Atalaya Federal No. 3

6. Tops of Important Geological Markers;

T. Salt	460'	7 Rivers	2300'	Premier	3170'
B. Salt	1350'	Queen	2510'	San Andres	3330'
Tansill	1350'	Grayburg	2880'	Lovington	3540'
Yates	1580'	Loco Hills	2965'		

7. Estimated Depth of Anticipated Water, Oil or Gas:

8. Casing Program:

8-5/8" 24 # K-55 or J-55 4-1/2 10.5 # K 55 or J 55 New

9. <u>Setting Depth of Casing and Cement</u>: The surface casing will be cemented to the surface. The top of the cement behind the production casing will be based on the depth of prospective pay zones as well as the location of any water flows.

8 5/8" 400' approx. 380 sx cement 5 ½" 4000' approx. 800 sx cement

10. Specifications for Pressure Control Equipment: (see attached diagram)

This rig will have a series 900 BOP with 4 ¹/₂" pipe rams and blind rams, kill line, choke manifold, Koomey hydraulic controls, and accumulator with remote controls. When nippling up, will test BOP and choke to 1000 psi, will operate BOP once a day or as directed by the company representative.

11. Mud Program:

Spud and drill with fresh water to a depth of approx. 400'. Drill out from under surface casing with 10# brine water mud to within 50' of T D while maintaining a Ph of 10. At this point paper & gel will be used to clean hole prior to running electric logs.

- 12. Testing, Logging & Coring Program:
 - a. Testing: two drill stem tests may be conducted from 3,200' to TD.
 - b. Coring: no coring is planned.
 - c. Logging: open hole logs will be run prior to running production casing.
- 13. Potential Hazards:

None.

14. Anticipated starting date & duration:

Plans are to begin drilling operations about March 15, 2000; approximately six days will be required to drill the well and ten days to complete.

15. Other Facets:

None.