

Texakoma Oil & Gas Corporation

La Plata 8 #2

1820' FSL 2205' FWL 8-T31N-13W

Lease No. NM-86494

San Juan County, New Mexico

1. THE GEOLOGICAL surface formation is: NACIMIENTO.
2. THE ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Kirtland	500'
Fruitland Coal	1640'
Pictured Cliffs	1700'
Total Depth	2400'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

<u>SUBSTANCE</u>	<u>FORMATION</u>	<u>ANTICIPATED DEPTH</u>
GAS	Fruitland Coal	1640'

4. THE PROPOSED CASING PROGRAM WILL BE AS FOLLOWS:

<u>DEPTH</u>	<u>HOLE SIZE</u>	<u>O.D.</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>TYPE</u>	<u>NEW/USED</u>
0-120'	12-1/4"	8-5/8"	324	J-55	ST&C	NEW
0-TD	7-7/8"	5-1/2"	15.5	J-55	ST&C	NEW

PROPOSED CEMENT PROGRAM: To effectively isolate and seal off all water, oil, gas and coal-bearing strata encountered by the utilization of spacers, centralizers and swirling centralizers at the base of the Ojo Alamo formation as specified by NTL-FRA 90-1 III.B and API standards; and by using cement volumes as follows: (Exact volumes to be determined from logs.)

SURFACE: 119 Cu Ft (100 Sx) Class B w/1/4# Flocele/Sx plus 2% CaCl.

PRODUCTION: 384 Cu Ft (210 sx) Light standard cement w/2% CaCl + 0.25 pps/sx Flocele mixed to 12.4 ppg followed by 118 Cu Ft (100 sx) Standard w/0.6% Halad-322 mixed to 15.6 ppg w/50% excess in both slurries. Grand Totals: 1649 Cu Ft (1030 Sx).

5. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Exhibit E is a schematic of the blowout preventer used by a local contractor for other wells in the area. The BOPs are to be test-operated before drilling out from under the surface casing, and operation checks will be made daily thereafter and recorded in the Daily Drilling Report. Accessories to BOP will include floor safety valve and choke manifold with pressure rating equivalent to the BOP stack.