DRILLING PROGRAM

SDX Resources, Inc.
Meyers B Federal #1
2310' FSL & 1250 FEL
Unit I Sec. 22, T24S, R36E
Lea County, New Mexico

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Important Geologic Markers:

Top of Salt	1200'
Base of Salt	2200'
Yates	2900'
7 Rivers	3550'
Queen	3900'
Grayburg	4300'

3. Estimated Depth of Anticipated Fresh Water, Oil or Gas:

Water Sands	200'-250'	Fresh H2O
7-Rivers	3700'	Oil & Gas
Queen	4000'	Oil & Gas
Grayburg	4400'	Oil & Gas

Fresh water sands will be protected by running 8 5/8" casing to a minimum depth of 350' and circulating cement. All other zones will be isolated by running 5 1/2" production casing and circulating cement.

4. Casing Program:

Hole Size	Interval	OD csg	Weight Grade Jt Cond Type
12 1/4"	0-350'	8 5/8"	24#, J-55, New
7 7/8	O-TD	5 1/2"	14#-15.50#, J-55, Used

Cement Program:

8 5/8" surface casing:	Cemented to surface with 250 sx of Class C with 2% CaCl and 1/4 #/sx Flocele and 100 sx of Class "C" with CaCl.
5 1/2" production casing:	Cemented with 300 sx of 50/50 Class "C" POZ with 6# salt/sx and 6% Halad 322 and 400 sx of Lite "C" with 3# salt/sx and 1/4#/sx flocele. This should circulate cement to the surface.

5. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a bag-type (hydril) preventer (2000 psi WP). Unit will be hydraulically operated. BOP will be nippled up on the 8 5/8" surface csg and used continuously until TD is reached. BOP and accessory equipment will be tested to 1000 psi before drilling out of surface casing. A 2" kill line and a 2" choke line will be included in the drilling spool. Other accessories to the BOP equipment will include a kelly cock.

6. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with a combination of fresh water and brine water mud system. The applicable depth and properties of this system are as follows:

Depth	Type	Weight (ppg)	Viscosity (sec)	Waterloss (cc)
0-350	Fresh water (spud)	8.5	40-45	N/C
350-TD	Brine water, SWG, Starch	10.0	30	24