HUSKY OIL COMPANY HUSKY FEDERAL #12 Eddy County, New Mexico

TEN-POINT PROGRAM TO ACCOMPANY FORM 9-331C

1. Surface Formation: Surface sands, gypsum, dolomite

2. Important Geological Formations:

650 Queen Grayburg 1000 San Andres 1425 2725 Glorieta 4090 Tubb Abo 4830 6825 Bursum 7890 Strawn 8285 (-4770) Atoka Morrow 8360 8550 Mississippian

- 3. Gas is expected in the Atoka @ 8285' and in the Grayburg @ 1000'.
- 4. Casing Program:

13-3/8", 48# per ft., K-55 ST&C new casing to apprx. 300'; 8-5/8", 24# per ft., K-55, LT&C to apprx. 1500'; 5-1/2" 40.5# & 11.6# per ft., K-55 & N-80, LT&C to apprx. 8600'. *15.5* (7)

5. Pressure Control:

13-3/8" X 12" nominal 3000 psi slip-on and weld, flanged casing head for drilling below surface casing.

12", 900 Series, 3000# W.P. Dual Ram Hydraulic Blowout Preventers for drilling below surface casing. All choke lines, choke manifold, valves, fitting, etc. will have a minimum pressure rating of 3000 PSI.

A 3000⊕ W.P. Hydril will be added before drilling below 8-5/8" casing.

All BOP equipment will be pressure tested to a minimum of 100% of rated working pressure or 70% of internal yield (whichever is less) prior to drilling out the surface casing shoe.

6. Mud Program:

0 - 300': Mud at company discretion to maintain good hole