

**MEWBOURNE OIL COMPANY**  
Vandagriff "26" Federal #1  
2140' FWL & 1667' FNL  
Section 26 - T16S - R28E  
Eddy County, New Mexico  
Lease No.: NM-83066

1. The estimated tops of geologic markers are as follows:

Yates	535'
Queen	1,270'
Penrose	1,450'
Grayburg	1,680'

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Approximately 100'
Oil or Gas:	All potential zones

3. **Pressure Control Equipment:** BOPE will be installed on the 8 5/8" surface casing and rated for 2,000# psi working pressure. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until drilling operations are completed. Preventors will be inspected and pipe rams operated at least daily to insure good mechanical working order; this inspection will be recorded on the daily drilling report. (See Exhibit #2, 2A, and attachment.)

**Auxiliary Equipment:**

- A. Kelly cock and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times when kelly is not in use.

4. **PROPOSED CASING AND CEMENTING PROGRAM:**

**A. Casing Program:**

<u>Hole Size</u>	<u>Casing OD</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Cplg.</u>	<u>Depth</u>
12 1/4"	8 5/8"	24#	J55	8rd	STC	0-300
7 7/8"	4 1/2"	11.6#	J55	8rd	LTC	0-2100

Minimum Casing Design Factors:

Collapse 1.125; Burst 1.0; Tensile Strength 1.8  
(See Schedule #1.)