u> <u>www.weatheroffice.gc.ca</u>		

00:00 hrs	<u>1162</u>	7:00 hrs	<u>1199</u>	Progress	<u>106.00</u>	Avg. ROP	<u>4.93</u>
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Operation (07:00)	<u>Drilling ahead /w Hughes tri-cone bit @ 1199</u>	Formation	<u>Devonian - Bear Rock</u>
Next 24 Hour Plan	<u>Drill ahead to TD (40m into Franklin Mnt), Survey as required</u>		

Mud Type	<u>Gel Chem</u>	Hrs drilling	<u>21.50</u>	Depth	<u>Incl</u>	Depth	<u>Incl</u>
DENS	<u>1105kg/m3 (1040m)</u>	cum	<u>30.75</u>	<u>1038</u>	<u>3.00</u>		
VIS	<u>43 sec.</u>	Bit #	<u>3</u>	<u>1067</u>	<u>3.00</u>		
PH	<u>10.0</u>	Make/Type	<u>HW/GX30EX</u>	<u>1083</u>	<u>5.50</u>		
WL	<u>7.2</u>	Hole Size	<u>216mm</u>				

Formation Tops & Markers	PROGNOSIS			SAMPLE TOPS		
	SS	TVD	MD	MD	TVD	SS
** Devonian - Hume	-822.5	1018.7			909.0	-712.9
** Middle Hume					917.0	-764.4
Headless	-761.0	957.2			960.5	-782.9
** Landry	-780.0	976.2			979	-782.9
Bear Rock	-838.0	1034.2			1014	-817.9
Fort Norman	-858.0	1054.2				196.2
Ordovician - Franklin Mtn	-1074.5	1270.7				196.2
						196.2
TOTAL DEPTH	-1305.0	1501.2				196.2

Comments:

No Ft. Norman anhydrites in samples. Little change in samples from yesterday

Drilling Foreman is John Williams (403-723-2598)



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/18/2011
Report #: 18.0, DFS: 11.94
Depth Progress: 48.00

DM 482444

V.12

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Calm	Temperature (°C) -17	Road Condition Good	Hole Condition Good
Operations at 6 am Drilling to 1231m at 4 m/hr		Operations Next 24 hrs Drill ahead to T.D.	

24 hr Summary

Drill 215.9mm hole with motor @ 3-8m/hr. 1163m - 1190m. WOB 13,000 - 15,000 daN, pump 1.3m3/min, 4,300kpa, 500-700kpa diff. 20 surface rpm, 89rpm at bit. Formation - Bear Rock. ROP decreased to 2m/hr. Prepare to trip and circulate bottoms up. Pull out of hole to change bit. Bit #3 GX30EX-537, graded - 8-8-BT-A-3-1-WT-PR.. Hole in excellent shape. Make up Bit # 4 GX-35-DX-547. Lay out Teledrift. Run in Hole to 320m. Held BOP drill (tripping operations), Pull out of hole to install Totco ring on top of float, from 320m, Run in hole with Bit # 4 GX-35-DX-547 to 1177m. Ream to Bottom 1177m - 1200m. 0-500 daN, pump 1.3m3/m at 4,000 kpa. No erratic torque or pressure.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	05:30	5.50	5.50	2	Drill 215.9mm Hole with Motor	Drill 215.9mm hole with motor @ 3-8m/hr. 1163m - 1190m. WOB 13,000 - 15,000 daN, pump 1.3m3/min, 4,300kpa, 500-700kpa diff. 20 surface rpm, 89rpm at bit. Formation - Bear Rock.
05:30	05:45	0.25	5.75	7	Rig Service	Function Annular (12sec to close), function remote choke, grease washpipe.
05:45	06:45	1.00	6.75	2	Drill 215.9mm Hole with Motor	Drill 215.9mm hole with motor @ 3-8m/hr. 1190m - 1199m. WOB 13,000 - 15,000 daN, pump 1.3m3/min, 4,300kpa, 500-700kpa diff. 20 surface rpm, 89rpm at bit. Formation - Bear Rock.
06:45	07:00	0.25	7.00	21	Pre-Tour Safety Meeting	Review J.S.A.'s and stop cards
07:00	08:30	1.50	8.50	10	Wireline Survey	Survey @ 1187m - Inc - 8.0deg
08:30	10:45	2.25	10.75	2	Drill 215.9mm Hole with Motor	Drill 215.9mm hole with motor @ 3m/hr. 1199m - 1210m. WOB 13,000 - 15,000 daN, pump 1.3m3/min, 4,300kpa, 500-700kpa diff. 20 surface rpm, 89rpm at bit. Formation - Bear Rock. ROP decrease. Prepare to pull out of hole.
10:45	13:00	2.25	13.00	5	Circulate Hole Clean	Circulate hole until annular discharge is free of cuttings. Mud density - 1085kg/m3.
13:00	17:30	4.50	17.50	6	Pull Out of Hole	Pull pull out of hole to change bit . Bit #3 GX30EX-537, graded - 8-8-BT-A-3-1-WT-PR. Hole fill data - Calculated - 7.06m3, Measured 7.81m3. Flow check @ 1205m, 1102m, 596m, 200m, Function Blind Rams (4sec to close). Hole in excellent shape.
17:30	18:45	1.25	18.75	6	Make up B.H.A	Make up bit # 4 GX-35-DX-547, squat motor to check bearing (3mm), Lay out Teledrift. Run in Hole to 320m.
18:45	19:00	0.25	19.00	21	Pre-Tour Safety Meeting	Review J.S.A.'s and stop cards
19:00	19:15	0.25	19.25	21	Held BOP Drill (trip)	Held BOP drill (tripping operations), stabbing valve installed, well secured men in position 66sec. Closed manual choke line valve to open HCR. Function 2 sec, Open manual valve.
19:15	22:00	2.75	22.00	6	Pull Out of Hole	Pull out of hole to install Totco ring on top of float, from 320m
22:00	22:15	0.25	22.25	7	Rig Service	Function top pipe rams (4sec to close), function remote choke, grease washpipe.
22:15	23:00	0.75	23.00	6	Run in Hole	Run in Hole Run in hole with bit # 4 GX-35-DX-547 to 1177m.
23:00	00:00	1.00	24.00	3	Ream to Bottom	Ream to Bottom 1177m - 1200m. 0-500 daN, pump 1.3m3/m at 4,000 kpa. No erratic torque or pressure.

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 79,417.41	Cum Cost To Date 3,741,562.91
Daily Mud Cost 2,600.41	Mud Cum To Date 15,077.19
Depth Start (mKB) 1,162.00	Depth End (mKB) 1,210.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00

Last Casing String

Surface, 407.00mKB

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m... 0.018
Pres (kPa) 1,080	Slow Spd No	Strokes (s... 55
		Eff (%) 98
Pres (kPa) 4,000	Slow Spd Yes	Strokes (s... 110
		Eff (%) 98

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m... 0.018
Pres (kPa) 1,190	Slow Spd Yes	Strokes (s... 66
		Eff (%) 98
Pres (kPa) 4,000	Slow Spd No	Strokes (s... 110
		Eff (%) 98

Mud Additive Amounts

Description	Cost (/unit)	Consu...
BARITE	21.25	30.0
Q PAC REGULAR	183.53	2.0
ALKAPAM N1003D	356.85	-1.0
ALKAPAM A1103D	136.64	4.0
ENVIROFLOC	38.43	3.0
DESCO II CF	87.14	1.0
FILTRA VIS	235.95	4.0
HYPERDRILL	190.73	1.0
247RD		
SAWDUST	5.19	1.0
SODA ASH	21.33	3.0

Safety Checks

Time	Type	Description
06:...	Pre - Tour Safety Meeting	Discussed our planned procedure during Kick (trip)

Report for: 2/18/2011
Report #: 18.0, DFS: 11.94
Depth Progress: 48.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/18/2011
Report #: 18.0, DFS: 11.94
Depth Progress: 48.00

1,190.00mKB, 2/18/2011 06:50

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	06:50	1,190.00	1090.0	38	13.0	5.000
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
2.000	5.500	7.2	1.0	10.0	0.0	5.6
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
35		350.000	60.000	1.700		
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		

1,210.00mKB, 2/18/2011 11:00

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	11:00	1,210.00	1080.0	38	12.0	4.500
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
1.500	4.500	7.6	1.0	10.0	0.0	5.0
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
35		350.000	40.000	1.700		
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		

BHA #3, Mud Motor LS

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
3	215.9mm, GX-30EX , 6077369	0.28	8-8-BT-A-3-1-WT-PR	161	7.1
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	
14.3	1,159.36	158.7	39.00	39.00	

String Components

Hughes GX-30EX , Mud Motor, Survey Tool - Teledrift, Drill Collar, Jars, Drill Collar - Pony, Drill Collar, XO Sub, HWDP, Drill Pipe

Comment

ROP decrease to 2 m/hr. No formation change.

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq
Original Hole	1,162.00	1,210.00	278.00	39.00	5.5	1.300	15	20	4,000	60	60	120.0

Casing Components

Set Depth (mKB)

19.00
407.00
407.00
407.00
407.00

Safety Checks

Time	Type	Description
19:...	BOP Drill (Trip)	Discussed our planned procedure during Kick (trip)

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/17/2011
Report #: 17.0, DFS: 10.94
Depth Progress: 106.00

DM 482444

V.11

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Calm	Temperature (°C) -25	Road Condition Good	Hole Condition Good
Operations at 6 am Drilling to 1192m at 7m/hr		Operations Next 24 hrs Drill ahead to T.D.	

24 hr Summary
Drill 215.9mm hole with motor @ 3-8m/hr. 1056m - 1162m. WOB 13,000 - 15,000 daN, pump 1.3m3/min, 4,300 - 4,800kpa, 500-700kpa diff. 20 surface RPM, 89rpm at bit. Mud density 1085kg/m3, MBT 35kg/m3, viscosity 40sec/L. Strip and treat mud in premix for transport south.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	03:15	3.25	3.25	2	Drill 215.9mm Hole with Motor	Drill 215.9mm hole with motor @ 3-8m/hr. 1056m - 1076m. WOB 13,000 - 15,000 daN, pump 1.3m3/m. 4,000kpa, 500-700kpa diff. 20 surface rpm, 89rpm at bit. Mud density 1080kg/m3, MBT 35kg/m3, viscosity 38sec/L. Strip and treat mud in premix during trip to be used as make up water.
03:15	03:30	0.25	3.50	7	Rig Service	Function Annular (12sec to close) function remote choke, grease washpipe.
03:30	06:45	3.25	6.75	2	Drill 215.9mm Hole with Motor	Drill 215.9mm hole with motor @ 3-8m/hr. 1076m - 1093m. WOB 13,000 - 15,000 daN, pump 1.3m3/min, 4,000kpa, 500-700kpa diff. 20 surface rpm, 89rpm at bit. Formation - Bear Rock.
06:45	07:00	0.25	7.00	21	Pre-Tour Safety Meeting.	Review J.S.A.'s and stop cards
07:00	07:30	0.50	7.50	2	Drill 215.9mm Hole with Motor	Drill 215.9mm hole with motor @ 3-8m/hr. 1093m - 1096m. WOB 13,000 - 15,000 daN, pump 1.3m3/min, 3,700 - 4,100kpa, 500-700kpa diff. 20 surface rpm, 89rpm at bit. Formation - Bear Rock.
07:30	09:00	1.50	9.00	10	Wireline Survey	Survey @ 1083m - Inc - 5.5deg.
09:00	18:30	9.50	18.50	2	Drill 215.9mm Hole with Motor	Drill 215.9mm hole with motor @ 3-8m/hr. 1096m - 1133m. WOB 13,000 - 15,000 daN, pump 1.3m3/min, 3,700 - 4,100kpa, 500-700kpa diff. 20 surface rpm, 89rpm at bit. Formation - Bear Rock.
18:30	18:45	0.25	18.75	7	Rig Service	Function Annular (12sec to close) function flare stack, grease washpipe and kelly bushings
18:45	19:00	0.25	19.00	21	Pre-Tour Safety Meeting.	Review J.S.A.'s and stop cards
19:00	00:00	5.00	24.00	2	Drill 215.9mm Hole with Motor	Drill 215.9mm hole with motor @ 3-8m/hr. 1133m - 1162m. WOB 13,000 - 15,000 daN, pump 1.3m3/min, 4,300kpa, 500-700kpa diff. 20 surface rpm, 89rpm at bit. Formation - Bear Rock.

1,080.00mKB, 2/17/2011 03:00

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	03:00	1,080.00	1080.0	40	11.0	4.500
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
1.500	4.500	7.8	1.0	10.5	0.0	5.0
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
35		300.000	60.000	2.200		
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
4.60	0.00	0.00	20.00	78.00		

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 97,466.38	Cum Cost To Date 3,662,145.50
Daily Mud Cost 1,168.38	Mud Cum To Date 12,476.78
Depth Start (mKB) 1,056.00	Depth End (mKB) 1,162.00
Target Formation Bear Rock / Amica	Target Depth (mKB) 1,500.00
Last Casing String Surface, 407.00mKB	

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa) 990	Slow Spd Yes	Strokes (s...) 55
		Eff (%) 98
Pres (kPa) 4,000	Slow Spd No	Strokes (s...) 110
		Eff (%) 98

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa) 4,000	Slow Spd No	Strokes (s...) 110
		Eff (%) 98
Pres (kPa) 1,090	Slow Spd Yes	Strokes (s...) 65
		Eff (%) 98

Mud Additive Amounts

Description	Cost (/unit)	Consu...
CAUSTIC SODA	47.41	1.0
DESCO II	87.14	1.0
ALKAPAM	356.85	2.0
ENVIROFLOC	38.43	5.0
SODA ASH	21.33	6.0

Safety Checks

Time	Type	Description
06:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation
18:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

Report for: 2/17/2011
Report #: 17.0, DFS: 10.94
Depth Progress: 106.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/17/2011
Report #: 17.0, DFS: 10.94
Depth Progress: 106.00

1,100.00mKB, 2/17/2011 10:00

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	10:00	1,100.00	1080.0	38	11.0	4.000
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
1.500	4.000	7.8	1.0	10.0	0.0	5.0
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
35		300.000	60.000	2.000		
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
4.60	0.00	0.00	20.00	78.00		

1,130.00mKB, 2/17/2011 17:30

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	17:30	1,130.00	1085.0	37	12.0	3.000
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
1.500	4.000	8.0	1.0	10.0	0.0	5.3
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
35		300.000	60.000	2.100		
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
4.60	0.00	0.00	20.00	78.00		

BHA #3, Mud Motor LS

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
3	215.9mm, GX-30EX , 6077369	0.28	-----	161	7.6
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	
14.3	1,159.36	158.7	30.25	30.25	

String Components

Hughes GX-30EX , Mud Motor, Survey Tool - Teledrift, Drill Collar, Jars, Drill Collar - Pony, Drill Collar, XO Sub, HWDP, Drill Pipe

Comment

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq
Original Hole	1,056.00	1,162.00	230.00	30.25	4.9	1.300	15	20	4,000	60	60	120.0

Casing Components

Set Depth (mKB)

19.00
407.00
407.00
407.00
407.00

DM 485000 V.8

WELLSITE MORNING REPORT

ATTENTION:	<u>Mr. Paul Price</u>	Date	<u>Thur 17 Feb 11</u>	Report #	<u>08</u>
Operator	<u>MGM Energy Corp.</u>	Spud Date	<u>07 Feb 11 @ 01:15 hrs.</u>		
Well Name	<u>MGM et al Windy Island J-39</u>	Days from Spud	<u>10 days</u>		
Surface Location	<u>300/J-39-6500-12530/0</u>	Btm Hole Location	<u>Vertical Well</u>		
Rig	<u>Akita Sahtu Drilling - Rig 51</u>	Surveyed G.L.	<u>191.00m</u>		
Geologist	<u>Ian Andrews</u>	Measured K.B.	<u>196.15</u>		
MGM Sat # :	<u>403-723-2594</u>	Weather:	<u>-29C, clear</u> <u>www.weatheroffice.gc.ca</u>		

00:00 hrs	<u>1056</u>	7:00 hrs	<u>1093</u>	Progress	<u>51.00</u>	Avg. ROP	<u>5.83</u>
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Operation (07:00)	<u>Drilling ahead /w Hughes tri-cone bit @ 1093</u>	Formation	<u>Devonian - Bear Rock</u>
Next 24 Hour Plan	<u>Drill ahead to TD (40m into Franklin Mnt), Survey as required</u>		

Mud Type	<u>Gel Chem</u>	Hrs drilling	<u>8.75</u>	Surveys			
DENS	<u>1085kg/m3 (1040m)</u>	cum	<u>8.75</u>	Depth	Incl	Depth	Incl
VIS	<u>43 sec.</u>	Bit #	<u>3</u>	<u>998</u>	<u>2.00</u>		
PH	<u>10.0</u>	Make/Type	<u>HW/GX30EX</u>	<u>1038</u>	<u>3.00</u>		
WL	<u>7.2</u>	Hole Size	<u>216mm</u>				

Formation Tops & Markers	PROGNOSIS			SAMPLE TOPS		
	SS	TVD	MD	MD	TVD	SS
** Devonian - Hume	-822.5	1018.7			909.0	-712.9
** Middle Hume					917.0	-764.4
Headless	-761.0	957.2			960.5	-782.9
** Landry	-780.0	976.2			979	-782.9
Bear Rock	-838.0	1034.2			1014	-817.9
Fort Norman	-858.0	1054.2				196.2
Ordovician - Franklin Mtn	-1074.5	1270.7				196.2
						196.2
TOTAL DEPTH	-1305.0	1501.2				196.2

Comments: Prognosis tops readjusted to new Devonian - Hume contact
Last sample 1085m - no anhydrite

Drilling Foreman is John Williams (403-723-2598)



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/16/2011
Report #: 16.0, DFS: 9.94
Depth Progress: 124.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Clear / Windy	Temperature (°C) -26	Road Condition Good	Hole Condition Good
Operations at 6 am Drilling 215.9mm hole to 1090m @ 4.5m/hr.		Operations Next 24 hrs Drill ahead, wiper trip at 1155m	
24 hr Summary Pull pull out of hole to change bit and motor.Motor stator and bearing damage. Bit #2 DP-505, graded 6-8-1-PN-PR. Run in hole with bit # 3 GX-30EX-537 from 0m - 932m. Tag bridge, layout 6 singles and ream 932m - 1005m. Pattern bit, Drill 215.9mm hole with motor @ 5-15m/hr. 1005m - 1056m WOB 13,000 - 15,000 daN, pump 1.3 - 1.4m3/min, 3,700 - 4,000kpa, 500-700kpa diff. 20-30 surface RPM, 90-100rpm at bit. Mud density 1080kg/m3, MBT 35kg/m3, viscosity 38sec/L. Strip and treat mud in premix during trip to be used as make up water.			

