Gaut Water Based Mud Release 2/27/15

While drilling work was commencing on the Gaut pad on 2/27/15, a bypass line on the mud pits packed off while circulating the mud to condition it while adding chemicals. The drilling mud is a water based mud and not an oil based mud. After talking to the onsite supervisors and the mud engineers, the estimate of 20-30bbls on water based mud on containment and an approximate 5 bbls of water based mud actually left the secondary containment. The water based mud has been contained to the pad and cleanup efforts are well underway. The DEP has been updated as needed and will be out Monday morning to investigate. See the MSDS for the water based mud system and the chemicals that were added to date to the system.