

SUPPLEMENTAL DRILLING DATA

SPENCE ENERGY COMPANY
No.3 Unocal Federal 23
SESW Sec.23-19S-30E
Eddy County, New Mexico
Federal Lease NM-4350

The following items supplement Form 3160-3 in accordance with instructions contained in Onshore Oil and Gas Order No.1:

1. SURFACE FORMATION: Recent

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Rustler	230'	Yates	1700'
Salt	500'	Seven Rivers	1925'
Base Salt	1500'		

3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

Water - Possible groundwater from 0' to 325'

Oil - 1700' to TD

Gas - Entrained Gas from 1700' to TD

4. PROPOSED CASING PROGRAM:

- 13-3/8" Casing - Set 500' of 48#, H-40, ST&C Surface Casing. Circulate cement to the surface. Pressure tested to 600 psi, before and after drilling the plug.
- 8-5/8" Casing - Set 1410' of 28#, H-40, ST&C Salt Protection Casing. Circulate cement to the surface. Pressure tested to 1000 psi, before and after drilling the plug.
- 5-1/2" Casing - Set 2000' of 17#, K-55 production casing. Pressure tested to 1000 psi. Cemented to tie back 200' into 8-5/8".

5. PRESSURE CONTROL EQUIPMENT: Install a 3M, Series 900, Type "LWP" Shaffer Double-ram Hydraulic BOP on the 8-5/8" Intermediate casing prior to drilling out cement. EXHIBIT D is a diagrammatic sketch of the BOP equipment.