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	04:30	4.50	4.50	6	Pull Out of Hole	Pull pull out of hole to change bit and motor. Motor showed sign of stator and bearing damage. Bit #2 DP-505, graded 6-8-1-PN-PR. Hole fill data - Calculated - 6.12m3, Measured 7.47m3. Flow check @ 1005m, 904m, 490m, 200m, 0m, Function Blind Rams (5sec to close).
04:30	05:45	1.25	5.75	6	Make up B.H.A.	Change HS 625017 Motor---> LS 625044 Motor. Make up bit # 3 GX-30EX-537, squat motor to check bearing (3mm), check all pre torqued connections on motor, check float
05:45	06:45	1.00	6.75	6	Run in Hole	Run in hole with bit # 3 GX-30EX-537 from 0m - 86m.
06:45	07:00	0.25	7.00	21	Pre-Tour Meeting.	Review J.S.A.'s and stop cards.
07:00	09:30	2.50	9.50	6	Run in Hole	Run in hole with bit # 3 from 86m - 932m, 30-50m/min, Tag bridge, layout 6 singles to ream.
09:30	14:15	4.75	14.25	3	Ream to Bottom	Ream bridge at 932m until excessive torque and hookload return to normal, continue ream, 932m - 1005m.
14:15	14:30	0.25	14.50	2	Rig Service	Function remote Choke, flare stack.
14:30	18:45	4.25	18.75	2	Drill 215.9mm Hole With Mud Motor	Pattern bit, Drill 215.9mm hole with motor @ 5-15m/hr. 1005m - 1031m. WOB 13,000 - 15,000 daN, pump 1.3 - 1.4m3/min, 3,700 - 4,000kpa, 500-700kpa diff. 20 surface RPM, 90rpm at bit. Mud density 1080kg/m3, MBT 35kg/m3, viscosity 38sec/L.
18:45	19:00	0.25	19.00	2	Pre-Tour Meeting.	Review J.S.A.'s and stop cards.
19:00	20:45	1.75	20.75	2	Drill 215.9mm Hole With Mud Motor	Drill 215.9mm hole with motor @ 5-15m/hr. 1031m - 1039m WOB 13,000 - 15,000 daN, pump, 1.4m3/min, 3,700 - 4,000kpa, 500-700kpa diff. 30 surface RPM, 100rpm at bit.
20:45	21:00	0.25	21.00	10	Tele-Drift Survey	Survey @ 1028m - inc - 3.0deg
21:00	23:00	2.00	23.00	2	Drill 215.9mm Hole With Mud Motor	Drill 215.9mm hole with motor @ 5-15m/hr. 1039m - 1052m WOB 14,000 - 15,000 daN, pump, 1.4m3/min, 3,700 - 4,100kpa, 500-700kpa diff. 30 surface RPM, 100rpm at bit.
23:00	23:15	0.25	23.25	7	Rig Service	Function top pipe rams (4sec to close), grease washpipe.
23:15	00:00	0.75	24.00	2	Drill 215.9mm Hole With Mud Motor	Drill 215.9mm hole with motor @ 5-15m/hr. 1052m - 1056m. WOB 15,000 daN, pump, 1.4m3/min, 3,700 - 4,100kpa, 500-700kpa diff. 30 surface RPM, 100rpm at bit.

1,005.00mKB, 2/16/2011 11:15

Type Gel-Chem	Time 11:15	Depth (mKB) 1,005.00	Density (kg/m³) 1080.0	Vis (s/L) 38	PV Override (cp) 13.0	YP Override (Pa) 3,500
Gel 10 sec (Pa) 1,500	Gel 10 min (Pa) 3,000	Filtrate (mL/30min) 7.6	Filter Cake (mm) 1.0	pH 9.0	Sand (%) 0.3	Solids (%) 5.0
MBT (kg/m³) 35	Alkalinity (mL/mL)	Chlorides (mg/L) 300.000	Calcium (mg/L) 60.000	Pf (mL/mL) 0.300	Pm (mL/mL)	Gel 30 min (Pa)
Whole Mud Added (m³) 6.00	Mud Lost to Hole (m³) 0.00	Mud Lost to Surface (m³) 0.00	Reserve Mud Volume (m³) 20.00	Active Mud Volume (m³) 73.80		

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 131,619.68	Cum Cost To Date 3,563,029.12
Daily Mud Cost 1,804.24	Mud Cum To Date 11,308.40
Depth Start (mKB) 932.00	Depth End (mKB) 1,056.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00

Last Casing String
Surface, 407.00mKB

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa) 4,000	Slow Spd No	Strokes (s...) 120
Pres (kPa) 900	Slow Spd Yes	Strokes (s...) 55
		Eff (%) 98

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa) 800	Slow Spd Yes	Strokes (s...) 63
Pres (kPa) 4,000	Slow Spd No	Strokes (s...) 120
		Eff (%) 98

Mud Additive Amounts

Description	Cost (/unit)	Consu...
ALKAPAM	356.85	2.0
CAUSTIC SODA	47.41	1.0
ENVIROFLOC	38.43	10.0
SODA ASH	21.33	1.0
BARITE	21.25	30.0

Safety Checks

Time	Type	Description
06:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation
18:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

Report for: 2/16/2011
Report #: 16.0, DFS: 9.94
Depth Progress: 124.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/16/2011
Report #: 16.0, DFS: 9.94
Depth Progress: 124.00

1,031.00mKB, 2/16/2011 19:00

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	19:00	1,031.00	1080.0	37	11.0	2.500
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
1.500	2.500	7.8	1.0	9.5	0.0	5.0
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
35		300.000	60.000	0.500		
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
6.00	0.00	0.00	20.00	73.80		

BHA #3, Mud Motor LS

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
3	215.9mm, GX-30EX , 6077369	0.28	-----	161	14.2
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	
14.3	1,045.84	158.7	8.75	8.75	

String Components

Hughes GX-30EX , Mud Motor, Survey Tool - Teledrift, Drill Collar, Jars, Drill Collar - Pony, Drill Collar, XO Sub, HWDP, Drill Pipe

Comment

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq
Original Hole	932.00	1,005.00	73.00			1.400	0	30	3,000	51	55	600.0
Original Hole	1,005.00	1,056.00	124.00	8.75	5.8	1.400	15	30	3,000	51	51	350.0

Casing Components

Set Depth (mKB)

19.00
407.00
407.00
407.00
407.00

Report for: 2/16/2011
Report #: 16.0, DFS: 9.94
Depth Progress: 124.00

DM 485000 V.7

WELLSITE MORNING REPORT

ATTENTION:	<u>Mr. Paul Price</u>	Date	<u>Wed 16 Feb 11</u>	Report #	<u>07</u>
Operator	<u>MGM Energy Corp.</u>	Spud Date	<u>07 Feb 11 @ 01:15 hrs.</u>		
Well Name	<u>MGM et al Windy Island J-39</u>	Days from Spud	<u>9 days</u>		
Surface Location	<u>300/J-39-6500-12530/0</u>	Btm Hole Location	<u>Vertical Well</u>		
Rig	<u>Akita Sahtu Drilling - Rig 51</u>	Surveyed G.L.	<u>191.00m</u>		
Geologist	<u>Ian Andrews</u>	Measured K.B.	<u>196.15</u>		
MGM Sat # :	<u>403-723-2594</u>	Weather:	<u>-33C, -38C wind chill</u> <u>www.weatheroffice.gc.ca</u>		

00:00 hrs	<u>1005</u>	7:00 hrs	<u>1005</u>	Progress	<u>127.00</u>	Avg. ROP	<u>7.47</u>
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Operation (07:00)	<u>Trip in Hole / new bit & motor @ 150m</u>	Formation	<u>Devonian - Landry</u>
Next 24 Hour Plan	<u>RIH, Drll ahead to TD.</u>		

				<u>Surveys</u>			
<u>Mud Type</u>	<u>Gel Chem</u>	<u>Hrs drilling</u>	<u>17.00</u>	<u>Depth</u>	<u>Incl</u>	<u>Depth</u>	<u>Incl</u>
DENS	<u>1075 kg/m3</u>	cum	<u>59.75</u>	<u>869</u>	<u>2.50</u>	<u>934</u>	<u>1.5</u>
VIS	<u>44 sec.</u>	Bit #	<u>2</u>	<u>895</u>	<u>2.00</u>	<u>962</u>	<u>1.50</u>
PH	<u>9.0</u>	Make/Type	<u>Hughes/DP505</u>	<u>907</u>	<u>1.50</u>	<u>991</u>	<u>2.0</u>
WL	<u>7.8 cc</u>	Hole Size	<u>216mm</u>			<u>998</u>	<u>2.0</u>

Formation Tops & Markers	PROGNOSIS			SAMPLE TOPS		
	SS	TVD	MD	MD	TVD	SS
Middle Little Bear Unconformity					490	-293.9
** Cretaceous Slater River	-321.0	517.2		?	746	-549.9
Slater River Shale	-714.5	910.7			853	-656.9
** Cretaceous Basal Sand					864	-667.9
Devonian - Hare Indian	-738.5	934.7			not present	
Devonian - Bluefish	-805.5	1001.7			not present	
** Devonian - Hume	-822.5	1018.7			909.0	-712.9
** Middle Hume					917.0	-764.4
Headless	-849.5	1045.7			960.5	-782.9
** Landry	-914.5	1110.7			979.0	196.2

Comments:

Drilling Foreman is John Williams (403-723-2598)

DM 482444 V.S.



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/15/2011

Report #: 15.0, DFS: 8.94

Depth Progress: 126.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather NE Wind 10 Km	Temperature (°C) -30	Road Condition Good	Hole Condition Good
Operations at 6 am Changing mud motor and bit to 5-3-7 Tricone		Operations Next 24 hrs Pull out of hole to change bit and motor. Run in hole drill ahead.	

24 hr Summary

Control Drill 215.9mm hole 879m - 907m with mud motor @ 12m/hr WOB 2 daN, pump 1.4m³/min, 7,000kpa, 700-1100kpa diff. 30 surface RPM, 150rpm at bit. Wiper trip 907m - 753m. Hole in excellent shape. Drill 907m - 1005m @ 2.5 - 12m/hr. WOB 4 - 8 daN. pump 1.32m³/min - 1.4m³/min, 7,000 - 10,000kpa 20-30 surface RPM. Transferred 25m³ to premix from mud tanks, replace transferred volume with fresh water and gel chemical to dilute mud system. MBT 45kg/m³ - 35kg/m³, density 1110kg/m³ - 1080kg/m³.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	03:15	3.25	3.25	2	Drill 215.9mm Hole with Mud Motor	Control drill 215.9mm hole 879m - 907m with mud motor @ 12m/hr WOB 2 daN, pump 1.4m ³ /min, 5,600kpa, 700kpa diff. 30 surface RPM, 150rpm at bit. Control drilling rate reduced to decrease inclination.
03:15	03:45	0.50	3.75	5	Circulate to Clean Hole	Circulate hole until annular discharge is free of cuttings. Mud density - 1115kg/m ³ .
03:45	04:45	1.00	4.75	5	Tele-Drift and Single Shot Survey	Tele-Drift Survey @ 897m - inc - 1.5deg. Single Shot Survey - inc - 2.0deg single shot.
04:45	05:00	0.25	5.00	7	Rig Service	Function bottom pipe rams, (4sec to close). Grease washpipe and kelly bushing.
05:00	06:45	1.75	6.75	6	Wiper Trip	Wiper trip 907m - 753m. Hole in excellent shape with minimal hole drag.
06:45	07:00	0.25	7.00	21	Pre-Tour Meeting	Review stop cards and J.S.A.'s
07:00	10:30	3.50	10.50	2	Drill 215.9mm Hole with Mud Motor	Drill 215.9mm hole 907m - 935m with mud motor @ 2.5 - 12m/hr WOB 4 daN, pump 1.4-1.3m ³ /min, 6,000kpa, 1,500kpa diff. 20-30 surface RPM, 135-150rpm at bit. Transferred 25m ³ to premix from mud tanks, replace transferred volume with fresh water and gel chemical to dilute mud system. MBT 45kg/m ³ - 35kg/m ³ , density 1110kg/m ³ - 1080kg/m ³ .
10:30	10:45	0.25	10.75	10	Tele-Drift Survey	Tele-Drift Survey @ 923m - inc - 1.5deg.
10:45	14:00	3.25	14.00	2	Drill 215.9mm Hole with Mud Motor	Drill 215.9mm hole 935m - 963m with mud motor @ 2.5 - 12m/hr WOB 4 - 4.5daN, pump 1.4-1.3m ³ /min, 6,000kpa, 1,500kpa diff. 20-30 surface RPM, 135-150rpm at bit.
14:00	14:15	0.25	14.25	10	Tele-Drift Survey	Tele-Drift Survey @ 952m - inc - 1.5deg.
14:15	14:30	0.25	14.50	7	Rig Service	Function annular, (12sec to close) Grease washpipe and kelly bushing.
14:30	18:30	4.00	18.50	2	Drill 215.9mm Hole with Mud Motor	Drill 215.9mm hole 963m - 992m with mud motor @ 2.5 - 8m/hr WOB 4 - 4.5daN, pump 1.4-1.3m ³ /min, 6,000kpa, 1,500kpa diff. 20-30 surface RPM, 135-150rpm at bit.
18:30	18:45	0.25	18.75	10	Tele-Drift Survey	Tele-Drift Survey @ 982m - inc - 1.5deg.
18:45	19:00	0.25	19.00	21	Pre-Tour Meeting	Review stop cards and J.S.A.'s
19:00	22:00	3.00	22.00	2	Drill 215.9mm Hole with Mud Motor	Drill 215.9mm hole 992m - 1005m with mud motor @ 2.5 - 8m/hr WOB 4 - 8 daN, pump 1.4-1.3m ³ /min, 6,000 - 10,000kpa, (plugged nozzle) 1,500kpa diff. 20-30 surface RPM, 135-150rpm at bit. ROP declined to 1.3m/hr. Rotary torque decrease, No formation change. Prepare to bit trip.
22:00	23:00	1.00	23.00	2	Circulate to Clean Hole	Circulate hole until annular discharge is free of cuttings. Mud density - 1080kg/m ³ .

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 91,673.93	Cum Cost To Date 3,429,009.44
Daily Mud Cost 476.93	Mud Cum To Date 9,504.16
Depth Start (mKB) 879.00	Depth End (mKB) 1,005.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00

Last Casing String
Surface, 407.00mKB

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m... 0.018
Pres (kPa) 1,100	Slow Spd No	Strokes (s... 55
		Eff (%) 98

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m... 0.018
Pres (kPa) 1,070	Slow Spd Yes	Strokes (s... 66
		Eff (%) 98
Pres (kPa) 6,000	Slow Spd No	Strokes (s... 120
		Eff (%) 98

Mud Additive Amounts

Description	Cost (/unit)	Consu...
FILTRA VIS	235.95	1.0
NATURAL GEL	16.13	4.0
SAWDUST	5.19	34.0

Safety Checks

Time	Type	Description
06:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation
18:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

Report for: 2/15/2011

Report #: 15.0, DFS: 8.94

Depth Progress: 126.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/15/2011
Report #: 15.0, DFS: 8.94
Depth Progress: 126.00

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
23:00	00:00	1.00	24.00	10	Tele-Drift and Single Shot Survey	Tele-Drift Survey @ 995m - inc - 1.5deg. Single Shot Survey - inc - 2.0deg single shot.

