

PROGRAMMED FTD :	2020		
DAYS (MI & RU) :	11.00	AFE # :	12D0006
DAYS (MI & SPUD) :		AFE AMT. :	
TOTAL :	11.00	CO. WI (%) :	

DAILY DRILLING REPORT

Date of First Report: 24-Jan-13

Well Name : MGM-Shell East Mackay I-78			
Dpth @ 24:00	Progress (m)	Operation @ 24:00 Hours	24-Jan-13
		Preparing to Rig in Torque Tube and Top Drive	

MUD CHECK	#1	#2
Time		
Depth		
Density		
Viscosity		
Water Loss		
pH		
Filter Cake		
P.V.		
Y.P.		
Gels 10 sec.		
Gels 10 min.		
Low "N"		
Low "K"		
Brk YP		
Brk 0.5 rpm		
Chloride		
Calcium		
Sand %		
Solids %		
Oil Content %		
MBT		
Mud Gradient		
Last Csg MD:		
Last Csg TVD:		
MACP:		
RSPP:		
RSP Strokes:		

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HYDRAULICS			
Hole Size		OD (mm)	ID (mm)
Drill Pipe			
Drill Collar			

SOLIDS CONTROL				
Item	UF		OF	
Desander				
Desilter				
Centrifuge #1				
Centrifuge #2				
Centrifuge #3				
Screen Sz.	#1	#2	#3	#4
Shaker #1	100	100	80	80
Shaker #2	100	100	80	80
Shaker #3				

[illegible][illegible]

PUMP DATA					
No.	Type	m3 / Stk	Eff (%)	Liner Sz.	Stk.Lgth.
#1	9P-100		95%		235
#2	9P-100		95%		235
#3					

[illegible]

OPERATION NEXT 24 HRS : Install Diverter, Install Torque Tube and Top Drive, Fill Mud Tanks, Continue Rigging up to Spud				TOTAL:		24.00									
Drilling Rig & Number: Akita 37				HOLE CONDITION :				BOILER HRS:		24.00		TOTAL DAILY HRS: 24.00			
Tool Pusher : Guy Custair				Cellular # :		Road / Lease Condition : Road is holding together vey well. Location is in good shape									
Drilling Consultant : Trevor Mitchell / Jason Duckwo				Email: rig_supervisor@mgmenergy.com				Shack Cell # : (403) 536-9970							
Temp (C) : -32 Wind Chill -45				Weather: Overcast and 20km/hr Winds				Taken By : John Williams / Dick Heenan							
Date Last BOP Drill :				Daily Cost : \$169,666		Cum Cost : \$7,796,991		AFE Remaining : \$0							

689439 v10
DAILY DRILLING REPORT

OPERATION NEXT 24 HRS : Complete rig up,Pre-spud inspection,M/U BHA,pressure test diverter,Spud well & Drill ahead w/ 311mm bit				TOTAL:	24.00				
Drilling Rig & Number: Akita 37		HOLE CONDITION :			BOILER HRS:	24.00	TOTAL DAILY HRS: 24.00		
Tool Pusher : Guy Custair		Cellular # :	Road / Lease Condition :			Road is holding together vey well. Location is in good shape			
Drilling Consultant : Trevor Mitchell / Jason Duck		Email: rig_supervisor@mgmenergy.com		Shack Cell # : (403) 536-9970					
Temp (C) : -31		Weather: 18 kph wind, slight over cast		Taken By : John Williams / Dick Heenan					
Date Last BOP Drill :		Daily Cost :	\$196.694	Cum Cost :	\$8,205.392	AFE Remaining :		\$0	

East Mackay I-78 - 2013

Daily HSE Report

Location: East Mackay Project Staging
Operator: MGM. Energy Corp.
Supervisors: Marty Larson - Larry Blundon

Weather: High Temp -29 C

Personnel in Camp: 61

Regulator Contact: No Regulator Contact

Safety: No Safety Issues To Report

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	14	0	0
Previous	72	3	7
Total	86	3	7

Environment: Submitted effluent samples from Wellsite sewage treatment unit to ALS-Yellowknife for analysis.

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	11	0	0
Previous	200	18	28
Total	211	18	28

Hazard Identification of the Day:

Unsafe Act: Hand forgot to put "Man Overhead" sign on drillers panel before heading up in the man rider.

Corrective

Action: Sign was put in place and hand was reminded of the importance of protocol.

PROGRAMMED FTD :	2020		
DAYS (MI & RU) :	12.00	AFE # :	12D0006
DAYS (FROM SPUD) :		AFE AMT. :	
TOTAL DAYS :	12.00	CO. WI (%) :	

DAILY DRILLING REPORT

KB ELEVATION:	161.20	GROUND ELEVATION:	155.00	CBF ELEVATION :
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Date of Report:		24-Jan-13	
Well Name :		MGM-Shell East Mackay I-78	
Licence # :		466	
Date:		25-Jan-13	
Dpth @ 24:00	Progress (m)	Operation @ 24:00 Hours	25-Jan-13
		Fuel Today	Fuel Total
		16000	18500
		Depth @ 07:00 Hr.	
		picking up topdrive fr catwalk	

DRILLING FLUID

Type :	Mud Engineer:	Cell # :	Office # :	Mud Co.: Matrix Drilling Fluids
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[illegible]

BIT DATA

[illegible]

DRILLING PARAMETERS

[illegible]

PUMP DATA

No.	Type	m3 / Stk	Eff (%)	Liner Sz.	Stk.Lgth.
#1	9P-100		95%		235
#2	9P-100		95%		235
#3					

FROM	TO	24 HOUR SUMMARY
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OPERATION NEXT 24 HRS : Finish rigging in top drive, build volumes, CAODC pre spud rig inspection, P/U & M/U BHA, spud well w/311mm bit

Drilling Rig & Number:		Akita 37		HOLE CONDITION :		TOTAL: 24.00		BOILER HRS:		24.00		TOTAL DAILY HRS:		24.00	
Tool Pusher :		Guy Custair		Cellular # :		Road / Lease Condition :		Road is holding together vey well. Location is in good shape							
Drilling Consultant :		Trevor Mitchell / Jason Duce		Email:		rig_supervisor@mcmenergy.com		Shack Cell # :		(403) 536-9970					
Temp (C) :		-31		Weather :		15kph winds & periods of snow		Taken By :		John Williams / Dick Heenan					
Date Last BOH Drill :				Daily Cost :		\$99.932		Cum Cost :		\$7,985,808		AFE Remaining :		\$0	

East Mackay I-78 - 2013

Daily HSE Report

Location: East Mackay Project Staging
Operator: MGM. Energy Corp.
Supervisors: Marty Larson - Larry Blundon

Weather: High Temp -31 C ,wind chill -42, 15 kph NW winds with periods of snow.

Personnel in Camp: 60

Regulator Contact: No Regulator Contact

Safety: No Safety Issues To Report

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	7	0	0
Previous	65	3	7
Total	72	3	7

Environment: No Environmental Issues to Report

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	5	0	1
Previous	195	18	27
Total	200	18	28

Hazard ID of the day:

Date Last BOP Drill :	Jan.27, 2013	Daily Cost :	\$66,681	Cum Cost :	\$8,292,073	AFE Remaining :	\$0
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East Mackay I-78 - 2013

Daily HSE Report

Location: East Mackay Project Staging
Operator: MGM Energy Corp.
Supervisors: Marty Larson - Larry Blundon

Weather: High Temp -32 C

Personnel in Camp: 62

Regulator Contact: No Regulator Contact

Safety: No Safety Issues To Report

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	12	0	0
Previous	72	3	7
Total	84	3	7

Environment: No Environmental Issues to Report

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	2	0	0
Previous	211	18	28
Total	213	18	28

Hazard Identification of the Day:

Unsafe Act: Short collars were in danger of falling off of the racks as they were being rolled.

Corrective

Action: Stopped job, pulled collars off and re-positioned racks closer together to eliminate the chance of falling tubulars.

East Mackay I-78 - 2013

Daily HSE Report

Location: East Mackay Project Staging
Operator: MGM. Energy Corp.
Supervisors: Marty Larson - Larry Blundon

Weather: High Temp -35 C

Personnel in Camp: 64

Regulator Contact: No Regulator Contact

Safety: No Safety Issues To Report

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	6	0	0
Previous	84	3	8
Total	90	3	8

Environment: No Environmental Issues to Report

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	5	0	0
Previous	213	18	28
Total	218	18	28

Hazard Identification of the Day:

Unsafe Act: Noticed excess Plastic on the ground with snow on it footing becoming very slippery.

Corrective Action: Cut off excess plastic where it wasn't needed and built side walks for areas that needed it.

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DAILY DRILLING REPORT

PROGRAMMED FTD :	2020		
DAYS (MI & RU) :	13.59	AFE # :	12D0006
DAYS (FROM SPUD) :	2.41	AFE AMT. :	
TOTAL DAYS :	16.00	CO. WI (%) :	

KB ELEVATION:	161.20	GROUND ELEVATION:	155.00	CBF ELEVATION :	
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Date Report: 24-Jan-13

Well Name :	MGM-Shell East Mackay 1-78			Licence # :	466	Date:	29-Jan-13
Dpth @ 24:00	Progress (m)	Operation @ 24:00 Hours	29-Jan-13	Fuel today	Fuel total	30-Jan-13	Depth @ 06:00 Hr.
405	10	Rig out wireliners		8180	40880		405

DRILLING FLUID

Type :	H2O	Mud Engineer:	Dave Gibson	Cell # :		Office # :		Mud Co.:	Matrix Drilling Fluids
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MUD CHECK	#1	#2	ADDITIVES	SKS
Time	10:00		Gel	60
Depth	405		sawdust	25
Density	1190			
Viscosity	75			
Water Loss				
pH	8.5			
Filter Cake				
P.V.				
Y.P.				
Gels 10 sec.				
Gels 10 min.				
Low "N"				
Low "K"				
Brk YP				
Brk 0.5 rpm				
Chloride				
Calcium				
Sand %				
Solids %				
Oil Content %				
MBT				
Mud Gradient	11.67			
Last Csg MD:				
Last Csg TVD:				
MACP:				
RSPP:				
RSP Strokes:				

BOTTOM HOLE ASSEMBLY				
Description	OD (mm)	ID (mm)	Length	Thread
Bit	311		0.30	6 5/8 reg
Bit sub	228		0.71	6 5/8 reg
6-6.25 DC's	156	72	56.29	4 1/2 XH
Jar Hyd/mech	156	70	10.02	4 1/2 XH
7-6.25 DC's	156	70	65.20	4 1/2XH
X/O	102	65	1.10	4 1/2XH/4'FH
20-HWDP	102	65	186.44	4' FH
Drill Pipe 8	102	84.48	84.94	4' FH
HWDP				
Drill Pipe				
Kelly Down				
BHA Length (m) :	320.06	Total Length	405.00	
FLUID VOLUMES				
Bottoms Up (min)	10			
Mud Cycle (min)	14			
Main Hole (m3)	23.9			
Mud Tanks (m3)				
Sump Vol. (m3)				
Total (m3)	23.9			
MUD-UP DEPTH:	45m			
PRE-MIX TANK				
Volume (m3)				
Low "N"				
Low "K"				
Brk YP				
Brk 0.5 rpm				
Viscosity				
Density				

