

DRILLING PROGRAM

Attached to Form 3160-3

Paloma Resources, Inc.

Morgan Federal #1

1980 FWL & 990 FNL. Sec. 6-T10s-R30e

Chaves County, NM

Lease # NM-96851

1). Geologic Name of Surface Formation Is:
Quaternary Alluvium

2). Estimated Tops of important Geologic Markers:

Quaternary Alluvium	Surface
Yates	1400'
San Andres	2640'
Yeso	4010'
Abo	6338'
Wolfcamp	7168'
Canyon	8320'
Atoka	9205'
Mississippian	9575'



3). Existing Casing Program:

<u>Hole Size</u>	<u>Depth</u>	<u>Casing OD</u>	<u>Casing wt. grade</u>	<u>Cement</u>
20"	40'	16"	Conductor pipe	redi mix
12-1/4"	1,516'	9-5/8"	40#	1150 sxs
7-7/8"	10,000'	5-1/2"	17# k-55, L-80	1940 sxs

TOC 2000' by temp. Survey

4). Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) will consist of a double ram type (3000# WP) preventer. The unit will be hydraulically operated and the ram type preventer will be equipped with pipe rams on top and blind rams on bottom. The BOP will be nipped up on the 5-1/2" casing and used continuously until work is completed. BOP and accessory equipment will be tested to 1500# before drilling out any cement plugs. Pipe rams will be operated daily and blind rams operated on every trip. A 2" kill line and 2" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor safety valve all rated @ 3000#.