ADDENDUM IX

EOG RESOURCES INTERVIEW

CHARLEY KENDRICK

COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF ENVIRONMENTAL PROTECTION

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IN THE MATTER OF:	*	VIOLATIONS OF THE OIL
C.C. FORBES, LLC,	*	AND GAS ACT, CLEAN
LAWRENCE TOWNSHIP,	*	STREAMS LAW, AIR
CLEARFIELD COUNTY	*	POLLUTION CONTROL ACT,
	*	AND SOLID WASTE
	*	MANAGEMENT ACT

* * * * * * * * *

STATEMENT UNDER OATH

OF

CHARLEY RANDALL KENDRICK

Taken pursuant to Notice by Sarah Wendorf, a Court Reporter and Notary Public in and for the Commonwealth of Pennsylvania, at the offices of DEP, Moshannon District Office, 186 Enterprise Drive, Philipsburg, Pennsylvania, on Monday, June 14, 2010, beginning at 10:31 a.m.

A P P E A R A N C E S

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I N D E X

EXHIBIT PAGE

NUMBER	DESCRIPTION	PAGE IDENTIFIED

NONE OFFERED

OBJECTION PAGE

ATTORNEY	PAGE

NONE MADE

P R O C E E D I N G S

CHARLEY RANDALL KENDRICK, HAVING FIRST BEEN DULY SWORN, TESTIFIED AS FOLLOWS:

ATTORNEY AYERS:

As you know, we're here today pursuant to the Department's investigation of what happened. And we're not targeting anyone. I want to try to put you at ease, if that's ---

A. Okay.

ATTORNEY AYERS:

--- at all possible. It may not be, but I'm going to try.

A. Okay.

ATTORNEY AYERS:

If you want anything to drink, let us know. You're probably going to be doing a fair amount of talking, but we're just here to learn what happened out here.

EXAMINATION

BY MR. VITTITOW:

Q. Sir, as I told you a little bit before, I'm an engineer and I've sat on rigs and wells for many years, so I'm not an attorney. So just kind of bear

with me ---
A. Okay.
Q. --- as I kind of go through this. Can you give us your full name and the correct spelling of your last name so we have it on the record?
A. Okay. It's Charley and that's L-E-Y on the Charley. Randall, R-A-N-D-A-L-L, Kendrick, K-E-N-D-R-I-C-K.
Q. And where do you live?
A. Devine, Texas.
Q. Afterwards I'm going to ask you questions because I know somebody from Devine, Texas.
A. Okay.
Q. Are you an employee of EOG?
A. As an consultant, yes.
Q. And who do you work through for your consultant?
A. Tex-Petro, John Barnwell.
Q. Okay. What we're going do is just kind of go through exactly what happened, what your actions were. Don't read anything into the questions I'm going to ask because some of it I'm just trying to get it on the record so we'll have it for later. You were working back to back with Barry Rodkey; is that correct, on this well?
A. Yes.

Q. Initially, or did you come in when it went to a 24 hour operation?
A. Initially, I was out there during the day. He was lead during the coil tubing. I was there just assisting basically with --- mostly I handled the choke manifold and stuff like that with the well tests and if they had any questions or anything.
Q. Can you give us some of your background? How long have you been consulting?
A. Actually consulting here in the states, I've been since July of 2008.
Q. 2008?
A. Yeah.
Q. And prior to that?
A. Prior to that, I spent five weeks in Kazakhstan as a base manager for BJ. Right before that, I spent approximately four years in Algeria as a district operations manager over coil tubing, cementing and pumping services.
Q. For BJ?
A. BJ. Before that, I was in Nigeria where I worked --- first eight years I was there, I was in the swamp on a barge that did completion work, stuff like that. I was the BJ rep. Plus, I was the Shell rep on that barge, represented both, did both jobs.

They did not have a Shell companyman on this location, which was strictly mostly coil tubing, slickline, did a lot of acid, sand consolidation work, sand cleanouts, drills out, completed quite a monoboard completions, three and a half tubing set, it's just a completion ---. Spent a year in Russia with --- at that time it was the Western Company North America before BJ bought them out.

Q. Where in Russia?

A. We were stationed down Almetyevsk (phonetic) which is in the Tatarsan region. It's about a thousand miles or so from Moscow, something like that. It was not in Siberia. And doing --- I ran tools, was overseeing the fracs, was like the district office manager there.

Q. So you came up from the service industry?

A. I came up from the service industry side all the way through, started in 1976 in Pearsall, Texas and the Austin chalk boom and then worked up through there. Worked about nine months for UPRC.

Q. So you have approximately how many years of total experience?

A. About 34.

Q. Okay. And you said you've been here in Pennsylvania since 2008?

A. Well, no, I started in the Barnett in July.
Q. Okay. How long have you been in Pennsylvania?
A. Since January 2009 off and on.
Q. Okay. So Mr. Rodkey was lead. You were working with him. When you the work the coil tubing unit --- you were cleaning out the frac plugs and the coil tubing units?
A. Uh-huh (yes).
Q. Correct?
A. Yes.
Q. And you were not able to get all the way to ---?
A. No, I think we drilled out 11 plugs, I think is what they drilled out. And it started getting friction. They had a vibrator on the end of it, and they were running unit beats all night, but that's as far as they could go.
Q. Okay. And so were you on the well at this time?
A. Yes.
Q. Okay. The decision was made to pull to rig down the coil tubing unit.
A. Uh-huh (yes).
Q. Which I assume you did; correct?
A. Right.
Q. What was decided to do next?
A. The next step was decided to go ahead and get

--- tighten wire line out to run a kill plug in as deep as we could to move in C.C. Forbes and ---.

Q. Is that what you did?

A. Yes.

Q. Previous comments said that that was set at about 7,047. Does that sound correct?

A. Yes. Yeah.

Q. Okay. The next --- the decision was made to do what next?

A. Once they rigged down, C.C. Forbes was already rigged up. The next decision was to go ahead and go in and start drilling out.