SURVEYS		
Depth	Degrees	Azi.
376	1	

HYDRAULICS			
Hole Size	311	OD (mm)	ID (mm)
Drill Pipe		102	84.5
Drill Collar		156	70

SOLIDS CONTROL				
Item	UF	OF		
Desander				
Desilter				
Centrifuge #1				
Centrifuge #2				
Centrifuge #3				
Screen Sz.	#1	#2	#3	#4
Shaker #1	100	100	80	80
Shaker #2	100	100	80	80
Shaker #3				

BIT DATA

No.	Size-mm	Type	Serial No.	Jets (mm)	In	Out	Metres	Bit Hrs.	ROP	Cum Hrs	Ti	To	D	Loc	B	G	O	R
1	311	GX-C03	5204676	24.0 24.0 24.0	23	405	382.0	1.25	15.0	25.50	6	7	WT	A	E	1	NO	TD

DRILLING PARAMETERS

No.	WOB	RPM	Str. Wt.	Pressure	SPM #1	SPM #2	SPM #3	DP Vel	DC Vel	Noz Vel	m3 / Min
1	5	140	33	11000	100	100		36	43	30.1	2.45

PUMP DATA

No.	Type	m3 / Stk	Eff (%)	Liner Sz.	Stk.Lgth.
#1	9P-100	0.0129	95%	152	235
#2	9P-100	0.0129	95%	152	235
#3					

FROM TO 24 HOUR SUMMARY

00:00	01:30	Cont to trip out of the hole, flowchecks @ 394m,376m,132m, every 20 min while out of the hole
01:30	04:45	Trip in the hole, flow checks @ 394m, 376m, 132m, every 20 Min while out of Hole
04:45	06:00	Drill 311mm Surface Hole from 395mKB to 405mKB
06:00	07:00	Circulate and Condition Mud for Logging
07:00	07:15	Crew Changeover Safety Meeting with MGM Rep and Akita Rig Crew
07:15	10:30	Circulate and Condition Mud for Logging
10:30	10:45	Rig Service, Function Test Annular / Close 55 Sec
10:45	16:00	Trip out of Hole to Log with Baker Wireline, Flow Checks at 400m, 200m, 130m, and Out of Hole. Monitor Well
16:00	16:15	Crew Change over Safety Meeting with MGM Rep and Akita Rig Crew
16:15	16:30	Safety Meeting with Baker Wireline Loggers
16:30	23:00	Rig to and Log with Baker Wireline. Time on Bottom - 19:40, Loggers TD - 405.84m, Logs Run - hdl/xmac/dual-zdl/cn/gr/tfrm
23:00	23:15	Rig service
23:15	23:45	Rig out wireliners
23:45	24:00	Crew change over meeting w/MGM rep & Akita rig crew

TIME BREAKDOWN S I P L1 L2 L3

MIRU / TO :					
Drill :	1.25				
Ream :					
Coring :					
Circ :	4.25				
Trips :	10.00				
Rig Service :	0.50				
Rig Repair :					
Cut Drig Ln :					
Dev Survey :					
Logging :	7.00				
Run Casing :					
Cementing :					
WOC :					
NU BOP :					
PT BOP :					
Abandon:					
Fishing :					
Dir Work :					
LDDP :					
B.O.P / Safety Mt:	1.00				
TOTAL:	24.00				

OPERATION NEXT 24 HRS : RIH, circulate & POOH to run 244.5mm surface casing & cement casing.WOC

Drilling Rig & Number:	Akita 37	HOLE CONDITION :	Gun barrel	BOILER HRS:	24.00	TOTAL DAILY HRS:	24.00
Tool Pusher :	Guy Cusitar	Cellular # :	403-648-0842	Road / Lease Condition :	Road is holding together very well. Location is in good shape		
Drilling Consultant :	Trevor Mitchell / Jason Duck	Email:	ig_supervisor@mgmenergy.com	Shack Cell # :	(403) 536-9970		
Temp (C) :	-40	Weather :	5kph wind & cold	Taken By :	John Williams / Dick Heenan		
Date Last BOP Drill :	January 28, 2013	Daily Cost :	\$127,399	Cum Cost :	\$9,378,210	AFE Remaining :	\$0

East Mackay I-78 - 2013

Daily HSE Report

Location: East Mackay Project Staging

Operator: MGM. Energy Corp.

Supervisors: Marty Larson - Dan Jutras

Weather: High Temp -32 C

Personnel in Camp: 64

Regulator Contact: No Regulator Contact

Safety: Cook was cutting meat and accidentally cut here finger. She went to the medic for assistance, where after consultation with the Advanced Care medic, it was decided that she should referred to the Tulita cline for stitches. The Tulita cline sutured the laceration and the cook returned to the camp and will return to work.

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	4	0	1
Previous	90	3	8
Total	94	3	9

Environment: No Environmental Issues to Report

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	6	0	0
Previous	218	18	28
Total	224	18	28

Hazard Identification of the Day:

Unsafe Act: Found anti-freeze dripping out of Eaton brake rad.

Action: Put drip tray under radiator.

Corrective

East Mackay I-78 - 2013

Daily HSE Report

Location: East Mackay Project Staging
Operator: MGM. Energy Corp.
Supervisors: Marty Larson - Dan Jutras

Weather: High Temp -30 C

Personnel in Camp: 64

Regulator Contact: National Energy Board (NEB) Inspectors Rick Turner & Lori Croal inspected the camp site and well site.

Safety: The NEB inspectors inspected the camp facilities and the staging area. They seemed pleased with the condition of the camp facilities and the staging area.

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	5	0	0
Previous	94	3	9
Total	99	3	9

Environment: The NEB inspection included a review of the environmental practices in the project area. The NEB inspectors commented that they thought the inspection had went well and they would be issuing their report in the next day or two.

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	4	0	1
Previous	224	18	28
Total	228	18	29

Hazard Identification of the Day:

Unsafe Act: Using the stabbing valve as a rack for clothing and stuff

Corrective

Action: Talked to crew about keeping the stabbing valve clear for emergencies.

East Mackay I-78 - 2013**Daily HSE Report****Location:** East Mackay Project Staging**Date:** Thursday, January 31, 2013**Operator:** MGM. Energy Corp.**Supervisors:** Marty Larson - Dan Jutras**Weather:** High Temp -25 C**Personnel in Camp:** 68**Regulator Contact:** No regulator contact**Safety:** No safety issues to report**Safety Tracking**

	Hazard ID	Near Miss	Incidents
Daily	7	0	0
Previous	99	3	9
Total	106	3	9

Environment: No environmental issues to report**Environmental Tracking**

	Orientations	Spills	Wildlife
Daily	5	0	0
Previous	228	18	29
Total	233	18	29

Hazard Identification of the Day:

Unsafe Act: Extension cord with exposed wires.

Corrective Action: Cord was pulled from service. This has happened to a few cords due to the cold and we will have to watch for it continuously.

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KB ELEVATION:	161.20	GROUND ELEVATION:	155.00	CBF ELEVATION :
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155.00	CBF ELEVATION :
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DRILLING FLUID				
Type :	H2O	Mud Engineer: Dave Gibson	Cell # :	Office # :
				Mud Co.: Matrix Drilling Fluids

[illegible]

DRILLING PARAMETERS											PUMP DATA						
No.	WOB	RPM	Str. Wt.	Pressure	SPM #1	SPM #2	SPM #3	DP Vel	DC Vel	Noz Vel	m3 / Min	No.	Type	m3 / Stk	Eff (%)	Liner Sz.	Stk.Lgth.
												#1	9P-100	0.0129	95%	152	235
												#2	9P-100	0.0129	95%	152	235
												#3					

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OPERATION NEXT 24 HRS : M/U Directional BHA/R, BOP drill, Drill out float collar & shoe , Leak off test & Drill ahead w/222mm bit.										TOTAL:		24.00							
Drilling Rig & Number: Akita 37				HOLE CONDITION :						BOILER HRS:		24.00		TOTAL DAILY HRS: 24.00					
Tool Pusher : Guy Cuslar				Cellular # : 403-648-0842			Road / Lease Condition : Road is holding together vey well. Location is in good shape												
Drilling Consultant : Trevor Mitchell / Jason Duck				Email: rig_supervisor@mgmenergy.com				Shack Cell # : (403) 536-9970											
Temp (C) : -25				Weather: 2kph NW wind, clear				Taken By : John Williams / Dick Heenan											
Date Last BOP Drill : January 28, 2013				Daily Cost : \$148,375			Cum Cost : \$10,129,866			AFE Remaining : \$0									

East Mackay I-78 - 2013**Daily HSE Report****Location:** East Mackay Project Staging**Date:** Friday, February 01, 2013**Operator:** MGM. Energy Corp.**Supervisors:** Marty Larson - Dan Jutras**Weather:** High Temp -25 C**Personnel in Camp:** 71**Regulator Contact:** No regulator contact

Safety: An incident occurred when a worker from Peak Energy stepped backwards into a drip tray, slipped and fell. The worker bruised his left left wrist and posterior. The worker visited the medic and was cleared to return to work with no first aid being administered.

A near miss occurred, when a MYB worker was driving to the lease in a pickup and pulled over to far to the side of the road causing him to enter the soft edge of the road and become stuck. The driver stated he thought he had maybe momentarily "dozed off". The vehicle was pulled out with no damage to the vehicle or injuries to the driver.

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	4	1	1
Previous	106	3	9
Total	110	4	9

Environment: There was one spill today from a leaking hydraulic pump on a water truck. Approximately 8 litres of hydraulic fluid was spilled on the access road near Km 13. The mechanic fixed the hydraulic pump on-site. The 8 litres of hydraulic fluid was recovered along with approximately 35 litres of snow and ice. The snow was hauled back to the staging area and placed into a lined C-can for disposal.

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	3	1	0
Previous	233	18	29
Total	236	19	29

Hazard Identification of the Day:

Unsafe Act: A worker put his hands in a pinch point area.

Corrective Action: Work was immediately stopped and the worker was advised of the hazard before work continued.

