

SWEPI LP

9 Point Drilling Plan

Morapos Creek 1-10

Section 10, Township 3 North, Range 91 West, 6th P.M.

Moffat County, Colorado

1. Estimated Formation Tops

Formation	Vertical	
	True Vertical Depth (ft)	Measured Depth (ft)
Mancos	Not Expected	Not Expected
Morapos	Not Expected	Not Expected
Niobrara/ Base Mancos	1571	1571
Niobrara/Buck Peak	1671	1671
Niobrara/ Tow Creek	1971	1971
Niobrara/ Wolf Mountain	2216	2216
Base/Main Bench	2356	2356
Carlile	3006	3006
Frontier	3221	3221
Graneros	3321	3321
Mowry	3541	3541
Dakota	3712	3712

* See attached directional plan

2. Estimated depths of anticipated water, oil, gas bearing formations

Substance	Formation	Vertical	
		Vertical Depth (ft)	Measured Depth (ft)
Water	Morapos	Not Expected	Not Expected
Oil/Gas	Niobrara	1571	1571

All shows of fresh water and raw minerals will be reported and protected.

3. Blow Out Prevention Equipment

Pore pressure, based on data from offset wells, is anticipated to be 0.34 psi/ft. Using a partially evacuated hole with a gradient of 0.22 psi/ft, the maximum anticipated surface pressure at deepest drilled TVD is therefore:

$$3800 \text{ ft TVD} \times (.34 \text{ psi/ft} - .22 \text{ psi/ft}) = 456 \text{ psi}$$

A 2000 psi or greater, working pressure BOP system will be installed and maintained after the 10-3/4" surface casing is set and cemented.

The well control equipment above the 2000 psig minimum rated drilling flange is as follows:

- a. An 11" 2000 psi or greater drilling spool with (2) side outlets (Choke side 3" & kill side 2")
- b. An 11" 2000 psi or greater double preventer with blind and pipe rams
- c. An 11" 750 psi Static/ 600 psi dynamic rated rotating drilling head

The choke and kill systems coming off the drilling spool are as follows:

- a. A 3" choke line with (1) valve connected to a manifold with (2) adjustable chokes and pressure gauge
- b. A 2" kill line with one manual valve and one check valve

Auxiliary Equipment:

- a. A hydraulically actuated upper Kelly valve
- b. A float valve will be used in the drill string above the bit
- c. A stabbing valve will be on the floor at all times

The BOP and casing will be pressure tested to a minimum standard set forth in "On Shore Order # 2". The BOP will be mechanically checked daily during the drilling operation.

BOP tests with 200 psi minimum and 2000 psi maximum, except the rotating head, will be conducted on the following occasions:

- a. After initial installation
- b. After any component change
- c. Twenty one days after previous test if applicable
- d. As required by well condition

4. Casing Program

All casing will be new, range 3 casing.

Surface and intermediate casing will be cemented to provide zonal isolation. Production casing will then be run as a slotted liner only, with no cementing.

Hole Section	Hole size	Csg Top	Depth TVD	Depth MD	Pipe Size	Pipe weight lb/ft	Pipe Grade	Threads
Surface	13-1/2"	0'	800'	800'	10-3/4"	40.5 lb/ft	J-55	ST&C
Intermediate	9-7/8"	0'	1671'	1671'	7-5/8"	29 lb/ft	P-110	LT&C
Production	6-3/4"	1471'	3800'	3800'	5-1/2"	17 lb/ft	N-80	H-511/STL

10-3/4" 40.5 lb/ft casing: Burst 3,140 psi / Collapse: 1,580 psi

7-5/8" 29 lb/ft casing: Burst 9,468 psi / Collapse: 5,350 psi

5-1/2" 17 lb/ft casing: Burst 7,740 psi / Collapse: 6,280 psi

5. Cement Program

The following is the proposed cementing program for the well design with an intermediate casing string set at 1671' MD and un-cemented liner from 1471' to 3800' MD.

String Type	DV Depth	Stage Lead/Tail	Cement Bottom	Cement Top	No Sacks	Cement Type	Cement Yield Cu. Ft/sk	Cement Weight PPG	% Excess
Cond.		Redi Mix to surface							
Surface 13-1/2"	NA	Lead	500	Surface	254	Class G/Poz	1.42	14.5	100
		Tail	800	500	185	Class G	1.17	15.8	100
Intermed. 9-7/8"	NA	Lead	1671	871	96	LiteCRETE	2.4	9.5	35

Actual cement slurries/volumes may be adjusted/alterd based on actual mud weights, hole caliper results, and hole conditions.

The cement will be allowed to cure up the point where the compressive strength is 500 psi or greater before drilling out the shoe. Wait on cement time will be recorded on the daily report.