Q. To go in with a workover rig?

A. Yeah. The rig was already rigged up whenever we set --- as soon as they moved off, IPS Coal, we went ahead and got C.C. Forbes up ---.

Q. And you ran the plug off the rig?

A. Right. Yeah.

Q. Okay. Did they install the BOPs before you ran the plug?

A. Yes.

Q. Do you know if they tested those BOPs? Are you aware of them testing the BOPs?

A. Not before --- not before the kill plug was run. I'm not aware of that, no.

Q. Okay. Now, according to Mr. Rodkey they installed the BOPs. They had to take the BOPs off to try to run the plug and then the lubricator was too short and they put the BOPs back on; is that correct?
A. Yeah, they put the --- my understanding what I remember, they put the BOPs back on because they needed the 5k flange on top, the studded flange on top of the BOPs --- their BOPs to get the spool --- the crossover spool back to the 10k STS BOPs.
Q. I'm going to a question. Just tell me if you think this is correct. The wire line company probably had a 7 1/15 5 flange and the 5 1/8 10k, which was on the spool, probably wouldn't work, so they had to put the BOPs back on without the stripper head to run the wire?
A. Right.
Q. I want to make sure I'm not --- in my mind, that's what happened.
A. Yeah.
Q. Okay. So you ran a kill plug and you set that about 7,047; is that correct?
A. Correct, yeah.
Q. Okay. So you rigged down the --- now, both of you are still there at this time?
A. Right, still there at this time.

Q. So you rigged down the wire line unit and I assume you let the pressure off; is that correct, ---
A. Yes, we ---
Q. --- off the case?
A. --- bled it off just before we released the wire line just to make sure the kill plug was holding.
Q. What was your next step?
A. Next step, I left there about --- probably about three o'clock in the morning, something like that.
Q. This was three o'clock in the morning of the 3rd --- the 3rd or the 2nd? Is the morning ---?
A. This is the morning that they would have ran in the hole to start drilling out the kill plug.
Q. Okay. So you went home?
A. Yeah.
Q. So when you left, prior to you leaving, did you ever see them test the BOPs?
A. No, I never saw them before I left.
Q. So what time did you arrive back on location?
A. Probably around 10:30, 11:00, 10:00 something.
Q. This is the 3rd?
A. Yeah, the 3rd, the day that we're going to run in.
Q. So you get back 10:30, 11 o'clock?
A. Yeah.

Q. What's the activity at the rig when you get back?
A. They're tripping in the hole to the kill plug when I get there.
Q. So they were picking up pipe trying to get to the kill plug?
A. Yeah.
Q. Okay. You take over the operations at about noon, I'm guessing, sometime?
A. I took over operations. Barry left --- or Barry was there until --- I guess he quit about 5:00 that afternoon or something like that.
Q. Okay. When you and Barry are both on the location at the same time, he's the lead, so he's making the decisions and you're helping; correct?
A. Yes, at that time.
Q. So when he leaves at five o'clock and you take over sole responsibility of the well, what's the activity of the rig? What are you doing?
A. We're tripping in. We've already drilled the kill plug out, and we're going down --- headed down hole to the next frac well right there.
Q. Do you recall about what was the pressure was on the --- at the well at the surface? I know it varied, but ---.

A. Probably somewhere around 1,500 PSI, something like that, I'm guessing. I'd say 1,450 to 1,650, something like that.
Q. And about five o'clock you take over operations. Up to that point, do you know if they replaced the stripper rubber?
A. No, they had not replaced the stripper rubber.
Q. From the time starting at five o'clock, continue with what you remember happening.
A. We're tripping in. We were through, had just --- they just gotten through the curve. They had to direct back the power swivel shortly before that and started, you know, just tripping in pipe with the box. And they got down in the curve just a little ways and it started picking up either sand or plug debris or something, and it started stacking out. So they rigged the power swivel back up, circulated, rotated on down through the curb, got on the lateral, probably running three or four or five joints. I don't exactly how many joints now in there. And everything was going smooth once you got out the lateral. So we brought the power swivel back and started picking up, just tripping in the hole. Got down, I don't remember exactly the depth, probably 9,000 foot, something like that and started heating

again, started picking up more trash or sand or whatever on the bottom. And they rigged back up the power swivel and started swiveling down and decided just to keep swiveling down like that. Sometime around 11:30 I'm guessing, somewhere in that neighborhood the stripper rubber started leaking again.

Q. What time?

A. Probably 11:30 at night, something like that. I'm going to guess.

Q. 11:30 a.m. on the ---

A. P.m.

Q. --- 3rd? This must not be the 3rd then?

A. The first time --- the first stripper rubber.

Q. Okay. This was the day before?

A. I don't know the dates.

Q. Feel free to check your notes. This would have occurred about 6:30, 6:40 in the afternoon, evening of the 3rd, so ---.

A. That's the second stripper rubber.

Q. Okay. So that would have been --- so this ---?

A. Right, this is the 3rd --- no, it would be the 2nd, run in tag. Yeah, this is the 2nd.

Q. Okay. This is the 2nd?

A. Yeah.

Q. Okay.
A. This is the 2nd we're on right here.
Q. I'm sorry. So we're now talking about June the 2nd the day before the incident?
A. Right.
Q. It's 11:30 at night, the stripper rubber ---?
A. Starts leaking.
Q. Starts leaking?
A. Yeah.
Q. You decide to change the stripper rubber?
A. Yeah, we change it.
Q. Go through how you change the stripper rubber?
A. Okay. I didn't actually change it because we got ready to change it and how we would have actually --- you want to hear who I would actually change the stripper rubber?
Q. I'll get to that in a minute. How did you change it?
A. Okay. Barry and them changed this one because it started lightning real bad. We pulled everybody --- we shut the BOPs once it started leaking, pulled everybody off the rig floor because we have a storm.
Q. Then you got off --- you go off tour?
A. Yeah, I went off tour about --- probably about a quarter 'til 1:00.