900.00mKB, 2/15/2011 02:30

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	02:30	900.00	1110.0	40	12.0	6.500
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
2.000	6.000	8.2	1.0	9.0	0.0	6.9
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
45	0.900	300.000	40.000	0.300	0.300	
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
			25.00	35.00		

960.00mKB, 2/15/2011 14:00

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	14:00	960.00	1080.0	40	12.0	4.500
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
1.500	4.000	8.4	1.0	9.0	0.0	5.0
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
35	0.800	300.000	40.000	0.300	0.300	
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
			25.00	35.00		

994.00mKB, 2/15/2011 19:00

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	19:00	994.00	1080.0	41	13.0	7.000
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
2.000	5.000	7.6	1.0	9.0	0.5	5.0
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
35	1.100	300.000	60.000	0.250	0.250	
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
			25.00	35.00		

BHA #2, Mud Motor

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
2	215.9mm, DP-505, 7900014	0.33	-----	113	11.1
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	
12.0	989.94	158.8	53.70	53.70	

String Components

Hughes DP-505, Mud Motor, Survey Tool - Teledrift, Drill Collar, Jars, Drill Collar - Pony, Drill Collar, XO Sub, HWDP, Drill Pipe

Comment

ROP decrease - 1.3m/hr torque decrease, no formation change. 407m - 1005m

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq
Original Hole	879.00	1,005.00	598.00	53.70	7.4	1.400	8	154	7,000	52	52	68.0

Casing Components

Set Depth (mKB)											
											19.00
											407.00
											407.00
											407.00
											407.00

WELLSITE MORNING REPORT

ATTENTION:	<u>Mr. Paul Price</u>	Date	<u>Tue 15 Feb 11</u>	Report #	<u>06</u>
Operator	<u>MGM Energy Corp.</u>	Spud Date	<u>07 Feb 11 @ 01:15 hrs.</u>		
Well Name	<u>MGM et al Windy Island J-39</u>	Days from Spud	<u>8 days</u>		
Surface Location	<u>300/J-39-6500-12530/0</u>	Btm Hole Location	<u>Vertical Well</u>		
Rig	<u>Akita Sahtu Drilling - Rig 51</u>	Surveyed G.L.	<u>191.00m</u>		
Geologist	<u>Ian Andrews</u>	Measured K.B.	<u>196.15</u>		
MGM Sat # :	<u>403-723-2594</u>	Weather:	<u>-26C / sun & cloud</u>		
			<u>www.weatheroffice.gc.ca</u>		

00:00 hrs	<u>878</u>	7:00 hrs	<u>911m</u>	Progress	<u>273.00</u>	Avg. ROP	<u>14.18</u>
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Operation (07:00)	<u>Drilling 216mm main hole @ 911m</u>	Formation	<u>Slater River</u>
Next 24 Hour Plan	<u>Drill ahd, survey as required, wiper trip</u>		

		<u>Surveys</u>			
<u>Mud Type</u>	<u>Gel Chem</u>	<u>Hrs drilling</u>	<u>19.25</u>	<u>Depth</u>	<u>Incl</u>
DENS	<u>1115 kg/m3</u>	cum	<u>32.25</u>	<u>605</u>	<u>0.50</u>
VIS	<u>42 sec.</u>	Bit #	<u>2</u>	<u>698</u>	<u>1.00</u>
PH	<u>9.0</u>	Make/Type	<u>Hughes/DP505</u>	<u>802</u>	<u>1.00</u>
WL	<u>8.0 cc</u>	Hole Size	<u>216mm</u>	<u>869</u>	<u>2.00</u>

Formation Tops & Markers	PROGNOSIS			SAMPLE TOPS		
	SS	TVD	MD	MD	TVD	SS
Middle Little Bear Unconformity					490	-293.9
Cretaceous Slater River	-321.0	517.2				196.2
Slater River Shale	-714.5	910.7				196.2
Devonian - Hare Indian	-738.5	934.7				196.2
		196.2				196.2
		196.2				196.2
TOTAL DEPTH	-1305.0	1501.2				196.2

Comments: Paul Price & Michael Enachescu arrive yesterday afternoon

Wiper trip @ 755 meters (2.25 hrs.) 12:00 to 14:15 hrs

We have change the Middle Little Bear unconformity to come in at 490m, where initially we had place the Slater River top. And now calling what was previously the Middle Little Bear, the Little Bear Seismic Maker at 363m. This after re-examining the seismic profile with MGM Geology and Geophysics (Paul & Michael)

Drilling Foreman is John Williams (403-723-2598)

DM 482444 V.8



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/14/2011
Report #: 14.0, DFS: 7.94
Depth Progress: 274.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Wind/clear	Temperature (°C) -23	Road Condition Fair	Hole Condition Good
Operations at 6 am Wiper Trip from 907m - 753m completed.		Operations Next 24 hrs Control Drill @ 12m/hr 879m - 907m. Wiper trip 907m - 755m. Control drill @ 12m/hr.	

24 hr Summary
Control drill 215.9mm hole 605m - 755m with mud motor @ 15-20m/hr WOB 200 - 1,100 daN, pump 1.4m3/min, 4,400 - 5,500kpa, 700-1100kpa diff. 30 surface RPM, 150rpm at bit. Wiper trip 755m - 600m. Hole in excellent shape. Control drill 755m - 869m @ 20m/hr, WOB 1,000 - 1,800 daN, Mud density increased from 1030kg/m3 - 1110kg/m3, MBT from 20kg/m3 - 40kg/m3. Centrifuge underflow 1860kg/m3, overflow 1100kg/m3. Survey @ 859m - Tele-Drift - inc 2.5deg, single shot - inc - 2.0 deg. Control drill ROP reduced to 12m/hr 869m - 879m/hr. To decrease inclination.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	04:30	4.50	4.50	2	Drill 215.9mm Hole with Mud Motor	Control drill 215.9mm hole 605m - 662m with mud motor @ 15m/hr WOB 200 - 500 DaN, pump 1.4m3/min, 4,400 - 5,000kpa, 700-1100kpa diff. 30 surface RPM, 150rpm at bit. Mud density - 1080kg/m3, MBT - 32.5kg/m3, viscosity - 40sec/L.
04:30	04:45	0.25	4.75	7	Rig Service	Function top pipe rams, (4sec to close) function remote choke, grease washpipe.
04:45	06:45	2.00	6.75	2	Drill 215.9mm Hole with Mud Motor	Control drill 215.9mm hole 662m - 685m with mud motor @ 15m/hr WOB 200 DaN, pump 1.4m3/min, 4,400 - 5,000kpa, 700-1100kpa diff. 30 surface RPM, 150rpm at bit.
06:45	07:00	0.25	7.00	21	Pre-Tour Meeting	Review Stop cards and J.S.A's
07:00	08:00	1.00	8.00	2	Drill 215.9mm Hole with Mud Motor	Control drill 215.9mm hole 685m - 699m with mud motor @ 20m/hr WOB 1,000 - 1,400 DaN, pump 1.4m3/min, 5,500kpa, 700-1100kpa diff. 30 surface RPM, 150rpm at bit.
08:00	08:15	0.25	8.25	10	Tele-Drift Survey	Survey @ 688m - inc - 1.0deg
08:15	12:00	3.75	12.00	2	Drill 215.9mm Hole with Mud Motor	Control drill 215.9mm hole 699m - 755m with mud motor @ 20m/hr WOB 1,000 - 1,500 DaN, pump 1.4m3/min, 5,500kpa, 700-1100kpa diff. 30 surface RPM, 150rpm at bit.
12:00	12:15	0.25	12.25	10	Tele-Drift Survey	Survey @ 744m - inc - 0.5deg
12:15	12:30	0.25	12.50	5	Circulate Hole Clean	Circulate hole until annular discharge is free of cuttings. Mud density - 1090kg/m3.
12:30	12:45	0.25	12.75	21	BOP Drill	Held BOP drill - Tripping operations. Well secure men in position 60 sec.
12:45	14:15	1.50	14.25	6	Wiper Trip	Wiper trip 755m - 596m. Hole in excellent shape with minimal hole drag.
14:15	17:30	3.25	17.50	2	Drill 215.9mm Hole with Mud Motor	Control drill 215.9mm hole 755m - 803m with mud motor @ 20m/hr WOB 1,000 - 1,500 DaN, pump 1.4m3/min, 5,800kpa, 700-1100kpa diff. 30 surface RPM, 150rpm at bit. Mud Density 1,100kg/m3 MBT 37.5kg/m
17:30	17:45	0.25	17.75	10	Tele-Drift Survey	Survey @ 793m - inc - 1.0deg
17:45	18:30	0.75	18.50	2	Drill 215.9mm Hole with Mud Motor	Control drill 215.9mm hole 803m - 823m with mud motor @ 20m/hr WOB 1,000 - 1,500 DaN, pump 1.4m3/min, 6,500kpa, 1,200kpa diff. 30 surface RPM, 150rpm at bit.
18:30	18:45	0.25	18.75	21	Pre-Tour Meeting	Review Stop Cards and J.S.A.'s

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 72,386.93	Cum Cost To Date 3,337,335.51
Daily Mud Cost 476.93	Mud Cum To Date 9,027.23
Depth Start (mKB) 605.00	Depth End (mKB) 879.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00

Last Casing String
Surface, 407.00mKB

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa) 5,700	Slow Spd No	Strokes (s...) 120
		Eff (%) 98
Pres (kPa) 1,300	Slow Spd Yes	Strokes (s...) 55
		Eff (%) 98

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa) 1,400	Slow Spd Yes	Strokes (s...) 66
		Eff (%) 98
Pres (kPa) 6,900	Slow Spd No	Strokes (s...) 120
		Eff (%) 98

Mud Additive Amounts

Description	Cost (/unit)	Consu...
FILTRA VIS	235.95	1.0
NATURAL GEL	16.13	4.0
SAWDUST	5.19	34.0

Safety Checks

Time	Type	Description
12:...	BOP Drill (Trip)	Discussed our planned procedure during Kick (trip)
18:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

Report for: 2/14/2011
Report #: 14.0, DFS: 7.94
Depth Progress: 274.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/14/2011
Report #: 14.0, DFS: 7.94
Depth Progress: 274.00

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
18:45	22:00	3.25	22.00	2	Drill 215.9mm Hole with Mud Motor	Control drill 215.9mm hole 823m - 869m with mud motor @ 20m/hr WOB 1,000 - 1,500 DaN, pump 1.4m3/min, 6,800kpa, 1200kpa diff. 30 surface RPM, 150rpm at bit. Density 1110kg/m3 MBT 40kg/m3. Change Shaker Screens - 160 ---> 200, 140 --->180.
22:00	23:00	1.00	23.00	10	Tele-Drift and Single Shot Survey	Tele-Drift Survey @ 859m - inc - 2.5deg. Single Shot Survey - inc - 2.0deg single shot.
23:00	00:00	1.00	24.00	2	Drill 215.9mm Hole with Mud Motor	Control drill 215.9mm hole 869m - 879m with mud motor @ 12m/hr WOB 200 DaN, pump 1.4m3/min, 5,00kpa, 700kpa diff. 30 surface RPM, 150rpm at bit. Control drilling rate reduced to decrease inclination.

700.00mKB, 2/14/2011 07:00

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	07:00	700.00	1080.0	40	13.0	4.500
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
1.500	4.000	8.0	1.0	9.0	0.5	5.0
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
33	1.300	300.000	40.000	0.400		
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)	58.70	

777.00mKB, 2/14/2011 15:00

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	15:00	777.00	1100.0	38	13.0	3.500
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
1.500	3.000	7.6	1.0	9.0	0.5	6.3
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
38	1.450	300.000	60.000	0.400		
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)	60.30	

830.00mKB, 2/14/2011 19:00

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	19:00	830.00	1110.0	40	12.0	5.500
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
2.000	4.500	7.6	1.0	9.0	0.5	6.9
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
40	1.100	300.000	60.000	0.300		
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)	62.10	

BHA #2, Mud Motor

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
2	215.9mm, DP-505, 7900014	0.33	-----	113	12.9
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	
12.0	867.76	158.8	36.70	36.70	

String Components

Hughes DP-505, Mud Motor, Survey Tool - Teledrift, Drill Collar, Jars, Drill Collar - Pony, Drill Collar, XO Sub, HWDP, Drill Pipe

Comment

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq
Original Hole	605.00	879.00	472.00	36.70	14.2	1.400	2	154	5,000	48	48	68.0

Casing Components

Set Depth (mKB)
19.00
407.00
407.00
407.00
407.00

Report for: 2/14/2011
Report #: 14.0, DFS: 7.94
Depth Progress: 274.00

DM 485000 V.5

WELLSITE MORNING REPORT

ATTENTION:	<u>Mr. Paul Price</u>	Date	<u>Mon 14 Feb 11</u>	Report #	<u>05</u>
Operator	<u>MGM Energy Corp.</u>	Spud Date	<u>07 Feb 11 @ 01:15 hrs.</u>		
Well Name	<u>MGM et al Windy Island J-39</u>	Days from Spud	<u>7 days</u>		
Surface Location	<u>300/J-39-6500-12530/0</u>	Btm Hole Location	<u>Vertical Well</u>		
Rig	<u>Akita Sahtu Drilling - Rig 51</u>	Surveyed G.L.	<u>191.00m</u>		
Geologist	<u>Ian Andrews</u>	Measured K.B.	<u>196.15</u>		
MGM Sat # :	<u>403-723-2594</u>	Weather:	<u>-28C / wind chill -47C, clear</u> <u>www.weatheroffice.gc.ca</u>		

00:00 hrs	<u>605</u>	7:00 hrs	<u>445</u>	Progress	<u>198.00</u>	Avg. ROP	<u>12.38</u>
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Operation (07:00)	<u>Drilling 216mm main hole @ 690m</u>	Formation	<u>Slater River</u>
Next 24 Hour Plan	<u>Drill ahd, survey as required</u>		

Mud Type	<u>Gel Chem</u>	Hrs drilling	<u>16.00</u>	Surveys			
DENS	<u>1050 kg/m3</u>	cum	<u>16.00</u>	Depth	Incl	Depth	Incl
VIS	<u>44 sec.</u>	Bit #	<u>2</u>	<u>381</u>	<u>0.50</u>		
PH	<u>10.0</u>	Make/Type	<u>Hughes/TN569</u>	<u>490</u>	<u>0.20</u>		
WL	<u>9.5 cc</u>	Hole Size	<u>216mm</u>	<u>605</u>	<u>0.50</u>		

Formation Tops & Markers	PROGNOSIS			SAMPLE TOPS		
	SS	TVD	MD	MD	TVD	SS
Quaternary	194.5	0.0			20	176.2
Tertiary - Summit Creek	146.5	49.7			44	152.2
Cretaceous - Little Bear	54.5	141.7			174.5	21.7
Middle Little Bear					363.0	-166.9
Cretaceous - Slater River	-321.5	517.7			490	-293.9
Slater River Shale	-714.5	910.7				
TOTAL DEPTH	-1305.0	1501.2				

Comments:

Wiper trip @ 605 meters (3 hrs.) 21:30 to 00:30 hrs.

Slater River top with conglomerate present in 495m sample. No increases or change in formation background gas.

Slater River bituminous shale was prognosed for 910.7m

Drilling Foreman is John Williams (403-723-2598)

482444 v.7



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Rpt#7 Report for: 2/13/2011
fr. Spud Report #: 13.0, DFS: 6.94
Depth Progress: 198.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Strong Wind	Temperature (°C) -27	Road Condition Fair	Hole Condition Good
Operations at 6 am Control drill 15m/hr @ 680m		Operations Next 24 hrs Drill 215.9mm hole with mud motor 605m - 750m wiper trip.	

