

DRILLING PROGRAM
SDX Resources Inc.
Berry Federal # 34
1650' FNL, 1650' FEL
Unit G, Sec. 23, T17S, R27E
Eddy Co., NM

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Important Geologic Markers:

7- Rivers	396'
Queen	880'
Grayburg	1310'
San Andres	1660'

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

Water Sand	100' – 150'	Fresh Water
7-Rivers	450	Oil & Gas
Queen	1100'	Oil & Gas
Grayburg	1530'	Oil & Gas
San Andres	2100'	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 4-1/2" or 5-1/2" production casing and circulating cement.

4. Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>OC Csg</u>	<u>Weight Grade Jt Cond Type</u>
12-1/4"	0 – 350	8-5/8"	24#, J55, New
7-7/8"	0 – TD	4-1/2" – 5-1/2"	9.5# - 17#, J55, Used

Cement Program:

8-5/8" Surface Casing:	Cemented to surface with 325 sx of Class C with 2% CaCl and 1/4#/sx Flocele.
------------------------	--

5-1/2" Production Casing:	Cemented with 300 sx of Class C and 400 sx of Lite C with 6# 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 an annular bag type preventer (2000 psi WP). Unit will be hydraulically operated. BOP will be nipped 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.