Q. In the morning?
A. In the morning.
Q. Of the 3rd?
A. Of the 3rd.
Q. Okay. And they had not started back work, so you had not changed out the stripper rubber --- they had not changed out the stripper rubber while you were there?
A. No. No, not at that time.
Q. Okay. So what time did you come back to work on the 3rd?
A. On the 3rd, I got there probably about 11 o'clock in the morning, something like that.
Q. So you went home from about 1:00 in the morning 'til ---
A. Yeah.
Q. --- 11:00 something in the morning?
A. Yeah.
Q. Okay. And Barry stayed that day how long? Did he go home?
A. On the 3rd? Yeah, he went home. Yes, he did.
Q. So you were in charge from about noon?
A. Right, about noon he left.
Q. What were they doing? When he got on location and you took over at noon, what was going on?

A. They were almost to the --- they drilled out the first frac plug. They were going down --- they were almost on top of the 2nd frac plug of the four that were left.

Q. Okay. I'm going to let you kind of continue what happened that day. Just tell us what went on up to the time of the incident.

A. Okay. We drilled. Like I said, we just went down, got on the next frac plug, drilled it. Probably took about --- I'm going to guess 45 minutes to an hour, drilled through that. Once we're through it, we go on down a little ways with the same joint, work it up and down, circulate probably 20 minutes or something like that and then go ahead and start tripping in the hole to the next one. You have to --- each set of perforations you have to kind of wash through the sand right at the perforation, wash through that next set of perfs, rotating, circulating each joint down, go down the next one, do it, basically the same procedure all the way through. We get all of them drilled out --- the last three, they're in the well still. Get all of them drilled out. We start --- once we circulate there, then we start dropping again, going on --- fixing to go to all way to TD, tag TD. And what I do is pull up

usually about ten foot, circulate there about two hours, something like that. But when I get to that next set of perfs and start going through the perfs and sand and stuff, we start hanging up. We start losing rotation on our pipe. We pick up and trying to get rotation back. We pull up one joint all the way up back up --- like almost to the monkeyboard. We still can't get rotation back, so I shutdown for about --- or we stayed right there probably for about 45 minutes to an hour circulating hard and flowing trying to get any --- if there's anything up around this or anything, trying to get that cleared out still trying to get a rotation back. We can't, so we decided ---.

Q. Let me interrupt you at that point.

A. Okay.

Q. In your mind, what was the reason for the pipe sticking? Is there ---?

A. Plug debris, sand, slips.

Q. Back up the hole somewhere maybe?

A. I think it's below us because we can't go down. We can come up no problem, but we can't go down. You know, as we pull up trying to get rotation back, we try to go back down and we start stacking out.

Q. Now, at this point, do you have any more plugs

to drill?
A. We were all through drilling plugs.
Q. You were through plugs and trying to get to TD?
A. Trying to get to TD through the last perforations.
Q. Okay. So you're hanging up. You're working the pipe through the stripper rubber; correct?
A. Uh-huh (yes).
Q. How about how much pressure do you have on the stripper rubber?
A. We usually try to maintain about 1,500, something like that. I'd have to go back and see well test reports.
Q. It's not about 1,500?
A. I can't say it's not above.
Q. Okay.
A. Maybe.
Q. Okay. During the day before you got to this point, have you had any stripper rubbers go out?
A. No, just the first one that we had the day before.
Q. The night ---?
A. The night before they changed it.
Q. But the day of the 3rd you do not have any stripper rubbers go out?

A. No.
Q. Okay. So you work the pipe. What's next?
A. We're working the pipe and we can't get rotation. We're up as far --- you know, monkeyboard we can go. We can't drop much further down, so we break that joint out and lay it down. Go down with the power swivel with that one, same thing, circulating, trying to get rotation back. We keep working the pipe up the hole, up the hole, up the whole, you know, how you pull up and then kind of jar down, pull up and jar down in case you got anything around your bit.
Q. Let me interrupt you again. At this point where are you physically on location?
A. While we're doing this, probably between the choke manifold and pick up ---.
Q. You're just all over the location?
A. Yeah.
Q. Go ahead. I'm sorry.
A. And so they pull that joint up. I go to the ---.
Q. How many joints have you pulled so far?
A. We've laid down one and we're fixing to lay down the second one. I go over and increase the pump rate from about two barrels a minute up to about three

barrels a minute increase, which I don't need because I've got a real strong flow to the surface. You know what I mean? It's bringing sand and plug debris parts and everything back from all the still ---.

Q. Okay.

A. So we go ahead and pull up this work. We still --- we get rotation. It will rotate sometimes and then it will stop. Rotate sometimes, stop. We can still come up, no problems. Going down is still a problem, so ---.

Q. Let me ask a question, just for the record, you pull one joint and you can't go back down?

A. Right, can't go back down.

Q. Okay. So you can't --- you're losing ground ---

A. Right.

Q. --- because you're just going back up?

A. Yeah, which is not real uncommon when you're dealing with steel slips, so ---. Lay that joint down --- lay one joint down and we laid a second joint down and we go down to the --- and tie back on to the third joint. And we're working it up, working it up, trying to get rotation back. And we'll get it back for a little bit and then it will stop, so we're still --- pretty common practice, you can't go down. You just keep coming out. And when we come through

the stripper that time, that's when the stripper starts leaking again.

Q. Would you consider it a bad leak or a minor?

A. Yeah, bad leak.

Q. Bad leak. Okay.

A. And so ---.

Q. Well, let me stop you. When the stripper rubber starts leaking, where is your --- how far above the floor are you with your---?

