

May 15, 2009

Jer29:11 “For I know the plans I have for you, declares the Lord, ... to give you hope and a future.”

## News From The President...

In case you have not heard, the oil industry has become a little slower in 2009!! This has allowed Drill Right to survey for other tools to utilize. In Louisiana, where there is still drilling activity, the required tools must operate in a hot-hole environment. Of course, this is beyond the limit of our current tools. This has forced us into a search to find high-temp tools, and with the help of our MWD manager, Mr. Karl Spring, we have found the tools. Now this must go through the Sales department and disseminate to our clients.



Times being what they are made us decide to attend the Offshore Technology Conference in Houston, the world's largest oil show, to look for tools and new methods of drilling. We are glad to report, we were able to find what we were looking for! The new equipment, that DRT can now offer, is something no other company owns today. By working closely with these independently owned tool development companies, we fill their need to outsource their tools and do the real field testing, what a fit! We are receiving more calls asking for alternatives to lower drilling costs, and questions about what we have that is new. This has increased proposals going out and I do think the “bottom” has arrived. I cannot state when the rebound will occur, but I am encouraged to see the level of inquires increase.

On a sad note, I must report DRT experienced a reduction in force on April 17, losing seven employees in the OKC office. It is a time when we must remember where to place your faith, and it is not in Drill Right, it is in the Lord. He will take care of us, always has always will

## Operations Department



**Mark Franklin**  
Vice President  
Operations

Mark Franklin, Vice President Operations, grew up in the Texas panhandle, the son of a Coach living in several towns. He met and married Lori, his wife of 30 years and they have had three children; Zac, an MWD operator for DRT; Jordan, a recent graduate from OCU; and Gaby (Gabriella) currently a Junior at Moore High School. Mark has volunteered many hours in youth soccer and likes to relax at the lake in their boat or on their Sea-Doo, but in evenings, he will be a fierce competitor in computer games.

Mark entered the oilfield in 1980 roughnecking for his father-in-law on a drilling rig for Sparks Brothers. Spending 9 years on rigs in the OK and TX panhandles, he then worked for Homco, coring wells across the United States, followed by time at Dowdco, also coring, and then Reed-Hycalog, in bit sales for the Mid-Continent. Between other jobs, Mark built his experience by working in a machine shop learning about connections, tolerances and other items so important to our industry. In 2001, he came to work for Drill Right Technology as right-hand assistant to Mr. Husted and well planner. Currently, he still prepares well plans, supervises tool selection, tool rental, and the GLAIVE program, along with daily operations for coring, directional and horizontal drilling.

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## Operations Cont-

### Matt Wright

Matt is responsible for keeping GLAIVE inventory up-dated with tools coming and going from the shop, along with coordinating all needs for trailers or special tools at the drill sites. He rotates responsibility for switchboard calls during nights and weekends with Milt and Robert. Matt started in June, 2007 in MWD, coming to Oprs in Sept 2008. He enjoys the attitude of the employees he works with and the general attitude within drillright. He was married to Milika on Dec 29, 2008 and enjoys Frisbee golf, drag racing and cars in general.



### Milt Rose

Milt is available to check tools in and out of the shop, loading trucks, sending tools to the machine shop that need repair, doing fabrication and assures us he can even run a broom!! Milt started in Sept, 2006 and feels he is priviledged to work with outstanding people and a company where all work as a team, including the President and CEO, no one person seeking the credit for success, and states he realizes the “power of God is noticeable around this company.” Raising two boys, Mike and Dusty, he is approaching marriage to his fiancée, Dawn. Milt has been around motor sports since a teenager and still builds cars and races at a local drag strip, or if not there, you might find him fishing.



## Partnerships With Giant Partners

This quarter, Drill Right Technology entered into a business agreement with Giant Partners. Giant Partners is a growth firm and executive coaching professionals that come along side of Drill Right to enhance the company by utilizing their exclusive strategic planning and execution process. By analyzing and developing the strategies and execution of Drill Right’s business plan, their goal is growth of revenues, heart and mind.

Under the local direction of Mr. David Woods, former CEO of Ditch Witch, and Mr. Andrew Ranson, along with national leadership personalities such as Dr. John Maxwell, sessions have begun to start analyzing and mapping strategies for bring additional growth to Drill Right. Recently key employees attended a Maximum Impact Rally via web-cast along with 50,000 other participants around the globe.

