

ANTICIPATED WATER, OIL, GAS AND MINERAL  
BEARING FORMATIONS

Lease: "DD" -24- Federal Well No: 3  
Location: 660' FSL, 1650' FEL, Sec. 24, T-19-S, R-24-E  
County: Eddy State: New Mexico Elevation: GR-3588'  
Proposed TD: 8000'

Formation Tops

<u>Depth</u>	<u>Formation</u>	<u>Oil</u>	<u>Gas</u>	<u>Water</u>	<u>Lithology</u>
0-497'	Queen, Seven Rv.				Sand, Dolo.
497'	San Andres				Dolomite
1952'	Glorieta				Dolomite
4072'	Abo				Dolomite
5322'	Wolfcamp				Limestone
7507'	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. H<sub>2</sub>S is present in the Canyon Pay. H<sub>2</sub>S RADIUS OF EXPOSURE: 100ppm = 423', 500ppm = 194', based on 11000ppm H<sub>2</sub>S and 900 MCF (see attached H<sub>2</sub>S Drilling Operations Plan. H<sub>2</sub>S equipment to be operational prior to drilling out Surface Casing Shoe.) GR-CAL-CNL-LDT, GR-CAL-DLL-MSFL, CBIL and GR-BHC-SONIC surveys will be run.

Centralizer Program

Surface Casing: Centralize bottom three joints and every 4th joint to surface.

Production Casing: Centralize every other joint across bottom 600' and above and below DV Tool.