24 hr Summary

Prior to F.I.T. Circulate hole clean of cuttings. Rig up pressure tester. Pump 33L water - 4,020kpa into wellbore. Surface applied pressure was held for 10 min with 180kpa pressure loss. Displace hole to Gel Chemical. Shut down and build tank volume. Control drill 215.9mm hole 407m - 605m with mud motor @15m/hr, WOB 200 DaN, pump 1.4m3/min, 4,400 - 5,500kpa 700-1100kpa diff. 30-40 surface RPM 130rpm at bit. Wiper trip to casing shoe. Hole in excellent shape, no losses. Deviation confirmed at 500m with single shot survey - inc .25 deg.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	00:30	0.50	0.50	5	Circulate Hole Clean of Cuttings	Circulate hole until annular discharge is free of cuttings. Water density - 1020kg/m3. Treat water with sodium bi-carb.
00:30	01:30	1.00	1.50	16	F.I.T. to pressure gradient of 20kpa/m	Pump 36L water, 4,020kpa SAP into wellbore @ 10L/min, pressure increase of 300kpa/ 3L from 12L - 36L. Held 4,020 SAP 10 min with 180kpa pressure drop. 19.87kpa/min gradient. MACP chart posted in doghouse and manifold shack.
01:30	02:00	0.50	2.00	5	Displace hole to Gel Chemical	Displace water in casing to gel chemical drilling fluid.
02:00	04:00	2.00	4.00	25	Build Tank Volume	Mix gel chemical to obtain 50sec/L viscosity 30m3 Tank Volume.
04:00	07:00	3.00	7.00	2	Drill 215.9mm Hole with Mud Motor.	Control drill 215.9mm hole 407m - 450m with mud motor @15m/hr, WOB 200 DaN, pump 1.4m3/min, 5,500kpa 700-1100kpa diff. 30 surface RPM 130rpm at bit.
07:00	07:15	0.25	7.25	21	Pre-Tour Meeting	Reviewed stop cards and MACP chart. Discussed manifold and BOP alignment, kick warning signs and hard shut in.
07:15	11:30	4.25	11.50	2	Drill 215.9mm Hole with Mud Motor	Control drill 215.9mm hole 450m - 503m with mud motor @15m/hr, WOB 200 DaN, pump 1.4m3/min, 4,400kpa 700-1100kpa diff. 30 surface RPM 130rpm at bit.
11:30	11:45	0.25	11.75	7	Rig Service	Function annular preventer. 12sec to close. Grease washpipe and traveling blocks.
11:45	12:00	0.25	12.00	21	BOP Drill	Men in position well secure 65sec.
12:00	12:45	0.75	12.75	10	Single Shot Wireline Survey	Deviation confirmed with single shot. inc - .25deg @ 491m. M.D. - 500m
12:45	18:45	6.00	18.75	2	Drill 215.9mm Hole with Mud Motor	Control drill 215.9mm hole 503m - 570m with mud motor @15m/hr, WOB 500-200 DaN, pump 1.4m3/min, 4,600 kpa 900 diff. 30 surface RPM 130rpm at bit.
18:45	19:00	0.25	19.00	21	Pre-Tour Meeting	Review stop cards and J.S.A's
19:00	21:45	2.75	21.75	2	Drill 215.9mm Hole with Mud Motor	Control drill 215.9mm hole 570m - 605m with mud motor @15m/hr, WOB 1,000 - 500 DaN, pump 1.4m3/min, 4,400 kpa 700 kpa diff. 30 surface RPM 130rpm at bit.
21:45	22:00	0.25	22.00	10	Tele-Drift Survey	Survey @ 585m - inc - .5deg M.D - 605m
22:00	00:00	2.00	24.00	6	Wiper Trip To Casing	Wiper Trip to Casing with minimal hole drag 605m - 400m

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 103,094.35	Cum Cost To Date 3,218,829.58
Daily Mud Cost 1,127.35	Mud Cum To Date 8,550.30
Depth Start (mKB) 407.00	Depth End (mKB) 605.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00
Last Casing String Surface, 407.00mKB	

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m... 0.018
Pres (kPa) 4,500	Slow Spd No	Strokes (s... Eff (%) 120 98
Pres (kPa) 800	Slow Spd No	Strokes (s... Eff (%) 55 98

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m... 0.018
Pres (kPa) 4,700	Slow Spd No	Strokes (s... Eff (%) 120 98
Pres (kPa) 820	Slow Spd Yes	Strokes (s... Eff (%) 64 98

Mud Additive Amounts

Description	Cost (/unit)	Consu...
BICARB OF SODA	27.74	4.0
FILTRA VIS	235.95	2.0
Q PAC REGULAR	183.53	2.0
NATURAL GEL	16.13	11.0

Safety Checks

Time	Type	Description
12:...	BOP Drill	Discussed our planned procedure during Kick

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

Report for: 2/13/2011
Report #: 13.0, DFS: 6.94
Depth Progress: 198.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/13/2011
Report #: 13.0, DFS: 6.94
Depth Progress: 198.00

407.00mKB, <Date?>

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem		407.00	1025.0	50	16.0	9.000
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
1.500	6.500	9.0	1.0	9.0	0.3	1.3
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
10	1.700	300.000	40.000		0.900	
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
14.60	2.00			52.30		

532.00mKB, <Date?>

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem		532.00	1030.0	39	13.0	4.500
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
1.500	6.000	8.8	1.0	9.0	0.5	1.9
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
18	1.500	300.000	20.000		0.800	
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
146.00	2.00			52.30		

568.00mKB, 2/13/2011 00:00

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	00:00	568.00	1025.0	47	15.0	7.500
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
2.000	6.000	8.4	1.0	9.0	0.5	1.6
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
20	1.450	300.000	40.000		0.800	
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
14.60	2.00			52.30		

BHA #2, Mud Motor

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
2	215.9mm, TN5697R , 7900014	0.33	-----	113	12.1
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	
12.0	594.10	158.8	17.45	17.45	

String Components

Hughes TN5697R , Mud Motor, Survey Tool - Teledrift, Drill Collar, Jars, Drill Collar - Pony, Drill Collar, XO Sub, HWDP, Drill Pipe

Comment

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq
Original Hole	407.00	605.00	212.00	17.45	12.4	1.400	0	30	4,500	44	44	68.0

Casing Components

Set Depth (mKB)

19.00
407.00
407.00
407.00
407.00

Report for: 2/13/2011
Report #: 13.0, DFS: 6.94
Depth Progress: 198.00

DM 485000 V.4

WELLSITE MORNING REPORT

ATTENTION:	<u>Mr. Paul Price</u>	Date	<u>Sun 13 Feb 11</u>	Report #	<u>04</u>
Operator	<u>MGM Energy Corp.</u>	Spud Date	<u>07 Feb 11 @ 01:15 hrs.</u>		
Well Name	<u>MGM et al Windy Island J-39</u>	Days from Spud	<u>6 days</u>		
Surface Location	<u>300/J-39-6500-12530/0</u>	Btm Hole Location	<u>Vertical Well</u>		
Rig	<u>Akita Sahtu Drilling - Rig 51</u>	Surveyed G.L.	<u>191.00m</u>		
Geologist	<u>Ian Andrews</u>	Measured K.B.	<u>196.15</u>		
MGM Sat # :	<u>403-723-2594</u>	Weather:	<u>-25C/-41C wind chill, Flurrys</u> <u>www.weatheroffice.gc.ca</u>		

00:00 hrs	<u>407.0</u>	7:00 hrs	<u>445</u>	Progress	<u>0.00</u>	Avg. ROP	<u>0.00</u>
Operation (07:00)	<u>Drilling 216mm main hole @ 445m</u>			Formation	Cretaceous Little Bear		
Next 24 Hour Plan	<u>Drill ahd, survey as required.</u>						

Mud Type		Hrs drilling		Surveys			
				Depth	Incl	Depth	Incl
DENS	<u>1010 kg/m3</u>	cum	<u>0.00</u>	<u>381</u>	<u>0.50</u>		
VIS	<u>50 sec.</u>	Bit #	<u>2</u>				
PH	<u>9.5</u>	Make/Type	<u>Hughes/TN569</u>				
WL	<u>9.0 cc</u>	Hole Size	<u>216mm</u>				

Formation Tops & Markers	PROGNOSIS			SAMPLE TOPS		
	SS	TVD	MD	MD	TVD	SS
Quaternary	194.5	0.0			20	176.2
Tertiary - Summit Creek	146.5	49.7			44	152.2
Cretaceous - Little Bear	54.5	141.7			174.5	21.7
Middle Little Bear					363.0	-166.9
Cretaceous - Slater River	-321.5	517.7				
Slater River Shale	-714.5	910.7				
TOTAL DEPTH	-1305.0	1501.2				

Comments:

Drilled out around 4:15 hrs. this morning.
Soft shale and Claystone predominant through samples.

Drilling Foreman is John Williams (403-723-2598)



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

 Report for: 2/12/2011
 Report #: 12.0, DFS: 5.94
 Depth Progress: 14.00

API/UWI 300J396500125300		Surface Legal Location		License No. 2072		State/Province N.W.T	
Spud Date 2/7/2011 1:30:00 AM		Rig Release Date		Ground Elevation (m) 191.00		KB-Ground Distance (m) 5.15	
Weather Strong Wind/Snow		Temperature (°C) -28		Road Condition Cased		Hole Condition Good	
Operations at 6 am Control drill at 15m/hr @ 440m				Operations Next 24 hrs Drill 215.9mm hole with mud motor 407m - 600m			
24 hr Summary Continue to nipple up BOP. Install flow nipple and flow line. Hold safety meeting with rainbow pressure test, presure test manifold, BOP, stabbing valve, inside BOP and high pressure mud line. Conduct accumulator function test. Pick up B.H.A. Run in hole to tag cement. cement top at 393m. Drill float collar and casing shoe 393m - 407m							
Time Log							
Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment	
00:00	04:45	4.75	4.75	14	Nipple up BOP	Continue to assemble BOP components. Tighten flange connections (Lockhart) Connect turn buckles, install flow nipple and flow line.	
04:45	05:00	0.25	5.00	21	Held Safety Meeting.	Held Safety Meeting with Rainbow Pressure Test Service. Reviewed J.S.A.	
05:00	15:00	10.00	15.00	15	Pressure Test BOP	Test manifold valves - (1) (2) (4), choke line, outside choke valve. Test chokes - (manual) (remote).Test manifold valves - (3) (5) (6) (7) (10). Test manifold valves (8) (9) (10) (11). Set cup tester, Unable to use test plug, no holddown screws in casing bowl to contain test plug. Test upper pipe rams, H.C.R., stabbing valve, lower outside choke valve, outside kill valves. Test lower pipe rams, inside BOP. Test annular. Test blind rams inside kill valves, surface casing, lower inside choke valve. Test upper kelly cock. Test lower kelly cock. Test standpipe to pump. 1,400 kpa low 5min, 21,000 kpa high 5min. Annular high at 66% - 14,000kpa. All components showed no visible pressure loss in 5min.	
15:00	15:30	0.50	15.50	15	Accumulator Function Test.	21,000 kpa starting pressure, 1. Close annular (13sec - 6,000kpa). 2. Open H.C.R. (2sec - 400kpa). 3. Close upper pipe rams (4sec - 1,400kpa). 4. Close lower pipe rams (4sec - 1,200kpa). Total pressure loss - 9,000kpa. End presurre 12,000kpa. 1min 57sec recharge time. Precharge at 7,500kpa. N2 backup - (1) 16,100 (2) 16800 (3) 16,800	
15:30	15:45	0.25	15.75	21	Held Safety Meeting	Review J.S.A. on picking up B.H.A.	
15:45	18:15	2.50	18.25	6	Pick up B.H.A.	Pick up high speed motor 625017 make up bit, Run in hole to tag cement. - 386m	
18:15	18:30	0.25	18.50	21	Held Safety Meeting	Review J.S.A. and discuss slip and cut procedure.	
18:30	19:00	0.50	19.00	9	Slip and Cut	Cut 19m of 1-1/8 drilling line, Slip 19m of 1-1/8 drilling line	
19:00	19:15	0.25	19.25	21	Held Safety Meeting.	Review hazard I.D.'s and J.S.A.'s	
19:15	19:45	0.50	19.75	9	Slip and Cut	Finish slip and cut, set up brakes, adjust band rollers.	
19:45	20:45	1.00	20.75	21	Pre - Drill Out Inspection	Conduct C.O.A.D.C pre - drill out inspection. by Akita rig manager and crew. Mitigate corrective measures.	
20:45	21:15	0.50	21.25	21	Held B.O.P. Drill.	Conduct BOP drill - walk through not timed, function upper pipe rams (5sec to close)	
21:15	22:15	1.00	22.25	5	Tag Cement/ Drill Plug	Tag cement at 393m drill cement plug 393m - 395m	
22:15	23:15	1.00	23.25	8	Rebuild 4" Oteco Valve	Time taken to rebuild 4" Oteco stand pipe isolation valve.	
23:15	00:00	0.75	24.00	2	Drill Out Casing	Drill float collar and casing shoe 395m - 407m	

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 82,189.77	Cum Cost To Date 3,115,569.15
Daily Mud Cost 1,208.77	Mud Cum To Date 7,256.87
Depth Start (mKB) 393.00	Depth End (mKB) 407.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00
Last Casing String Surface, 407.00mKB	

Daily Contacts	
Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51	
Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80			
Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)	
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018	
Pres (kPa) 2,000	Slow Spd No	Strokes (s...) 80	Eff (%) 98

2, National Supply, 8-P-80			
Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)	
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018	
Pres (kPa) No	Slow Spd No	Strokes (s...) No	Eff (%) No

Mud Additive Amounts		
Description	Cost (/unit)	Consu...
CAUSTIC SODA	47.41	1.0
FILTRA VIS	235.95	3.0
HUMALITE	12.31	4.0
Q STOP FINE	59.83	2.0
SODA ASH	21.33	2.0
NATURAL GEL	16.13	15.0

Safety Checks		
Time	Type	Description
22:...	BOP Drill	Discussed our planned procedure during Kick
22:...	Pre-Drill Out Inspection	C.O.A.D.C. Inspection done by R.M.

Wellbores	
Wellbore Name	KO MD (mKB)
Original Hole	0.00

 Report for: 2/12/2011
 Report #: 12.0, DFS: 5.94
 Depth Progress: 14.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/12/2011
Report #: 12.0, DFS: 5.94
Depth Progress: 14.00

407.00mKB, 2/12/2011 07:00

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel Chem	07:00	407.00	1015.0	53	17.0	13.000
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
3.500	11.000	9.8	1.0	8.0		0.9
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
15	0.500	300.000	200.000		0.050	
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
24.20				24.20		

BHA #2, Mud Motor

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
2	215.9mm, TN5697R , 7900014	0.33	-----	113	9.7
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	
12.0	199.40	158.8	1.45	1.45	

String Components

Hughes TN5697R , Mud Motor, Survey Tool - Teledrift, Drill Collar, Jars, Drill Collar - Pony, Drill Collar, XO Sub, HWDP

Comment

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq
Original Hole	393.00	407.00	14.00	1.45	9.7	0.940	2	30	200	36	36	65.0

Casing Components

Set Depth (mKB)

19.00
407.00
407.00
407.00
407.00

DM 485000 V.3

WELLSITE MORNING REPORT

ATTENTION:	<u>Mr. Paul Price</u>	Date	<u>Sat 12 Feb 11</u>	Report #	<u>03</u>
Operator	<u>MGM Energy Corp.</u>	Spud Date	<u>07 Feb 11 @ 01:15 hrs.</u>		
Well Name	<u>MGM et al Windy Island J-39</u>	Days from Spud	<u>5 days</u>		
Surface Location	<u>300/J-39-6500-12530/0</u>	Btm Hole Location	<u>Vertical Well</u>		
Rig	<u>Akita Sahtu Drilling - Rig 51</u>	Surveyed G.L.	<u>191.00m</u>		
Geologist	<u>Ian Andrews</u>	Measured K.B.	<u>196.15</u>		
MGM Sat # :	<u>403-723-2594</u>	Weather:	<u>www.weatheroffice.gc.ca</u>		

00:00 hrs	<u>407.0</u>	7:00 hrs	<u>407</u>	Progress	<u>0.00</u>	Avg. ROP	<u>0.00</u>
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Operation (07:00)	<u>Pressure Testing BOPS</u>	Formation	<u>Cretaceous Little Bear</u>
Next 24 Hour Plan	<u>Drl out cmt, Drill 200mm main hole.</u>		

Mud Type	<u>Gel Chem - stripping to</u>	Hrs drilling	<u>0.00</u>	Surveys			
DENS	<u>1050 kg/m3</u>	cum	<u>0.00</u>	Depth	Incl	Depth	Incl
VIS	<u>40</u>	Bit #	<u>1</u>	<u>381</u>	<u>0.50</u>		
PH	<u>8.0</u>	Make/Type					
WL		Hole Size	<u>200mm</u>				

Formation Tops & Markers	PROGNOSIS			SAMPLE TOPS		
	SS	TVD	MD	MD	TVD	SS
Quaternary	194.5	0.0			20	176.2
Tertiary - Summit Creek	146.5	49.7			44	152.2
Cretaceous - Little Bear	54.5	141.7			174.5	21.7
Middle Little Bear					363.0	-166.9
Cretaceous - Slater River	-321.5	517.7				
Slater River Shale	-714.5	910.7				
TOTAL DEPTH	-1305.0	1501.2				

Comments:

After yesterday's report, and the crew change, we found out that there was not enough room for the BOP stack, and had to cut off the bowl to a lower elevation to accomodate the BOP's. Started to Nipple up again 12 hrs. later

Drilling Foreman is John Williams (403-723-2598)



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

DM 482444 V.5

Report for: 2/11/2011
Report #: 11.0, DFS: 4.94
Depth Progress: 0.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Clear/Calm	Temperature (°C) -20	Road Condition Cased	Hole Condition Good
Operations at 6 am Pressure Test BOP		Operations Next 24 hrs Continue nipple up of BOP, Pressure test BOP, Pick up B.H.A.	

