

DRILLING PROGRAM

Shahara Oil, LLC
Grayburg Jackson WFU Tract FG No. 2
332' FNL & 1666' FWL, Unit C
Section 34, T17S, R30E
Eddy County, New Mexico
Lease No. NM-0467934

In connection with Form 3160-3, Application for Permit to Drill subject well, Shahara Oil, LLC. submits the following items of pertinent information in accordance with BLM requirements:

1. Geologic Name of Surface Formation: Permian
2. Estimated Tops of Important Geologic Markers

<u>Formation</u>	<u>Depth</u>
Top of Salt	455'
Base of Salt	1110'
Queen	2308'
Grayburg	2633'
San Andres	3140'
Total Depth	3330'

3. Estimated Depths of Fresh Water, Oil and Gas:

There is little if any fresh water in this area. Oil is expected in the Queen, Grayburg and San Andres below 2300'. No other formations are expected to give up oil, gas or fresh water in measurable quantities. Any surface fresh water sands have been protected by setting 7" casing at 2722'. 4 1/2" casing will be set at TD and cemented to surface.

The pore pressure gradient is normal (+3.4 ppg). No abnormal pressures are anticipated.

4. Existing Casing and Cement Program

<u>Casing</u>				
<u>Hole Size</u>	<u>From</u>	<u>To</u>	<u>Casing OD</u>	<u>Weight, Grade</u>
12 1/4"	0'	625'	8 5/8"	24# J-55
7 7/8"	0'	2737'	7"	20# & 23# J-55

Proposed Casing and Cement Program

4 1/2" Production Casing Set at TD

Cement with 600 sx of Class C with additives. Will circulate to surface.