

DRILLING PLAN

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STATE E COM #1E

NE NE Section 16-29N-10W

San Juan County, New Mexico

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL: A schematic design of the blow out preventor is attached. This equipment will be 5000 psi working pressure. The BOP's will be hydraulically tested to API specifications after nipping up and after any use under pressure. Pipe rams will be operationally checked each 24 hour period as will blind rams and annular preventer each time pipe is pulled out of hole. Such checks of BOP will be noted on daily drilling reports.

6. TYPE AND CHARACTERISTIC OF PROPOSED DRILLING FLUIDS:

<u>Depth</u>	<u>Type</u>	<u>Weight #/gal</u>	<u>Visc sec/qt</u>	<u>Fluid loss cc</u>
0 - 400'	Gel and lime - spud mud			
400' - 3000'	Benex clean water system - use lime if required to flocculate native solids			
3000' - T.D.	Low solids, 9.1#/gal non-dispersal mud, vis 35-40 sec			

7. AUXILIARY EQUIPMENT:

A kelly cock will be kept in the string

A float will not be used at the bit

A stabbing valve will be on the floor to be stabbed into the drill pipe when kelly is not in the string

8. TESTING, LOGGING AND CORING PROGRAMS:

At this time no drill stem tests or cores are planned. However, hole conditions and information obtained while drilling may alter these plans.

The logging program will consist of DIL-IES & CNL-FDC in the open hole. CBL w/var density & GR-correlation w/collar locator in the cased hole.

9. ANTICIPATED ABNORMAL TEMPERATURES, PRESSURES OR HAZARDS: There are no abnormal pressures, temperatures or potential hazards in the area. The maximum anticipated pressure is 2750 psi. Weight material will be maintained on location at all times.