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## Pennsylvania Updates

Mike Williams reports since moving to Indiana, PA, they have completed three oriented coring jobs. They cut one core for Chesapeake Energy in Washington County, PA; one for Rex Energy in Butler County, PA; and one for Unbridled Energy in Chautauqua County, NY. Mike is making many contacts in the region, but reports much of the horizontal work in the Marcellus Shale has been delayed due to gas pricing. He is expecting work to pick up this summer.

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## Glaive

GLAIVE, Drill Right Technology’s proprietary, web-based directional drilling management program has now experienced several months of field utilization. Effective January 1, 2009, GLAIVE became the mandatory reporting program for Drill Right field contractors and has experienced continuing “tweaks” to become more and more user friendly and technically effective. In May, GLAIVE was first released to an operator allowing that operator opportunity to monitor the well at their discretion via computer or cell phone. Coming to one unified system, from as many as seven various reporting formats used by individual contractors previously, has greatly improved time utilization, well reviews for operators, tabulating motor hours, and other summaries.

The system manages Drill Right tool inventory, prepares shipping manifests, provides daily well cost updates, and prepares job invoices. The “reports” portion captures slide and rotate times and footages by day or by BHA, documents every survey, and all other rig activities on a time log. One can review or print daily reports, records of each BHA, when tripped in and out, the bit used, footage drilled and drilling hours, along with percentages of slide and rotate. Bit parameters of WOB, RPM, GPM, stand pipe pressure, and differential pressure are recorded and tabulated along with mud properties.

One can update the well plot and rescale the drawing to see detail down to 4-ft increments. The well heading records the well location including section, township, and range; field; lat and long; or by X and Y coordinates.

This comprehensive reporting system is proving to be an extremely useful tool, which will become even more valuable as the data base becomes more populated, allowing for better well planning and optimization. With improving optimism for the latter half of the business year, we look forward to sharing this capability with other operators, improving real-time well information, supervision, and communication.

## Operations Cont-

### Robert Phillips

Robert’s job function entails maintenance and reconditioning tools, painting and preparing them to be sent out on the next job. He started at DRT in Oct, 2008, after working 19 years in route sales for Armour-Eckrich Meats in Western Okla. He enjoys



the fact this is not a high-pressure atmosphere, people here do their jobs with pride and everyone understands the ethics of Drill Right. Married 20 years to Connie, they have two daughters, Shelby (17) and Katelyn (14). Robert and Connie are active in the First Baptist Church of Moore, where Robert drives a bus and they work in the nursery. Also, they are a Band Parent family at Westmoore High School and Robert travels to concerts and contests around the region helping with logistics.

# Drill Right News



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## Continuing Education

In addition to regular safety training and updating technology relating specifically to downhole tools, Drill Right believes in providing broad oilfield training to employees in order to increase their overall knowledge of the oilfield and its operations. Wayne Taylor has given a “Lunch and Learn” presentation on Drilling – an overview of the process and equipment. The MWD department and Drill Right Tools are also developing powerpoint presentations for in-house and customer use, showing components and assembly of specific downhole tools, adding to all of our general level of understanding.

In the month of May, Mr. Bill Sills and Mr. Charles Ward were tapped to present a Drilling Mud Short Course for Drill Right. Mr. Sills, currently with Halliburton Drilling Fluids, has worked for several mud companies, owned and operated his own company, Diamond Mud, and worked as a drilling engineer for Amoco, especially as a trouble shooter in the Rocky Mountain region as well as Alaska and Internationally. He served as Amoco’s mud specialist, teaching many short courses at the Amoco Training Center in Tulsa. Mr. Ward, also currently with Halliburton Drilling Fluids, likewise has a valuable history working primarily in the Mid-Continent with Drill Mud Incorporated, then owning and operating his own company, Drill Mud, along with experience at several other independent groups. Mr. Ward has extensive experience with lost circulation areas of western Kansas, the panhandles, and western Oklahoma. These two gentlemen combine to offer nearly a century of experience with drilling mud.

In addition to basic mud principles, the afternoon concentrated upon the corrosive properties of mud as it affects downhole tools.



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