

Auxiliary Well Control and Monitoring Equipment

- A. A kelly cock will be in the drill string at all times.
- B. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.

7. Logging, Testing and Coring Program

- A. No drillstem tests are planned.
- B. The open hole electrical logging program will be:
 - 1. DLL/MSFL/GR (TD to 2000')
Note: GR will be pulled to Ground Level
 - 2. DEN/NEU/CAL (TD to 2000')
Note: Neutron log will be pulled to Ground Level
- C. No coring program is planned.
- D. No additional testing will be initiated subsequent to setting the 5-1/2" production casing.

9. Abnormal Pressures, Temperatures and Potential Hazards

No abnormal pressures or temperatures are expected. The anticipated bottom hole temperature at total depth is 100 degrees and maximum bottom pressure is 2100 psia. No major lost circulation intervals have been encountered in adjacent wells. Small quantities of hydrogen sulfide gas are associated with the Queen, Grayburg and San Andres formations in this area. A hydrogen sulfide plan is attached.

10. Anticipated Starting Date and Duration of Operations

A cultural resources examination has been submitted by Geo-Marine, Inc. to the BLM office in Carlsbad, New Mexico.

Road and location preparation will not be undertaken until approval has been received from the BLM. The anticipated spud date for this well is approximately August 1, 2001. The drilling operation should require approximately 10 days. If the well is deemed productive, completion operations will require, at minimum, an additional 20 days for completion and testing.