

CONFIDENTIAL

ANGLE BUILD SECTION

Angle will be built at approx. 17 degrees / 100' to 80 degrees. As planned the well will reach 80 degrees at approx. 6031' TVD.

- 1) Trip in hole with Angle Build assembly. At KOP - Run in hole with the steering tool on wireline (provided by the directional drilling company) - Latch tool into motor assembly and orient motor to kickoff azimuth of 45 degrees.
- 2) Establish air/mist circulation.
 - * Through the Angle build section - Surveys should be taken every 15' - 30' or as necessary to maintain tight control of inclination and minimize excessive doglegs.
- 3) Continue to build angle to 79.5 - 80.0 degrees (TVD should be approx. 6031').

ANGLE HOLD SECTION

Once angle has been built to approx. 80 degrees pick up Angle Hold assembly and drill approximately 1000' to 3600' of lateral hole.

- 1) Trip in hole with Angle Hold assembly - establish air / mist circulation.
- 2) Run in hole with steering tool - seat tool and orient motor to drill. Drill ahead to Total Depth - surveying as required to stay in zone.

COMPLETION OPERATIONS

The well will be completed by running 2 7/8" perforated tubing in the Tocito sand.

- 1) KILL WELL with KCL water (Fluid volume based on measured pressures on surface).
- 2) Run 600' - 1000' of perforated 2 7/8" tubing to total depth. Blank tubing to surface 2 7/8").
- 3) Unload hole with air/mist.
- 4) Rig down - Move off.