

Note: - Type & Quantity of Weight Material - Weight material will consist of brine water & soda ash. A maximum weight of 10.5#/gal will be possible with this system. This weight material will not be stored on location but will be trucked to location as needed. Brine water is available on Highway 139 or from Champion Chemicals in Carlsbad, New Mexico. The soda ash is stored in Hobbs, New Mexico (approximately 40 miles away).

12. Testing, Logging & Coring Program:

Testing - DSTs will be essentially conducted as the well is drilled as determined by Mud Logger Gas Shows. Additional DSTs will be conducted after T D is reached and the well is logged. Two, or possibly three DSTs are planned.

Coring - No coring is planned.

Logging - (Mud) - A Mud Logger will be used from possibly 1300' to T D.

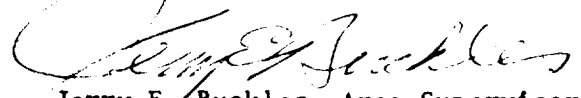
Logging - (Wireline) - Dual Laterolog-Micro SFL, Compensated Neutron-Formation Density.

13. Potential Hazards - No abnormal pressures are expected. With a Mud weight of 8.5#/gal to 10.0#/gal it is anticipated that if abnormal pressure is encountered, we can withstand the gas kick, circulate the gas out of the hole and increase our mud weight prior to resumption of normal drilling operations.

14. Anticipated Starting Date & Duration - Construction of drill site pad is planned for Nov. 14, 1981. The spud date will be approximately Dec. 1, 1981. Approximately forty days will be required to complete drilling operations. Ten additional days should be allowed for completion work.

15. Other Facets - None.

Yours very truly,


Jerry E. Buckles, Area Supervisor
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JEB/rk