24 hr Summary

Disassemble diverter, lay down flow "T" and remove from sub structure. Cut surface casing, Weld casing bowl to surface casing. Casing bowl was set to high for BOP configuration. Casing bowl was removed, final cut was corrected. During the time of casing bowl correction. Pre drill out rig up commenced. Re-weld casing bowl to surface casing. Test casing bowl flange to 21,000kpa for 10min. Nipple up BOP. Safety stand down annual topic (new workers) Reviewed. MGM and Akita operations representatives discussed the topic with personnel involved in Windy Island J-39 project.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	01:45	1.75	1.75	14	Rough Cut Surface Casing	Disconnect diverter from conductor flange, rig diverter to BOP slings, lift and safety chain diverter to table beam. Rough cut 244.5mm surface casing, lay down casing joint.
01:45	02:00	0.25	2.00	21	Held Safety Meeting	Reviewed J.S.A. and discussed hazards, diverter nipple down.
02:00	03:30	1.50	3.50	14	Nipple Down Diverter	Disassemble diverter, lay down flow "T" and remove from sub structure.
03:30	05:30	2.00	5.50	25	Prepare to Weld Casing Bowl	Unproductive Time - Final cut surface casing, preheat casing bowl, bevel casing cut.
05:30	05:45	0.25	5.75	21	Held Safety Meeting	Reviewed Hot work permit
05:45	07:00	1.25	7.00	25	Weld Casing Bowl	Unproductive Time - Weld casing bowl to surface casing.
07:00	07:15	0.25	7.25	21	Held Pre - Tour Safety Meeting	Reviewed Hazard I.D.'s and J.S.A.'s
07:15	15:30	8.25	15.50	25	Casing Bowl Correction	Unproductive Time - Casing bowl was set to high for BOP configuration. Casing bowl was removed, final cut was corrected, weld was removed from casing bowl. During the time of casing bowl correction. Pre drill out rig up commenced - rig in flare stack and degasser lines. Strapped drill pipe.
15:30	18:45	3.25	18.75	14	Re-weld Casing Bowl	Re-weld casing bowl to surface casing. Allow bowl to cool prior to pressure test
18:45	19:00	0.25	19.00	21	Pre-Tour Safety Meeting.	Reviewed Hazard I.D.'s and J.S.A.'s Review nipple up procedure.
19:00	19:15	0.25	19.25	15	Pressure Test Casing Bowl	Pressure test casing bowl weld with grease to 21,000kpa for 10 min. witnessed by MGM representative
19:15	00:00	4.75	24.00	14	Nipple up BOP	Build BOP stack configuration one component at a time, spool, pipe rams, spool, double gate, annular, kill valves, H.C.R. valves and choke line. Torque flange connections with Lockhart.

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 69,597.00	Cum Cost To Date 3,030,501.28
Daily Mud Cost	Mud Cum To Date 3,170.00
Depth Start (mKB) 407.00	Depth End (mKB) 407.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00

Last Casing String
Surface, 407.00mKB

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa)	Slow Spd No	Strokes (s...) Eff (%)

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa)	Slow Spd No	Strokes (s...) Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consu...
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Safety Checks

Time	Type	Description
06:...	Safety Stand Down	Topic - New employees on worksite
07:...	Safety Stand Down	Topic - New employees on worksite

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

Report for: 2/11/2011
Report #: 11.0, DFS: 4.94
Depth Progress: 0.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/11/2011
Report #: 11.0, DFS: 4.94
Depth Progress: 0.00

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...							
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)								
String Components												
Comment												
Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq
Casing Components												
Set Depth (mKB)												
												19.00
												407.00
												407.00
												407.00
												407.00

Report for: 2/11/2011
Report #: 11.0, DFS: 4.94
Depth Progress: 0.00

From: Paul Price [Paul.Price@mgmenergy.com]
Sent: February 11, 2011 10:30 AM
To: dailyreports; Devon - Ops / Corporate
Cc: Brent Hogue; MGM Petrophysics; Miles Jolliffe; Clay Riddell; Jim Riddell; 'IAN ANDREWS'; Michael Enachescu; Devon - Shannon Acton; 'prprice@shaw.ca'
Subject: Geological and mud log reports for Windy Island J-39
Importance: High

FYL....

No reports today as we are in the process of cementing in Surface casing, attaching the BOPs, pressure testing, ect....

We expect to drill out later today so expect a report tomorrow...

As a reminder I will be heading up to rig Monday Feb 14 and will be on site till Feb 18.....

In my absence Miles Jolliffe will be sending out the reports.....

Miles may be contacted at

(o) 403 781-7876

(c) 403 6194153

email miles.jolliffe@mgmenergy.com

If you have any questions contact me....

Cheers...

Paul R. Price, P.Geol
Chief Geologist
MGM Energy Corp.
4100, 350-7th Ave. S.W.,
Calgary, Alberta
Canada T2P 3N9
Office (403) 781-7817
FAX (403) 781-7802
Cell (403) 651-3426



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

 Report for: 2/10/2011
 Report #: 10.0, DFS: 3.94
 Depth Progress: 0.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Snowing/ east wind Operations at 6 am Weld Casing Bowl	Temperature (°C) -18	Road Condition Cased	Hole Condition Good
		Operations Next 24 hrs Pick up and rig out diverter, weld on casing bowl, install BOP equipment.	

24 hr Summary

Pull out of hole to run 244.5mm surface casing - Laydown collars. Prepare rig floor to run casing. Make up casing float and shoe. Run 244.5mm casing from 0m - 407m. Casing went to bottom with no issues. Break circulation at 200m and 325m. Tag bottom at 407m, circulate bottoms up to clean hole and condition mud, reciprocate casing string. Head up cementers, pressure test lines, pump 3m3 water spacer, cement 244.5mm surface casing, Pump 23.37m3 cement slurry, drop plug and displace 15.56m3 water. Did not bump plug, 11m3 cement returns. Rig out cementers, WOC.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	04:00	4.00	4.00	6	Pull out of Hole 162m - 0m	Pull out of hole to run 244.5mm surface casing. Lay down collars, flow check at 80m, 0m. Hole fill data - 3.67m3 calculated - 4.44m3 measured. Hole in excellent condition.
04:00	04:15	0.25	4.25	21	Held Safety Meeting	Reviewed Hazards and J.S.A's for rigging up and running casing.
04:15	05:30	1.25	5.50	12	Rig up to Run Casing	Rig up casing equipment, elevator cert # 35678
05:30	06:45	1.25	6.75	12	Run 244.5mm Casing	Thread lock and torque, Shoe and float collar, test float, Run casing om - 40m.
06:45	07:00	0.25	7.00	21	Held Safety Meeting	Reviewed Hazards and J.S.A's for running casing.
07:00	13:30	6.50	13.50	12	Run 244.5mm Casing	Run 244.5mm casing 40m - 407m. Break circulation, circulate bottoms up 200m 252m. Hole in good condition with no losses.
13:30	16:00	2.50	16.00	5	Circulate Prior to Cement Job	Circulate to condition mud for cement. Reciprocate casing string bring viscosity down - 67sec/L - 46sec/L, yeld point - 11Pa - 5Pa.
16:00	16:15	0.25	16.25	21	Held Safety Meeting	Reviewed Hazards and J.S.A's for cementing casing.
16:15	18:00	1.75	18.00	12	Cement 244.5mm Surface Casing	Head up Schlumberger cement head, Pressure test cement lines to 25Mpa Pump 3m3 pre-flush water spacer, 23.38m3 1740kg/m3 cement slurry, drop plug, displace casing with 15.56m3 of water, Did not bump plug. Ended cement job. Floats held, 11m3 cement returns.
18:00	18:45	0.75	18.75	12	Rig out Cement equipment.	Rig out Cement equipment, flush contaminated surface equipment.
18:45	00:00	5.25	24.00	13	Wait on cement.	Service manifold and BOP valves, clean mud tanks, strip surface mud, prepare to rig out diverter.

407.00mKB, 2/10/2011 15:15

Type Gel-Chem	Time 15:15	Depth (mKB) 407.00	Density (kg/m³) 1160.0	Vis (s/L) 46	PV Override (cp) 22.0	YP Override (Pa) 5.000
Gel 10 sec (Pa) 1.500	Gel 10 min (Pa) 8.000	Filtrate (mL/30min) 8.2	Filter Cake (mm) 1.0	pH 8.0	Sand (%) 0.5	Solids (%) 10.0
MBT (kg/m³) 80	Alkalinity (mL/mL) 0.050	Chlorides (mg/L) 250.000	Calcium (mg/L) 40.000	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³) 54.20	Reserve Mud Volume (m³) 54.20	Active Mud Volume (m³) 15.50		

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 260,450.56	Cum Cost To Date 2,960,904.28
Daily Mud Cost 390.81	Mud Cum To Date 3,170.00
Depth Start (mKB) 407.00	Depth End (mKB) 407.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00

 Last Casing String
 Surface, 407.00mKB

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa)	Slow Spd No	Strokes (s...) Eff (%)

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa)	Slow Spd No	Strokes (s...) Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consu...
NATURAL GEL	16.13	14.0
SAWDUST	5.19	15.0
DESCO II	87.14	1.0

Safety Checks

Time	Type	Description
04:...	Safety Meeting on running casing	Discussed job hazards, and mitigation
06:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation
14:...	Safety Meeting on cementing and casing.	Discussed job hazards, and mitigation
18:...	Pre - Tour Safety Meeting	Discussed job hazards, and mitigation

 Report for: 2/10/2011
 Report #: 10.0, DFS: 3.94
 Depth Progress: 0.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/10/2011
Report #: 10.0, DFS: 3.94
Depth Progress: 0.00

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm ²)	BHA RO...							
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)								
String Components												
Comment												
Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m ³ /min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq

Casing Components

Set Depth (mKB)

19.00
407.00
407.00
407.00
407.00

Wellbores	
Wellbore Name	KO MD (mKB)
Original Hole	0.00

WELLSITE MORNING REPORT

ATTENTION:	<u>Mr. Paul Price</u>	Date	<u>Thurs 10 Dec 11</u> <u>Feb</u>	Report #	<u>01</u>
Operator	<u>MGM Energy Corp.</u>	Spud Date	<u>07 Feb 11 @ 01:15 hrs.</u>		
Well Name	<u>MGM et al Windy Island J-39</u>	Days from Spud	<u>3 days</u>		
Surface Location	<u>J-39 (EL 454)</u>	Btm Hole Location	<u>Vertical Well</u>		
Rig	<u>Akita Sahtu Drilling - Rig 51</u>	Surveyed G.L.	<u>191.00m</u>		
Geologist	<u>Ian Andrews -</u>	Measured K.B.	<u>196.15</u>		
MGM Sat # :	<u>403-723-2594</u>	Weather:	<u>-16C, light snow</u> <u>www.weatheroffice.gc.ca</u>		

00:00 hrs	<u>407.0</u>	7:00 hrs	<u>407</u>	Progress	<u>127.00</u>	Avg. ROP	<u>9.07</u>
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Operation (07:00)	<u>Run Casing</u>	Formation	<u>Cretaceous Little Bear</u>
Next 24 Hour Plan	<u>Run casing and Cement, WOC, Weld bowl, Nipple up, Pressure Test</u>		

		<u>Surveys</u>			
Mud Type	<u>Gel Chem</u>	Hrs drilling	<u>14.00</u>	Depth	Incl
DENS	<u>1145 kg/m3</u>	cum	<u>50.25</u>	<u>297</u>	<u>0.50</u>
VIS	<u>47 sec</u>	Bit #	<u>1A</u>	<u>325</u>	<u>0.50</u>
PH	<u>8.0</u>	Make/Type	<u>Hughes/GX-C09</u>	<u>353</u>	<u>0.50</u>
WL		Hole Size	<u>311mm</u>	<u>381</u>	<u>0.50</u>

Formation Tops & Markers	PROGNOSIS			SAMPLE TOPS		
	SS	TVD	MD	MD	TVD	SS
Quaternary	194.5	0.0			20	176.2
Tertiary - Summit Creek	146.5	49.7			44	152.2
Cretaceous - Little Bear	54.5	141.7			174.5	21.7
Middle Little Bear					363.0	-166.9
Cretaceous - Slater River	-321.5	517.7				

Comments:

Samples were still very clayey coming over shaker
Wiper tripped prior to casing point at 391m.
No significant increases seen in gas readings, no hydrocarbon shows

Drilling Foreman is John Williams (403-723-2598)

From: Paul Price [Paul.Price@mgmenergy.com]
Sent: February 10, 2011 8:48 AM
To: dailyreports; Devon - Shannon Acton; Devon - Ops / Corporate
Cc: Brent Hogue; MGM Petrophysics; Miles Jolliffe; Clay Riddell; Jim Riddell; 'IAN ANDREWS'; Michael Enachescu
Subject: Geological and mudlog reports for Windy Island J-39
Attachments: AM Report book 10 Feb 11.xls; MGM et al Windy Island J-39 Strip log (10Feb2011).pdf; GPM_Windows.pdf

Importance: High

FYI....

Please find attached the Mud log and the geological strip log and report from our well site geologist Ian Andrew for the interval 20m to 705m where we are cementing in the surface csg....

Lots of clay in the lower part of the Cretaceous section drilled ...
This definitely effected the sample quality (I suspect a lot of it washed out)..
We probably have underestimated the amount of clay/shale....
No significant increases seen in gas readings, no hydrocarbon shows.....

Currently running in with casing and making up shoe
Should be done and cemented in later today...
We will then drill out and proceed to target....

I will be heading up to rig Monday Feb 14 and will be on site till Feb 18.....
In my absence Miles Jolliffe will be sending out the reports.....
Miles may be contacted at
(o) 403 781-7876
(c) 403 6194153
email miles.jolliffe@mgmenergy.com

If you have any questions contact me....

Cheers...

Paul R. Price, P.Geol
Chief Geologist
MGM Energy Corp.
4100, 350-7th Ave. S.W.,
Calgary, Alberta
Canada T2P 3N9
Office (403) 781-7817
FAX (403) 781-7802
Cell (403) 651-3426



**Continental
Laboratories Ltd.**

Hydrocarbon Well Log

WELL NAME: MGM et AL Windy Island J39

LOCATION: UWI 300/J-39-6500-12530/0 LICENSE#

COMPANY: MGM Energy Corp

PROVINCE: NWT FILE: 17304

ELEVATION K.B.: m HOLE SIZE: 311 mm from 0 m to 400 m

ELEVATION G.L.: m

LOGGING INTERVAL: 01 m to 1500 m

LOGGING DATES: 3/ 2/2011 to MUD SYSTEM: Gel Chem

PERSONNEL: Iqtidar Malik, Mohamed Moussaoui

INSTRUMENTATION: Gas Detector, Chromatograph, H2S Mud duck

LITHOLOGY STRIP LOG

WellSight Systems

Scale 1:240 (5"=100') Metric

Measured Depth Log

DM 485015 V.1

10 Feb 2011

Well Name: MGM et al Windy Island J-39
Location: 64:58:42.00N / 125:36:22.00E
License Number: 1202
Spud Date: 07 Feb 11; 01:15 hrs.
Surface Coordinates: N 660142m, E 7210149m

Region: Tulita / Sahtu / NWT
Drilling Completed:

Bottom Hole Vertical
Coordinates:
Ground Elevation (m): 191.00 K.B. Elevation (m): 196.15
Logged Interval (m): 15 To: 1500 Total Depth (m): 1500
Formation: TD - Ordovician
Type of Drilling Fluid: Gel Chem

Printed by WellSight Log Viewer from WellSight Systems 1-800-447-1534 www.WellSight.com

CORE

Contractor:
Core #:
Formation:
Core Interval: From: Cut:
To: Recovered:
Bit type:
Size:
Coring Time:

OPERATOR

Company: MGM Energy Corp.
Address: 4100, 350 7th Ave. SW
CALGARY. Alberta.
T2P-3N9

GEOLOGIST

Name:
Company: RPS Energy Group
Address: 1400-800 5 Avenue SW
Calgary, AB T2P 3T6
(403) 263-0449

Comments

Surveyed Ground 191.00m
Fill (ice & matting) 0.95m
KB Elevation 196.15m

comment

comment

ROCK TYPES

Anhy
Bent
Brec
Cht
Clyst
Coal

Congl
Dol
Gyp
Igne
Lmst
Meta

Mrlst
Salt
Shale
Shcol
Shgy
Slst

Ss
Till
Nosample

Cheryl Ptak

From: Miles Jolliffe [Miles.Jolliffe@mgmenergy.com]
Sent: February 09, 2011 10:19 AM
To: z-MailList J-39 Drilling Reports
Cc: Dick Heenan
Subject: Windy Island Cost - Revisions

All,
Please see below for a revised copy of the daily costs & total project costs from February 1-7, as they now appear in the Wellview system. Several days worth costs have been revised to more accurately reflect the actual costs on those days. The result of these revisions is that the sections **"Daily Cost Total"** & **"Cum Cost To Date"** sections in the **"Daily Drilling Report"** will not longer be accurate for past reports. For example, in report #7 (sent out Feb 8.) the original 'daily cost total' was \$58,906 and has now been revised to \$119,153. Any future changes to costs on previous days will be accompanied by a similar email to avoid confusion. Please let me know if any one requires any further information on this matter.