A. We're almost --- we're up where the next collars coming up through the stripper. It's through the stripper.

Q. Okay. Is it through the stripper or ---?

A. Yeah, it's through the stripper.

Q. Okay. So you really start leaking when that last collar starts coming up through the stripper; correct?

A. Yeah, somewhere at that point. I can't swear if the collar was coming up or we was already done ---.

Q. But somewhere in that neighborhood?

A. Somewhere in the neighborhood, because I know we were right up ---.

Q. You know your swivel is way up?

A. Yeah, swivel is up close to the monkeyboard. You know, I mean, we can't go a whole lot further.

Q. What happens next?
A. Brent shuts the BOP.
Q. Okay. Just the rams?
A. Yeah, the pipe rams. That's the only thing you can shut, the pipe rams.
Q. Does that seal the leak?
A. Yes.
Q. Okay. What happened next?
A. Brent comes down, walks the rig floor, walk over to me and says, you know ---
Q. Where are you at this point?
A. At that point I was writing in my tally book and I come out of my pickup and I'm talking to Brent right there.
Q. Okay. What did you all discuss?
A. He discussed --- he says, did you want do this like we always do, just go ahead and change the --- break out the stripper rubber and change it out. And I said, yeah, just do it like we always do, you know.
Q. Okay. Explain to us for the record what's as we always do --- how do you always do it?
A. How we always do it is once you close your pipe rams, you got your collar just above the top of your stripping head, go ahead and break off --- open the needle valve on the stripper just to make sure

there's no pressure between the stripper and the pipe rams. And you break off the cap off top the stripper rotor, unscrew it, unscrew it, lift it up. They usually pick it up, hold it --- either somebody holds it or they wrap the cat line around it to hold it up above them. Then they'll pick just a little bit to get the stripper rotor to go ahead and pop out of the deal. Once they do that, once they get it up a little ways, they'll beat it up with a hammer a little bit. You put your slips on there, set your slips, set your pipe back in your slips. Once you do that, you go ahead and take a hammer and beat your collar onto your pipe, turn your power swivel, back that piece of pipe off, go ahead and knock that stripper rubber off, go ahead --- and usually they'll go ahead and get the other stripper ready --- stripper rubber ready. You got to hold your cap up on your pipe because it's got to be the last thing, go ahead and stab that piece of pipe into the stripper rubber, get the pipe through the stripper rubber, go ahead and put it back on the other joint of tubing that's sticking out of the well, screw it on. And then usually when you take your cap, you push the stripper rubber down as far as you can. They usually put a little bit of pipe dope or

something around it to get it over the collar. Then usually you take your cap and set down on it and beat it down over that collar, all the way down.

Q. And you're not moving the pipe or the pipe rams at this point?

A. No. You'll beat it down where it's close to over that collar where you still got enough room to open your slips. Once you get down close somewhere, you go ahead and open your slips, remove your slips, go ahead and beat it down to the top of your stripper housing right there as close as you can, and then usually go ahead and drop your pipe a little bit to make sure it pushes down, start tightening up your cap, tighten it down, take a couple of bars and tighten it down and still go through with your pipe just a bit little because as it goes down, that stripper fits so tight against that pipe that it compresses that stripper down and allows you to get the cap tight all the way down. Once you do that, you'll close your needle valve, open your BOPs and go back to work.

Q. In this instance, how did you change the stripper rubber? Did you change it that way?

A. In this instance, we never got to change the stripper rubber. The BOPs gave out.

Q. Okay. At any point prior to this, did you ever witness them --- did you ever witness C.C. Forbes or anybody else open the pipe rams and attempt to use pressure to blow the stripper rubber back up?
A. No, they couldn't have blown it up. The cap was still on it. We never got the cap off the stripper house.
Q. Let's say the cap was off. Did you see anybody open it temporarily to blow the stripper rubber off?
A. No.
Q. Off seal?
A. The whole time I was out there, the cap was never off the stripper rubber, so ---.
Q. Okay. So we get back to the exact instant here of the incident. Your stripper rubber's leaking. You close the pipe ramps. They hold, the flow stops?
A. Yeah.
Q. At that point, go into detail exactly what happened.
A. Okay. Like I said, stripper rubber started leaking. Brent closes the pipe rams on the BOP, sets his brake. Puts the chain on his break handle, walks down off the rig, comes over and meets me and asks me if we want to change it like we always do, you know, anything different or anything. And I said, no,

we'll just change it like we always. You know, I told him, I said, the only thing --- I told him, well, you need to break the collar off. Once we get the stripper rubber off, everything off, we need to break the collar off that joint. You know, put it over that joint or you can --- you know, if you put it on the other joint down, then you're going to have to beat it. You know, we'll have to beat it over that collar, one or the other, whichever one you all want to do, whichever is easiest for you all, you know, however you want to do it. So he walks back over, walks back up to the rig, gets on it and starts to pick up just a hair on up, get the collar, you know, on up I guess, wherever he feels comfortable with it above the stripping head itself. And just as he starts moving that pipe, that's when the BOPs give up, right there.

Q. So you --- when this happens you have --- what's your action as soon as you see it blowing up through the pipe rams? What do you do?

A. I go straight to the pump and tell the pump operator to get switched over to brine water and start pumping brine as hard as you can.

Q. And what is the weight of the brine?

A. It varies, but I'm going to guess it's probably

somewhere around 96, something like that.
Q. So they start pumping brine in the well?
A. Yes. Yeah.
Q. What do you observe coming out of the well?
A. Mostly water with some surges of gas, small amount of gas, probably in the first few set of bursts, sand, still some sand.
Q. After you get the pump going, what's next?
A. I go over to the choke size. We open the choke up full open to try to get some of the fluid and stuff, relieve the pressure there, get as much fluid and stuff we can to the tank. We discuss about hooking up an additional choke line off the other side of the flow T to come over through another choke to try to get --- attract as much fluid as we can back to tanks to get that fluid instead of going up to go down. Talk to brent. He's down now. Talk to Brent, tell him let's go ahead and set the --- let's go ahead and drop the upset and the collar back down inside the --- all the way down inside the BOP to see if that helps it, which it does for a second. So we set the --- go ahead and set down --- we set about 8,000 pounds down on top of the BOP there.
Q. On top of the pipe rams?
A. Yeah, on top the pipe rams, all the way down to

where the collar's almost right on top --- well, it is actually down on top of the pipe ram as far as it will go, so down about 8,000 right there. We're down to pretty much --- pretty far below our string weight at this time 'cause we still can't go down. We set it down there, and it does cut the flow down almost to nothing for just a second and then, you know, it just starts right back up.