East Mackay I-78 - 2013**Daily HSE Report****Location:** East Mackay Project Staging**Date:** Saturday, February 02, 2013**Operator:** MGM. Energy Corp.**Supervisors:** Marty Larson - Dan Jutras**Weather:** High Temp -22 C**Personnel in Camp:** 67**Regulator Contact:** No regulator contact**Safety:** No safety issues occurred.**Safety Tracking**

	Hazard ID	Near Miss	Incidents
Daily	4	0	0
Previous	110	4	10
Total	114	4	10

Environment: There was one spill today from the 440bbl tank associated with the sewage treatment plant at the rig site. A line at the top of the 400 bbl came loose allowing 55 litres of raw sewage to escape down the tank and onto the ground. The problem was solved by re-attaching the line securely. A lined C-Can will be used to store the recovered raw sewage, snow & ice.

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	3	1	2
Previous	233	18	29
Total	236	19	31

Hazard Identification of the Day:**Unsafe Act:** Worker working with the hammer without safety glasses**Corrective Action:** Stopped him told him if he wants to keep his eyes wear safety glasses at all times!!! He understood.

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KB ELEVATION:	161.24	GROUND ELEVATION:	155.39	CBF ELEVATION :	155.89
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Date Last BOP Drill :	February 2, 2013	Daily Cost :	\$962,303	Cum Cost :	\$11,255,436	AFE Remaining :	\$0
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East Mackay I-78 - 2013**Daily HSE Report****Location:** East Mackay Project Staging**Date:** Sunday, February 03, 2013**Operator:** MGM. Energy Corp.**Supervisors:** Marty Larson - Dan Jutras**Weather:** High Temp -22 C**Personnel in Camp:** 67**Regulator Contact:** No regulator contact

Safety: No safety issues were noted.
A fire drill was run at the main camp with the evacuation of the camp proceeding in a orderly fashion. The response time was 4:33 minutes from the time the alarm was set off until the end of the roll call.

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	7	0	0
Previous	114	4	10
Total	121	4	10

Environment: A 70 litre treated effluent spill today associated with the sewage treatment plant at the rig site. A check valve froze causing effluent to leak out of the lift station. The check valve was thawed out and returned to service. A lined C-Can will be used to store the recovered raw sewage, snow & ice.

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	3	1	1
Previous	236	19	31
Total	239	20	32

Hazard Identification of the Day:**Unsafe Act:** Wash gun hose left on stair way creating a tripping hazard.**Corrective Action:** Hose was removed from stairs and crew talked about proper house keeping.

OPERATION NEXT 24 HRS : Drill 222mm hole										TOTAL:				24.00			
Drilling Rig & Number: Akita 37				HOLE CONDITION : good						BOILER HRS:		24.00	TOTAL DAILY HRS: 24.00				
Tool Pusher : Guy Cusilar				Cellular # : 403-648-0842		Road / Lease Condition : Road is holding together vey well. Location is in good shape											
Drilling Consultant : Trevor Mitchell / Jason Duck				Email: rig_supervisor@mgmenergy.com						Shack Cell # : (403) 536-9970							
Temp (C) : -24				Weather : calm & clear						Taken By : John Williams / Dick Heenan							
Date Last BOP Drill : February 2, 2013				Daily Cost : \$146,228		Cum Cost : \$11,307,998		AFE Remaining : \$0									

East Mackay I-78 - 2013**Daily HSE Report****Location:** East Mackay Project Staging**Date:** Monday, February 04, 2013**Operator:** MGM. Energy Corp.**Supervisors:** Marty Larson - Dan Jutras**Weather:** High Temp -21 C**Personnel in Camp:** 64**Regulator Contact:** No regulator contact**Safety:** No safety issues were noted.**Safety Tracking**

	Hazard ID	Near Miss	Incidents
Daily	5	0	0
Previous	121	4	10
Total	126	4	10

Environment: No environmental issues were noted**Environmental Tracking**

	Orientations	Spills	Wildlife
Daily	7	0	1
Previous	239	20	32
Total	246	20	33

Hazard Identification of the Day:**Unsafe Act:** Eyewash station in boiler was getting hot. Eyewash station hung on wall with no protection**Corrective Action:** Replaced eyewash station with box style station and moved eyewash station to cooler location near the door.

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KB ELEVATION:	161.24	GROUND ELEVATION:	155.39	CBF ELEVATION :	155.89
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Well Name : MGM-Shell East Mackay I-78			
Dpth @ 24:00 1600	Progress (m) 340	Operation @ 24:00 Hours Drill 222mm hole	05-Feb-13

Licence #: 1202-002		Date: 5-Feb-13	
Fuel today	Fuel total	Depth @ 06:00 Hr.	
9905	95027	1693	

Type :	Polymer	Mud Engineer: Dave Gibson	Cell # :	Office # :	Mud Co.: Matrix Drilling Fluids
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MUD CHECK	#1	#2
Time	06:00	18:00
Depth	1336 -	1480
Density	1050	1045
Viscosity	42	46
Water Loss	9.8	8.6
H	9.5	9.5
Filter Cake	1	1
P.V.	10	12
Y.P.	8	10
Gels 10 sec.	3	4
Gels 10 min.	4	4
Low "N"	.36	.45
Low "K"	14.25	9.79
Brk YP		
Brk 0.5 rpm		
Chloride	360	320
Calcium	80	TR
Sand %	.025	.006
Solids %		
Oil Content %		
MBT		
Mud Gradient	10.30	10.25
Last Csg MD:	401.79	401.79
Last Csg TVD:	401.79	401.79
MACP:	6597	6617
RSPG:	58	64
RSP Strokes:	2400	3095

AQUA STAR
STAFFLO
POLYZAN
HYPERDRILL 247
CAL CARB 325
MATRIX SHIELD
SULFAMIC ACID

ADDITIONALS SKS

Description	OD (mm)	ID (mm)	Length	Thread
PDC bit	222		0.34	4 1/2 reg
Tru Trac	193	88.9	13.04	4 1/2 IF
MWD	176	72	0.77	4 1/2 IF
NM Drill collar	163	72	9.09	4 1/2 IF
NM Drill collar	161	72	8.46	4 1/2 IF
Sub	171	72	1.66	4 1/2 IF
Sub- X/O	160	57	0.58	4 1/2 XH
4- 6.25 DC's	156	70	37.37	4 1/2 XH
Jar	156	70	10.02	4 1/2 XH
3- 6.25 DC's	156	70	28.32	4 1/2 XH
Sub- X/O	102	65	1.10	4-FH / 4 1/2XH
Drill Pipe				
HWDP	102	65	186.25	4-FH
Drill Pipe	102	84.5	1303.00	4-FH
Kelly Down				
BHA Length (m) :		110.75	Total Length	1600.00

DEPTH SURVEYS

Depth	Degrees	Azi.
1277.90	.20	103.1
1326.10	.10	355.9
1374.20	.20	34.9
1422.40	.40	49.1
1470.50	.40	55.2
1518.60	.30	68
1566.90	.60	60.4

Bottoms Up (min)	34
Mud Cycle (min)	52
Main Hole (m3)	46.4
Mud Tanks (m3)	55.0
Waste Vol. (m3)	
Total (m3)	101.4
MUD-UP DEPTH:	440

PRE-MIX TANK

Volume (m3)	
Low "N"	
Low "K"	
Brk YP	
Brk 0.5 rpm	
Viscosity	
Density	

Item	UF	OF
Desander		
Desilter		
Centrifuge #1	off line	
Centrifuge #2	off line	
Centrifuge #3		

HYDRAULICS

Hole Size	222	OD (mm)	ID (mm)
Drill Pipe		102	84.5
Drill Collar		156	70

Screen Sz.	#1	#2	#3	#4
Shaker #1	200	200	165	165
Shaker #2	200	200	165	165
Shaker #3				

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No.	Type	m3 / Stk	Eff (%)	Liner Sz.	Stk.Lgth.
#1	9P-100	0.0129	95%	152	235
#2	9P-100	0.0129	95%	152	235
#3					

TIME BREAKDOWN	S	I	P	L1	L2	L3
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Drilling Rig & Number: Akita 37		HOLE CONDITION : good		BOILER HRS:	24.00	TOTAL DAILY HRS:	24.00
Tool Pusher : Guy Cusitar		Cellular # : 403-648-0842	Road / Lease Condition : Road is holding together vey well. Location is in good shape				
Drilling Consultant : Trevor Mitchell / Jason Duce		Email: rig_supervisor@mgmenergy.com	Shack Cell # : (403) 536-9970				
Temp (C) : -25		Weather: 7kph sw wind & clear		Taken By : John Williams / Dick Heenan			
Date Last BOP Drill : February 2, 2013	Daily Cost :	\$296,938	Cum Cost :	\$11,605,236	AFE Remaining :	\$0	

East Mackay I-78 - 2013

Daily HSE Report

Location: East Mackay Project Staging

Date: Tuesday, February 05, 2013

Operator: MGM. Energy Corp.

Supervisors: Larry Blundon - Dan Jutras

Weather: High Temp -23 C

Personnel in Camp: 68

Regulator Contact: No regulator contact

Safety: No safety issues were noted.

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	6	0	0
Previous	121	4	10
Total	127	4	10

Environment: No environmental issues were noted

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	19	0	0
Previous	239	20	32
Total	258	20	32

Hazard Identification of the Day:

Unsafe Act: Rig hand seen that one of the steam lines had a leak.

Corrective Action: Steam line was removed and a new line was installed.