MGM et al Windy Island (J-39) Drilling Program Cost (Revised):		
Date:	Daily Cost	Total Project Cost:
1-Feb	2,023,525*	\$ 2,023,525
2-Feb	82,538	\$ 2,106,063
3-Feb	85,931	\$ 2,191,994
4-Feb	170,179	\$ 2,362,173
5-Feb	37,565	\$ 2,399,738
6-Feb	37,831	\$ 2,437,569
7-Feb	119,153	\$ 2,556,722
8-Feb	70,275	\$ 2,626,997

*Feb 1: Costs include all project related activities from July 2010 – February 1. Costs don't include any MGM overhead which is 5% on this project.

Regards,

Miles J. Jolliffe (EIT)

Project Controls

MGM Energy Corp.

4100, 350 7th Ave SW

Calgary, Alberta

T2P 2008

Direct: 403-781-7876

BlackBerry: 403-619-4153

Office: 403-781-7800

DM 482444 V.3



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/9/2011

Report #: 9.0, DFS: 2.94

Depth Progress: 127.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Clear/ Calm	Temperature (°C) -17	Road Condition Good	Hole Condition Good
Operations at 6 am Making up the float shoe on the 244mm casing		Operations Next 24 hrs Continue pulling out of hole to run 244.5mm surface casing. Run 244.5mm surface casing. Cement casing. WOC, Nipple down diverter	

24 hr Summary

Drill 311mm hole with slick B.H.A. from 280m - 391m. Control drilling at 10m/hr, 2-3 daN pumping 2.8m³/min, with 8700kpa.120 R.P.M. Mud density at 1140kg/m³. Wiper trip to Bit with no hole problems. Drill from 391m - 407m mud density at 1140kg/m³ Viscosity at 47sec/l. Pull out of hole to run 244.5mm surface casing - 407m - 162m

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	01:45	1.75	1.75	2	Drill 311mm hole from 280m - 297m	Drill 311mm hole with slick B.H.A. from 280m - 297m. Control drilling at 10m - 12m/hr, 2,000 - 3,000DaN pumping 2.8m ³ /min, with 7500kpa.120 R.P.M. Mud density at 1115kg/m ³ . Hole drag minimal with no losses.
01:45	02:00	0.25	2.00	10	Tele - Drift Survey:	Survey at 277m - inc - 0.5 deg
02:00	02:15	0.25	2.25	7	Rig Service:	Greased: Swivel, crown, kelly bushings. Function crown saver. Function diverter annular (22 seconds to close)
02:15	05:15	3.00	5.25	2	Drill 311mm hole from 297m - 325m	Drill 311mm hole with slick B.H.A. from 297m - 325m. Control drilling at 10m - 12m/hr, 2,000 - 3,000DaN pumping 2.8m ³ /min, with 7800kpa.120 R.P.M. Mud density at 1120kg/m ³ . Hole drag minimal with no losses.
05:15	05:30	0.25	5.50	2	Tele - Drift Survey:	Survey at 305m - inc - 0.5 deg
05:30	07:00	1.50	7.00	2	Drill 311mm hole from 325m - 334m	Drill 311mm hole with slick B.H.A. from 325m - 334m. Control drilling at 10m - 12m/hr, 2,000 - 3,000DaN pumping 2.8m ³ /min, with 7800kpa.120 R.P.M. Mud density at 1125kg/m ³ . Hole drag minimal with no losses.
07:00	07:15	0.25	7.25	21	Held Pre - Tour Safety Meeting	Discussed Condition of lease, reviewed J.S.A.'s and hazard I.D.'s
07:15	08:45	1.50	8.75	2	Drill 311mm hole from 334m - 353m	Drill 311mm hole with slick B.H.A. from 334m - 353m. Control drilling at 10m - 12m/hr, 2,000 - 3,000DaN pumping 2.8m ³ /min, with 8100kpa.120 R.P.M. Mud density at 1125kg/m ³ . Hole drag minimal with no losses.
08:45	09:00	0.25	9.00	10	Tele - Drift Survey:	Survey at 333m - inc - 0.5 deg
09:00	10:30	1.50	10.50	2	Drill 311mm hole from 353m - 382m	Drill 311mm hole with slick B.H.A. from 353m - 382m. Control drilling at 10m - 12m/hr, 2,000 - 3,000DaN pumping 2.8m ³ /min, with 8300kpa.120 R.P.M. Mud density at 1125kg/m ³ . Hole drag minimal with no losses.
10:30	10:45	0.25	10.75	10	Tele - Drift Survey:	Survey at 352m - inc - 0.5 deg
10:45	14:00	3.25	14.00	2	Drill 311mm hole from 382m - 391m	Drill 311mm hole with slick B.H.A. from 382m - 391m. Control drilling at 10m - 12m/hr, 2,000 - 3,000 DaN pumping 2.8m ³ /min, with 8300kpa.120 R.P.M. Mud density at 1135kg/m ³ . Viscosity raised from 43 sec/L - 62 sec/L. MBT at 100. Hole drag minimal with no losses.
14:00	14:30	0.50	14.50	5	Circulate hole clean prior to trip	Monitor shaker until annular discharge is free of cuttings.
14:30	14:45	0.25	14.75	21	Held Man Down Drill	Discussed and simulated our planned procedure for man down on rig floor.

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 70,756.71	Cum Cost To Date 2,697,753.72
Daily Mud Cost 959.71	Mud Cum To Date 2,779.19
Depth Start (mKB) 280.00	Depth End (mKB) 407.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00

Last Casing String
Conductor, 19.00mKB

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa) 9,000	Slow Spd No	Strokes (s... Eff (%) 120 98

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW) 800.0	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa) 9,000	Slow Spd No	Strokes (s... Eff (%) 120 98

Mud Additive Amounts

Description	Cost (/unit)	Consum...
DESCO II	87.14	4.0
DRILLING	52.20	1.0
DETERGENT		
NATURAL GEL	16.13	25.0
SAWDUST	5.19	30.0

Safety Checks

Time	Type	Description
02:...	Man Down Drill	Discussed and simulated our planned procedure
06:...	Safety Meeting	Discussed job hazards, and mitigation

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

Report for: 2/9/2011

Report #: 9.0, DFS: 2.94

Depth Progress: 127.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/9/2011
Report #: 9.0, DFS: 2.94
Depth Progress: 127.00

Time Log						
Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
14:45	18:45	4.00	18.75	6	Wiper Trip From 391m.	Hole in excellent condition during wiper trip. Flow check at 391m, 378m, 161m, 30m, 0m.Hole fill data - 3.47m3 calculated, 4.52 measured. Strapped drill string, no need for correction in pipe tally.
18:45	19:15	0.50	19.25	5	Wash to Bottom	Fill pipe at 370m, break circulation and wash to bottom.
19:15	19:30	0.25	19.50	21	Held Pre - Tour Safety Meeting	Reviewed J.S.A.'s and hazard I.D.'s
19:30	21:30	2.00	21.50	2	Drill 311mm hole from 382m - 391m	Drill 311mm hole with slick B.H.A.from 391m - 407m. Control drilling at 10m - 12m/hr, 2,000 - 3,000DaN pumping 2.8m3/min, with 9300kpa.120 R.P.M. Mud density at 1140kg/m3, viscosity at 47 sec/L MBT at 100. Hole drag minimal with no losses.
21:30	22:30	1.00	22.50	5	Circulate hole clean prior to trip	Monitor shaker until annular discharge is free of cuttings. Transfer 10m3 to premix
22:30	22:45	0.25	22.75	21	Held Safety Meeting	Reviewed J.S.A.'s on laying down B.H.A.
22:45	00:00	1.25	24.00	6	Pull out off Hole	Pull out of hole to run 244.5mm surface casing 407m - 162m.
325.00mKB, 2/9/2011 05:45						
Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	05:45	325.00	1130.0	43	16.0	5.000
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
2.000	11.000	10.0	1.0	8.0	0.1	8.1
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
95	4.000	250.000	40.000		0.050	
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
11.00	1.70	0.00		69.70		
391.00mKB, 2/9/2011 14:00						
Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	14:00	391.00	1130.0	57	21.0	11.000
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
3.000	20.000	8.4	1.0	8.0	0.1	8.1
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
100	4.000	250.000	60.000		0.050	
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
11.00	1.70	0.00		69.70		
400.00mKB, 2/9/2011 20:00						
Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	20:00	400.00	1150.0	56	22.0	11.500
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
3.000	24.000	8.6	1.0	8.0	0.1	9.4
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
100	0.450	250.000	40.000		0.050	
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
11.00	1.70	0.00		69.70		
BHA #1, Slick						
Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...	
1	311.1mm, GX-C09 , 5183683	0.28	1-1-NO-A-1-0--TD	241	8.3	
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)		
17.5	398.85	311.0	47.00	47.00		
String Components						
Hughes GX-C09 , Drill Pipe, HWDP, XO Sub, Drill Collar, Drill Collar - Pony, Jars, XO Sub, Drill Collar, Survey Tool - Teledrift, XO Sub, Drill Collar, Drill Collar, Bit Sub w/Float, Bit						
Comment						
Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)
Original Hole	280.00	407.00	392.00	47.00	9.1	2.800
					3	120
					9,000	40
					41	80.0

Report for: 2/9/2011
Report #: 9.0, DFS: 2.94
Depth Progress: 127.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/9/2011
Report #: 9.0, DFS: 2.94
Depth Progress: 127.00

Casing Components

Set Depth (mKB)

19.00
407.00
407.00
407.00
407.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

DM 482444 V.2

Report for: 08/02/2011

Report #: 8.0, DFS: 1.94

Depth Progress: 143.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 07/02/2011 1:30:00 AM	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Clear/ Calm	Temperature (°C) -22	Road Condition Good	Hole Condition Good
Operations at 6 am Drilling to 328m @ 10 m/hr		Operations Next 24 hrs Continue drilling from 280m - 390m. Strap out during wiper trip drill to 400m pull out of hole to run casing.	

24 hr Summary

Drill 311mm hole with slick B.H.A. from 137m - 212m. Control drilling at 10m/hr, 2-3 daN pumping 2.8m3/min, with 7500kpa.120 R.P.M. Mud density at 1090kg/m3. Wiper trip to Bit with no hole problems. Drill from 212m - 280m mud density at 1105kg/m3

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	02:00	2.00	2.00	2	Drill 311mm hole from 137m - 156m	Drill 311mm hole with slick B.H.A. from 137m - 156m. Control drilling at 10m - 12m/hr, 2-3kDaN pumping 2.8m3/min, with 5 - 7500kpa.120 R.P.M. Mud density at 1105kg/m3. Hole drag minimal with no losses.
02:00	02:15	0.25	2.25	10	Tele - Drift Survey	Survey at 136m - inc - 1.0 deg.
02:15	06:45	4.50	6.75	2	Drill 311mm hole from 156m - 184m	Drill 311mm hole with slick B.H.A. from 156m - 184m. Control drilling at 10m - 12m/hr, 2-3kDaN pumping 2.8m3/min, with 5 - 7500kpa.120 R.P.M. Mud density at 1105kg/m3. Hole drag minimal with no losses.
06:45	07:00	0.25	7.00	21	Held Pre - Tour Safety Meeting.	Discussed Hazard I.D.'s and Reviewed J.S.A.'s
07:00	10:00	3.00	10.00	2	Drill 311mm hole from 184m - 212m.	Drill 311mm hole with slick B.H.A. from 184m - 212m. Control drilling at 10m - 12m/hr, 2-3kDaN pumping 2.8m3/min, with 5 - 7500kpa.120 R.P.M. Mud density at 1105kg/m3. Hole drag minimal with no losses.
10:00	10:30	0.50	10.50	5	Circulate Hole Clean Prior to Wiper Trip	Monitor shale shaker until clean annular discharge.
10:30	16:15	5.75	16.25	6	Wiper Trip To Surface	Wiper trip from 212m - 0m, hole in excelent shape. Bit in good condition. Flow check at 211m, 100m, 0m. Hole fill data - Calculated 2.55m3 measured - 3.36m3
16:15	18:45	2.50	18.75	2	Drill 311mm hole from 212m - 235m	Drill 311mm hole with slick B.H.A. from 212m - 235m. Control drilling at 10m - 12m/hr, 2-3kDaN pumping 2.8m3/min, with 7500kpa.120 R.P.M. Mud density at 1100kg/m3. Hole drag minimal with no losses.
18:45	19:00	0.25	19.00	21	Held Pre - Tour Safety Meeting	Discussed prevention and root causes of two incidents regarding a release of drilling fluid and improper boiler blow down.
19:00	19:15	0.25	19.25	10	Tele - Drift Survey	Survey at 164m - inc - 0.5 at 191m inc - 0.5
19:15	22:45	3.50	22.75	2	Drill 311mm hole from 235m - 270m	Drill 311mm hole with slick B.H.A. from 235m - 270m. Control drilling at 10m - 12m/hr, 2-3kDaN pumping 2.8m3/min, with 7500kpa.120 R.P.M. Mud density at 1100kg/m3. Hole drag minimal with no losses.
22:45	23:00	0.25	23.00	10	Tele - Drift Survey	Survey at 219m - inc - 0.5 at 250m inc - 0.5
23:00	00:00	1.00	24.00	2	Drill 311mm hole from 270m - 280m	Drill 311mm hole with slick B.H.A. from 270m - 280m. Control drilling at 10m - 12m/hr, 2-3kDaN pumping 2.8m3/min, with 7500kpa.120 R.P.M. Mud density at 1100kg/m3. Hole drag minimal with no losses.

AFE Number 10D0006	Total AFE Amount 8,058,130.00
Daily Cost Total 70,275.30	Cum Cost To Date 2,626,997.01
Daily Mud Cost 478.30	Mud Cum To Date 1,819.48
Depth Start (mKB) 137.00	Depth End (mKB) 280.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00
Last Casing String Conductor, 19.00mKB	

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

Pump Number	Pwr (kW)	Rod Dia (mm)
Liner Size (mm)	Stroke (mm)	Vol/Stk OR (m...)
Pres (kPa)	Slow Spd No	Strokes (s... Eff (%)

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW)	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa) 7,500	Slow Spd No	Strokes (s... Eff (%) 120 98

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW)	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa) 7,500	Slow Spd No	Strokes (s... Eff (%) 120 98

Mud Additive Amounts

Description	Cost (/unit)	Consum...
NATURAL GEL	16.13	20.0
SAWDUST	5.19	30.0

Safety Checks

Time	Type	Description
07:...	Safety Meeting	Discussed job hazards and mitigations
19:...	Safety Meeting	Discussed job hazards, and mitigation

Wellbores

Wellbore Name Original Hole	KO MD (mKB) 0.00
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Report for: 08/02/2011

Report #: 8.0, DFS: 1.94

Depth Progress: 143.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 08/02/2011

Report #: 8.0, DFS: 1.94

Depth Progress: 143.00

200.00mKB, 08/02/2011 07:15

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-chem	07:15	200.00	1070.0	33	8.0	2.500
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
0.500	1.500	14.0	1.0	8.5	0.5	4.4
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
65	0.150	250.000	20.000			
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
15.00	4.00			60.00		

235.00mKB, 08/02/2011 19:00

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	19:00	235.00	1090.0	42	15.0	6.000
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
2.000	13.000	11.5	1.0	8.5	0.5	5.6
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
85	0.100	250.000	20.000			
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
15.00	4.00			60.00		

BHA #1, Slick

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
1	311.1mm, GX-C09 , 5183683	0.28	-----	241	8.0
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	
17.5	276.71	311.0	33.00	33.00	

String Components

Hughes GX-C09 , Drill Pipe, HWDP, XO Sub, Drill Collar, Drill Collar - Pony, Jars, XO Sub, Drill Collar, Survey Tool - Teledrift, XO Sub, Drill Collar, Drill Collar, Bit Sub w/Float, Bit

Comment

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq
Original Hole	137.00	280.00	265.00	33.00	8.7	2.800	3	120	4,000	37	38	74.0

Casing Components

Set Depth (mKB)

19.00

Report for: 08/02/2011

Report #: 8.0, DFS: 1.94

Depth Progress: 143.00

From: Paul Price [Paul.Price@mgmenergy.com]
Sent: February 08, 2011 8:00 AM
To: Devon - Shannon Acton; Brent Hogue; dailyreports
Cc: Dick Heenan
Subject: FW: Windy Island J-39 Morning Report from mudloggers for Feb 8, 2011
Attachments: 194.asc; 194.txt

FYI...