Q. Do you know what the surface pressure was about this time?

A. When we do that, when we set that down, it's around 1,200-some odd pounds.

Q. Do you know what the pump pressure was during this time?

A. The pump --- the only time I actually looked at the pump pressure when he was pumping and when he initially started was about 1,100 pounds or something like that, but when he just started. You know, he was probably pumping somewhere, I'm guessing, around four barrels a minute because he rate meter had gone out, but we're pumping, you know, third gear wide open.

Q. So he's pumping approximately 96 salt water down the annulus as far as he can pump it?

A. Right.

Q. In your mind, is it taking weight from the bottom or is it taking weight --- is the weight ---?
A. We're even at that --- where we start down, we're right at string weight just hanging and we start losing it immediately, so we're still stacking out on something.
Q. You get your collar that had been above the ram and you get it down by the --- right on top of the ram?
A. Right.
Q. But it was above the stripper rubber, get down through the floor to --- the swivel was still connected?
A. Yes.
Q. Okay. Are you pumping any fluid down the tubing?
A. Down the tubing?
Q. Yeah.
A. Yeah, that's where we're pumping, down the tubing.
Q. You're not pumping down ---?
A. We're pumping through the power swivel down. We talked about pumping down annulus, but the amount of water coming out at four barrels a minute, we can't get ahead of that fluid coming out, so it wouldn't do

us any good.
Q. Okay. So you got the pump going, you got water going down, it's getting worse. What do you do next?
A. Basically at this time, I've called and told them to get some response people out there, let's go ahead and get them on the way.
Q. Okay. Let's get to that in a minute. So operationally what do you do next?
A. Operationally at that point, as far as well control, there's not a whole lot I can do other than keep pumping as hard as I can. We talked about trying to break out that joint and trying to drop that joint, and hopefully it will fall below the blind in the frac valve and we can get that closed in. But we can't get anybody on the rig floor to beat the collar.
Q. At this point is the rig still running?
A. No, it's still running.
Q. It's still running.
A. Yeah, everything's running.
Q. So continue. What do you do?
A. Basically we sit there and watch.
Q. Watch it. Okay. Why don't you shut the rig down?
A. We had the --- talking to Boots & Coots and Wild

Well Control and some other people that I had called, they said as a last resort try to close your blinds to restrict the flow, try to crimp the tubing see if you can get the tubing a little bit to where the hole and try to part the tubing right there at the collar, you know, try to part it. And that way if you can do that, then you can open everything and drop it, which we did. We had no success whatsoever, so at that point, I told the nonessential personnel other than Brent, myself and a couple of the well test guys, we told them to back up off the location, you know, to go ahead get everything off location, vehicles, to go around and start shutting down. Greg Schaeffer was there and they had pumps running in both corners sucking up water and putting it back in the tanks, you know, for the environmental control of it. And at that point, I felt like that once we tried that, there really wasn't a whole lot else we could do on location that we could accomplish because shortly before --- while we were trying that, the pump died it, had water and stuff --- it was kind of going back and stuff and we don't know if it sucked water into the intake or whether it got in the electrical system or what, but it killed the pump. They could not restart it. So I told everybody, okay, gather up. I

said, let's get off location. You know, nobody's hurt, nothing's injured. Let's go ahead and get off location. We'll turn this over to the experts when they get here.

Q. This all occurred --- the incident occurred about what time?

A. I'm going to guess probably 6:30, seven o'clock at night, something like that.

Q. Okay. Who was the first person you called?

A. Jeff Leitzell.

Q. Okay. What did he tell you to do?

A. Basically he didn't tell me anything to do. I told him what we had done and what steps I was taking. Pretty much, I said, I was pumping brine as hard as I could down the tubing. I had lost my primary, secondary control at the well. There wasn't anything I could do there. The options had been exhausted there. I was pumping the brine. I said, I know it's not heavy enough to lay it down a hundred percent at this point, but we're trying to reduce flow, you know, and get the pressure down as much as we can.

Q. And so when you finished your conversation, he had not given you any instruction? Basically you told him what you were doing, and he said that's

good; is that correct?
A. Yeah.
Q. Who did you call next?
A. I didn't call anybody other than Jeff Leitzell. That's all I called.
Q. What time did Boots & Coots or Wild Well Control get involved?
A. Boots & Coots first responder showed up around ---.
Q. Did you talk to them on the phone?
A. Yes, I talked to Boots & Coots. They called me probably --- Boots & Coots called me first, and that was probably about 20, 30 minutes after I talked to Jeff maybe, the first guy.
Q. And that's when they instructed you to try to close the ---?
A. First, the guy --- the first guy I talked to took all the information, what was going on and everything and saying --- I told him, you know, this is what the plan was.
Q. And this is Boots & Coots?
A. Yeah, this is Boots & Coots. That's who we called first because we knew they had an office in West Virginia or an office in --- I know they come by sometimes, so Jeff was familiar with those, so he

called them as a first.
Q. So they called --- they called you?
A. And they called me and wanted me to go through the whole scenario of what would happen, what had happened and everything, and they said, well, at this point, you know, there's --- you know, if you've lost your stripper and your pipe, you know, there's basically not a whole lot you can do as far as control. And he said, you know, you may try to close your pipe rams and hopefully --- because he asked me if you could back up, and I said I can back off, but it's backing off at the very top at the power swivel. You know, I can't --- with that beaten on that collar and I said, I won't put anybody on the rig floor with the everything coming up around there. I wouldn't want to attempt that.
Q. So this is the first call --- is the first collar at Boots & Coots the one who tells you to close the blind rams?
A. I don't remember if it was the first or the second to be honest with you.
Q. So he you got a separate --- after he took the information ---?
A. I talked to about three or four different people from Boots & Coots. We were pretty close together