KB ELEVATION:	161.24	GROUND ELEVATION:	155.39	CBF ELEVATION :	155.89
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DRILLING FLUID					
Type :	Polymer	Mud Engineer:	Dave Gibson	Cell # :	
				Office # :	
				Mud Co.:	Matrix Drilling Fluids

MUD CHECK		#1	#2	ADDITIVES		SKS	BOTTOM HOLE ASSEMBLY				
Time	06:00			Aqua star		16	Description	OD (mm)	ID (mm)	Length	Thread
Depth	1685			Stafo		7	PDC bit	222		0.34	4 1/2 reg
Density	1045			Polyzan		1	Tru Trac	193	88.9	13.04	4 1/2 IF
Viscosity	44			Hyperdrill 247		1	MWD	176	72	0.77	4 1/2 IF
Water Loss	8.2			Cal carb 325		5	NM Drill collar	163	72	9.09	4 1/2 IF
pH	9.5			Matrix shield		8	NM Drill collar	161	72	8.46	4 1/2 IF
Filter Cake	1			Corinox		2	Sub	171	72	1.66	4 1/2 IF
P.V.	20			Barite		96	Sub- X/O	160	57	0.58	4 1/2 XH
Y.P.	10.5						4- 6.25 DC's	156	70	37.37	4 1/2 XH
Gels 10 sec.	5						Jar	156	70	10.02	4 1/2 XH
Gels 10 min.	5						3- 6.25 DC's	156	70	28.32	4 1/2 XH
Low "N"	.42						Sub- X/O	102	65	1.10	4-FH / 4 1/2XH
Low "K"	15.52										
Brk YP											
Brk 0.5 rpm											
Chloride	320						Drill Pipe				
Calcium	TR						HWDP	102	65	186.25	4-FH
Sand %	.006						Drill Pipe	102	84.5	1523.00	4-FH
Solids %	.025						Kelly Down				
Oil Content %							BHA Length (m) : 110.75Total Length1820.00				
MBT							FLUID VOLUMES				
Mud Gradient	10.25						Bottoms Up (min)	39			
Last Csg MD:	401.79						Mud Cycle (min)	60			
Last Csg TVD:	401.79						Main Hole (m3)	52.9			
MACP:	6617						Mud Tanks (m3)	75.0			
RSPP:	3946						Waste Vol. (m3)				
RSP Strokes:	64						Total (m3)	127.9			
							MUD-UP DEPTH:	440			
								PRE-MIX TANK			
							Volume (m3)				
							Low "N"				
							Low "K"				
							Brk YP				
							Brk 0.5 rpm				
							Viscosity				
							Density				

SURVEYS		
Depth	Degrees	Azi.
1615.20	.50	84.10
1663.20	1	79.60
1711.30	.20	153.70
1759.20	.70	73.20
1799.00	.60	62.70
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DRILLING PARAMETERS

No.	WOB	RPM	Str. Wt.	Pressure	SPM #1	SPM #2	SPM #3	DP Vel	DC Vel	Noz Vel	m3 / Min
2	11	75	58	10054	115			46	72	47.3	1.41

PUMP DATA

No.	Type	m3 / Stk	Eff (%)	Liner Sz.	Stk.Lgth.
#1	9P-100	0.0129	95%	152	235
#2	9P-100	0.0129	95%	152	235
#3					

FROM	TO	24 HOUR SUMMARY	TIME BREAKDOWN	S	I	P	L1	L2	L3
00:00	03:15	Drill 222mm hole from 1600mkb to 1722mkb	MIRU / TO :						
03:15	06:15	Accumulated surveys,connections & work pipe	Drill :			10.25			
06:15	06:45	Rig service function upper pipe rams 7 sec to c/o	Ream :						
06:45	07:00	Safety meeting with Akita crew & MGM rep	Coring :						
07:00	14:00	Drill 222mm hole from 1722mkb to 1820mkb TD	Circ :			2.25			
14:00	16:00	Accumulated surveys,connections & work pipe (re-gama log 1750mkb to 1760mkb)	Trips :			4.75			
16:00	16:15	Rig service function upper pipe rams 7 sec to c/o	Rig Service :			1.00			
16:15	18:30	Circulate & clean hole	Rig Repair :						
18:30	19:00	Blow down top drive, circulate through bleeder	Cut Drlg Ln :						
19:00	19:15	Safety meeting with Akita crew & MGM rep	Dev Survey :			5.00			
19:15	23:00	Trip out of the hole from 1820mkb to 1024mkb, flow check @ 1810m,1730m, (Strapping out of the hole)	Logging :						
23:00	23:30	Rig service function upper pipe rams 7 sec to c/o	Run Casing :						
23:30	24:00	Continue to Trip out of the hole	Cementing :						
			WOC :						
			NU BOP :						
			PT BOP :						
			DST :						
			Fishing :						
			Dir Work :						
			LDDP :						
			B.O.P / Safety Mt:			0.75			
		Received 5 loads of sawdust, hauled 5 loads of cuttings (approx 120 ton)							
		Daily Fuel: 9509 liters Total Fuel : 104536 liters Received :54000 liters of diesel							
OPERATION NEXT 24 HRS : Cont to POOH, Lay Dn Directional tools, P/U coring tools & RIH to cut core #1 & retrieve.			TOTAL:			24.00			
Drilling Rig & Number: Akita 37		HOLE CONDITION : good	BOILER HRS:	24.00	TOTAL DAILY HRS: 24.00				
Tool Pusher : Guy Cusitar		Cellular # : 403-648-0842	Road / Lease Condition : Road is holding together vey well. Location is in good shape						
Drilling Consultant : Trevor Mitchell / Jason Duce		Email: rig_supervisor@mgmenergy.com	Shack Cell # : (403) 536-9970						
Temp (C) : -29		Weather : 3kph SW wind & clear	Taken By : John Williams / Dick Heenan						
Date Last BOP Drill : February 2, 2013		Daily Cost : \$255,795	Cum Cost : \$11,888,149			AFE Remaining : \$0			

East Mackay I-78 - 2013**Daily HSE Report****Location:** East Mackay Project Staging**Date:** Wednesday, February 06, 2013**Operator:** MGM Energy Corp.**Supervisors:** Larry Blundon - Dan Jutras**Weather:** High Temp -22 C**Personnel in Camp:** 66**Regulator Contact:** No regulator contact**Safety:** No safety issues were noted.**Safety Tracking**

	Hazard ID	Near Miss	Incidents
Daily	6	0	0
Previous	121	4	10
Total	127	4	10

Environment: No environmental issues were noted we did get a visit from Ron Doctor ENR who ask to inspect the access road and to drive up and speak to John Williams, Ron commented that our roads were in great shape he did notice that there was something purple on the side of the road near the camp access Dan went out and found it was grape juice it was cleaned up.

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	2	0	2
Previous	239	20	32
Total	241	20	34

Hazard Identification of the Day:**Unsafe Act:** Worker not wearing proper PPE while working in pumpshack did not have ear plugs.**Corrective Action:** Told the worker to go to the change shack and put ear plugs on.

689459 v22

PROGRAMMED FTD :	2020
DAYS (MI & RU) :	13.59 AFE # : 12D0006
DAYS (FROM SPUD) :	11.41 AFE AMT. :
TOTAL DAYS :	25.00 CO. WI (%) :



DAILY DRILLING REPORT

KB ELEVATION:	161.24	GROUND ELEVATION:	155.39	CBF ELEVATION :	155.89
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Date of Report: 24-Jan-13

Well Name : MGM-Shell East Mackay I-78

Licence # : 1202-002

Date: 7-Feb-13

Dpth @ 24:00 : 1820
Progress (m) :
Operation @ 24:00 Hours : 07-Feb-13
Trip in the Hole with core run #1

Operation @ 06:00 Hours :
Cut core #1

08-Feb-13 :
Depth @ 06:00 Hr. : 1833

DRILLING FLUID

Type :	Polymer	Mud Engineer: Dave Gibson	Cell # :	Office # :	Mud Co.: Matrix Drilling Fluids								
MUD CHECK	#1	#2	ADDITIVES		SKS	BOTTOM HOLE ASSEMBLY				SURVEYS			
Time	17.00					Description	OD (mm)	ID (mm)	Length	Thread	Depth	Degrees	Azi.
Depth	1820					PDC core bit	216		0.44	HT-30			
Density	1070					Stab & outer tube	214	137	9.14	HT-30			
Viscosity	48					Stab & outer tube	214	137	9.14	HT-30			
Water Loss	7.6					Stab & outer tube	214	137	9.14	HT-30			
pH	9.5					Stab & outer tube	214	137	9.14	HT-30			
Filter Cake	1					Stab & outer tube	214	137	9.14	HT-30			
P.V.	20					Stab & outer tube	214	137	9.14	HT-30			
Y.P.	14					Stabilizer	214	137	1.22	HT-30			
Gels 10 sec.	4.5					LD Adjuster	171	137	1.22	HT-30			
Gels 10 min.	5					Top sub	171	137	0.61	HT-30/4 1/2IF			
Low "N"	.45					Jars & float sub X/O	171	57	2.72	4 1/2 IF/4 1/2XH			
Low "K"	14.68					6-6.25 DC's	156	70	56.38	4 1/2 XH			
Brk YP						X/O	102	65	1.10	4 1/2XH /4-FH			
Brk 0.5 rpm						Drill Pipe							
Chloride	400					HWDP	102	65	186.25	4-FH			
Calcium	TR					Drill Pipe	102	84.5	1512.45	4-FH			
Sand %	.006					Kelly Down							
Solids %						BHA Length (m) : 118.53							

BIT DATA

No.	Size-mm	Type	Serial No.	Jets (mm)	In	Out	Metres	Bit Hrs.	ROP	Cum Hrs	Ti	To	D	Loc	B	G	O	R
3	216	BHC606C	7103687					1820										

DRILLING PARAMETERS

No.	WOB	RPM	Str. Wt.	Pressure	SPM #1	SPM #2	SPM #3	DP Vel	DC Vel	Noz Vel	m3 / Min
3											

PUMP DATA

No.	Type	m3 / Stk	Eff (%)	Liner Sz.	Stk.Lgth.
#1	9P-100	0.0129	95%	152	235
#2	9P-100	0.0129	95%	152	235
#3					

FROM TO 24 HOUR SUMMARY

FROM	TO	24 HOUR SUMMARY	TIME BREAKDOWN	S	I	P	L1	L2	L3
00:00	05:00	Trip out of the hole from 1820m to 82m (flow checks @ 913m, 613m, 82m)	MIRU / TO :						
05:00	05:15	Safety meeting with baker directional & mwd	Drill :						
05:15	06:15	Lay down one 6.25 DC, jars & rack DC's	Ream :						
06:15	06:45	Rig service- grease top drive,drawworks & blocks, function annular	Coring :						
06:45	07:00	Pre-tour meeting held with both rigs crews & MGM rep	Circ :			0.75			
07:00	08:00	Lay down directional tools	Trips :			17.75			
08:00	08:15	pre-job safety meeting w/baker hughes before laying out tru trak assembly	Rig Service :			0.50			
08:15	09:45	Lay down baker hughes tru trak assembly	Rig Repair :						
09:45	10:00	pre-job safety meeting w/baker hughes core hands before picking up coring BHA	Cut Drlg Ln :			1.00			
10:00	15:00	pick up baker hughes coring assembly	Dev Survey :						
15:00	17:00	Trip in the hole for core run #1	Logging :						
17:00	17:15	Pre-job safety meeting w/ rig crew before slip & cut drill line	Run Casing :						
17:15	18:15	Slip & cut drill line, SLC-1326mj Accum- 75392mj- 34m cut	Cementing :						
18:15	19:00	Cont to trip in the hole for core run #1	WOC :						
19:00	19:15	Safety meeting w/rig crews & MGM rep	NU BOP :						
19:15	20:00	Fill pipe & break circulation @ 950m	PT BOP :						
20:00	24:00	Cont to trip in the hole for core run #1	DST :						
			Fishing :						
			Dir Work :			2.50			
			LDDP :						
			B.O.P / Safety Mt:			1.50			
		Core Bit TFA=1.5							
		Daily Fuel : 7896 litres Total Fuel : 112432 litres							

