

**MYCO INDUSTRIES, INC.**  
 East Turkey Track Federal Com. #3  
 1732' FSL and 1980' FEL  
 Section 26-T18S-R29E  
 Eddy County, New Mexico

1. The estimated tops of geologic markers are as follows:

Salt	473'	Atoka	11569'
Base of Salt	996'	Morrow Clastics	11162'
Yates	1158'	Lower Morrow	11328'
San Andres	3028'	Austin Cycle	11437'
Bone Spring Lime	3818'	Chester	11718'
First Bone Spring Sand	6974'	TD	11800'
Wolfcamp	9187'		
Upper Penn Lime	10827'		
Strawn	11306'		

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 3600'- 3800'  
 Oil or Gas: 11,567'; 11162'; 11328'

3. Pressure Control Equipment: BOPE will be installed on the 13 3/8" casing and rated for 5000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

- A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

- A. Casing Program: (All New)

Hole Size	Casing Size	Wt./Ft	Grade	Thread	Coupling	Interval	Length
17 1/2"	13 3/8"	48.0#	H-40	8R	ST&C	0-450'	450'
12 1/4"	8 5/8"	32.0#	J-55	8R	LT&C	0-3200'	3200'
7 7/8"	5 1/2"	17.0#	L-80	8R	LT&C		
7 7/8"	5 1/2"	17.0#	N-80	8R	LT&C		
7 7/8"	5 1/2"	20.0#	K-55	8R	LT&C	0-11800'	11800'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.8

CHANGE TO:

5 1/2" 17# N-80 LT+C 0-10,800'  
 5 1/2" 17# S-95 LT+C 10,800'-11,800'

PER NELSON MUNCY 5/13/92 LB