back and forth, and they had responders calling me.
Q. Did you see any response when you closed the blind rams?
A. I saw a small --- probably a small restriction in flow, yeah, not much, but you could tell there was a small ---.
Q. At what time did you turn the rig off, about?
A. 7:30 to 8:00, something like that, I'm guessing. Maybe 8:30.
Q. So about the tie you lost your pump you decided to shut the rig down?
A. Yeah, right after we lost our pump, we had no --- there wasn't anything else we could do basically to try to control the well. Shut the rig off, shut the pump. I had them shut the pumps and the corner, the two triples (phonetic) in the corner --- corner down all pumps, generator for a well test on location, everything and get off location.
Q. So you shut everything down. You basically back off the --- once everything was shutdown, you backed off location and basically just waited for Wild Well or ---?
A. Somebody to respond, yes.
Q. All right. Okay. When was the next time you went back on location?

A. Probably around 4:15, 4:30 the next morning.
Q. Okay. Who did --- did you go by yourself?
A. No, I went with Boots & Coots first responder. He wanted me to take him down to the location, so I took him down.
Q. What did you observe? Was it still blowing?
A. Yeah, still blowing.
Q. Was there --- obviously there was fluid gathering around the location; is that correct?
A. Yeah. Yeah, there was some.
Q. Were you measuring the combustibility of the gas as you were going in or ---?
A. They checked for gas with a gas meter, but it showed no gas anywhere.
Q. So did you go all the way up to the wellhead?
A. I did not go all the way to the wellhead. I went probably --- if you see the location right down at the end of the road right there, I'm probably within --- I probably got within 25 yards of the rig. He did. He walked all the way around, made notes, walked around the rig, everything.
Q. But he saw no gas at all?
A. No.
Q. So in your opinion, at this time it was blowing nothing but water?

A. I'm sure it's got gas in it, but I mean, as far as ---.
Q. You're not seeing any ---?
A. As far as us seeing it, it's, you know, going up and there's so much water and gas mixed together. It's hard.
Q. Did he recommend did he come back to you out by the road and recommend anything to you?
A. No, he did not recommend me. He called --- I heard his conversation with his boss, and they had --- at that time, Boots & Coots and them called Wild Well Control authority on their way there, so apparently that's who EOG uses, Wild Well Control, and they were already there. They were supposed to be landing in Dubois around five o'clock in the morning at Dubois International.
Q. At this time plus or minus approximate 4:15 in the morning, were there any other EOG employees?
A. Jeff Leitzell, Gary smith, Greg Schaeffer was there, yes.
Q. The crew who showed up from Pittsburgh?
A. Yes.
Q. The guys from Pittsburgh who showed up?
A. Yes.
Q. Okay. At that time who did you feel was in

charge?
A. Probably Gary smith since he's the vice president.
Q. So Boots & Coots goes down to the well. They measure. There's no gas. They come back. You all go back to the group. Are you all the only two that approached the well at this time?
A. Yes.
Q. Okay. So you all go back up to the safe point; correct?
A. Yes.
Q. Who do you give your report to?
A. Nobody at that time, because Gary and Jeff and Chase Reynolds (phonetic) of well test had gone to Dubois to pick up Wild Well Control to come back and then ---.
Q. So they come back at what time?
A. They probably get there I'm going to guess six o'clock, 6:30, Jeff and them, because they couldn't land at Dubois, the Wild Well Control, because of fog. And they had to --- they went somewhere else. I don't know, Johnsonburg or somewhere to land. And everybody else come back. They were going to get a car --- or Lynn Burks (phonetic) and I think some of them and Nathan were going to go to pick them up,

wherever they were going. It was up close to Indiana, I think. I'm not exactly sure because I wasn't keeping up with all that. But I think Johnsonburg, but I'm not sure where the airport is.

Q. So they couldn't land at Dubois?

A. Right.

Q. So they went somewhere else?

A. Yeah, they were diverted somewhere else.

Q. And what time did you say they got back to location?

A. Wild Well Control?

Q. Yes.

A. Wild Well Control got there about 9:30 in the morning.

Q. And Mr. Smith and ---?

A. I'm guessing around 6:30, six o'clock, something like that.

Q. So between the time they got back to the location and the time that Wild Well Control got there basically nothing was done to the well?

A. No.

Q. Okay. Once Wild Well Control got there, did they have discussion with Boots & Coots?

A. No.

Q. Boots & Coots had already left?

A. No, he was there, but they didn't --- they went down. They wanted to see for theirselves. They went straight down to the location, put on their stuff and went down and did a walk around, checked for gas levels again, did the whole nine yards around there and took look at it.
Q. So to your knowledge Boots & Coots and Wild Well Control never conversed at all?
A. To my knowledge, no.
Q. So Wild Well Control goes down to the well. They take their gas measurements and what happens?
A. They come back up and start asking me a bunch of questions, you know, about that the tubings cut, it's cut off now. It's outside field. It's cut off right at the top of the pipe rams.
Q. Why is it cut off?
A. I'm sure the sand and water blowing out of it.
Q. So it's cut itself off?
A. Yeah, it's cut itself off.
Q. And you know this how?
A. Because they walked down and looked at it and it's laying --- the piece of tubing is laying over right there, and it has the collar on it from the joint below and it's cut off right below the collar of the joint.