OPERATION NEXT 24 HRS : Cut core #1 & recover.RIH w/ core run #2

Drilling Rig & Number: Akita 37	HOLE CONDITION : good	BOILER HRS: 24.00	TOTAL DAILY HRS: 24.00
Tool Pusher : Guy Cusitar	Cellular # : 403-648-0842	Road / Lease Condition : Road is holding together vey well. Location is in good shape	
Drilling Consultant : Trevor Mitchell / Jason Duce	Email: rig_supervisor@mgmenergy.com	Shack Cell # : (403) 536-9970	
Temp (C) : -30	Weather : 6kph SE wind & clear	Taken By : John Williams / Dick Heenan	
Date Last BOP Drill : February 2, 2013	Daily Cost : \$243,343	Cum Cost : \$12,152,842	AFE Remaining : \$0

East Mackay I-78 - 2013**Daily HSE Report****Location:** East Mackay Project Staging**Date:** Thursday, February 07, 2013**Operator:** MGM. Energy Corp.**Supervisors:** Larry Blundon - Dan Jutras**Weather:** High Temp -26 C**Personnel in Camp:** 60**Regulator Contact:** Steve Duchane came to the site, John took him up to the Well Site.**Safety:** No safety issues were noted.**Safety Tracking**

	Hazard ID	Near Miss	Incidents
Daily	8	0	0
Previous	127	4	10
Total	135	4	10

Environment: Went out to river and found all 3 water trucks were in various stages of loading water onto the trucks and all 3 had their DFO approved fish screens on their hoses I then picked one for a spot check.**Environmental Tracking**

	Orientations	Spills	Wildlife
Daily	2	0	0
Previous	241	20	32
Total	243	20	32

Hazard Identification of the Day:**Unsafe Act:** Hand inspected tools and equipment before starting to trip found cotter pin missing from dog collars**Corrective Action:** Put a new cotter pin in the dog collars

Date Last BOP Drill :	February 2, 2013	Daily Cost :	\$160,778	Cum Cost :	\$12,315,720	AFE Remaining :	\$0
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East Mackay I-78 - 2013**Daily HSE Report****Location:** East Mackay Project Staging**Date:** Friday, February 08, 2013**Operator:** MGM. Energy Corp.**Supervisors:** Larry Blundon - Dan Jutras**Weather:** High Temp -22 C with 7 km winds**Personnel in Camp:** 60**Regulator Contact:** No contact were noted**Safety:** No safety issues were noted.**Safety Tracking**

	Hazard ID	Near Miss	Incidents
Daily	5	0	0
Previous	146	4	10
Total	151	4	10

Environment: The Wildlife Monitor found a spot where oil had fallen to the ground up at the wellsite the area was cleaned up there was 0.5 of a liter of oil and 4 liters of snow removed and put into a lined C-can.

We had 2 Moose walk up to the 2 Cancor workers that were fixing their truck, they notified me and I call the Wildlife monitor too come over and investigate.

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	6	1	3
Previous	269	20	35
Total	275	21	38

Hazard Identification of the Day:**Unsafe Act:** Worker had his back turned while hoisting pipe**Corrective****Action:** Stopped work and told him to never turn away while lifting pipe

DAILY DRILLING REPORT

KB ELEVATION:	161.24	GROUND ELEVATION:	155.39	CBF ELEVATION :	155.89
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DRILLING FLUID

MUD CHECK	#1	#2
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ADDITIVES	SKS
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BOTTOM HOLE ASSEMBLY

FLUID VOLUMES	
Bottoms Up (min)	
Mud Cycle (min)	
Main Hole (m3)	49.5
Mud Tanks (m3)	77.0
Sump Vol. (m3)	
Total (m3)	126.5
MUD-UP DEPTH:	440

Office # :

(mm)	Length	Thread
	0.44	HT-30
137	9.14	HT-30
137	9.14	HT-30
137	9.14	HT-30
137	9.14	HT-30
137	9.14	HT-30
137	1.22	HT-30
137	1.22	HT-30
137	0.61	HT-30/4 1/2IF
57	2.72	4 1/2 IF/4 1/2X
70	56.38	4 1/2 XH
65	1.10	4 1/2XH /4-FH
65	186.25	4-FH
34.5	1529.22	4-FH
Total Length		1834.00
PRE-MIX TANK		
Volume (m3)		
Low "N"		
Low "K"		
Brk YP		
Brk 0.5 rpm		
Viscosity		
Density		

SURVEYS[illegible]

HYDRAULICS			
Hole Size	216	OD (mm)	ID (mm)
Drill Pipe		102	84.5
Drill Collar		156	70

SOLIDS CONTROL				
Item	UF		OF	
Desander				
Desilter				
Centrifuge #1	off line			
Centrifuge #2	off line			
Centrifuge #3				
Screen Sz.	#1	#2	#3	#4
Shaker #1	200	200	165	165
Shaker #2	200	200	165	165
Shaker #3				

[illegible]

DRILLING PARAMETERS

[illegible]PUMP DATA

No.	Type	m3 / Stk	Eff (%)	Liner Sz.	Stk.Lgth.
#1	9P-100	0.0129	95%	152	235
#2	9P-100	0.0129	95%	152	235
#3					

FROM	TO	24 HOUR SUMMARY	TIME BREAKDOWN	S	I	P	L1	L2	L3
00:00	02:00	Lay down top sub & LD extension sub, rack core barrels in derrick, break down top sub,LD extension.	MIRU / TO :						
02:00	02:30	Rig service, grease top drive,drawworks & blocks, function annular c/o = 18 secs	Drill :						
02:30	06:45	Make up new 216mm bit, bit sub & trip in the hole	Ream :						
06:45	07:00	Safety meeting with both crews & MGM rep	Coring :			10.25			
07:00	08:00	Continue to trip in the hole to 450m, pull back to the shoe & break circulation(waiting on baker replacement tool)	Circ :			2.00			
08:00	10:00	Circulating @ shoe waiting on baker hughes coring tool	Trips :			10.75			
10:00	11:30	Trip out of the hole	Rig Service :			0.50			
11:30	13:30	Make up baker hughes coring assembly	Rig Repair :						
13:30	14:45	Waiting on baker hughes top sub & LD adjuster	Cut Drlg Ln :						
14:45	19:00	Make up inner barrels, lay out NFG adjuster sub, pick up outer barrel stabilizer to replace adjuster sub & cont to M/U core assembly	Dev Survey :						
19:00	19:15	Safety meeting with both crews & MGM rep	Logging :						
19:15	20:00	Cont to M/U baker hughes coring BHA	Run Casing :						
20:00	24:00	Run in the hole with core assembly #2 fill pipe @ 607m, 1200m & blow back top drive	Cementing :						
			WOC :						
			NU BOP :						
			PT BOP :						
			DST :						
			Fishing :						
			Dir Work :						
			LDDP :						
			B.O.P / Safety Mt:			0.50			
		Received 62,164 litres of Diesel from Bassett petroleum							
		Daily fuel : 8047 litres Total fuel: 128,586 litres							
OPERATION NEXT 24 HRS : Cut core run # 2 & recover			TOTAL:			24.00			
Drilling Rig & Number: Akita 37		HOLE CONDITION : good		BOILER HRS:		24.00	TOTAL DAILY HRS: 24.00		
Tool Pusher : Guy Cusitar		Cellular # : 403-648-0842	Road / Lease Condition : Road is holding together vey well. Location is in good shape						
Drilling Consultant : Trevor Mitchell / Jason Duc		Email: rig_supervisor@mgmenergy.com	Shack Cell # : (403) 536-9970						
Temp (C) : -26		Weather : 14kph E wind & clear	Taken By : John Williams / Dick Heenan						
Date Last BOP Drill : February 2, 2013		Daily Cost : \$217,714	Cum Cost : \$12,516,865			AFE Remaining : \$0			

East Mackay I-78 - 2013**Daily HSE Report****Location:** East Mackay Project Staging**Date:** Saturday, February 09, 2013**Operator:** MGM. Energy Corp.**Supervisors:** Larry Blundon - Dan Jutras**Weather:** High Temp -19 C with 7 km winds**Personnel in Camp:** 67**Regulator Contact:** No contact was noted

Safety: As a safety precaution John shut down access to the Well site and stopped vehicles and people movement when he heard the Helicopter was 15 minutes out and we set up a place for the cross over sub to be dropped off.

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	7	0	0
Previous	151	4	10
Total	158	4	10

Environment: All the contractors are using drip trays on parked vehicles. Was up to the Well site lease and took some pictures of the new setup of the Incinerator Took a look around things are looking in good shape.

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	0	0	1
Previous	275	20	35
Total	275	20	36

Hazard Identification of the Day:**Unsafe Act:** Worker put feet under dog collar**Corrective Action:** Work was stopped and worker was informed about pinch points and to never have his feet under the dog collar

East Mackay I-78 - 2013**Daily HSE Report****Location:** East Mackay Project Staging**Date:** Sunday, February 10, 2013**Operator:** MGM. Energy Corp.**Supervisors:** Larry Blundon - Dan Jutras**Weather:** High Temp -11 C**Personnel in Camp:** 63 + 2 driver staying in their sleepers**Regulator Contact:** No contact was noted**Safety:** No safety issues noted**Safety Tracking**

	Hazard ID	Near Miss	Incidents
Daily	7	0	0
Previous	158	4	10
Total	165	4	10

Environment: The President of the TRRC David Menache Dropped by and asked to go up and talk with John Williams to plan a future visit.**Environmental Tracking**

	Orientations	Spills	Wildlife
Daily	1	0	1
Previous	275	20	36
Total	276	20	37

Hazard Identification of the Day:**Unsafe Act:** Safety cotter pin was missing from the tongs hold back line**Corrective Action:** Pin was found on floor after inspection and replaced

DAILY DRILLING REPORT

KB ELEVATION:	161.24	GROUND ELEVATION:	155.39	CBF ELEVATION :	155.89
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Well Name : MGM-Shell East Mackay I-78				Licence # : 1202-002		Date: 11-Feb-13	
Dpth @ 24:00 1874.24	Progress (m) 22.64	Operation @ 24:00 Hours Recovering Core #3	11-Feb-13	Operation @ 07:00 Hours Tripping in Hole with 216mm Insert Bit	12-Feb-13	Depth @ 07:00 Hr. 1874.24	

DRILLING FLUID

Type :	Polymer	Mud Engineer: Dave Gibson	Cell # :	Office # :	Mud Co.: Matrix Drilling Fluids
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[illegible][illegible]

DRILLING PARAMETERS

[illegible]

PUMP DATA

No.	Type	m3 / Stk	Eff (%)	Liner Sz.	Stk.Lgth.
#1	9P-100	0.0129	95%	152	235
#2	9P-100	0.0129	95%	152	235
#3					

