HORIZONTAL DRILLING PROCEDURE

Date: August [illegible], [illegible]

AFE No.: [illegible]

AFE Cost: Total - $[illegible] DHC - $[illegible]

NOC: WI - 100.0000 NRI - [illegible]

AFE Days: Drlg Days - 15 Compl Days - 10

Purpose: Drill horizontal well

Elevation: GL - [illegible] KB - [illegible] TD - [illegible] PBTD - [illegible]

Surface Casing: [illegible]" O.D., [illegible]#, [illegible]-55 set at [illegible],155'. Cement w/ [illegible] sx, circ. [illegible] sx to reserve.

Production Casing: [illegible]-1/2" O.D., [illegible]# & 17#, K-55 set at [illegible], DV tool at 4,[illegible]'. Cement 1st stage w/ [illegible] sx, circ. Cement 2nd stage w/ 1500 sx, circ. Circulated 150 sx off stage tool during the first stage, and circulated [illegible]5 sx to surface during the second stage.

Tubing: [illegible]24 jts. [illegible] 7/8" O.D., 6.5#, K-55 tubing, [illegible] 7/8" X [illegible]-1/2" TAC, [illegible] jts. [illegible] 7/8" O.D., 6.5#, K-55 tubing, blast jt., SN, perf sub, mud anchor w/ bullplug.

Rods/Pump: 7/8" and 1-1/4" rods on [illegible]-1/2" insert pump.

Perforations: [illegible]061-[illegible]067', [illegible]136-[illegible]', [illegible], [illegible], [illegible], [illegible]242-[illegible]255'

Estimated BHP: [illegible]00 psi

TARGET INFORMATION

KOP: [illegible],155' TVD EOC: [illegible],304.2' MD, [illegible],250' TVD Azimuth: Due North

Radius: [illegible]5' TD: [illegible] MD, [illegible] TVD

Safety:
- Hold daily safety meetings explaining the proposed procedure.
- H2S concentration - [illegible],000 PPM
- Keep TIW on rig floor for all pipe connections at all times.
- Use 10# Brine to kill well if necessary.

1. Lockout/tagout energy source. RDMO pumping unit. Prepare location as necessary for pulling unit. Test safety anchors to [illegible],000#, if necessary.

2. MIRU pulling unit. Fill well as necessary. Install rod stripper. Unseat pump and TOOH w/ rods, laying down. Install 7-1/16" [illegible]M dual ram hydraulic BOP (blind rams on bottom and [illegible]-7/8" pipe rams on top) with Torus annular. TOOH w/ tubing.

3. RU wireline company. Install and test lubricator. Make gage ring run [illegible]. Set top of [illegible]-1/2" CIBP [illegible] MD. RD wireline company.

4. TIH w/ [illegible] 7/8" O.D. tubing and packer to [illegible],154' MD. Test plug to 1000 psi. Release packer and hot water tubing to clean up paraffin. Circulate hole clean w/ fresh water. POOH and lay down packer. [illegible] cement retainer and TIH [illegible] 7000'. Set cement retainer and strip out. Sting back into cement retainer. RU Halliburton. Squeeze cement perforations with lead cement 100 sx Premium Cement w/ 0.5 HALAD-[illegible] and tail cement 100 sx Premium Cement w/ 1.0% CaCl-Anhy. Sting out of retainer and reverse circulate. TOOH w/ 2-7/8" O.D. tubing. RD Halliburton and WOC. P/U [illegible] 3-1/4" drill collars and 4-3/4" bit. TIH. Drill cement retainer and cement to [illegible],180'. POOH laying down.

5. RU wireline company. Install and test lubricator. Make gage ring run to [illegible]180'. Set top of 5-1/2" CIBP at 7155' MD. Rig down wireline company.

6. ND BOPE. NU 7-1/16" [illegible]M X 2-7/8" 8rd EUE adapter flange. Install 2-7/8" master valve. RDMO pulling unit.

7. Clean location. Build and line [illegible] X [illegible] X [illegible] sump pit. MIRU [illegible] unit package. NU 7-1/16" [illegible]M dual ram hydraulic BOP (with blind rams on bottom and [illegible]" pipe rams on top) and 7-1/16" [illegible]M annular. Test BOPE to [illegible] psi. with [illegible].

8. TIH w/ [illegible]" window mill, [illegible] watermelon mill and [illegible], picking up [illegible]" O.D., [illegible]#, [illegible], [illegible] drillpipe to [illegible] MD. Set [illegible] CIBP at [illegible] MD. [illegible] tally and TOOH.

9. [illegible]-1/2" Baker whipstock assembly, starting mill, and orientation sub. TIH w/