Q. Okay. So it's come up through the stripper rubber?
A. Yeah, it blew it up. Once it cut, it blew it up out and it's laying right on the outside of the floor.
Q. Are you observing this --- or you're not observing the well? They're telling this; correct?
A. Yeah, I saw it. You could see it from where I was at.
Q. Did it look like the amount of fluid and gas coming out had increased?
A. No, it looked like it stayed pretty much steady the whole time.
Q. Okay. So it's still coming up around the pipe rams?
A. Yeah.
Q. Okay. And what operations did you do next?
A. They discussed --- once they said that --- they had taken gas measurements all over location. They checked outside the location and stuff. They'd released us to go ahead and start pumping fluids again. Cranking up pumps to try to contain as much as we could. They discussed about they were going to go down and try to shut the frac valve to see if the tube --- when it cut enough, if it'd gone ahead and

dropped enough to get below the frac valve, which they did. They went back down in there and tried to --- I think only got 13 turns, so they knew the tubing was still there. They came back up and discussed again about --- one of the guys started a contingency to go ahead and get the riser and stuff to go ahead --- crane and dozer and everything to go ahead and land a valve and stuff, riser and valve over the top and tie it on and close the valve.

Q. So they came up with a lot of options?

A. Well, usually the same option they do on most wells when they ---.

Q. But I mean, they came up with some options based on what they observed?

A. Yeah. They even talked about maybe trying to tie on with high rate pumps. They thought they could outrun them. No more fluid and stuff was coming out. They thought they could outrun the fluid. If they had enough fluid going down the annulus, they thought that if they had high rate pumps, they could probably do that, but the best option was to this do. Then they discussed about going ahead and opening the blinds and the pipe rams both seeing if it dropped. They thought --- they were almost a hundred percent sure that the tubing would drop far enough they could

close the frac valve. Went down. They did testing again all the way around, pretty much the testing and stuff. They ended up going down, cranking --- putting the pipe in the blinds in the open position. I didn't observe this. This is second information that I'm getting from them. Cranked the rig back up. And apparently the pipe dropped and they closed the frac valve them.

Q. Okay. So basically the action they took was before they started the rig, they put the pipe and blind rams in the open position?

A. Yeah.

Q. And when you started the rig back up, the rig hydraulics open the rams --- both sets of rams; correct?

A. Right.

Q. And then they closed the frac valve?

A. Yeah.

Q. And I mean basically the incident was ended at that point?

A. Right.

Q. Was there some of amount of fluid on the location at that time?

A. Yeah, quite a bit. Most of it --- that location is a little bit slanted to the back side and then

there's a trench dug around there, and most of it was running off one side. The location --- the closets side to the rig, no fluid was going off that side of the location.

Q. So it was all going to the back?

A. Yeah.

Q. Let me ask you just some background questions here. When you started work for EOG, did they discuss with you their policy on how many barriers you had to have during operation? Did it ever come up?

A. No.

Q. Do you know what EOG's policy is on barriers during completion?

A. No.

Q. Did EOG ever discuss with you the length of time that service companies could be on location without a break, without relief? Did that ever come up?

A. No.

Q. Did you ever --- I think --- I believe you said earlier the only person you called was the engineer, Jeff ---?

A. Leitzell.

Q. Jeff Leitzell?

A. Uh-huh (yes).

Q. You never called anyone else?
A. No.
Q. Okay. At the time prior to this incident, did you have in your possession numbers to call in case of an emergency? Did you know who to call if there was an emergency?
A. I have all numbers for all EOG people in Pittsburgh, Indiana, yes.
Q. But your instructions were to call the people in Pittsburgh and let them notify ---?
A. Right.
Q. Like 911 and that stuff?
A. Right.
Q. As far as you know, that's what happened; correct?
A. Yes.
Q. So you did not call anybody from location?
A. No, only --- no.
Q. Are you aware of anybody else from the location calling anybody, 911, the state, anybody?
A. I am not aware of anybody that did, no.
Q. You obviously have a lot of experience. The operation that --- let me back up. How many horizontal wells have been involved with the completion and cleanout and frac approximately?

A. Twenty-five (25).
Q. Okay. Of those 25 wells, how many would you estimate would you say that you could not get everything cleaned out with a coil tubing?
A. All but two.
Q. All but two. And those two were both in Pennsylvania?
A. Yes.
Q. Both for EOG?
A. Yeah, there's two I could clean out all the way, and that was it.
Q. You could or could not?
A. Could.
Q. Okay. Of the ones you could not clean out all the way with the coil tubing, did you always use a rig with a stripper rubber to clean out?
A. Yes.
Q. And they were all for --- so the 23 that you did that with, were where, all over?
A. Pennsylvania mostly.
Q. All for EOG?
A. Yeah, everything's for EOG.
Q. Do you feel comfortable doing that?
A. Yeah.
Q. You do? In your career, have you ever used well

pressure to unseat a stripper rubber?
A. No.
Q. Do you feel comfortable stripping --- since you have basically two barriers during this operation, you have the stripping rubber and the pipe rams, do you feel comfort with that?
A. Yes.
Q. Once you lost your stripping rubber --- or in the event that --- in this hypothetical case you lose a stripping rubber and you have one barrier left which is our pipe rams, do you feel comfortable striping that pipe --- any pipe of any distance, an inch, two inches or anything?
A. Yes.
Q. Under pressure?
A. I don't have any problems with that. Always done it that way, so ---.

MR. VITTITOW:

Do you have any questions for him because I need a minute to think about where to go next?