FROM TO 24 HOUR SUMMARY

00:00	04:30	Continue Running in Hole with Core Assembly #3.	MIRU / TO :						
04:30	04:45	Rig Service, Greased Top Drive, Drawworks and Blocks, Functioned Annular O/C 18 secs.	Drill :						
04:45	6:30	Continue Running in Hole with Core Assembly #3 and Wash through Rathole from 1820.0mKB to 1851.6mKB.	Ream :						
6:30	06:45	Circulate Bottoms up.	Coring :			6.50			
06:45	07:00	Safety Meeting with Rig Crews and MGM Rep.	Circ :			3.25			
07:00	08:00	Continue Circulating Bottoms up.	Trips :			13.00			
08:00	13:30	Cut Core #3 from 1851.60 mKB to 1874.24 mKB.	Rig Service :			0.50			
13:30	14:30	Backream out of Rathole from 1874mKB to 1785mKB and Circulate	Rig Repair :						
14:30	15:30	Flow Check @ 1785mKB, Pump Pill and when pulling the second stand the hole was tight. Screwed back in and Circulated while	Cut Drlg Ln :						
15:30	15:30	mixing a second Pill. Pumped out 2 Stands and pulled 5 more with no Pump. Pumped pill and prepared to Trip out.	Dev Survey :						
15:30	18:30	Trip out of Hole with Core Assembly #3 to Recover Core. Flow Check at 676mKB	Logging :						
18:30	18:45	Rig Service, Functioned Pipe Ram C/O 7 sec.	Run Casing :						
18:45	19:00	Safety Meeting with Rig Crews and MGM Rep.	Cementing :						
19:00	22:45	Continue Trip out of Hole with Core Assembly #3 to Recover Core	WOC :						
22:45	23:00	Safety Meeting with Baker Core Hands	NU BOP :						
23:00	24:00	Lay out Core Tubes and begin Recovery of Core #3	PT BOP :						
			DST :						
			Fishing :						
			Dir Work :						
			LDDP :						
			B.O.P / Safety Mt:			0.75			
		2 Loads of Sawdust Delivered and 2 Loads of Cuttings sent out today.							
		Daily Fuel :7733 litres Total fuel : 144850 litres							

OPERATION NEXT 24 HRS : Finish Recovering Core #3. Make up 216mm Bit and Run in Hole. Drill 216mm Hole to 1935mKB. Trip out for Core Assembly

Drilling Rig & Number: Akita 37	HOLE CONDITION : good		BOILER HRS: 24.00	TOTAL DAILY HRS: 24.00
Tool Pusher : Guy Cusitar	Cellular # : 403-648-0842	Road / Lease Condition : Road is holding together vey well. Location is in good shape		
Drilling Consultant : Trevor Mitchell / Jason Duck	Email: rig_supervisor@mgmenergy.com	Shack Cell # : (403) 536-9970		
Temp (C) : -16	Weather : Snow w/ West wind @ 12 kph		Taken By : John Williams / Dick Heenan	
Date Last BOP Drill : February 2, 2013	Daily Cost : \$155.053	Cum Cost : \$12,866.379	AFE Remaining : \$0	

East Mackay I-78 - 2013

Daily HSE Report

Location: East Mackay Project Staging

Date: Monday, February 11, 2013

Operator: MGM. Energy Corp.

Supervisors: Larry Blundon - Dan Jutras

Weather: High Temp -14 C Snowing

Personnel in Camp: 65

Regulator Contact: No contact was noted

Safety: No safety issues noted

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	7	0	0
Previous	165	4	10
Total	172	4	10

Environment: Weather was the talk of the day nice day for working the snow never stop all day. Walked around the staging area and down to the river did a spot check on the fish screen today.

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	1	0	2
Previous	276	20	37
Total	277	20	39

Hazard Identification of the Day:

Unsafe Act: Worker cleaning up mixing shack and was not wearing proper PPE (respirator) for packing up empty chemical bags.

Corrective Action: Stopped worker and told him to use all the proper PPE for working with chemicals.

KB ELEVATION:	161.24	GROUND ELEVATION:	155.39	CBF ELEVATION :	155.89
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DRILLING FLUID

MUD CHECK	#1	#2	ADDITIVES	SKS	BOTTOM HOLE ASSEMBLY	SURVEYS
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HYDRAULICSSOLIDS CONTROLBIT DATA

DRILLING PARAMETERS

PUMP DATA

FROM	TO	24 HOUR SUMMARY
1000	1100	1000-1100
1100	1200	1100-1200
1200	1300	1200-1300
1300	1400	1300-1400
1400	1500	1400-1500
1500	1600	1500-1600
1600	1700	1600-1700
1700	1800	1700-1800
1800	1900	1800-1900
1900	2000	1900-2000
2000	2100	2000-2100
2100	2200	2100-2200
2200	2300	2200-2300
2300	2400	2300-2400

OPERATION NEXT 24 HRS : Trip out and Make up Core Assembly #4. Run in Hole with Same. Cut Core #4. Trip out to Recover Core

Drilling Rig & Number: Akita 37		HOLE CONDITION : good		BOILER HRS:	24.00	TOTAL DAILY HRS:	24.00
Tool Pusher : Guy Cusitar		Cellular # : 403-648-0842	Road / Lease Condition : Road is holding together vey well. Location is in good shape				
Drilling Consultant : Trevor Mitchell / Jason Duckw		Email: rig_supervisor@mgmenergy.com	Shack Cell # : (403) 536-9970				
Temp (C) : -20		Weather: Overcast, W wind @ 7kph		Taken By : John Williams / Dick Heenan			
Date Last BOP Drill : February 12, 2013	Daily Cost : \$153.357	Cum Cost : \$13,019.736	AFE Remaining : \$0				

East Mackay I-78 - 2013**Daily HSE Report****Location:** East Mackay Project Staging**Date:** Tuesday, February 12, 2013**Operator:** MGM. Energy Corp.**Supervisors:** Marty Larson - Larry Blundon**Weather:** High Temp -18 C**Personnel in Camp:** 61**Regulator Contact:** No contact was noted**Safety:** Drilling crew observed the drilling line was pinched on the draw works drum the driller and the Push were informed which in turn led to a slip and cut.**Safety Tracking**

	Hazard ID	Near Miss	Incidents
Daily	5	0	0
Previous	172	4	10
Total	177	4	10

Environment: No environmental issues were observed today.

Two end dumps were loaded with waste material to be shipped to Tervita Rainbow Lake Landfill

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	14	0	0
Previous	277	20	39
Total	291	20	39

Hazard Identification of the Day:**Unsafe Act:** Improper use of lifting slips using his back and not his legs**Corrective Action:** Stopped worker and was show how to lift slips using the proper body position.

East Mackay I-78 - 2013**Daily HSE Report**

Location: East Mackay Project Staging
Operator: MGM. Energy Corp.
Supervisors: Marty Larson - Larry Blundon

Date: Wednesday, February 13, 2013

Weather: High Temp -14 C

Personnel in Camp: 62

Regulator Contact: No contact was noted

Safety: Akita Near Miss: (From Feb 12-13)

Worker was doing his tour of inspections .At the draw works drum he discovered that the bottom wrap of drilling line had protruded through the second wrap and was bird caged. The line, a 12 inch long section was crushed and distorted with various broken strands. The operation at the time was reaming to bottom. Driller was informed and operation halted. Driller informed rig manager, who informed company rep. Decision was made to pull out of the rat hole and slip and cut out the damaged line. Cause is determined to be too much line on the drum; we have been running with a full layer of line on the drum for top drive pickup and lay down. We

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	6	1	0
Previous	177	4	10
Total	183	5	10

Environment: No environmental issues were observed today.

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	1	0	0
Previous	291	20	39
Total	292	20	39

Hazard Identification of the Day:

Unsafe Act: Hand made sure to kill pump and bleed off pressure and lock out switch before tightening fittings on hydraulic lines.

Corrective Action: Good job eliminating risk.

East Mackay I-78 - 2013**Daily HSE Report****Location:** East Mackay Project Staging**Date:** Thursday, February 14, 2013**Operator:** MGM. Energy Corp.**Supervisors:** Marty Larson - Larry Blundon**Weather:** High Temp -15 C**Personnel in Camp:** 70**Regulator Contact:** No contact was noted**Safety:** No safety issues were observed today.**Safety Tracking**

	Hazard ID	Near Miss	Incidents
Daily	8	0	0
Previous	183	4	10
Total	191	4	10

Environment: No environmental issues were observed today.**Environmental Tracking**

	Orientations	Spills	Wildlife
Daily	5	0	0
Previous	292	20	39
Total	297	20	39

Hazard Identification of the Day:**Unsafe Act:** Floor hand was noticed placing his fingers between the elevators and the stump to clean out debris.**Corrective Action:** He was advised not to place any fingers in that location even when operations have stopped .Bad habit to be had.

East Mackay I-78 - 2013**Daily HSE Report**

Location: East Mackay Project Staging
Operator: MGM. Energy Corp.
Supervisors: Marty Larson - Larry Blundon

Date: Thursday, February 14, 2013

Weather: High Temp -15 C

Personnel in Camp: 70

Regulator Contact: No contact was noted

Safety: No safety issues were observed today.

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	8	0	0
Previous	183	4	10
Total	191	4	10

Environment: No environmental issues were observed today.

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	5	0	0
Previous	292	20	39
Total	297	20	39

Hazard Identification of the Day:

Unsafe Act: Floor hand was noticed placing his fingers between the elevators and the stump to clean out debris.

Corrective Action: He was advised not to place any fingers in that location even when operations have stopped .Bad habit to be had.

Date Last BOP Drill :	February 14, 2013	Daily Cost :	\$139,208	Cum Cost :	\$13,516,710	AFE Remaining :	\$0
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East Mackay I-78 - 2013**Daily HSE Report**

Location: East Mackay Project Staging
Operator: MGM. Energy Corp.
Supervisors: Marty Larson - Larry Blundon

Date: Friday, February 15, 2013

Weather: High Temp -15 C

Personnel in Camp: 70

Regulator Contact: No contact was noted

Safety: No safety issues were observed today.

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	14	0	0
Previous	191	4	10
Total	205	4	10

Environment: No environmental issues were observed today.

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	7	0	0
Previous	297	20	39
Total	304	20	39

Hazard Identification of the Day:

Unsafe Act: Worker noticed a clevis for the safety cable on the Kelly hose was worn out from vibration.

Corrective Action: Immediately the operation was stopped and the defective equipment was changed out.

