



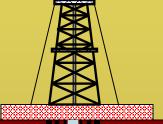
Operational Comparison **Between the** Gardes Energy **Services**

Up- Stock



And the Standard

Whipstock



Up-Stock Operational Sequence

Operation	Туре	Time	Cost
Drill Main Bore, Case	w/ Cor	nposite Casing	& Cement
Run & Set Up-Stock	NPT	12 hrs	\$38k *
Drill Lower Coal Sean	n PT	48 hrs	\$50k

Surface Casing

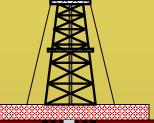
Carrier String With Up stock on bottom

Upper Coal Seam

Lower Coal Seam

* Cost of Up-Stock = \$25k

Gardes Energy Services



Un-Stock Operational Sequence

Operation	Туре	Time	Cost	Energy Services
Drill Main Bore, Case w/	Compo	site Casing &	Cement	
Run & Set Up-Stock	NPT	12 hrs	\$38k	
Drill Lower Coal Seam	РТ	48 hrs	\$50k	
Pull/Reset Up-Stock & KC) NPT	10 hrs	\$10k	
Drill Upper Coal Seam	РТ	48 hrs	\$50k	

Surface Casing

Carrier String With Up stock on bottom

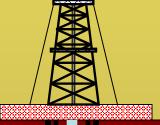
Total Up-Stock Operation Non-Productive Time = 22 hrs At a Cost of \$22,900 (Dayrate = \$25k)

Upper Coal Seam

Lower Coal Seam

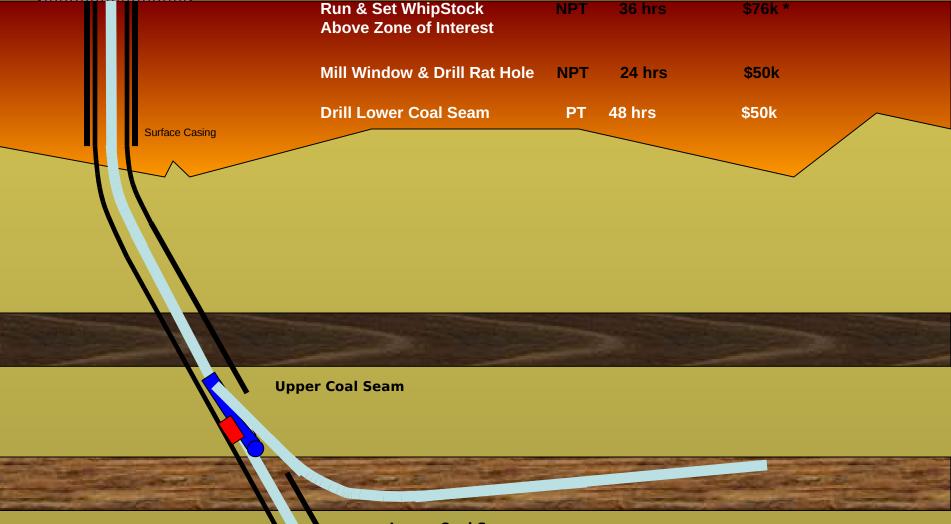
* Cost of Up-Stock = \$25k

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Whipstock Operational Sequence

<u>Operation</u>	Type Days	Cost	Energy
Drill Main Bore,	Case and Cement		Services
In & Set WhipStock	NPT 36 hrs	\$76k *	



Lower Coal Seam

* Cost of Whipstock = \$38k

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Whipstock Operational Sequence

Operation Type Days
Drill Main Bore, Case and Cement



Cost

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		Run & Set WhipStock Above Zone of Interest	NPT	36 hrs	\$76k*
		Mill Window & Drill Rat Hole	NPT	24 hrs	\$25k
	Surface Casing	Drill Lower Coal Seam	PT	48 hrs	\$50k
		Retrieve & Change Out Whipstock	NPT	40 hrs	\$80k*
		Run & Set Whipstock Above Zone of Interest	NPT	36 hrs	\$38k
		Mill Window & Drill Rat Hole	NPT	24 hrs	\$25k
		Drill Upper Coal Seam	РТ	48 hrs	\$50k

Upper Coal Seam Total Whipstock Operation Non-Productive Time = 160 hrs At a Cost of \$ 168,000 (Dayrate = \$25k)

Lower Coal Seam

* Cost of Whipstock = \$38k

At a Cost of \$22,900 (Dayrate = \$25k)



STANDARD WHIPSTOCK

At a Cost of \$ 168,000 (Dayrate = \$25k)



Operation	Туре	Time	Cost	<u>Operation</u>	Туре	Time	Cost
Drill Main Bore, Case w	Compos	ite Casing &	Cement	Drill Main Bore, Case	and Cem	ent	
Run & Set Up-Stock	NPT	12 hrs	\$38k				
Drill Lower Coal Seam	РТ	48 hrs	\$50k	Run & Set WhipStock Above Zone of Interest	NPT	36 hrs	\$76k*
Pull/Reset Up-Stock & K	O NPT	10 hrs	\$10k	Mill Window & Drill Rat Hole		24 hrs	\$25k
Drill Upper Coal Seam	PT	48 hrs	\$50k	Drill Lower Coal Seam	РТ	48 hrs	\$50k
				Retrieve & Change Out Whipstoo	k NPT	40 hrs	\$80k*
				Run & Set Whipstock Above Zone of Interest	NPT	36 hrs	\$38k
				Mill Window & Drill Rat Hole	NPT	24 hrs	\$25k
				Drill Upper Coal Seam	PT	48 hrs	\$50k
Total <u>Up-Stoc</u> Productive	—		on-	Total <u>Whipstock</u> Ope Time = 160 hrs	ration	Non-Pro	oductive

NPT Savings By Using UP-Stock = 138 hours at a Cost of \$141,500 Equipment Cost Savings By Using Up-Stock = \$69,000







TOTAL POTENTIAL SAVINGS BY USING GARDES ENERGY'S UP-STOCK VERSUS THE STANDARD WHIPSTOCK ON A TWO SEAM PROJECT IS:

\$210,500

Equipment Cost Savings By Using Up-Stock = \$69,000

NPT Savings By Using UP-Stock = 138 hours at a Cost of \$141,500



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Gardes Energy UP-STOCK



Operational

Advantages of Up-stock

 The Up-stock Allows for the Quick Separation of the Wellbore from the Casing during Kickoff





Operational

Advantages of Up-stock

• The Ability to set the Up-Stock in the Zone of interest and Kick off quickly also minimizes the fluid head that must be overcome during production.

> There is no fluid head to contend with In using the Gardes Energy system since the produced water drains into the main bore below the lateral.



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Gardes Energy UP-STOCK



Operational Disadvantages of Whipstock

• The Whipstock does not allow for the Quick Separation of the Wellbore from the Casing during Kickoff





Operational Disadvantages of Whipstock

• Having to set the Whipstock above the Zone of interest and the slow Kick off Increases the fluid head that must be overcome during production.

130 psi is required to Raise Fluid over a 300 Radius for a Medium Radius Wellbore Caused by the Slow Kick off.





Thank You For More Information Contact Gardes Energy Services, Inc. at:

(337) 234-6544

or visit our web site at:

www.Gardesenergy.com