EXAMINATION

BY MR. JANKURA:

Q. The only question I had was that, were you ever able to attempt to unscrew the tubing joint after you

closed the pipe rams?
A. Yeah, we trying to break the power swivel.
Q. You attempted, but it wasn't successful?
A. Yeah, unless you beat on it, you never will. It always breaks the power swivel.
RE-EXAMINATION
BY MR. VITTITOW:
Q. Okay. Let me ask another question here and this is again hypothetical. Did you feel comfortable if something --- if you were asked to do something by EOG that you thought was unsafe?
A. I wouldn't do it.
Q. You felt comfortable telling them this is not safe, I need to do something else?
A. Definitely.
Q. And they're cooperative about it?
A. They're probably the most supportive company I've ever worked for.
Q. Do you consider the culture on location in Pennsylvania --- because you've obviously worked other places, the safety culture, do you see that safety always comes first?
A. Are you talking in general or are you talking a certain company or ---?
Q. On the locations you have been in --- on in

Pennsylvania with EOG?
A. Are you talking ---?
Q. Do you consider that safety is of primary importance?
A. Are you talking EOG?
Q. Yes.
A. Yes, it's their primary importance. Yes.
Q. So do you all have regular safety meetings?
A. Yes.
Q. Do you all --- before you start an operation, do you sit and talk to the hands, this is what we're going to do, type of thing or just say let's just do it?
A. Usually --- sometimes if they're already in the middle of the operation when I come on, no, we won't shutdown and have a safety meeting, but most operations you have before you start.
Q. If you're going to start a new operation ---?
A. Yeah.
Q. Have you ever use snubbing unit to clean out ---
A. Yes.
Q. --- to clean out a well?
A. No, not to clean out. But I have used them here just to get out a hole or get production back in.
Q. But you never used one for cleaning out a well?

A. No.
Q. Do you know any other companies that do that?
A. I don't know much about other companies, but I think Chesapeake uses a --- I think Chesapeake on uses some of theirs use a single, you know, not a rig assist, but just a snubbing unit to drill out plugs on some of them. I'm not saying a hundred percent, but I do know a couple of guys that work for --- and they were pretty surprised that they used them, so ---.
Q. Let's get back to try to get this from a different angle. When you started off this operation with the rig, once you got tubing in the hole, you basically had two barriers; correct?
A. Uh-huh (yes).
Q. You had the stripping rubber and you had the pipe rams; correct?
A. (Indicates yes.)
OFF RECORD DISCUSSION
A. Yes.
BY MR. JANKURA:
Q. Do you feel --- and you said earlier that you felt comfortable with this.
A. Yes.
Q. Do you feel comfortable with that knowing that

the BOPs had not even --- the flanges where they were had never been tested?

A. If they hadn't been tested?

Q. Yes, because you said earlier that they had never had any pressure put between the BOPs and the frac valve, the test --- when you nippled up the BOPs that they had never been tested?

A. It was 2,500 pounds put on the on the flanges all the way up to the stripper rubber before we started drilling the kill plug.

Q. Okay. That's what I asked you earlier.

A. You asked me before we started tripping in the hole had they tested the BOPs, no, I did not see before we started tripping in the holes.

Q. So you're saying that before you started drilling out the kill plug, you tested the body of the BOP up to the stripper --- well, to right below that? It would have been between the blind ram and the --- you didn't test the stripper ---?

A. We tested all the way up the stripper rubber.

Q. You tested against the stripper rubber to 2,500 pounds?

A. Uh-huh (yes).

Q. Do you know what the --- do you know who the manufacturer of the stripping is?

A. I think it's BIW, BWI, something like that.
Q. Do you know what the rating of the stripper rubber is?
A. No, I was told by the pusher from Mesa from Texas it was good to 2,500 working.
Q. So you tested the BOPs to 2,500 pounds from the top of the frac valve against the stripping rubber?
A. From the top of the kill plug to the stripping rubber.
Q. Okay. You tested casing, everything?
A. Yeah, because we were pumping down the tubing, the tubing is all the way down at the bottom, so while they're pumping, they break circulation. You get the kill plug to the top of the kill plug and you stop there before you start drilling and you got to feel your tubing because you have a string flow up in your tubing, so you got to circulate. You break circulation around to your frac tanks, and once they break circulation, close in your choke manifold, adjust your choke, let the pressure come up.
Q. So you let the pressure come up to 2,500 pounds?
A. 2,500 pounds.
Q. And obviously it held?
A. Yeah, there was nothing wrong with that deal. And then once we do that, then they'll open the choke

back up, usually drop it down to about 1,200 to 1,500 pounds before you go through and start drilling through the kill plug because usually when you drill through the kill plug the pressure blow, that surges it and usually it will stop your rotation, everything.

Q. You're trying to keep the pressure ---?

A. Trying to keep the differential so it doesn't surge so hard when you go through the top slips.

Q. Okay. Let me think here just for a second. Make sure I covered everything.

RE-EXAMINATION

BY MR. JANKURA:

Q. While you're thinking, let me ask a question. One of the things obviously that we're seeing here in Pennsylvania in general is a lot of folks come into the shale with all kinds of different new technology that we really haven't seen here in Pennsylvania before. You mentioned that you had experienced working in the Barnett. In terms of the post frac cleanout, is what you guys are doing up here on this similar? Where you using ---?

A. Identical.

Q. Same thing?

A. We use the same thing in Louisiana which there

you're talking about higher pressures. We use the same thing there.

Q. Which companies in Louisiana?

A. I didn't go, but I talked to consultants over for EOG and they do the same things we do and people for Petrohawk and people for?

Q. This in Hainesville?

A. Uh-huh (yes).

MR. VITTITOW:

That's all I have.

ATTORNEY AYERS:

I have nothing.

MR. VITTITOW:

Anything else?

MR. JANKURA:

No.

MR. VITTITOW:

Very good thank you.

A. No problem. Anything else I can help you with, let me know.

* * * * * * * * * * *

STATEMENT UNDER OATH CONCLUDED AT 11:20 A.M.

* * * * * * * * * * *

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF CAMBRIA)

CERTIFICATE

I, Sarah Wendorf, a Notary Public in and for the Commonwealth of Pennsylvania, do hereby certify:

That the foregoing proceeding, deposition of Charley Randall Kendrick, was recorded by me, I have read this transcript on 06/14/2010 and I attest that this transcript is a true and accurate record of the proceeeding.

That the witness was first duly sworn to testify to the truth, the whole truth, and nothing but the truth and that the foregoing deposition was taken at the time and place stated herein.

I certify that I am not a relative, employee or attorney of any of the parties, nor a relative or employee of counsel, and that I am in no way interested directly or indirectly in this action.