

8. Logging, Testing and Coring Program:

- A. Drillstem tests will be based on geological sample shows.
- B. The open hole electrical logging program will be:

Total Depth to Intermediate Casing - Dual
Laterolog-Micro Laterolog with Sp and Gamma Ray.
Compensated Neutron - Z-Density Log with Gamma Ray
and Caliper.

Total Depth to Surface - Compensated Neutron with
Gamma Ray.

- C. No coring program is planned.
- D. Additional testing will be initiated subsequent to setting the 5-1/2" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.

9. Abnormal Pressures, Temperatures and Potential Hazards:

No abnormal pressures or temperatures are foreseen. The anticipated bottom hole temperature at total depth is 125 degrees and maximum bottom hole pressure is 2900 psig. No Hydrogen Sulfide gas has been reported or is known to exist at these depths in this area. No major loss circulation intervals have been encountered in adjacent wells.

10. Anticipated Starting Date and Duration of Operations:

Notice of Staking (NOS) was sent to the Carlsbad, New Mexico BLM office on July 17, 1992. A Cultural Resources Examination has been completed by New Mexico Archaeological Services, Inc. and a copy forwarded to the Carlsbad, New Mexico BLM office.

Road and location preparation will not be undertaken until approval has been received from the BLM. The anticipated spud date is approximately September 30, 1992. The drilling operation should require approximately 20 days. If the well is deemed productive, completion operations will require, at minimum, an additional 30 days of testing to ascertain whether permanent production facilities will be constructed.