

Operation Plan
Quahada Ridge "31" Federal #1

Collins & Ware, Inc. proposes to drill a horizontal hole out of the existing productive Quahada Ridge "31" Federal #1 wellbore to a MD of 7065' or TVD of 6115'.

Below are the proposed operations expected:

1. Build location and reserve pits.
2. Move in well service unit and equipment.
3. Squeeze existing perms from 6104' to 6310'.
4. Cut and mill section in 5 1/2" casing from 6050' to 6100'.
5. Spot cement plug and dress off to the kick-off point of 6065'. Run short radius angle hole assembly and drill lateral portion of hole from 6065' to 7065' MD (6115' TVD), 1000', while maintaining a 90° inclination and an azimuth of 0°.
6. Horizontal wellbore will be completed open hole.
7. Garbage and trash produced will be disposed of into a wire mesh trailer and hauled to an approved disposal site.
8. Existing access roads will be maintained to allow easy access throughout drilling operations.
9. After drilling operations and completion efforts have ended, the well site area will be cleaned and reserve pits dried and covered per BLM requirements.