Operations Plan P. G. "4" Federal No. 1 Page 2

- 15. TOH for conventional fulcrum assembly consisting of: 8 3/4" 3-type insert bit w/extension sub, 8 3/4" near bit stabilizer, non-magnetic drill collars, one steel drill collar, string stabilizer, drill collars, 3-pt roller reamer, and drill pipe.
- 16. Drill with fulcrum assembly until maximum inclination has been achieved or a correction motor run is required.
- 17. Once maximum inclination and desired azimuth has been accomplished, a recommended lock-up assembly will be run to maintain trajectory.
- 18. A 30'-60' pendulum assembly will be utilized to start the trajectory down based on 1 deg/100' of drop.
- 19. With the wellbore at a TVD of 12,000'and near vertical, 7" intermediate casing will be run and cemented with a TOC at 8000'.
- 20. A 6 1/8" hole will be drilled vertically to a TVD of 15,000'. A 4 1/2" liner will be hung from the 7" intermediate casing and cemented in place.
- 21. Run logs.
- 22. Run 7" 26.0 ppf S-95 casing. Cement with sufficient lite weight cement containing 0.75% fluid loss reducer 2 pps hi-seal followed by 300 sacks Class "H" with 1% fluid loss reducer to fill 8,000'. Run guide shoe on bottom and float collar two joints above shoe. Centralize bottom 1000' with centralizers placed on every other joint above shoe.
- 23. Nipple down BOP. Set slips. Cut off casing. Nipple up BOP.
- 24. Test BOP and choke manifold to 5000 psi.
- 25. Test casing to 5000 psi.
- 26. Drill 6 1/8" hole to 15,000'.
- 27. Run logs.
- 28. Run 4-1/2" 13.5 ppf S-95 liner to extend from 11,400' to 15,000'. Cement with sufficient Class "H" cement containing 1.5% fluid loss to circulate liner. Run float collar two joints above float shoe.
- 29. Blowout preventer equipment will be pressure tested to 5000 psi upon initial installation, anytime equipment is worked on or changed, and every 30 days, whichever is sooner.