

SHUGART 25 FEDERAL COM #1
DRILLING PLAN
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4. Casing Program

| <u>Hole Size</u> | <u>Interval</u> | <u>Casing OD</u> | <u>Weight, ppf</u> | <u>Grade</u> | <u>Type</u> |
|------------------|-------------------------------|------------------|--------------------|--------------|-------------|
| 17 1/2" | 0- 650 820' | 13 3/8" | 48# | H-40 | ST&C |
| 12 1/4" | 0-4550' | 8 5/8" | 32# | J-55 | LT&C |
| 7 7/8" | 0-12500'± | 5 1/2" | 17# | K-55 / N-80 | LT&C |

Cementing Program

| | |
|-----------------------------|--|
| 13 3/8" Surface Casing: | Cement to surface -- with 321 sx Poz:Class C with 6% Bentonite, 2% CaCl ₂ , 1/4 lb/sx Cello Flake + 250 sx Class C with 2% CaCl ₂ , 1/4 lb/sx Cello Flake. |
| 8 5/8" Intermediate Casing: | Cement to surface – with 1310 sx Poz:Class C with 6% Bentonite, 5% NaCl ₂ , 1/4 lb/sx Cello Flake + 504 sx Poz:Class C with 4% MPA-1, 5% NaCl ₂ , 1/4 lb/sx Cello Flake. |
| 5 1/2" Production Casing: | Cement to 6500' – Stage 1 with 426 sx Poz:Class C CSE with 2% KCl ₂ , 0.6% FL-25, 0.6% FL-52, 0.3% CD-32, 2 lbs/sx EC-1, 5 lbs/sx LCM-1, 1/4 lb/sx Cello Flake + 200 sx Class H with 3% KCl ₂ , 1% FL-25, 0.15% R-3. |

The cement volumes for the 5 1/2" casing will be revised pending the caliper measurement from the open hole logs.

5. Minimum Specifications for Pressure Control

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a (3M system) double ram type (3000 psi WP) preventer and a bag-type (Hydril) preventer (3000 psi WP). Both units will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and 4 1/2" drill pipe rams on bottom. Both BOP's will be installed on the 8 5/8" surface casing and utilized continuously until total depth is reached. As per BLM Drilling Operations Order #2, prior to drilling out the 8 5/8" casing shoe, the BOP's and Hydril will be function tested.