Re-Entry

1. Location: South Hospah #10- 990' FNL & 2300' FWL
   Section 12, 17N, 9W

2. Geology: Point Lookout- 542', GL
   Mancos Shale: 660'
   Crevasse Canyon: 858'
   Upper Hospah Sand: 1560'
   Lower Hospah Sand: 1630'

3. Run in hole with mule shoe open ended and sit tubing at 1,875'. Pump 10 bbl. fresh water spacer then pump 22.5 cubic feet of cement with 2% CaCl. Flush with 12 bbl. fresh water. Pull up tubing to 1400' and flush with water to ensure tubing is open. Wait 4 hours then tag plug and POOH.

4. Rig up Wire-line and run in hole with 7" CIBP. Set at 1,620' POOH with Wire line. RIH with open tubing and mule shoe and tag plug. Pull up 10' and pump 10 bbl. fresh water spacer followed by 157 cubic feet of cement. Displace cement in tubing with 10 bbl. fresh water. Pull up tubing to 600' and flush with water to ensure tubing is open. Wait 4 hours then tag plug. Note top of plug depth and POOH.

5. Set RBP at 120 feet and pour 2 cubic feet of 10/20 sand on top. Open Braden head and pump in 5 cu feet of cement or until pressure increases or cement is seen coming from the Braden head. Flush lines and tubing and shut down. After 2 hours flush out cement in wellbore including sand on top of plug. Retrieve plug. Let sit for 12 hours then test to 500 psi for 30 mins

6. 2M BOP Diagram Attached: BOP will be tested to 500 psi for 30 minutes.

7. Mud Program: Polymer W Mud @ 8.5 ppg using a closed loop system. (Rig Schematic Attached).

8. Lateral Drilling Plan: Pick up 3.5" drill pipe and RIH and Set 7" Whip stock complete with mill and 2 water melon bits on top of cement plug'. Cut 6 1/4" Window in 7", 20# casing and at least 2 feet of formation. POOH. RIH with 6 1/8" PDC Bit, mud motors, monel and start lateral curve to EOB; 1811.10'& 1645' TVD and Lateral section as per plan to 2611.2 MD.
   (See Directional Survey Attached).

9. Clean hole and condition. Prepare to run Casing

10. Casing Program: 4.5", 10.5# J-55, LTC, liner set from Surface to 2611' MD EOB. Casing liner will be cemented from 2611'' to surface.

11. Cement Program: Premium Lite, 1% CC, with 50% Excess. Halliburton to calculate volumes

12. Pressures: Upper Hospah Sand-455# BHP, Lower Hospah Sand (Gallup), 529# BHP.

13. There will be no additional surface disturbance outside original location.

14. All cuttings will be disposed in above ground tank and hauled to certified disposal.