LOBO PRODUCTION

#1 Mesa-Twin Mounds-30 Unit D, Sec. 30, T30N, R14W San Juan County, New Mexico

OPERATION PLAN

I. Location: Section 30, Township 30 North, Range 14 West

Field: Basin Dakota

Elevation: 5492 Gr

II. Geology:

A. Formation Tops:

Formation	Estimated Tops Depth	Content
Fruitland	385	Water & Gas
Picture Cliffs	893	Water & Gas
Cliff House	191 5	Water
Point Lookout	3445	Water
Mancos	3791	Water
Gallup	4699	Oil & Gas
Greenhorn	5475	Gas
Graneros—Dakota	5538	Gas

B. Logging Program: FDC - CNL & DIL or equivalent

C. Coring Program: None

III. Drilling:

A. Mud Program: Low Solids, mud surface to TD

IV. Materials:

A. Casing Program:

Hole size	Depth	Casing size	Wt/Ft
124	200'	8 5/8	J55 - 23#
7 7/8	6000'	4½	K55 - 10.5#

B. Tubing: If commercial, 2 3/8", 4.7# EVE tubing will be utilized for completion string.

C. Well Head Equipment: A 10", 900 Series Hydraulic Double Ram BOP

which will be tested to 500 PSIG after setting of surface casing will be used to accompdate 8.5/8" casing and the $4\frac{1}{2}$ " casing strings.

(see diagram #1)

V. Cementing: Will drill $12\frac{1}{4}$ " hole to 200 ft. and set 200 feet of 8 5/8" J55-23# used casing with 175 sacks cement. Will drill 7 7/8" hole to 6,000' and run open hole logs. If appears productive