SANTA FE ENERGY COMPANY
OPERATIONS PLAN
Sterling Silver 34 Federal No. 1

1. Drill a 17 1/2" hole to 650'.

2. Run 13 3/8" 48.0 ppf H-40 casing. Cement with 500 sacks lite weight cement containing 3% salt and 1 lb./sack hi-seal followed by 400 sacks Class C containing 2% Calcium Chloride. Run Texas Pattern shoe on bottom and float collar one joint above shoe. Run centralizers on every other joint above shoe. Apply thread lock to bottom two joints, float collar, and guide shoe.

3. Wait on cement six hours.

4. Cut off casing. Nipple up and install BOP system.

5. Test casing to 600 psi after cement has attained 500 psi compressive strength.

6. Drill a 12 1/4" hole to 4350'.

7. Run 9 5/8" 40.0# K-55 casing. Cement with sufficient lite weight cement containing 5# salt per sack and 1# Hi-seal per sack followed by 640 sacks class C neat to circulate cement to surface. Centralize bottom 1000' of casing with one centralizer on every third joint above shoe. Run guide shoe on bottom and float collar two joints above shoe. Apply thread lock to bottom two joints, float collar, and shoe.

8. Wait on cement six hours.

9. Cut off 13 3/8" casing head. Install 9 5/8" casing head. Install BOP stack and choke manifold.

10. Test BOP stack and choke manifold to 5000 psi. Test casing to 1500 psi.

11. Drill 8 1/2" hole to first good lime section after topping wolfcamp. This is anticipated to be at 12000'±.

12. Run Logs.

13. Run 7" 29.0# N-80 casing. Cement with sufficient lite weight cement containing 0.75% fluid loss reducer 2#/sk hi-seal followed by 300 sacks class H with 1% fulid loss reducer to fill 8000'. Run guide shoe on bottom and float collar two joints above shoe. Centralize bottom 1000' with centralizers placed on every other joint above shoe.

14. Nipple down BOP. Set slips. Cut off casing. Nipple up BOP.

15. Test BOP and choke manifold to 5000 psi.