DAILY DRILLING REPORT

PROGRAMMED FTD :	2020		
DAYS (MI & RU) :	13.59	AFE # :	12D0006
DAYS (FROM SPUD) :	20.41	AFE AMT. :	
TOTAL DAYS :	34.00	CO. WI (%) :	

KB ELEVATION:	161.24	GROUND ELEVATION:	155.39	CBF ELEVATION :	155.89
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Date: 24-Jan-13			
Well Name : MGM-Shell East Mackay I-78		Licence # : 1202-002	Date: 16-Feb-13
Dpth @ 24:00 2001	Progress (m)	Operation @ 24:00 Hours 16-Feb-13 Ream in the hole	Operation @ 07:00 Hours 17-Feb-13 Circulating on bottom
			Depth @ 07:00 Hr. 2001

DRILLING FLUID

Type :	Polymer	Mud Engineer: Dave Gibson	Cell # :	Office # :	Mud Co.: Matrix Drilling Fluids
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[illegible]

BIT DATA

[illegible]

DRILLING PARAMETERS

[illegible]

PUMP DATA

No.	Type	m3 / Stk	Eff (%)	Liner Sz.	Stk.Lgth.
#1	9P-100	0.0129	95%	152	235
#2	9P-100	0.0129	95%	152	235
#3					

FROM	TO	24 HOUR SUMMARY

Row	TS	24 HOUR SUMMARY	TIME BREAKDOWN	0	1	2	3	4	5
00:00	06:30	Wireline Logs with Baker Hughes Wireline. Tagged at 1977mKB and started Logging up until hole got tight at 1976mKB. Attempted	MIRU / TO :						
06:30	06:30	to pull free by pulling up to 70% of maximum tension and slacking off with no success.	Drill :						
06:30	06:45	Rig Service	Ream :			1.50			
06:45	07:00	Safety Meeting with Crews and MGM Rep	Coring :						
07:00	07:30	Continue attempting to free stuck wireline tools. Tools came free at 07:30hrs.	Circ :						
07:30	14:00	Wireline Logs with Baker Wireline from 1976mKB to Surface.	Trips :			4.50			
14:00	16:15	Rig out baker huhes wireline equipment	Rig Service :			0.75			
16:15	16:30	Rig service, function pipe rams, 7 sec to c/o	Rig Repair :						
16:30	18:45	Trip in the hole, make up collars, pick up jars	Cut Drlg Ln :			1.00			
18:45	19:00	Safety Meeting with Crews and MGM Rep	Dev Survey :						
19:00	20:00	Slip & cut drill line , SLC-8758mj Accum-91410mj, cut 17m	Logging :			15.75			
20:00	22:15	Trip in the hole with slick assembly & 216mm tooth bit	Run Casing :						
22:15	23:45	Ream in the hole w/ slick assembly & 216mm tooth bit from 1825mkb to 1830mkb	Cementing :						
23:45	23:45	Increasing mud density to 1125kg/m for hole stability while reaming in the hole	WOC :						
23:45	24:00	Rig service, function pipe rams, 7 sec to c/o	NU BOP :						
			PT BOP :						
			DST :						
			Fishing :						
			Dir Work :						
			LDDP :						
			B.O.P / Safety Mt:			0.50			
		Logs ran XMAC / ORIT / HDIL / DZDL / CN / DSL							
		BOP drill held while tripping on the morning of the Feb 14, 2013, Annular functioned on the Feb 15,2013 @ 13:45hrs							
		Daily fuel :5866 litres Total fuel : 184505 litres							

OPERATION NEXT 24 HRS : Continue to ream in the hole, POOH to log well

OPERATION NEXT 24 HRS : Continues to remain in the hole, 1" cut for log well		TOTAL		24.00		TOTAL DAILY HRS: 24.00	
Drilling Rig & Number:	Akita 37	HOLE CONDITION :	good	BOILER HRS:	24.00		
Tool Pusher :	Guy Cusitar	Cellular # :	403-648-0842	Road / Lease Condition :	Road is holding together very well. Location is in good shape		
Drilling Consultant :	Trevor Mitchell / Jason Duck	Email:	rig_supervisor@mgmenergy.com	Shack Cell # :	(403) 536-9970		
Temp (C) :	-24	Weather :	8kph E wind & clear	Taken By :	John Williams / Dick Heenan		
Date Last BOP Drill :	February 14, 2013	Daily Cost :	\$222.058	Cum Cost :	\$13,731.728	AFE Remaining :	\$0

OPERATION NEXT 24 HRS : Log well		TOTAL : 24.00	
Drilling Rig & Number: Akita 37	HOLE CONDITION : good	BOILER HRS: 24.00	TOTAL DAILY HRS: 24.00
Tool Pusher : Guy Cusitar	Cellular # : 403-648-0842	Road / Lease Condition : Road is holding together vey well. Location is in good shape	
Drilling Consultant : Trevor Mitchell / Jason Duce	Email: rig_supervisor@mgmenergy.com	Shack Cell # : (403) 536-9970	
Temp (C) : -26	Weather : 16kph NW wind & light snow	Taken By : John Williams / Dick Heenan	
Date Last BOP Drill : February 17, 2013	Daily Cost : \$135,762	Cum Cost : \$13,874,730	A/E Remaining : \$0

East Mackay I-78 - 2013**Daily HSE Report**

Location: East Mackay Project Staging
Operator: MGM. Energy Corp.
Supervisors: Marty Larson - Larry Blundon

Date: Sunday, February 17, 2013

Weather: High Temp -19 C

Personnel in Camp: 70

Regulator Contact: No contact was noted

Safety:

Hand's were shown the proper way to inspect dog collar,slips,tongs,etc before a trip and reminded to do it often.
For maintaining equipment and preventing mis-haps on the floor

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	9	0	0
Previous	220	4	10
Total	229	4	10

Environment: No environmental issues were observed today.

One Great Grey Owl was observed along the access road.

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	9	0	1
Previous	304	20	39
Total	313	20	40

Hazard Identification of the Day:

Unsafe Act: Derrick hand teaching motor hand to work up the stick.

Corrective Action: Check harnesses and retractable's and show hand proper way to work safe.

East Mackay I-78 - 2013**Daily HSE Report****Location:** East Mackay Project Staging**Date:** Monday, February 18, 2013**Operator:** MGM. Energy Corp.**Supervisors:** Marty Larson - Larry Blundon/Mike Costello**Weather:** High Temp -19 C**Personnel in Camp:** 70**Regulator Contact:** No contact was noted**Safety:**

Hand found steam return line on boiler pinched back and choking the returns. Opened valve and told hands the importance of leaving the return line wide open

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	13	0	0
Previous	229	4	10
Total	242	4	10

Environment: No issues were noted.

1 - Moose, 2 Otters & 1 Lynx

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	7	0	3
Previous	313	20	39
Total	320	20	42

Hazard Identification of the Day:**Unsafe Act:** Observed flagging for no go zone was not in place while logging.**Corrective Action:** Put new flagging in place and reminded workers about no go zone.

KB ELEVATION:	161.24	GROUND ELEVATION:	155.39	CBF ELEVATION :	155.89
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DAILY DRILLING REPORT

DRILLING FLUID					
Type :	Polymer	Mud Engineer:	Dave Gibson	Cell # :	
				Office # :	
				Mud Co.:	Matrix Drilling Fluids

[illegible]

DRILLING PARAMETERS												PUMP DATA					
No.	WOB	RPM	Str. Wt.	Pressure	SPM #1	SPM #2	SPM #3	DP Vel	DC Vel	Noz Vel	m3 / Min	No.	Type	m3 / Stk	Eff (%)	Liner Sz.	Stk.Lgth.
13R	3	110	66	8650		115		49	80	39.4	1.41	#1	9P-100	0.0129	95%	152	235
												#2	9P-100	0.0129	95%	152	235
												#3					

FROM	TO	24 HOUR SUMMARY	TIME BREAKDOWN	S	I	P	L1	L2	L3
00:00	06:00	Run wireline Logs with Baker Hughes. Run #4 - FLEX / MREX / DSL	MIRU / TO :						
06:00	06:15	Rig Service	Drill :						
06:15	06:45	Make up Bit and Run in Hole with Slick Assembly	Ream :						
06:45	07:00	Safety Meeting with Akita Crews and MGM Rep	Coring :						
07:00	09:30	Continue Trip in Hole with Slick Assembly to 641m	Circ :			2.00			
09:30	11:15	Trip out of hole to install jars	Trips :			14.75			
11:15	11:30	Rig service,function test annular 55 sec to c/o	Rig Service :			0.50			
11:30	16:00	Trip in hole,fill pipe & blow out top drive @ 650m & 1300m	Rig Repair :						
16:00	16:15	Safety Meeting with Akita Crews and MGM Rep	Cut Drlg Ln :						
16:15	18:15	Cont tripping in the hole,wash last 5 stands down	Dev Survey :						
18:15	19:15	Circulate hole clean	Logging :			6.00			
19:15	20:45	Trip out of rat hole	Run Casing :						
20:45	21:45	Trip in hole & wash down last 3 stands	Cementing :						
21:45	22:45	Circulate bttm's up	WOC :						
22:45	23:00	Safety Meeting with Akita Crews and MGM Rep	NU BOP :						
23:00	24:00	Trip out of hole (rack 10 stands & lay dn drill pipe)	PT BOP :						
			DST :						
			Fishing :						
			Dir Work :						
			LDDP :						
			B.O.P / Safety Mt:			0.75			
		2 loads of cuttings hauled off location (approx 42 ton)							
		Daily fuel : 7164 litres Total fuel : 204010 litres							
OPERATION NEXT 24 HRS : POOH & lay dn drill string & BHA, RIH w/ 7" production casing			TOTAL:			24.00			
Drilling Rig & Number: Akita 37		HOLE CONDITION : good	BOILER HRS:	24.00	TOTAL DAILY HRS:			24.00	
Tool Pusher : Guy Cusitar		Cellular # : 403-648-0842	Road / Lease Condition : Road is holding together vey well. Location is in good shape						
Drilling Consultant : Trevor Mitchell / Jason Duckv		Email: 'ig_supervisor@mgmenergy.com	Shack Cell # : (403) 536-9970						
Temp (C) : -30		Weather : 9kph W wind & light snow	Taken By : John Williams / Dick Heenan						
Date Last BOP Drill : February 17, 2013		Daily Cost : \$1,070,994	Cum Cost : \$15,085,635	AFE Remaining :			\$0		

East Mackay I-78 - 2013**Daily HSE Report**

Location: East Mackay Project Staging
Operator: MGM. Energy Corp.
Supervisors: Marty Larson - Mike Costello

Date: Tuesday, February 19, 2013

Weather: High Temp -24 C

Personnel in Camp: 64

Regulator Contact: Site inspection was conducted by ENR officers Laurel McDonald & Todd Paget

Safety:

At 10:00 pm the night crew was tripping out of hole and were getting near the jars. The motorman was called to the drill floor to operate the catwalk, he then opened the steel prefab doors and began to raise the trough to the floor. As the trough got closer he realized one of the doors was not open far enough and the trough was gonna hit. So he then released the remote switch to stop it but it continued to move forward and hit the door puncturing a small hole and broke off the steel caster wheels. Bolts were replaced on the casters and door was hung back in place and is working normally. The hydraulic catwalk was function tested and everything operates normally.