We are Currently at 194 m and getting ready for a wiper trip

We should be in Cretaceous Little Bear by my prog....

No strip log yet.. This is because mud loggers do not have a microscope....

Well site geol arrives today at lease and will go over samples caught to date and do the strip log hopefully for tomorrow (starting at 20m)

Noticed some small jumps in Total Gas over BG at 46 to 66m, 85 to 96m and 180 to 194..... probably Tertiary and Cretaceous coals.... This will be confirmed once we get the strip log...

Cheers..

Paul R. Price, P.Geol
Chief Geologist
MGM Energy Corp.
4100, 350-7th Ave. S.W.,
Calgary, Alberta
Canada T2P 3N9
Office (403) 781-7817
FAX (403) 781-7802
Cell (403) 651-3426

From: Iqtidar Malik [mailto:iqtidarm@gmail.com]
Sent: Tuesday, February 08, 2011 7:33 AM
To: prprice@shaw.ca; Paul Price
Subject: Morning Report Feb 8, 2011

Hi Paul,

We are at 194m, had problems with samples but is ok now. I would have sent you log with lithology description but I don't have microscope and other things to examine samples. Appologies. Ascii and text file of log is attached. Thanks.

Regards.

Iqtidar Malik



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/7/2011

Report #: 7.0, DFS: 0.94

Depth Progress: 122.00

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 2/7/2011 1:30:00 AM	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m) 5.15
Weather Clear/ Calm	Temperature (°C) -23	Road Condition Good	Hole Condition Good
Operations at 6 am Control drilling at 10-12m/hr at 185m		Operations Next 24 hrs Control Drill at 10-12m/hr from 137m - 200m. Wiper trip, continue drilling from 200m - 300m	

24 hr Summary

Prepare rig to spud: Complete igniter installation on flare stack. Spud surface hole at 1:30am. Conductor cement top at 15.34m. Drill 311mm hole with slick B.H.A.from 15m - 137m. Control drilling at 10m/hr, 2-3kDaN pumping 2.8m3/min, with 4-5000kpa.110 R.P.M. Mud density at 1030kg/m3. Hole drag minimal with no losses. Held Diverter drill with both tours. Function diverter annular, (35-sec to close) function flare stack.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	01:30	1.50	1.50	1	Rig up to Spud:	Complete igniter installation on flare tank, function flare tank.
01:30	03:00	1.50	3.00	2	Spud 311mm Surface Hole 15m - 21m	Drill 311mm hole with slick B.H.A.from 15m - 21m. R.O.P. 2-4m/hr, 2-4kDaN pumping 1.4m3/min, with 600-1500kpa.65 R.P.M. Mud density at 1030kg/m3. Spud Well Hole drag minimal with no losses.
03:00	03:15	0.25	3.25	7	Rig Service:	Grease: Swivel, blocks, kelly bushings. Function crown saver.
03:15	03:30	0.25	3.50	21	Held Diverter Drill:	Held diverter drill, discussed our planned procedure if influx is encountered during surface drilling.
03:30	06:45	3.25	6.75	21	Drill 311mm hole from 21m - 34m	Drill 311mm hole with slick B.H.A.from 21m - 34m. R.O.P. 4-8m/hr, 2-4kDaN pumping 1.4m3/min, with 600-1500kpa.65 R.P.M. Mud density at 1030kg/m3. Hole drag minimal with no losses
06:45	07:00	0.25	7.00	21	Held Pre Tour Safety Meeting:	Discussed surface drilling parameters, review J.S.A's and hazard I.D's.
07:00	12:00	5.00	12.00	2	Drill 311mm hole from 34m - 60m	Drill 311mm hole with slick B.H.A.from 34m - 60m. Control drilling at 10m/hr, 2-3kDaN pumping 2.8m3/min, with 4-5000kpa.110 R.P.M. Mud density at 1030kg/m3. Hole drag minimal with no losses.
12:00	12:15	0.25	12.25	21	Held Diverter Drill:	Held diverter drill, discussed our planned procedure if influx is detected during surface drilling
12:15	16:45	4.50	16.75	2	Drill 311mm hole from 60m - 100m	Drill 311mm hole with slick B.H.A.from 60m - 100m. Control drilling at 10m/hr, 2-3kDaN pumping 2.8m3/min, with 4-5000kpa.110 R.P.M. Mud density at 1030kg/m3. Hole drag minimal with no losses.
16:45	17:00	0.25	17.00	21	Held Pre Tour Safety Meeting:	Discussed drilling parameters, Reviewed J.S.A.'s and Hazard I.D.'s
17:00	19:15	2.25	19.25	2	Drill 311mm hole from 100m - 137m.	Drill 311mm hole with slick B.H.A.from 100m - 137m. Control drilling at 10m - 12m/hr, 2-3kDaN pumping 2.8m3/min, with 4 - 5000kpa.110 R.P.M. Mud density at 1030kg/m3. Hole drag minimal with no losses.
19:15	19:30	0.25	19.50	7	Rig Service:	Grease swivel, kelly bushings, rotary drive shaft. Change lightplant power cord.
19:30	00:00	4.50	24.00	10	Time Taken For Survey and Connection	Accumulated time from 01:30 - 24:00

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 58,906.03	Cum Cost To Date 2,494,824.71
Daily Mud Cost 610.13	Mud Cum To Date 1,341.18
Depth Start (mKB) 15.00	Depth End (mKB) 137.00
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00

Last Casing String
Conductor, 19.00mKB

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Buchinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

1. National Supply, 8-P-80

Pump Number 1	Pwr (kW)	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m... 0.018
Pres (kPa)	Slow Spd No	Strokes (s... Eff (%)

2. National Supply, 8-P-80

Pump Number 2	Pwr (kW)	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m... 0.018
Pres (kPa)	Slow Spd No	Strokes (s... Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consu...
NATURAL GEL	16.13	17.0
SAWDUST	5.19	38.0
BICARB OF SODA	27.74	5.0

Safety Checks

Time	Type	Description
03:...	Diverter Drill	Function annular and flare stack
12:...	Diverter Drill	Function annular and flare stack

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	0.00

Report for: 2/7/2011

Report #: 7.0, DFS: 0.94

Depth Progress: 122.00

Report Printed: 2/8/2011



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/7/2011
Report #: 7.0, DFS: 0.94
Depth Progress: 122.00

90.00mKB, 2/7/2011 00:00

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel-Chem	00:00	90.00	1020.0	36	7.0	4.000
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
2.500	12.500	20.0	1.0	10.0	0.5	1.3
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
30		250.000	20.000			
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		
5.40				49.40		

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
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Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)
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String Components

Comment

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq

Casing Components

Set Depth (mKB)

19.00

Report for: 2/7/2011
Report #: 7.0, DFS: 0.94
Depth Progress: 122.00



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/6/2011
Report #: 6.0, DFS: -0.06
Depth Progress:

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date 1/7/2011 1:21:00 AM	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m)
Weather Clear/SE Wind	Temperature (°C) -18	Road Condition Good	Hole Condition
Operations at 6 am Drilling 311mm surface hole - 30m		Operations Next 24 hrs Spud well, drill 311mm hole to 200m wiper trip	

24 hr Summary

Modify and install flow nipple, function test diverter, rig up flare tank, install mouse hole, cut and install cribbing over cellar, circulate trip pump, calibrate B.H.A., conduct C.O.A.D.C. pre-spud inspection. Make up B.H.A. function test mud pump pressure relief valves, test circulating system. Pressure test diverter 1000kpa/15min. Conduct hazard hunt, Pre-spud meeting

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code	Activity	Comment
00:00	06:45	6.75	6.75	1	Rig up to Spud:	Finish diverter nipple up. Fabricate flow tee, pre mix mud tank volume, function test diverter.
06:45	07:00	0.25	7.00	21	Held Pre-Tour Safety Meeting:	Discussed spill prevention and communication. Review J.S.A.'s & Hazard I.D.'s
07:00	18:45	11.75	18.75	1	Rig up to Spud:	Rig up flare tank, cut and instal cellar cribbing, calibrate and make up B.H.A.
18:45	19:00	0.25	19.00	21	Held Pre-Tour Safety Meeting:	Discussed remaining pre-spud tasks and pre-spud inspection. Review Hazard I.D.'s And J.S.A.'s
19:00	23:30	4.50	23.50	1	Rig up to Spud:	Test pop valves and circulating system, function both crown savers and hazard hunt while Replacing igniter on flare stack. CAODC Rig Inspection.
23:30	00:00	0.50	24.00	21	Pre-Spud Meeting:	Discussed well plan and parameters for surface hole drilling. Discussed hazard hunt and mitigated.

15.00mKB, 2/6/2011 00:00

Type Gel-Chem	Time 00:00	Depth (mKB) 15.00	Density (kg/m³) 1025.0	Vis (s/L) 33	PV Override (cp) 6.0	YP Override (Pa) 2.000
Gel 10 sec (Pa) 0.500	Gel 10 min (Pa) 1.000	Filtrate (mL/30min) 20.0	Filter Cake (mm) 1.0	pH 8.5	Sand (%)	Solids (%)
MBT (kg/m³) 35	Alkalinity (mL/mL) 0.100	Chlorides (mg/L) 200.000	Calcium (mg/L) 40.000	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
Whole Mud Added (m³) 38.60		Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³) 38.60	Active Mud Volume (m³) 38.60	

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	
String Components					
Comment					

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq

Casing Components

Set Depth (mKB)

19.00

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 35,649.72	Cum Cost To Date 2,115,794.02
Daily Mud Cost 709.72	Mud Cum To Date 709.72
Depth Start (mKB)	Depth End (mKB)
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00
Last Casing String	

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Clint Bushinski	403-723-2598

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

2, National Supply, 8-P-80

Pump Number 2	Pwr (kW)	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa)	Slow Spd No	Strokes (s...) Eff (%)

1, National Supply, 8-P-80

Pump Number 1	Pwr (kW)	Rod Dia (mm)
Liner Size (mm) 152.4	Stroke (mm) 216.0	Vol/Stk OR (m...) 0.018
Pres (kPa)	Slow Spd No	Strokes (s...) Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consu...
NATURAL GEL	16.13	44.0

Safety Checks

Time	Type	Description
22:...	Hazard Hunt	Review Hazards Identified by rig crew

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	5.00

Report for: 2/6/2011
Report #: 6.0, DFS: -0.06
Depth Progress:

Report Printed: 2/7/2011



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/5/2011

Report #: 5.0, DFS:

Depth Progress:

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T	AFE Number 10D0006	Total AFE Amount 8,008,130.00							
Spud Date	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m)	Daily Cost Total 34,940.00	Cum Cost To Date 1,548,596.03							
Weather Clear/ Calm	Temperature (°C) -18	Road Condition Good	Hole Condition	Daily Mud Cost	Mud Cum To Date							
Operations at 6 am Rigging up to spud - 90%		Operations Next 24 hrs Modify and install flow nipple. Test mud pumps and diverter. Pick up B.H.A. Spud.		Depth Start (mKB)	Depth End (mKB)							
24 hr Summary Rig up to spud: Check all bridge gate rubbers and dump gate rubbers. Install kelly bar and swivel. Rig up centrifuges. Weld diverter bowl and install diverter. Rig up evaporator tank and incinerator.				Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00							
Last Casing String												
Time Log												
Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment						
00:00	06:45	6.75	6.75	1	Rig up to spud:	Finished rigging water, air, electrical and steam lines. Continue installing Pason components. Rebuild washpipe. Organized and cleaned buildings. Conducted an informal spud inspection, created a list of deficiencies to fix before formal inspection.						
06:45	07:15	0.50	7.25	21	Held pre-tour safety meeting.	Discussed lock out procedure. Reviewed Hazard I.D's						
07:15	18:45	11.50	18.75	1	Rig up to spud:	Rig in Centrifuges. Inspect Mud tanks (changed bridge gate and dump gate rubbers). Install Swivel and Kelly bar.						
18:45	19:15	0.50	19.25	21	Held pre-tour safety meeting	Discussed pre - job planning and hot work permit. Reviewed Hazard I.D.'s						
19:15	00:00	4.75	24.00	1	Rig up to spud:	Cut conductor, weld diverter flange to conductor. Install diverter. Rig in evaporator and incinerator.						
Wellbore Data												
Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)						
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)						
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)						
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)								
Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...							
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)								
String Components												
Comment												
Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq
Casing Components												
Set Depth (mKB)												
19.00												

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871

Akita Drilling, 51

Contractor	Rig Number
Akita Drilling	51
Rig Supervisor	Phone Mobile
Rick Parker	403-723-2599

Pump Number	Pwr (kW)	Rod Dia (mm)	
Liner Size (mm)	Stroke (mm)	Vol/Stk OR (m..	
Pres (kPa)	Slow Spd	Strokes (s...	Eff (%)
	No		

Mud Additive Amounts

Description	Cost (/unit)	Consu...

Safety Checks

Time	Type	Description
06:...	Safety Meeting	Review Hazard I.D.'s
18:...	Safety Meeting	Review Hazard I.D.'s and Hot Work Permit.

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	

Report for: 2/5/2011

Report #: 5.0, DFS:

Depth Progress:



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/4/2011

Report #: 4.0, DFS:

Depth Progress:

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m)
Weather Overcast/ Calm	Temperature (°C) -17	Road Condition Good	Hole Condition
Operations at 6 am Rigging up to spud - 60%		Operations Next 24 hrs Pick up kelly and assemble, Nipple up diverter. rig in flowline.	

24 hr Summary

Raised derrick, Rig up floor. Finish spotting rental equipment. Tie second boiler to steam loop. Finish rigging in steam lines. Rig up Pason Equipment. Inspect fluid end of mud pumps. Rebuild washpipe. Broke Tour.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment
00:00	06:00	6.00	6.00	1	RIGUP & TEARDOWN	Two Akita watching boilers.
06:00	00:00	18.00	24.00	1	RIGUP & TEARDOWN	Raise derrick, spot centrifuges, spot shale bin, rig up

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	

String Components

Comment

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq

Casing Components

Set Depth (mKB)

19.00

AFE Number 10D0006	Total AFE Amount 8,008,130.00
Daily Cost Total 58,602.50	Cum Cost To Date 1,513,656.03
Daily Mud Cost	Mud Cum To Date
Depth Start (mKB)	Depth End (mKB)
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00
Last Casing String	

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

Pump Number	Pwr (kW)	Rod Dia (mm)
Liner Size (mm)	Stroke (mm)	Vol/Stk OR (m...)
Pres (kPa)	Slow Spd No	Strokes (s... Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consu...
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Safety Checks

Time	Type	Description
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Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/3/2011

Report #: 3.0, DFS:

Depth Progress:

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m)
Weather Overcast / Windy	Temperature (°C) -18	Road Condition Good	Hole Condition
Operations at 6 am 2 Boilers running, 2 akkita on tour. W/O daylight		Operations Next 24 hrs Raise derrick, Spot and rig in centrifuges, Spot the enviro fuel tank, Spot shale bin, Spot 400 Bbl tanks - Rig equipment 100% spotted. Fill water tank, Rig up	

24 hr Summary

Pinned derrick to substructure and stood A-legs. Spotted doghouse light plant, pump premix and both boilers. power on. Spotted catwalk and manifold. Completed electrical inspection on derrick and currently working on rig.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	

String Components

Comment

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq

Casing Components

Set Depth (mKB)

19.00

AFE Number 10D0006	Total AFE Amount 8,058,130.00
Daily Cost Total 27,980.00	Cum Cost To Date 1,960,357.53
Daily Mud Cost	Mud Cum To Date
Depth Start (mKB)	Depth End (mKB)
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00
Last Casing String	

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

Pump Number	Pwr (kW)	Rod Dia (mm)
Liner Size (mm)	Stroke (mm)	Vol/Stk OR (m...)
Pres (kPa)	Slow Spd No	Strokes (s... Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consu...
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Safety Checks

Time	Type	Description
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Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	

Report for: 2/3/2011

Report #: 3.0, DFS:

Depth Progress:



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/2/2011

Report #: 2.0, DFS:

Depth Progress:

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m)
Weather	Temperature (°C)	Road Condition Good	Hole Condition
Operations at 6 am Wait on Daylight		Operations Next 24 hrs Pin A-legs and derrick. Spot the remainder of the rig components. Fire and inspect boiler	

24 hr Summary

Released cancor rathole. Laid enviro liner and spotted matting. Spotted and leveled sub structure. Spotted pump house and mud tank. Install drawworks on sub structure. Assembled derrick, installed floor prefabs (mud tank side). INAC inspector stephen Duschene and water resource officer inspected location and cuttings pit.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment

Type	Time	Depth (mKB)	Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)
Gel 10 sec (Pa)	Gel 10 min (Pa)	Filtrate (mL/30min)	Filter Cake (mm)	pH	Sand (%)	Solids (%)
MBT (kg/m³)	Alkalinity (mL/mL)	Chlorides (mg/L)	Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)
Whole Mud Added (m³)	Mud Lost to Hole (m³)	Mud Lost to Surface (m³)	Reserve Mud Volume (m³)	Active Mud Volume (m³)		

Bit Run	Drill Bit	Length (m)	IADC Bit Dull	TFA (incl Noz) (mm²)	BHA RO...
Nozzles (mm)	String Length (m)	OD (mm)	Bit Hours Out (hrs)	Drilling Time (hrs)	

String Components

Comment

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq

Casing Components

Set Depth (mKB)

AFE Number 10D0006	Total AFE Amount 8,058,130.00
Daily Cost Total 92,431.53	Cum Cost To Date 1,803,462.53
Daily Mud Cost	Mud Cum To Date
Depth Start (mKB)	Depth End (mKB)
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00
Last Casing String	

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871

Akita Drilling, 51

Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

Pump Number	Pwr (kW)	Rod Dia (mm)
Liner Size (mm)	Stroke (mm)	Vol/Stk OR (m...)
Pres (kPa)	Slow Spd No	Strokes (s... Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consu...

