DRILLING PROGRAM

FOR NAVAJO REFINING COMPANY'S PROPOSED WDW-2 1980' FNL, 660' FWL of 12-T18S-R27E Eddy County, New Mexico

- 1. Obtain all permits and approvals for the reentry, testing and completion of a currently existing well. Construct the lined reserve pits, dig out the cellar, and install a mousehole and rathole.
- 2. Move in and rig up a workover unit. Remove the pumping equipment and pull the tubing out of the well after tagging the plugged-back total depth (PBTD).
- 3. Squeeze the perforations from 1446 feet to 1462 feet with 100 sacks of Class "H" cement. Allow the cement to cure.
- 4. Drill out the cement to PBTD, circulate the well clean, and pressure test the squeezed perforations at 500 psig for 30 minutes.

Drilling Fluid

- a. Freshwater-based gel chemical fluid.
- b. Density range: 8.6 ppg to 9.5 ppg. Requirement for weighting material is not anticipated.
- c. Viscosity range: 35 sec/qt to 45 sec/qt.
- d. Pit volumes to be monitored visually.
- 5. Conduct a CBL/VDL survey from 1912 feet to the surface. Submit the results of the pressure test and CBL/VDL survey to the OCD and the BLM for their review and approval prior to mobilizing the drilling rig.
- 6. After receiving approval from the OCD and the BLM to continue the reentry, prepare the location for the selected drilling rig.
- 7. Move in and rig up the rotary drilling rig and install the blowout preventers (BOPs).



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