Page 6 8-Point Drilling Plan Avalon 1 Federal #4

3. MINIMUM SPECS FOR PRESSURE CONTROL (CONTINUED):

- f. Tripping procedures for well control:
- i. For the 12-1/4" intermediate hole:

A mud weight of 8.4 PPG to 9.5 PPG is anticipated at a depth of 2360'. The well will be drilled by a triple-derrick rig (92' avg. length per stand). The well will be monitored each 5 stands to insure that the BHA is not swabbing the well in. The well will be filled after each 20 stands of drill pipe, 3 stands of 7" drill collars, and as each stand of large outside diameter drill collars (8" O.D. or larger) are pulled from the hole. Pits will be monitored in order to insure that the well is taking fluid on trips if the well will stand full of fluid. In the event that the bit is plugged on a trip the well will be filled after each 7 stands of drill pipe are pulled from the well and as each stand of drill collars are pulled from the well. Swabbing will be checked each 3 stands.

ii. For the 8-3/4" production hole: The anticipated maximum bottom-hole formation pressures are: 1500 PSIG @ 2472' TVD: 2472' MD: Cherry Canyon/Delaware Fm 1700 PSIG @ 3752' TVD: 3796' Brushy Canyon/Delaware Fm MD: TVD: 9873' 3900 PSIG @ 9528' MD: Cisco Fm. Canyon Fm. 4100 PSIG @ 9658' TVD: 10003' MD: Strawn Fm. 5200 PSIG @ 9838' TVD: 10183' MD: 5100 PSIG @ 10068' TVD: 10413' MD: Atoka Fm. 4700 PSIG @ 10708' TVD: 11053' MD: Morrow Fm. The anticipated mud weight in this Production Hole Interval is 8.4 to 10.2 PPG. A mud weight sufficient to provide a 200 psig overbalance against drilled formations will be maintained in the well. The well will be drilled by a triple-derrick rig (92' avg. length per stand). The well will be monitored each 5 stands on trips to insure that the BHA is not swabbing the well in. The well will be filled after each 14 stands of drill pipe and as each stand of drill collars are pulled from the hole. Pits will be monitored in order to insure that the well is taking fluid on the trip. In the event that the bit is plugged on a trip the well will be filled after each 5 stands of drill pipe are pulled from the well and as each stand of drill collars are pulled from the well. Swabbing will be checked each 3 stands.

q. Procedures for running production casing:

Prior to running production casing the hole will be filled. The Blind Rams will be closed and the well will be monitored for flow while a set 5-1/2" Casing Rams will be installed in the BOP to replace the Pipe Rams. Casing will then be run and cemented. The BOPE will remain nippled up UNTIL the well is cemented.