Safety Checks

Time	Type	Description

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	

Report for: 2/2/2011

Report #: 2.0, DFS:

Depth Progress:



Daily Drilling

Well Name: MGM et al Windy Island J-39 Grid 65°00' 125°30'

Report for: 2/1/2011

Report #: 1.0, DFS:

Depth Progress:

API/UWI 300J396500125300	Surface Legal Location	License No. 2072	State/Province N.W.T
Spud Date	Rig Release Date	Ground Elevation (m) 191.00	KB-Ground Distance (m)
Weather Clear	Temperature (°C) -23	Road Condition Good	Hole Condition
Operations at 6 am Wait on Daylight		Operations Next 24 hrs Lay liner and spot matting. Spot substructure and rig components.	

24 hr Summary

Drilled 762mm rathole to 9m. Hit water. Drilled to 10m and installed a 762mm liner. Drilled a 609mm rathole to 15m and installed a 406mm conductor pipe. Welded cover plate and pressure cemented conductor pipe with 1 tonne. Displaced with 1.5 m3 of water. Cancor released.
Rig move was postponed until 11:00 hr until Canyon Creek bridge was repaired by NWT Highways. Moved the substructure, combination building, and mud pumps.
PTI commissioned the backup camp generator, function tested the fire alarm system and pressured up the water system. Heater was attached to the ewage containment system.
Aurora continued to work on the communication system.

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Code 1	Activity	Comment				
Type		Time		Depth (mKB)		Density (kg/m³)	Vis (s/L)	PV Override (cp)	YP Override (Pa)	
Gel 10 sec (Pa)		Gel 10 min (Pa)		Filtrate (mL/30min)		Filter Cake (mm)	pH	Sand (%)	Solids (%)	
MBT (kg/m³)		Alkalinity (mL/mL)		Chlorides (mg/L)		Calcium (mg/L)	Pf (mL/mL)	Pm (mL/mL)	Gel 30 min (Pa)	
Whole Mud Added (m³)			Mud Lost to Hole (m³)		Mud Lost to Surface (m³)		Reserve Mud Volume (m³)		Active Mud Volume (m³)	
Bit Run	Drill Bit				Length (m)	IADC Bit Dull			TFA (incl Noz) (mm²)	BHA RO...
Nozzles (mm)				String Length (m)		OD (mm)		Bit Hours Out (hrs)		Drilling Time (hrs)
String Components										
Comment										

Wellbore	Start (mKB)	End (mKB)	Cum Depth (m)	Cum Drill Time (hrs)	Int ROP (m/hr)	Q (flow) (m³/min)	WOB (daN)	RPM (rpm)	SPP (kPa)	Rot HL (daN)	PU HL (daN)	Drill Tq

Casing Components

Set Depth (mKB)

AFE Number 10D0006	Total AFE Amount 8,088,130.00
Daily Cost Total 100,508.00	Cum Cost To Date 100,508.00
Daily Mud Cost	Mud Cum To Date
Depth Start (mKB)	Depth End (mKB)
Target Formation Bear Rock / Arnica	Target Depth (mKB) 1,500.00
Last Casing String	

Daily Contacts

Job Contact	Mobile
John Williams	403-723-2598
Kellie Leedham	403-203-1871
Akita Drilling, 51	
Contractor Akita Drilling	Rig Number 51
Rig Supervisor Rick Parker	Phone Mobile 403-723-2599

Pump Number	Pwr (kW)	Rod Dia (mm)
Liner Size (mm)	Stroke (mm)	Vol/Stk OR (m...
Pres (kPa)	Slow Spd No	Strokes (s... Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consu...

Safety Checks

Time	Type	Description

Wellbores

Wellbore Name	KO MD (mKB)
Original Hole	

Report for: 2/1/2011

Report #: 1.0, DFS:

Depth Progress:

Rpt. as
Daily Construct
Oper. Rpt.
V.1 - - - -
Versus
Daily Br. Rpt.

Windy Island J-39
Daily Construction Operations Report

Location:	2011-Drilling Project	Date:	Jan 31 / 2011
Client:	MGM. Energy Corp.	AFE No.	10D0006
Contact:	John Williams 867-588-3006	Day No.	15
Daily Cost	\$46,970	Cumulative	\$631,179

Weather report: Min -28C Max -22C

HSE

Safety Meeting @ Red Dog Shop 7:00:00 AM
Contractor Foreman: Ed McPherson

Daily HSE Update:	Reportable Spills:	0	Incidents/Near Misses:	0	Environmental:	0	Wildlife Sightings:	0
	Orientations:	2	Cumulative:	55				

Job Objective: Move drilling equipment, and set up drilling camp, and set conductor pipe.

Present Operation: Digging Rathole

Operations Details:

Held an operational safety meeting with the Red Dog Construction crew members and Cancor Rathole. Transport rathole rig and support trailer through Tulita (by pass not yet open) and across the ice road. Ice road rating posted this afternoon at 40,000kg. Cancor augered 6m of 30" hole and augered out a cellar 2.6m x 1.8m and installed a cellar crib. Cellar crib back filled with 1/4 gravel. Schlumberger delivered bulker to location. Hodgson Contracting held an Operational Safety Meeting with the trucking and pilot car personnel. Took delivery of 5 loads of camp matting and misc plus 3 pipe tubs. Substructure was loaded, ready for transport tomorrow. PTI took delivery of replacement generator and installed, rigged in, and running. Six unit complex is completely rigged in and ready for personnel. Bushmaster caterers stocked the camp with dry good today and started initial camp clean up.

Equipment on Site:

Water Trucks -2, Loaders -1

Action Items/Areas of Concern:

Wait for repairs on Canyon Creek Bridge. Move Akita Rig 51
substructure.
Complete Drill rathole and cement conductor pipe.

Project Manager: Dick Heenan

Windy Island J-39
Daily Construction Operations Report

Location:	2011-Drilling Project	Date:	Jan 24 / 2011
Client:	MGM. Energy Corp.	AFE No.	10D0006
Contact:	John Williams 867-588-3006	Day No.	8
Daily Cost	\$31,270	Cumulative	\$280,405
Weather report: Min -42C Max -38C			

HSE

Safety Meeting @ Red Dog Shop 7:00:00 AM
Contractor Foreman: Ed McPherson

Daily HSE Update:	Spills:	0	Incidents/Near Misses:	0	Environmental:	0	Wildlife Sightings:	0
	Orientations:	2	Cumulative:	22				

Job Objective: Construction of Windy Island access road and location

Present Operation: Completed hauling cover snow and water to camp and wellsite trailer area on location.

Operations Details:

Held an MGM Operational Safety Meeting with all Red Dog Mountain construction crew members. Had the grader and water trucks repair the deteriorated winter road from Km10 - Km 11 from the MGM access road. Completed hauling cover snow and water on the camp area on the location. Completed hauling cover snow and water wellsite trailer area.. D-7 Cat leveling and filling the drilling rig area of location about 75% completed. Survey leveled a pad area 22m x 50m around well center and will start hauling fill snow material tomorrow. Moved well centre 6m to the south as a means of reducing the volume of fill required.

Equipment on Site:

Water Trucks -6, Grader, D-7 Cat, Loader, End Dumps - 2

Action Items/Areas of Concern:

Complete the filling and leveling of the drilling rig portion of the location (we have no more fill material on location). Haul fill
and cover snow material and water to drilling rig area of location.
Haul water and cover snow for all exposed areas on the location.

Project Manager: Dick Heenan

Windy Island J-39
Daily Construction Operations Report

Location:	2011-Drilling Project	Date:	Jan 23 / 2011
Client:	MGM. Energy Corp.	AFE No.	10D0006
Contact:	John Williams 867-588-3006	Day No.	7
Daily Cost	\$28,980	Cumulative	\$250,605

Weather report: Min -42C Max -38C

HSE

Safety Meeting @ Red Dog Shop 7:00:00 AM

Contractor Foreman: Ed McPherson

Daily HSE Update:	Spills:	0	Incidents/Near Misses:	0	Environmental:	0	Wildlife Sightings:	0
	Orientations:	2	Cumulative:	22				

Job Objective: Construction of Windy Island access road and location

Present Operation: Hauling cover snow and water to camp area on location.

Operations Details:

Held an MGM Operational Safety Meeting with all Red Dog Mountain construction crew members. Hauled cover snow and water and spread on the camp area on the location. Wellsite trailer area 100% filled. D-7 Cat leveling and filling the drilling rig area of location. Plan to complete camp area and haul cover snow for the wellsite trailer area tomorrow.

Equipment on Site:

Water Trucks -4, Grader, D-7 Cat, Loader

Action Items/Areas of Concern:

Haul cover snow material to camp pad area and complete camp pad.
snow for wellsite trailer area - will use two end dumps tomorrow
river is deteriorating. Will have to devote on water truck to road maintenance

Haul cover
Road from location to

Project Manager: Dick Heenan

Windy Island J-39
Daily Construction Operations Report

Location:	2011-Drilling Project	Date:	Jan 22 / 2011
Client:	MGM. Energy Corp.	AFE No.	10D0006
Contact:	John Williams 867-588-3006	Day No.	6
Daily Cost	\$38,080	Cumulative	\$201,190

Weather report: Min -42C Max -38C

HSE

Safety Meeting @ Red Dog Shop 7:00:00 AM

Contractor Foreman: Ed McPherson

Daily HSE Update:	Spills:	0	Incidents/Near Misses:	0	Environmental:	0	Wildlife Sightings:	0
	Orientations:	2	Cumulative:	20				

Job Objective: Construction of Windy Island access road and location

Present Operation: Level access road to the J-39 location. Hauling water to camp area on location.

Operations Details:

Held an MGM Operational Safety Meeting with all Red Dog Mountain construction crew members. Hauled water and spread on the camp location. Loader and grader used the material that was hauled in yesterday, to level the road on the hill. Fuel truck arrived and offloaded 10,000L. Potable water truck for the security trailer arrived this afternoon. Positioned one light tower at the river to water loading. Security trailer occupied.

Equipment on Site:

Water Trucks -4, Grader, D-7 Cat, Loader

Action Items/Areas of Concern:

Haul finishing fill material to camp pad area and work to level with grader and water trucks.
water truck today due to an alternator failure.

Short one

Project Manager: Dick Heenan

Windy Island J-39
Daily Construction Operations Report

Location:	2011-Drilling Project	Date:	Jan 21 / 2011
Client:	MGM. Energy Corp.	AFE No.	10D0006
Contact:	John Williams 867-588-3006	Day No.	5
Daily Cost	\$24,655	Cumulative	\$162,705

Weather report: Min -42C Max -38C

HSE

Safety Meeting @	Red Dog Shop 7:00:00 AM	Wildlife / Enviro Monitor	Terrance Andrew	12 HR
Contractor Foreman:	Ed McPherson	Security Personnel		0 HR
Daily HSE Update:	Spills: 0	Incidents/Near Misses: 0	Environmental: 0	Wildlife Sightings: 0
	Orientations: 3	Cumulative: 18		

Job Objective: Construction of Windy Island access road and location

Present Operation: Building ice road to the J-39 location. Measured and took elevations on wellsite area and rig area. . Started putting water on camp area.

Operations Details:

Held an MGM Operational Safety Meeting with all Red Dog Mountain construction crew members. Received approval from Regional Manager of highway operations to put water trucks on the river. Ice road rating increased at Tulita crossing to 40,000 kg. Continued to take elevations and staked out the wellsite trailer area and the drilling rig pad area. Cat moved snow and filled to marked elevations. Water was sprayed on the camp location. Water trucks continued work on access road into the J-39 location. One end dumps hauled 21 loads of fill material for access road. Replacement grader was driven from Norman Wells last night and was on location for startup today. Fuel truck arrived and was unable to offload. Potable water truck for the security trailer did not show up. Started 4 light towers and positioned on the J-39 location. Hodgson service man installed satellite and television on security trailer.

Equipment on Site:

Water Trucks -5, End Dump -1 Grader, D-7 Cat, Loader

Action Items/Areas of Concern:

Water and grader on camp site area. Loader to work with hauled snow to build up low side of road on hill. Short one water truck operator today

Project Manager: Dick Heenan

Windy Island J-39
Daily Construction Operations Report

Location:	2011-Drilling Project	Date:	Jan 20 / 2011
Client:	MGM. Energy Corp.	AFE No.	10D0006
Contact:	John Williams 867-588-3006	Day No.	4
Daily Cost	\$25,450	Cumulative	\$137,445

Weather report: Min -39C Max -24C

HSE

Safety Meeting @	Red Dog Shop 7:00:00 AM	Wildlife / Enviro Monitor	Terrance Andrew	12 HR
Contractor Foreman:	Ed McPherson	Security Personnel		0 HR
Daily HSE Update:	Spills:	0 Incidents/Near Misses:	0 Environmental:	0 Wildlife Sightings:

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Job Objective: Construction of Windy Island access road and location

Present Operation: Building ice road to the J-39 location. Measured and took elevations on location. Camp area filled and ready for water tomorrow.

Operations Details:

Held an MGM Operational Safety Meeting with all Red Dog Mountain construction crew members. Took elevations and staked out the camp area. Cat moved snow and filled to marked elevations. Ready for water tomorrow. Worked with water trucks on access road into the J-39 location. Ordered two end dumps for tomorrow to provide fill material on access road. Broke the grader blade first thing this morning at -40C. Grader was driven to Norman Wells and a replacement brought to the location.

Equipment on Site:

Water Trucks -5, Grader (Damaged this morning), D-7 Cat, Loader

Action Items/Areas of Concern:

Quite short of snow along sections of the access road.

Project Manager: Dick Heenan

Missing
Daily Construct.
Report.

Day 3 Jan 19/11
Call Oper?

Windy Island J-39
Daily Construction Operations Report

Location:	2011-Drilling Project	Date:	Jan 18 / 2011
Client:	MGM. Energy Corp.	Project No.	
Contact:	John Williams	Day No.	2
Daily Cost	26,585	Cumulative	\$ 77,935.00

Weather report: Min -31C Max -24C

Safety Meeting @ 7:00 AM
Contractor Foreman: Ed McPherson

Job Objective: Construction of Windy Island access road and location

Present Operation: Building ice road at KM #1 of access road

Operations Details:

Held an MGM Operational Safety Meeting with all Red Dog Mountain construction crew members. Built up an area for the access road security trailer just off the winter road. (Area cleared was 28m x 15m.) Access road entry widening resulted in a triangular clearing of 15m x 20m. Graded access road into location. Had water trucks in to Km#1 on the access road. Completed the Enbridge pipeline crossing. Took delivery from Norman Wells - one 15000L Enviro fuel tank and one security trailer generator building.

Equipment on Site:

Water Trucks -5, Grader, D-7 Cat, Loader

Action Items/Areas of Concern:

None

Project Manager: Dick Heenan

Windy Island J-39
Daily Construction Operations Report

Location:	2011-Drilling Project	Date:	Jan 17 / 2011
Client:	MGM. Energy Corp.	Project No.	
Contact:	John Williams	Day No.	1
AFE/WBS:		AFE Amount:	

Weather report: Min -29C Max -27C

Safety Meeting @

Contractor Foreman:

Job Objective: Construction of Windy Island access road and locations

Present Operation: Construction of Enbridge Pipeline crossing.

Operations Details:

Held an MGM Orientation with all Red Dog Mountain construction crew members. Expanded entrance from access road to winter road. Graded access road to Enbridge pipeline. Constructed an Enbridge approved pipeline crossing. Covered the 4 rig mats used for the crossing with snow and watered down. Worked with Hodgeson Contracting crew widening and leveling the winter road from Tulita to MGM access road.

Equipment on Site:

Water Trucks -5, Grader, D-7 Cat, Loader

Action Items/Areas of Concern:

None

Project Manager: Dick Heenan