

DRILLING PROGRAM
SDX Resources Inc.
Malibu Federal # 3
330' FSL, 1797' FEL
Unit O, Sec. 5, T18S, R27E
Eddy Co., NM

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Important Geologic Markers:

Queen	540'	Glorietta	2700'
Grayburg	990'	Yeso	2810'
San Andres	1200'		

3. Estimated Depth of Anticipated Fresh Water, Oil or Gas:

Water Sand 100' & 750' Fresh Water

San Andres 1500' Oil & Gas

4. Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>OC Csg</u>	<u>Weight Grade Jt Cond Type</u>
12-1/4"	0- 1150'	8-5/8	24#, J-55 New
7-7/8"	0 - 3500	5-1/2"	14#, J-55 New

Cement Program:

8-5/8" Surface casing

Cemented to surface with 200 sxs. "C" w/2% CACI and ¼#/sx flocele tail and 375 sxs. 35/65 POZ "C" with 6% gel (12.8 PPG slurry) with ¼#/sx flocele lead. Run 4 cenralizers.

5-1/2" Production Casing:

Cemented to surface with 600 sxs. "C".

5. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of an annular bag type preventer (2000 psi WP). Unit will be hydraulically operated. BOP will be nipped up on the 8-5/8" csg and used continuously until TD is reached. BOP and accessory equipment will be tested to 1000 psi before drilling out of surface casing. A 2" kill line and a 2" choke line will be included in the drilling spool. Other accessories to the BOP equipment will include a kelly cock.