6. Drilling Fluids Program

Interval	Mud Type	Density (ppg)	Viscosity (cp)	Fluid Loss (cc)	Remarks
Surface/Intermediate	Spud	8.4 – 9.0	40 - 60	NC	Fresh water with gel & lime or Air
Production	N2 +OBM** or Aerated Brine	2.0- 8.5	3– 20	NC	Aerated OBM or Aerated Brine

** As a contingency a water-based or oil based foam may be used

7. Formation Evaluation Program

- a. Mud logging samples will be gathered and analyzed at regular intervals in surface, intermediate, and production hole sections.
- b. GR and resistivity data will be gathered using a combination of LWD, open hole and casing hole logs. Additionally, the following logs may be obtained:
 - i. Production:
 1. OH Quad-Combo (GR-RES-DEN-NEU-DTC) or OH Triple-Combo (RES-DEN-NEU)+ Spectral GR (NGT) + Elemental (ECS)
 2. OH SonicScanner + Imager (OBMI)
 3. CH Pulsed Neutron (Sigma)
 4. Pressure / Temperature Gauge

8. Abnormal Conditions

- a. The maximum expected bottom hole pressure is 1292 psi. (0.34 psi/ ft x 3800' TVD)
- b. The maximum bottom hole temperature is 129 degrees F
- c. No hydrogen sulfide gas is expected
- d. When drilling under-pressured naturally fractured reservoirs the potential lost circulation is present providing that the effective circulating density is greater than the pore pressure. However, this potential has been eliminated by the utilization of an air/mist drilling fluid system.

9. Other Facets regarding the drilling plan

Casing across the Niobrara objective interval will be pre-slotted or pre-perforated. As a contingency, if drilling with casing is used, production casing will be perforated once landed in the well.

Artificial lift will consist of a sucker rod and pump jack system. The tubing will be run and anchored above the producing interval. The sucker rods will be run with the pump set near the end of the tubing. All tubing and sucker rod equipment will be run with a BOP package and a kill weight completion fluid system. The well will be initially swabbed for fluid clean up and flow testing.

Anticipated Starting Dates: Mid 2013

Construction: September 1, 2013

Anticipated commencement of drilling date: April 1, 2014

Drilling Days: Approximately 18 days

Completion Days: Approximately 15 days

Morapos Creek 1-10

Proposed Schematic

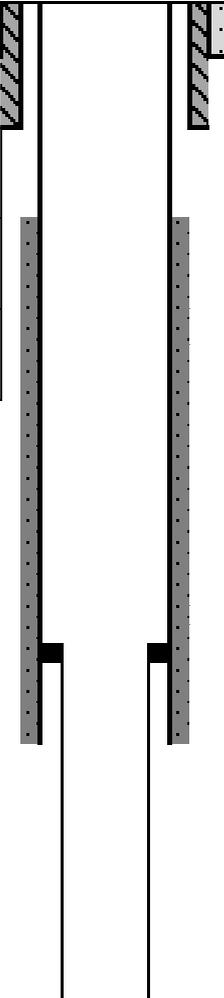
6-Mar-13

Field: WFU	AFE / Network #: 0	LAT: 40° 14' 52.040 N
County: Moffat	Shell Working Interest: 100%	LONG: 107° 35' 55.020 W
Township: Sec: 10, Twp: 3N, Rng: 91W	AFE Drilling Cost: \$0	Ground Elevation: 7330.6 ft (surveyed)
Rig: TBD	Plan Days: 0	RKB to Ground: 0 ft
Permit API: 0		RKB Elevation: 7330.6 ft

Objectives: Drill Surface and Intermediate into top of Niobrara
 Drill vertical production hole
 Drill to total MD without losses

30" Hole drilled to	90'
20" pipe (0.25") set @	90'
Cement to surface	
Surface	
13-1/2" Hole drilled to	800
10-3/4" 40.5# J-55 STC @	800
Cement to surface	
Intermediate	
9-7/8" Hole drilled to	1671
7-5/8" 29.7# P-110 LTC @	1671
Top of cement 871' MD	
Production	
6-3/4" Hole drilled to	3800
5-1/2" 17# N-80 H-511 @	3800

NOTES	Casing
Notify COGCC according to NW Notifications Test BOPs to 2000 psi Test 10-3/4" csg to 1500 psi for 30 min Test 7-5/8" csg to 1500 psi for 30 min	Surface: 10 3/4" 40.5# J-55 R3 ST&C 0-800 ft Intermediate: 7 5/8" 29.7# P-110 R3 LT&C 0-1671 ft Production: 5 1/2" 17# N-80 R3 H511 / SLT 1471-3800 ft MD
	DRILLING FLUIDS
	Surface: Clear Gyp Water Hi-Vis Sweeps as needed Intermediate: Clear Gyp Water + Air Begin with 350 SCFM + 350 GPM Watch Cuttings return to gauge cleaning Production: Aerated OBM Follow WFT Program use PWD to watch BHP. Consult Engineer as needed.



TOE AT = 3800' TVD / = 3800' MD