

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout the Delaware, Bone Spring & Wolfcamp sections. The Atoka Bank may be abnormally pressured with expected BHP of 9250 psi (max) or an equivalent mud weight of 13.8 ppg. The Morrow expected BHP is 7800 (max) or an equivalent mud weight of 10.5 ppg @ TD. Due to the tight nature of the reservoir rock (high pressure, low volume), the well will be drilled under balanced utilizing a rotating head. The expected BHT at TD is 230°F. No H₂S is anticipated.

POINT 8: OTHER PERTINENT INFORMATION**A) Auxiliary Equipment**

Upper and lower kelly cocks. Full opening stab in valve on the rig floor.

B) Anticipated Starting Date

Upon approval

90 days drilling operations

25 days completion operations

5-10-01

Date

WRD/JCW:tlw

William R. Dannels
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