

ANTICIPATED WATER, OIL, GAS AND MINERAL
BEARING FORMATIONS

Lease: "DD" Federal "25" Well No: 2
Location: 1855' FNL, 1980' FEL, Sec. 25, T-19-S, R-24-E
County: Eddy State: New Mexico Elevation: GR-3626'
Proposed TD: 8000'

Formation Tops

<u>Depth</u>	<u>Formation</u>	<u>Oil</u>	<u>Gas</u>	<u>Water</u>	<u>Lithology</u>
0-540'	Queen, Seven Rv.				Sand, Dolo.
540'	San Andres				Dolomite
2015'	Glorieta				Dolomite
2250'	Yeso				Dolomite
4332'	Abo				Dolomite
4424'	Abo Reef				Dolomite
5380'	Wolfcamp	X			Limestone
7550'	Canyon	X			Limest., Dolo.

Geologic Description

The surface geology of this area consists of a thin veil of Quaternary age alluvium with outcrops of Permian Queen-Seven Rivers. Vegetation consists mainly of scrub oak, mesquite and range grasses.

There is no salt section in this area.

No drill stem tests will be conducted. No cores will be taken.

No abnormal pressures or temperatures are anticipated to be encountered in this well. H₂S is present in the Canyon Pay. GR-CAL-CNL-LDT, GR-CAL-DLL-MSFL and GR-BHC-LS-SONIC surveys will be run.

Mud Program

<u>Depth</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>
0'-1300'	Fresh Water	8.4	28
1300'-8000'	Cut Brine	8.4-9.0	29
@ TD if hole conditions dictate	Gel/Drispac	9.0	32-34

Blowout preventer will be installed after surface casing is set. BOP will be tested each time it is installed on a casing string and operated at least once each 24-hour period during drilling.