

| | <u>Well #18</u> | <u>Well #19</u> | <u>Well #20</u> | <u>Well #21</u> |
|-----------|-----------------|-----------------|-----------------|-----------------|
| Oil & Gas | *2850-60 | 2850-60 | 2850-60 | 2895-2900 |
| | 2885-90 | 2885-90 | 2885-90 | 2905-2910 |
| | 2950-60 | 2950-60 | 2950-60 | 2940-55 |
| | 2975-85 | 2975-85 | 2975-85 | 3045-60 |
| | 3320-25 | 3320-25 | 3320-25 | 3190-3200 |
| | 3335-50 | 3335-50 | 3335-50 | 3390-3405 |

*Oil and gas bearing zones will be confined by cementing. Productive intervals will be perforated through casing and produced in a conventional manner.

(3) Blowout Preventer Specification:

3000 psi Double Ram Unit with hydraulic closing equipment. The preventer will be tested before drilling out below surface pipe setting depth. The exact description of the preventer and related equipment depends upon the successful drilling contractor, who has not yet been selected. (See schematic Exhibit "D"). No high pressure hydrocarbon zones are anticipated.

(4) (a) Supplementary drilling equipment information: Not available at this time:

(b) Proposed casing program:

1. Surface casing will consist of 8-5/8" OD 24# K 8rd ST&C R3 new pipe and will be run with notched Texas Pattern shoe on bottom, insert float valve in first collar, 2 centralizers around shoe joint and first collar. Bottom three joints will be collar tacked and thread locked. Setting depth will be + 400', depending on where suitable casing seat in Rustler Anhydrite is found. Cement will be circulated to surface. Cement slurry volume will be 100% excess of calculated annular volume between 8-5/8" casing and 12-1/4" hole. If circulation of cement is not achieved due to lost circulation zones, annular space will be cemented from the surface as per BLM stipulations. Twelve hours waiting on cement time will be allowed. Casing and seat will be tested to 500 psi before drilling out.

(2) Production string: Production casing will consist of 5-1/2" OD 15.5# K 8rd R3 new inspected pipe being run to total depth with float shoe, float collar in first collar, centralizers throughout pay zones, and cemented with sufficient volume (+ 500 sacks) to bring cement back to base of salt. If water flow is encountered, we will cement TD to water flow with + 200 sk. Cl H, 6# salt/sk., open stage tool at water flow and cement above water flow to base of salt with + 400 sk. Cl H, 6# salt/sk and 100 sk. Cl C, 4% CaCl; will balance water flow with cement hydrostatic to enable second stage to set. Casing will be shut in after 24 hrs. to determine annular integrity. If successful, cement waterflow through stage tool with + 200 sk. Cl H, 6% gel, and + 200 sk. Cl H, 2% CaCl, and close stage tool. If second stage is not successful, we will repeat until it is. A cement bond log will be run before completion and after drill out. The production string will be tested to 2000 psi before perforating.

(5) Type and characteristics of mud program: native mud, (red beds and shale) will be used to TD. After drilling surface hole with fresh water, salinity of water will rise throughout rest of hole. If no water flows are encountered, we will mud up lightly to drill the various pays. If waterflow(s) are encountered, no control will be used until TD is reached, at which time we will sweep the hole with 50 viscosity gelled salt water.