

Operations Plan

Sterling Silver 3 Federal No. 1

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16. Test casing to 5000 psi.
17. Drill 6" hole to 15250'.
18. Run logs.
19. Run 4 1/2" 13.5# S-95 liner to extend from 11500' to 15250'. Cement with sufficient Class H cement containing 1.5% fluid loss to circulate liner. Run float collar two joints above float shoe.
20. Blow out 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.
21. Blowout preventer equipment including both pipe ram preventers, blind ram preventer, and valves on choke manifold will be rated at 5000 psi working pressure or greater.

Exhibit A  
Santa Fe Energy Operating Partners, L.P.  
Sterling Silver 3 Federal No. 1  
Sec. 3, T-24S, R-31E  
Eddy County, New Mexico

MRB:dw-408b