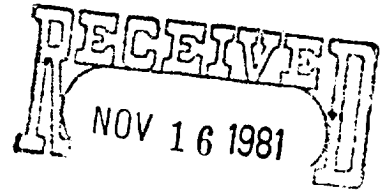


PANOS FEDERAL COM #1  
1980' FNL and 660' FEL of Section 1, T19S, R23E  
Federal Lease No. NM-14747, Eddy County, New Mexico

1. The geologic name of the surface formation: Recent
2. The estimated tops of important geologic markers:

San Andres	295'
Yeso	1690'
Tubb	3035'
Abo	3650'
Wolfcamp	4760'
Cisco	7040'
Canyon	7200'
Strawn	7650'
Morrow	8120'
Chester	8400'



OIL & GAS  
U.S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

3. The estimated depths at which anticipated water, oil, gas, or other mineral bearing formations are expected to occur:

Water -	60'-150'
Oil - Tubb	3035'
Abo	3650'
Wolfcamp	4760'
Gas - Morrow	8120'
Chester	8400'

4. Proposed Casing Program

<u>String</u>	<u>Size</u>	<u>Weight / Grade</u>	<u>Condition</u>	<u>Depth Interval</u>
Surface	13-3/8"	54.5#/K-55	New or used	0- 300'
Intermediate	8-5/8"	32#/K-55	New or used	0-1750'
Production	5-1/2"	14#,15.5#,17#/K-55	New or used	0-8700'

5. Minimum specifications for pressure control equipment.

- a. Wellhead Equipment - Flanged type 3000 psi WP for 13-3/8"x8-5/8"x5-1/2" casing program and 2-7/8" tubing.
- b. Blowout Preventers - Refer to attached drawings and lists of equipment titled "Type V", "Type VI" and "Type II-C" for description of BOP stacks and choke manifold.
- c. BOP control unit - Unit will be hydraulically operated and have at least 2 control stations.
- d. Testing - When installed on 8-5/8" Intermediate casing the "Type II-C" BOP stack will be tested to a low pressure (200-300 psi) and to 1500 psi. Casing rams will be tested in like manner. An operational test of the blowout preventers will be performed on each round trip (but not more than once each day); the annular and pipe ram preventers will be closed on drill pipe, and the blind rams will be closed while pipe is out of the hole.