

This data sheet is provided in reference to the attached "Application for Permit to Drill": Anadarko's Ballard Grayburg San Andres Unit Tract No. 3, Well No. 2

1. Location: 1709' FNL & 2234' FEL Sec. 7, T18S, R29E, Eddy County, New Mexico

2. Elevation: 3599.5' GL

3. Geological Name of Surface Formation: Triassic Doakum (Santa Rosa)

4. Type of Drilling Tools to be utilized: Rotary Tools

5. Proposed Drilling Depth: 2735'

6. Tops of Important Geological Markers:

T. Salt - - 330'	7-Rivers - -1270'
B. Salt - - 900'	Queen - - -1970'
Tansill - - 925'	Grayburg - -2320'
Yates - - - 970'	San Andres -2660'

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

Oil: 2450' - 2660'

8. Casing Program:

8-5/8" - 24.0#K-55 or J-55 - New

5-1/2" - 15.5#K-55 or J-55 - New

9. Setting Depth of Casing:

8-5/8" - 350' - approx 250 sx cement

5-1/2" - 2735' - approx 500 sx cement

10. Specifications for Pressure Control Equipment: (See attached Schematic)

Warton Rig #8 is equipped with a 10", Series 900 Double Ram Hydraulic Blowout Preventor with kill line, choke manifold and remote controls. When nipping up, test BOP & Choke to 1000 psi. Operate BOP equipment once a day, or as directed by Company Representative.

11. Mud Program:

Spud and drill with fresh water Native Mud to a depth of approx 350'. Drill out from under surface casing with 10# Brine water 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 tripping out of hole if O H logs are to be run.

12. Testing, Logging & Coring Program:

a. Testing: No drill stem tests will be conducted.

b. Coring: No coring is planned.

c. Logging: Cased hole logs are planned, but there is a possibliliy O H Logs will be run prior to setting 5½' casing.

13. Potential Hazards:

None are expected. Above described BOP should take care of any blowout. Numerous wells have been drilled in this area without problems.

14. Anticipated Starting Date & Duration:

Plans are to begin drilling operations about 9-15-82. Approximately 6 days are required to drill the well and 2 weeks for completion.

15. Other Facets:

None.