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	8	0	1
Previous	239	4	10
Total	247	4	11

Environmental: No environmental issues were noted.

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	3	0	1
Previous	320	20	42
Total	323	20	43

Hazard Identification of the Day:

Unsafe Act: Observed loader removing pallets from ice that were frozen in. The bottoms were breaking off leaving boards with nails sticking up.

Corrective Action: Stopped operations, steamed out pallets, flagged off area till boards could be removed from ice.

OPERATION NEXT 24 HRS : Continue to R/W 17.1 Unit casing, circulate casing, cement casing		TOTAL : 24.00		TOTAL DAILY HRS : 24.00	
Drilling Rig & Number: Akita 37		HOLE CONDITION : good		BOILER HRS: 24.00	
Tool Pusher : Guy Cusitar		Cellular # : 403-648-0842		Road / Lease Condition : Road is holding together vey well. Location is in good shape	
Drilling Consultant : Trevor Mitchell / Jason Duck		Email: rig_supervisor@mgmenergy.com		Shack Cell # : (403) 536-9970	
Temp (C) : -31		Weather: 8kph W wind & clear		Taken By : John Williams / Dick Heenan	
Date Last BOP Drill : February 17, 2013		Daily Cost : \$141,484		Cum Cost : \$15,225,969	
				AFE Remaining : \$0	

East Mackay I-78 - 2013**Daily HSE Report****Location:** East Mackay Project Staging**Date:** Wednesday, February 20, 2013**Operator:** MGM. Energy Corp.**Supervisors:** Marty Larson - Mike Costello**Weather:** High Temp -27 C**Personnel in Camp:** 64**Regulator Contact:** No contact was noted**Safety:** No safety issues occurred.**Safety Tracking**

	Hazard ID	Near Miss	Incidents
Daily	11	0	0
Previous	247	4	11
Total	258	4	11

Environmental: No environmental issues were noted.**Environmental Tracking**

	Orientations	Spills	Wildlife
Daily	4	0	1
Previous	313	20	42
Total	317	20	43

Hazard Identification of the Day:**Unsafe Act:** While performing pre-trip inspection on floor equipment, a broken pin was found that holds slip segments in place.**Corrective Action:** Reported it to the driller and slips were repaired prior to tripping, this is why we always do a Pre-Trip inspection.

DAILY DRILLING REPORT

PROGRAMMED FTD :	2020		
DAYS (MI & RU) :	13.59	AFE # :	12D0006
DAYS (FROM SPUD) :	25.41	AFE AMT. :	
TOTAL DAYS :	39.00	CO. WI (%) :	

KB ELEVATION:	161.24	GROUND ELEVATION:	155.39	CBF ELEVATION :	155.89
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Date of Report: 24-Jan-13			
Well Name : MGM-Shell East Mackay I-78		Licence # : 1202-002	Date: 21-Feb-13
Dpth @ 24:00 2001	Progress (m)	Operation @ 24:00 Hours 21-Feb-13 Install 4 1/2" pipe rams & begin pressure testing BOP's & related equipment	Operation @ 07:00 Hours 22-Feb-13 continue pressure testing
		Depth @ 07:00 Hr. 2001	

DRILLING FLUID

[illegible]

BIT DATA

[illegible]

DRILLING PARAMETERS

[illegible]

PUMP DATA

No.	Type	m3 / Stk	Eff (%)	Liner Sz.	Stk.Lgth.
#1	9P-100	0.0129	95%	152	235
#2	9P-100	0.0129	95%	152	235
#3					

FROM	TO	24 HOUR SUMMARY
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00:00	06:30	Run 177.8mm casing, break circulation @ 1350m	MIRU / TO :						
06:30	06:45	Rig service, function choke	Drill :						
06:45	07:00	Safety meeting w/ akita rig crews & MGM rep	Ream :						
07:00	12:00	Run 147 jnts of 177.8mm 38.69kg/m - L-80 tenaris blue casing (fill pipe & break circulation @ 1750m)	Coring :						
12:00	17:00	Circulate casing & reduce yield point for cement job	Circ :			5.00			
17:00	17:15	Safety meeting w/ cementers, akita crew & MGM rep	Trips :						
17:15	17:30	Install 7" mbs landing joint	Rig Service :			0.50			
17:30	18:45	Rig up cementers	Rig Repair :						
18:45	19:00	Safety meeting w/ rig crews & MGM rep	Cut Drig Ln :						
19:00	22:00	Cement 177.8mm Production Casing w/ 22.5 tonne HL-1400 cement +0.90% LT-FL + 0.20%Ati foam & 19.5 tonne class-G cement +	Dev Survey :						
22:00	22:00	0.30% FL + 0.50% Dispersant +0.20% Ati foam +0.30%Retarder.Drop plug & displace w/ 39.5m3 KCL & inhibitor brine, bumped plug	Logging :						
22:00	22:00	to 17500kpa for 15min,floats held, annulus static, 8m3 good cement returns, plug Dn @ 19:50 hrs	Run Casing :			11.75			
22:00	22:30	Lay dn cement head & power tongs	Cementing :			4.50			
22:30	23:45	Back off cameron mbs 7" landing joint & retrieve, set pack off & pressure test, install test plug	WOC :						
23:45	24:00	Rig service, grease top drive, function crown saver	NU BOP :						
			PT BOP :						
			DST :						
			Fishing :						
			Dir Work :						
			LDDP :						
			B.O.P / Safety Mt:			0.75			
			Cameron work			1.50			
		177.8mm casing landed @ 1988.25mkb, float collar landed @ 1974.25mkb							
		Daily fuel : 6921 litres Total fuel : 217776 litres							

OPERATION NEXT 24 HRS : Install 4 1/2" pipe rams, pressure test BOP's & all related equipment, start completions program

Drilling Rig & Number: Akita 37				HOLE CONDITION : Cased & cemented				BOILER HRS: 24.00		TOTAL DAILY HRS: 24.00	
Tool Pusher : Guy Cusitar				Cellular # : 403-648-0842		Road / Lease Condition : Road is holding together very well. Location is in good shape					
Drilling Consultant : Trevor Mitchell / Jason Duck				Email: rig_supervisor@mgmenergy.com				Shack Cell # : (403) 536-9970			
Temp (C) : -30				Weather : 8kph W wind & clear				Taken By : John Williams / Dick Heenan			
Date Last BOP Drill : February 17, 2013				Daily Cost : \$309,094		Cum Cost : \$15,535,063		AFE Remaining : \$0			

East Mackay I-78 - 2013**Daily HSE Report****Location:** East Mackay Project Staging**Date:** February-21-13**Operator:** MGM. Energy Corp.**Supervisors:** Marty Larson - Mike Costello**Weather:** High Temp -27 C**Personnel in Camp:** 61**Regulator Contact:** No regulator contact was noted**Safety:** No safety issues were noted.**Safety Tracking**

	Hazard ID	Near Miss	Incidents
Daily	6	0	0
Previous	258	4	11
Total	264	4	11

Environment: No Environmental issues were observed.**Environmental Tracking**

	Orientations	Spills	Wildlife
Daily	4	0	0
Previous	313	20	39
Total	317	20	39

Hazard Identification of the Day:**Unsafe Act:** Observed new floor hand standing in hazard area while running casing in hole.**Corrective Action:** I went and mentored new hand on proper hand signals, body positioning and not to turn his back to casing when it is coming up the V Door.

v 38

KB ELEVATION:	161.24	GROUND ELEVATION:	155.39	CBF ELEVATION :	155.89
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DAILY DRILLING REPORT

Date of Report: 24-Jan-13											
Well Name: MGM-Shell East Mackay I-78				Licence #: 1202-002		Date: 22-Feb-13					
Dpth @ 24:00 2001	Progress (m)	Operation @ 24:00 Hours 22-Feb-2013 Rigging in Wireline Lubricator		Operation @ 07:00 Hours 23-Feb-2013 Running in Hole with Perforation Run #2		Depth @ 07:00 Hr. 2001					

DRILLING FLUID

Type :	Polymer	Mud Engineer:	Dave Gibson	Cell # :		Office # :		Mud Co.:	Matrix Drilling Fluids
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[illegible]

BIT DATA

[illegible]

DRILLING PARAMETERS

[illegible]

PUMP DATA

No.	Type	m3 / Stk	Eff (%)	Liner Sz.	Stk.Lgth.
#1					
#2					
#3					

FROM TO

24 HOUR SUMMARY

TIME BREAKDOWN

00:00	11:00	No Activity							
11:00	11:30	Held Safety Meeting and JSA Review							
11:30	13:00	Go to Rig up Baker Wireline Flange and found wrong Step Studs in 11" Crossover Flange. Proper Studs are being flown out							
13:00	13:00	ASAP. Held meeting. Cut off Grease Injector Head and Re-tied Cable.							
13:00	16:00	Held Safety Meeting and JSA Review. Riggged in Baker Wireline Equipment and make up and Run in Hole with 150.0mm Guage							
16:00	16:00	Ring and Junk Basket, no tight spots encountered, Plug Back @ 1973mKB (Uncorrelated). POOH with Guage Ring and Junk							
16:00	16:00	Basket, Inspected and found nothing.							
16:00	22:45	Rig up and Run in Hole with Segmented Bond Log - VDL-GR-CCL in overview on the way in. Correlate to Open Hole Logs and							
22:45	22:45	Log from PBTD @ 1974mKB to 400m Surface Casing Shoe. Send Infor from Bond Log to Calgary for Interpretation.							
22:45	23:00	Lay out CBL Tools							
23:00	23:15	Held Safety Meeting and JSA Review							
23:15	24:00	Rig in Wireline Flange onto Annular, Install Wireline Flange, Lubricator and Wireline BOP							
		Daily fuel : 6,716 litres Total fuel : 224,492 litres							

OPERATION NEXT 24 HRS : Complete Perforation Program and Run 114.3mm Tubing										TOTAL:							
Drilling Rig & Number: Akita 37			HOLE CONDITION : Cased & cemented							BOILER HRS:		24.00		TOTAL DAILY HRS:			
Tool Pusher : Guy Cusitar			Cellular # : 403-548-0842		Road / Lease Condition : Road is holding together vey well. Location is in good shape												
Drilling Consultant : Trevor Mitchell / Jason Duce			Email: rg_supervisor@mgmenergy.com		Shack Cell # : (403) 536-9970												
Temp (C) : -30			Weather : 8kph W wind & clear				Taken By : John Williams / Dick Heenan										
Date Last BOP Drill : February 17, 2013			Daily Cost : \$132,633		Cum Cost : \$15,688.071		AFE Remaining :		\$0								