

DRILLING PROGRAM

Federal-Newkumet #68860  
NW/NW, Sec. 25, T11S, R27E  
Chaves County, New Mexico



1. ESTIMATED FORMATION TOPS

| <u>FORMATION</u>    | <u>DEPTH</u> |
|---------------------|--------------|
| Queen               | 900'         |
| San Andres          | 1,450'       |
| San Andres Porosity | 2,030'       |
| Glorietta           | 2,750'       |
| Tubb                | 4,120'       |
| Abo                 | 4,950'       |
| Wolfcamp            | 5,700'       |
| Mississippian       | 6,580'       |
| Devonian            | 6,740'       |
| T.D.                | 6,850'       |

2. ESTIMATED DEPTH OF WATER, OIL, GAS OR MINERALS

Gas & Oil: Gas and oil are expected in the Devonian Formations.

Water: Ground water is anticipated to approximately 500'. Some brackish water sands could possibly exist below this level, however the hydrostatic head of the drilling fluid will safely contain these waters within their formations.

3. PRESSURE CONTROL EQUIPMENT

- A. Refer to Diagram A.
- B. Minimum pressure ratings on any and all B.O.P. or related control equipment will be 3,000 psi.
- C. B.O.P. stack will be pressure tested to working pressure of B.O.P. or 70% yield on surface pipe prior to drilling out of surface casing. The stack will then be checked on each trip to insure workability.
- D. Hydraulic B.O.P. controls will be located on the accumulator and rig floor. Manual controls will be located on the B.O.P.